

FOR IMMEDIATE RELEASE

Contact:

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Statement of Bar Harbor Town Manager Dana Reed

I am sad to announce that, after 27 years serving the people of Bar Harbor, the time has come to move on.

While I have enjoyed my time here, the political climate has degenerated to the point that my mere presence in the Town Manager's office is preventing meaningful progress on the multitude of exciting and important projects we have before us.

Consequently, I will step down on May 8, to allow this beautiful and unique community, for which I care so deeply, to overcome the dysfunctional, divisive and destructive attitudes of late and restore the atmosphere of collaboration and productivity for which we are so well known.

By working together, we've accomplished a lot over the years, and I would like to thank all the Town staff, department heads and council members, and especially my long-suffering wife, who have made our success possible. Over the years, we've also strengthened collaboration with our eight neighboring towns and Acadia National Park, a remarkable feat, and I will always be grateful to each them.

My special thanks goes out to the scores of citizens who have given me and my family their love and support for nearly three decades, particularly during this trying time. I apologize if they feel that I have let them down, but my first duty is to our taxpayers and citizens, neither of which would be well served by me continuing in office. My top priority has always been making Bar Harbor a better place, and I ask all Bar Harbor citizens to do their part to make it so.

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From Ruth A. Eveland
May 6, 2014

Transitions are sometimes smooth and other times rocky, sometimes thoughtful and long-planned and other times abrupt. We are having one of the rough ones. After 27 years of dedicated service to the Town Dana Reed has concluded that his presence is a hindrance rather than a help to furthering the work of our community.

While he has many stalwart supporters his critics have, correctly or not, made him personally the focus of their frustration. This has made it difficult for us and impossible for him to keep attention on the tasks at hand.

Council will now spend a number of months developing consensus on what we want our town manager to be and do. This may result in not being able to move ahead on other projects that we had planned. I hope we as a town will find a way to make this a constructive pause, a collective regrouping and refocusing, that will enable us to leap ahead at some point in the not so distant future. To attract a new manager of the caliber we must have we will need to find a way to be a positive and unified community.

I am sad to see this transition, but we have steps to take to move ahead. We have a formal separation agreement with Dana that Council believes is fair.

There are several firms and agencies that have services to work with towns in such circumstances and Council needs to decide if we want to use one of them or to figure out a plan on our own. This sitting Council will need to make some interim decisions, but it will absolutely be up to the next Council to complete the process. Citizens, please consider that as you make your choices in the voting booth next month.

I ask those who have not supported Dana to let their animosity go with his departure and to commit to working with your elected Council. With changes in personnel both in the town management and, soon, its governance, let's keep our minds on the work of the town and try hard not to get derailed by personalities. There is a lot of work to be done and everyone has a role to play.

SEPARATION AGREEMENT AND MUTUAL GENERAL RELEASE

This AGREEMENT is made this 2nd day of May 2014, by and between the **Town of Bar Harbor**, a Maine municipal corporation located in Hancock County, Maine (hereinafter "the Town") and **Dana J. Reed** of Bar Harbor, Hancock County, Maine (hereinafter "Mr. Reed").

RECITALS

WHEREAS, Mr. Reed has been employed by the Town since November 17, 1986, most recently as its Town Manager under an Employment Agreement dated June 7, 2012, which expires June 7, 2015; and

WHEREAS, the Town and Mr. Reed have negotiated this Separation Agreement and Mutual Release (the "Agreement") for the purpose of terminating the Employment Agreement prior to its stated expiration date; and

WHEREAS, this Agreement has been negotiated by the Town and Mr. Reed out of a mutual desire to provide for an orderly and amicable conclusion of their relationship, for proper recognition and compensation to Mr. Reed for his years of service to the Town, and for a mutual release of any claims between them.

AGREEMENT

NOW THEREFORE, in consideration of their mutual promises set forth herein, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. Employment Agreement vacated. The Town and Mr. Reed agree that his Employment Agreement with the Town is null and void, and that the amounts contributed as set forth herein comprise the full and final agreement between the parties and hereby satisfy and extinguish any other obligations to Mr. Reed that would otherwise be owed under his Employment Agreement.

2. Separation from Employment. The Town and Mr. Reed agree that his execution of this Agreement constitutes his resignation from employment, to be effective May 9, 2014, subject only to the mandatory seven-day rescission period contained herein. Mr. Reed shall receive his regular salary and benefits accrued through May 9, 2014. Mr. Reed's last day in office shall be May 8, 2014.

3. In consideration of the mutual promises set forth herein, no later than May 16, 2014 the Town shall contribute:

a. The sum of \$71,935 to Mr. Reed's Retirement Health Savings Account, which the Town shall amend to permit said contribution and shall execute any document necessary to give

effect to this provision. This amount represents 65% of the total contributions made by the Town in connection with this Agreement, which total is \$110,669.00.

b. The Town shall additionally contribute the sum of \$17,500 as pre-retirement catch up contributions allowable in connection with Mr. Reed's 457 deferred compensation plan.

c. The balance of \$21,234.00, less any applicable taxes and deductions, shall be paid out as regular compensation to Mr. Reed in accordance with his payroll election program.

d. Mr. Reed shall be entitled to one copy each of the final FY14 Sewer Budget, the final FY14 Water Budget and the FY15 Budget recommended to Town Meeting for adoption on June 3, 2014, and a reasonable number of additional copies as he may request from time to time.

e. The Town shall provide Mr. Reed with a flash-drive and/or disc containing certain records, documents and files relevant to Mr. Reed's employment and otherwise necessary for Mr. Reed to fulfill the terms and obligations of this Agreement.

4. Unemployment Claims. Should Mr. Reed become eligible and apply for unemployment compensation, the Town shall not oppose that application, although the Town shall be permitted to respond to any inquiries received from the Unemployment Compensation Commission. Notwithstanding the above, the Town makes no representation or promise that Mr. Reed will qualify or be awarded any such unemployment benefits.

5. Non-disparagement. Mr. Reed agrees that he will not publish or publicize any disparagement of the Town or its officers or officials in relation to events occurring up to the effective date of this Agreement. The Town agrees that no member of the Town Council or any management-level town officers will publish or publicize any disparagement of Mr. Reed in relation to events occurring up to the effective date of this Agreement. Further, the Town Council shall specifically advise all management-level town employees of this provision. Disparagement for purposes of this paragraph means false or misleading negative information, or statements that falsely or misleadingly imply the existence of negative facts.

6. Reference. The Town shall provide Mr. Reed with a letter of reference (the "Letter"), signed by the Council Chair, in substantially the same form as the reference attached to this Agreement. Upon Mr. Reed's request, the Town will identify an individual in the "Dear" line, rather than "To Whom it May Concern", and forward the Letter to interested parties as directed by Mr. Reed. The Town shall answer reference inquiries regarding Mr. Reed in a manner consistent with the words and sentiment expressed in the letter. In no public statement, or statement to any third party shall the Town express an opinion of Mr. Reed, his abilities or employment term that contradicts the sentiment expressed in the Letter.

7. Representations.

(a) Mr. Reed represents that he has no legal claim or cause of action pending or in existence against the Town or its officers or officials based on past events or the existing state of things, other than for performance of the terms of this Agreement. He further confirms and

represents that he has not assigned any such claim to another person or entity, and that he has given no notice to the Town of any claim of a work-related injury prior to the date hereof.

(b) The Town represents that it has no legal claim or cause of action pending or in existence against Mr. Reed, other than for performance of the terms of this Agreement, and that it has no complaint, charge or other legal or administrative proceeding pending against him, and that it will not initiate any such proceeding against him based on past events or the existing state of things. It has not assigned any such claim to another person or entity.

(c) No provision of this Agreement constitutes an admission of any violation of any law, statute or regulation by either party.

8. Mutual Releases.

(a) Except for performance of the mutual agreements, promises and representations stated herein, which shall be binding and survive the closing of this Agreement, Mr. Reed now releases the Town, and its Council, employees, officers and officials and agents in their official and personal capacities, and the successors and assigns of each, from all claims, demands, debts, obligations, undertakings, actions, causes of action, damages, payments or losses whatsoever, arising or accruing at any time through the date of this Agreement, or asserted in the future based on the existing state of things. This release includes all claims, known or unknown, suspected or unsuspected, that now exist or that may arise out of the existing state of things, including but not limited to any claim arising from or in connection with Mr. Reed's service with the Town, or his separation from service, and any claim against the Town on account of any actions or events which may have occurred up to the date of this Agreement under any federal or State of Maine law or statute, including (but not limited to) the federal Fair Labor Standards Act, State of Maine or federal wage and hour, wage payment, or labor standards laws, the Civil Rights Act of 1964, the Americans with Disabilities Act, the Rehabilitation Act of 1973, the federal and State of Maine Family and Medical Leave Act, the Employee Retirement Income Security Act, the Maine Human Rights Act, the Maine Whistleblowers Protection Act, the Age Discrimination in Employment Act and the Older Workers Benefits Protection Act, the fair employment practices or anti-discrimination statute of Maine and any other state or territory, any order, resolve, Town vote, policy or past practice, including any severance pay claims, and the common law of tort, contract or otherwise under the law of any state, province or territory. Consistent with Maine law, this release does not extend to any existing rights under laws pertaining to workers' compensation or unemployment benefits.

(b) Except for performance of the mutual agreements, promises and representations stated herein, which shall be binding and survive the closing of this Agreement, the Town, acting for itself and for its municipal officers and officials in their official capacities, now releases Mr. Reed, and his agents, representatives, successors and assigns, from all claims, demands, debts, obligations, undertakings, actions, causes of action, damages, payments or losses whatsoever, arising or accruing at any time through the date of this Agreement, or asserted in the future based on the existing state of things. This release includes all claims, known or unknown, suspected or unsuspected, that now exist or that may arise out of the existing state of things, including but not limited to any claim arising from or in connection with Mr. Reed's service with the Town, or his

separation from service, and any claim on account of any actions or events which may have occurred up to the date of this Agreement.

(c) Notwithstanding anything in this Agreement to the contrary, neither party releases the other from any claim arising from criminal or fraudulent acts of the other.

(d) The parties mutually acknowledge that the releases contained herein are intended solely to effect an amicable and efficient termination of their employment relationship, and that neither party admits any liability for claims that the other may assert.

9. Compliance with ADEA and OWBPA. To comply with the waiver requirements in the federal Age Discrimination in Employment Act ("ADEA") and the Older Workers Benefits Protection Act ("OWBPA"), Mr. Reed further states as follows:

(a) Mr. Reed waives all rights or claims under the Age Discrimination in Employment Act and the Older Workers Benefits Protection Act against the Town, or its subsidiaries or related entities, and the officers, directors, agents and employees of any of them in their official or personal capacities.

(b) Mr. Reed waives the foregoing rights or claims knowingly and voluntarily, being aware that federal law prohibits discrimination against any person in employment on account of age.

(c) Mr. Reed does not waive rights or claims that may arise after the date of signing this Agreement.

(d) Mr. Reed waives the foregoing rights or claims in exchange for consideration he will receive in addition to anything to which he is otherwise entitled, namely, the compensation described above.

(e) Mr. Reed acknowledges that he has consulted with an attorney prior to the signing of this Agreement and acknowledges that he has been advised in writing to consult with an attorney prior to executing this Agreement.

(f) Mr. Reed acknowledges that the ADEA and OWBPA require that he be given a period of at least twenty-one (21) days within which to consider this Agreement and that he waives this time period as set forth in the acknowledgement below.

(g) The parties agree that for a period of at least seven (7) days following Mr. Reed's execution of this Agreement, Mr. Reed may revoke this Agreement, and accordingly this Agreement will not become effective or enforceable until the revocation period has expired. Mr. Reed may revoke this Agreement by delivering notice of revocation in writing within the seven day period to the Town.

10. Indemnification and Cooperation

a. Mr. Reed agrees to indemnify and hold the Town harmless from any claim relating to any assessment by any state or federal taxing authority for any taxes or other payments deemed by such authority to be owed by Mr. Reed on account of Mr. Reed's employment or as a result of the payment referred to in this Agreement.

b. The Town agrees to defend, indemnify and hold Mr. Reed harmless in his professional and personal capacity from any claim arising from, or related to, his employment with the Town whether or not said action is currently pending or known.

c. Mr. Reed agrees to provide the Town with reasonable assistance in any transitional matters, and will cooperate and assist the town in any legal actions arising from events that occurred during his tenure as Town Manager. In such event Mr. Reed is called upon by the Town for such assistance, the Town agrees to defend (including reasonable attorney's fees), indemnify and reimburse Mr. Reed for all reasonable expenses incurred by him in providing such assistance, including travels costs, mileage reimbursement, and lodging.

11. Enforcement. This Agreement is specifically enforceable by either party. Should legal action be needed to enforce any provisions of this agreement, the prevailing party shall be entitled to recover attorneys' fees and costs, in addition to any other relief at law or at equity.

12. Confidentiality. To the extent allowed by Maine law, the parties shall treat the terms of this Separation Agreement and Mutual Release as strictly confidential, and shall not disclose the terms to any third parties (excluding legal advisors, accountants and financial advisors), except as may be required by law.

13. Attorney's Fees. Each party shall be responsible for their own attorney's fees incurred in connection with this Separation Agreement and Mutual Release.

14. Complete agreement. This Agreement represents the complete agreement of the parties. If any portion is held to be invalid or unenforceable, the balance of the Agreement shall remain in full force and effect. This Agreement is governed by the laws of the State of Maine.

IN WITNESS WHEREOF, the parties have executed this Separation Agreement and Mutual Release, voluntarily, as an instrument under seal, as of the date first written above.

TOWN OF BAR HARBOR

Witness

By: _____
Ruth A. Eveland
Its: Town Council Chair, duly authorized

ACKNOWLEDGEMENT

**PLEASE READ THIS DOCUMENT CAREFULLY
THIS AGREEMENT INCLUDES RELEASES OF KNOWN AND UNKNOWN CLAIMS**

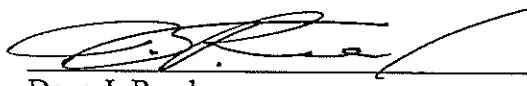
I have read everything in this Agreement, and I understand everything that is in this Agreement. I understand that this Agreement is a binding legal document, and that I should talk to my lawyer about it before signing it. I hereby state that I have had all of the time I want and need to talk to a lawyer about this Agreement before signing it. No one has forced me to sign this Agreement, and I sign it of my own free will.

I understand and acknowledge that under the Age Discrimination in Employment Act and the Older Workers Benefits Protection Act I have a period of twenty-one (21) days from the date I was first given a copy of this Agreement in which to consider its terms and decide whether or not to sign it (the "Consideration Period"). I acknowledge and understand that I have taken all the time that I need to think about and make this decision. I further acknowledge and understand that I am signing this Agreement prior to the expiration of the Consideration Period, and I waive my right to insist on the full 21-day Consideration Period. I further acknowledge that notwithstanding the above, the Town shall not be obligated to make any payment to me until after the seven (7) day revocation period has expired.

Dated: May 2, 2014



Witness



Dana J. Reed



Town Of Bar Harbor

Office of the Town Council

93 Cottage Street, Suite I

Bar Harbor, Maine 04609-1400

Tel. 207-288-4098

Fax 207-288-4461

Ruth A. Eveland, Council Chair

reveland@barharbormaine.gov

May 2, 2014

RE: Reference for Dana J. Reed

To Whom It May Concern:

You have requested information regarding the job performance of Dana J. Reed, our former Town Manager. Mr. Reed worked as the Manager of the Town of Bar Harbor for over 27 years, starting work here on November 17, 1986 and ending his career with us on May 8, 2014.

Under his tutelage the Town corrected a multitude of audit findings and financial failings which allows us to hold a AAA bond rating today. During his tenure Mr. Reed was widely recognized for his budgeting expertise, in particular his ability to document our \$22 million general budget and explain its details to the multitude of audiences necessary to consistently gain approval from over 100 taxpayers at our annual Town Meeting.

He developed the Town's first comprehensive five year Capital Improvement Program, which has enabled us to rebuild miles of roads, sidewalks, sewers, storm drains and water mains. With his guidance we have renovated three sewer plants, a water plant and several Town parks and are just now completing construction of a new Public Works Complex, replacing our old Town Garage. This Capital Improvement Program has been so successful that he has been called upon to teach the technique to our neighboring community of Mount Desert, which has since implemented the CIP program.

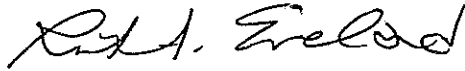
Such collaboration has really been one of his strong suits. While serving as the Chair of the League of Towns, he finalized mutual aid agreements for administrative services with our seven neighboring towns and facilitated historic collaboration workshops among their boards of selectmen. This collaborative attitude and success was pivotal to our ability to contract with a neighboring town last fall to provide Police Chief services when our own police department was in need.

Such collaboration did not end with municipalities, but was extended to private organizations through his outreach as chair of the PanFlu Working Group, president of the Rotary Club and cooperation with the Chamber of Commerce and its Business Roundtable.

Mr. Reed is a staunch believer in the Town Council's annual goal setting program, leading his department heads to achieve Council's chosen objectives.

Throughout his career Mr. Reed has been a hard worker, with a strong ethical compass and an aversion to petty politics, which has served him well through a long and accomplished career. We cannot urge you strongly enough to consider the employment of Mr. Reed for your position as we are confident that he will perform successfully.

Sincerely yours,

A handwritten signature in cursive script that reads "Ruth A. Eveland". The signature is written in dark ink and is positioned above the printed name.

Ruth A. Eveland
Town Council Chair