

**MINUTES OF THE HUMAN RESOURCES COMMITTEE MEETING
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
Wednesday, March 22, 2023**

A Human Resources Committee meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, March 22, 2023, at 12:30 p.m., at 3600 First Avenue North, Birmingham, Alabama.

The following Committee members were present: Directors Mims (Committee Chairman), Blankenship and Taylor. Also, present were Directors Burbage, Henderson, Huffman, and Munchus, who are not Committee members.

Others present were: Michael Johnson, General Manager; Iris Fisher, Derrick Murphy and Jeffrey Thompson, Assistant General Managers; Cynthia Williams, Board Administrator; Anitra Clark, Corporate Governance Specialist; Michelle Cox, Executive Assistant to the General Manager, Vanessa Washington, Executive Assistant; Colandus Mason, Rick Jackson, Rosalind Jones, Paul Lloyd, Joyce Dupree, Jeremy Ervin, Rhonda Lewis, Derrick Maye, Jeff Wade, Charles McGee, and David Walker, BWWB Employees; K. Mark Parnell, Parnell Thompson Law, LLC; Byron Perkins, Perkins Law, LLC; Kelvin Howard, Kelvin W. Howard, LLC; Tiffanie Agee, Agee Law, LLC; Oliva Martin, Alabama State Attorney General's Office; Charles Wilkinson, Human Resource Management, Inc; Lindsey McAdory, Jr., and Brian Gunn, CBG Strategies; and Takiyah Alexander, State of Alabama Department of Human Resources JOBS Program.

Inasmuch as all Committee members were present, a quorum was in attendance. Committee Chairman Mims called the meeting to order at 12:34 p.m.

Next, the Committee proceeded to approve the agenda. Director Taylor made a motion to approve the agenda and Committee Chairman Mims seconded the motion. The agenda was approved by unanimous vote.

Following, the Committee proceeded to the first item on the agenda, Request the Committee to approve minutes of the Human Resources Committee Meetings held January 24, 2023. Director Taylor made a motion to approve the minutes and Committee Chairman Mims seconded the motion. The minutes were approved by unanimous vote.

Next, the Committee proceeded to hear the reports of officers. Director Munchus asked General Manager Johnson whether the employee association had any input on agenda item 3, which General Manager Johnson answered no. Afterwards, Committee Chairman Mims suggested that staff involves the employee association regarding said policy.

Following, the Committee proceeded to the second item on the agenda, Request the Committee to recommend to the Board to approve JOBS Subsidized Employment Agreement(s) with the Alabama Department of Human Resources JOBS Program; and to authorize the General Manager and/or Assistant General Manager to execute the agreement(s). Director Blankenship made a motion to recommend said item be moved to the full Board for approval and Director Taylor seconded the motion. The item was approved by unanimous vote. General Manager Johnson commented that the

board wanted opportunities provided other than from rates to generate revenue. He stated that said item is a cost reimbursement agreement that is subsidizing the budget. Per Assistant General Manager Fisher, the program was brought forth by a manager, which shows different ways to reduce cost are being sought throughout the organization. Afterwards, Paul Lloyd, HR Manager introduced Takiyah Alexander, Alabama DHR JOBS Program, to present information to the Committee. Ms. Alexander stated that participants in the program are Family Assistance (FA)/welfare recipients. Per Ms. Alexander, the State of Alabama has agreed to reimburse the participants' gross wages for the first twelve months to the employer that hires the participants. The wage starts at \$7.25 per hour; but can go up to \$15.00 per hour without prior approval from her superiors. The program requires that the participants be paid by check and taxes must be deducted from their pay checks. She reiterated that reimbursement would be for up to twelve months. Director Huffman left the meeting at 12:41 a.m. Ms. Alexander stated that the referrals for the program consist of the people that are already participants in the JOBS Program. She stated that they provide various services for the JOBS Program, such as: daycare, transportation, clothing for work, outsources for utility assistance, counseling, and other services. In addition, the program requires participants to be employed a minimum of 30 hours per week. Ms. Alexander stated that any employer is eligible to partner with the program if the employer is authorized to run a business and has an EIN number. She stated that the goal is for the employer to hire the participant permanently at the end of the program. Also, Ms. Alexander distributed a folder handout with various forms & facts (copies are on file in the Diligent Committee Book). Director Mims asked that the General Manager be the point of contact for the program. Director Munchus inquired as to whether participants were ready to go to work, which Ms. Alexander responded, yes. He also asked whether the money for the program was federal or state funds. Ms. Alexander stated that the money is federal funds that is allocated to the State of the Alabama. She indicated that reimbursement is by the State of Alabama. Ms. Alexander concluded her presentation and thanked everyone for their time.

Next, the Committee proceeded to the third item on the agenda, Request the Committee to recommend to the Board to approve a Retirement Gift and Party Policy. General Manager Johnson commented that the purpose of the policy is to be consistent in administering retirement gifts and retirement party funds. Afterwards, Mr. Lloyd gave an overview and discussed key points of the proposed policy relating to retirement gifts and retirement parties. Director Mims inquired about item 3 and item 4 of the policy, which would provide \$1,000.00 for an onsite retirement party and \$500.00 for an offsite retirement party. He commented that an offsite retirement party would generally be more expensive. Mr. Lloyd stated that the purpose of the providing a larger amount of funds for onsite retirement parties as opposed to offsite, is to encourage the employee to have the retirement event at Birmingham Water Works with fellow co-workers. He stated that having the event at the company would probably generate a larger scale of people, than if the event was off campus. Assistant General Manager Fisher stated that cost is being considered in realizing the fiduciary responsibility. She stated that the cost is basically zero dollars to have the event at the company's facility, but by having the event offsite, the board would incur an expense. Director Mims asked whether the policy had been vetted and whether the Employee Association was involved. Mr. Lloyd stated that the policy had been reviewed with Board Attorney Mark Parnell and confirmed that the Employee Association had not been involved. Director Blankenship asked if a policy was necessary for this, as the General Manager has an expenditure allowance with a not-to-exceed amount, and we know what the ethic law allows. Director Mims responded that due to COVID over the last three years, we have not always been able to have functions. Therefore, the process has always been a practice; however, there should be a policy.

Director Henderson suggested Derrick Maye, Employee Association President, to come forward and speak on the matter. Mr. Maye stated that the Employee Association has a hard time fighting changes to the handbook and policies if employees disagree once policies have been passed. He stated that he learned about the policy from looking at the agenda and that the Employee Association would like to have a conversation regarding the matter. Mr. Maye stated that on behalf of the Employee Association, an employee should receive the \$1,000.00 for a retirement party regardless of whether it is onsite or offsite. Mr. Maye stated the employee has earned the right to choose and the matter should have been vetted with the Employee Association first. Per Mr. Maye, the employees should have a choice. Director Mims said that the policy would not be approved at said committee meeting. He stated that the Committee would only be voting on whether the item would move forward to the full Board. General Manager Johnson stated that Birmingham Water Works is dealing with rate payers' money and staff is trying to place the process in writing to administer expenditures consistently. Mr. Maye asked if gifts for the retirees were being changed, which Mr. Lloyd answered yes. Mr. Lloyd stated that after discussing retiree gifts with Board Attorney Parnell, the gifts need to be more commemorative type gifts and picked from a list. Board Attorney Parnell stated it may be appropriate to table this item. Director Blankenship made a motion to table agenda item three, until further discussion with staff and the Employee Association and subject to the next Human Resources Committee meeting. Director Taylor seconded the motion.

Following, the Committee proceeded to the fourth item on the agenda, Request the Committee to recommend to the Board to amend the Travel Expense Reimbursement Policy for Board of Directors; Section 9.2 (Travel Expenses and Reimbursement) in the Employee Handbook; and Section 9020 (Travel Expenses and Reimbursement) in the Human Resource Management Guide. Director Blankenship made a motion to advance said item to the floor for discussion; however, he rescinded the motion. Then, Director Blankenship made a motion move the item for approval and then discussion, and Director Taylor seconded the motion. Mr. Lloyd provided background information on the amended Travel Policy. He stated that the amendments to the Board Travel Policy includes clarity of amounts paid for meal per diem with times of the day of leaves and returns from trips or conferences. Also, there is an amendment to international travel stating that if the daily meal per diem rate for international travel is higher, the higher amount will be received. In addition, the amendments to the Employee Travel Policy includes language for same day out-of-town travel. The employee would still qualify for the daily meals allowance, as the need to not stay in a hotel saves Birmingham Water Works money. Further, the employee travel policy is amended to state that an employee has 30 days to provide trip receipts, or the money owed will be deducted from the employee via payroll. Director Mims asked whether it had been reviewed by the attorney, which Mr. Lloyd responded yes. The item was approved by unanimous vote to move to the full Board for consideration.

Next, the Committee proceeded to the fifth item on the agenda, Request the Committee to hear a presentation on the status of a Request for Proposal (RFP) for Benefits Consulting Services. Joyce Dupree, Assistant Human Resources Manager, gave an update on the Benefits Consulting Services. She stated that five Requests for Proposals (RFP) were received. Per Ms. Dupree, the initial evaluation of the firms' proposals has been completed. The next step involves scheduling a meeting in the next couple of weeks with the top scoring vendors to learn more about their services. The final recommendation will be presented at the next scheduled Human Resources Committee Meeting. The five companies include: Fisher Brown Bottrell Insurance (current firm), Cobbs Allen, Insurance Office of America, National Benefit Service Center, and the Valent Group. Ms. Dupree stated that the RFP

is being done, because the company has been with the previous consultant for over 13 years. Therefore, the company is seeking other possible opportunities and is searching for ways to save money for Birmingham Water Works. In addition, she stated that the company has a lot of job openings and issues with retaining employees. Ms. Dupree indicated that the company's benefits package could possibly improve those issues. Director Blankenship asked if said item was already in the budget and whether it needed to come to the Board for approval. General Manager Johnson stated that the presentation was to inform the board about the RFP and to see if the Board had any questions.

Following, the Committee proceeded to the sixth item on the agenda, Request the Committee to hear a presentation on the hiring process regarding candidates with criminal backgrounds. General Manager Johnson stated that the purpose of the presentation is to inform the Board of the company's process. He stated that the company participated in Danny Carr's program. Per General Manager Johnson, Birmingham Water Works does employ candidates that have had some past challenges in their background. He stated that the attorney's advice is that a firm policy is not needed on said matter; however, the candidates should be evaluated on an individual basis regarding hiring them. Assistant General Manager Fisher commented that this is becoming more prevalent due to the tough job market. Director Mims sought clarification about the process being a practice in the past opposed to a policy. He asked if the staff is asking to implement a policy. Board Attorney Parnell reiterated that no policy is being asked to be implemented, because each situation must be decided on a case-by-case basis. He stated that there cannot be a firm set policy. There has been some EEOC guides that have been released in the last five to six years; therefore, the company cannot say they will not hire any felons. Director Munchus asked, as a person's right to privacy, do applicants have to disclose criminality? General Manager Johnson responded that the matter is either disclosed on the application or it is displayed in the candidate's background check. Also, Director Munchus asked whether staff was working closely with the Dannon project, which General Manager Johnson answered, yes. Director Taylor inquired about whether there was a defined career pathway in each Assistant General Manager's area of practice for promoting internally. Mr. Lloyd stated that there are internal promotions for advancement and that Rhonda Lewis, Training Organizational and Safety Officer, is developing a project for career paths. He stated that in some instances, if an employee has a certain skill set and has taken certain training classes, the employee may be eligible to self-promote. Director Blankenship asked Mr. Lloyd to share the information with the Board. Per Director Blankenship's request, General Manager Johnson asked that staff be allowed to make a presentation at the next Human Resources Committee meeting. Also, Director Blankenship inquired whether the employees were aware that there is pathway to grow within the company and the requirements. Assistant General Manager Fisher commented that the company's succession plan became a leadership program because of different employees' interest. She stated that there were approximately twenty graduates of that program, and said program showed employees the necessary qualifications to advance to the next level. Mr. Lloyd said that the company has various programs implemented to prepare employees for current and future roles.

Next, the Committee proceeded to the seventh item on the agenda, Request the Committee to hear a presentation on the compensation study update. Mr. Lloyd introduced Charles Wilkinson, Human Resources Management. Mr. Wilkinson stated that he is the lead consultant in a partnership with Human Capital Services regarding the compensation study. He stated that the first four following phases: *Plan & Launch Project*, *Conduct Job Evaluations*, *Update Job Descriptions*, and *FLSA Exemption Status Evaluation* of the compensation services, were led by Human Capital Services, which represented approximately forty percent of the project. During those phases, an aggressive and

comprehensive job evaluation process was performed. Job descriptions were updated and signed by managers of their respective department. Per Mr. Wilkinson, they have continually received updates from Human Resources because some job descriptions have changed; therefore, they went back to the market data to ensure that they had the most updated market data for all positions in real time, in addition to, confirming there is documentation for claiming an exemption for a position. Afterwards, Mr. Wilkinson discussed the remaining six phases led by his firm: *Conduct Market Pay Study, Evaluate Internal & External Equity, Develop New Pay Structure, Recommend Salary Admin Plan, and Project Hand Over and Training*. Per Mr. Wilkins, there were two surveys conducted. The Commercial Market Survey and the Custom BWWB Peer Survey. Mr. Wilkinson reviewed the next steps for finalizing the study and concluded the update.

Subsequently, General Manager Johnson referenced a handout entitled *Agenda Items for Future HR Committee Meetings* (a copy is on file in Diligent Committee Book). He commented that said item was not on the agenda. General Manager Johnson stated that the handout is a list of what to expect in the future. He asked Mr. Lloyd to read the handout. After Mr. Lloyd completed reading the list, Director Munchus asked if the information had been shared with the Employee Association. Mr. Lloyd responded, no. Director Mims asked General Manager Johnson whether said list was a wish list. General Manager Johnson answered no. Per General Manger Johnson the items on the list are currently being worked on by staff.

As there was no further business before the Committee, Director Blankenship made a motion to adjourn meeting and Director Taylor seconded the motion. The meeting adjourned at 1:37 p.m.

_____/s/_____
Ronald A. Mims
Committee Chairman

_____/s/_____
Lucien B. Blankenship
Director

_____/s/_____
Mashonda Taylor
Director

_____/s/_____
Michael Johnson
General Manager