

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

A Human Resources Committee Meeting of The Water Works Board of the City of Birmingham was held on Thursday, November 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, Ronald A. Mims, and Brenda J. Dickerson. The following Non-Committee Members were also in attendance: Directors Deborah Clark, Tommy J. Alexander, and William R. Muhammad.

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

The meeting was also attended by: Mac Underwood, General Manager; Michael Johnson and Darryl Jones, Assistant General Managers; Grace Amison, Executive Assistant to the Board of Directors; Vanessa Washington, Executive Assistant to Michael Johnson; George Anderson, Rick Jackson, Paul Lloyd, Cherita King, Joyce Dupree, Rosalind Jones, Barry Williams, Eddie Gray and BWWB Security, Board Employees; Tommy Palladino and Dorian Kendrick, Agency 54; Mark Parnell, Parnell Thompson, LLC; Brian Ruggs, ARCADIS; Alan Woods, S.S. Nesbitt; Nicole Perry, Kristy Sheffer, and Mark Johnson, Creative Benefit Solutions; W. Elaine Smith, Nationwide; and Isaac Ballard, Retiree.

Dr. Munchus called the meeting to order at 9:04 a.m. Following, George Anderson, I.T. Manager, opened the meeting with prayer.

Next, Dr. Munchus proceeded with the agenda. GM Underwood requested the Committee to approve the HR Committee Meeting minutes of May 8, 2018 and May 15, 2018, as set forth in agenda item one. Subsequently, a motion was made by Dr. Brenda J. Dickerson and seconded by Mr. Ronald A. Mims to approve said item.

Following Dr. Munchus asked GM Underwood to proceed with the remaining agenda. GM Underwood requested the Committee to hear a presentation on the 2019 Stop Loss renewal and to approve the recommended 2019 Stop Loss Insurance coverage, as set forth in agenda item two. Paul Lloyd, HR Manager, gave a brief introduction of Stop Loss Insurance. He explained that it is insurance for BWWB medical insurance plan for active employees and under 65 retirees and their covered dependents on the plan. Mr. Lloyd stated that stop loss insurance provides coverage and reimbursement to BWWB for catastrophic situations that produce high medical claims and that has reached a deductible amount. Next, Alan Wood, S.S. Nesbitt reviewed stop loss insurance coverage with the board. He discussed the various quotes received from insurance carriers and his recommendation for FY 2019. Per Mr. Wood, the current stop loss insurance is with Lloyds; however, after exploring the market, the most competitive proposal with the best terms was from the carrier Optum, with a quote of \$449,142.93. Mr. Wood recommended the carrier Optum to the board for coverage beginning January 1, 2019. GM Underwood recommended management's approval. Dr. Brenda J. Dickerson made a motion. Mr. Ronald A. Mims seconded the motion. The agenda item was moved forward to the full Board.

Next, GM Underwood requested the Committee to hear a presentation on the 2019 Post 65 Health Insurance renewal and to approve the recommended 2019 Post 65 Health Insurance coverage, as set forth in agenda item three. Paul Lloyd presented information on health insurance renewal for Post 65 retirees. He stated that BWWB offers a fully insured plan. This group of Retirees are provided a Medicare Supplement and a RX Plan. Per Mr. Lloyd, Creative Benefits manages this insurance plan. The insurance carrier for the last few years has been AmWins, and AmWins is being recommended for FY 2019. Mr. Lloyd stated that the premium for FY 2019 did not change much from the FY 2018 premium. He indicated that in 2008, a \$1 million annual cap was placed on the amount BWWB would pay towards providing Post 65 Supplemental insurance. The board absorbed the premium amount for FY 2018 that was over the \$1 million, instead of passing the cost to Retirees. Therefore, the board may also want to pay the additional cost for the FY 2019. GM Underwood stated that another change is that the benefits are being paid out of the fully funded OPEB Plan. Following, he recommended the premium of \$1,036,453.00. Mr. Ronald A. Mims made a motion to move said agenda item to the full Board. Dr. Brenda J. Dickerson seconded the motion. Then, Isaac Ballard, Retiree expressed concerns about a policy that has not been made available to some Post 65 Retirees. GM Underwood explained that exception to the policy was that as of January 1, 2008, anyone with less than 25 years of service or under the age of 65 would not be eligible to receive company paid Post 65 supplemental insurance coverage. He also indicated that the board added the exception to the policy because it reduced the OPEB liability from \$65 million to \$30 million. Director Mims stated there was a need for more communication with the Retirees, which he had asked senior staff to address. He distributed a resolution entitled *Resolution Authorizing a Retiree to Meet with Executive Management and Board regarding pension Plan and Other Post Employment Benefit Matters (a copy of which is on file with the Committee Meeting Book)*. Mr. Ronald A. Mims made a motion for the Committee to move the resolution to the full Board. Dr. Brenda A. Dickerson seconded the motion. The Committee moved the agenda item to the full Board. Afterwards, Dr. Munchus distributed a copy of the resolution to Isaac Ballard.

Next, GM Underwood requested the Committee to approve the Amendment to the Services Agreement with Creative Benefits to provide Wellness Coordinator services, as set forth in agenda item four. Paul Lloyd discussed the Wellness Coordinator Services. He stated a Wellness Coordinator would enhance wellness programs. The Coordinator would work with employees to educate and assist them with BWWB's Health and Wellness Programs. Per Mr. Lloyd, the Coordinator would work 12-20 hours a week with a projected annual cost of \$30,000.00 to \$48,000.00 based on the number of hours worked. Nicole Perry, Creative Benefit Solutions (CBS) consultant discussed the Wellness Coordinator benefits. She indicated that the Coordinator would be a Clinician and focus on BWWB wellness programs by bringing them together. Per Ms. Perry, the Wellness Coordinator would also go into the field. Mark Johnson, CBS, also provided information and answered questions on said item. After much discussion on a Wellness Coordinator, services to be provided, and the impact of reducing insurance and healthcare cost, Director Clark requested CBS to provide a proposed budget on the implementation of the programs. Following, Dr. Brenda A. Dickerson made a motion to move the agenda item to the full Board. Mr. Ronald A. Mims seconded the motion. The agenda item was moved forward to the full Board.

Next, GM Underwood requested the Committee to approve the Amendment to the Services Agreement with Abacus Health Solutions, LLC. to provide additional services for the Diabetes Rewards Program, as set forth in agenda item five. Nicole Perry gave an overview on the Diabetes Rewards Program. Per Ms. Perry, the program will provide continuous remote glucose monitoring and enhanced member incentives. Following, Mr. Ronald A. Mims made a motion to move the agenda item to the full Board. Dr. Brenda J. Dickerson seconded the motion. The agenda item was moved forward to the full Board.

Next, GM Underwood requested the Committee to approve the 2018 and 2019 Scope of Services Agreement with Harris, Rothenburg International Inc., d/b/a Humana Wellness to provide the Go365 Wellness Program, as set forth in agenda item six. Paul Lloyd gave an overview of the Go365 Program. Following, Dr. Brenda A. Dickerson made a motion to move the agenda item to the full Board. Mr. Ronald A. Mims seconded the motion. The agenda item was moved forward to the full Board.

Next, GM Underwood requested the Committee to hear a presentation on the Nationwide 457 Deferred Compensation Fixed Annuity Contract and to approve one of the available options being provided by Nationwide starting in 2019, as set forth in agenda item seven. Paul Lloyd gave an introduction on said agenda item. Per Mr. Lloyd, the Nationwide 457 Plan, which is a deferred comp plan, allows employees to set aside pre-tax money for retirement. He stated that the Nationwide fixed account investment option is changing, and the company has been presented with options to choose from going forward. GM Underwood clarified that the money in this fixed account is employee's not BWWB's money. Following, Elaine Graham Smith, Nationwide, reviewed the options with the board members. There were three guaranteed minimum interest rate options presented and discussed. She advised the board that if no decision is made, the participation allocation will be placed in the existing default investment alternative. Then, GM Underwood explained that the decision had to be made for the employees as a group. Per GM Underwood, the Employee Association would like to go with option 3(A) which is also management's recommendation. Dr. Dickerson asked Ms. Smith her recommendation. Ms. Smith stated her recommendation was for option one. Afterwards, the Committee agreed to management's recommendation of choosing option 3A. Dr. Munchus asked for a motion. Mr. Ronald A. Mims made a motion to move item to full board. Dr. Brenda J. Dickerson seconded the motion. The agenda item was moved forward to the full Board. Dr. Dickerson left the meeting at 10:31 a.m. and returned at 10:32 a.m.

Next, GM Underwood requested the Committee to review the Longevity Policy, as set forth in agenda item eight. Dr. Munchus asked to be informed on the longevity policy discussion and left the meeting at 10:32 a.m. Director Muhammad asked to discuss the item at another time, based upon the nature of the topic and because the item was being presented at the end of the meeting. Mr. Ronald A. Mims made a motion to table said item. Dr. Dickerson seconded the motion. Thus, the Longevity Policy was tabled to be discussed later.

Next, GM Underwood requested the Committee to hear a presentation on the Employee Job Transition for Injury / Medical Reasons policy (Section 5.6 Employee Handbook), as set forth in agenda item nine. Director Muhammad left the meeting at 10:35 a.m. Paul Lloyd presented

information on the topic. He reminded the Committee that at the previous HR Committee Meeting the Employee Job Transition for Injury/Medical Reasons Policy was reviewed. There was an employee that fell below the policy; therefore, a decision was made at that time to stay the policy to extend the time frame to prevent the employee from losing his/her job. A handout was distributed entitled *5.6 Employee Job Transition for Injury/Medical Reason (a copy of which is on file with the Committee Meeting Book)*. Mr. Lloyd reviewed the red lined changes on said handout and explained the old policy compared to the new proposed policy. Director Muhammad returned to the meeting at 10:37 a.m. Mr. Lloyd discussed grade positions and the process under the new policy. Next, Chairman Alexander asked a question about raises. Attorney Parnell provided clarification on the old policy as opposed to the new proposed policy. There was much discussion among the group regarding the bonuses, surveys, salary administration plan, and training to educate the employees. Director Clark expressed her concerns with changing a policy for one person. Attorney Parnell indicated that the policy should not be changed for one employee; however, it is the employee's situation that brought the issue to attention. Dr. Dickerson recommended reviewing the Policy more, before moving the item to the board. Then, the discussion concluded.

Subsequently, agenda item ten under new business, Director Clark stated she is still receiving phone calls relative to Customer Service. A caller was having issues getting water service, because she was told BWWB does not service the area and no other information was communicated to the customer. GM Underwood stated he would make sure the customer's issue got handled today. Next, Dr. Dickerson asked for an update on the investigation of overtime taken from employees' pension hired after 2008. GM Underwood stated he would provide it at the next HR Committee meeting. Paul Lloyd gave a brief update on the status which has been divided into the following three group of employees: active employees (largest group) with an reimbursement impact to the employees of \$31,000.00, employees that were employed at BWWB in 2008 but has left/terminated will owe BWWB and have a credit impact to BWWB of \$38,000.00, and the rehired employees (smallest group) employed prior 2008 then left and returned under a new plan; therefore there will be more of a manual effort to determine the amount owed. Next, Director Muhammad indicated that the Innovation Award was investigated, and it was determined that there was no wrong intended. GM Underwood clarified that it is a situation that occurred during the spring where the Innovation Award was paid to three employees before being approved by the Board. It was brought forward at the HR Committee whom decided not to take any action at the time. The issue was being investigated to ensure the issue had been handled properly. The money was paid back by the employees. Per Director Muhammad, the employees that were awarded the award did not do anything wrong. The issue was that the Board must approve money before being paid. Director Mims made a motion to reissue checks to the employees, because they were not at fault and should not be penalized. Attorney Mark Parnell explained to the board members that when awarding bonuses, an employee cannot just be given the bonus (award), the board members must decide if the employees qualify under the policy it pertains too. Director Clark asked that the HR Committee review the Innovation Award and make a recommendation. There was also discussion that an

awardee(s) of the Innovation Award experienced hardship due to having to repay the funds. It was decided to take the issue under advisement. Following, Dr. Dickerson asked about information requested on the Treasury Department. GM Underwood stated he had previously emailed the information to board members. There were no speakers present upon the conclusion of new business.

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 11:24 a.m.

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

_____/s/_____
Ronald A. Mims
Director

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

Mac Underwood
General Manager