

# LEE, LENOX & STOCKBRIDGE

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IMPLEMENTATION PLAN FOR A SHARED CHIEF ADMINISTRATIVE OFFICER

NOVEMBER 2016



# DLS

DIVISION OF LOCAL SERVICES  
MA DEPARTMENT OF REVENUE

**PREPARED BY:**

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# DLS

DIVISION OF LOCAL SERVICES  
MA DEPARTMENT OF REVENUE

Michael J. Heffernan  
Commissioner of Revenue

Sean R. Cronin  
Senior Deputy Commissioner

November 9, 2016

Lee, Lenox & Stockbridge Administrative Review Committee

Town of Lee  
32 Main Street  
Lee, MA 01238

Town of Lenox  
6 Walker Street  
Lenox, MA 01240

Town of Stockbridge  
50 Main Street  
Stockbridge, MA 01262

Dear Committee Members,

I am pleased to present the enclosed implementation plan for a Shared Chief Administrative Officer among the towns of Lee, Lenox and Stockbridge. It is my hope that the information contained here provides a clear path forward given the broader regional issues of population decline and increased service demands that require communities to work together more efficiently and effectively. I truly believe that if your communities follow the guidance presented here, they will be better positioned for the future.

If you have any questions regarding the report, please contact Zack Blake, Chief of the Division's Technical Assistance Bureau, at 617-626-2358 or at [blakez@dor.state.ma.us](mailto:blakez@dor.state.ma.us).

Sincerely,

Sean R. Cronin  
Senior Deputy Commissioner

cc: Senator Benjamin B. Downing  
Representative William "Smitty" Pignatelli

*Supporting a Commonwealth of Communities*

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## INTRODUCTION

At the request of the Boards of Selectmen for the towns of Lee, Lenox and Stockbridge, a team from the Division of Local Services developed a shared chief administrative officer (CAO) implementation plan. To complete this report, we interviewed and received information from members of the board of selectmen and finance committee, as well as the town administrator or manager and others from each community. We also gathered and examined information from each town, including annual operating budgets, organizational charts, job descriptions, bylaws, locally accepted statutes, various policies, and outside audit reports.

The scope of our review involved examining each town's current government structure in the context of the duties and responsibilities of finance officers, the degree of coordination and communication that exists among local officials, and the budget, capital planning and other processes. We then analyzed the risks or other challenges each community faces and considered the general efficiencies necessary to enhance town operations.

The following report begins by outlining future demographic and financial challenges expected to impact the overall ability of each community to carry out core responsibilities and the need to fundamentally rethink how government is administered in a more efficient and effective manner. We then provide a brief profile of each community in the context of its organizational structure. Finally, we offer a two-part proposal to build a more viable, long-term solution to the existing operations. We strongly encourage the board of selectmen, finance committee, and other local officials from each community to consider the observations, analyses and recommendations contained with this report when formulating overall strategies for developing a path forward.

## OVERVIEW

As noted in the request by the Boards of Selectmen, many contemporary factors, including declining populations, increasing service demands, tighter budgets, and greater professional expertise necessary to adequately avoid risk and manage communities, require local leadership to explore collaborative, cost-sharing solutions.

Fortunately, Lee, Lenox and Stockbridge have a long, pioneering history of shared services, starting with the formation of the Tri-Town Health Department in 1929. Today, Tri-Town Health and other cooperative partnerships continue, including emergency mutual aid, animal control, building inspection, code enforcement, and water and sewer utilities. This shared services trend, particularly among smaller communities in central and western parts of the state, has prompted discussion locally and at the state level about the prospects of generating cost savings and operating more effectively through new municipal administrative models.

It is this innovative thinking and sense of sustainability that prompted Lee, Lenox and Stockbridge to form a representative committee last October, whose sole objective is to explore shared service opportunities as they arise at monthly meetings. This group is driving discussions that examine shared public safety, planning and community development, and equipment use. Prompted by the retirement of the long-time town administrator in Stockbridge and the announced intention of Lee's town administrator to retire sometime in the next year, the committee is seeking new approaches to managing their collective operations.

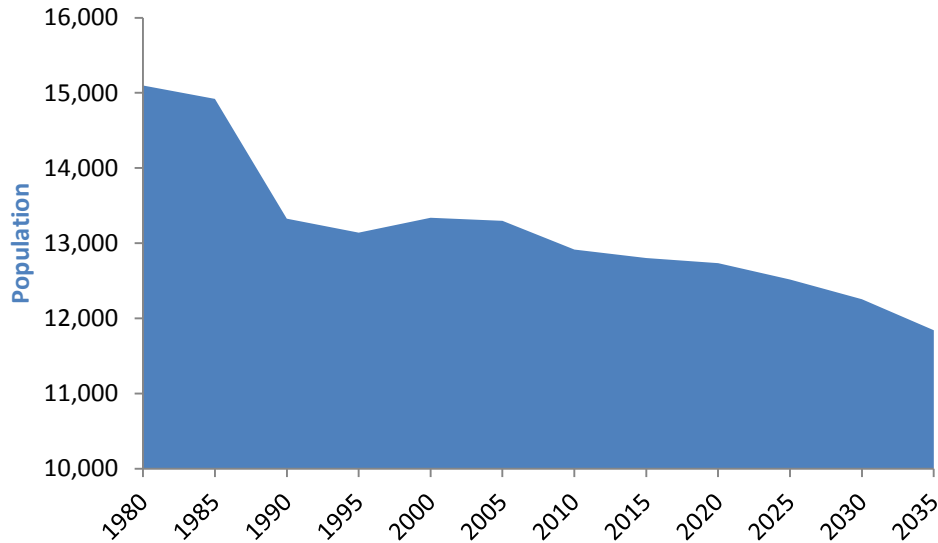
Before exploring what shared service possibilities exist, however, it is important to understand, and to analyze more deeply, the collective decline in population, increased municipal spending, and other factors driving the desire to explore shared services among Lee, Lenox and Stockbridge.

Since 1980, the combined population of Lee, Lenox and Stockbridge dropped by nearly 15 percent, from just over 15,000 to under 13,000 residents. Using widely-accepted assumptions based on this trend, the population is expected to continue its downward trajectory another 8 percent by 2035 to about 11,800 people. While this decline is dramatic in and of itself, the demographic makeup of the population is also expected to undergo an alarming change. Between this year and 2035, the total population under age 19 will drop by almost 25 percent, while the majority working adults (ages 20 to 64 years old) will decline by more than 30 percent. At the same time, the population of those 65 and over will rise by over 60 percent.

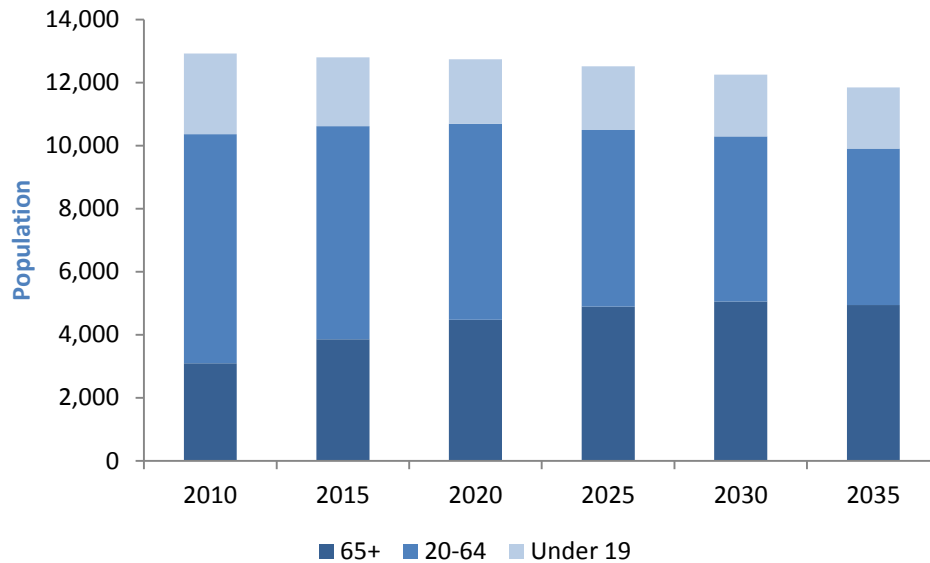
On the following page, we illustrate the overall population decline and demographic shift projected for Lee, Lenox and Stockbridge. We also include a state wide map of projected population trends in the Appendix.



### POPULATION CHANGE 1980 TO 2035



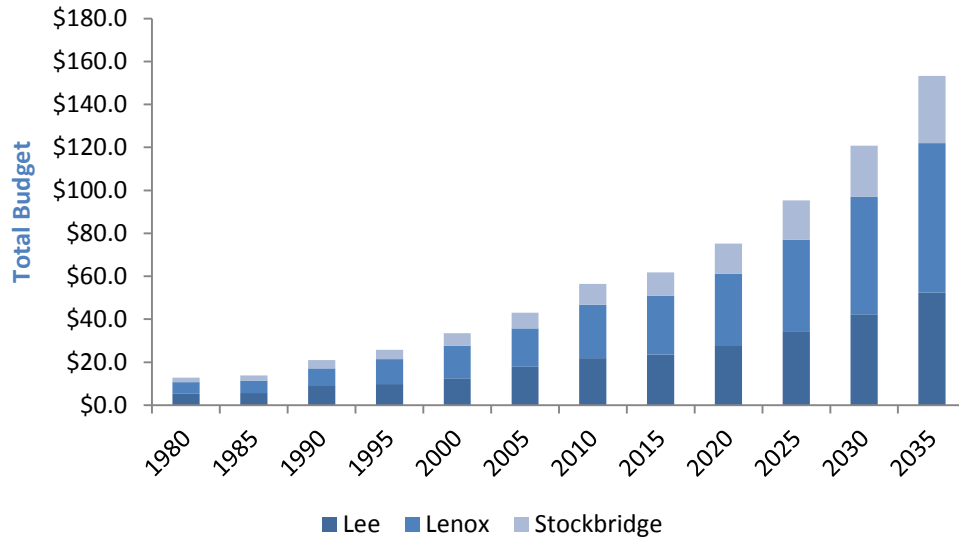
### AGE DISTRIBUTION CHANGE 2010 TO 2035



In contrast with the expected population decline, municipal spending across these three towns is projected to steadily increase over the next 20 years. Between 1980 and 2015, town-wide operating budgets for Lee, Lenox and Stockbridge rose by over 300 percent, from \$12.8 million to \$61.7 million. Going forward, this increase is projected to grow more than 1,000 percent to a combined total operating budget of \$153.2 million by 2035, based on 35 years of historical spending. Although

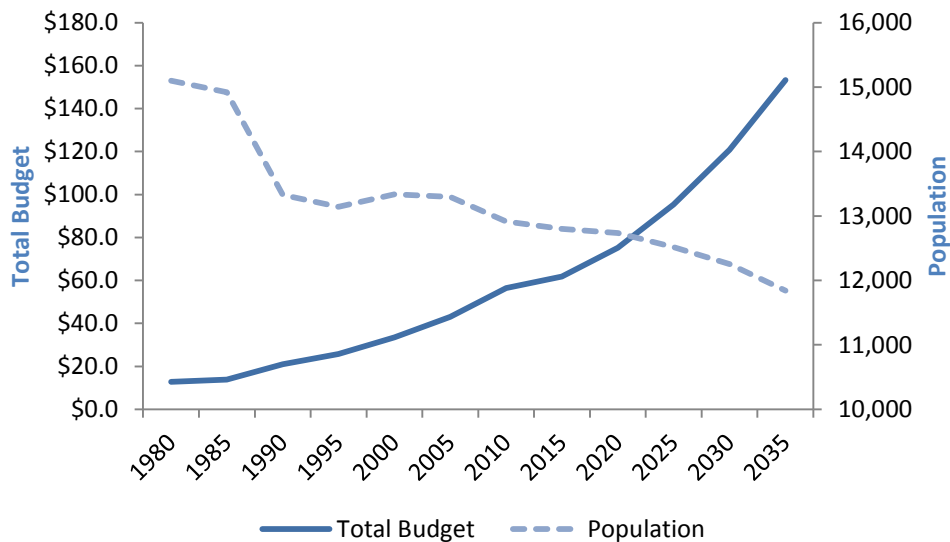
limits imposed by state statute and other factors are likely to cap expenditures over time, it demonstrates the near-future challenges facing these three communities.

**TOTAL BUDGET CHANGE 1980 TO 2035**



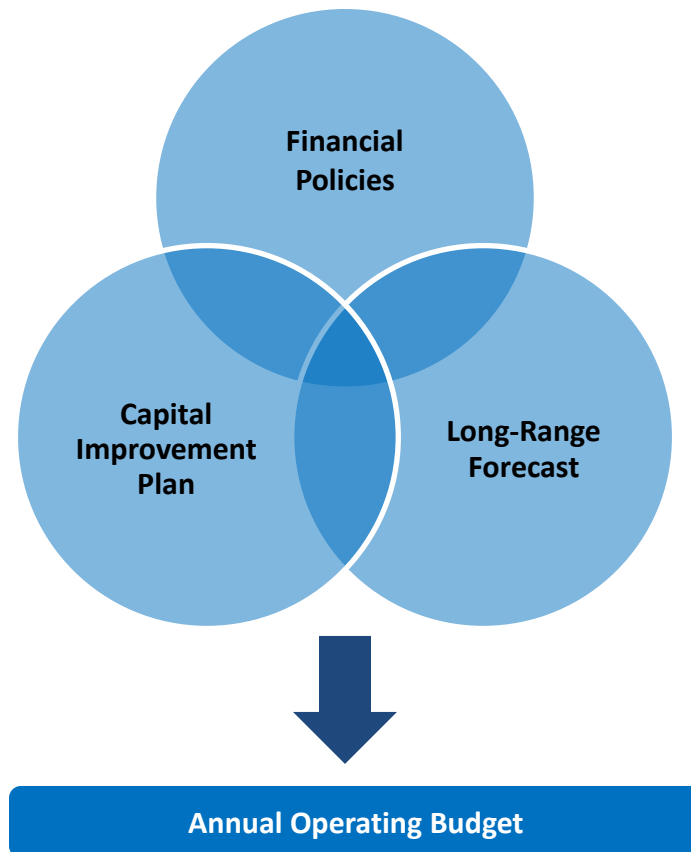
For illustrative purposes, the chart below combines the countervailing population and total operating budget trends impacting these three towns.

**TOTAL BUDGET & POPULATION CHANGE 1980 TO 2035**



For Lee, Lenox and Stockbridge, and others in the region, this dynamic between population and spending presents significant risks and other associated challenges. Foremost is the need for

greater professional expertise necessary to efficiently and effectively manage under this new paradigm. And, while there are numerous best practices areas that need to be taken very seriously, all three towns must focus on developing sound financial policies, long-range forecasts, and capital plans to successfully navigate going forward. As depicted in the diagram below, these three best practices are interconnected, and not only do they drive the budget process, but they also play critical roles in creating an environment of long-term financial sustainability.



Done correctly, a set of prudent financial policies guides the community in terms of its levels of reserve levels, free cash, and debt. A capital improvement plan lays out a financing plan for the many assets within each municipality, including schools, libraries, town halls, streets, water/sewer infrastructure, public safety facilities, senior centers, and parks. A financial forecast helps a municipality assess long-term financial implications of current and proposed policies and acts as a bridge between the operating budget and capital improvement plan by bringing all fiscal and economic variables together to establish coordinated managerial direction. The annual budget document incorporates all of this and serves as not just a financial plan but also as a policy document, an operations guide, and a communication device.

For Lee, Lenox and Stockbridge, managing through a business-as-usual mentality will no longer be optional given the necessity for greater professional expertise to carry out financial and other

administrative responsibilities. Unfortunately, finding such talent is a growing and expensive problem as a wave of seasoned municipal officials, including town administrators, accountants, treasurers, and collectors, is set to retire. Over the next few years, the expected number lost to retirement will only increase. Although the state is working to address this concern, locally, there is a serious need for both succession planning and the building of a next-generation pipeline of talent—a proposition that if handled by each community on its own will only be more expensive. Alternatively, one clear approach is to share services or otherwise collaborate with neighboring communities.

In this context, we put forward a two-part proposal to merge the CAO positions in Lee, Lenox and Stockbridge. In building a viable model, we not only propose continuing the one-on-one relationship and management presence residents have come to expect of their chief administrator but also enhancing the level of expertise and ability of this core leadership position to meet service demands. In doing so, we expect the towns to achieve immediate though modest cost savings, while retaining their individuality.

Because of past successes and a realistic understanding of the need to share services, we feel Lee, Lenox and Stockbridge are well positioned to make this proposed structure successful. More broadly, we also hope this effort produces a blueprint for communities throughout Massachusetts seeking to achieve similar goals.

## COMMUNITY PROFILES

The towns of Lee, Lenox and Stockbridge are located in the south-central heart of the Berkshires. Sharing some contiguous boundaries, they each carry individually rich histories and cultural identities. Collectively, they comprise nearly 13,000 residents over 70 square miles. As with other communities across the state, they each provide an array of core municipal services through its local government operation, including public safety, public works, community and economic development, education, and finance. Over the years, they have also come together to share certain services that might otherwise be provided individually with less effectiveness and at greater costs. Tri-Town Health, for example, serves as a long-standing tribute to the success of working collaboratively to share services among them.

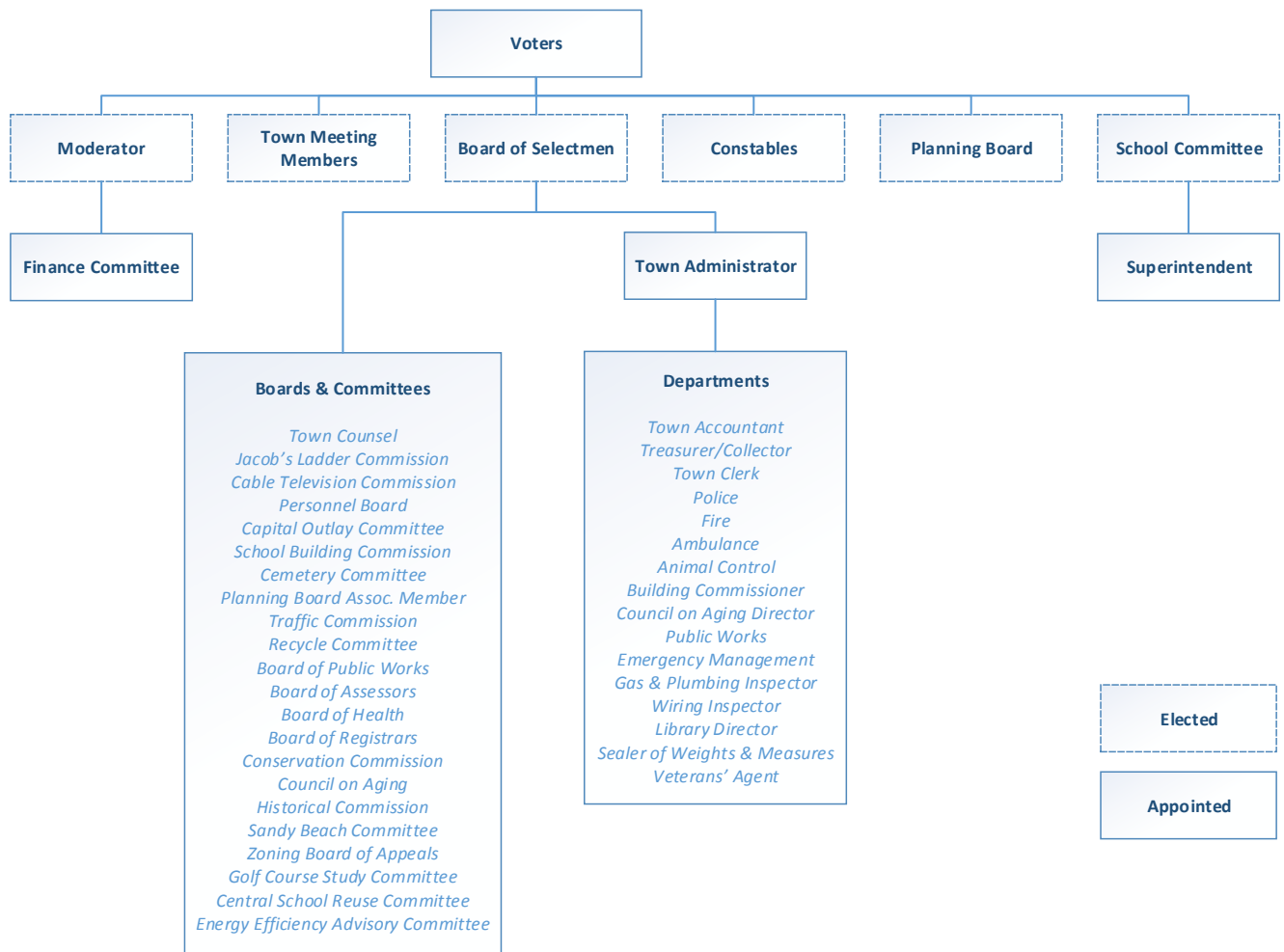
Below, we provide a brief overview of the existing organizational structure within each community. As a quick reference guide, we also include a spreadsheet comparing various community statistics and financial data between Lee, Lenox and Stockbridge, as well as table depicting existing shared services between them.

**Town of Lee:** Located along the banks of the Housatonic River and with a rich industrial heritage, the Town of Lee is the “gateway to the Berkshires” and the largest of the three towns, both in population (5,921) and land area (26.4 mi<sup>2</sup>). It also has a greater proportion of commercial and industrial property, which accounts for 30.3 percent of its property tax base. Among single-family residences in town, approximately 20 percent are second homes, which is the least between the three towns. Lee’s average income (\$26,603) and equalized valuation (\$153,949) per capita, as measures of relative wealth, are below those of Lenox and Stockbridge. Lee’s total operating budget of \$24.2 million sits between the other two communities, while its average single-family tax bill is the lowest. Lee is also the only one of the three not to adopt the Community Preservation Act, which places a three percent surcharge on tax bills in Lenox and Stockbridge to fund historical, open space, affordable housing, and outdoor recreation purposes.

Lee operates under a board of selectmen-representative town meeting form of government. The elected, three-member select board serves as the town’s chief policymaking body, while legislative responsibilities are carried out by the 51-member town meeting, which is elected from among the town’s voting districts. The board of selectmen appoints town counsel, as well as members of all multimember boards, committees, and commissions except those appointed by the moderator, which includes the nine-member finance committee. To manage local government affairs, the selectmen employ a full-time town administrator. The town administrator, by charter (Acts 1990, c. 471), appoints all town department heads and others whose appointments or elections are not otherwise specified as being at the select board’s approval. The school system (student enrollment 680), which welcomes students from Tyringham and other neighboring communities through school

choice and tuition agreements, is overseen by an elected school committee that appoints a superintendent. Depicted in the organizational chart below, Lee’s vertical management structure is not all that dissimilar to Lenox’s.

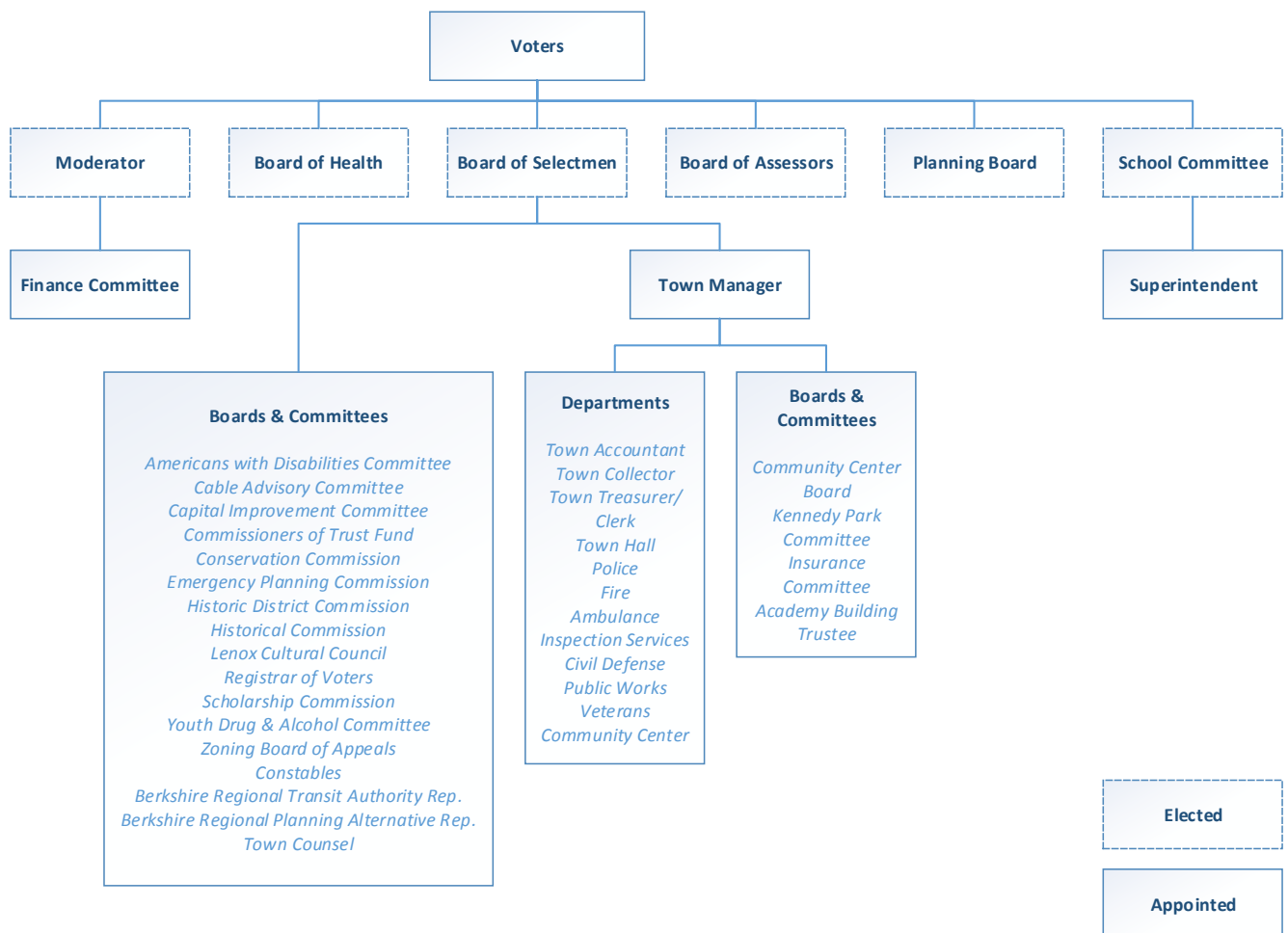
### TOWN OF LEE ORGANIZATIONAL STRUCTURE



**Town of Lenox:** Lenox is a popular tourist destination with a collection of art, shopping, and entertainment options. It is the second largest of the three towns by population (4,983), although it has the least land area (21.2 mi<sup>2</sup>), which makes it denser than Lee and Stockbridge. Resident income is the highest among them at \$38,328, while equalized valuation stands in the middle at \$241,932. There are about 1,600 single-family homes, 36 percent of which are second homes. Commercial and industrial property in town accounts for 23 percent of the tax levy. Lenox is also the only community among the three that shifts a portion of its tax burden onto commercial property through a split tax rate. Lenox has the largest total operating budget among them, at \$27.6 million, and the second highest tax bill behind Stockbridge.

The Town of Lenox functions through a board of selectmen-open town meeting form of government. The five selectmen serve as the town's chief governing body responsible for setting policy, approving all contracts and appointments, and ensuring a well-run government. They employ a town manager who, as the town's CAO, supervises town operations and implements board directives. Similar to Lee, the town manager prepares the annual operating budget for finance committee review and select board approval, and the town manager appoints department heads (subject to board approval), as well as several boards and committees. Lenox's school district (student enrollment 732), like Lee's, is independent and overseen by an elected school committee that appoints a superintendent.

### TOWN OF LENOX ORGANIZATIONAL STRUCTURE

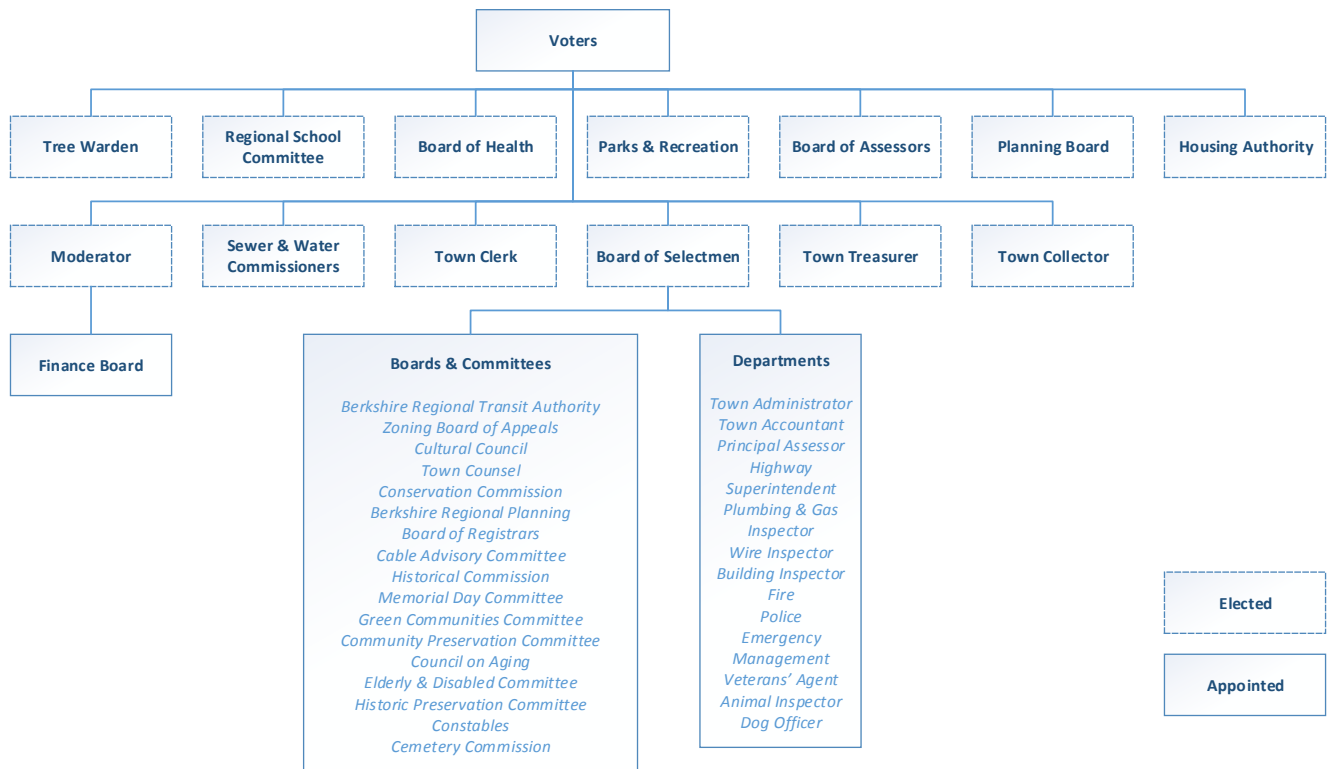


**Town of Stockbridge:** Stockbridge is a quintessential rural New England town, which was made famous by artist and illustrator Normal Rockwell and songs by Arlo Guthrie and James Taylor. It is by far the least densely populated of the three communities, with 1,963 residents spread across 22.9 mi<sup>2</sup>. With the town's commercial and industrial property comprising only about 10 percent of the

total tax base, its residents shoulder the bulk of the tax levy. Also, nearly half of the 1,091 single-family residences in Stockbridge are second homes. This dynamic fuels the town’s comparably high income (\$32,366) and equalized valuation per capita (\$421,686). Last year, Stockbridge had a total operating budget of \$11.6 million and an average single-family tax bill of \$4,834.

Stockbridge has a board of selectmen-open town meeting form of government. The elected, three selectmen serve in an executive capacity but delegate daily activities to a town administrator. Absent a town charter, special act, or bylaw, this position’s responsibilities are defined by job description. Under this decentralized approach, selectmen retain authority to appoint most department heads, except those who are separately elected. This includes the treasurer and the collector, in contrast with Lee and Lenox, which appoint these core officers. Unlike Lee and Lenox, Stockbridge is part of a regional school district (Berkshire Hills, which also includes Great Barrington and West Stockbridge) although only 149 students of the 1,063 enrollment are from the town. In total, Stockbridge has far fewer employees than Lee and Lenox because school staff are employed through the regional district.

#### TOWN OF STOCKBRIDGE ORGANIZATIONAL STRUCTURE





## COMMUNITY DEMOGRAPHIC AND MUNICIPAL FINANCES COMPARISON

Demographic	Town of Lee	Town of Lenox	Town of Stockbridge
Population (CY13)	5,921	4,983	1,963
Households	3,056	3,044	1,692
Square Miles	26.4	21.2	22.9
Persons per Square Mile	224	235	86
Road Miles	71	64	56
Single-Family Residences	1,810	1,601	1,091
Second Homes	350	582	652
As % of Single-Family	19.30%	36.40%	59.80%
Commercial & Industrial Parcels	211	143	44
Income Per Capita (CY11)	\$26,603	\$38,328	\$32,366
Median Household Income	\$37,359	\$49,299	\$65,323
Average Single-Family Home Value	\$252,492	\$385,957	\$504,095
Total Assessed Value	\$912,378,464	\$1,138,874,950	\$849,885,678
EQV Per Capita (CY14)	\$153,949	\$241,932	\$421,686

Government Structure	Town of Lee	Town of Lenox	Town of Stockbridge
Town Charter/Special Act	✓	✓	n/a
School District	Local PK-12	Local PK-12	Regional PK-12
Town Meeting	Representative	Open	Open
Board of Selectmen	3 Members	5 Members	3 Members
Finance Committee	9 Members	9 Members	7 Members; 2 Alternates
Capital Committee	9 Members	5 Members	n/a
Chief Administrative Officer	Town Administrator	Town Manager	Town Administrator
Appointment Authority	✓	✓	n/a

## GOVERNMENT STRUCTURE AND EXISTING SHARED SERVICES COMPARISON

<b>Municipal Finances</b>	<b>Town of Lee</b>	<b>Town of Lenox</b>	<b>Town of Stockbridge</b>
Total Budget (FY16)	\$24,214,225	\$27,687,687	\$11,637,764
Tax Levy	\$13,284,230	\$14,469,591	\$8,150,404
State Aid	\$4,014,764	\$3,974,604	\$164,956
Local Receipts	5,378,918	\$7,237,283	\$1,957,303
Other Revenue	1,536,313	\$2,006,209	\$1,365,101
Tax Levy as a % of Budget	54.9	52.3	70
Government Spending per Capita	\$4,090	\$5,556	\$5,929
CIP Shift	1	1.177	1
Excess Levy Capacity	\$1,677,712	\$738,548	\$678,594
Average Single-Family Tax Bill	\$3,676	\$4,693	\$4,834
Free Cash (FY16)	\$1,037,083	\$3,197,219	\$1,087,130
Stabilization Fund (FY15)	\$1,425,638	\$666,119	\$1,875,354
OPEB Trust Fund (FY15)	\$288,924	\$1,401,264	\$678,771
Outstanding Debt (FY15)	\$25,329,949	\$11,239,999	\$9,938,970
Bond Rating	AA	AAA	AA+

<b>Existing Shared Services</b>	<b>Town of Lee</b>	<b>Town of Lenox</b>	<b>Town of Stockbridge</b>
Health Department	✓	✓	✓
Animal Control	✓	✓	
Building Inspector	✓	✓	
Mutual Aid (Emergency Services)	✓	✓	✓
Flusher Truck	✓	✓	
Water and/or Sewer	✓	✓	✓
Water Valve Exerciser	✓	✓	
Bridge Repair	✓	✓	
Net Metering Credits Purchase	✓	✓	
"Rest of River" Municipal Committee	✓	✓	✓
Edith Warton Park	✓	✓	

## PROPOSED STRUCTURE

The prospects for a shared CAO arose from the retirement of the town administrator in Stockbridge this past July and the anticipated retirement of Lee's town administrator sometime next year. Although the concept of sharing services among these three towns is not new, we recognize there is a certain level of anxiety around change and how it might impact a particular service or community. Nevertheless, the need for Lee, Lenox, and Stockbridge to share services going forward is well documented. Rising costs, ever-tightening budgets, and accelerated service demands are forcing local officials to rethink how operations are structured.

The days of elected, volunteer-managed local governments are quickly disappearing. Municipal management today is ever-increasingly complex as administrators navigate issues involving economic development, human resources, financial management, public safety, education, infrastructure, and others. At the same time, residents have come to expect real-time, on-demand information, state and federal regulations and the volume of data and paperwork flowing through offices is rising, and local policymakers must strive to set community goals to develop sound financial strategies and implement best practices to avoid risk.

Local officials, for their part, must effectively communicate to residents the opportunity cost of abandoning a shared services approach in favor of going it alone. The recent retirement of the town administrator in Stockbridge serves as a good example because it became necessary for town meeting to boost the position's salary by nearly \$30,000 only to attract a limited pool of qualified candidates. This jump to a new market-rate salary negatively impacted the town's overall operating budget by diverting or otherwise capping spending on other core services. A collaborative, shared service approach, therefore, is more economically sensible and likely more responsive to the towns if thoughtfully structured.

Our two-part proposal to merge the chief administrator positions in Lee, Lenox, and Stockbridge into a single management office is designed to meet these towns' needs. Ultimately led by a combined CAO with two assistant administrators, our suggested structure considers the local management challenges and organizational needs within each community. The structure we present is not only intended to reduce current administrative overhead, which it does, but also to strategically advance the towns by building desired expertise.

Through our interviews with local officials, we learned there was a strong desire and need for financial and human resources-related expertise. Equally important was a directive that any new structure needs to replicate the level of one-on-one personal attention and service that each community had grown to expect of its CAO. Our structure addresses these two primary requests by

maintaining a management presence in each town by establishing two assistant administrators who are experts in and have defined job responsibilities in either municipal finance or human resources.

We also feel that for a single CAO approach to work, the CAO and the two assistant administrators would need to rotate on a regular, defined basis among the three towns. This twofold approach responds to local needs and builds a highly responsive management team capable of delivering an expanded degree of services beyond what each community currently receives.

In our view, the shared CAO and assistant administrators as a team would coordinate the financial activities and oversee municipal operations for all three towns. As was stated earlier, there is a growing complexity of not only back office municipal functions, such as human resources, information technology, procurement and others, but also in analyzing and implementing financial strategies and developing annual operating and capital budgets to effectively advise policymakers.

Among other responsibilities, the role of the CAO team should include the following:

General Municipal Operations: The CAO team should oversee administrative functions of town government to ensure all services are provided in a coordinated manner and are as cost effective as possible. They, along with the boards of selectmen from each community, should be responsible for appointing, supervising, and evaluating all department heads to create a more accountable government. They should also convene monthly department head meetings to ensure communication on future planning issues, ongoing activities, or other matters as they arise.

Budget and Capital Planning: The CAO team should orchestrate the annual budget process. They should develop revenue and expenditure assumptions, prepare multiyear forecasts, work with departments to finance major capital purchases, draft departmental guidelines, prepare balanced budget proposals, and present them to policymakers. The team should also update and monitor revenue and expenditure budgetary information as it becomes available and provide managerial and analytical support to the finance committee so they can review spending and focus on important policy decisions made during the budget process.

Policy Analysis and Recommendations: The CAO team should be responsible for coordinating, analyzing and making recommendations to the boards of selectmen on long-term policy decisions. For example, they would provide policymakers with cost-benefit analyses of collective bargaining agreements, capital decisions and other matters. They would also evaluate and propose financial policies and standard operating procedures, and prepare research and analyses on other potential decisions facing town government.

Procurement: The CAO team should function as the chief procurement officer to coordinate the purchasing of all supplies, materials, and equipment for the town. Among other duties, they would review purchases for compliance with state procurement laws under M.G.L. c. 30B.

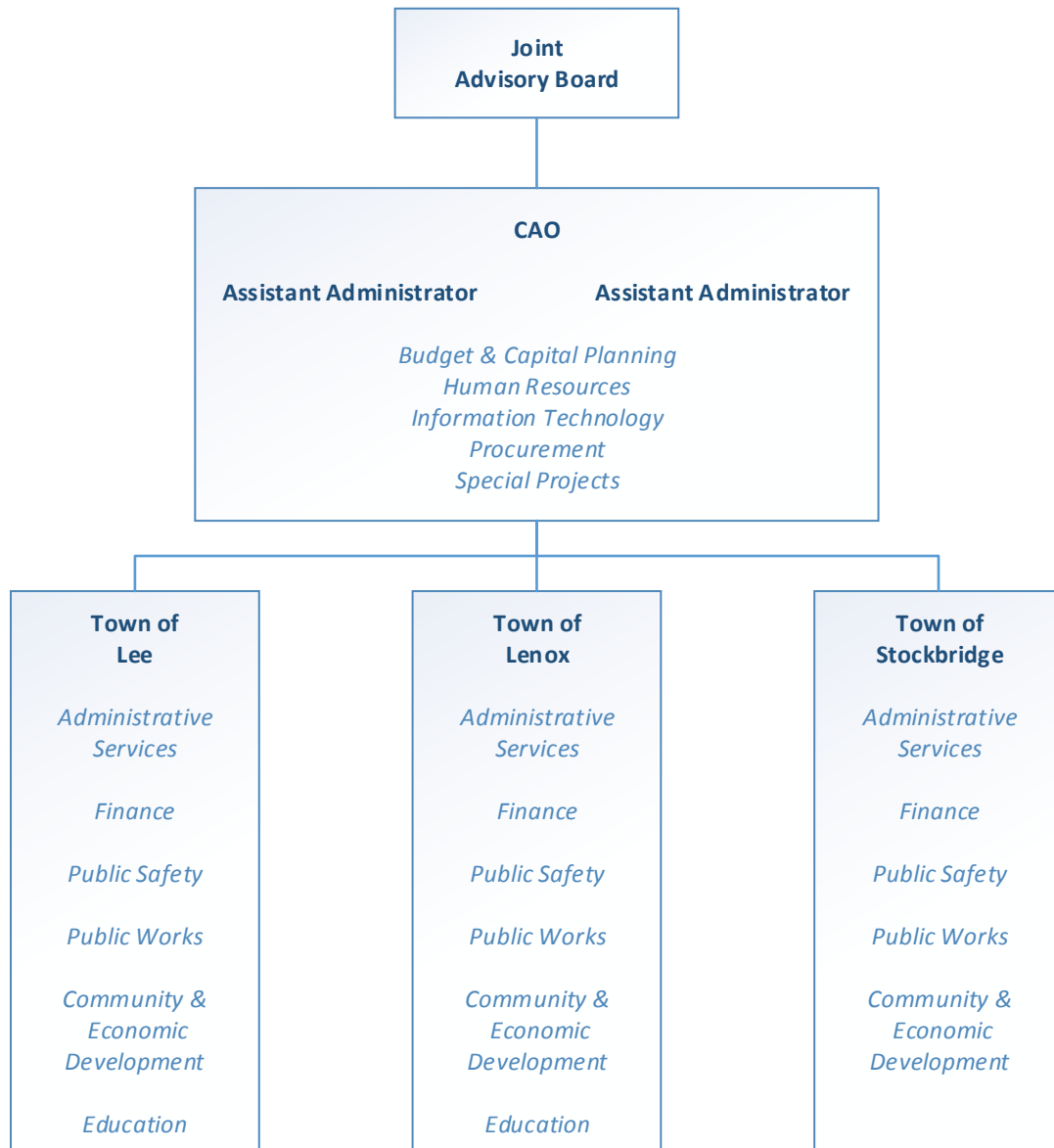
Human Resources: The CAO team should have overall responsibility for human resources. This would involve taking the lead on collective bargaining, determining that employee pay and classification schedules are adequate, and confirming that personnel procedures are comprehensive and conform to state and federal laws and town policies.

In addition to the CAO and assistant administrators, we propose that Lee, Lenox and Stockbridge form a three-member, joint advisory board comprised of the select board chair from each community. This support team would function as a direct link between each individual town and the management office to deliberate and resolve administrative matters that arise outside the normal, day-to-day scope of activities, which might include adopting policies and procedures regarding scheduling, advising and reporting standards, and evaluating performance. We would expect the joint advisory board to hold regular monthly meetings and to report back any actions to their respective select boards.

Based on projected first-year operating costs, we estimate that Lee, Lenox, and Stockbridge would collectively net nearly \$22k in savings by implementing our proposed structure. Today, the combined compensation cost of these three towns totals \$416,436, while our proposed structure, which includes a modest salary increase for the newly appointed CAO, totals \$394,500. In our projected cost, however, we built in temporary, one-time transition expenses that will likely be necessary to cover legal services, technology, minor capital, and other related items that will not otherwise carry forward. We also did not factor in the possibility of additional state assistance to help offset these one-time start-up or transition-related costs.

In the pages that follow, we provide an organizational chart depicting our proposed structure and an outline of the projected cost savings generated in the first year from implementing our proposed three-town shared CAO structure. We then calculate an adjusted tax rate and the average single-family tax bill impact for Lee, Lenox and Stockbridge based on the projected, first-year savings generated from our proposed structure. We also ran a second cost-saving scenario that reflects a modest \$200,000 in additional state assistance. Although money available through the state's [Efficiency & Regionalization Grant Program](#) is not guaranteed to be awarded here, it demonstrates the possible impact these additional funds might have to further offset costs. Lastly, we benchmark our modest CAO salary against other communities from across Berkshire County for comparison purposes.

## PROPOSED CAO ORGANIZATIONAL STRUCTURE



## SHARED CAO COST SAVINGS

Current Structure	Town of Lee
Town Administrator	
Salary	\$88,471
Benefits	30,965
<b>Lee Total</b>	<b>\$119,436</b>
	<b>Town of Lenox</b>
Town Manager	
Salary	\$110,000
Benefits	38,500
<b>Lenox Total</b>	<b>\$148,500</b>
	<b>Town of Stockbridge</b>
Town Administrator	
Salary	\$110,000
Benefits	38,500
<b>Stockbridge Total</b>	<b>\$148,500</b>
<b>Total Current Structure</b>	<b>\$416,436</b>

Proposed Structure	Shared CAO
Chief Administrative Officer	
Salary	\$125,000
Benefits	38,500
Assistant Administrator	
Salary	75,000
Benefits	26,250
Assistant Administrator	
Salary	75,000
Benefits	26,250
Legal	17,000
Supplies & Equipment	6,000
Other One-Time Startup Costs	5,500
<b>Total Proposed Structure</b>	<b>\$394,500</b>

<b>Projected Savings</b>	<b>\$21,936</b>
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<b>Possible State Grant</b>	<b>\$200,000</b>
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<b>Net Savings (including state grant)</b>	<b>\$221,936</b>
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\*All Benefit costs are calculated using a factor of 1.35

### SHARED CAO COST SAVINGS CALCULATION

Municipality	Current Tax Levy	Current Tax Rate	Proposed Savings	Adjusted Tax Levy	Adjusted Tax Rate	Average Single-Family Tax Bill	Average Single-Family Tax Bill Savings
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<b>Total Proposed Savings = \$21,936</b>							
Lee	\$13,284,230	\$14.56	\$7,312	\$13,276,918	\$14.55	\$252,492	\$2.52
Lenox	14,469,591	12.16	7,312	14,462,279	12.15	385,957	3.86
Stockbridge	8,150,404	9.59	7,312	8,143,092	9.58	504,095	5.04

<b>Total Proposed Savings (including \$200,000 state grant) = \$221,936</b>							
Lee	\$13,514,209	\$14.72	\$73,978	\$13,435,231	\$14.64	\$254,703	\$20.38
Lenox	14,548,569	12.16	73,978	14,469,591	12.10	385,957	23.16
Stockbridge	8,353,576	9.70	73,978	8,274,598	9.61	505,822	45.52

### SHARED CAO SALARY COMPARISON

Municipality	2013 Population	Total Budget	CAO Salaries
Dalton	6,725	\$16,226,286	\$97,600
Great Barrington	6,996	28,079,238	119,099
Lanesborough	3,037	11,332,756	76,877
Lee	5,921	24,214,225	88,471
Lenox	4,983	27,687,687	110,000
Stockbridge	1,963	11,637,764	110,000
Williamstown	7,599	23,156,213	117,000
<b>Shared CAO</b>	<b>12,867</b>	<b>\$63,539,676</b>	<b>\$125,000</b>



## IMPLEMENTATION PLAN

Our implementation plan below illustrates in broad terms the necessary steps that Lee, Lenox, and Stockbridge can take to create a shared CAO. Establishing the shared position among these three communities will necessitate a carefully coordinated and comprehensive process. Our two-stage approach is designed to accommodate the time gap that exists between the retirements of the town administrator in Stockbridge this past summer and the expected retirement of Lee's town administrator sometime next year. The first stage involves the signing of an intermunicipal agreement between Stockbridge and Lenox for interim administrative support, while stage two highlights the necessary steps to establish and hire a shared CAO for all three towns.

Our timeline is fairly aggressive with a July 1 launch date, but it is also flexible and easily adjusted to accommodate local decision making and action. For example, as the process of forming a shared CAO unfolds, two communities could decide to operate through an intermunicipal agreement in one-year intervals to "kick the tires," assess how things are working, and address any issues or other unforeseen matters that might surface. The structure we propose also provides flexibility for any of the three communities to explore or participate in other shared services with municipalities outside the intermunicipal agreement or special act. Regardless of what is settled on as the appropriate approach, we expect each town to evaluate the merits of the proposed structure and to provide residents the opportunity to ask questions.

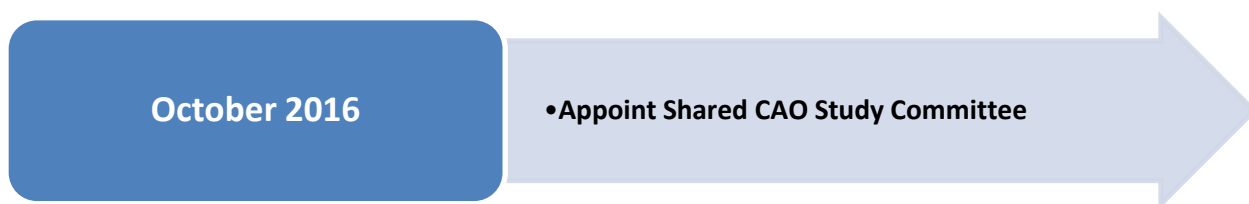
### STAGE ONE: INTERMUNICIPAL AGREEMENT



1. File Legislation Resolving Conflict of Interest: Under existing conflict of interest law, municipal employees are prohibited from advocating or otherwise working on behalf of another community in the delivery of shared municipal services. To resolve this conflict, Representative Pignatelli and Senator Downing filed a joint bill (H 4598), currently pending, to clarify state ethics laws and provide an exception for Lee, Lenox and Stockbridge to share services. Once the special legislation is signed by the Governor, the select boards from Lee, Lenox and Stockbridge can share services through an intermunicipal agreement.

2. Sign a Stockbridge-Lenox Intermunicipal Agreement for Interim Administrator Services: Given Stockbridge's current town administrator vacancy, its board of selectmen signs an intermunicipal agreement with Lenox to provide interim administrative support. [M.G.L., c. 40, §4A](#) allows two or more communities to enter into a collaborative agreement to share services, equipment, or personnel. Of the three standard agreements (service exchange, formal contract, and joint service), Stockbridge and Lenox would develop a formal contract under which Lenox's town manager would provide chief administrative support to Stockbridge until Lee's town administrator retires. Such an agreement would detail the participating communities and effective dates; description of services, reporting relationships, and resolution process; division of costs and payment method; and various safeguard provisions. The Appendix includes a sample intermunicipal agreement subject to further development and refinement in consultation with the boards of selectmen and legal counsels.

#### STAGE TWO: SPECIAL ACT



3. Appoint a Shared CAO Study Committee: Overall, our plan calls for Lee, Lenox and Stockbridge to form a joint shared CAO study committee, which would be charged with developing a special act for approval by town meeting and the voters in each town, along with the State Legislature. Because our proposal focuses on the overarching duties of a shared CAO position, decisions regarding particular responsibilities, appointment authority, and reporting relationships are left to local officials and residents to decide.

To begin the process, the select boards in Lee, Lenox and Stockbridge appoint a representative Shared CAO Study Committee under [M.G.L., c. 43B](#) to draft local action adopting a shared CAO form of government. State law does not mandate or prescribe any procedure for arriving at a proposed government structure when drafting a special act. However, a local government study committee, typically appointed by the selectmen, is a frequently used method. The appointing authority is not restricted in the number of committee members, and it can define the charge of the committee to cover a specific scope of work. In its charge, the committee can also be directed to complete its work in a defined time frame. The Appendix includes a sample special act detailing the role and responsibilities of the shared CAO for Lee, Lenox and Stockbridge.



4. Hold Special Town Meetings to Authorize Shared CAO Legislation: Once a draft special act for a shared CAO is in place, the select boards in Lee, Lenox and Stockbridge call a special town meeting to petition the General Court to enact the proposed legislation. Local action through a special law need not be approved by the voters at-large before or after Legislative enactment in order to take effect. However, as a matter of practice, there is almost always a contingent by the Legislature for voter approval.



5. File a Petition to Form Shared CAO: Legislators representing Lee, Lenox and Stockbridge petition the General Court to enact the proposed legislation forming a shared CAO. Per legislative procedure, the bill filing deadline is 5:00 p.m. on the third Friday in January, or later. Once filed with the General Court, the bill is given a docket number and referred to an appropriate committee for consideration, which is likely the committee on Municipalities and Regional Government. The committee will hold a public hearing on the bill and, if received favorably, it moves through the legislative process before final passage and signing by the Governor.



6. Ratify a Shared CAO Special Act: Lee, Lenox and Stockbridge each hold special elections where voters cast their ballots to adopt or reject the shared CAO Special Act. The ballot language would include the question of whether or not the shared special act should be adopted, as well as a summary describing the proposed structure.
7. Appoint a Shared CAO Search Committee: Upon passage of the Special Act, the select boards in Lee, Lenox and Stockbridge should follow a formal process to screen candidates and select the

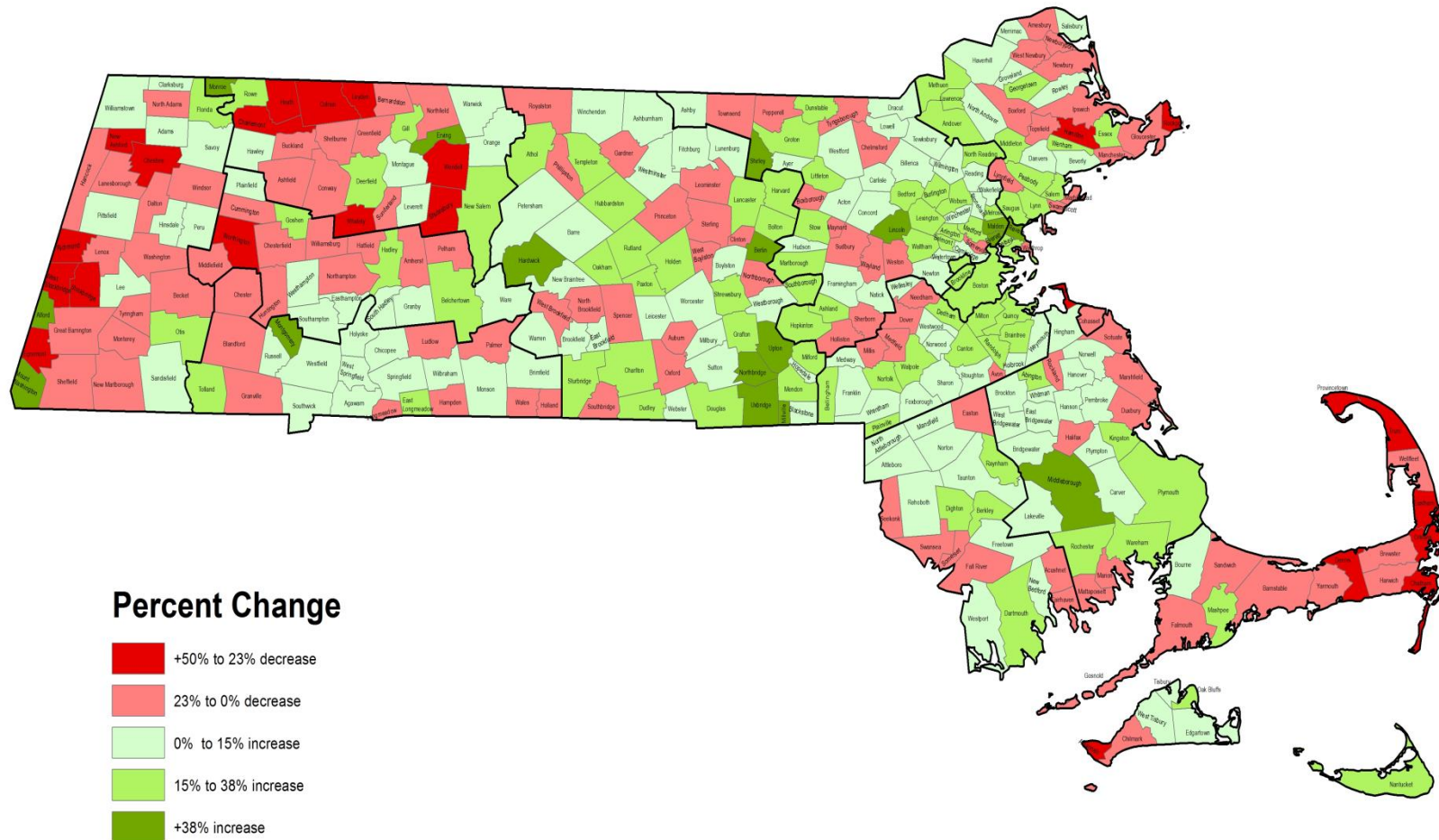
new CAO. We typically recommend the creation of a screening committee comprised of members with relevant backgrounds as private or public sector managers, who can consequently bring prior experience conducting interviews and hiring professional positions. Equally important are those with knowledge of how local government works and a sense of the qualities best suited for the position. We suggest a committee of three or five members and a charge to recommend no more than three candidates for the selectmen to evaluate and choose from. To preserve a balanced evaluation process, all three select boards should interview the final candidates at the same time. To promote faith in government, it is essential that a credible, objective, and thorough selection process be established. If residents suspect anything less, then the ability of the CAO to function effectively will be jeopardized, and public confidence in the process and in government will be undermined.



8. Establish a Shared CAO: On the first of the new fiscal year, the towns of Lee, Lenox and Stockbridge begin operating under the shared CAO administrative structure. The new CAO should immediately begin familiarizing himself or herself with the department staff and the existing budget, capital, and other processes and procedures in place within each community. Over time, the CAO can collaborate with local officials to design workflows and shape core administrative duties to better accommodate the new shared structure. The new CAO should also immediately begin the process of hiring two assistant administrators. These individuals, who should be especially qualified by education and experience, will provide specialized support in finance and human resources and serve in critical point-person roles as liaisons between the communities and the CAO. As the new structure begins to cement itself, the CAO would also develop a rotating schedule among the three towns to provide necessary facetime to effectively manage community expectations.

## APPENDIX

### PROJECTED STATE-WIDE POPULATION CHANGE 2010 TO 2035



## **SAMPLE INTERMUNICIPAL AGREEMENT BETWEEN THE TOWNS OF LENOX AND STOCKBRIDGE**

**THIS AGREEMENT** is made and entered into on this \_\_\_\_ day of \_\_\_\_\_, 2016, in accordance with the provisions of Massachusetts General Laws Chapter 40, section 4A, by and among the Town of Lenox, acting by and through its Select Board, as authorized by vote (hereinafter referred to as “Lenox”), and the Town of Stockbridge, acting by and through its Select Board, as authorized by vote (hereinafter referred to as “Stockbridge”) (collectively to be referred to as “the Parties”).

### **WITNESSETH:**

**WHEREAS**, Lenox currently has full-time municipal manager under contract, and Stockbridge currently does not employ a municipal manager;

**WHEREAS**, the Parties seek to share the services of a single municipal manager, to be referred to as the “Chief Administrative Officer;”

**AND, WHEREAS**, cost savings and efficient municipal government administration would be realized through the Parties’ sharing of a “Chief Administrative Officer;”

**NOW, THEREFORE**, in consideration of the mutual agreements contained herein, the Parties agree as follows:

### **ARTICLE I. CHIEF ADMINISTRATIVE OFFICER**

#### **SECTION I-1. DUTIES OF THE CHIEF ADMINISTRATIVE OFFICER**

**(a)** The Chief Administrative Officer shall perform the duties related to municipal government administration for Lenox and Stockbridge, under the policy guidance of the Administrative Review Committee, as detailed below.

**(b)** When providing services for the Town of Lenox:

**(i)** The Chief Administrative Officer shall perform the duties as defined by this Agreement, the bylaws, and policies of Lenox, as well as other duties as the Lenox Board of Selectmen shall from time to time assign, and shall perform said duties in a competent and professional manner.

**(ii)** The Chief Administrative Officer shall report directly to the Board of Selectmen of Lenox.

(c) When providing services for the Town of Stockbridge:

(i) The Chief Administrative Officer shall perform the duties as defined by this Agreement, the bylaws, and policies of Stockbridge, as well as other duties as the Stockbridge Board of Selectmen shall from time to time assign, and shall perform said duties in a competent and professional manner.

## **ARTICLE II.**

### **SECTION II-1. APPOINTMENT, TERM OF OFFICE; QUALIFICATIONS**

**(a) Appointment, Term of Office** - The Parties shall appoint the Chief Administrative Officer to serve for an indefinite term of office, or for such term as specified in an employment agreement.

**(b) Qualifications** - The Chief Administrative Officer shall be appointed solely on the basis of his or her executive and administrative qualifications. The Chief Administrative Officer shall be a person especially fitted by education, training and previous experience in municipal administration directly related to the profession of municipal management to perform the duties of the office. The Chief Administrative Officer need not be a resident of Lenox and Stockbridge at the time of his or her appointment, nor of the Commonwealth, but he or she shall establish residence in Lenox or Stockbridge within twelve months following his or her appointment unless excused from such requirement by the Parties.

The Chief Administrative Officer shall devote his or her full time to the office and shall not hold any other public office, elected or appointed, nor shall the Chief Administrative Officer engage in any other business, occupation or profession unless such action is approved, in advance, by the Parties. The Parties may, by amendment of this Intermunicipal Agreement, establish other qualifications for the office of Chief Administrative Officer.

### **SECTION II-2. POWERS AND DUTIES**

The Chief Administrative Officer shall be responsible to the Parties for the proper administration of all municipal affairs placed under his or her charge. The powers and duties of the Chief Administrative Officer shall include, but are not intended to be limited to, the following:

a) Supervise, direct and be responsible for the efficient administration of all municipal activities placed under his or her control by this Agreement, the bylaws, and policies of Lenox and

Stockbridge, including all officers appointed by the Chief Administrative Officer and their respective agencies.

**b)** Be responsible for the coordination of the activities of all agencies under his or her control with the activities of all other municipal agencies, including those elected by the voters of Lenox and Stockbridge and those appointed by other elected officials.

**c)** Appoint, and may remove, subject to the civil service law and any collective bargaining agreements as may be applicable, all department heads, all officers, subordinates and employees for whom no other method of selection is provided by this Agreement, or by the bylaws, and policies of Lenox and Stockbridge, or otherwise. Appointments made by the Chief Administrative Officer of all employees employed by Lenox and Stockbridge shall be subject to confirmation process of the Boards of Selectmen in Lenox and Stockbridge, as currently in effect. Appointments made by the Chief Administrative Officer in furtherance of his or her duties relative to this Intermunicipal Agreement shall be subject to confirmation by the Administrative Services Committee, as described further herein.

**d)** Administer personnel related matters, including bargaining with municipal employees, and shall fix the compensation of all municipal employees appointed by the Chief Administrative Officer within the limits established by appropriation and by the bylaws, policies, and/or past practices of Lenox and Stockbridge, or by collective bargaining agreement.

**e)** Assure that all of the provisions of the Massachusetts General Laws, the Intermunicipal Agreement and the bylaws and policies of Lenox and Stockbridge that require enforcement by him or her, or by officers or employees subject to his or her supervision, are faithfully carried out and enforced.

**f)** Prepare and submit an annual operating budget and a capital outlay program for Lenox and Stockbridge.

**g)** Assure that a full and complete record of the financial and administrative activities of Lenox and Stockbridge is kept, and he or she shall render a complete written report to the Select Board of each of the two towns at the end of each fiscal year and at such times as the Select Board of each of the two towns may reasonably require.

**h)** Execute contracts, subject to the bylaws and policies of Lenox and Stockbridge.



- i)** Have full jurisdiction over the rental and use of all town facilities, except school and library buildings and grounds. The Chief Administrative Officer shall be responsible for the maintenance and repair of all town-owned property, including, if authorized by a bylaw establishing a central town maintenance department, school and library buildings and grounds.
- j)** Inquire at any time into the conduct of office of any officer, employee, or department under his or her supervision.
- k)** Assure that a full and complete inventory of all property owned by Lenox and Stockbridge, both real and personal, is kept.
- l)** Make such recommendations, from time to time, to the Boards of Selectmen of Lenox and Stockbridge, which, in the Chief Administrative Officer's judgment, are deemed necessary or desirable.
- m)** Authorize any subordinate officer or employee to exercise any power or perform any function which the Chief Administrative Officer is authorized to exercise or perform; provided, however, all acts performed under any such delegation shall be deemed to be the acts of the Chief Administrative Officer.
- n)** Determine the existence of a public emergency or danger and shall assume responsibility for the maintenance of public safety, public order and enforcement of laws in Lenox and Stockbridge. The Chief Administrative Officer shall notify the Chair of the Board of Selectmen of Lenox and Stockbridge as soon as practical, but within 24 hours, of such a public emergency or danger and of the actions taken. Should the public emergency continue more than 24 hours, the Board of Selectmen of Lenox and Stockbridge may meet to review, ratify, or terminate said public emergency.
- o)** Execute all deeds conveying town real property in Lenox and Stockbridge, but that any such conveyance shall have been previously authorized by the vote of Town Meeting of the respective town, pursuant to the applicable provisions of the General Laws.
- p)** Publish an annual report comprising the complete statistical record of the operations of every town department, commission and committee for the preceding year, and it shall be published annually and made available for distribution to the public not later than four months after the end of the period on which the report is based.

**q)** Perform such other functions as may from time to time be assigned to the office of Chief Administrative Officer by the Board of Selectmen of Lenox and Stockbridge.

### **SECTION II-3. COMPENSATION**

The Chief Administrative Officer shall receive such compensation as may from time to time be established for the office of Chief Administrative Officer, by agreement of the Parties.

### **SECTION II-4. REMOVAL**

Before the Chief Administrative Officer may be removed, if the Chief Administrative Officer so demands, he or she shall be given a written statement of the reasons alleged for his or her removal, and he or she shall have a right to be heard thereon at a joint meeting of the Select Boards prior to the final vote on the question of removal, but pending and during such hearing the Parties may suspend the Chief Administrative Officer from office. The action of the Parties in suspending or removing the Chief Administrative Officer shall be final, it being the intention of this provision to vest all authority and to fix all responsibility for such suspension or removal in the Parties. The Chief Administrative Officer shall continue to receive his or her salary until the effective date of a final vote of removal. The Parties may amend this Agreement to establish a procedure governing the removal from office of the Chief Administrative Officer in such detail as they may deem necessary or desirable.

### **SECTION II-5. ACTING CHIEF ADMINISTRATIVE OFFICER**

**(a) Temporary Absence** - The Chief Administrative Officer shall, by letter filed with the Parties and a copy filed with the town clerks of Lenox and Stockbridge, designate a qualified town officer or administrative employee to exercise the powers and perform the duties of the office during temporary absence. During the first ten working days of a temporary absence of the Chief Administrative Officer, the Parties may revoke such designation by a two-thirds vote of each Select Board and, after the expiration of ten working days, may appoint another qualified officer or employee of the Towns of Lenox or Stockbridge to serve as Acting Chief Administrative Officer until the Chief Administrative Officer shall return and resume his or her duties.

**(b) Vacancy** - Any vacancy in the office of Chief Administrative Officer shall be filled as soon as possible by the Parties, but pending such appointment the Parties shall designate a qualified officer or employee of the Towns of Lenox or Stockbridge to exercise the powers and perform the duties of the Chief Administrative Officer on an acting basis. The appointment of an acting Chief

Administrative Officer shall be for a term not to exceed four months; provided, however, one renewal, not to exceed a second four months, may be permitted.

**(c) Powers and Duties** - The powers of a temporary or acting Chief Administrative Officer shall be limited to matters not admitting of delay; provided, however, no temporary or acting Chief Administrative Officer under (a) above shall have authority to make any permanent appointment to, or removal from, any office or position under the town.

#### **SECTION II-6. EVALUATION OF CHIEF ADMINISTRATIVE OFFICER**

**(a)** There shall be an annual review of the Chief Administrative Officer's job performance conducted by the Parties.

#### **SECTION II-7. SCHEDULE OF THE CHIEF ADMINISTRATIVE OFFICER**

**(b)** It is expected that the Chief Administrative Officer will devote approximately one half of his or her time to each town each week, adjusted as appropriate to successfully perform the duties for each of the two towns. The Parties acknowledge that the duties of each town may be performed from either town. The Chief Administrative Officer shall be allowed vacation, sick days, and personal days pursuant to his or her contract with the Lead Town, which is responsible for the payment of those benefits.

### **ARTICLE III. TERM**

**SECTION III-1.** This Agreement shall become effective upon signing and shall terminate in three years, unless otherwise agreed to by the Parties.

### **ARTICLE IV. ADMINISTRATIVE REVIEW COMMITTEE**

**SECTION IV-1.** There is hereby established a committee known as the Administrative Review Committee, which committee shall be charged with providing policy guidance and administrative assistance to the Chief Administrative Officer.

**SECTION IV-2.** The Administrative Review Committee shall be comprised of the Chairs of the Select Boards of Lenox and Stockbridge, and the Chairs of the Finance Committee of Lenox and Stockbridge. The members shall report on the actions of the Administrative Review Committee at public meeting of their respective Select Boards and Finance Committees.

**SECTION IV-3.** The Administrative Review Committee shall meet on a regular basis with the Chief Administrative Officer to review progress to date, assess the relationship, and implement improvements, as mutually deemed appropriate.

**SECTION IV-4.** At the organizing meeting of the Administrative Review Committee, the members will decide on which town shall be designated as the **“Lead Town,”** for purposes of G.L. c. 40, § 4A. The “Lead Town” shall:

(a) For all purposes, be the employer of the Chief Administrative Officer, it being understood, that under an Intermunicipal Agreement, there is no employer-employee relationship between the Chief Administrative Officer and the non-lead towns. For the purposes of the Fair Labor Standards Act, the Town Administrator shall be deemed an “exempt employee” of the Lead Town;

(b) Administer payment of compensation to the Chief Administrative Officer, including, for example, salary and benefits, and deducting state and federal taxes, applicable employment taxes, retirement charges and contributions for health care;

(c) Indemnify the Chief Administrative Officer, in accordance with G.L. c. 258, the Massachusetts Tort Claims Act, to the extent that the Lead Town accords such indemnification to all of its employees, when such employees act within the scope of their employment;

(d) Assure the full cost of any fidelity or other bonds required by Massachusetts law for the exercise of the duties of the Chief Administrative Officer; and

(e) Receive payments from the non-lead town for all expenses relative to the joint sharing of the Chief Administrative Officer.

## **ARTICLE V. NOTICES**

**SECTION V-1.** Notices pursuant to this Agreement shall be given by first-class mail, postage prepaid, to the Select Board Chairs of Lenox and Stockbridge and to their respective town clerks. Alternatively, notices required pursuant to this Agreement may be personally served on the respective Chairs of the Select Board. Notice shall be deemed as given as of the date of personal service or as the postage mark of such written notice as sent by first-class mail.

## **ARTICLE VI.**

### **SECTION VI-1. GENERAL PROVISIONS:**

**(a)** Unless otherwise provided in the Agreement, each Party shall act by majority vote of its Select Board.

**(b)** No change or modification of this Agreement shall be valid unless it shall be in writing and signed by the Parties.

**(c)** The text herein shall constitute the entire Agreement between Parties.

**(d)** If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.

**TOWN OF LENOX,**

Acting by and through its  
Select Board:

\_\_\_\_\_  
Chair, Select Board

\_\_\_\_\_  
Date

Attest as to Signature:

\_\_\_\_\_  
Town Clerk

\_\_\_\_\_  
Date:

**TOWN OF STOCKBRIDGE,**

Acting by and through its  
Select Board:

\_\_\_\_\_  
Chair, Select Board

\_\_\_\_\_  
Date

Attest as to Signature:

\_\_\_\_\_  
Town Clerk

\_\_\_\_\_  
Date:

**AN ACT PROVIDING FOR A SHARED CHIEF ADMINISTRATIVE OFFICER FOR THE TOWNS OF LEE, LENOX AND STOCKBRIDGE**

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

**SECTION 1.** Notwithstanding any general or special law to the contrary, there is hereby established a shared chief administrative officer for the Town of Lee, Town of Lenox and Town of Stockbridge.

**SECTION 2. Reporting Structure of the Chief Administrative Officer.**

**(a)** The chief administrative officer for the Town of Lee, Town of Lenox and Town of Stockbridge shall be directly responsible to the select board of each town for the administration of the affairs of each town for which the office of chief administrative officer is charged under this act and the policy guidance of the joint advisory board, as provided in section 10.

**(b)** When administering matters for each town, the chief administrative officer shall perform the duties defined by the policies of the joint advisory board, by-laws and policies of that town, as well as other duties as the select board of that town shall from time to time assign, and shall perform those duties in a competent and professional manner.

**SECTION 3. Appointment, Term of Office; Qualifications.**

**(a)** The select boards of each of the towns of Lee, Lenox and Stockbridge shall, by a majority vote of each of their respective members, appoint the chief administrative officer. The terms of the chief administrator officer's employment shall be the subject of a written contract setting forth the tenure, compensation, benefits and other matters customarily included in an employment contract.

**(b)** The chief administrative officer shall be appointed solely on the basis of demonstrated executive and administrative qualifications. The chief administrative officer shall be a person especially fitted by education, training and previous experience in municipal administration and management to perform the duties of the office. The chief administrative officer need not be a resident of Lee, Lenox or Stockbridge or the Commonwealth when appointed, but shall establish residence in Lee, Lenox or Stockbridge within 1 year following appointment, unless excused from such requirement by the select boards.

The chief administrative officer shall devote full-time to the office and shall not hold any other public office, elective or appointive, or engage in any other business, occupation or profession, unless such action is approved in advance and in writing by the joint advisory board. The joint advisory board may establish other qualifications for the office of chief administrative officer.

**SECTION 4. Powers and Duties.** The chief administrative officer shall be directly responsible to the select boards of the towns of Lee, Lenox and Stockbridge for the administration of all affairs of each town for which the office of chief administrative officer is charged. The powers and duties of the Chief Administrative Officer shall include, but are not limited to, the following:

**(a)** to supervise, direct and be responsible for the efficient administration of all functions and activities for which the chief administrative officer is given authority, responsibility or control by the policies of the joint advisory board, by-laws or policies of the towns of Lee, Lenox and Stockbridge, including all officials or employees appointed by the chief administrative officer and the respective agencies of the towns;

**(b)** to coordinate the activities of all departments and agencies under the control of the chief administrative officer with the activities of all other departments and agencies of each town, including with those headed by officials elected by the voters of the towns of Lee, Lenox and Stockbridge and those appointed by other elected officials of each town;

**(c)** to attend regular and special meetings of the select boards of each town unless unavailable for reasonable cause;

**(d)** to appoint, hire, remove and discipline, subject to the civil service law and any collective bargaining agreements as may be applicable, all non-school department heads and officers, subordinates and employees for whom no other method of selection or discipline is provided by the policies of the joint advisory board, state law, by-laws or policies of the towns of Lee, Lenox and Stockbridge, or otherwise; provided, however, that appointments made by the chief administrative officer of any employees employed by the town of Lee, Lenox and Stockbridge shall be subject to confirmation by the select board of the respective town if so required when this act takes effect;

**(e)** to administer the personnel system, except for the school department, of each town including but not limited to, personnel policies, practices, rules, regulations and annual employee performance reviews, and to fix the compensation of town employees appointed by the chief administrative officer within the limits established by appropriations and the applicable personnel by-laws, policies, or collective bargaining agreements of each town;

**(f)** to negotiate all contracts within the jurisdiction of the chief administrator, including contracts with the employees of each town, except employees of the school department, involving wages, hours and other terms and conditions of employment; provided, however, that all such contracts shall be subject to ratification and execution by the select board of the applicable town;

**(g)** to see that all federal and state laws, policies of the joint advisory board, by-laws and policies of each town that require enforcement by the chief administrative officer, or by officers or employees subject to the supervision of the chief administrative officer, are faithfully carried out and enforced;

**(h)** to prepare and present each year a balanced annual operating budget and a capital outlay program for each town in accordance with the by-laws and policies of each town;

**(i)** to assure that a full and complete record of the financial and administrative activities of each town is kept, and to render a written report of all town financial and administrative operations to the select board of each town at the end of each fiscal year and at such other times as the policies of the joint advisory board may require;

**(j)** to execute contracts for the acquisition of supplies, materials, services and equipment for town departments and activities, and to provide for disposal of supplies, materials and equipment declared surplus, subject to the policies of the joint advisory board, state law, by-laws and policies of the each town;

**(k)** to have full jurisdiction over the rental and use of all property and facilities of each town, except property under the control of the school committee, [other? library trustees and conservation committee.] The chief administrative officer shall be responsible for the maintenance and repair of all buildings and facilities, including, if authorized by a by-law that establishes a central town maintenance department, school [and library buildings and grounds];

**(l)** to assure that a full and complete inventory of all property owned by each town, both real and person, is kept, including property under the control of the school committee;

**(m)** to make recommendations to the select boards of each town, which, in the judgment of the chief administrative officer are necessary or appropriate;

**(n)** to inquire at any time into the conduct of any office or the performance of the duties of any official, employee, department, board, committee or agency under the supervision of the chief administrative officer;



(o) to determine the existence of a public emergency or danger and be responsible to maintain public safety and order and enforce laws in the towns of Lee, Lenox and Stockbridge; provided, however, that the chief administrative officer shall notify the chair of the select board of the town in which emergency occurs as soon as practical, but within 24 hours, of such emergency or danger and of the actions taken and whenever an emergency continues more than 24 hours, the select boards of the town may meet to review, ratify, or terminate said public emergency;

(p) to execute all deeds conveying real property owned by the towns of Lee, Lenox and Stockbridge, as authorized by the town meeting of the respective town under applicable state law;

(q) to prepare and submit an annual report comprising the complete statistical record of the operations of every town department, commission and committee for each of the 3 towns for the preceding fiscal year and to make the report available for public distribution not later than 4 months after the end of the period on which the report is based;

(r) to authorize any subordinate officer or employee to exercise any power or perform any function which the chief administrative officer is authorized to exercise or perform; provided, however, all acts performed under any such delegation shall be deemed to be the acts of the chief administrative officer;

(s) to perform any other duties or functions assigned to the office of chief administrative officer by the joint advisory board and the select boards of the towns of Lee, Lenox and Stockbridge.

**SECTION 5. Compensation.** The chief administrative officer shall receive the compensation, including salary, health insurance, retirement, vacation or other leave and other benefits as may from time to time be established for the office of chief administrative officer by the joint advisory board, in consultation with the select boards of the towns of Lee, Lenox and Stockbridge. The towns, acting by and through the joint advisory board, shall enter into an employment contract with the chief administrative officer that shall designate the town that shall be the employer of the chief administrative officer for purposes of compliance with tax, retirement, health insurance or other employment related state and federal laws; provide for the compensation and benefits of the chief administrative officer and establish such other terms and conditions of employment as appropriate.

**SECTION 6. Removal.** The select boards of the towns of Lee, Lenox and Stockbridge may, by a two-third vote of each of their respective members, remove the chief administrative officer. Before the chief administrative officer may be removed, the joint advisory board, in consultation with the select boards of the towns of Lee, Lenox and Stockbridge, shall provide a written statement of the

reasons alleged for the removal. The chief administrative officer shall have the right to be heard thereon at public hearing with the joint advisory board and select boards of the 3 towns before the final vote on the question of removal, but pending and during such hearing, the joint advisory board may suspend the chief administrative officer from office. The chief administrative officer shall continue to receive full pay and benefits until the effective date of a final vote of removal. The action of the joint advisory board in suspending or removing the chief administrative officer shall be final. The joint advisory board shall establish the procedure governing the removal of the chief administrative officer in such detail as it may deem necessary or appropriate.

#### **SECTION 7. Acting Chief Administrative Officer.**

**(a) Temporary Absence** - By letter filed with the select boards of the towns of Lee, Lenox and Stockbridge and a copy filed with the town clerks of the towns of Lee, Lenox and Stockbridge, the chief administrative officer shall designate a qualified officer or administrative employee of one of the towns to exercise the powers and perform the duties of the office during a temporary absence. During the first 10 working days of a temporary absence of the chief administrative officer, the select boards of the towns of Lee, Lenox and Stockbridge may, by two-thirds vote of each of their respective boards, revoke such designation and, after the expiration of 10 working days, may by majority vote of each of their respective boards, appoint another qualified officer or employee of one of the towns to serve as acting chief administrative officer until the chief administrative officer return.

**(b) Vacancy** - Any vacancy in the office of chief administrative officer shall be filled as soon as possible by the select boards of the towns of Lee, Lenox and Stockbridge in the manner provided in section 2; provided, however, that pending such regular appointment the select boards shall designate a qualified officer or employee of one of the towns to serve as an acting chief administrative Officer. The appointment of an acting chief administrative officer shall be for a term not to exceed 4 months; provided, however, 1 renewal, not to exceed a second 4 months, may be permitted.

**(c) Powers and Duties** - The powers of a temporary or acting chief administrative officer shall be limited to matters not admitting of delay and shall include the power to make temporary, emergency appointments, but not to make any permanent appointments to town offices or employment.

**SECTION 8. Evaluation of the chief administrative officer.** There shall be an annual review of the job performance of the chief administrative officer conducted in accordance with the policies of the joint advisory board.

**SECTION 9. Schedule of the Chief Administrative Officer.** The chief administrative officer shall devote approximately one-third of time to each town each week, adjusted as necessary to perform the duties assigned for each town. The chief administrative officer may perform duties for any town from any other town.

**SECTION 10. Joint Advisory Board.**

**(a)** There is hereby established a joint advisory board, which shall be charged with providing policy and administrative guidance and direction to the chief administrative officer.

**(b)** The members of the joint advisory board shall be the chairs of the select boards of the Town of Lee, the Town of Lenox and Town of Stockbridge. The members shall report on the actions of the joint advisory board at the meetings of their respective select boards.

**(c)** The joint advisory board shall meet on a regular basis with the chief administrative officer to review progress to date, assess any issues of mutual concern and implement improvements.

**(d)** The joint advisory board shall adopt policies and procedures with respect to the chief administrative officer, including but not limited to:

(i) the designation of the town that shall be the employer of the chief administrative officer for purposes of compliance with tax, retirement, health insurance or other employment related state and federal laws;

(ii) the indemnification of the chief administrative officer under chapter 258 for acts within the scope of the employment of the chief administrative officer;

(iii) the payment of any fidelity or other bonds required by law for the exercise of the duties of the chief administrative officer;

(iv) the assessment of the towns of Lee, Lenox and Stockbridge for the compensation, including salary, benefits and all other expenses, of the chief administrative officer and the employees of the chief administrative officer;

(v) the schedule of the chief administrator officer;

(vi) the process for advising and reporting to the select boards of each town on the activities of the chief administrative officer;

(vii) the process for conducting an annual evaluation of the performance of the chief administrative officer;

(viii) the procedure for removing the chief administrative officer;

(ix) the procedure and reasons for service of formal notices to the chief administrative officer.

**SECTION 11.** Notwithstanding Section 17 of chapter 268A or any other general or special law to the contrary, the chief administrative officer or an officer or employee of the towns of Lee, Lenox, or Stockbridge shall not be prohibited from receiving or requesting compensation from, or from acting as an agent or attorney for the town of Lee, Lenox, or Stockbridge; provided that the officer or employee is acting within the scope of the official duties of the officer or employee under this act.

**SECTION 12. Severability.** The provisions of this act shall be severable. If any provision is held unconstitutional, invalid or unenforceable, the other provisions shall not be affected and shall remain in full force.

**SECTION 13. Acceptance and Effective Date.** The select boards of the towns of Lee, Lenox and Stockbridge shall submit this act for acceptance by the voters of their respective towns at the next regular town or state election in the form of the following question: "Shall this town accept an act passed by the General Court in the year 20\_\_ entitled: An Act Providing for a Shared Chief Administrative Officer for the Towns of Lee, Lenox and Stockbridge, a summary of which appears below?"

The town counsel of each town shall prepare a fair and concise summary of the act, which summary shall appear below the question on the ballot of that town.

The final date for notifying or filing a petition with the city or town clerk or the state secretary to place the question on the ballot shall be 35 days before the town election or 60 days before the state election.

A town shall have accepted this act if a majority of the votes cast in that town is in the affirmative. This act shall take effect upon acceptance by all 3 towns.