



EDWARD J. COLLINS, JR. CENTER FOR PUBLIC MANAGEMENT
JOHN W. McCORMACK GRADUATE SCHOOL OF POLICY AND GLOBAL STUDIES
UNIVERSITY OF MASSACHUSETTS BOSTON

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PROFESSIONAL SERVICE AGREEMENT
Town of Montague
FY21 Budget Scenario Planning, Financial Forecast Development,
Financial Policy Review, and Professional Development

This Professional Service Agreement (“Agreement”) is made as of this ____ day _____, 2020 (“Effective Date”) between the Town of Montague, MA, (“Town”), and the University of Massachusetts (“UMass Boston”), represented by its Edward J. Collins, Jr. Center for Public Management (“Center”), having an address of 100 Morrissey Blvd, Boston, MA 02125-3393 (“the Parties”).

The Center has technical expertise, resources, and capacity available to it, and the Town wishes to engage the Center to provide the Town with technical services. UMass Boston has determined that the proposed services to be provided are consistent with its research, economic development, educational, and public service missions.

Therefore, the Parties hereto mutually agree as follows:

1. Professional Services. The Center agrees to provide the professional services described in Exhibit A, which is attached hereto and incorporated herein by reference (“Services”). Trained personnel or sub-consultants of the Center shall render the Professional Services.
2. Term. The Center will use reasonable efforts to provide the Professional Services during the period from the date of this Agreement until June 30, 2021. Unless the parties agree to extend the term in writing, this Agreement shall expire at the end of the term or upon the completion of the Professional Services, whichever shall first occur.
3. Confidentiality/Privacy. The Center shall comply with all applicable state and federal laws and regulations relating to confidentiality and privacy. Notwithstanding the foregoing, the Center as part of the University of Massachusetts, is subject to the provisions of the Massachusetts Public Records Law.
4. Payments. The Town agrees to pay to UMass Boston an all-inclusive fee of \$35,000 for these services. This cost shall include all Center staff time and overhead. The Center will invoice the Town as follows: An invoice for \$20,000 will be sent October 15, 2020, and the final \$15,000 will be invoiced upon completion of the projects. The Town agrees to make payments upon receipt of invoices. The Center reserves the right to discontinue work if the Town fails to pay invoices within thirty (30) days of receipt. Payments shall be made to “University of Massachusetts Boston” and shall be sent to:

Edward J. Collins Jr. Center for Public Management
University of Massachusetts Boston
100 Morrissey Blvd.
Boston, MA 02125-3393
Attn: Robert O’Keefe

5. Warranty Disclaimer. The Center shall perform the Services in a professional and workmanlike manner. The Center shall endeavor to perform the Services within the schedule set forth herein, but is not liable for failure to meet the schedule. The foregoing warranties are in lieu of all other warranties, express, implied or statutory, including without limitation any implied or express warranties of merchantability, fitness for a particular purpose, or non-infringement of a patent or other intellectual property right.

6. Limitation of Liability. In no event shall UMass Boston be liable for any loss of profits, loss of use, loss of data, cost of cover, indirect, special, exemplary, punitive, incidental or consequential damages of any kind in connection with or arising out of this Agreement or the Services, even if UMass Boston has been advised of the possibility of those damages. Notwithstanding the foregoing, in no event shall its liability arising out of this Agreement or relating to the Services exceed the amounts actually paid.

7. Use of Names. The Town agrees that it will not utilize the name or seal of the University in any advertising promotional material or publicity, without the express written consent of UMass Boston. Reciprocally, UMass Boston will not utilize the name or corporate seal of the Town in any advertising promotional material or publicity, without the express written consent of the Town.

8. Termination. This Agreement may be terminated by either of the Parties upon thirty (30) days written notice of termination to the other. If either of the Parties defaults in the performance of any of its material obligations under this Agreement, then the non-defaulting party may give written notice of the default to the defaulting party. Unless the default is corrected within thirty (30) days after the notice, the notifying party may terminate this Agreement immediately upon written notice. Upon termination of this Agreement by either party, UMass Boston will be reimbursed for all costs and non-cancelable commitments incurred in performance of the Professional Services prior to the date of termination in any amount not to exceed the total commitment set forth in Section 4 of this Agreement. Provided, however, that if professional services are not complete, then UMass Boston will return any pro rata share of payment to the Town not otherwise expended, to the extent permissible.

9. Survival. The obligations of the parties under Sections 3, 4, 5, 6, 7, 8, and 9 survive termination of this Agreement.

10. Independent Contractor. Nothing contained in this Agreement shall be construed to constitute the Center or UMass Boston as a partner, joint venture, employee, or agent of the Town, nor shall either party have the authority to bind the other in any respect, it being intended that each shall remain responsible for its own actions.

11. Governing Law. This Agreement is governed by the laws of the Commonwealth of Massachusetts without regard to any choice of law rules. The Parties agree to exclusive jurisdiction and venue in the Massachusetts Superior Court in Suffolk County.

12. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the Services, supersedes all prior oral and written agreements with respect to the subject matter, and can be modified only by a written instrument signed by both of the Parties which references this Agreement.

UMass Boston and the Town have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

Town

BY: _____

NAME: _____

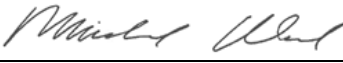
TITLE: _____

BY: _____

NAME: _____

TITLE: _____

UMass Boston

BY: 
Michael Ward, Director

BY: _____
Shala Bonyun, Assistant Director of ORSP

Exhibit A: Scope of Services

1. Overview

The Town would retain the Collins Center to complete the following projects.

First, the Town is interested in assistance from the Center in developing an FY2022 – FY2026 financial forecast. This forecast will help the Town Administrator, financial team, and the Selectboard take a holistic view of the Town's finances, anticipate and prepare for any future budgetary challenges, and analyze the financial implications of, for example, proposed projects requiring long-term debt or labor negotiations. In addition, the Town seeks support and expertise from the Collins Center for FY2021 budget scenario planning, specifically projecting revenues, developing strategies to address any projected budget uncertainty and/or deficits, tax rate impacts, and any other financial management topics. This will involve working closely with the Town Administrator, Accountant, Finance Committee Chair, and a member of the Selectboard or designee thereof.

The direct and indirect impacts of the COVID-19 pandemic on local governments make financial forecasting both more challenging and more important. The Collins Center's municipal finance team collectively has nearly a century of experience forecasting municipal revenues and expenditures through prior crises and economic shocks. The Center's project team will develop assumptions based on the best and latest available information and will present multiple scenarios to show a range of possible financial outcomes. In addition, the project team will train the Town's financial team so that they are comfortable altering assumptions as the situation changes or as more information becomes available.

Second, the Town seeks a review of its existing financial management policies and the development of any additional policies that align with best practices (including consideration of temporary emergency policies), as well as supportive professional development around select policies and topics, including revenue forecasting, tax rate impact analysis, projection of adequate user fees, budget management, and debt management. The professional development component is vital and will be designed to support the effective implementation and management of the financial policies. This support will be provided to a small group of Town officials – including, importantly, managers who are relatively new to their positions of authority. The Town Administrator, Accountant, Finance Committee Chair, and Sewer Superintendent will participate. Other officials, notably the Treasurer/Collector, Director of Assessing, and Town Planner, may participate in selected training topics.

Note: Due to the COVID-19 pandemic, it is assumed that all meetings will be virtual unless an alternative is agreed upon by the Collins Center and the Town. The Center is confident that all work can be accomplished virtually, while still meeting the Center's professional standards.

2. Workplan and Deliverables

This agreement includes the following deliverables:

1. *Five-year financial forecast spreadsheet;*
2. *Forecast Users' Guide;*
3. *On-call FY2021 budget scenario planning guidance and support;*
4. *Comprehensive package of financial management policies; and*
5. *Targeted, small group professional development for select policies.*

In order to complete the noted deliverables, the project team proposes the following workplan:

Financial Forecast with FY2021 Budget Scenario Planning

Step 1: Provide FY2021 budget scenario planning support

The Collins Center project team will provide up to 50 hours of FY2021 budget scenario planning support from June 15, 2020 through October 31, 2020 (i.e., average of 2.5 hours per week). Topics may include 1/12 budget management, projecting revenues, developing strategies to address any projected budget uncertainty and/or deficits, tax rate impacts, and any other financial management topics. This support may take a wide variety of forms, based on the specific questions and needs of the Town Administrator, Accountant, Finance Committee Chair, and Selectboard member, including but not limited to: email, phone call, virtual meeting, review or development of spreadsheets, etc. The Town Administrator will be the point person for this support, to ensure that the hours are managed appropriately.

Step 2: Gather data and develop forecast

To prepare the five-year forecast, the project team will require data from Town budgets and actual expenditures from FY2018 to FY2020 and the adopted FY2021 budget. Additional data required will include an array of revenue data, including property taxes, state aid, local receipts, enterprise funds (if any), and use of free cash. Projection factors will be applied to the various revenues and expenditures to ascertain the financial forecast for FY2022 to FY2026. The Collins Center team will collaborate with the Town Administrator, financial team, and the Town's financial advisor to collect the needed data, discuss trends, and develop forecast assumptions.

Given the unprecedented circumstances caused by the COVID-19 crisis, the Collins Center project team will forecast multiple scenarios. These scenarios will be developed collaboratively between the project team, Town leadership, and financial advisor, as appropriate.

Step 3: Review draft forecast with Town officials

The project team will review the preliminary draft of the financial forecast with the Town Administrator to receive input prior to finalizing the spreadsheet. Representatives of the Selectboard and Finance Committee will be able to provide additional input into the forecast tool, as needed.

Step 4: Develop Users' Guide

The Collins Center project team will develop a Users' Guide that will document the assumptions included in the forecast and will assist Town financial staff in keeping the forecast updated and relevant.

Step 5: Deliver and present final financial forecast

The project team will develop a final five-year financial forecast and will be available to present the forecast tool at one public meeting, as requested.

Step 6: Conduct training using the financial forecast tool

The project team will provide training for the Town Administrator, Accountant, and Finance Committee Chair on how to work with the financial forecast to model additional scenarios. This training can be done one-on-one or in small groups, depending upon the preferences of Town staff. It can also include phone call and email-based troubleshooting/support.

Financial Policies and Professional Development

Step 1: Convene a financial policies working group

The Collins Center project team will convene a working group that will be tasked with reviewing, drafting, and recommending a package of financial policies and procedures to the Selectboard for consideration. At the discretion of the Town Administrator, the working group may include the Town Administrator, Accountant, Treasurer/Collector, Director of Assessing, a representative from the Selectboard, a representative from the Finance Committee, and/or others.

Step 2: Review existing financial policies and procedures

The project team will review the Town's existing written and unwritten financial policies, if any, compare them with best practice policies identified by the Center, and offer any recommended changes to the working group. The project team will also provide feedback regarding policy areas the team recommends should be considered. Discussion will be held regarding which, if any, of these additional policy areas the Town would like to pursue.

Step 3: Develop financial policies package

The project team will draft any new policies as discussed, and then facilitate a series of up to eight (8) meetings with the working group to review, discuss, and edit the drafts.

Twice throughout the process of drafting the policies, the project team will present the policies drafted to date to a joint meeting of the Finance Committee and Selectboard for review and to obtain feedback.

Step 4: Deliver final proposed financial policies and procedures

The project team will deliver a final package of proposed financial policies and procedures for consideration and will be available to present the forecast tool at one public meeting, as requested.

Step 5: Conduct targeted professional development

Upon completion of the policy review and development, the project team will work with the Town Administrator to design and provide targeted, group-based professional development for the Town Administrator, Accountant, Finance Committee Chair, Sewer Superintendent, and other officials. This professional development will be related to the implementation and management of select financial policies, including revenue forecasting, tax rate impact analysis, projection of adequate user fees, budget management, and debt management.

3. Timeline

Below is a target timeline for this project.

Event	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
FY2021 budget scenario planning	X	X	X	X	X				
Financial Forecast									
Step 1: Gather data and develop forecast			X	X	X				
Step 2: Review draft forecast					X	X			
Step 3: Develop User's Guide						X	X	X	
Step 4: Deliver and present final forecast								X	
Step 5: Conduct training									X
Financial Policies									
Step 1: Convene working group	X								
Step 2: Review existing financial policies	X	X	X						
Step 3: Develop financial policies package		X	X	X	X				
Step 4: Deliver proposed financial policies					X				
Step 5: Conduct professional development				X	X	X	X		