

**MINUTES OF THE HUMAN RESOURCES COMMITTEE MEETING
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
October 2, 2019**

A Human Resources Committee Meeting of The Water Works Board of the City of Birmingham was held on Wednesday, October 2, 2019 at 11:30 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, Brenda J. Dickerson and William “Butch” Burbage, Jr. The following Non-Committee Members were also in attendance: Directors Deborah Clark and Ronald A. Mims.

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

The meeting was also attended by: Michael Johnson, General Manager; Derrick Murphy, Assistant General Manager; Grace Amison, Executive Assistant to the Board of Directors; Vanessa Washington, Executive Assistant; George Anderson, Rick Jackson, Paul Lloyd, Joyce Dupree, Cherita King, Derrick Gooden, Sam Day, Barry Williams, Shirley Russell, BWWB Security, Board Employees; Andy Mitchell, Agency 54; Kelvin Howard, KWH, LLC.; Mary Thompson, Parnell Thompson; Brian Ruggs and Tricia Brown, ARCADIS; Cooper Johnson, Valent Group; Mark Johnson, Creative Benefit Solutions; Elaine G. Smith, Nationwide; and Tyler Discenza; Veritas Prime.

Dr. George Munchus called the meeting to order at 11:30 a.m. Paul Lloyd, Human Resources Manager, opened the meeting with prayer.

Next, agenda item one requested the Committee to hear a presentation on the renewal of Group Life, Short-Term Disability and Long-Term Disability Insurance and to recommend to the Board to award the coverage to AXA. Mr. Lloyd gave an overview of said item. Dr. Munchus inquired as to who currently has the coverage and changes in cost. Per Mr. Lloyd, the insurance coverage is currently divided between two companies (AXA and Lincoln). Therefore, one recommendation was that the insurance coverage be consolidated under one carrier, AXA, which would provide cost savings. Mr. Lloyd introduced Cooper Johnson, Valent Group, to present on said topic. Mr. C. Johnson stated increasing the retiree life insurance from \$5K to \$10K and increasing the core Short Term Disability payout for employees from \$100.00 weekly to \$200.00 weekly would still be lower than the \$224,203.00 currently being paid, and would still provide savings. GM Johnson stated that management recommends the item. Director William “Butch” Burbage, Jr., made a motion to move said item to the full board. Dr. George Munchus seconded the motion. The agenda item passed unanimously to be moved to the full board for consideration.

Next, agenda item two requested the Committee to hear a presentation on the 2020 Post 65 Health Insurance renewal and to recommend to the Board the FY2020 Post 65 Health Insurance coverage with Transamerica at a projected cost for 2020 of \$1,010,049.00; including absorbing the additional cost of the coverage in excess of \$1,000,000.00 (\$10,049.00). GM Johnson stated the board has the option not to cover the excess amount but have absorbed the excess in the past. Mark Johnson, Creative Benefits stated that the coverage is currently with United American

Insurance Company. He indicated that medical would increase 14 percent; however, Transamerica offered the best rate for the same coverage amongst the various quotes. Dr. Brenda J. Dickerson made a motion to move said item to the full board. Director William “Butch” Burbage, Jr., seconded the motion. The agenda item passed unanimously to be moved to the full board for consideration.

Next, agenda item three requested the Committee to review and recommend to the Board to add coverage for weight loss drugs as a Therapeutic Class under the BCBS Medical Plan (Plan). The projected cost increase to the Plan is approximately \$30,000.00. GM Johnson stated strategies are in place to identify disease states; however, weight loss has not been addressed specifically. Mark Johnson, Creative Benefits, stated the biometric screenings is graded and the report card is shared with management. The biometric screening is voluntarily; however, it does have incentives. Mr. M. Johnson explained that based on the report for BWWB, the BMI (Body Mass Index) is high and at a failing level. He indicated that BMI is an area of concern. Following, there were several questions from the group such as, which drugs are considered as a Therapeutic Class, the number of employees interested, and coverage. Mr. M. Johnson used the drug Saxenda as an example of a Therapeutic Class weight loss drug. There were some questions about the benefits of Saxenda vs side effects, Gastric Bypass Surgery and the impact on the board’s budget. Mr. M. Johnson answered questions and concluded the presentation. Dr. Dickerson made a motion to move said item to the full board. Dr. George Munchus seconded the motion. The agenda item passed unanimously to be moved to the full board for consideration.

Next, agenda item four requested the Committee to hear a presentation on the proposed SAP/HR Payroll Implementation and to recommend to the Board approval of a contract with Veritas Prime to implement the SAP Success Factors HR/Payroll solution. Barry Williams, Business Systems Transformation Manager, began the presentation. He stated the total cost of the project was \$1,673,578.00. Per Mr. Williams, the project team for the vendor evaluation process consists of Human Resources, Accounting, Payroll, Budgeting, Information Technology, the Project Management Office, and SAP America. Director Mims asked about the number of bids received. Per Mr. Williams, only four of the seven bidders provided a quote and presentation. However, Veritas Prime was the consensus number one vendor chosen by the evaluation team. A handout entitled *SAP-HR Vendor Evaluation Process Summary* and a pamphlet entitled *BWW Journey to Transform Payroll and HR with SAP SuccessFactors and Veritas Prime (a copy of which is on file with the Committee Meeting Book)* was provided to the board members for reference. Mr. Williams stated a major benefit of SuccessFactors is updated dashboard reporting for the number of employees, employees’ demographics, attrition analysis, overtime, standard financial reports, etc. Following, Dr. Munchus inquired about the time frame for completion of the project. Mr. Williams explained that the project has two phases (Phase 1. Time and Attendance, Benefits Focus, Performance Compensation; Phase 2. Succession Planning and Learning Management). He anticipates completing the Phase One process by July 1, 2020 and Phase Two by the end of 2020. Director Lewis entered meeting at 12:04 p.m. Dr. Munchus asked a question about UltiPro, which was answered. Then, Tyler Discenza, Veritas Prime, gave an introduction. He stated a major client of theirs was Brasfield-Gorrie. Director Clark asked Mr. Discenza about their company success rate with other companies that had UltiPro and the biggest problem foreseen. Mr. Discenza answered that running parallel cycles of the two payroll systems will be the most important part of the project. Director Lewis asked if it would be a lateral payroll move,

which Mr. Williams answered yes. Director Lewis also expressed concerns about payroll decimal point calculations. She indicated that the two payroll systems (UltiPro and SAP) should have someone comparing them. Also, Director Lewis suggested that if an issue occurs, the board should be notified immediately so the issue can be addressed. The final question Director Lewis asked was whether this required overtime. GM Johnson stated that there may be some overtime; however, the plan was designed to allow the project team enough time to work on said project and perform normal work duties. In addition, he indicated controls would be vetted to reduce human errors. Dr. Dickerson made a motion to move said item to the full board. Dr. George Munchus seconded the motion. The agenda item passed unanimously to be moved to the full board for consideration.

Next, agenda item five requested the Committee to hear a presentation on Nationwide's 457 Plan Fixed Account Options and to recommend to the Board one of the options if the desire is to implement one of the options. GM Johnson stated Nationwide had a change in its fixed account last year. However, management recommends keeping option #3 and make no changes as the other options would not be favorable to BWWB. Elaine Gram Smith, Nationwide, stated Nationwide formed a Committee to discuss the fixed account options. The company is taking steps to change the Guaranteed Minimum Interest Rate (GMIR) of the fixed account plan. She stated her asked was for Nationwide to hold off on the plans selection and allow employees on old farm money and anything new coming into the fixed account option to continue to receive the 3.5% rate. However, once Nationwide implements the new options, any new monies in the fixed account option will be paid at 1.2% rate. Ms. Smith concluded her presentation as there was no action for the Committee to take on this item.

Next, agenda item six requested the Committee to hear a presentation on Succession Planning and the proposed High School Apprenticeship Program. Sam Day, Organizational Development Specialist, began presentation of the present leadership development, career path, and succession planning initiatives. He discussed developing and multiplying leaders in the company. Mr. Day indicated that the three areas that have career path progress are Distribution, Electrical and Mechanical, and the Filtration Departments. He discussed Managers in critical roles who are eligible to retire. Several board members expressed concerns that a trainee for a manager's position cannot have any corrective action within the last 24 months as part of the Managers' qualifications. GM Johnson indicated that the 24 months' time period was a starting point; however, the use of corrective actions should be further defined. Some of the board members requested for GM Johnson to provide them language for identifying which offenses would be considered a corrective action to prevent eligibility for a Manager's position in order to avoid bias. Mr. Day stated that the program was a draft, and once approved, it would be brought forward for the Board's approval. Following, Derrick Gooden, Training Specialist, gave an overview on future programs, such as, the Water Apprenticeship and Operator Internship Programs. He stated that the Water Apprenticeship program bridges the gap between high school students and the workforce. Ten high school students (Birmingham City Schools) would get paid for obtaining critical learning experiences. The students would have an opportunity to be hired once graduated from high school. The focus areas for training are customer service, general safety, mentorship, compliance and regulations, and the professional development series. Per Mr. Gooden, the Operator Internship Program was started in 2017 at BWWB's water treatment plants, because there was a demand for water treatment plant operators. This program targets college students. The students complete

blended learning: personalized online learning, teacher-led small group instruction, collaborative, and individual instruction. He indicated there is no wastewater treatment instruction. The program is promoted through career fairs. Mr. Gooden concluded his overview and acknowledged Mr. Lloyd to discuss program achievements and the OJT Partnership Program. Mr. Lloyd stated there has been a follow-up meeting with Ms. Toni McElroy, Career Center, about the administration process. Documents regarding the process have been received by BWWB staff and are currently being reviewed for approval. Once Ms. McElroy identifies a candidate for the program, she will send the information to staff. The candidate will be interviewed and if selected, the General Manager would sign-off on the application. The candidate would be hired in an entry level position, and BWWB would be eligible to start receiving reimbursement. GM Johnson clarified that BWWB would be receiving reimbursement for what would be a regular hire at the company. Next, Mr. Lloyd thanked the board for their organizational support and concluded the discussion with a summary of Human Resources ranking and training awards received.

Subsequently, agenda item seven under new business, Director Mims requested the Human Resources Committee to suspend the Employee of the Month Program until further notice for further review. He does not see its value and have concerns about the way it is being administered. Dr. George Munchus made a motion to move said item to the full board. Dr. Dickerson seconded the motion. The agenda item passed unanimously to be moved to the full board for consideration. Next, Director Clark requested for staff to provide an itemized report of the amount of money appropriated for employees, such as, employee luncheons, longevity, extra days given off, employee appreciation days, employee of the month, COLA, merit, bonuses, retirement parties, and all expenses relative to employees. Following, Dr. Dickerson stated she had concerns from the September 25, 2019 Board Meeting. Per Dr. Dickerson, she asked that Board and Committee minutes be a shared responsibility among the Executive staff and that it is reflected in the Executive Department Executive Assistants' current job description. Per Dr. Dickerson, Mr. Lloyd had not updated the job descriptions. She stated the minutes should be reflected as part of the Executive Assistants' performance evaluation. Mr. Lloyd agreed to update the job descriptions within the next week. Next, Dr. Dickerson stated she had concerns about the Salary Survey, which was not approved by the Board. She asked Mr. Lloyd whether he used the Salary Survey when posting new jobs, and does it match the current grade level or the grade level in the Salary Survey. Per Mr. Lloyd, it matches the current grade level. They are not changing job grades when posting jobs except for the Executive Assistants' positions instance. All other jobs are being posted at their normal current job grades. Dr. Dickerson requested that the minutes reflects Mr. Lloyd's answer. Next, Dr. Dickerson asked the rationale of four months' notice for employees seeking retirement. Mr. Lloyd stated it was placed in the Employee handbook in 2008 to give appropriate notice to allow time/preparation to back fill potential retiree's position. He stated that the four months' notice is flexible. Following, Director Clark inquired about overtime and whether it was being addressed. During the discussion on overtime, concern was expressed regarding the Security Department's understaffing. Mr. Lloyd stated schedules are being adjusted and temporary employees were brought in to fill the gaps. Also, Mr. Terrell Jones, Security Superintendent, talked about the Security Department's staffing needs, its overtime, and the effects on the department. Director Clark requested information on an issue with a Security Department previous employee's employment. She asked that the General Manager get involved. Subsequently, Rick Jackson, Public Relations Specialist, announced Customer Service Week and that the Employee Appreciation Event would be held in the Distribution building. A flyer entitled *BWWB Celebrate*

Customer Service Week October 7-11, 2019 was provided to the board members for notification of event days (a copy of which is on file in the Committee meeting book). Shirley Russell, Call Center Manager, stated they were doing a Wee Care Food Drive along with the Salvation Army for the entire month of October. Boxes would be set up at each campus facility and at the filter plant locations to collect items, such as canned goods, diapers, etc. The goal is to collect a ton of the items. She also stated, the H2O Foundation would be onsite for Customer Service Week to sign up customers that need assistance with water bills and provide information. HomeServe was on campus two weeks ago but will not be present. However, there will be HomeServe material for the customers. Director Clark stated there was a great golf tournament at Oxmoor Valley, and Marsha Hammonds, Systems Support Supervisor, did an excellent job at the golf tournament event.

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

_____/s/_____
William "Butch" Burbage, Jr., C.P.A.
Chairman/President

_____/s/_____
Brenda J. Dickerson, Ph.D.
Second Vice Chair/Second Vice President

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

_____/s/_____
Michael Johnson, C.P.A.
General Manager