



**READING MUNICIPAL  
LIGHT DEPARTMENT**

**BOARD OF COMMISSIONERS MEETING**

**REGULAR SESSION**

**Thursday, February 24, 2022**

## **POLICY 2: SURPLUS**

# RMLD Policy No. 2 SURPLUS MATERIAL

Revision No. 7

Commission Vote Date \_\_\_\_\_

\_\_\_\_\_  
General Manager/Date

Next Review Date \_\_\_\_\_

## I. PURPOSE

The purpose of this Policy No. 2 SURPLUS MATERIAL is to provide administrative controls and procedures ~~for use by the RMLD in disposing of surplus property~~ to maximize the value of the disposal of ~~such surplus property to RMLD and its ratepayers~~. This policy does not apply to the disposal of real estate.

## II. DETERMINATION OF SURPLUS PROPERTY

Surplus property is personal property in the custody and control of RMLD ~~which~~ that is either:

- (a) In excess of RMLD's needs due to changes in operations, ~~or personnel~~ or other ~~changes in~~ circumstances;
- (b) Replaced by new or substitute property;
- (c) Damaged and non-repairable or uneconomic due to costs of repairs;
- (d) In poor or hazardous condition; or
- (e) Obsolete and no longer suits RMLD's needs.

Each RMLD ~~d~~Department shall identify property that it deems to be surplus. The General Manager or his/her designee shall make the determination whether any such property constitutes surplus to RMLD's needs and shall be designated for disposal. Such determination shall be made in writing identifying the reasons for declaring the property surplus.

## III. ASSIGNING VALUE

Upon declaring property as surplus, the estimated value of the property shall be determined. RMLD will conduct a reasonable investigation utilizing the best available sources to locate similar supplies being offered for resale or salvage in order to develop an estimated ~~determine the~~ fair market value ("FMV") of such property. To the extent available, the FMV will determined ~~based on a minimum of two (2) relevant and comparable industry sources to extent available. To the extent two suitable sources are not available due to the unique nature of the item(s), RMLD will utilize the best available sources~~. For consumer motor vehicles, FMV shall be estimated based on Kelley Blue Book, Edmunds, NADA Guides or any other nationally recognized service that values vehicles like those being disposed. For other property, including commercial or service vehicles not listed in Kelley Blue Book, Edmunds, NADA Guides or a similar source, FMV shall be estimated based on quotes, trade-in offers, available sales data, appraisal or industry sources for similar property or vehicles, as may be adjusted for specific make and model, year, condition, and special equipment and features, and other factors

deemed relevant. If FMV cannot reasonably be estimated for a particular property, then RMLD will estimate the value of such property based on its salvage value. Salvage value is the estimated residual value of an asset at the end of its useful life or the proceeds from the disposal of the asset when it can no longer be used in a productive manner. Net salvage value ~~takes into account~~ accounts for the costs of disposal to more accurately reflect the residual value of a depreciable asset.

The estimated value of the property, including the designation as scrap, and the sources consulted shall be documented and kept on file. The final determination of the property's estimated value shall be subject to review and approval by the General Manager or his/her designee.

#### **IV. CATEGORIZATION OF SURPLUS PROPERTY**

Once values are determined pursuant to Article III, property shall be categorized as follows:

- (1) Scrap - property which may or may not have a tangible resale or salvage value.
- (2) Substantial Value - property having a FMV of \$10,000 or greater;
- (3) Moderate Value - property having a FMV more than ~~\$500~~ \$1,000 but less than \$10,000; and
- (4) Nominal Value - property having a FMV of ~~\$500-1,000~~ or less.

#### **V. ELECTRIC UTILITY-SPECIFIC AND ELECTRIC UTILITY RATED COMMERCIAL VEHICLE PROPERTY**

RMLD will identify any property that it considers to be electric utility-specific. Electric utility-specific property is property that typically only an electric utility or a company or person in the electric utility trade is likely to have an interest in acquiring. For electric utility-specific and electric utility rated commercial vehicle property of Substantial Value, RMLD will determine whether an established market exists for purposes of disposal. An "established market" is one in which commodities are regularly sold in wholesale lots and prices are set by open competition as interpreted or as otherwise defined by the Massachusetts Inspector General or agency of the Commonwealth or a court having jurisdiction over the disposal of property by federal, state, and local governmental entities. A list of trade journals and other trade publications, online advertising sources and other industry or market resources for the advertisement and sale of electric utility-specific, including electric utility rated commercial vehicles, regardless of value shall be identified and documented. This list shall be reviewed and updated, as necessary.

#### **VI. DISPOSAL PROCEDURES.**

- A. Scrap having tangible or resale value. Scrap having tangible or resale value shall be placed in the appropriate category based on the value of the property. If the surplus property will be sold separately as individual units, the property shall be categorized based on the value of each individual unit. For property to be sold as a set or collection, the property shall be categorized based on the estimated value of the set or collection. Items customarily sold as a set shall not be treated as individual units to evade or bypass applicable disposal procedures. However, RMLD, in its discretion may determine whether to dispose of property on an individual unit basis or as part of a set or collection to maximize revenue. In such instances, the reasons shall be

documented and kept on file. The final decision whether to utilize a single solicitation or separate solicitations for multiple items shall be subject to the review and approval of the General Manager or his/her designee.

B. Scrap having no tangible resale or salvage value. Scrap having no tangible resale or salvage value may be destroyed, recycled, or disposed of via an approved scrap bid or other method as determined by RMLD in its discretion based on the particular circumstances and costs of disposal. RMLD will endeavor to minimize the cost of disposal of scrap to the extent reasonably possible.

~~C. Right of First Refusal. RMLD will offer surplus property, with the exception of electric utility rated commercial vehicles, electric utility specific property, and scrap having no tangible resale or salvage value, to the Towns of Reading, North Reading, Wilmington, and Lynnfield (collectively "Towns") at FMV before offering the property to the general public.~~

~~Vehicles. With the exception of electric utility rated commercial vehicles and electric utility specific rolling stock, vehicles will be offered to the Towns at FMV on a rotational basis. The rotational sequence is Reading, North Reading, Wilmington, and Lynnfield. RMLD will notify the Towns in writing. The Towns will have 10 business days from the date of RMLD's notice to submit a notice of intent to purchase the property before RMLD offers the property to the general public. Notice of intent to purchase shall be made in writing and signed by an officer with authority to approve the purchase. If more than one town provides RMLD with a notice of intent to purchase the property at the same time, preference will be given based on the rotational sequence. If no town has provided RMLD with a written notice of intent within the 10-day period, RMLD may proceed to offer the property to the general public pursuant to applicable procedures.~~

~~Other Property. RMLD will offer other surplus property to the Towns at FMV on a first come, first served basis. RMLD will notify the Towns in writing. The Towns will have ten (10) business days from the date of RMLD's notice to submit a notice of intent to purchase the property before RMLD offers the property to the general public. Notice of intent to purchase shall be made in writing and signed by an officer with authority to approve the purchase. If more than one town provides RMLD with a notice of intent to purchase the property at the same time, preference will be given based on the rotational sequence. If no town has provided RMLD with a written notice of intent within the 10-business day period, RMLD may proceed to offer the property to the general public pursuant to applicable procedures.~~

~~D.C. Substantial Value. Property determined to have Substantial Value ~~only~~ shall be disposed of in ~~compliance~~ accordance with G.L. c. 30B ~~requirements~~ procedures and ~~such supplemental~~ any additional requirements and procedures set forth in this policy and/or as determined by the General Manager ~~in his/her~~ discretion. The General Manager shall have authority to impose additional requirements if he/she determines that it is in the best interests of RMLD to do so.~~

Where an established market exists for the property, RMLD may dispose of the property through the established market or by trade-in if RMLD determines that it is advantageous to in its best interests to do so. The reasons shall be documented, and

the decision shall be subject to the approval of the General Manager or his/her designee.

For all other property, a competitive solicitation process ~~shall~~will be used. RMLD ~~shall~~will evaluate whether a written competitive bid process or auction, including an online auction (i.e.g., Municibid, GovDeals.com, or similar web-based listing), presents the most advantageous approach ~~given the property to be sold~~under the circumstances. The process, including all notices, shall conform to G.L. c. 30B requirements.

RMLD shall consider whether to impose a minimum bid reserve price or other terms and conditions of the sale. At a minimum, RMLD shall reserve the right to reject any and all bids if it is in RMLD's best interest to do so.

In addition to complying with G.L. c. 30B notice requirements, RMLD shall post a notice on its website for at least two weeks and advertise the solicitation in appropriate print and online sources intended to reach potentially interested buyers. Electric utility rated commercial vehicles and electric utility-specific equipment shall be advertised in at least two sources identified on the list as set forth in Article V.

RMLD shall award the bid to the highest bidder who meets the requirements of the solicitation, unless RMLD determines that it is in its best interest to reject the bids. If RMLD rejects the bids, RMLD may solicit new bids or negotiate the sale at a higher price than the highest bid price as permitted by G.L. c. 30B.

All bidders, including participants in an auction, shall submit a non-~~collusion~~ certificate as required by G.L. c. 30B.

The sources of advertising, the specific method of disposal, and the award process, shall be documented and subject to the approval of the General Manager or his/her designee.

E.D. Moderate Value. Property of Moderate Value shall be sold through the best available means to obtain the highest price for RMLD. In determining the specific disposal and advertising methods to be used, the costs of disposal shall be weighed against the expected yield to RMLD. Among other options, as determined by RMLD under the circumstances, disposals may be made through a competitive bid or auction process to the highest bidder as provided in Article VI.C or sold for FMV or "best offer" after advertisement. When offering to sell surplus property to the general public, to the extent practical, RMLD shall advertise the sale in the local newspaper, on its website for at least two weeks and in appropriate print and online sources intended to reach potentially interested buyers. Commercial and electric utility-specific vehicles and equipment should be advertised in at least two sources identified on the list as set forth in Article V. RMLD also may negotiate the sale of the property or dispose of the property through less formal means after receiving three quotations or as RMLD deems appropriate under the circumstances. If RMLD solicits quotations, RMLD shall not be required to sell the property to the person providing the highest quotation, but the highest quotation shall be used as the benchmark for negotiating and approving the sale.

The purchaser of property having Moderate Value shall be required to sign and submit a non-collusion certificate.

The reasons and sources for the method of disposal and the award process shall be documented and subject to the approval of the General Manager or his/her designee.

F.E. Nominal Value. Property of Nominal Value may be disposed of using sound business practices. The process and sale shall be documented and kept on file.

**VII. ADDITIONAL TERMS AND REQUIREMENTS.**

- A. All property shall be sold or disposed of "as is" without any warranties of any kind.
- B. The purchaser shall release RMLD, in writing, from all liabilities concerning the property. The Purchaser must provide for removal, transportation, storage, etc. at no cost to the RMLD.
- C. The purchaser shall have the responsibility to provide for the removal, storage, and transportation of the property at its sole expense. The purchaser shall remove the property at a time and location designated by RMLD.

**VIII. PROHIBITION ON SALES TO EMPLOYEES, BOARD OF COMMISSIONERMEMBERS AND BOTH OF THEIR IMMEDIATE FAMILIES.**

Consistent with G.L. c. 268A, § 20, RMLD employees and RMLD Board of Commissioner members and ~~both of~~ their immediate families shall not be eligible to purchase or otherwise receive RMLD surplus property regardless of price or method of disposal used. This prohibition also applies to competitive solicitation processes.

**IX. ADMINISTRATIVE REVIEW AND REPORTING.**

All disposals other than scrap material having no tangible resale or salvage value shall require the administrative review of the General Manager. The General Manager may require any additional reviews and approvals as the General Manager deems necessary, in his or her discretion. On a quarterly basis, the RMLD Board of Commissioners shall be provided with a report ~~The General Manager shall make reports monthly~~ quarterly, if applicable, identifying the disposal of surplus having Substantial Value. ~~to the RMLD Board of Commissioners.~~

# RMLD Policy No. 2 SURPLUS MATERIAL

Revision No. 7

Commission Vote Date February 24, 2022

\_\_\_\_\_  
General Manager/Date

Next Review Date February 24, 2025

## I. PURPOSE

The purpose of this Policy No. 2 SURPLUS MATERIAL is to provide administrative controls and procedures to maximize the value of the disposal of surplus property. This policy does not apply to the disposal of real estate.

## II. DETERMINATION OF SURPLUS PROPERTY

Surplus property is personal property in the custody and control of RMLD that is either:

- (a) In excess of RMLD's needs due to changes in operations, personnel, or other circumstances;
- (b) Replaced by new or substitute property;
- (c) Damaged and non-repairable or uneconomic due to costs of repairs;
- (d) In poor or hazardous condition; or
- (e) Obsolete and no longer suits RMLD's needs.

Each RMLD department shall identify property that it deems to be surplus. The General Manager or his/her designee shall make the determination whether any such property constitutes surplus to RMLD's needs and shall be designated for disposal. Such determination shall be made in writing identifying the reasons for declaring the property surplus.

## III. ASSIGNING VALUE

Upon declaring property as surplus, the estimated value of the property shall be determined. RMLD will conduct a reasonable investigation utilizing the best available sources to locate similar supplies being offered for resale or salvage in order to develop an estimated fair market value ("FMV") of such property. To the extent available, the FMV will be determined based on a minimum of two (2) relevant and comparable industry sources. For consumer motor vehicles, FMV shall be estimated based on Kelley Blue Book, Edmunds, NADA Guides or any other nationally recognized service that values vehicles like those being disposed. For other property, including commercial or service vehicles not listed in Kelley Blue Book, Edmunds, NADA Guides or a similar source, FMV shall be estimated based on quotes, trade-in offers, available sales data, appraisal or industry sources for similar property or vehicles, as may be adjusted for specific make and model, year, condition, and special equipment and features, and other factors deemed relevant. If FMV cannot reasonably be estimated for a particular property, then RMLD will estimate the value of such property based on its salvage value. Salvage value is the estimated residual value of an asset at the end of its useful life or the proceeds from the disposal of the asset when it can no longer be used in a productive manner.



Net salvage value accounts for the costs of disposal to more accurately reflect the residual value of a depreciable asset.

The estimated value of the property, including the designation as scrap, and the sources consulted shall be documented and kept on file. The final determination of the property's estimated value shall be subject to review and approval by the General Manager or his/her designee.

#### **IV. CATEGORIZATION OF SURPLUS PROPERTY**

Once values are determined pursuant to Article III, property shall be categorized as follows:

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- (4) Nominal Value - property having a FMV of \$1,000 or less.

#### **V. ELECTRIC UTILITY-SPECIFIC AND ELECTRIC UTILITY RATED COMMERCIAL VEHICLE PROPERTY**

RMLD will identify any property that it considers to be electric utility-specific. Electric utility-specific property is property that typically only an electric utility or a company or person in the electric utility trade is likely to have an interest in acquiring. For electric utility-specific and electric utility rated commercial vehicle property of Substantial Value, RMLD will determine whether an established market exists for purposes of disposal. An "established market" is one in which commodities are regularly sold in wholesale lots and prices are set by open competition as interpreted or as otherwise defined by the Massachusetts Inspector General or agency of the Commonwealth or a court having jurisdiction over the disposal of property by federal, state, and local governmental entities. A list of trade journals and other trade publications, online advertising sources and other industry or market resources for the advertisement and sale of electric utility-specific, including electric utility rated commercial vehicles, regardless of value shall be identified and documented. This list shall be reviewed and updated, as necessary.

#### **VI. DISPOSAL PROCEDURES.**

A. Scrap having tangible or resale value. Scrap having tangible or resale value shall be placed in the appropriate category based on the value of the property. If the surplus property will be sold separately as individual units, the property shall be categorized based on the value of each individual unit. For property to be sold as a set or collection, the property shall be categorized based on the estimated value of the set or collection. Items customarily sold as a set shall not be treated as individual units to evade or bypass applicable disposal procedures. However, RMLD, in its discretion may determine whether to dispose of property on an individual unit basis or as part of a set or collection to maximize revenue. In such instances, the reasons shall be documented and kept on file. The final decision whether to utilize a single solicitation or separate solicitations for multiple items shall be subject to the review and approval of the General Manager or his/her designee.

B. Scrap having no tangible resale or salvage value. Scrap having no tangible resale

or salvage value may be destroyed, recycled, or disposed of via an approved scrap bid or other method as determined by RMLD in its discretion based on the particular circumstances and costs of disposal. RMLD will endeavor to minimize the cost of disposal of scrap to the extent reasonably possible.

- C. Substantial Value. Property determined to have Substantial Value shall be disposed of in accordance with G.L. c. 30B procedures and any additional requirements and procedures set forth in this policy and/or as determined by the General Manager in his/her discretion. The General Manager shall have authority to impose additional requirements if he/she determines that it is in the best interests of RMLD to do so.

Where an established market exists for the property, RMLD may dispose of the property through the established market or by trade-in if RMLD determines that it is in its best interests to do so. The reasons shall be documented, and the decision shall be subject to the approval of the General Manager or his/her designee.

For all other property, a competitive solicitation process will be used. RMLD will evaluate whether a written competitive bid process or auction, including an online auction (e.g., Municibid, GovDeals.com, or similar web-based listing), presents the most advantageous approach under the circumstances. The process, including all notices, shall conform to G.L. c. 30B requirements.

RMLD shall consider whether to impose a minimum bid reserve price or other terms and conditions of the sale. At a minimum, RMLD shall reserve the right to reject any and all bids if it is in RMLD's best interest to do so.

In addition to complying with G.L. c. 30B notice requirements, RMLD shall post a notice on its website for at least two weeks and advertise the solicitation in appropriate print and online sources intended to reach potentially interested buyers. Electric utility rated commercial vehicles and electric utility-specific equipment shall be advertised in at least two sources identified on the list as set forth in Article V.

RMLD shall award the bid to the highest bidder who meets the requirements of the solicitation, unless RMLD determines that it is in its best interest to reject the bids. If RMLD rejects the bids, RMLD may solicit new bids or negotiate the sale at a higher price than the highest bid price as permitted by G.L. c. 30B.

All bidders, including participants in an auction, shall submit a non-collusion certificate as required by G.L. c. 30B.

The sources of advertising, the specific method of disposal, and the award process, shall be documented and subject to the approval of the General Manager or his/her designee.

- D. Moderate Value. Property of Moderate Value shall be sold through the best available means to obtain the highest price for RMLD. In determining the specific disposal and advertising methods to be used, the costs of disposal shall be weighed against the expected yield to RMLD. Among other options, as determined by RMLD under the circumstances, disposals may be made through a competitive bid or auction process to the highest bidder as provided in Article VI.C or sold for FMV or "best offer" after advertisement. When offering to sell surplus property to the general public, to the

extent practical, RMLD shall advertise the sale in the local newspaper, on its website for at least two weeks and in appropriate print and online sources intended to reach potentially interested buyers. Commercial and electric utility-specific vehicles and equipment should be advertised in at least two sources identified on the list as set forth in Article V. RMLD also may negotiate the sale of the property or dispose of the property through less formal means after receiving three quotations or as RMLD deems appropriate under the circumstances. If RMLD solicits quotations, RMLD shall not be required to sell the property to the person providing the highest quotation, but the highest quotation shall be used as the benchmark for negotiating and approving the sale.

The purchaser of property having Moderate Value shall be required to sign and submit a non-collusion certificate.

The reasons and sources for the method of disposal and the award process shall be documented and subject to the approval of the General Manager or his/her designee.

- E. Nominal Value. Property of Nominal Value may be disposed of using sound business practices. The process and sale shall be documented and kept on file.

**VII. ADDITIONAL TERMS AND REQUIREMENTS.**

- A. All property shall be sold or disposed of "as is" without any warranties of any kind.
- B. The purchaser shall release RMLD, in writing, from all liabilities concerning the property. The Purchaser must provide for removal, transportation, storage, etc. at no cost to the RMLD.
- C. The purchaser shall have the responsibility to provide for the removal, storage, and transportation of the property at its sole expense. The purchaser shall remove the property at a time and location designated by RMLD.

**VIII. PROHIBITION ON SALES TO EMPLOYEES, BOARD OF COMISSIONERMENBERS AND BOTH OF THEIR IMMEDIATE FAMILIES.**

Consistent with G.L. c. 268A, § 20, RMLD employees and RMLD Board of Commissioner members and their immediate families shall not be eligible to purchase or otherwise receive RMLD surplus property regardless of price or method of disposal used. This prohibition also applies to competitive solicitation processes.

**IX. ADMINISTRATIVE REVIEW AND REPORTING.**

All disposals other than scrap material having no tangible resale or salvage value shall require the administrative review of the General Manager. The General Manager may require any additional reviews and approvals as the General Manager deems necessary, in his or her discretion. On a quarterly basis, the RMLD Board of Commissioners shall be provided with a report identifying the disposal of surplus having Substantial Value.

## **POLICY 9: PROCUREMENT**

**RMLD Policy No. 9  
PROCUREMENT**

Revision No. 74

Commission Vote/Effective Date \_\_\_\_\_

\_\_\_\_\_  
General Manager/Date

\_\_\_\_\_  
Next Review Date

**I. APPLICABILITY and PURPOSE**

~~A. This policy applies to the procurement of goods and services by the Reading Municipal Light Department ("RMLD"), except for power supplies and public construction materials and services subject to G.L. c. 30, § 39M or G.L. c. 149. This policy also does not apply to the hiring of labor relations representatives, lawyers, designers, certified public accountants or other professional services that are exempt under G.L. c. 30B. This policy applies to all RMLD employees and commissioners and Citizens Advisory Committee ("CAB") members.~~

**B.**—The purpose of this policy is to implement good business practices to ensure that RMLD's procurements are cost efficient, timely, meet the needs of RMLD, and comply with applicable laws.

**II. INTERNAL REVIEW AND APPROVAL AUTHORITY**

A. The General Manager, or his/her designee, shall approve all pricing and terms and conditions of all RMLD procurement contracts. RMLD may develop and use standard terms and conditions that have been preapproved by the General Manager.

B. The RMLD Board of Commissioners shall be given the opportunity to review and comment on all procurements proposed to be conducted under this Policy No. 9 having an estimated value in excess of \$50,000 for electric equipment procured hereunder and in accordance with G.L. c. 164, § 56D and \$50,000 for other equipment and services. Provided, However, if the General Manager determines that an urgency for the goods or services emergency involving the health, safety or welfare of the people or their property exists, then the RMLD may proceed with an emergency the procurement hereunder without first affording the Board of Commissioners the opportunity to review and comment on such procurement and . The General Manager shall inform the report the circumstances of all such emergencies and the details of all such emergency procurements to the Board of Commissioners of such procurement and the circumstances as soon as reasonably practicable. Change orders to existing

projects having a value in excess of \$50,000 will be reported to the Board as soon as reasonably practical.

~~The General Manager, or her designee, shall approve all pricing and terms and conditions of all RMLD procurement contracts. RMLD may develop and use standard terms and conditions which have been preapproved by the General Manager.~~

### **III. VENDOR RELATIONS**

#### **A. Objective**

~~It is recognized that vendors establish working relationships with RMLD employees and that these relationships are beneficial to both RMLD and the vendor. The RMLD must ensure that these relationships do not result in excessive costs to RMLD or in loss of a resource due to improper business practices.~~

#### **B. Notice to Materials Manager**

~~If an employee intends to meet with a vendor to discuss ongoing or future projects and the discussion may involve prices, terms or conditions, the employee shall notify the Materials Manager. The Materials Manager or designated representative will attend the meeting if necessary.~~

#### **C. Code of Conduct**

~~The RMLD has a zero tolerance policy. This means no RMLD employee, RMLD Board member or CAB member may accept gifts from vendors or prospective vendors, or as otherwise proscribed by G.L. c. 268A.~~

~~Massachusetts General Laws, Chapter 268A, is the primary law relating to conflict of interest for public employees. All employees need to be aware of the laws and regulations governing dealings with vendors and as they apply to conduct in other areas as well. It is the policy of the RMLD to maintain the highest level of integrity in dealings with vendors and the public on any level.~~

~~No RMLD employee, RMLD Board member or CAB member may solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or other item in violation of G.L. c. 268A. RMLD also prohibits the solicitation or acceptance of any gift or gratuity regardless of monetary value from a person, public agency, or private entity that:~~

~~1. Has had, has, or is seeking to obtain a contractual or other business or financial relationship with the RMLD.~~

~~2. Conducts or is seeking to conduct business or activities that are regulated or monitored by the RMLD; or~~

~~3. Has interests that are or may give the reasonable impression of being substantially affected by the performance or nonperformance of an individual's official duties.~~

#### ~~IV. VENDOR LISTS~~

~~RMLD will prepare and maintain lists of responsible vendors to facilitate the procurement process. A responsible vendor is one who has the demonstrated ability, capacity, and integrity to provide the desired goods or services as determined by RMLD based on prior dealings with RMLD, references and/or other information obtained by RMLD.~~

##### ~~A. Obtaining Responsible Vendor Status~~

~~1. Prior to adding a vendor to the RMLD vendor list, RMLD will obtain complete vendor company and contact information. Information may include business and client references as well as qualifications, licenses, and bonds, as applicable.~~

~~2. RMLD also will check the Commonwealth's debarred vendor lists to ensure that the vendor is in good standing.~~

~~3. Depending on the bid amount, a vendor may also be asked to submit the following certifications or affirmations:~~

~~a. A statement that no RMLD employee, RMLD Board member, or CAB member, is a participant in, owner of, or receives a benefit from business dealings with the RMLD.~~

~~b. A statement that the vendor will not furnish or provide any RMLD Board member, CAB Member, or employee directly or indirectly, any gift, gratuity, favor, entertainment, loan, or other item of monetary value.~~

~~c. Certifications regarding tax compliance, the Fair Labor Standards Act ("FLSA") and/or wage rates.~~

~~d. Certification of Non-Collusion in submission of quotations and bids.~~

~~e. Acknowledgement of understanding of the laws of the Commonwealth and RMLD Policies as they apply to the conduct of business with the RMLD and affirmation to comply with those laws and RMLD Policies.~~

##### ~~B. Preparation and Review~~

~~The Materials Manager shall be responsible for preparing and maintaining the vendor lists. The vendor list shall be subject to the General Manager's review and approval.~~

#### ~~V. PROCUREMENT PROCESS~~

~~— A. Electric Equipment~~

~~A. RMLD shall use sound business practices to procure transmission and distribution equipment. The particular process utilized will depend on the required specifications for the equipment, availability of responsible vendors for specialized equipment, when such equipment is needed and lead time for delivery, among other factors. When the estimated cost of the purchase is \$50,000 or more, the purchase shall first be advertised in accordance with G.L. c. 164, § 56D unless an emergency involving the health, safety or welfare of the people or their property is deemed to exist in which case no advertisement shall be required. Such advertisement shall state the time and place for opening the proposals and shall reserve to RMLD the right to reject any or all such proposals. All such proposals shall be opened in public. No bill or contract shall be split or divided for the purpose of evading the advertising requirements set forth in G.L. c. 164, § 56D. In addition, RMLD may provide direct notice of the procurement to applicable vendors on RMLD's vendor list. RMLD shall follow the applicable statutory procurement process based on the nature of the procurement and estimated cost (e.g., G.L. c. 164, § 56D, G.L. c. 30, § 39M, G.L. c. 149, §§ 44A, et seq.~~

~~— For procurements involving general supplies or services that are not subject to a statutory procurement process, RMLD will follow the procedures in G.L. c. 30B, to the extent practicable. For the avoidance of doubt, the procurement of electric equipment, materials, and supplies, and power supplies shall not be subject to Chapter 30B procedures. If the procurement of the particular goods or services is subject to an exemption under G.L. c. 30B, RMLD shall use sound business practices to procure such goods or services regardless of their value. This policy shall not be construed as an acceptance of G.L. c. 30B, as set forth in G.L. c. 30B, § 1(b)(14). The following Guidelines shall be used when prices are being solicited from a vendor:~~

~~B.~~

~~Other Equipment and Services~~

~~To the extent practicable, RMLD will follow the procedures set forth G.L. c. 30B. This policy shall not be construed as an acceptance of G.L. c. 30B, as set forth in G.L. c. 30B, § 1(b)(14). The following Guidelines shall be used when prices are being solicited from a vendor:~~

- ~~1. Purchases under \$10,000.00 will be made using sound business practices.~~
- ~~2. Purchases between \$10,000.00 and \$50,000 shall be made either:  
(a) from a statewide contract or (b) by soliciting written quotations using a written purchase description from no fewer than three (3) persons who customarily provide the supply or service, or (c)~~



cooperative contracts pursuant to G.L. c. 30B, § 22. The following information shall be recorded and retained by RMLD: the names and addresses of all persons from whom quotations were sought, the names of the persons submitting quotations and the date and amount of each quotation. The contract will be awarded to the responsible vendor who can provide the goods or services in a timely manner at the lowest cost.

~~3.~~ 3. Purchases ~~(other than electric equipment)~~ estimated to exceed \$50,000 ~~will~~ shall be made from a statewide contract, a cooperative contract or after a formal, competitive sealed bid or proposal procedure or a reverse auction. For competitive solicitations or reverse auctions, RMLD will follow substantially the same procedures set forth in G.L. c. 30B, §§ 5, 6, or 6A, as applicable. The competitive solicitation procedures may be waived or modified by the General Manager depending on the circumstances. The procurement of goods also will be advertised in accordance with G.L. c. 164, § 56D. ~~If a competitive solicitation or reverse auction is used, RMLD will follow the applicable procedures set forth in G.L. c. 30B, §§ 5, 6, or 6A, and for electric equipment \$50,000 and over, the advertising requirements set forth in G.L. c. 164, § 56D. The competitive solicitation procedures may be waived by the General Manager when an emergency involving the health, safety or welfare of the people or their property is deemed to exist.~~

~~4.~~ Vendors should be made aware that any purchase orders or contracts are subject to RMLD standard Terms and Conditions, and/or the Terms and Conditions set forth in the RMLD Goods and Services contract and are in effect unless otherwise agreed to by the General Manager.

## ~~VI.~~ Records

~~Records of all solicitations shall be kept and must be furnished to the Materials Manager. Such information may be used for subsequent contracts or purchase orders. All contract information on all purchases of \$5,000.00 and over, or such other amount specified by G.L. 164 § 56C, will be maintained by the Materials Manager as per agreement with the Reading Town Manager and Town Accountant.~~

**RMLD Policy No. 9  
PROCUREMENT**

**Revision No. 7**

Commission Vote/Effective Date February 24, 2022

\_\_\_\_\_  
General Manager/Date

February 24, 2025  
Next Review Date

**I. PURPOSE**

The purpose of this policy is to implement good business practices to ensure that RMLD's procurements are cost efficient, timely, meet the needs of RMLD, and comply with applicable laws.

**II. INTERNAL REVIEW AND APPROVAL**

- A. The General Manager, or his/her designee, shall approve all pricing and terms and conditions of all RMLD procurement contracts. RMLD may develop and use standard terms and conditions that have been preapproved by the General Manager.
- B. The RMLD Board of Commissioners shall be given the opportunity to review and comment on procurements having an estimated value in excess of \$50,000. Provided, however, if the General Manager determines that an urgency for the goods or services exists, then the RMLD may proceed with the procurement and the General Manager shall inform the Board of Commissioners of such procurement and the circumstances as soon as reasonably practicable. Change orders to existing projects having a value in excess of \$50,000 will be reported to the Board as soon as reasonably practical.

**III. PROCUREMENT PROCESS**

- A. RMLD shall follow the applicable statutory procurement process based on the nature of the procurement and estimated cost (e.g., G.L. c. 164, § 56D, G.L. c. 30, § 39M, G.L. c. 149, §§ 44A, *et seq.*
- B. For procurements involving general supplies or services that are not subject to a statutory procurement process, RMLD will follow the procedures in G.L. c. 30B, to the extent practicable. For the avoidance of doubt, the procurement of electric equipment, materials, and supplies, and power supplies shall not be subject to Chapter 30B procedures. If the procurement of the particular goods or services is subject to an exemption under G.L. c. 30B, RMLD shall use sound business practices to procure such goods or services regardless of their value. This policy shall not be construed as an acceptance of G.L. c. 30B, as set forth

in G.L. c. 30B, § 1(b)(14). The following Guidelines shall be used when prices are being solicited from a vendor:

1. Purchases under \$10,000.00 will be made using sound business practices.
2. Purchases between \$10,000.00 and \$50,000 shall be made either: (a) from a statewide contract or (b) by soliciting written quotations using a written purchase description from no fewer than three (3) persons who customarily provide the supply or service, or (c) cooperative contracts pursuant to G.L. c. 30B, § 22. The following information shall be recorded and retained by RMLD: the names and addresses of all persons from whom quotations were sought, the names of the persons submitting quotations and the date and amount of each quotation. The contract will be awarded to the responsible vendor who can provide the goods or services in a timely manner at the lowest cost.
3. Purchases estimated to exceed \$50,000 will be made from a statewide contract, a cooperative contract or after a formal, competitive sealed bid or proposal procedure or a reverse auction. For competitive solicitations or reverse auctions, RMLD will follow substantially the same procedures set forth in G.L. c. 30B, §§ 5, 6, or 6A, as applicable. The competitive solicitation procedures may be waived or modified by the General Manager depending on the circumstances. The procurement of goods also will be advertised in accordance with G.L. c. 164, § 56D.

## **POLICY 10: ANTI-FRAUD**

**From:** [Erica Morse](#)  
**To:** [Erica Morse](#)  
**Subject:** POLICY 10: FRAUD MEMO  
**Date:** Tuesday, February 22, 2022 2:42:00 PM

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Good morning,

The attached 2010 Fraud memo has served as an RMLD sanctioned policy since its inception. As part of the ongoing policy review, employee training, and by recommendation of the Auditors, the RMLD is presenting to the Board, a formalized version of this memo: Policy 10 Anti-Fraud.

Best,

Erica Morse  
Executive Assistant  
Reading Municipal Light Department  
781-942-6489

## READING MUNICIPAL LIGHT DEPARTMENT

To: All Employees

Date: January 27, 2010

From: Vinnie Cameron



Subject: Definition, Reporting and Investigation of Fraud

### **Background**

As part of the RMLD's annual financial audit it is my responsibility to ensure that employees of the RMLD understand what constitutes fraud. This was also mentioned in the management letter from Melanson and Heath during the 2006 financial audit, as stated below.

*"...we recommended the Department periodically discuss fraud prevention with all employees, including the steps that employees should take when fraud is detected or suspected. This would help maintain an ethical business environment, and assure that employees were aware of their responsibilities to report abuses to the appropriate parties."*

The following outlines what I believe constitutes fraud at the RMLD. This memo is also based on the Town of Reading's policy on fraud.

### **Definition of Fraud**

Fraud and related misconduct prohibited at the RMLD generally involves a willful or deliberate act or failure to act with the intention of obtaining an unauthorized benefit. The following are examples of activities that may be considered fraud:

- Making or altering documents or computer files with the intent to deceive
- Purposely inaccurate financial reporting
- Improper handling or reporting of money transactions
- Misappropriated, unauthorized or misuse of RMLD assets and resources for personal gain or for the advantage of another
- Altering or incorrectly reporting information for personal gain or for the advantage of another or the RMLD
- Authorizing or receiving remuneration for time not worked

- Authorizing or receiving compensation for goods not received or services not performed

Fraud includes a false representation of a matter of fact, whether by words or by conduct, by false or misleading statements, or by concealment of that which should have been disclosed, which deceives and is intended to deceive.

### **Reporting Suspicion of Fraud**

Employees should report suspected instances of fraud to their immediate supervisor or their next appropriate Management level.

However, if the employee's supervisor has committed the fraud, it may be appropriate for employees to report suspected instances of fraud directly to the RMLD General Manager. It is the responsibility of a supervisor or relevant manager to ensure that the suspicion of fraud that is reported to them as soon as practical is reported to the RMLD General Manager.

A written or verbal report should be sufficiently detailed and inclusive to ensure a clear understanding of the issues raised. In the event that the RMLD General Manager is the subject of, or otherwise identified as involved in the acts underlying such report, the person making the report may notify and forward such report to the RMLD Accounting/Business Manager or to the RMLD Board, who will then lead the investigation.

RMLD employees are not to initiate investigations on their own. However, anyone may report suspected violations or concerns of this policy by letter to the RMLD General Manager and should indicate that he or she is an employee of the RMLD and it should be signed by the individual. The report should be sufficiently detailed and inclusive to ensure a clear understanding of the issues raised. Mark the envelope "Confidential and Private".

An employee may make an off site report of violations of this policy to the General Manager or other appropriate position if they feel uncomfortable making the report in the RMLD office. The employee should contact the person they would like to make the report to and together determine an off site time and place to make the report regardless of whether the off site reporting is done during the employee's regular work hours or during off hours.

There shall be no retaliation by the RMLD's employees against any employee who makes a report pursuant to this policy even if after investigation the RMLD

General Manager determines that there has not been a violation of any applicable RMLD policy, State or Federal laws and regulations or internal accounting controls. However, employees who make reports or provide evidence which they know to be false or, without a reasonable belief in the truth and accuracy of such information, may be subject to disciplinary action.

All reports of violations of this policy shall be kept strictly confidential and maintained by Human Resources.

### **Investigation**

Following receipt of a report, the RMLD General Manager shall commence an investigation, as he/she, in reasonable judgment, deems appropriate. The RMLD General Manager shall be authorized to retain such other individuals, including outside legal and accounting experts, as the RMLD General Manager deems appropriate to assist in such investigation.

Appropriate RMLD Management, selected by the RMLD General Manager or another position selected to lead the investigation, will constitute the Investigation Team and will determine the necessary action depending upon the nature of the allegations or suspicions of violations of this policy. The individual being investigated shall be notified immediately of said investigation and shall have the right to an attorney and/or union representative, as applicable, during all stages of the investigation. All efforts shall be made to ensure due process in the investigative process. Law Enforcement agencies may be notified and included on the Investigation Team. In those instances where the investigation indicates the probability of criminal activity, the inquiry will be turned over to the appropriate law enforcement agency.

In an investigation, objectives include verifying the facts, maintaining objectivity and confidentiality, determining responsibility and recommending corrective action. Details of the report of the violation and/or the investigation will remain confidential.

If in the opinion of the Investigating Team fraud is probable, employees suspected of such irregularities and/or fraud may be suspended with or without pay pending the investigation. Appropriate Human Resource personnel will provide guidance to the Investigating Team related to action (disciplinary or otherwise) required as a result of any response to or investigation of fraud.



Any individual suspected of fraudulent activities should not be confronted prior to commencement of the investigation process. Records related to the activity may need to be seized before the suspected individual becomes aware of any investigation. All employees suspected of fraud are to be treated fairly and consistently and in compliance with the collective bargaining agreements and personnel policies. The details of the investigation of the report of a violation of this policy shall be kept strictly confidential. Employees suspected of fraudulent activities have legal rights that must be respected.

The Investigation Team shall make the final determination of whether a violation of the RMLD policy, State and Federal laws and regulations or internal accounting controls applicable to the RMLD has occurred.

### **Reporting Results**

The RMLD General Manager will prepare a report of the results of any review of fraudulent activities and individuals named in the report will have access to the report. The report will include the disciplinary action taken, if any. It will also include, if applicable, details of the systems weaknesses that did not prevent or detect the fraudulent or irregular activities and provide recommendations for improving systems controls to prevent or detect similar events.

It is recognized that Management investigating the incident may share information with the RMLD Board, Senior Management, the RMLD's Audit Committee, RMLD General Counsel, and/or law enforcement agencies as deemed necessary.

This fraud procedure is outlined to explain what constitutes fraud, how fraud is reported, and what process should be followed to investigate the fraud allegations. If you have further questions on fraud please contact your manager or me.



investigations and disciplinary matters, reporting suspected violations, issues or concerns to the Board of Commissioners, reviewing systems and procedures, and developing and implementing internal controls to prevent and detect fraud and abuse and ensure accountability, and taking appropriate action against contractors and vendors to redress violations, including but not limited to taking legal action for restitution and/or damages and reporting suspected violations to appropriate state and local agencies.

- B. Director of Business Finance. The Director of Business Finance shall have primary responsibility for overseeing and reviewing all RMLD financial accounts and documents, including customer accounts. The Director of Business Finance has a responsibility to recommend procedures for pertinent internal controls to ensure compliance of this policy and laws and standards applicable to RMLD's funds, financial accounts, and financial reporting. The Director of Business Finance shall assist in investigations involving suspected violations within the scope of his/her duties.
- C. Director of Human Resources. The Director of Human Resources shall be responsible for receiving complaints or reports of employee misconduct, assisting with investigations and disciplinary actions, maintaining personnel records and information, monitoring employee benefits to prevent abuse, and advising employees of their obligations under this policy.
- D. Staff Managers and Supervisors. Management and supervisory personnel shall be responsible for monitoring staff within their areas of responsibility, implementing procedures and controls to prevent the unauthorized use of RMLD time and resources, and reporting suspected occurrences of prohibited conduct. Managers and supervisors shall assist with all reviews, inquiries, or investigations of suspected violations upon request.

## **VI. REVIEW, INVESTIGATION, AND REFERRAL OF SUSPECTED VIOLATIONS**

All reports will be taken seriously and will be reviewed by RMLD. Following receipt of a report or the detection or observance of suspected violations, the General Manager or his or her designee shall review the matter to determine an appropriate course of action based on the nature of the allegations and complexity of the issues. Depending on the circumstances, the General Manager may require further investigation, refer the matter to the proper authorities, or impose corrective or disciplinary action as warranted. If the employee received compensation or the payment or funds predicated on fraudulent or illegal claims, the employee shall make full restitution to RMLD.

\_\_\_\_\_  
I have received and read Policy #10 – Anti-Fraud Policy  
and have received training on this topic.

\_\_\_\_\_  
Date

## **POLICY 14: USE OF VOLUNTARY SICK BANKS**

# RMLD Policy No. 14 USE OF VOLUNTARY SICK BANKS

Revision No. 3

Commission Vote Date \_\_\_\_\_

\_\_\_\_\_  
General Manager/Date

\_\_\_\_\_  
Next Review Date

**I. PURPOSE**

This policy allows the General Manager to implement and administer a voluntary sick bank program for Reading Municipal Light Department ("RMLD") employees requiring medical leave due to their own serious medical illness.

**II. ELIGIBILITY**

Any full-time or part-time RMLD employee may request additional paid leave through the implementation of a voluntary sick bank. To be eligible, the employee: (1) shall be in good standing, (2) shall establish that he/she has a serious health condition as defined by Family and Medical Leave Act ("FMLA"), and (3) the employee is not eligible for or has not accrued sufficient benefits to cover the full duration of the anticipated leave.

**III. PROCEDURES AND REQUIREMENTS**

- A. Employee Request. The employee (or a family member on the employee's behalf) shall be responsible for contacting the General Manager to request the implementation of a voluntary sick bank to receive additional paid time donated by co-workers. The General Manager may request any information or documentation regarding the employee's eligibility to support the request for additional paid leave. Unless waived by the employee, all information and documentation regarding the employee's medical illness shall remain confidential to the extent permitted by law.
- B. Exhaustion of Employee Benefits. The employee shall be required to exhaust all accrued benefits under then-current RMLD policies and collective bargaining agreements and apply for workers' compensation or disability benefits, as applicable.

- C. General Manager's Approval. After review of the specific circumstances, the General Manager, in his/her sole discretion, may initiate the establishment of a sick bank in an effort to provide the employee with additional paid leave to cover gaps in eligible benefits. The Reading Municipal Light Board's approval shall not be required.
- D. Process for Soliciting Contributions. The General Manager (or his/her designee) may solicit donations of paid time from RMLD employees by circulating a request form. Accrued sick leave, personal leave, compensation time, and vacation time may be contributed. The employee shall indicate the amount and type of time that the employee is willing to donate and shall return the signed form to the Human Resources Director.
- E. Sick Bank Program Requirements and Conditions. The following requirements and/or conditions shall apply:
1. Contributions shall be voluntary. No employee shall be coerced or pressured into donating paid time and no employee shall be harassed, penalized, or retaliated against for refusing to donate paid time
  2. All contributions shall be kept confidential by RMLD so as to avoid negative consequences or embarrassment of employees who chose not to contribute.
  3. The employee shall not be entitled to paid leave in excess of demonstrated need. Provided however, the sick bank program may include retention of up to five (5) days of donated leave to be used by the employee for purposes consistent with this policy within 30 calendar days after the employee's return to work. If such time is not used by the employee, the excess amount will be credited back to all contributing participants on a pro rata basis.
  4. RMLD shall keep accurate records documenting deductions of benefits from contributing employees' leave entitlements and crediting such leave to the benefitting employee. In crediting paid leave, RMLD may make adjustments to the amount of time provided based on salary differences between the receiving employee and contributing employee.

# RMLD Policy No. 14 USE OF VOLUNTARY SICK BANKS

Revision No. 3

Commission Vote Date February 24, 2022

\_\_\_\_\_  
General Manager/Date

February 24, 2025  
\_\_\_\_\_  
Next Review Date

I. **PURPOSE**

This policy allows the General Manager to implement and administer a voluntary sick bank program for Reading Municipal Light Department ("RMLD") employees requiring medical leave due to their own serious medical illness.

II. **ELIGIBILITY**

Any full-time or part-time RMLD employee may request additional paid leave through the implementation of a voluntary sick bank. To be eligible, the employee: (1) shall be in good standing, (2) shall establish that he/she has a serious health condition as defined by Family and Medical Leave Act ("FMLA"), and (3) the employee is not eligible for or has not accrued sufficient benefits to cover the full duration of the anticipated leave.

III. **PROCEDURES AND REQUIREMENTS**

- A. Employee Request. The employee (or a family member on the employee's behalf) shall be responsible for contacting the General Manager to request the implementation of a voluntary sick bank to receive additional paid time donated by co-workers. The General Manager may request any information or documentation regarding the employee's eligibility to support the request for additional paid leave. Unless waived by the employee, all information and documentation regarding the employee's medical illness shall remain confidential to the extent permitted by law.
- B. Exhaustion of Employee Benefits. The employee shall be required to exhaust all accrued benefits under then-current RMLD policies and collective bargaining agreements and apply for workers' compensation or disability benefits, as applicable.

- C. General Manager's Approval. After review of the specific circumstances, the General Manager, in his/her sole discretion, may initiate the establishment of a sick bank in an effort to provide the employee with additional paid leave to cover gaps in eligible benefits. The Reading Municipal Light Board's approval shall not be required.
- D. Process for Soliciting Contributions. The General Manager (or his/her designee) may solicit donations of paid time from RMLD employees by circulating a request form. Accrued sick leave, personal leave, compensation time, and vacation time may be contributed. The employee shall indicate the amount and type of time that the employee is willing to donate and shall return the signed form to the Human Resources Director.
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1. Contributions shall be voluntary. No employee shall be coerced or pressured into donating paid time and no employee shall be harassed, penalized, or retaliated against for refusing to donate paid time
  2. All contributions shall be kept confidential by RMLD so as to avoid negative consequences or embarrassment of employees who chose not to contribute.
  3. The employee shall not be entitled to paid leave in excess of demonstrated need. Provided however, the sick bank program may include retention of up to five (5) days of donated leave to be used by the employee for purposes consistent with this policy within 30 calendar days after the employee's return to work. If such time is not used by the employee, the excess amount will be credited back to all contributing participants on a pro rata basis.
  4. RMLD shall keep accurate records documenting deductions of benefits from contributing employees' leave entitlements and crediting such leave to the benefitting employee. In crediting paid leave, RMLD may make adjustments to the amount of time provided based on salary differences between the receiving employee and contributing employee.



**POLICY 21: NON-UNION MANAGEMENT  
COMPENSATION AND BENEFITS**

**RMLD Policy No. 21**  
**NON-UNION MANAGEMENT COMPENSATION AND BENEFITS**

Revision No. **010**

Commission Vote Date \_\_\_\_\_

\_\_\_\_\_  
General Manager/Date

\_\_\_\_\_  
Next Review Date

**I. SCOPE**

A. Purpose

This purpose of this policy is to establish guidelines and overall administrative controls for periodic salary adjustments, overtime compensation consistent with the Fair Labor Standards Act ("FLSA"), and certain benefits. This policy does not apply to benefits governed by statute, such as pension and group insurance benefits. Benefits may be supplemented by separate vote of the Reading Municipal Light Department ("RMLD") Board of Commissioners ("Board").

B. Applicability

This policy applies to all non-union management personnel, and such other newly created or modified non-union management positions due to organizational changes. This policy does not apply to the General Manager or to any unionized personnel. The General Manager's compensation and benefits shall be governed by his/her employment agreement or as otherwise set by the RMLD Board of Commissioners. The compensation and benefits for union employees shall be governed by the applicable collective bargaining agreement.

C. General Eligibility Requirements for Part-time Employees

Permanent, part-time non-union management employees must work a minimum of twenty (20) hours per week to be entitled to benefits. Employees who work nineteen (19) hours per week or less shall not be entitled to any benefits. A thirty hour minimum is required for Tuition Reimbursement benefit.

Part-time, non-union management employees who work at least twenty (20) hours per week shall be entitled to group health and dental and IRC 457 ICMA deferred compensation benefits. All other RMLD benefits will be offered on a pro-rated basis based on average number of hours worked (i.e. vacation, personal leave, sick leave, tuition, holidays, longevity and disability insurance).

**II. RESPONSIBILITIES**

~~A. General Manager~~

1. Responsible for establishing salary ranges, as set forth in Section III.A. of this policy;
2. Providing salary adjustments, as provided in Section III.B.
3. Reviewing and recommending changes to this Policy the Board, as needed, or requested by the Board.
4. Periodically perform performance evaluations of personnel subject to this policy.
5. Provide an accounting of all salary adjustments made under this policy upon request by the Board of Commissioners.

#### B. Human Resources Director

1. The Human Resources ~~Director~~ ~~Manager~~ is responsible for the periodic review of exempt and non-exempt positions. Classifications will be adjusted to reflect organizational changes.
2. Responsible for the periodic review of this Policy and RMLD internal processes to ensure continuing compliance with the Policy's requirements.
3. Responsible for maintaining an updated Position Evaluation program for exempt and non-exempt personnel.
4. Responsible for tracking the accrual and use of overtime, compensation time, and vacation, sick, and personal leave benefits and preparing and retaining such documentation.

#### C. Payroll Department

1. Responsible for paying exempt and non-exempt overtime only after ensuring that the requirements set forth in Section IV of this policy are satisfied.

### III. **SALARIES**

#### A. Salary Ranges

The General Manager shall establish salary ranges for all positions subject to this policy, including new non-union management positions created. The General Manager shall review salary ranges on an annual basis and make any adjustments as needed to reflect, among other things, changes in cost of living, conditions or terms of employment, and prevailing salaries in the area for comparable positions. In establishing and adjusting salary ranges, the General Manager will use economic indicators representative of the Boston and North Shore area, appropriate local objectives and subjective factors, and other considerations as may be considered appropriate by the General Manager.

Such adjustments to salary ranges will not necessarily result in an adjustment of the actual salary or any non-union management employee, except as may be necessary to bring the salary of a non-union management employee within the new minimum of the salary grade

range.

B. Individual Salary Adjustments

Individual salary adjustments will be made periodically by the General Manager using written performance reviews and other objective or subjective criteria, as deemed appropriate by the General Manager. As a guideline, the General Manager may use compensation information for comparable positions of electric utilities or reasonably similar organizations serving the Northeast, although the General Manager shall have the discretion and authority to adjust management salaries to any level within the employees' assigned salary range provided that the new salaries do not exceed the overall Annual Operations and Capital Budgets approved annually by the Board.

IV. **OVERTIME AND COMPENSATION TIME**

A. General

~~To comply with the FLSA Overtime Pay Exemption laws, Non-union management employees have been classified as either exempt or non-exempt. For purposes of this policy, exempt employees do not include the General Manager, Director of Business Finance, Director of Integrated Resources, and Director of Engineering and Operations, Director of Human Resources, and Director of IT.;~~

In general, only compensation (or "comp") time will be available for exempt employees who work overtime. However, in certain circumstances as set forth in Section IV, C.3., exempt employees may be paid overtime in recognition of the unique demands inherent in maintaining a reliable 24-hour per day electric operation.

B. Non-exempt Non-Union Employees (Grade level 49, 50, 51)

1. Classification

Non-exempt employees are those employees that are classified on their job descriptions as Grade Level 51 or below. The classification is subject to change or expansion by the General Manager or by the Human Resources ~~Director~~ Manager to reflect organizational changes.

~~2. Rate and Accrual~~

~~Non-exempt employees will accrue compensation time or be paid overtime, when permitted, at a rate of time and one-half (1 ½) for each overtime hour worked. Per the FLSA, employees will be allowed to accrue a maximum of 240 hours of compensation time during their employment with RMLD.~~

2. Use of Compensation Time

Employees may use their compensation time at such times as approved by their respective managers.

## C. Exempt Non-Union Employees (Grade Level 52, 53, 54)

### 1. Classification

Exempt employees are those employees that are classified on their job descriptions as Grade Level 52, 53, or 54, as may be changed by the General Manager or the Human Resources [Director](#) to reflect organizational changes.

### 2. Eligibility and Requirements

Exempt employees can earn and accrue compensation time for overtime hours worked as follows:

- a. With the authorization of the employee's direct manager, exempt employees are eligible to accrue a maximum of 120 hours, or 15 "comp" days, within a calendar year. Example: if you have 120 hours of "comp" time accumulated you must use some of your compensation time to keep your balance under 120 hours before you may accrue more time.
- b. Before an exempt employee can start to accrue compensation time, he or she must work a minimum of one full hour of overtime in the workday.
- c. Except as provided in Section IV.C.3. below, the ratio for exempt employee overtime to compensation time is 1 to 1. Thus, exempt employees who work one hour of overtime will accrue one hour of "comp" time.
- d. Exempt employees shall indicate their accrued and expended "comp" hours on their time sheet with a brief description of overtime worked on the reverse side. The corresponding "comp" time balance will be shown on the payroll stub.
- e. Employees may use their compensation time at such times as approved by their respective managers.
- f. Up to 120 hours or 15 days of "comp" time may be carried over into the next year, provided that the total amount of "comp" time in any given year shall not exceed the 120-hour or 15 "comp" day annual limitation. (Example: you could carry over 120 hours or 15 days of "comp" time but you may not accrue additional "comp" until some existing "comp" time is used. Example: you could carry over 60 hours of "comp" time and you would be eligible to earn up to 60 hours of [additional](#) "comp" time in the current year until "comp" time is used.)

### 3. Exceptions for Exempt Non-Union Employees (Grade Level 52, 53, 54)

When the General Manager or designee requires exempt management employees to work after hours as needed to restore electric service, overtime will be paid or compensation time will accrue at the election of the employee at a rate of time and one-half (1 ½). Some or all non-union management employees may be required to work overtime in such emergency situations. The decision of which management employees are required to work overtime in emergency situations will be determined by the General Manager or designee.

Any compensation time accrued due to these instances will not count towards the 120 hour maximum as stated in Article IV, Section C, paragraph 2. a.

D. Payment of Accrued Overtime Upon Separation from Employment

Upon leaving the employment of the RMLD, exempt and non-exempt non-union management personnel, with the exception of the Director of Business Finance, Director of Integrated Resources, and Director of Engineering Operations, will be paid for any unused compensation time at their hourly rate of pay at the time of their departure. Exempt employees shall not be paid in excess of the 15-day or 120 hours cap. Non-exempt employees shall not be paid in excess of the 240-hour cap.

V. **LONGEVITY PAY**

A. Eligibility

All non-union management employees may be eligible for longevity pay based on their years of continuous service. Service at RMLD or any Reading Town Department will be counted towards years of continuous service.

B. Annual Payment

All non-union management employees will receive each year, in addition to their regular pay, longevity pay in accordance with the following schedule. Longevity pay will be paid on the first payday in December of each year by separate check, mirrored of IBEW for the following service years. :

Upon completion of 5 years of continuous service	<del>\$375</del>
Upon completion of 10 years of continuous service	<del>\$475</del>
Upon completion of 15 years of continuous service	<del>\$575</del>
Upon completion of 20 years of continuous service	<del>\$675</del>
Upon completion of 25 years of continuous service	<del>\$775</del>
Upon completion of 30 years of continuous service	<del>\$875</del>

C. Payment upon Separation from Employment

Employees who terminate their employment on a voluntary basis or are laid off by RMLD will be entitled to longevity pay upon their separation from employment prorated on a calendar basis. Pro-rata will be based on full months of service only.



## VI. VACATION AND PERSONAL LEAVE

### A. Vacation Benefits

#### 1. Eligibility and Amount of Vacation Time

All non-union management employees will earn vacation time in accordance with the following schedule. This schedule refers to completed years of service. Permanent part-time employees (those working 20 hours per week or more) will receive prorated benefits based on either a 37 ½ or 40 hour work week. New employees who are hired during the calendar year will receive prorated vacation for full months of service only.

0-4 years of service	15 clays vacation*
5-9 years of service	20 clays vacation
10 years of service	21 clays vacation
11 years of service	22 days vacation
12 years of service	23 days vacation
13 years of service	24 days vacation
14 years of service	25 clays vacation

\*Employees in Grades 49 through 51 will receive a maximum of ten (10) vacation days in their first calendar year of employment, prorated for full months of service.

#### 2. Payment for Unused Vacation Time

Any employee may sell back, at base wage, in full clay increments only, up to a maximum of five (5) clays of vacation per calendar year provided the employee makes a request in writing and such request is received before the last pay check of the year is processed.

#### 3. Use of Vacation Time and Carryover

The RMLD encourages its employees to take their vacation time. Vacation time shall be scheduled with the approval of the employee's manager. An employee may carry over up to a maximum of ten (10) days of accrued vacation into the following year, unless RMLD requests that the employee delays the use of vacation time due to operational needs. If RMLD requests the employee to delay the use of vacation time, the General Manager has discretion to allow additional carryover.

#### 4. Reimbursement of Unearned Vacation Time

Although employees are advanced vacation days on January 1 for the calendar year, vacation clays are earned and accrued monthly. Accordingly, an employee who separates from employment and has taken vacation in excess of time earned shall compensate RMLD for any used but unearned vacation time, either directly or by withholding such amounts from the employee's paycheck. This provision does not apply to employees who are laid off or retire as provided in paragraph 5 below.

#### 5. Exception to Reimbursement of Unearned Vacation Time

Employees who separate from employment due to lay-offs, disability retirement,

retirement under the Commonwealth's retirement program shall not be required to reimburse RMLD for any used but unearned vacation time provided that any such retiring employee provides RMLD with 60 days' advanced notice of retirement, unless the amount of such notice is not feasible under the circumstances. In which case, such retiring employee must give as much advanced notice as feasible. All employees who are laid off or retiring employees who meet the above notice requirements shall receive compensation for any unused portion of their full advanced vacation entitlement for the year.

B. Personal Leave

1. Amount

Employees shall be entitled to two (2) personal days per calendar year with pay.

2. Bonus Day for Perfect Attendance

Employees who have perfect attendance (no sick days used) in a calendar year will receive an extra personal day in the following year.

3. Use of Personal Days

Personal days may be taken in full days or in hourly increments. Use of personal days shall be scheduled with the approval of the employee's manager.

4. No Carryover or Payment

Personal days cannot be carried over into the following year nor will they be paid out.

VII. **IRC 457- DEFERRED COMPENSATION**

Non-union management employees are eligible to receive up to 4% of their base salary in matching RMLD contributions to the Town of Reading's deferred compensation plan, IRC 457. In any year, the maximum amount that will be matched under this policy will not exceed 50% of the maximum deduction currently allowed under the law, up to a maximum RMLD contribution of \$7,000. The matching contribution will be paid at the beginning of each calendar year consistent with the employee's contribution schedule.





2. Providing salary adjustments, as provided in Section III.B.
3. Reviewing and recommending changes to this Policy the Board, as needed, or requested by the Board.
4. Periodically perform performance evaluations of personnel subject to this policy.
5. Provide an accounting of all salary adjustments made under this policy upon request by the Board of Commissioners.

B. Human Resources Director

1. The Human Resources Director is responsible for the periodic review of exempt and non-exempt positions. Classifications will be adjusted to reflect organizational changes.
2. Responsible for the periodic review of this Policy and RMLD internal processes to ensure continuing compliance with the Policy's requirements.
3. Responsible for maintaining an updated Position Evaluation program for exempt and non-exempt personnel.
4. Responsible for tracking the accrual and use of overtime, compensation time, and vacation, sick, and personal leave benefits and preparing and retaining such documentation.

C. Payroll Department

1. Responsible for paying exempt and non-exempt overtime only after ensuring that the requirements set forth in Section IV of this policy are satisfied.

**III. SALARIES**

A. Salary Ranges

The General Manager shall establish salary ranges for all positions subject to this policy, including new non-union management positions created. The General Manager shall review salary ranges on an annual basis and make any adjustments as needed to reflect, among other things, changes in cost of living, conditions or terms of employment, and prevailing salaries in the area for comparable positions. In establishing and adjusting salary ranges, the General Manager will use economic indicators representative of the Boston and North Shore area, appropriate local objectives and subjective factors, and other considerations as may be considered appropriate by the General Manager.

Such adjustments to salary ranges will not necessarily result in an adjustment of the actual salary or any non-union management employee, except as may be necessary to bring the salary of a non-union management employee within the new minimum of the salary grade range.

B. Individual Salary Adjustments

Individual salary adjustments will be made periodically by the General Manager using written performance reviews and other objective or subjective criteria, as deemed appropriate by the General Manager. As a guideline, the General Manager may use compensation information for comparable positions of electric utilities or reasonably similar organizations serving the Northeast, although the General Manager shall have the discretion and authority to adjust management salaries to any level within the employees' assigned salary range provided that the new salaries do not exceed the overall Annual Operations and Capital Budgets approved annually by the Board.

**IV. OVERTIME AND COMPENSATION TIME**

A. General

Non-union management employees have been classified as either exempt or non-exempt. For purposes of this policy, exempt employees do not include the General Manager, Director of Business Finance, Director of Integrated Resources, Director of Engineering and Operations, Director of Human Resources, and Director of IT.

In general, only compensation (or "comp") time will be available for exempt employees who work overtime. However, in certain circumstances as set forth in Section IV, C.3., exempt employees may be paid overtime in recognition of the unique demands inherent in maintaining a reliable 24-hour per day electric operation.

B. Non-exempt Non-Union Employees (Grade level 49, 50, 51)

1. Classification

Non-exempt employees are those employees that are classified on their job descriptions as Grade Level 51 or below. The classification is subject to change or expansion by the General Manager or by the Human Resources Director to reflect organizational changes

2. Use of Compensation Time

Employees may use their compensation time at such times as approved by their respective managers.

C. Exempt Non-Union Employees (Grade Level 52, 53, 54)

1. Classification

Exempt employees are those employees that are classified on their job descriptions as Grade Level 52, 53, or 54, as may be changed by the General Manager or the Human Resources Director to reflect organizational changes.

2. Eligibility and Requirements

Exempt employees can earn and accrue compensation time for overtime hours worked as follows:

- a. With the authorization of the employee's direct manager, exempt employees are eligible to accrue a maximum of 120 hours, or 15 "comp" days, within a calendar year. Example: if you have 120 hours of "comp" time accumulated you must use some of your compensation time to keep your balance under 120 hours before you may accrue more time.
- b. Before an exempt employee can start to accrue compensation time, he or she must work a minimum of one full hour of overtime in the workday.
- c. Except as provided in Section IV.C.3. below, the ratio for exempt employee overtime to compensation time is 1 to 1. Thus, exempt employees who work one hour of overtime will accrue one hour of "comp" time.
- d. Exempt employees shall indicate their accrued and expended "comp" hours on their time sheet with a brief description of overtime worked on the reverse side. The corresponding "comp" time balance will be shown on the payroll stub.
- e. Employees may use their compensation time at such times as approved by their respective managers.
- f. Up to 120 hours or 15 days of "comp" time may be carried over into the next year, provided that the total amount of "comp" time in any given year shall not exceed the 120-hour or 15 "comp" day annual limitation. (Example: you could carry over 120 hours or 15 days of "comp" time but you may not accrue additional "comp" until some existing "comp" time is used. Example: you could carry over 60 hours of "comp" time and you would be eligible to earn up to 60 hours of additional "comp" time in the current year until "comp" time is used.)

3. Exceptions for Exempt Non-Union Employees (Grade Level 52, 53, 54)

When the General Manager or designee requires exempt management employees to work after hours as needed to restore electric service, overtime will be paid or compensation time will accrue at the election of the employee at a rate of time and one-half (1 ½). Some or all non-union management employees may be required to work overtime in such emergency situations. The decision of which management employees are required to work overtime in emergency situations will be determined by the General Manager or designee.

Any compensation time accrued due to these instances will not count towards the 120 hour maximum as stated in Article IV, Section C, paragraph 2. a.

D. Payment of Accrued Overtime Upon Separation from Employment

Upon leaving the employment of the RMLD, exempt and non-exempt non-union management personnel, with the exception of the Director of Business Finance, Director of Integrated Resources, and Director of Engineering Operations, will be paid for any unused compensation time at their hourly rate of pay at the time of their departure. Exempt employees shall not be paid in excess of the 15-day or 120 hours cap. Non-exempt employees shall not be paid in excess of the 240-hour cap.

**V. LONGEVITY PAY**

A. Eligibility

All non-union management employees may be eligible for longevity pay based on their years of continuous service. Service at RMLD or any Reading Town Department will be counted towards years of continuous service.

B. Annual Payment

All non-union management employees will receive each year, in addition to their regular pay, longevity pay in accordance with the following schedule. Longevity pay will be paid on the first payday in December of each year by separate check, mirrored of IBEW for the following service years.

- Upon completion of 5 years of continuous service
- Upon completion of 10 years of continuous service
- Upon completion of 15 years of continuous service
- Upon completion of 20 years of continuous service
- Upon completion of 25 years of continuous service
- Upon completion of 30 years of continuous service

C. Payment upon Separation from Employment

Employees who terminate their employment on a voluntary basis or are laid off by RMLD will be entitled to longevity pay upon their separation from employment prorated on a calendar basis. Pro-ration will be based on full months of service only.

**VI. VACATION AND PERSONAL LEAVE**

A. Vacation Benefits

1. Eligibility and Amount of Vacation Time

All non-union management employees will earn vacation time in accordance with the following schedule. This schedule refers to completed years of service. Permanent part-time employees (those working 20 hours per week or more) will receive prorated benefits based on either a 37 1/2 or 40 hour work week. New employees who are hired during the calendar year will receive prorated vacation for full months of service only.

0-4 years of service	15 days vacation*
5-9 years of service	20 days vacation
10 years of service	21 days vacation
11 years of service	22 days vacation
12 years of service	23 days vacation
13 years of service	24 days vacation
14 years of service	25 days vacation

\*Employees in Grades 49 through 51 will receive a maximum of ten (10) vacation days in their first calendar year of employment, prorated for full months of service.

2. Payment for Unused Vacation Time



Any employee may sell back at base wage, in full day increments only, up to a maximum of five (5) days of vacation per calendar year provided the employee makes a request in writing and such request is received before the last pay check of the year is processed.

3. Use of Vacation Time and Carryover

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