

The New Manager in Town: Recovery After a Scandal

What should be done when a community is confronted with controversy or scandal? Ideally, most communities never will have to answer this question. In 1994, however, the borough of Edinboro, Pennsylvania, was forced to formulate its answer when its borough manager resigned amid allegations of misconduct and misappropriation of funds.

In trying to reestablish the local government's legitimacy and integrity, this small Pennsylvania community discovered that the answer is not necessarily found in expensive, consultant-driven programs but can be found in a coalescence of clear direction and defined purpose.

Call It a

Learning

Experience

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A Look at Edinboro

The borough of Edinboro is a rural community of 7,736 people, located in northwestern Pennsylvania. Home of the "Fighting Scots" of Edinboro University, the "Boro" is much like any other small Pennsylvania community. Composed of a distinct business district, residential neighborhoods, parks, playgrounds, several golf courses, and a small industrial park, the community continues to see modest development. Situated 17 miles from the city of Erie, the borough also serves on a smaller scale as a "breakfast community." As a result of these features, the constituency consists of longtime residents, professionals, students, and tourists.

The borough has an established history of maintaining a strong community identity and the commitment of its residents to the preservation of its rural character, while

still fostering development and progress. With 30 full-time and 30 part-time/seasonal employees, Edinboro is a full-service community providing public water and sewer service. It also operates and maintains 19 miles of road, a community pool, three beaches on Edinboro Lake, several parks and playgrounds, and a 24-hour police department.

Using the council-manager form of government, the borough had operated successfully under two managers for more than 20 years. In fact, for a smaller community, Edinboro had become fairly advanced and progressive. These characteristics made what occurred more difficult for the constituency to understand and accept. In 1994, the borough council was forced to suspend the borough manager and a longtime administrative secretary because of allegations of misconduct.

The council immediately began an internal investigation, with a concurrent FBI and state police investigation into alleged misappropriation of public funds. After a month, the seven-member council accepted the resignation of the manager of 15 years' standing and terminated the administrative secretary.

Councilmembers had to rely on their common sense and on the advice of the borough solicitor for direction. Knowing that sharing information about what had taken place would be vital, they decided on a single spokesperson to provide consistent information to the public. The mayor served as that spokesperson throughout the investigation and the subsequent resignation and termination. Through his efforts, the integrity of the community and council and the position of borough manager were maintained.

Naturally, Edinboro was the focus of the media as rumors became exaggerated. By relying on a single spokesman, the council could provide accurate and timely news releases that in the long run helped restore order and direction.

Restoring Calm and Hiring a New Manager

Following the manager's resignation, councilmembers acted quickly to preserve effective governance of the community. Because a slow transition period could have a devastating effect on borough operations, an acting manager was appointed after the incumbent resigned.

The borough's administrative assistant seemed to be the logical choice to serve in the acting manager's position, and guess who the administrative assistant was: me! But I was a recent MPA graduate with only a year of practical experience. If the council appointed me to the position, it was taking a calculated risk on my ability to rebuild the borough's image and its internal operations.

Again relying on common sense, the council approved my appointment for six months. Councilmembers agreed to evaluate my performance and the borough's progress at the end of that time. I now have been serving as borough manager for more than a year.

Edinboro's Strategy

Most managers are trained to avoid simply putting out fires. I, too, admit to being concerned with the "muddling through" strategy that I used early on. But in uncertain times, uncertain approaches can prove successful. Arguably, in our borough's case, this strategy was exactly what Edinboro needed to move forward.

The strengths of the organization quickly were identified, and it became obvious that the borough's forte was its staff. Here was a group of people with many fingers pointed at it, yet the staff came to work each day dedicated to the idea that the borough would not only surmount this circumstance but improve 100 percent.

Though Edinboro did not offi-

cially establish a complicated recovery plan or hire a pricey image consultant, a clear direction did evolve. During the early months of my appointment, we tried to formulate a mission statement, but it became clear that the mission already had been established and that there were two areas of concern, the internal and the external.

External concerns. Both within and outside the community, the borough had been given a black eye. Residents were asking how and why this scandal and its causes had happened and, more important, what the borough was going to do to prevent their happening again. The borough's integrity also had been put into jeopardy and was being questioned by other communities, agencies, and organizations. For this reason, an effort was begun to improve Edinboro's external image.

The main strategy was a simple one: communication. Several groups needed particular attention, including residents, the local business community, state and local agencies, the university, and the media. The first hurdle to overcome was the problem of providing information to these groups on a limited budget. The solution was to produce a monthly newsletter and include it in a locally produced flier. Local businesses paid for the distribution of these newsletters to all residents so that the news was disseminated at little or no cost.

Newsletters contained information about upcoming community events, as well as positive messages about the government's future projects and successful endeavors. In a pretty short time, the borough received many positive comments on this communication tool.

Other PR efforts. In addition to informing the print media, we made every effort to speak to community groups and organizations, including the Lions Club and the Rotary Club.

As manager, I met frequently with the more influential members of the larger community, including the president of the local university, other borough and township managers, and various state and county officials.

People might have questioned my intention with regard to the politics-and-administration dichotomy. Believing firmly in the tenet, I was careful to use these opportunities not to promote myself in my position as borough manager but to solidify the manager position. These presentations provided needed feedback from constituents to whom the manager ordinarily would not be exposed within the walls of the municipal building. These meetings were vital in establishing a healthy, long-term working relationship with area organizations, as well as in underlining the borough's stability after a traumatic incident.

Edinboro made a conscious effort to demonstrate that government would not come to a standstill as a result of the transition period. Instead, it used this time for self-examination and formulating ways to improve.

An important part of the external recovery was establishing wholesome working relations with the local media, most importantly the local newspaper that covers the Edinboro area. It was necessary to set an open-door policy with the members of the local press and the news-gathering staff of the TV stations. We made every effort to convey to the media that this administration would be forthcoming and would make it a policy to provide the local newspaper with advance notice of every council meeting and with a "council highlights" follow-up. In many cases, the local paper used borough-produced highlights for news stories.

A Positive Shift

Within the past several months, the borough has seen a shift in media

coverage. The emphasis is no longer on scandal but on success. Recently, as manager, I was invited by WJET-TV in Erie to appear on its Sunday Morning Show, and I took that opportunity to discuss Edinboro's ample natural resources, its upcoming projects, and its recent borough successes instead of rehashing old news. The *Erie Sunday Times* published a two-page article on the borough's aggressive program of rental housing enforcement. All of these seemingly small media events have been crucial in that they let residents see and hear positive news coverage of the borough.

Many secondary policies also have been initiated to improve the borough's external image, including meetings with as many local business owners as possible. Edinboro also has made it a point to return all resident phone calls and to answer inquiries. This may sound simplistic, but most of the complaints that managers receive concern their accessibility. It is difficult to meet with all residents who ask to see the manager, but a short meeting or a promptly returned phone call can go a long way toward projecting a positive image. Department heads also have been asked to follow the same standard, with the same results. Residents have been quick to voice their approval.

Internal Issues

Inside the walls of the municipal building, the borough administration also was in need of direction and purpose. Several obvious concerns had to be addressed, including financial procedures, employee morale, and overall operations. The first objective was to ensure that there would be no repetition of prior indiscretions. A review of financial operations was completed, and the financial policy of the borough has been rewritten to include better control measures, as well as procedures for recording and reporting fiscal matters.

The single-signature and signature-stamp procedure for check endorsement was replaced with a two-endorsee procedure for all checks. The manager must supply a complete list of all expenditures at each bimonthly public meeting. All reporting avenues to the council have been improved; we now have an extensive council packet, a monthly manager's report, and a quarterly budget report.

Purchasing procedures have been revamped so that all purchases must be approved by a department head, who then reports to the manager. With this system, the department head must assign the appropriate fund account and line-item number before the manager's authorization. This system of checks and balances leaves no individual in complete control of public monies and provides both accountability and responsibility for all purchases.

Job responsibilities also have been revised. Even though borough personnel are limited, clear responsibility for recording expenditures and revenues was made possible through some creative job juggling. Initially, this effort required a learning period, but ultimately it has resulted in increased efficiency, better record keeping, and a clear means of checks and balances. The borough has improved its dismal reputation of slow bill payment and now is considered reliable. These new procedures have been explained to residents at public meetings and published in the local newspaper.

In addressing personnel concerns, it became obvious that the borough was blessed with highly capable personnel. Many of the employees had been underused for years. They now were being asked to accept a new style of management, one that relied on a decentralized philosophy in which department heads were given authority and responsibility. Many of them were introduced to their budgets for the first time. They were told

to run their departments using their budgets, personnel capabilities, and experience. As a result, they excelled at getting the job done in a more efficient and cost-effective manner.

This management philosophy has had immediate results, cutting expenditures in the first year by approximately 5 percent and solving many problems that had plagued the locality for years. For instance, Edinboro had been struggling with a problematic sewer lift station for a number of years. It was assumed that corrective measures would be expensive and time-consuming. Yet within a few months, the public works director, wastewater superintendent, and borough engineer had developed a plan that resolved the problem using relatively little money and time. Department heads continued to experiment with ways of accomplishing goals while staying within their established budgets. In fact, they have begun to challenge the manager to keep up with their ideas and input. Monthly staff meetings help the staff coordinate department activities and the budget process, thereby providing a forum for interdepartmental concerns and cooperation.

Another concern was employee morale. Working for any organization that has been struck by scandal affects the way employees are viewed by the public and the way employees view the organization. My open-door policy allows employees to meet with me to discuss any issue that is important to them. A word of caution on any policy of this type: Do not forget the proper chain of command. Employees should feel free to discuss important matters with the manager but not at the expense of the first-line department heads.

The borough also has experimented with a monthly meeting and newsletter for employees and with routine performance evaluations; results have been mixed. It has tried to provide an open environment that rewards initiative and commitment.

The transition has resulted in employees' being given additional or new duties, which have led to an increased sense of purpose and identity for staff members. Yet, as might be expected, this remodeling did come at the expense of a few capable employees. Oftentimes, what is perceived as a setback can provide an unforeseen window of opportunity and also can help managers to gauge or evaluate the direction or lack of direction that their management teams are providing.

Again in an effort to provide better accountability, the council instituted an annual evaluation procedure for the manager. These evaluations have resulted in a better line of communication between the manager and council and have provided a chance for councilmembers to outline their priorities and goals for the upcoming year.

Lucky and Unlucky

Some of the borough's recent successes and failures can be attributed to good luck or misfortune. Early in the transition period, the community enjoyed several fortunate circumstances that brought a respite from the overwhelmingly negative moments. For one thing, the borough's current refuse collection contract was to expire in December 1994. At that time, my suggestion was to forgo

the option to extend the contract at a 3 percent increase and rebid it. Thanks to that rebid, the borough saw a 5 percent decrease in costs for each of the next three years. And we immediately provided the media with the bid results, outlining the projected fifty-cent-per-month decrease in the residents' refuse bills.

The borough was able to hold the line on current tax rates, sewer rates, and water rates in both fiscal 1995 and 1996, and it was fortunate enough to receive a grant to update its comprehensive plan. The development of this plan called for a public "strategic planning forum," a phase that invited all residents to attend planning sessions and provide input and direction. These sessions gave them a chance to present their concerns and comments directly to councilmembers and to the borough's management staff in an informal setting. More important, they provided an opportunity for residents to get involved in planning future development.

Unfortunately, the borough also was struck by a bit of misfortune that had a dramatic effect on the community. Only a few months into my tenure, Edinboro was notified that its drinking water had high levels of trichloroethane (TCE) that exceeded EPA's maximum contaminant levels. Here, too, the borough followed its newly established action plan. To assure the public that the levels of TCE were not an immediate health risk, the borough relied heavily on the local news media, its newsletter, and a public hearing. These steps were followed with an immediate corrective plan, which also was well advertised and promoted.

Each of the steps taken earlier, in the external recovery plan, had immediate results in this situation. The borough had tried to establish a healthy working relationship with Edinboro University. As a result, the borough was able immediately to contact university officials, who

helped to secure a construction site for a 30-foot air stripping tower that will be used to eliminate the TCEs.

The relationship with the local media helped us to relay accurate information on TCE levels, the effects of high TCE levels, and the borough's corrective plan. Because of the increased accessibility, the borough was in a stronger position with countywide agencies involved in the development of the corrective plan.

Overall, the borough was better equipped to deal with the water situation because of lessons learned in the transition period. Employee strengths in a crisis already were well established; the borough's resources had been firmly identified and now could be used most effectively; department heads could use their extensive knowledge and experience to provide vital input and direction, and the borough was no longer just putting out fires. Its management style now was proactive, not reactive.

Edinboro Today

Edinboro's answer to the question of how to deal with controversy and scandal may not have been flashy or particularly noteworthy, but that was exactly the point of its recovery plan. As a result, it has been able to establish a sense of legitimacy and continued progress.

It is important for any locality in similar circumstances to use common sense and to make those occasional strokes of good luck into springboards for progress. Rely on the steadfastness of employees, and do not allow instances of misfortune to get the local government off-track. In recent months, Edinboro has taken on a new image, one of change, progress, and youthful ambition. The old adage that one should learn from one's mistakes also can apply to an entire community. **PM**

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