

**TOWN OF HAMILTON
BOARD OF SELECTMEN
EXECUTIVE SESSION
JANUARY 28, 2013**

The Board of Selectmen held an executive session at Hamilton Town Hall at 9:16 p.m. on Monday, January 28, 2013 with David Neill, Marc Johnson, Jennifer Scuteri, Jeff Stinson and Jeff Hubbard present. Town Manager Michael Lombardo was also present.

Contract Negotiation – Town Manager

Town Manager Michael Lombardo provided the Board with a date-specific, red-lined version of his existing contract that was also distributed in email to Selectmen. He explained that redlining was on items from the initial contract, and that in Section 2.1 was the current wage approved at Town Meeting. There is an annual cost of living increase for exempt employees so the Town manager's salary has gone from \$125,000 to \$129,000 during the time he has served in the position.

Discussion ensued about how moving expenses had been removed, and that 15 days of sick time will remain the same. Selectmen addressed how there are no steps in the contract and there is a cola increase of 1.5% for non-union employees. Next year is the last year for that cola until Selectmen decide whether or not to approve another cola in the future. Discussion addressed how employees in management positions for the Town have language in their contracts related to colas. Lombardo said he is not proposing any salary increase beyond what the Board approves in the future relative to colas and exempt employee increases.

Jeff Hubbard said it could appear that the Town manager's new contract has a salary that is \$4,000 higher. Board reiterated that this is due to cola increase for exempt employees of 1.5% annually such as department heads, finance employees and other non-union employees.

Discussion ensued about items that Town manager and Board would address specifically in the contract such as review processes, term of contract, 12 months severance instead of 3 months and \$12,000 lump sum since Lombardo does not participate in health insurance plan provided by the Town.

Discussion then addressed whether or not the Board should conduct six month performance reviews for the Town manager. Lombardo specifically noted that goals and objectives for his position would be different than an evaluation. Jennifer Scuteri noted that in the private sector evaluations are encouraged to occur four times a year to ensure there was good communication between Board and Town manager and she would support evaluations more often than once a year. Lombardo said the public sector is more political than private sector and the Town manager's position is dependent upon the individuals elected to municipal government positions. He expressed interest in removing personal politics and focusing on job-oriented function. Marc Johnson suggested that Board chair could work with Town manager on management issues and improving responsiveness. He was in favor of evaluations twice a year.

Lombardo suggested if there are issues with Town manager's performance that can be addressed outside of evaluations. Johnson said there just has to be conversations between chair and Lombardo to address issues and bring the employee's performance back into balance. Scuteri recommended that a bi-annual evaluation be done and that this should be put in writing (i.e., with the Board, and each Selectman and chair will meet with Town manager).

Hubbard suggested the Board do a better job moving forward evaluating the Town manager and acknowledged that the Town manager's job is a political job so the Selectmen should help him out working with constituents. Lombardo offered to schedule a regular meeting with Board members if there are issues. He also offered to talk to Town Counsel Donna Brewer about including additional evaluations in his contract.

Discussion continued about whether or not additional evaluations or routine meetings with Town manager should be written into the contract. Lombardo said in an evaluation there should be no mystery about what is going to be discussed. Scuteri said Board is interested in true commitment about evaluation and communication about issues related to job performance and feels that this should be documented in the contract.

Discussion ensued about how Board wants a conversational tone rather than reactive tone in its communication with the Town manager and vice versa as well as with the community. Johnson suggested the two parties find a way to have a better ongoing dialog rather than a formal structure. Lombardo agreed to

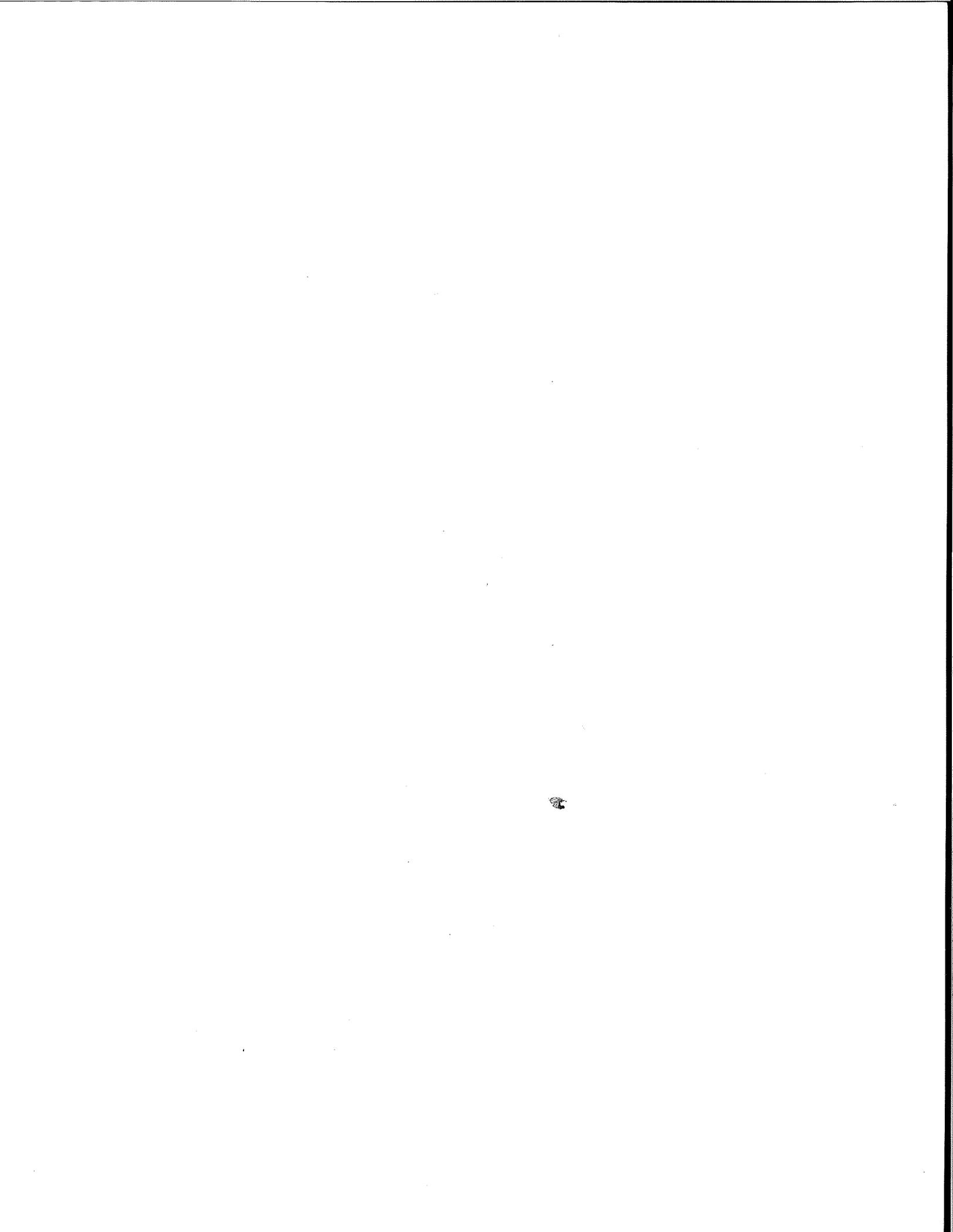
give this consideration and offered to confer with Town counsel. He expressed his interest in keeping the evaluation to once a year and agreed to think about how to conduct feedback sessions. Town officials agreed that candid conversations can be hampered when they occur in a public forum. Neill said he thought the public evaluation did not need to take place more than once a year. Lombardo said he didn't believe a 360 degree evaluation of him with Town Hall employee input would be useful.

Selectmen then decided they needed to caucus independently from their meeting with Lombardo to discuss term of Town manager's contract, evaluation feedback, \$12,000 lump sum and 12-month severance. Lombardo temporarily left the meeting.

The Board caucused on these items with the result that all members thought Lombardo should be expected to participate in professional development interpersonal skills training. Four of the Selectmen were not in favor of the \$12,000 lump sum (Johnson could accept a smaller lump sum that was offset by colas), they thought Lombardo was entitled to the cola, three of the Selectmen (Neill, Johnson and Scuteri) were in favor of a three-year term for the contract while two Selectmen (Stinson and Hubbard) supported one to two-year contract term, and three Selectmen (Neill, Johnson and Scuteri) said they would go forward with six months severance versus three months while two Selectmen (Stinson and Hubbard) were in favor three months severance pay but said they could be convinced to increase it to six months.

Lombardo returned to the meeting and Neill summarized the Board's discussion based on strategy it agreed upon to put forward with the Town manager. Neill said the Board's discussion revealed that the Selectmen were not in agreement on certain items. He reported that some of the Board was in favor of three year term and some two to three years for length of term of contract, Board is in agreement to stay with three months severance but it could go up, Selectmen would not support \$12,000 lump sum but would support cola for exempt employees, and that Lombardo would be given an opportunity for professional development training dealing with interpersonal communication that would benefit him and the Board.

In response to Lombardo's questions about this summary, Neill said there was opportunity for the Town manager and Board to discuss extending the number of months of severance pay since Lombardo said that three months was not sufficient and adequate to find another job in his field, it takes at least six



**TOWN OF HAMILTON
BOARD OF SELECTMEN
EXECUTIVE SESSION
JANUARY 28, 2013**

The Board of Selectmen held an executive session at Hamilton Town Hall at 9:16 p.m. on Monday, January 28, 2013 with David Neill, Marc Johnson, Jennifer Scuteri, Jeff Stinson and Jeff Hubbard present. Town Manager Michael Lombardo was also present.

Contract Negotiation – Town Manager

Town Manager Michael Lombardo provided the Board with a date-specific, red-lined version of his existing contract that was also distributed in email to Selectmen. He explained that redlining was on items from the initial contract, and that in Section 2.1 was the current wage approved at Town Meeting. There is an annual cost of living increase for exempt employees so the Town manager's salary has gone from \$125,000 to \$129,000 during the time he has served in the position.

Discussion ensued about how moving expenses had been removed, and that 15 days of sick time will remain the same. Selectmen addressed how there are no steps in the contract and there is a cola increase of 1.5% for non-union employees. Next year is the last year for that cola until Selectmen decide whether or not to approve another cola in the future. Discussion addressed how employees in management positions for the Town have language in their contracts related to colas. Lombardo said he is not proposing any salary increase beyond what the Board approves in the future relative to colas and exempt employee increases.

Jeff Hubbard said it could appear that the Town manager's new contract has a salary that is \$4,000 higher. Board reiterated that this is due to cola increase for exempt employees of 1.5% annually such as department heads, finance employees and other non-union employees.

Discussion ensued about items that Town manager and Board would address specifically in the contract such as review processes, term of contract, 12 months severance instead of 3 months and \$12,000 lump sum since Lombardo does not participate in health insurance plan provided by the Town.

Discussion then addressed whether or not the Board should conduct six month performance reviews for the Town manager. Lombardo specifically noted that goals and objectives for his position would be different than an evaluation. Jennifer Scuteri noted that in the private sector evaluations are encouraged to occur four times a year to ensure there was good communication between Board and Town manager and she would support evaluations more often than once a year. Lombardo said the public sector is more political than private sector and the Town manager's position is dependent upon the individuals elected to municipal government positions. He expressed interest in removing personal politics and focusing on job-oriented function. Marc Johnson suggested that Board chair could work with Town manager on management issues and improving responsiveness. He was in favor of evaluations twice a year.

Lombardo suggested if there are issues with Town manager's performance that can be addressed outside of evaluations. Johnson said there just has to be conversations between chair and Lombardo to address issues and bring the employee's performance back into balance. Scuteri recommended that a bi-annual evaluation be done and that this should be put in writing (i.e., with the Board, and each Selectman and chair will meet with Town manager).

Hubbard suggested the Board do a better job moving forward evaluating the Town manager and acknowledged that the Town manager's job is a political job so the Selectmen should help him out working with constituents. Lombardo offered to schedule a regular meeting with Board members if there are issues. He also offered to talk to Town Counsel Donna Brewer about including additional evaluations in his contract.

Discussion continued about whether or not additional evaluations or routine meetings with Town manager should be written into the contract. Lombardo said in an evaluation there should be no mystery about what is going to be discussed. Scuteri said Board is interested in true commitment about evaluation and communication about issues related to job performance and feels that this should be documented in the contract.

Discussion ensued about how Board wants a conversational tone rather than reactive tone in its communication with the Town manager and vice versa as well as with the community. Johnson suggested the two parties find a way to have a better ongoing dialog rather than a formal structure. Lombardo agreed to

give this consideration and offered to confer with Town counsel. He expressed his interest in keeping the evaluation to once a year and agreed to think about how to conduct feedback sessions. Town officials agreed that candid conversations can be hampered when they occur in a public forum. Neill said he thought the public evaluation did not need to take place more than once a year. Lombardo said he didn't believe a 360 degree evaluation of him with Town Hall employee input would be useful.

Selectmen then decided they needed to caucus independently from their meeting with Lombardo to discuss term of Town manager's contract, evaluation feedback, \$12,000 lump sum and 12-month severance. Lombardo temporarily left the meeting.

The Board caucused on these items with the result that all members thought Lombardo should be expected to participate in professional development interpersonal skills training. Four of the Selectmen were not in favor of the \$12,000 lump sum (Johnson could accept a smaller lump sum that was offset by colas), they thought Lombardo was entitled to the cola, three of the Selectmen (Neill, Johnson and Scuteri) were in favor of a three-year term for the contract while two Selectmen (Stinson and Hubbard) supported one to two-year contract term, and three Selectmen (Neill, Johnson and Scuteri) said they would go forward with six months severance versus three months while two Selectmen (Stinson and Hubbard) were in favor three months severance pay but said they could be convinced to increase it to six months.

Lombardo returned to the meeting and Neill summarized the Board's discussion based on strategy it agreed upon to put forward with the Town manager. Neill said the Board's discussion revealed that the Selectmen were not in agreement on certain items. He reported that some of the Board was in favor of three year term and some two to three years for length of term of contract, Board is in agreement to stay with three months severance but it could go up, Selectmen would not support \$12,000 lump sum but would support cola for exempt employees, and that Lombardo would be given an opportunity for professional development training dealing with interpersonal communication that would benefit him and the Board.

In response to Lombardo's questions about this summary, Neill said there was opportunity for the Town manager and Board to discuss extending the number of months of severance pay since Lombardo said that three months was not sufficient and adequate to find another job in his field, it takes at least six

months. Lombardo also raised the issue of the three year term for the contract. He said putting the monetary issues aside, the stability of the contract was paramount for him and his family. He added if the discussion went toward a two-year contract, then he would need financial certainties to have a safety net. Related to this, Lombardo addressed the \$12,000 lump sum relative to what he has accomplished in the time he has been in Hamilton and questioned if there was an amount divided across three years that the Board would approve or if the Selectmen were not interest in any additional monetary items.

Stinson suggested the Board caucus again based on Lombardo's response. Before the caucus occurred, Scuteri explained her viewpoint that Lombardo was incredibly effective and articulate and supported the Selectmen but he has issues with boards and employees so this is why Board is focusing on professional development so issues in these areas won't take away from Lombardo's high performance and so he can work for the Town and Board better. The Board emphasized that the need for professional development impacts the length of term of contract. Lombardo expressed his receptiveness to training but questioned why that had to be written into contract. Board suggested it could be added in the contract under professional development.

The Board elected to caucus again and Lombardo left the room. Discussion ensued about the importance of professional development training and Board members expressed their interest in ensuring this is not perceived by Lombardo as punitive. Stinson summarized that he believed that the Board members would be willing to consider a three year contract term, six months severance pay, no \$12,000 lump sum, yes to cola and professional development courses. Hubbard suggested that Lombardo was potentially receptive to two-year contract. Johnson responded that a two-year contract would make it more difficult for the Board to get Lombardo to agree to no \$12,000 lump sum and longer severance pay.

Discussion ensued about Lombardo's interest in more months of severance pay since he could be terminated without cause at any point in his contract. Scuteri said it takes a long time to hire a Town manager and it took Lombardo one year to find a job after his experience in Iowa City where Lombardo was terminated without cause. Stinson said he wants the professional development discussed by the Board included in the contract to make it clear to Lombardo and the public that the Selectmen are aware of these issues and are working to resolve them but that in order to include the professional development, the Board needs a three year contract. Neill mentioned the importance of strategically negotiating this contract in consideration of the cost to the Town if the Town manager were

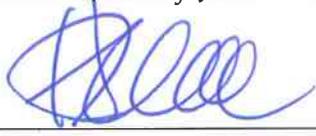
terminated or resigns since an interim would have to be hired while the hiring process occurred. Selectmen discussed what they considered as a reasonable proposal for the Town manager as three year contract term, six month severance pay, cola, no lump sum, and requirement for professional development courses.

Lombardo returned to the meeting and Neill explained to him that the Board is willing to offer him a three year contract, six months severance, no lump sum and cola remains, and that interpersonal training would be added to professional development part of his contract. Lombardo said he would consider the offer and think about language relative to annual review so they can complete contract negotiation next Monday night, February 4.

Neill entertained a motion to adjourn executive session at 10:46 p.m. Stinson so moved. Hubbard seconded motion. VOTE: Unanimous.

Respectfully submitted by Jane Dooley, Minutes Secretary

ATTEST: _____



Clerk

