

# METHUEN, MA

## Chief Administrative and Financial Officer

### Position Profile



### Summary

The City of Methuen, MA seeks to fill the newly-created position of Chief Administrative and Financial Officer (CAFO). The CAFO will be responsible for coordinating, administering, and supervising all business and financial services and activities in all departments, including the school department, boards, commissions, agencies, offices, or other units of city government. The CAFO will also be responsible for implementing sound financial policies. The individual that fills the position is responsible for ensuring that the City engages in sound financial planning that demonstrates a commitment to transparency and compliance with city statutes, ordinances, and rules and guidelines issued by the Massachusetts Department of Revenue, the Government Accounting Standards Board and other relevant agencies.

### The Community

Methuen is a city of approximately 51,000 residents located in Essex County, 27 miles northwest of Boston. Bordered by Salem, New Hampshire and Dracut, Andover, Lawrence, and Haverhill, Massachusetts, the City covers a land area of 22.4 square miles.

The City benefits from its central location and convenient transportation access. Interstate Routes 93 and 495 run through Methuen and the two interstates are connected in Methuen by a limited access highway, Route 213. Methuen is also served by a number of public transportation carriers, connecting it to Boston as well as communities within the region. The City is within easy commuting distance of both Boston's Logan International Airport and the Manchester-Boston Regional Airport.

Methuen was settled in 1642 and incorporated as a Town in 1726 after dividing from Haverhill and became a City in 1978.

Methuen's primary development occurred in the 19<sup>th</sup> century as an industrial community with the building of a cotton mill at the Spicket River falls in the 1820s and then additional factories along the river producing hats and shoes. This economic activity centralized development of the time in what is now the City center. Three wealthy and prominent families, the Nevins, the Tenneys and the Searles, had a significant role in the development of Methuen, and a number of the City's landmarks are tied back to them.

Today, Methuen is a suburban community with residential properties representing nearly 85% of total valuation within the City, and it continues to be an attractive community for new residents and residential development growth. The City saw a 7.9% growth in population between 2000 and 2010, and will likely see similar results in the current decade with a number of new projects underway. The growth is a result of the City's convenient location, newer elementary schools, a new \$100 million high school, access to employment, abundant parks, and the overall quality of life.

The City has a mix of neighborhoods that reflect its history and diversity. Urban neighborhoods transition to various forms of larger-lot suburban development, which transition to areas of the City that could be considered rural. Throughout the City are examples of architectural significance and natural open space.

While primarily residential, Methuen is an attractive location for business and industry with more than 1,000 establishments operating with a Methuen address. The City's central location and access to major transportation networks, a competitive commercial tax rate, a supportive approach to well-planned development, a skilled workforce, and a high quality of life for work and leisure combine to create a positive environment for economic development. Since 2010, Methuen has been host to \$275 million in private commercial investment and benefited from the creation or retention of hundreds of jobs.

Methuen is home to Holy Family Hospital, a major medical care facility in the region and the City's largest employer. Holy Family recently completed a major addition as well as the construction of a new medical office building.

In retail, Methuen has five major shopping centers. Most notable is The Loop, a \$91 million dollar entertainment and retail complex that opened in 2000 and was recognized nationally for its success as a "lifestyle" plaza. The project created several hundred full and part-time jobs and is a positive amenity for the City and its residents.

The City has also focused efforts on the downtown area through mixed used developments and improved pedestrian access. A master plan for the area proposes the development of several hundred new housing units and 100,000 square feet of commercial space.

According to the 2010 U.S. Census, the median annual family income in Methuen is \$80,739, which is slightly lower than the state median of \$81,165. The Town's average age of 39.3 is just above the state average of 39.1.

The City's municipal [website](#) provides additional information about the City and its local government.

## City Government

The City of Methuen is a full-service community with its own K-12 school district, full-time fire and police, library, senior services, parks and recreation, and public works that include maintenance of 214 miles of public roads, solid waste services, public water, and sewage collection. The City is also a member community of the Greater Lawrence Regional Technical High School, the Merrimack Valley Regional Transit Authority, the Merrimack Valley Regional Planning Commission, and the Greater Lawrence Sanitary District.

Methuen's government structure was established through a [Home Rule Charter](#) as a City form of government. There is a nine member legislative body known as the City Council with three members elected at large and six elected by district, for two-year terms. The Council is the appropriating body of the City and responsible for major budgetary and administrative decisions, and the passage of all ordinances governing the City. The City Council appoints a City Accountant, City Solicitor and a Clerk of the Council.

Executive authority is vested in an elected Mayor who supervises and directs all City agencies, unless otherwise provided by Charter or law. The Mayor is responsible for appointment of department heads and various boards and commissions, subject to approval by the City Council. The Mayor is also responsible for the negotiation of collective bargaining agreements and the awarding of contracts, subject to approval by the City Council. The Mayor is responsible for the preparation of the City budget, which is submitted to the City Council for approval.

The City also has a seven member School Committee with six members elected at large and the Mayor serving as Chair with full power to vote. The School Committee exercises control and management of the public schools of the City. Included within the powers of the Committee is the authority to hire a School Superintendent.

All elected positions within the City have a limit of three two-year terms.

## City Finances

In FY19 the City's operating budget is approximately \$167 million, which is approximately 5% greater than FY18, and there is currently a Stabilization Fund of approximately \$2.1 million. However, the City's financial position declined in FY18 with an operating deficit of \$3.8 million, following a similar albeit smaller deficit in FY17 that was able to be closed through the FY18 budget. The City was forced to obtain state approval for the issuance of \$4 million in deficit financing notes to fund the FY18 shortfall.

Since 2014 the City has drawn down its unused tax levy capacity to fund increased costs of operation. With that funding source now being utilized, and a reduced general fund balance, the City has little in the way of fiscal flexibility.

The FY18 deficit was caused by education costs that were not funded, or properly managed by budgetary adjustments, with the City becoming aware of the shortfall during the last month of the fiscal year.

A further financial strain is a police superior officers union contract that was approved without a full analysis of the salary spikes that could result in salaries in excess of \$400,000 per captain.

Methuen's solid local economy and tax base have been cited by Moody's and Standard and Poor's as a credit strength, however; both rating agencies have downgraded the City's bond rating. Moody's has moved the City to A3 from A2 with a negative outlook, and S&P has downgraded the City to A from AA- with a stable outlook. The rating agencies noted the two years of budget deficits, the potential impact of the police contract and weak financial management systems in making their rating decisions.

Issues raised by the rating agencies:

- Poor budget projection, monitoring and reporting tools.
- The absence of long term or capital plans.
- Large OPEB and Pension liabilities without a plan to address the issues.
- Limited financial policies, and failure to comply with the current reserve policy.

In approving the City's request for deficit financing, The Commonwealth stipulated a number of state and local control mechanisms to assist the City in restoring fiscal stability:

- the appointment of a fiscal stability officer to advise the City and make recommendations to the state for greater oversight if deemed necessary.
- preparation of a 5-Year Capital Plan, and 4-Year Fiscal forecast,
- a review of the School Department's FY18 and FY19 budgets and spending,
- and, the creation of a Department of Administration and Finance under a Chief Administrative and Financial Officer, (CAFO)

## Position Responsibilities

The Chief Administrative and Financial Officer (CAFO), directs and controls the Administration and Finance Department of the City and reports to and is under the charge and direction of the Mayor. The powers and duties of the CAFO include the following:

- coordinating, administering and supervising all financial services and activities;
- assisting in all matters related to municipal financial affairs;
- implementing and maintaining uniform systems, controls and procedures for all financial activities in all departments, including the school department, boards, commissions, agencies, offices or other units of City government the operations of which have a financial impact upon the general fund and enterprise funds of the City, and including, but not limited to, maintaining all financial and accounting data and records;
- implementing and maintaining uniform financial data processing capabilities for all departments, boards, commissions, agencies and offices;
- supervising all financial data processing activities;
- implementing and maintaining uniform budget guidelines and procedures, including schedule and form, within all departments, boards, commissions, agencies, offices and other units of City government;

- assisting in the development and preparation of all department, board, commission, agency and office budgets and spending plans;
- reviewing all proposed contracts to which the City is party and obligations with a term in excess of 1 year;
- monitoring the expenditure of all City funds, including periodic reporting by and to appropriate agencies of the status of accounts; and
- reviewing the spending plan for each department, board, commission, agency and office.

The CAFO is specifically required to review and make recommendation on budget requests and budget transfers before submission to the Mayor, City Council or School Committee. Similarly, the CAFO is required to review and provide an opinion on all matters that require a financial obligation of the City for a period exceeding one year that financial resources will be adequate to support the obligation without negatively impacting fiscal stability and/or existing service levels. Such obligations would include leases, contracts, collective bargaining agreements and borrowings.

The CAFO is expected to annually submit to the Mayor and City Council a four-year financial forecast of revenues and expenditures, and a five-year capital plan that identify all the capital needs of the City.

The board of assessors, treasurer-collector, budget director, auditor, director of information technology, purchasing agent, director of human resources, labor relations director and employees performing similar duties but with different titles shall report to and be under the direction of the CAFO. The CAFO shall appoint all such officers and employees, with the approval of the Mayor and the City Council. The Mayor may also place other positions and departments under the direction of the CAFO.

## Position Priorities

Methuen's weakened financial condition and deficient financial management as described in the prior section of this Position Profile highlight the priority of restoring fiscal stability and to begin implementing improvements in financial management and operations. The state Division of Local Services has been requested by the City to conduct a comprehensive assessment of its financial management systems and operations through its Financial Management Review (FMR) program. The FMR is currently underway and is to be completed by early spring of 2019 prior to the appointment of the CAFO. The report that results from this review may serve as a blueprint for instituting new systems and practices to improve overall financial operations and administration. The CAFO will be charged with implementing the recommendations.

Specific projects related to these priorities and that reflect the perspective of the Mayor, the City Council, and the Massachusetts Department of Revenue, which will be assigned to the CAFO, are identified below:

- **Financial Policies:** It is expected that the DLS report will recommend the establishment or update of financial policies that will guide the City in its financial management and operations. Such policies might include reserve levels, investment, debt management, OPEB, anti-fraud, indirect cost allocation, among others. The CAFO will be responsible for developing policies for approval and insuring compliance.
- **Long Term Financial Planning:** The bond rating agencies, and the preliminary review by the state have noted that the City is lacking in any type of multi-year financial plan that could be used to improve decision making and operational strategies with regard to capital investments, service delivery levels, unfunded liabilities and collective bargaining. The state Division of Local Services is working with the City to prepare a four-year financial forecast and associated forecast model that could form the basis of an annual update to be used by the City administration and City Council in making decisions that affect city resources.

The CAFO will be expected to participate in the completion of this forecast and then utilize the model in order to maintain the forecast for subsequent years.

- **Capital Budgets:** It has also been noted that the City does not have a comprehensive compilation of anticipated and proposed capital projects, or a related plan to implement such projects. The absence of such a plan impacts the City's ability to adequately address its infrastructure, facility and capital needs, or to properly plan for the financial impact of implementation. The City has contracted with the UMass Boston Collins Center to prepare a five-year Capital Plan to address this deficiency. The CAFO will be expected to participate in the completion of this Plan, manage its execution and its ongoing update.
- **Information Technology Improvements:** The City's technology is outdated and in need of replacement and/or upgrade, and standardization among city departments. In particular, there are deficiencies in the financial management software that inhibit budget preparation, projection and monitoring. A comprehensive plan is needed to address the deficiencies through the possible procurement of a new system. The CAFO will be charged with assessing the City's IT needs and overseeing the development of a plan to address identified deficiencies, and any subsequent implementation including procurement, organizational structure, and staffing of a new IT agency within the Department of Administration and Finance.
- **Human Resource Management:** The City has identified weaknesses in the human resource function, and contracted with Human Resources, Inc. to conduct an assessment of HR functions, practices, responsibilities, and compliance needs. The report made a number of recommendations relative to organization, staffing, and functional improvements. The CAFO will be assigned the responsibility of implementing these recommendations including the manner in which a consolidated HR function operates within the new Department of Administration and Finance.

- **Financial Management Team:** The Department of Administration and Finance is a new Department within the City. The CAFO will be tasked with establishing the department in terms of staffing, space allocation, systems and practices relative to intra-departmental communication, reporting responsibilities, work-flow, processes, etc. In addition, the CAFO will be required to build a sense of teamwork among the employees and determine appropriate actions for individual and organizational development.

## The Ideal Candidate

Methuen is seeking a Chief Administrative and Financial Officer (CAFO) who understands, and has experience in, working within municipal government; and possesses expert knowledge of municipal finance management and all related laws and regulations.

The successful candidate must be able to demonstrate knowledge, skills, and prior success in financial management, financial planning, operational improvements and organizational change.

**The successful candidate will recognize and welcome the challenge of being a key part of the revitalization of a great city.**

The CAFO must be a self-motivated organizational leader and problem solver with a strategic long-term perspective, who is persistent, energetic, innovative, accessible, trustworthy, and able to build consensus and work collaboratively with all constituencies within the City, including the Executive Branch, City Council, School Committee, department heads, and staff.

The successful candidate must have the ability to work with a high level of detail, and an ability to prioritize and manage multiple tasks and deal effectively with complex challenges, often under considerable time pressure.

The CAFO must have excellent organizational, planning, decision-making, management and supervisory skills; and an ability to conceptualize and implement the goals and objectives of the Department of Administration and Finance.

The successful candidate should have complete command of, and skill in, using computer applications for accounting and financial management, as well as organizational technology.

The CAFO must possess the ability to administer complex financial management and record-keeping systems, and to analyze and interpret financial data and present findings clearly in multiple forums. Strong communication and presentation skills are essential.

The successful candidate should have ten or more years experience in municipal or executive operations and finance, preferably at the department head level or higher; a bachelor's degree in finance, administration or accounting, though a master's degree is preferred; a thorough knowledge in municipal finance and budget management, professional certifications through organizations like the GFOA or designation as a Certified Public Accountant, or a combination of education and experience.

## Compensation

The City of Methuen will offer a compensation package that is competitive with comparable Massachusetts communities, with an annual salary of \$150,000-\$175,000, depending on qualifications. A comprehensive benefits package is part of the CAFO's total compensation. Methuen residency is not required.

## How To Apply

The position will remain open until filled but interested applicants are asked to provide résumés, in confidence, by 5:00 p.m. on February 15, 2019, via email to:

[Apply@communityparadigm.com](mailto:Apply@communityparadigm.com)

**Subject: Methuen CAFO**

Submit a **single PDF** with cover letter and résumé.

Following the closing date, résumés will be reviewed according to the outlined qualifications. A Screening Committee will interview the most qualified candidates in confidence. Based upon these interviews, a selection of finalists will be chosen for further evaluation and reference checks and then forwarded to the Mayor for selection. The appointment by the Mayor is subject to City Council approval. Finalists will be contacted for references and approval of background reviews before their selection is advanced to the Mayor.

Questions regarding the position should be directed to Bernard Lynch, Principal, Community Paradigm Associates, at: [blynch@communityparadigm.com](mailto:blynch@communityparadigm.com) or 978-621-6733.

The City of Methuen is an AA/EOE employer.