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**MINUTES
TOWN OF BELMONT
BELMONT MUNICIPAL LIGHT BOARD
SELECTMEN'S MEETING ROOM
TOWN HALL
Monday, November 14, 2016
5:30 P.M.**

I. CALL TO ORDER

Chair Paolillo called a regular meeting of the Municipal Light Board (MLB) to order at 5:40 P.M.

Present:

MLB – Chair Mark Paolillo, Vice Chair Sami Baghdady, Member Jim Williams

Light Board Advisory Committee – Chair Steve Klionsky, Members Bob Forrester, Ralph Jones (no quorum)

Belmont Light – General Manager Jim Palmer, Staff Aidan Leary, Counsel Walter Foscett, Consultant Patti McGovern

II. GENERAL MANAGER'S REVIEW

The Board discussed whether they should move into Executive Session to perform the review of General Manager Palmer. Foscett explained that the Open Meeting Law states that the Board may go into Executive Session to discuss reputation, character or mental state of an individual, exclusive of evaluating performance. The Board decided to forgo Executive Session and both perform the review of Palmer and discuss any merit increase in public session.

McGovern introduced herself as Belmont Light's Human Resources Consultant and stated that she had been engaged for the previous three months sporadically. Paolillo explained that he had provided his comments on Palmer's review to McGovern and that McGovern was to compile all comments and review forms from the Board prior to the meeting. Williams submitted a review form with comments to McGovern. Paolillo was not logistically able to submit a form but submitted comments to McGovern. Baghdady was not able to submit his review.

Palmer stated that his review date is February 2 but that because of changes made to his contract, the contract renewal date is around April 17. Paolillo gave a summary of the self-review that Palmer had submitted to the Board (full self-review below). The points that Paolillo highlighted were as follows:

- Palmer has been the General Manager for six years.

- Palmer has been acting as CEO and General Manager of Belmont Light, while at the same time performing the duties and responsibilities of a program director on the substation and transmission project.
- Palmer was instrumental in negotiating the Joint Development Agreement (JDA) with Eversource, which resulted in saving nearly half of the cost of the substation and transmission project for the Town of Belmont.
- The rate increase due to the substation and transmission project had been expected to be 14%, but through the structuring of the project and the JDA, the actual increase was only 6%.
- Over the past six years as CEO and General Manager of Belmont Light, Palmer has provided healthy financial results, reliable electric service, superior customer service, and rebuilt an effective and efficient municipal light department by recruiting highly qualified technical and business management talent.
- Palmer stated that his performance was outstanding and justified the Municipal Light Advisory Board's 2014 recommendation of a 4.5% annual increase.

Paolillo and Palmer discussed that a bonus for the successful completion of the substation and transmission project had been discussed but never finalized. Palmer gave in his self-review figures from the private sector that he believed would be comparable to a completion bonus in this instance. McGovern stated that the role of General Manager is such a hybrid that it cannot be compared the role of a town department head because Belmont Light brings in a profit. Baghdady corrected her, stating that Belmont Light does not make a profit, rather it pays for itself through the rates and not through real estate taxes.

Paolillo said there is a need to develop a bonus system for non-union department heads in town. He asked McGovern if she was aware of any bonus system at other municipal light departments. She responded that she would do research into other municipalities but that she was not aware of any at the time.

Williams pointed to the evaluation form provided to the Board and said that he would have liked to have another option between "Outstanding" and "Fully Satisfactory". He then reviewed Palmer's self-review and said that he had asked Palmer about the assertion that Palmer's actions had led to \$27.6 million in savings through the JDA. He said that Palmer's answer satisfied his questions.

Paolillo and Williams then went through their own reviews of Palmer and stated the rankings (Outstanding, Fully Satisfactory, Needs Improvement, or Unsatisfactory) in the areas of: Leadership & Management Qualities; Judgment; Knowledge and Skills; and Community Relations. They then reviewed the ongoing and completed goals that Palmer had set for himself in 2016.

Williams said that Palmer has held two jobs for at least the past two years – General Manager of Belmont Light and Project Management of the substation project – and that he has performed

both in an outstanding manner. He praised Palmer for his work with the solar campaign, the implementation of the new billing system, and installation of smart meters system-wide. He said that these programs have been achieved and completed at a time of great change in the structure of the Municipal Light Advisory Board, now the Light Board Advisory Committee, and in the makeup of the Municipal Light Board. He pointed to the future goals of decommissioning the existing substation and a systematic upgrading of distribution lines.

Paolillo said Palmer has done an outstanding job in managing the substation project. He said that the project will be completed well within budget and the JDA with Eversource will save the Town millions of dollars and provide ongoing tax revenue for the Town. He said that Palmer has been a strong steward of BMLD finances and rebuilt an effective team that has provided excellent service to customers. Paolillo said that he had two comments that have been ongoing concerns. First, he said that Palmer needs to improve his collaboration with Town department heads. Second, he said that Palmer needs to improve his effectiveness as a liaison to the Board, as well as the transparency of the day-to-day operations of the Light Department and the substation project. Palmer responded that he didn't disagree and that he had been having discussions with Jones as to the need to form a better communication structure. Paolillo agreed, saying that in the past, the Board relied heavily on MLAB and now that LBAC has been reestablished, he thinks that is possible to do so again.

The Board then discussed a merit increase for Palmer. Paolillo stated that Palmer has done an outstanding job on the substation and in the financial stewardship of the department. He recommended a 4% salary increase for Palmer. Baghdady stated that as a matter of policy and consistency, he supported a 2% Cost of Living Adjustment (COLA) salary increase similar to the Town Administrator's salary increase, so that it couldn't be said that Belmont Light employees get different pay passed on to the rates. He said he supported an extra 1% salary increase, for a total of 3%, because of Palmer's position overseeing the substation and transmission project. Williams said that he saw the General Manager of Belmont Light as different from a Town department head but that he did not want to go over a 3% salary increase. He suggested that if the Board is going to reward Palmer, it should be on the bonus side for the substation and transmission line project.

Baghdady moved to approve a 3% increase to the base salary for General Manager Jim Palmer and Williams seconded the motion. Paolillo amended the motion to make it effective February 9, 2016. The Board approved the motion as stated and amended with a vote of all in favor (3-0).

The Board discussed the matter of a bonus for Palmer for completion of the substation and transmission project. Williams asked whether there was a benchmark for municipal light departments completing projects comparable to Belmont Light's substation and transmission project. Foskett said that this project was unique in that it was a transmission project. Other municipalities have completed generation projects, which are comparable in magnitude.

Palmer said that after discussion with colleagues, he found that General Managers typically get \$7,500 to \$10,000 bonuses for their General Manager duties but the project management side is different. Paolillo asked McGovern to do more research to see if there are any comparable situations in other municipal light departments in the state.

III. UPDATE ON SUBSTATION & TRANSMISSION PROJECT

a. Resolution to allow the General Manager to transfer land and assets

Foskett explained that under the JDA, Belmont Light and Eversource will have fourteen days after the completion of testing to close the deal and transfer assets. The estimated date for completion of testing was December 2, 2016, so the date that the deal would need to be closed would be December 16, 2016. Foskett said that there will be easement agreements surrounding the closing, a bill of sale of personal property, and a non-property PTF, which is the value of the contractual work that went into the substation and transmission project. He said that these will all need to be signed. The Board discussed this issue and the logistics of signing documents but decided to hold the discussion during the next Board meeting on December 12, 2016.

IV. MEETING MINUTES DATED 10/24/16

Baghdady made a motion to approve the Light Board minutes from October 24, 2016. Williams seconded the motion and the motion was approved with a vote of all in favor (3-0).

V. FUTURE MEETINGS

The next two MLB meetings is scheduled for December 12, 2016 to begin at 5:30 P.M. in the Selectmen's Meeting Room. Topics will include

VI. ADJOURNMENT

The Board moved to adjourn at 6:59 P.M.