

**MINUTES OF THE HUMAN RESOURCES COMMITTEE MEETING
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
December 12, 2017**

A Human Resources Committee Meeting of The Water Works Board of the City of Birmingham was held on Tuesday, December 12, 2017, 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, William R. Muhammad, Tommy J. Alexander, 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 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, Joyce Dupree, Cherita King, Rick Jackson, Ben Sorrell, Michael Griffin, Rhonda Lewis, Sam Day, BWWB Security, Board Employees; K. Mark Parnell and Mary Thompson, Parnell Thompson, LLC; Kelvin Howard, KWH, LLC.; Dorian Kendrick, Agency 54; Assistant General Manager Darryl Jones was absent.

Dr. Munchus called the meeting to order at 9:02 a.m. Before he proceeded with the agenda, he stated that any items that needs to be added can be included under new business. Dr. Munchus asked if the easement item sent the night before from AGM Sonny Jones would be added to the Agenda. GM Underwood answered yes, and stated the item will be discussed at the end of the meeting. Then, Dr. Munchus stated Director Mims did not think the item is appropriate for an HR Committee Meeting. Director Mims stated the Board members have been duped. Per Director Mims, the Board receives items at the last minute not allowing enough time for review. He acknowledged he does not want to hear the easement item and that it is not on the Agenda and Dr. Munchus concurred. Dr. Munchus suggested the easement item could possibly be presented at the December 21, 2017 Regular Board of Directors’ Meeting.

Next, Dr. Munchus proceeded to agenda item one which requested the Committee to hear a presentation of the 2017 Employee Engagement Survey Results and next steps, as set forth in agenda item one. GM Underwood stated AGM Michael Johnson would give an overview on said item. AGM Michael Johnson gave an introduction on employee engagement. He indicated that in 2014, BWWB had a survey done by the Birmingham Business Journal. Based on the results from the survey, BWWB launched the employee engagement program. AGM Michael Johnson turned the meeting over to Organizational Specialist Sam Day. At the request of Dr. Munchus, Mr. Day introduced himself to the Board members. Then, he began the presentation from the *HR Agenda Book* (a copy of which is on file in the Committee meeting Book) for the Employee Engagement Strategy. He discussed the three types of employees: engaged, not-engaged, and actively disengaged. Per Mr. Day, on average the number of engaged employees is 33%. Therefore, two-thirds of employees in businesses in the United States are not engaged or actively disengaged. He

continued the presentation and explained the Corporate Executive Board's (CEB) Model for Engagement which included engagement drivers, engagement capital, and talent outcomes impacting organizational performance. Dr. Munchus asked if the survey was voluntary and the length of time to complete the survey. Mr. Day discussed the top three strengths from the survey which were job search behavior, career/performance, and engagement capital (future). According to the survey, BWWB's top two challenges are engagement capital and culture/values. Director Muhammad expressed concerns about the validity and reliability of the survey. Per Director Muhammad, the survey question on diversity is very vague. Next, Dr. Munchus inquired about growing revenue with water systems. However, Director Alexander stated that BWWB can invest in things other than water systems. GM Underwood stated that the statute that created BWWB limits what the company can do. It would have to be something closely related to what BWWB does. Mr. Day continued with the presentation. After further discussion on the strategic priorities, which are to clarify BWWB values, complete the compensation study, and leadership development, Directors Muhammad and Munchus expressed concerns for a succession plan and its importance. Then, Mr. Day concluded his presentation. GM Underwood asked the Board and Executive Management Team to look at the self-assessment before December 21, 2017. He would like everyone's ideas and perception of what falls in each category and the percentage. GM Underwood indicated that the assessment will be emailed to each Board member and they should return it to Mr. Day after completion.

Next, GM Underwood requested the Committee to hear a review of the Document Management System Bid for Human Resources and recommend submittal of the lowest responsive and responsible bidder to the full Board for approval, as set forth in agenda item two. I.T. Manager George Anderson stated that the Enterprise Content Management (ECM) will first be implemented in Human Resources, then it will be leverage across the entire company. According to Mr. Anderson, there is no central platform for document management currently in place. ECM is a system solution designed to manage an organization's documents in digital format. He then explained the five elements of ECM which are to: capture documents digitally, store documents digitally, retrieve documents regardless of device or location, automate processing, and secure documents to manage their lifespan. Mr. Anderson stated the goal is to reduce time, cost, and complexity associated with storing, locating, and collaborating on the life cycle of documents and data in addition to improving operational efficiency and access to critical content and address quality and compliance activities. Dr. Dickerson asked if ECM would interface with the Diligent Program. Per Mr. Anderson, Diligent is a platform for Board of Directors to get information prior to a meeting. It is separate and will not interface with Diligent. ECM is for the organization. After further discussion, Mr. Anderson concluded his part of the presentation and turned it over to HR Manager Paul Lloyd. Next, Mr. Lloyd discussed the Human Resources need for ECM and the benefits such as increased efficiency in relation to digitalization, use of e-forms and automated workflow. Then, Mr. Lloyd discussed the bid process. He indicated that out of the four companies that submitted a bid, Business Systems Consultant (BSC) was the lowest responsive and responsible bidder. Mr. Lloyd explained that components of the Agreement consists of the software service agreement, professional services, and a setup cost. Mr. Anderson stated that once BSC completes the setup, the remaining work will be done in-house. Then, Mr. Lloyd concluded the presentation. Afterwards, Mr. Ronald A. Mims made a motion to move agenda item two forward to the full Board for approval at the upcoming Regular Board of Directors' Meeting. Dr. Brenda J. Dickerson seconded the motion.

Following, GM Underwood requested the Committee at the request of Director Mims to discuss new hire and promotion reports and additional information, as set forth in agenda item three. The Board members were given handouts entitled *January 2015-September 2017 New Hire Report* and *January 2015-September 2017 Promotions Report* (copies of which are on file in the Committee meeting book). Director Mims addressed concerns regarding the Personnel Action Request Form (PARF's), promotions, and job hires. Paul Lloyd stated to Director Mims that the personnel job file contains information on the number of applicants that bid on a job. GM Underwood explained that there's a summary document that contains the scores/ranking of job applicants and signoff document for the job, which is the job interview matrix. Director Muhammad inquired about the process after a PARF has been completed. Mr. Lloyd explained the PARF process. GM Underwood stated a PARF cannot be processed without his signature. Then there was a discussion about directives given by Director Mims (then chairman) to GM Underwood on promoting four employees. Director Muhammad also expressed his concerns on a request being followed from the Employee Association as opposed to a directive from the chairman of the Board (Director Mims, then chairman). GM Underwood indicated the directive was not followed because it was outside the company's hiring process. GM Underwood stated he would send all information in relation to the promotions to the Board members for discussion. Then Director Muhammad stated the by-laws say the chairman is the CEO. Attorney Mark Parnell explained being chairman holds no more power than any other Board member. The chairman only has the powers delegated to them by the Board. The by-laws state the General Manager is the person that hires everyone. He also explained the by-laws state the powers of each office held. Per GM Underwood, the by-laws need to be re-written, because they were written around five Board members and now there are nine Board members. The Board members requested a copy of the by-laws to be provided to them. Then, Director Clark inquired whether BWWB had done anything relative to a performance audit to ensure appropriate person are in the right position and so forth to reduce rate increases? GM Underwood stated, per the Board members request, he would provide them information on performance audits, organizational assessments, staffing analysis, and independent review of overtime. Director Clark asked about audit assurances and attestations. AGM Michael Johnson addressed the question and stated the BWWB has three audits completed each year, which are as follows: financial statements, pension plan, and OPEB plan. Afterwards, there was discussion on overtime and the need to hire more employees. Director Burbage left meeting at 11:20 a.m.

Next, GM Underwood requested the Committee, at the request of Director Muhammad, to hear a presentation on the BWWB's Longevity Pay Plan and to discuss overtime, as set forth in agenda item four. HR Manager Paul Lloyd provided handouts to the Board members entitled *2015-2017 YTD Overtime \$ Worked by Department, 2015 Top 20 OT Recipients for BWWB, and Longevity Plan* (copies of which are on file in the Committee meeting Book). Dr. Munchus started out by stating he supports the Longevity Pay Plan, pay for performance, and cost of living. Mr. Lloyd presented information on the Longevity Pay Plan. Dr. Dickerson requested the number of employees at each percentage of compensation and dollar amount. Then, Mr. Lloyd agreed to provide the requested information and then concluded the presentation on the Longevity Pay Plan.

Subsequently, Dr. Munchus opened the meeting to new business, as set forth in agenda item five. Director Muhammad stated the Board previously held informational meetings. The

Committee meetings are discouraging, because there is too much information presented during the Committee meetings. Dr. Munchus apologized to AGM Sonny Jones for not having time to deal with the Easement item. Dr. Munchus stated the easement issue is for a hotel and restaurant in the City of Homewood and will be dealt with at the December 21, 2017 Regular Board of Directors' Meeting. AGM Sonny Jones explained the issue with the easement request and the time frame limitation given by the developer Henry Graham. Director Clark stated she is concerned about the age of BWWB 100-year-old pipes and the impact the easement would have on BWWB. However, Director Muhammad stated he is not against the easement item, but he agrees with Director Mims that the easement item does not belong on the HR Committee Agenda for discussion. Dr. Munchus asked AGM Sonny Jones to have the developer, Mr. Graham, provide the name of the owner, prime contractor, engineer, and architect and send them a copy of BWWB's HUBE program.

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 11:42 a.m.

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

_____/s/_____
Ronald A. Mims
Director

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

_____/s/_____
Mac Underwood
General Manager