

**Massachusetts Technology Collaborative
Personnel and Governance Committee Meeting
February 9, 2018**

MINUTES

Directors: Pamela Reeve (Chairperson), and Rupa Cornell attended the Meeting.

Staff: Michael Baldino, Tim Connelly, Phil Holahan and Holly Lucas Murphy attended the Meeting.

Location: The Meeting was held at the Massachusetts Technology Collaborative, Two Center Plaza, Suite 200, Boston, Massachusetts.

Ms. Reeve observed the presence of a quorum and called the Meeting to order at 2:45 p.m.

Agenda Topic	Discussion	Action Taken
Approval of Minutes	The minutes of the December 11, 2017 meeting of the Personnel and Governance Committee (“Committee”) were presented for approval.	The Committee voted unanimously and without abstention to approve the meeting minutes, as presented.
Revisions to Earned Time Policy	Mr. Holahan presented a recommendation for revisions to MassTech’s paid time off policy that are being proposed by Tim Connelly, MassTech’s Executive Director. Mr. Holahan explained the applicable legal framework, which requires that the Committee (1) establish policies for paid time off; and (2) ensure that MassTech executives do not receive paid time off (“PTO”) benefits (accrual and pay out of PTO) that are greater than similarly situated state employees. Mr. Holahan noted that the legal framework implements recommendations developed by the “Crosby Commission” in 2009 regarding	

	<p>compensation for executives employed at quasi-public agencies.</p> <p>Mr. Holahan noted that Mr. Connelly seeks to advance three objectives through the proposed PTO policy revisions: (1) encourage employees to use earned time within a limited period of time; (2) reduce MassTech's financial exposure associated with PTO pay outs at the time of employee separation; and (3) provide employees with greater flexibility in using PTO by allowing employees to request an advance of earned time. Mr. Connelly emphasized that he wants employees to take time off and avoid forfeiting earned time. Mr. Holahan stated that the Committee has the discretion to determine whether the proposed policy, if approved, should apply only to executives or to all MassTech employees.</p> <p>During the ensuing discussion it was clarified that there are currently four executives at MassTech: Tim Connelly, Phil Holahan, Pat Larkin and Laurance Stuntz. Mr. Holahan noted that he previously was awarded additional earned time by the MassTech Board of Directors approximately 17 years ago when he was asked to refrain from taking time off while the organization was going through a particularly difficult period. Ms. Reeve indicated that Mr. Connelly's approach to PTO is consistent with standard approaches in the private sector.</p> <p>Mr. Holahan reviewed the PTO policies that are applicable to individuals employed by the Commonwealth of Massachusetts and Ms. Erlandson compared the Commonwealth's PTO policies to MassTech's existing PTO policy and the proposed PTO policy. Mr. Holahan noted that, as a general matter, state employees accrue significantly</p>	
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more time off than MassTech employees and that the disparity increases as years of service increase. He explained that the disparity is primarily due to the ability of state employees to carry over accrued but unused sick time from year to year without limitation. Mr. Holahan also indicated that retirement eligible state employees are entitled to receive a payout of twenty percent of the value of unused sick time. He observed that the Commonwealth has a limited tool box to attract talented employees. Ms. Reeve mentioned that the Commonwealth's approach essentially treats sick time as a form of deferred compensation.

During the discussion of how the proposed new policy would impact existing employees, Ms. Erlandson indicated that the new policy would have a limited impact on newer employees, who generally tend to use most of their earned time during the year in which it is accrued. Under the new policy employees would be required to use all earned time accrued within a given year by March 31 of the following year. Any unused earned time remaining at that point would be forfeited. The rate of earned time accrual would not be changed.

During the ensuing discussion, Ms. Erlandson noted that long tenured employees would be impacted the most, although existing earned time balances would be protected and would not be subject to forfeiture. Mr. Holahan emphasized that long tenured employees have not "gamed the system" by accruing significant earned time balances. He noted that these employees have, in fact, forfeited significant amounts of earned time, valued at more than \$300,000 over the past ten years alone. Mr. Connelly concurred that employees have acted with integrity and that earned time balances

would not exist if employees were gaming the system.

In response to questions from Ms. Cornell and Ms. Reeve, Ms. Erlandson and Ms. Lucas Murphy indicated that they did not think that the new policy would negatively impact employee morale, particularly among newer employees and that the new policy would not be perceived as a major change. Ms. Cornell suggested that managers should model the desired behavior and send the appropriate signals that employees should take time off without being interrupted for work-related issues.

Mr. Holahan reviewed that status of MassTech's four executives. He indicated that the maximum payout for each of the executives falls below the maximum payout that a similarly situated state employee would receive. He noted that Mr. Connelly is the only executive that accrues more time than a similarly situated state employee. Mr. Holahan explained that Mr. Connelly's employment agreement provides him with 31 days of PTO, which is one more day than a similarly situated new state employee would receive. He also noted that the new policy imposes a "governor" that limits payouts for executives to the maximum payout amount for his/her state counterpart. He noted that this is unlikely to ever be needed because Mr. Connelly intends to strongly encourage executives to utilize earned time. Mr. Connelly reiterated his view that it is healthy for employees take time away from work. Mr. Holahan responded to a question from Ms. Cornell and clarified that existing PTO balances, by law, are protected from forfeiture.

Ms. Cornell expressed concern about burnout for employees that use the bulk of earned time on FMLA leave to serve as a

	<p>caregiver. Mr. Holahan indicated that the new policy provides for exceptions to be approved on a case-by-case basis and could be utilized to address the situation that Ms. Cornell articulated. Ms. Reeve and Ms. Cornell expressed support for the new policy and noted approvingly of the flexibility that it provides employees, particularly the opportunity to request an advance of earned time. Ms. Lucas Murphy noted that MassTech reserves the right to claw back advanced earned time in the event that an employee leaves MassTech before the full amount of the advanced earned time is accrued.</p>	<p>The Personnel and Governance Committee unanimously and without abstention to adopt Motion #1 relative to the implementation of a new policy for paid time off.</p>
<p>Gender Equity Discussion</p>	<p>Ms. Lucas Murphy led a discussion about gender equity concerns that were raised at the last meeting of the Committee. She discussed the efforts that she undertook to gather information on gender equity issues and the findings from these efforts. Ms. Lucas Murphy noted that a significant percentage of female employees are in lower paying positions and she cited the Medicaid division within MeHI as an example. She also stated that there are no women on the MassTech leadership team since former Chief of Staff Maeghan Welford departed MassTech. Ms. Lucas Murphy recommended that MassTech improve its efforts to get more women in the pipeline for higher level positions within the organization. Mr. Holahan observed that in the government sector, including the state legislature, women occupy many of the high level positions that we seek to influence.</p> <p>Ms. Reeve indicated that MassTech clearly has a pipeline issue with regard to women and she requested that a plan be developed by staff to address gender concerns. Mr. Connelly responded and agreed that the lack of women in high level positions is a concern and he assured the</p>	

	<p>Committee that he takes these concerns seriously. He noted that he has already worked with Ms. Lucas Murphy to improve salaries for lower paying positions. He noted that MassTech has more limited tools than in the private sector. Mr. Connelly emphasized that MassTech is a small organization and that hiring has been curtailed.</p> <p>Ms. Cornell stated that MassTech needs to review the existing pipeline, identify talented employees and develop pathways for advancement within the organization. She also suggested that MassTech enhance opportunities for mentoring and professional development. She also asked that MassTech examine the reasons that women are disproportionately represented at lower levels.</p> <p>Mr. Connelly noted that Ms. Erlandson has done an excellent job in leading the Finance Department after the departure of Chris Andrews. He explained that he has utilized the Brown Brothers approach to constructing his leadership team. He explained that one implication of this model is that there is only one individual representing shared services on the leadership team. In response to questions from Ms. Reeve and Ms. Cornell, Mr. Connelly clarified that Ms. Erlandson has not been given the title of Chief Financial Officer.</p> <p>Mr. Holahan indicated that Committee member Alexandra Drane, who was unable to attend this meeting, suggested that evaluation of candidates for high level positions at MassTech should reflect a variety of factors, including: (1) domain expertise; (2) empathy and the ability to collaborate; and (3) gender and diversity. Ms. Reeve reiterated that significant attention needs to be paid to gender issues and that a plan should be developed that can be presented to the</p>	
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	<p>Committee at a future meeting. Ms. Cornell concurred and acknowledged that developing and implementing a plan may take some time and that the organization needs to be thoughtful while also recognizing the need to take action to address gender issues. Mr. Connelly agreed to work with Ms. Lucas Murphy to develop the plan requested by Ms. Reeve and Ms. Cornell.</p> <p>Mr. Connelly provided a brief update on Ed Donnelly's role as Chief of Staff. He indicated that Mr. Donnelly has maintained a prominent role with the Massachusetts Broadband Institute while assuming many of the duties that were previously performed by Ms. Welford, including supporting the work of the Digital Health Council.</p>	
Executive Committee Vacancy	<p>There was a discussion of the need to fill a remaining vacancy on the Executive Committee of the Board of Directors. At the last Committee meeting on December 11, 2017, the Committee agreed on a slate of nominations for the Executive Committee, including Annmarie Levins to fill one of the vacancies on the Executive Committee. The Committee agreed at the time to defer action on a nomination to fill the other Executive Committee vacancy.</p> <p>Mr. Holahan led a discussion about the evolving role of the Executive Committee. He highlighted that the burden on the Executive Committee to approve transactions, such as financial assistance awards, has gone down dramatically in recent years. Ms. Reeve and Ms. Cornell concurred with Mr. Holahan's suggestion that the frequency of Executive Committee meetings should be reduced. Mr. Connelly stressed the value of the Executive Committee in providing him with strategic advice and guidance. Mr. Connelly</p>	

	<p>recommended that the remaining Executive Committee vacancy should be filled by a Board member that has served for an extensive period of time and that has a track record of attending and participating in Board meetings. After a discussion of potential candidates, the Committee agreed to adopt the recommendation of Mr. Connelly to nominate Ernesto DiGiambattista to serve on the Executive Committee.</p>	<p>The Personnel and Governance Committee voted unanimously and without abstention to nominate Ernesto DiGiambattista to serve on the Executive Committee.</p>
<p>Process for Annual Review of Executive Director</p>	<p>Ms. Reeve led a discussion about the process for the annual performance review of the Executive Director, which must be conducted by the Personnel and Governance Committee pursuant to the terms of Mr. Connelly's employment agreement. Ms. Reeve discussed the performance review process that was undertaken for Pamela Goldberg, Mr. Connelly's predecessor as Executive Director. She noted that Ms. Goldberg completed a self-evaluation form and suggested that the self-evaluation should be an element of Mr. Connelly's review process. Ms. Reeve agreed with the suggestion of Ms. Cornell that Mr. Connelly's review process should include a 360 degree appraisal. It was noted that a 360 degree appraisal would be particularly appropriate for Mr. Connelly's initial review. Ms. Cornell indicated that she would also like to review Mr. Connelly's goals.</p> <p>Ms. Reeve requested that Mr. Connelly and Ms. Lucas Murphy work together to submit a recommendation for the process for Mr. Connelly's performance review.</p> <p>There being no other business to discuss, the Committee voted unanimously to adjourn the meeting at 4:03 p.m.</p>	

Materials and Exhibits Used at this Meeting:

1. Draft Minutes of the December 11, 2017 meeting of the Personnel and Governance Committee
2. Presentation – MassTech Paid Time Off Policy
3. Draft of New MassTech Paid Time Off Policy
4. Motion – Approval of New MassTech Paid Time Off Policy and Exception for Mr. Connelly

Exhibit A – Motions Adopted at February 9, 2018 Personnel and Governance Committee Meeting

Motion #1

The Personnel and Governance Committee of the Board of Directors of the Massachusetts Technology Park Corporation (“MassTech”) does hereby take the following actions:

1. Approves the proposed new policy for MassTech employees relative to paid time off (“Earned Time”), including vacation, personal and sick time, as presented (“Policy”); and
2. Approves an exception to the Policy for Tim Connelly to permit the accrual of Earned Time at the rate specified in Mr. Connelly’s current employment agreement.