

**MINUTES OF THE HUMAN RESOURCES COMMITTEE MEETING
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
October 11, 2023**

A Human Resources Committee meeting of the directors of The Water Works Board of the City of Birmingham was held on Wednesday, October 11, 2023, at 10:00 a.m., at 3600 First Avenue North, Birmingham, Alabama.

The following Committee members were present: Directors William “Butch” Burbage, Jr., Dalton NeSmith, and Mashonda S. Taylor. Also, present were Directors Thomas Henderson, Tereshia Huffman, George Munchus and Larry Ward. Committee Chairman Mims was not present.

Others present were: Michael Johnson, General Manager; Iris Fisher, Assistant General Manager; Anitra Clark, Corporate Governance Specialist; Vanessa Washington, Executive Assistant; Marsha Hammonds, Rick Jackson, Paul Lloyd, Platon Crowell, Sonja Patterson, Jacqueline Hill, Rosalind Jones, Jeff Wade, Charles McGee, and David Walker, BWWB Employees; Byron Perkins, Perkins Law, LLC; Kelvin Howard, Kelvin W. Howard, LLC; Bill Todd, O2 Ideas; Mark Niblett and Bonnie Huckaby, Insurance Office of America; Phillip Moultrie, Valent Group, Inc; Olivia Martin, State of Alabama Attorney General’s Office; and Peiffer Brandt, Raftelis Financial Consultants, Inc.

Inasmuch as all Committee members were present, a quorum was declared in attendance. Interim Committee Chairman Burbage called the meeting to order at 10:00 a.m.

Following, the Committee proceeded to the approval of the agenda. General Manager Johnson asked the Committee to amend the language on agenda item three. He stated Board Attorney Mark Parnell had not reviewed said item; however, the agreement is the same except for the amount of the agreement. General Manager Johnson asked to include the following language at the end of agenda item three: *“Upon review and approval by the Board’s Attorney”*. Director Burbage asked whether the item would be on the October 25, 2023, Regular Board of Directors’ Meeting Board agenda, and General Manager Johnson responded yes. Director Burbage stated that should allow plenty of time for review by the Board’s Attorney. Director NeSmith made a motion to approve the agenda with the amendment of agenda item three and Director Taylor seconded the motion. On a motion duly made and seconded, the motion was approved by unanimous vote.

Next, the Committee proceeded to agenda item one, Request Committee to approve minutes of the Human Resources Committee Meetings held July 12, 2023, and July 26, 2023. Director Taylor made a motion to approve the minutes, and Director NeSmith seconded the motion. On a motion duly made and seconded, the minutes were approved by unanimous vote.

Following, the Committee proceeded to Reports of Officers, Request Committee to hear an update on the implementation of the updated job descriptions. Assistant General Manager Iris Fisher referenced a handout distributed to directors entitled *“Job Description Project Update”*. A copy is on file in Diligent. Assistant General Manager Fisher indicated the Job Description Project was part of the Salary Survey. She commented the first part of the Salary Survey involved working with Birmingham Water Works’ managers, supervisors, and employees to review their job descriptions. In conclusion, Assistant General Manager Fisher stated the revised job descriptions are currently being used and introduced Paul Lloyd, Human Resources Manager, to make a presentation. Mr. Lloyd stated

the Job Description Project Update handout provides a snapshot of the job descriptions project update from Board consultant Charles Wilkinson, Human Resources Management. Mr. Lloyd stated three steps were involved in the process, which covered over 224 unique positions that were reviewed and updated. Additionally, he stated a matrix was created to evaluate similar level jobs for consistency in the minimum qualifications for positions in terms of education, experience, and certification. Mr. Lloyd explained that information related to expectations for leaders in the organization was added to supervisory and management level positions and information related to HIPAA and Safety was added to job descriptions. He stated a matrix listing supervisor requirements was developed for supervisory positions. He indicated this matrix is not perfect science. In addition, Mr. Lloyd indicated that supervisory credit is given to employees that participate in the company's Star Program, which helps employees prepare for future supervisory positions, and leadership development succession planning or training to assist with internal mobility. He indicated that an employee's participation in said programs can count for up to two years of supervisory experience. Mr. Lloyd stated that as job descriptions were updated, there were some cases where the qualifications increased; however, if an employee in the position did not have said qualification, the employee was grandfathered into the position. Director Huffman asked whether any employees had resigned due to the results or changes from the salary survey. Mr. Lloyd responded no and that he was unaware of any resignations for that purpose. He also stated the specific results had not been communicated to employees at the present time. Mr. Lloyd said staff has a Communication Plan and the information would be sent out within the next two to three weeks. Next, Director Huffman asked how many positions were vacant and how many positions have been filled because of the job fair. Mr. Lloyd responded that there were twelve new hires, ten pending offers, and he indicated seventeen employees have left since July 2023. Director Huffman reiterated her question regarding the exact number of vacant positions. Mr. Lloyd stated there were approximately 110 positions vacant as of the previous day. Assistant General Manager Fisher stated she would send an email to all directors with the exact information. Director Munchus asked if the information had been presented to the Employee Association. Mr. Lloyd said the Employee Association was presented the top part of the presentation when the consultant came to present information on the salary survey. Next, Director Munchus asked whether employees understood and appreciated what staff is implementing. Mr. Lloyd replied there is an element of the unknown. Director Munchus questioned whether employees know their new salary grades. Mr. Lloyd stated there will be individual meetings with the managers to share the details of the new salary grades, salary changes, salary ranges, in addition, to frequently asked questions. He stated the managers and supervisors will have individual meetings with their employees and provide them with individual compensation statements. General Manager Johnson commented that the Employee Association has been updated on the project from start to finish to avoid confusion. Director Taylor asked if the salary study was being used to determine budget allocation for 2024 salaries and when does it become effective. Mr. Lloyd responded adjustments will be made immediately for the affected employees' salaries that need to move to the minimum of their new grades. He stated the adjustments for employees' salaries above midpoint that dropped below midpoint will be readjusted to their grade midpoint, effective the first pay period in November 2023 and retroactive from September 25, 2023. Mr. Lloyd indicated money was budgeted in this year's budget to accommodate the necessary adjustments. Next, Director Taylor asked whether work experience would be considered as an equivalent to a degree regarding the job descriptions that were updated to include a bachelor's degree. Mr. Lloyd responded said change usually occurs at supervisory or superintendent level positions; however, professional positions such as Managers, Accountants, Engineers, Human Resources Professional requires a degree and does not consider work experience as an equivalent to a bachelor's degree. Director Taylor asked whether Birmingham Water Works assists or offers employees an Education Assistance Program and if so, are employees aware of the benefit/opportunity. Mr. Lloyd said the company has a robust and generous

Education Assistance Program and the Board approved an increase to the program benefits several years ago. He stated employees pay tuition upfront and are reimbursed once the appropriate documentation is provided. Mr. Lloyd commented that participation is not as high as it needs to be. He stated Jeremy Ervin, Human Resources Workforce Development Administrator, recently led an Employee Resource Day to engage and inform employees. He stated the Education Assistance Program was included and several college representatives and vendors attended the event.

Following, the Committee proceeded to agenda item two, Request Committee to hear a presentation and to recommend to the Board to approve the FY2024 health insurance plan design, wellness programs, premium rates, COBRA rates, and Post-65 Insurance Renewal; and to authorize the General Manager and/or the Assistant General Manager to execute the necessary documents. Assistant General Manager Fisher stated Insurance Office of America (IOA) will present information on said topic. Assistant General Manager Fisher stated that as it relates to healthcare benefits, the Committee recommended to the Board to not increase Birmingham Water Works employee's health insurance premium. Assistant General Manager Fisher stated based on information received from IOA, the company does not have to pass any additional costs to Birmingham Water Works employees. Assistant General Manager Fisher stated the Employee Association and managers have heard a similar presentation on the matter. Following, Mark Niblett, Insurance Office of America, began his presentation with an overview of 2024 financial projections and historical claims for 2022 Year End and 2023 Year to Date, through July. Afterwards, he highlighted the plan roll-up and total budget. Mr. Niblett stated the total budgeted healthcare costs for 2024 is estimated at \$12.4 million. Also, Mr. Niblett gave an overview of the company's various wellness programs/benefits such as GO365/Vitality, ABACUS, Biometric screenings, and Freshbennies. He stated the company's current Go365 wellness program is being replaced with the Vitality program, because Go365 is no longer an option. He indicated that through the Vitality Program, employees can get medication at no cost by following the Vitality Program's Discounts and Rewards steps such as participating in health and wellness activities, challenges, and education. He stated other benefits include WEX Flex Spending Account (FSA) and COBRA. Mr. Niblett stated that COBRA rates were understated when estimated and will need to be approved by the Board. Following, he reviewed various benchmarking charts. Mr. Niblett stated Birmingham Water Works' employees are paying lower premiums on their health plans than other places in the marketplace. General Manager Johnson commented that employees are encouraged to participate more in the programs being offered and take advantage of the benefits, because the benefits help drive down healthcare costs. Afterwards, Mr. Niblett discussed the employee contribution matrix for the following health plans: high deductible health plan, base plan, and the premier plan. He indicated there will be an increase to the 2024 high deductible plan deductible to comply with federal regulations as a high deductible plan; however, there will be no changes to the base plan and premier plan deductibles. Director Taylor inquired about the difference in the high deductible health plan deductible. Mr. Niblett responded that the costs changed from \$1,500.00 to \$1,600.00 for individuals and \$3,000.00 to \$3,200.00 for a family. Director Munchus asked if IOA was an employee-owned company and its corporate office location. Mr. Niblett responded that IOA is an employee-owned company with its corporate office located in Longwood, Florida. Director NeSmith made a motion to recommend said item be moved to the full Board for approval, and Director Taylor seconded the motion. On a motion duly made and seconded, the item was approved by unanimous vote.

Subsequently, the Committee proceeded to agenda item three, Request Committee to recommend to the Board to approve a one-year (calendar year 2024) membership agreement with McLean & Company, effective January 1, 2024, through December 31, 2024, to provide best practice HR research and related services at an out-of-pocket cost to the Board of \$27,498.90; and to authorize

the General Manager and/or Assistant General Manager to execute the agreement. Director NeSmith asked General Manager Johnson if this was a previous Board contract, and if so, is the contract being renewed and what is the contract’s increase in cost. General Manager Johnson responded yes to the referenced contract being a renewal. He stated the contract increased from \$25,000.00 to \$27,498.90. Director Taylor made a motion to recommend said item be moved to the full Board for approval, and Director NeSmith seconded the motion. On a motion duly made and seconded, the item was approved by unanimous vote.

As there was no further business before the Committee, Director Taylor made a motion to adjourn the meeting, and Director NeSmith seconded the motion. On a motion duly made and seconded, the motion was approved, and the meeting adjourned at 10:34 a.m.

_____/s/_____
Michael Johnson
General Manager

_____/s/_____
William “Butch” Burbage, Jr.
Interim Committee Chairman

_____/s/_____
Dalton NeSmith
Director

_____/s/_____
Mashonda Taylor
Director