

**MINUTES OF THE HUMAN RESOURCES COMMITTEE MEETING  
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM  
May 8, 2018**

A Human Resources Committee Meeting of The Water Works Board of the City of Birmingham was held on Tuesday, May 8, 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 Ronald A. Mims and Brenda J. Dickerson. The following Non-Committee Members were also in attendance: Directors Deborah Clark, Tommy J. Alexander, Sherry Lewis, and William “Butch” Burbage.

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, Darryl Jones, 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, BWWB Security, Board Employees; Dorian Kendrick and Tommy Palladino, Agency 54; K. Mark Parnell, Parnell Thompson, LLC; Kelvin Howard, KWH, LLC.; Andrea Lewis, Human Capital Services; Charles Wilkinson, Human Resource Management, Inc.

Dr. Dickerson called the meeting to order at 9:00 a.m. Following, George Anderson, I.T. Manager, opened the meeting with prayer.

Next, GM Underwood proceeded with the agenda and requested the Committee to approve the HR Committee Meeting minutes of July 25, 2017 and August 22, 2017, as set forth in agenda item one. Management recommended approval of the minutes. Subsequently, a motion was made by Director Ronald A. Mims and seconded by Dr. Brenda J. Dickerson to approve said item.

Next, GM Underwood requested the Committee to hear a presentation on the status of the Compensation Services Project, as set forth in agenda item two. HR Manager Paul Lloyd gave a brief introduction on the item. Mr. Lloyd asked the Consultants on the Project to update Board members on the parts of the Project that have been completed. Andrea Lewis of Human Capital Services (HCS) referenced the importance of Management’s request to ensure transparency and high-level engagement from employees. She discussed the four phases of the project that HCS launched. Per Andrea Lewis, job title evaluations were conducted, job descriptions were updated, and recommendations were made. She indicated that BWWB Senior Management communicated through emails, BWWB TV, and the intranet to provide updates on the project kick-off and status to ensure transparency and high-level engagement, which resulted in 82% employee participation. Director Muhammad entered meeting at 9:06 a.m. Following, Andrea Lewis also indicated that there were group sessions and individual meetings with employees, which helped determine the positions that needed additional field observations or job shadowing. Dr. Dickerson asked Andrea Lewis to clarify field operations. Per Andrea Lewis, it involved her going on site visits to observe employees, while shadowing the employee as he or she performed the job for example visits were

made to the plants and the Electrical & Maintenance Shop. In addition, Andrea Lewis specified that department managers were given an overview of the purpose of their department as documented by the project team to confirm that the purpose of the department was captured correctly in addition to key notes from interviews, and an organizational chart. After concluding the presentation on the first four phases of the Compensation Services Project, Andrea Lewis turned the presentation over to Charles Wilkinson of Human Resource Management (HRM).

Following, Charles Wilkinson stated the Board would be presented with an overview of the final six phases of the Compensation Services Project, which includes the market pay study, internal & external equity evaluation, new pay structure, salary administration plan, incentive plan programs, and the project handover and training. He gave an update on the market pay study. Per Mr. Wilkinson, the market pay study involves compiling data from commercially available survey sources including industry sources such as the American Water Works Association and other for-profit and not-for-profit organizations and comparable regional water utilities. According to Mr. Wilkinson, the goal is to survey 20-25 peer group participants on pay rates, bonuses, longevity, incentives or pay practices. Then, Director Lewis expressed proximity concerns about the peer group survey participants categorized under water-only. She requested Mr. Wilkinson identify similar water systems that are closer in size and geographically to Alabama. Mr. Wilkinson indicated to the Board that a geographical differential for labor will be reviewed on every job and adjusted as necessary. After further discussion on the water-only categorized list, Dr. Dickerson requested Mr. Wilkinson email the Board members the finalized list when available and a copy of the peer group survey questionnaire. Then, Mr. Wilkinson concluded his presentation.

Next, GM Underwood requested the Committee hear a presentation on HR Metrics, the Hiring Process and the Salary Administration Plan, as set forth in agenda item three. GM Underwood acknowledge HR Manager Paul Lloyd to present information on said item. Mr. Lloyd gave a review of the 2017 Staffing Metrics. He discussed job promotions and the lines of progression. In addition, HR Manager Paul Lloyd explained the breakdown of a chart representing 2017 Corrective Actions. Dr. Dickerson inquired about the percentage of documented coachings that received verbal warnings, which progressed to written warnings, and so forth. Director Clark inquired as to how many of those employees received merit raises. Mr. Lloyd explained the merit process to the Board. After questions on the merit policy and employees job performance, Director Clark suggested that several policies needed to be reviewed by the Committee. Dr. Munchus entered the meeting at 9:34 a.m. GM Underwood commented on the maximum pay range/scale and Cost of Living (COLA). Then, there was much discussion about the Corrective Action process flexibility and consistency. Therefore, GM Underwood stated that the Committee and Board could recommend or change the policy if they preferred. Following, Dr. Munchus inquired as to who included agenda item five on the agenda. GM Underwood replied that the Agenda is compiled based on issues Board members have expressed interest or concerns. Next, Mr. Lloyd explained the retention rate of employees, then turned the presentation over to HR Talent Manager Cherita King.

Ms. King updated the Board on the hiring process. She discussed the promotions and lines of progression. Director Lewis expressed concerns and asked questions about the jobs posting process and Managers being allowed to promote employees within their department without posting job openings. Ms. Lewis indicated that Human Resources should consider and research

the best practice of posting all positions to ensure everyone has an equal opportunity for job positions. Other Board members had questions and stated their concerns about the job selection process. It was indicated that all job positions should be posted. Per Director Lewis, the job posting process should also be reviewed by the Committee. Then, GM Underwood stated that the policy would have to be changed from beginning to end, because they only had a portion of the policy before them. The overall suggestions from the Board members was to review the job selection and posting policy. Next, the presentation resumed and included information on employees' Personnel Action Request Form (PARFs), background checks, and drug testing. Dr. Munchus stated there should be some flexibility in that area. In addition, AGM Sonny Jones stated a General Equivalency Diploma (GED) Program was needed. They discussed the difficulty of filling entry level positions due to infractions from an applicant's earlier years in life. Director Lewis stated that a GED program was discussed years ago and instead of BWWB trying to administer a program, BWWB could partner with other companies to administer a GED program. Afterwards, there was more discussion on the GED program and BWWB University (which focuses on the needs of BWWB). Per AGM Darryl Jones, the current policy does not allow Non-GED applicants to be hired. The policy would need to be modified to allow it. Next, Ms. King provide information on starting pay and then concluded the presentation.

Following, HR Manager Paul Lloyd presented information on the Salary Administration Plan. He discussed BWWB two pay schedules: the hourly (grades 1-19) and salaried (grades 34-56) job grades. Per Mr. Lloyd, there is some overlap of the two pay schedules. After several questions regarding the pay schedules, Mr. Lloyd indicated he would provide a pay scale displaying each pay grade to the Board members with a list of the exempt employees, in addition to merit step increases. Then, HR Manager Paul Lloyd explained the Cost of Living (COLA) adjustments. Dr. Dickerson voiced concerns about COLA. GM Underwood explained that all employees receives COLA, unless the situation involves downgrading from one position to another. Then, the presentation was concluded. Director Burbage left the meeting at approximately 11:00 a.m.

Next, GM Underwood requested the Committee hear a presentation on Customer Support Services work area and personnel needs, as set forth in agenda item four. Customer Service Support Manager Michael Parker gave an overview of the structure of the Customer Support Services Department and the restructuring of office space needed to accommodate the additional positions requested to incorporate the duties required to be administered per the Jefferson County Sewer Collection Agreement. Mr. Parker discussed the handout entitled *Call Center Significant Proactive Customer Service Enhancements (a copy of which is on file in the Committee book) before and after SAP*. He indicated that office spaces needed to be reconfigured to accommodate the additional staff requested. Dr. Munchus asked if there would be new positions publicly advertised for the Jefferson County Sewer Collection or if the County employees would migrate to BWWB in the positions. AGM Michael Johnson stated the positions were new and would be posted. According to AGM Johnson, initially there would be six new positions added if approved by the Board, with the possibility of four additional employees later, dependent upon the volume of the work load. Mr. Parker highlighted the needs based on increased bill out sorting and account charge off job duties. He also indicated there would be additional job duties such as: Meter Reading inspections, Area Field Services inspections, and Customer Relations commercial, private meter and pool adjustments, which justifies the need. Dr. Munchus commented that it was a five to four

vote for the Jefferson County Agreement, because everyone did not support it. Then, there was a discussion about the divisiveness on the Board. Next, Mr. Parker continued the presentation; however, Director Muhammad stated that the information given was vital and the item needed its own meeting. Following, Director Mims asked if BWWB would be dealing with the Hoover Sewer issue. GM Underwood stated that the issue is with Southwest Water, and that Hoover Sewer has not had a rate increase in years. He stated that Hoover Sewer is split three ways: (1) Southwest Water; (2) Hoover Sewer; and (3) Jefferson County Sewer. Therefore, it was Southwest Water that increased their water rates; however, BWWB is not involved. Then, Mr. Parker explained the current office layout and the proposed office layout in the Customer Support area. Director Lewis expressed concerns about the use of the office space. Per Director Lewis, there is a team trend; therefore, technology and world trends should be researched to avoid having to renovate the office spaces again in a few years later. The future needs should be considered and not just the current needs. AGM Michael Johnson stated that the layout of the area is to accommodate ten people and consolidates the Customer Support Services Department around the functions that work together. Director Clark expressed concerns about unknown costs and incomplete information for an informed decision. Other Board members expressed similar concerns; thus, there was discussion to table item. The Board members agreed to table said item for the May 15, 2018 HR Committee meeting at 9:00 a.m. Director Lewis the left meeting at 11:50 a.m.

Next, at the request of Dr. Dickerson, agenda item five (a review of the Progressive Discipline Policy from the Employee Handbook and HR Management Guide) and agenda item six (a report on Overtime for the FY2018 1<sup>st</sup> Quarter) was tabled for discussion at the upcoming HR Committee Meeting scheduled for May 15, 2018 at 9:00 a.m. Director Mims made a motion to table the items and Dr. Dickerson seconded the motion. Subsequently, as set forth in agenda item seven, there was no new business. 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 11:53 a.m.

\_\_\_\_\_/s/\_\_\_\_\_  
George Munchus, Ph.D.  
Director

\_\_\_\_\_/s/\_\_\_\_\_  
Ronald A. Mims  
Director

\_\_\_\_\_/s/\_\_\_\_\_  
Brenda Dickerson, Ph.D.  
Director

\_\_\_\_\_/s/\_\_\_\_\_  
Mac Underwood  
General Manager