

Reading Municipal Light Department (RMLD) Board of Commissioners

General Manager Committee Minutes

Tuesday, January 31, 2017

General Manager's Conference Room

Start Time: 6:05 p.m.

End Time: 6:50 p.m.

Attendees:

Committee Members: Messrs. O'Rourke, Stempeck, and Talbot

Board Members: Messrs. Pacino and Hennessy

RMLD Staff: Mses. O'Brien, Parenteau and Schultz; Mr. Jaffari

Attorney Christopher Pollart

Call Meeting to Order

Chairman O'Rourke, Chair of the General Manager Committee, called the meeting to order at 6:05 p.m.

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Chairman O'Rourke began by noting that all Commission members were present and welcomed their input and participation. In the interest of time, Chairman O'Rourke emphasized that there would be a hard stop of the meeting at 6:45p.m., at which point there would be a transition to the Policy Committee meeting. Ms. O'Brien's contract was written in 2013 and there have been recent changes to the car allowance and updates to wording to make the contract current. Committee members should have received a clean and marked copy of the revised contract and a legal summary of the substantive changes.

Attorney Pollart explained that the 2013 contract has been amended and restated. Changes through section 1.3 were cleanup work. Mr. Stempeck then referred to section 1.1 where Ms. O'Brien is referred to as 'Manager' and section 1.3 where the term 'General Manager' is used.

Attorney Pollart explained that because c. 164 66 §1d uses the term 'Manager.' 'General Manager' is solely used for internal organizational purposes. Section 1.3 must be corrected. Attorney Pollart continued, explaining that the initial drafting of Article 2 Restrictive Covenant only characterized the statute-now it is directly referenced.

Mr. Stempeck pointed out that 'General Manager' in Article 2 needs to be changed as well. Mr. Pacino added that Article 2 requires that the 'employee makes full disclosure' but it doesn't say who that disclosure is to.

Ms. O'Brien explained that per the disclosure forms on the Inspector General's (IG) Conflict of Interest website, because she is not an elected official, disclosure forms go to her appointing authority-the Board. The form(s) are then filed with the secretary, Ms. Foti.

Chairman O'Rourke and Attorney Pollart agreed to add the designation of 'the Board' to Article 2. Chairman O'Rourke then announced that Ms. O'Brien would be making two disclosures.

Attorney Pollart explained M.G.L. c. 268a, the Commonwealth's Conflict of Interest law, has a provision for municipal employees that is designed to protect against the appearance of a conflict of interest. The employee can dispel the appearance of a conflict of interest by making a disclosure.

Ms. O'Brien stated that when she first came to work at RMLD she called the IG's Office to discuss friendships and was told that it was fine. She didn't file a formal disclosure but now that she has sat down with Attorney Pollart she felt that it was appropriate to disclose. Mr. Jaffari is considered a close friend and the disclosure form discusses what will be happening. RMLD is getting ready to reorganize in accordance with recommendations from Leidos and the Board in regards to succession planning. This entails the creation of two Assistant General Manager positions, of which Ms. Parenteau and Mr. Jaffari will be qualified to fill. While calling the IG's office was a good first step, the law is more clear now. The disclosure form states that Ms. O'Brien has direct responsibility for the organization and Ms. O'Brien emphasized that the new positions are for two qualified people-not just Mr. Jaffari.

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Ms. O'Brien continued, stating that the second disclosure form is in regards to Mike McDonough, the nighttime troubleman. They have been friends for ten to fifteen years, and he falls under the AFSCME collective bargaining agreement. Even though Ms. O'Brien wasn't on the negotiating team she makes recommendations to the Board. Ms. O'Brien explained that there are three levels of supervision between herself and Mr. McDonough. Therefore, she has no say in his overtime or scheduling and everything in the renegotiated contract meets industry standards. Ms. O'Brien reiterated that she is not an elected official so her disclosures do not have to be public, but she wants to get transparency. Additionally, she expects all RMLD's senior managers to make disclosures to show that they can make unbiased and fair decisions.

Attorney Pollart affirmed this, explaining that the person filling out the form asks him or herself if they can act objectively. Attorney Pollart then returned to Ms. O'Brien's contract, where Article 2 will need to be changed from "General Manager" to "Manager." Article 3 was changed to make it easier to follow and read. Article 4 has the first real substantive change to the contract; it changes the vehicle allowance to allow Ms. O'Brien to file for mileage reimbursement for mileage beyond her usual commute, such as attending a meeting or conference outside of the RMLD's service territory.

Chairman O'Rourke explained that prior to redoing the contract there was no provision for a personal vehicle-last year the Board voted on a vehicle allowance. The Board has the option to return to providing a company vehicle - after talking to Ms. O'Brien and deciding that it will be better for her, or the RMLD, or both. The piece of the contract that is new is meant to only address one area: Ms. O'Brien has a car with an all-in allowance. Chairman O'Rourke explained that they don't want Ms. O'Brien to have to contemplate flying because her mileage allowance won't cover long travel. The mileage arrangement that the Board previously voted on is fair but doesn't consider extenuating circumstances. Chairman O'Rourke stated that regardless of any other changes the Board may have to that evening's contract updates, they should include a proviso for unusual travel distances, allowing Ms. O'Brien to receive compensation with reasonable preapproval.

Ms. O'Brien asked if it was okay to get approval from the Chairman instead of waiting for the Board; all agreed this would be easiest. Ms. O'Brien clarified that the next General Manager can go back to using a company car, which included all gas. That's not in her contract. When the original stipend was calculated, it did not include gas. When it was a company car it was the least value of the car plus gas. All gas was included. Ms. O'Brien made it clear that she is not asking for gas, just mileage for extenuating work-related circumstances.

Chairman O'Rourke asked if everyone was comfortable with that.

Mr. Talbot said that the proposed change was fine, but the contract language says anything outside of the service territory will be eligible for reimbursement. There needs to be a proviso that clarifies that it is for long trips, and at the discretion of the Chairman.

Mr. Stempeck added that it should include a choice of transportation and Mr. Hennessy suggested requiring approval for anything outside of 50 miles. Mr. Talbot stated that last year the Board approved a stipend of \$800; giving open-ended mileage is a problem.

Chairman O'Rourke asked Attorney Pollart if he had any input, to which Attorney Pollart replied that it makes sense to be objective, whether a mileage amount outside the territory or at the discretion of the Chairman.

Mr. Talbot noted that he can name what trips Ms. O'Brien would be requesting compensation for, and mentioned NEPPA. Ms. O'Brien interjected, saying that it might not be a conference, it could be a training in Connecticut, it's impossible to know what may come up.

Chairman O'Rourke summarized that reimbursement for travel outside the service territory would be subject to approval at the discretion of the Chairman.

Mr. Pacino added that he was harboring the same concerns as Mr. Talbot.

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Mr. Talbot asked if the contract was going to be approved and signed this evening, to which Chairman O'Rourke answered that it would depend if the mileage was the only substantive change and suggested that they continue and see if there were any other changes.

Attorney Pollart referred to the small change in 5.6, which changed ICMA from 3% to 4%. Ms. O'Brien clarified that was a companywide adjustment. Chairman O'Rourke confirmed that it was for all employees. Attorney Pollart then continued to 5.7, which was language cleanup, and to 5.8, that now better addresses life insurance.

Chairman O'Rourke explained that there is no group life insurance through RMLD. Ms. O'Brien was at a negative benefit-she was paying for life insurance, but per the income tax table costing more. Therefore, RMLD will annually reimburse Ms. O'Brien \$520 for a long-term policy to cover two times Ms. O'Brien's salary. Ms. O'Brien will pay the imputed income tax on the policy. Chairman O'Rourke remarked that he had spoken to Ms. Markiewicz in Business Finance and tried to get a policy handled through RMLD, but there is no infrastructure set up for life insurance. Additionally, the premium is locked in place.

Attorney Pollart explained that 5.10 now has more flexibility; the General Manager's benefits can be adjusted at the time of employee's annual performance review. Article 6 tightens up language and corrects typos and 7.1 has a lot of changes but they're not terribly substantive, except changing the notice periods for leaving. Previously, the Board had to give Ms. O'Brien 30 days' notice, while Ms. O'Brien had to give the six months' notice. In the interest of fairness, the notice period is now 60 days for both. Fairness.

Mr. Talbot asked why that discrepancy was in the contract to begin with.

Mr. Stempeck answered that it was embedded in the historical contract and was overlooked. Mr. Stempeck commented that 60 days sounds reasonable; there will always be extenuating circumstances. Chairman O'Rourke added that the Board can work with General Manager and keep him or her on as a consultant.

Mr. Stempeck added that he was one of only two current Board members who were there during the search for a new General Manager. The search to find someone who was qualified took a long-time.

Mr. Talbot stated that, considering how long the search was, 60 days isn't that long, to which Mr. Stempeck pointed out that if it was a matter of terminating the employee then six-months would be a long time to have a lower quality of work.

Chairman O'Rourke added that it would be difficult to give six-month notice and then look for employment. The contract makes it clear that termination for cause would be without severance, but also allows Ms. O'Brien to be reimbursed after the fact if the allegations are proven to be unfounded. Just a reminder, not new language-integral to agreement-is a two-year contract but can be terminated at any time. If the Board gives Ms. O'Brien notice inside the contract period, RMLD is obligated to pay Ms. O'Brien through the remainder of the contract period, if terminated without cause.

Mr. Stempeck remarked that this contract contains more than what is in most corporate contracts and Mr. Pacino asked if "cause" is defined.

Chairman O'Rourke answered yes, in 7.1, and added that if the General Manager is doing a reasonable job but the Board is not happy: that's not reasonable cause. Attorney Pollart clarified that if there is an issue the General Manager can be put on administrative leave.

Chairman O'Rourke then returned to the contract, explaining that there is no short or long-term disability plan at RMLD. The General Manager provision has two pieces: compensation and job protection, which is provided by FMLA. The contract provides for 90 days of compensation, after which it becomes long-term, up to nine months after that. There is a maximum of a year of disability, after which there is no obligation.

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In terms of job protection, RMLD can consider replacing the General Manager after 90-days. However, there is a lot of legislation in place for reasonable accommodations. There is no change to the contract; this was just an explanation.

Chairman O'Rourke then stated that the Commission seems to have agreed on everything, and inquired if the changes need to be called out in the Board meeting.

Attorney Pollart stated that he would make the changes, then resubmit to the Board for signature.

Chairman O'Rourke summarized the three changes: "General" will be deleted from Article 2 line two. In Article 2 the third to last line will add that the employee makes full disclosure 'to the Board' and there will be an update to the mileage proviso.

Attorney Pollart read the new language for the latter: "If employee elects a monthly vehicle allowance then employee shall be reimbursed for mileage [add new language:] that is preapproved by the Chairman of the RMLD Board, to and from events and meetings related to employee's employment hereunder that are located outside of RMLD's service territory at then-current Internal Revenue Service reimbursement rates except for the amount of mileage driven as part of employee's regular commute shall be deducted from such mileage reimbursement."

Mr. Talbot asked if the sentence could specify "long trips." Attorney Pollart asked Mr. Talbot to define a long trip, to which Mr. Talbot answered over 100 miles, such as NEPPA.

Chairman O'Rourke stated that they don't want to tie the mileage to NEPPA or use a set mileage number; there was lots of give and take with the contract, they're not trying to load it with goodies but trying to make it competitive.

Mr. Talbot stated that he was lost without defined numbers and needs a benchmark. Mr. Pacino added that the word exceptional is not in there. Seems like the contract is only referring to ordinary travel; must specify that this is for trips that are outside of normal travel.

Mr. Hennessy asked what is wrong with a mileage number, to which Chairman O'Rourke replied that he has heard five numbers.

Mr. Talbot suggested setting an annual total amount of mileage for business-related travel-anything over that would be subject to approval. Ms. O'Brien would just need to track her mileage.

Chairman O'Rourke stated that was not palatable and asked for per-trip suggestions for qualified mileage, to which Mr. Stempeck answered that they should be as flexible as possible and refrain from defining mileage.

Mr. Hennessy asked what Ms. O'Brien thought was fair.

Mr. Talbot said that he would agree if the Board approves any requests and pointed out that Ms. O'Brien needs Board approval for overnight travel anyway. He said to leave the language and change to Board approval. Chairman O'Rourke asked Ms. O'Brien if she was fine with that change.

Ms. O'Brien stated that she was fine with that and reiterated that this is only for extenuating circumstances.

Propose to vote for approval and recommendation to the full Board at the General Meeting, the changes, as discussed, to Ms. O'Brien's contract, as previously communicated, the three of which were to change "General

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Manager" to "Manager" in Article 2, to change Article 2 to require the employee to make full disclosure to the RMLD Board, and to change 4.1 to require the General Manager to receive preapproval from the RMLD Board for long travel mileage reimbursement.

Chairman O'Rourke made a motion, seconded by Mr. Stempeck, that the General Manager's Committee vote for approval and recommendation to the full Board at the General Meeting, the changes, as discussed, to Ms. O'Brien's contract, as previously communicated, the three of which were to change "General Manager" to "Manager" in Article 2, to change Article 2 to require the employee to make full disclosure to the RMLD Board, and to change 4.1 to require the General Manager to receive preapproval from the RMLD Board for long travel mileage reimbursement.

Motion carried 3:0:0.