

**MINUTES OF THE HUMAN RESOURCES COMMITTEE MEETING
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
May 15, 2018**

A Human Resources Committee Meeting of The Water Works Board of the City of Birmingham was held on Tuesday, May 15, 2018, at 9:00 a.m., in the principal office of the Board, 3600 First Avenue North, Birmingham, Alabama.

The following HR Committee Members were present: Directors George Munchus and Brenda J. Dickerson. The following Non-Committee Members were also in attendance: Directors Tommy J. Alexander, Deborah Clark, William "Butch" Burbage, Sherry Lewis, and William R. Muhammad.

Inasmuch as a majority of the Committee members were present, a quorum was in attendance.

The meeting was also attended by: Mac Underwood, General Manager; Michael Johnson, and T.M. "Sonny" Jones, Assistant General Managers; Grace Amison, Executive Assistant to the Board of Directors; Vanessa Washington, Executive Assistant to Michael Johnson; Paul Lloyd, Cherita King, Rick Jackson, George Anderson, Melvin Staples, Michael Parker, Shirley Russell, Barry Williams, Michael Griffin, and BWWB Security, Board Employees; Kelvin Howard, KWH, LLC.; Dorian Kendrick and Tommy Palladino, Agency 54; Olivia Martin, AGO; Greg Burchell, Morgan Stanley; Dr. Cassandra Simmons; visitor.

Dr. Munchus called the meeting to order at 9:01 a.m. Following, George Anderson, I.T. Manager opened the meeting with prayer. Dr. Dickerson acknowledged Dr. Simmons presence to the Board.

Next, Agenda item one requested the Committee to hear a presentation on Customer Support Service's work area and personnel needs, as set forth in agenda item one. However, Dr. Munchus stated Customer Support Services Manager Michael Parker gave an excellent presentation at the previous meeting; therefore, he motioned to move said item to the upcoming Board meeting agenda for an up or down vote with no recommendation from the Committee. Dr. Dickerson declined, and stated the item needed to be discussed and Director Clark stated she wanted to hear the presentation. AGM Michael Johnson presented the updated information in the presentation, which was an estimated cost of \$7,350.00 in renovations to construct the office in Customer Support Services' work area. Mr. Johnson discussed slide 28 entitled *Jefferson County Agreement: Schedule of Estimated Collection Fees and Joint Service Costs FY2018 and FY2019* to provide the Board members with detailed costs. Then, Director Clark expressed concerns of being bombarded with renovations although there is a lot of empty spaces in Customer Service. She spoke about remote technology to eliminate wasted space. In addition, Director Clark stated that cost should be kept to a minimum and to proceed with the needs relative to having new employees for the sewer collection fees. Per Ms. Clark, she does not want all the changes/renovations done until there is a comprehensive plan. Director Lewis asked if there were vacant cubicles in the Customer Service Building. Ms. Lewis also indicated that she was not aware that there would be empty offices which concerns her. She stated that staff needs to give the Board members options. As a response to Director Lewis concerns, Mr. Parker stated that presently there are no vacant spaces

in the Customer Service Building. After much discussion among board members, Dr. Dickerson made a motion to approve 12 cubicles, monitors, telephone lines, IP addresses, and the six employees needed to process sewer collection regarding the Jefferson County Sewer Collection Agreement. Dr. Munchus seconded the motion.

Following, agenda item two requesting the Committee to review a copy of the Progressive Discipline Policy from the Employee Handbook and HR Management Guide, and agenda item three requesting the Committee to hear a report on overtime for the first quarter of FY 2018 were both tabled. Due to the time, Dr. Munchus stated the informational items can be presented at the next Human Resources Committee Meeting. The motion was made by Dr. Dickerson and seconded by Dr. Munchus.

Subsequently, as set forth in agenda item four under new business, Director Clark distributed a handout to the Board to discuss late purchase orders (POs) relative to invoices entitled *Birmingham Water Works Board Accounts Payable Payment Process as of May 16, 2018 and Invoices with Late POs Year 2017 (a copy of which is on file with the Committee meeting book)*. Per Director Clark, the issue was discovered when she accidentally attended a manager's meeting. Director Clark expressed concerns that the handout previously circulated at a manager's meeting indicated that 71% of the managers had late purchase orders and multiple invoices were being paid multiple times. Per Director Clark, a lot of those employees got merit raises even though they were behind in doing their jobs. Therefore, Director Clark requested an updated document by Thursday. Then AGM Michael Johnson explained the origin of the handout. Per AGM Johnson, an invoice is generated when a vendor does work for BWWB. However, some work prompts the need for a purchase order before a requisition is created. Dr. Dickerson asked if the same vendors were receiving multiple checks. Then Director Clark stated that in the Managers Meeting it was stated that some vendors were receiving multiple payments for the invoices that did not have a purchase order created prior to work performed. Per Director Clark, the BWWB should make sure everything is properly working in the correct manner. Director Lewis requested from staff an updated report on purchase orders, vendors that were paid multiple times, the process for BWWB to get the money back, and the future process for clearing up this issue. Director Lewis stated that if there has been overpayment to vendors the percentage of overpayment also needs to be known and when will a new procedure be implemented to make sure this does not keep happening. Then, Barry Williams explained the current process in further details. Dr. Dickerson stated that the document is clear and shows that invoice payments are 71.5% late. GM Underwood stated that the 71.5% is referring to late purchase orders not invoices. He also indicated that SAP should be tracking invoice numbers to prevent duplicate invoice payments and the Accounting Department reconciles. Per GM Underwood, if there is an overpayment for an invoice, it is adjusted on the next bill payment. Dr. Munchus asked if the employee that made the overpayment identification could be tracked. GM Underwood stated that every employee has an identifying login. Thus, Dr. Munchus stated that hopefully those are not the employees that are receiving the performance merit raises. Barry Williams explained that the SAP system considers an invoice late if it comes in before the purchase order is created. However, there are situations with construction work that cause the invoice to be entered before the purchase order is generated, because the cost for some work is not known until the job has been completed. Then, Accounting Manager Rosalind Jones was asked to explain the purchase order situation. Mrs. Jones stated that management was already in the process of talking with the Distribution department regarding the areas of concern. Per

Rosalind Jones, the requisition needs to be done before the invoice is entered into the system whenever possible. Dr. Dickerson requested Rosalind Jones to provide the most recent report on purchase orders and invoice payments. In addition, no speakers were present.

As there was no further business to be brought before the Committee, a motion to adjourn the meeting was duly made and seconded, and the meeting adjourned at 10:05 a.m.

_____/s/_____
George Munchus, Ph.D.
Director

_____/s/_____
Ronald A. Mims
Director

_____/s/_____
Brenda Dickerson, Ph.D.
Director

_____/s/_____
Mac Underwood
General Manager