

CRRA Organizational Synergy & Human Resources Committee
November 4, 2002 Meeting

Draft Minutes

Members Present: Stephen Cassano, Committee Chairman
James Francis
Mark Cooper

Others Present: Peter Egan, Director of Environmental Services
Gary L. Gendron, Director of Administration
Lynn Martin, Insurance & Claims Manager
Angelica Mattschei, Corporate Secretary
Ann Stravalle-Schmidt, Director of Legal Services

Chairman Cassano called the meeting to order at 10:15 a.m.

1. Status Report on Leadership Group Vacancies

Chairman Cassano said that the CFO vacancy should be filled soon. He added that the Committee had received 3 resumes from Mr. Larry Brown and that they would begin the interview process as soon as possible. Chairman Cassano said that the President should be on board by December 1st.

Mr. Gendron said that he was expecting a recommendation for a part-time educator. Ms. Schmidt noted that the lead candidate for the environmental attorney could possibly withdraw from accepting the position. Mr. Egan said that the second choice was precluded due to salary issues and that the third choice would have to be interviewed again. Chairman Cassano suggested that finding out why the lead candidate withdrew would benefit staff in the future.

Mr. Gendron said that he was awaiting further information regarding the human resources administrator position. Mr. Gendron stated that a recommendation on a staff accountant would be received soon and that Mr. Clark was working with Ms. Hubbard on the senior analyst vacancy.

Director Cassano said that the vacancies would be handled internally once the new President and CFO were in place.

2. Calendar Year 2003 Flexible Benefits Plan Renewal Status Report

Mr. Gendron said that the project was proceeding as expected.

3. Fiscal Year 2004 Payroll Budget

Mr. Gendron said that staff needed some direction on some of the variables in the existing budget. The first variable was the number of employees, he said, and the second was the rate at which merit increases would be administered.

Mr. Gendron said that, in previous years, each employee was given a performance evaluation and his or her rating was translated into percentage terms on the scale and the number would then be plugged in to the increase column. An average merit increase of 4 percent was generally budgeted, he noted. Chairman Cassano asked whether performance evaluations had been completed. Mr. Gendron replied that performance evaluations were completed for January 1, 2002.

Mr. Gendron noted that the Finance Committee would be meeting to discuss the budget and that he had advised Mr. Constable with respect to the general fund to assume a level funded budget except for the variables that had already been resolved. Mr. Gendron stated that a large part of those variables were the insurance premiums and Ms. Martin had provided solid estimates for the upcoming year. Payroll and benefits took up approximately half of the general fund budget, he added.

Mr. Gendron said that he believed two schools of thought existed on the Board regarding the payroll budget. One thought was to radically increase staff, replacing vendors, and the other thought was to look for further cost reduction opportunities. Chairman Cassano said that the payroll budget should reflect the existing current position count, subject to legislative changes, with a caveat that if positions were added it would be as a result of a positive cost-benefit analysis.

Mr. Gendron asked whether the committee, with regards to the payroll budget, would want to assume the same 4 percent merit increase across the board. Chairman Cassano replied that he saw no reason to change that assumption.

4. Wellness Program

Mr. Gendron said that the committee had requested that a Wellness Committee, consisting of staff, be formed. Mr. Gendron stated that Messrs Gingerich, Bodendorf, Yates, Romano and Clark had volunteered to be part of the committee. Mr. Gendron said that he would like to have a female involved in that committee to insure that all perspectives were considered. Mr. Gendron stated that he had advised employees that the Organizational Synergy & HR Committee was considering continuing the wellness program but would like to revisit how the benefit was delivered. The Wellness Committee would be charged with advising the Organizational Synergy & HR Committee of the best means of delivery. Chairman Cassano reiterated that the

Committee was not looking to terminate the program but to find a way to continue it. Chairman Cassano said that at its existing rate, the program would not be able to continue for much longer.

5. Review of Policies

Mr. Gendron distributed the revised Affirmative Action Program document. He said that the revision reflected the committee's suggestion that the HR administrator position serve as Director of the Equal Opportunity Program. Additionally, he said, the word "handicapped" was replaced with "disabled."

Director Cooper said that on page 3, third paragraph, there should be a period after the word "encouraged."

Chairman Cassano asked whether job descriptions had been updated. Mr. Gendron replied that the descriptions were updated as positions were filled. Mr. Gendron added that Mr. Bessette, the former HR administrator, had reviewed the job descriptions the previous year with Ms. Martin for ADA purposes.

Director Francis led a discussion regarding the Separation Agreement Policy. Director Francis said that the reasons for adopting a separation agreement policy would be to provide individuals with a financial bridge between employment, to avoid legal claims and reward for past service. Director Francis said that eligibility could begin at any designated date but recommended that eligibility begin once an employee has passed the probationary period.

Chairman Cassano asked who would benefit from this policy. Director Francis replied that there were options. There were questions whether the policy would cover full-time or part-time employees, layoffs at any level, terminations due to discipline and whether a separate policy was needed for upper management.

Director Francis continued that the committee would have to determine what the severance agreement would cover. The most frequently used method would be payments of salary, he said, and the committee would also need to determine whether it would be paid out as salary continuation, a lump sum payment or a choice by the employee.

Director Francis said the rate of payment needed to be determined. The most common practice was a week's salary for every full year of service, which could increase by a week and a half for years served over a certain number. Employees who have served longer would be rewarded. Dr. Francis said that the length of the payments needed to be determined as well as whether the payments continue or stop once a person secured new employment.

Director Francis said that health benefits were also an issue. The policy was guided by COBRA, but not limited by it. The policy could utilize the COBRA's 18-month continuation and the coverage time could be lengthened or payments could be

reduced for employees who have had an extended length of service. Director Francis said that life insurance and disability insurance needed to be examined.

Director Francis continued that in the private sector, the use of a headhunter could be provided to aid in securing employment for an individual. This may be helpful for CRRA managers, he said, due to the restrictions provided by the Code of Ethics in terms of employment potentials. Chairman Cassano added that those positions needed to be identified as well the level of assistance.

Director Francis said that the policy could also provide a release to avoid claims against CRRA. He suggested that this revision should be used on a case by case basis. The terms could be brought to the Board by the President in individual cases, he said.

Ms. Martin stated that separation agreement that had already been executed typically paid two weeks for each year of service. Past practice did not include an extension of COBRA and other benefits, Ms. Martin noted.

Director Cooper said that the committee might want to examine the six-month probationary period versus one year in order to have the consistency for payments. Mr. Gendron responded that it had been CRRA's past practice to reward an employee for one year of service after they have completed the six-month probationary period.

Chairman Cassano said that a draft would be available in January 2003.

Mr. Gendron distributed a document from the Hazardous Waste Management Service regarding flextime. It was an FYI for the committee, he noted.

Mr. Gendron said that the project that loomed over the committee was an overhaul of the Personnel Policy manual. He suggested the policies be examined as a whole package rather than make individual policy changes to avoid problems with the notices. Chairman Cassano suggested that an outside firm be used to review all of the Personnel Policies as a package. Director Cooper also suggested that the President have input on the process.

6. Benefits Continuation for Employees on Disability Leave

Mr. Gendron said that the reference item dealt with a specific individual in the company. Ms. Hubbard said that she met with Ms. Witkowski of the Segal Company, Mr. Peabody from their compliance group and Anthem Blue Cross because they discovered that the Blue Cross policy only provided coverage to active employees. Ms. Hubbard stated that Anthem did not have a problem adding the language to the policy providing coverage for disabled employees. Ms. Hubbard said that Ms. Witkowski and Mr. Peabody suggested that individual be covered for 12 months from the day of disability and COBRA would be picked up after the 12 months. CRRA's liability would

be a twelve-month premium and any cost sharing for an individual on the Century Preferred plan.

Director Francis asked whether the FMLA period would be in the first 12 months. Ms. Hubbard replied that it was. Director Francis asked whether the assumption was that the employee would not be able to return to work. Mr. Gendron responded that that was correct. Mr. Gendron added that employment status would also have to be dealt with after the twelve-month period. Dr. Francis asked whether it would tie-in with the severance policy. Mr. Gendron replied that it was an option as an involuntary termination.

Director Francis made a motion to recommend proceeding with the final language change in the health insurance policy. The motion made was seconded by Director Cooper and passed unanimously.

ADJOURNMENT

There being no other business to discuss before the Committee, the meeting was adjourned at 11:05 a.m.

Respectfully submitted,

Angelica Mattschei
Corporate Secretary