

**TOWN OF HAMILTON
BOARD OF SELECTMEN
EXECUTIVE SESSION
FEBRUARY 4, 2013**

The Board of Selectmen held an executive session at Hamilton Town Hall at 9:16 p.m. on Monday, February 4, 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 recapped the status of the contract negotiation:

1. Tentative agreement for a three-year contract, compensation and benefits of \$12,000 proposal the Board had countered and held sum at \$0, agreement to increase severance pay to six months.
2. Two new proposals from Board – Town manager's review conducted twice annually and requirement for Town manager to take interpersonal communication training.

He addressed semi-annual review and said he was willing to commit with specific language in contract. Lombardo proposed change for Article 1.3 to read Selectmen shall review the performance of the employee twice each year (with months specified, i.e., June and November) hereto referred to as the dates of commencement subject to a process, criteria and format for the evaluation which shall be mutually agreed upon by Selectmen and employee. He thought it was important that the two entities agreed upon what tool would be used for the Town manager's evaluation.

Lombardo said it was standard in his line of work that if there was going to be a written evaluation there would be buy-in from both parties. The employee should be part of the evaluation process. The process should at a minimum include the opportunity for both parties to prepare a written evaluation, meet and discuss evaluation and prepare a written summary of evaluation results. The final written evaluation shall be completed and delivered to the employee within 30 days of commencement. Discussion ensued about how the Selectmen and employee would agree to one of the three evaluation format options provided by

the Town manager. Discussion also addressed timing for evaluations and that there could possibly be an evaluation meeting the first Monday after Annual Town Meeting in April and six months later in October.

Town officials then addressed the second proposal for professional training and development. Discussion ensued where Lombardo agreed to the training. The Board stated its interest in his participating in a seminar rather than extended accreditation course for his field. The interpersonal communication training would have a managerial focus and provide Lombardo with ways to enhance his communication skills engaging and working well with people/staff and offer techniques for identifying potential problems as well as dealing and coping with hostile individuals.

Lombardo offered to investigate upcoming training opportunities and report to the Board for consensus to get started soon in training program after contract agreement is reached. The Board agreed that result of Lombardo's evaluations moving forward would determine if training would be required on an annual basis.

He then referred to lump sum request explaining that his reasons for considering this monetary consideration are that he would feel appreciated and there would be acknowledgment that he had done a very good job in many areas.

Lombardo explained how he was on the Town's insurance plan when he wrote the opt-out policy created by municipal management for Hamilton. Because he was on the Town health insurance plan for nine months rather than two years as specified in the policy he was not able to enjoy the opt-out benefit when he no longer was receiving the Town's insurance.

He did not raise this issue at the time because the structure of the opt-out plan was not designed to financially incentivize employees who had never been on or had not been on the Town's benefit plan for a long period of time. He said his preference rather than be given the opt-out benefit would to be given a one-time acknowledgement of that and not necessarily moving forward. Lombardo expressed his hope that there was a monetary amount that the Selectmen could agree to (i.e., \$3,700 a year for the family plan, \$7,400 for the last two years).

Jennifer Scuteri thought from a fairness perspective every employee that doesn't take the Town's insurance should be entitled to the opt-out plan but the policy timeframe is for employees to be on the Town's insurance plan for two years. She

noted that the City of Boston only requires employees to be on one year before opting out. Jeff Hubbard viewed insurance and merit as two different issues noting that his private sector employer does not compensate employees who do not take the insurance.

Discussion ensued about Board being at zero on the lump sum proposal with Jeff Stinson saying Lombardo is saving the Town money by not participating in insurance plan and there is no guarantee that the Town manager would not opt for the Town's insurance during re-enrollment period.

Also addressed was that the other department heads in Town have the opportunity to participate in opt-out but none chose that and they have been receiving colas plus Town's insurance benefit.

Discussion addressed Lombardo's preference for the two entities agreement on a reasonable lump sum so there would not be any policy issues. Johnson noted that if Lombardo were on the Town's health insurance plan for three years with the yearly benefit for a family that would cost the Town more than the \$12,000 lump sum. Lombardo said he had proposed a one-time annual payment so the process would not drag on and potentially cause ire. He gave the Board the example that had occurred in a prior job where he had a bumped up car allowance and it was continually scrutinized.

Discussion ensued about how much it is costing the Town for certain employees that could be more than for Lombardo (i.e., police chief is getting \$118,000 salary with \$14,000 of insurance benefits over three years). Lombardo thought a monetary amount could be justified in light of the opt-out policy. He emphasized that he did not want this lump sum to be a financial burden to the Town but it could be accommodated in the insurance line item for this year's budget, no budget adjustment would be required and it would not be a budget issue in future years. In response to Scuteri, Lombardo reiterated that opt-out cost is budgeted in insurance line item.

Scuteri said from a merit perspective the lump sum payment was not supported but from a reality and fairness perspective the lump sum was considered by the Board. Stinson said based on Lombardo's statement he thought this lump sum would be an issue with the employees and the public. Lombardo said he was interested in what was reasonable in this conversation with the Board. Johnson briefly described his more open position on the \$12,000 lump sum proposal and he noted that the Board would caucus on this and discuss pro and con

justification for merit. Lombardo told Selectmen that he would accept the six months severance and left the room so the Board could caucus.

Board discussed what information should be addressed with Town manager in negotiation session outside of Board caucusing so it would not have a detrimental effect on the Town's negotiating position. The Board also agreed that once the Town manager's contract is signed the executive session minutes could be released after they are approved by the Selectmen since the reason for the Board to have convened in executive session would no longer exist.

Discussion ensued about the lump sum proposal and that it should not be a merit increase or bonus. Because other department heads did not get merit increases while they did get colas, the precedent it could set for other department heads who might seek merit increases in future contract negotiations and message to staff and the public when there are morale issues with employees and some dissatisfaction with the public due to Lombardo's sometimes lacking interpersonal management skills.

Hubbard and Stinson were not in favor of the lump sum due to personnel and public perception issues, and Scuteri was against lump sum since it could be perceived as a merit increase and the resulting public message although she noted that Lombardo is a great manager in many ways which are not fully recognized due to his communication issues.

The Board evaluated what cola salary increases Lombardo had received in his tenure with Hamilton. Discussion ensued about how in the public sector, positions require people to serve the community pleasantly regardless of the public's demeanor. Johnson noted that he was inclined to give consideration to as much as a \$6,000 lump sum and Neill was willing to do something with the opt-out arrangement rather than the lump sum.

Lombardo returned to the room. Neill reported the results of the Board's caucus stating that the straw vote with majority of Selectmen believing Lombardo should continue to receive a cola but not a lump sum. Lombardo responded that he was willing to discuss a monetary amount far shy of \$12,000. Neill noted that discussion had occurred where some Board members had wanted to consider a lesser amount rather than zero for the lump sum but this was outweighed by the majority. Lombardo expressed his disappointment saying this speaks to perception of his worth and value to Hamilton, and could be a deciding factor for him so he asked Board to consider contract extension for four months.

Johnson was adamant that the Selectmen were not sending the message that Lombardo perceived. In response to an inquiry from Scuteri, Lombardo said his situation was different than the department heads.

The Board agreed to caucus again and Lombardo left the room. Discussion ensued about how Selectmen were not sending message Lombardo perceived and that they thought they were presenting a reasonable contract with a \$130,000 salary, three-year contract, six-months severance pay, cola, and investment in professional development.

Some Board members mentioned that Lombardo's reaction to Board's latest discussion reinforced their concern about his interpersonal skills while others noted his good work and suggested that those accomplishments should be listed. Neill noted that Lombardo had communicated that he would take a smaller amount than \$12,000.

Discussion ensued about Board's concern that the Town might be on the cusp of losing Lombardo since he feels underappreciated for the dedicated work he gives to the Town. Selectmen revisited increases agreed to in contract negotiation: three-year contract, and six-month severance pay.

The Board also addressed how many people in Town like Lombardo as Town manager and that people are feeling a lot better about Hamilton in the last few years and that Lombardo's assertiveness has brought success to the municipality (i.e., with HWRSD), he prides himself on being thorough and accurate, and is efficient in managing local government. Hubbard expressed his ongoing concern about Lombardo's performance communicating with people. Scuteri addressed how people like Lombardo, that there is stability in Town and hiring another Town manager would be a protracted and expensive process so she could be convinced to move away from zero lump sum.

Board discussed how Lombardo's salary had progressed from \$125,000 to \$129,413 in the time he has been working for Hamilton as the result of colas. Scuteri thought \$3,700 lump sum for one year of the three year contract could be rationalized since the opt-out didn't fit so this is for fairness and would not be for merit. Johnson and Neill agreed with this. Scuteri said that would be the final offer to Lombardo.

Stinson reiterated his belief to stay with zero lump sum because of the lack of logic related to \$12,000 lump sum, Lombardo did not fall under opt-out policy,

contract term has been increased from one to two years to three years, severance pay was increased from three to six months, Town's willingness to invest in professional development and colas would raise his salary nearly \$10,000 after three years in new contract. Discussion ensued about whether or not the perception of not giving any lump sum amount to Lombardo was punitive.

Discussion addressed whether or not Lombardo would get a cola increase from the time period after the last year of his existing contract and the first year of his new contract. Also, if the money associated with the position is the primary consideration for the Town or if keeping someone who is mostly serving the Town well is more important for Hamilton.

Johnson summarized for the Board its position on the lump sum payment where it decided on a one-time payment of \$3,700 to account for fact that Lombardo did not fit under the existing opt-out policy and the Board believes that is a relevant rationalization for \$3,700. It is not tied to bonus and Board is not saying Lombardo is not doing the Town manager's job well.

Lombardo returned to the meeting. Discussion ensued to clarify that Lombardo would receive his next cola on July 1 along with the other exempt employees although the percentage has not been set yet with consideration for what union employees are receiving for cola (i.e., 2%). There were no colas in the first year of his current contract. Lombardo would possibly receive \$131,900 in salary beginning in July and reach \$137,300 by the end of the new three-year contract.

Neill reported on the Board caucus saying within 30 days of executing the agreement the employee would be paid a one-time lump sum fee of \$3,700 in lieu of the so called opt-out payment available to other employees, which is not available to Lombardo as he did not meet the criteria (as created by Lombardo) in the policy.

. Scuteri said this is in recognition of the annual family rate for an employee taking the Town's insurance and that Lombardo's tenure on the insurance plan did not allow him to participate in opt out when he no longer took the insurance after nine months of employment and the opt-out policy calls for participation in the insurance plan for two years. The Board clarified that the \$3,700 was a one-time payment and would not be paid annually moving forward for the second and third years of Lombardo's contract.

Lombardo said he would think about the \$3,700 one-time payment proposal and if he is in agreement with terms outlined in this most recent contract negotiation, the contract could be approved by the Board during the Selectmen's meeting next Monday night. He offered to draft the contract with agreed to amendments. Scuteri said the message from the Board is for Lombardo to stay employed with Hamilton and Town officials will work with him to continue improving their working relationship.

Neill entertained a motion to adjourn executive session at 10:26 p.m. Stinson so moved. Hubbard seconded motion. VOTE: Unanimous.

Respectfully submitted by Jane Dooley, Minutes Secretary

ATTEST: _____



Clerk