

**MINUTES OF THE HUMAN RESOURCES COMMITTEE MEETING
OF THE WATER WORKS BOARD OF THE CITY OF BIRMINGHAM
November 7, 2017**

A Human Resources Committee Meeting of The Water Works Board of the City of Birmingham was held on Tuesday, November 7, 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, Darryl Jones, and T.M. “Sonny” Jones, Assistant General Managers; Vanessa Washington, Executive Assistant to Michael Johnson; Joyce Dupree, Cherita King, Rick Jackson, George Anderson, Jr., Ben Sorrell, Michael Griffin, BWWB Security, Board Employees; K. Mark Parnell, Parnell Thompson, LLC; Kelvin Howard, KWH, LLC.; Mark Johnson, Creative Benefits; Dorian Kendrick and Lauren McLernon, Agency 54; Justin Goodwin, AmWin; Charles Wilkinson and Carolyn Campbell, Human Resources Management; Andrea Lewis, Human Capital Services; and Alan Wood, S.S. Nesbitt; Grace Amison, Executive Assistant to the Board of Directors was absent.

Dr. Munchus called the meeting to order at 9:00 a.m. Before he proceeded with the agenda, he asked the other two Committee members approval to add vacation buyback to the Agenda. Vacation buyback allows employees to sell unused vacation time back to the company. Then, Dr. Munchus distributed *Resolution No. 7348* which was the prior year’s vacation buyback resolution that was adopted on November 22, 2016 and included as part of the handout was a *proposed resolution* for this year (copies which are on file in the Committee meeting book). Dr. Munchus indicated he would be leaving the meeting at 10:30 a.m. Then, Dr. Dickerson stated she wanted to add an item to the agenda item d on four to discuss overtime and longevity pay. Afterwards, Dr. Munchus asked GM Underwood if agenda items one, two, and three were recommendations for the Committee to approve and not just informational. GM Underwood answered yes.

Next, GM Underwood requested the Committee to hear a presentation on the renewal cost and options for Post 65 Retiree/Spouse supplemental medical and prescription drug coverage with AmWins. The 2018 projected annual premium is \$1,043,000.00, as set forth in agenda item one. GM Underwood stated that said agenda item is for Post 65 Retiree and spouse health care coverage. GM Underwood explained to the Board that a resolution was approved several years ago capping the cost at one million dollars a year. Per GM Underwood, BWWB is \$43,000.00 over the cap. Therefore, GM Underwood asked if the Board would prefer to absorb the \$43,000.00 and pay it directly or charge the Retirees a premium to recoup the cost. Directors Munchus, Mims, and Dickerson were not in favor of Retirees paying a premium. Director Clark was in favor. AGM Michael Johnson confirmed to Dr. Munchus that AmWin currently has had the contract that administers the Post 65 Retiree/Spouse program for the past two years. Also, AGM Johnson stated

that BWWB did not previously have a policy. The cost of Post 65 coverage was paid out of pocket. Then, AGM Johnson asked Human Resources Manager Paul Lloyd to give an overview of the Post 65 Retiree and spouse health care coverage. Mr. Lloyd gave an overview to the Board on said item. A handout entitled *BWWB 2018 Renewal Report* and a letter from AmWINS entitled *2018 Retiree Medical Plan & Prescription Drug Plan* was provided for the Board's reference (a copy of which is on file in the Committee meeting book). After much discussion, Dr. Brenda J. Dickerson made a motion to move agenda item one forward to the full Board for approval at the upcoming Regular Board of Directors' Meeting. Mr. Ronald A. Mims seconded the motion. Then, HR Manager Paul Lloyd explained the Pre-65 Silver Sneakers program. The Silver Sneakers Program provides a free gym membership for Post 65 Retirees. The BWWB is required to provide this benefit to Post 65 Retirees, therefore, the benefit has been added in. Per Mr. Lloyd, the Silver Sneakers Program feature was lost when BWWB moved to AmWINS. Mr. Lloyd stated under 65 Retirees have requested this benefit also. He asked for Board members approval of the benefit as BWWB is being pro-active on wellness issues. Dr. Munchus stated it was a great idea, especially for reducing health care costs. The Committee agreed; therefore, the Committee recommended both items be submitted to the full Board for approval.

Next, GM Underwood requested the Committee to hear a presentation and to recommend medical stop loss insurance coverage to be provided by Lloyds of London for the period January 1, 2018 through December 31, 2018, at an estimated annual premium of \$447,595.44 and to authorize the General Manager and/or Assistant General Manager to execute the necessary documents to effectuate said Agreement, as set forth in agenda item two. HR Manager Paul Lloyd introduced the medical stop loss insurance. Following, he asked Alan Wood of S.S. Nesbitt (*BWWB broker*) to review the renewal rate for 2018 on said item. Mr. Lloyd indicated a handout with additional information was in the packet entitled *Water Works Board of the City of Birmingham Medical Reinsurance Analysis – January 1, 2018 Renewal date* (a copy of which is on file in the Committee meeting book). Alan Wood gave a summary on the medical stop loss insurance. Afterwards, Dr. George Munchus asked for motion to approve agenda item two. Dr. Brenda J. Dickerson approved and second the motion for agenda item two to move forward to the full Board for approval at the upcoming Regular Board of Directors' Meeting. Directors Dr. George Munchus and Dr. Brenda J. Dickerson voted for agenda item two. Mr. Ronald A. Mims abstained.

Following, GM Underwood requested the Committee to review the response to the Compensation Services RFP by Human Resources Management (HRM), Inc. and Human Capital Services (HCS), as set forth in agenda item three. HR Manager Paul Lloyd recapped the issuance of the Compensation Services RFP. Mr. Lloyd referenced the handouts entitled *Compensation Services RFP Timeline November 2017* and entitled *List of Potential Responders to Compensation Services RFP* (copies of which are on file in the Committee meeting book). HR Manager Paul Lloyd indicated that Historically Underutilized Businesses (HUB) participation was encouraged through the RFP process. Per Mr. Lloyd, Human Capital Services (a HUB) and Human Resources Management (HRM) partnered together on the proposal. Dr. Munchus asked Mr. Lloyd to share the information with Director King. Then HR Manager Paul Lloyd introduced Charles Wilkinson and Carolyn Campbell of Human Resources Management, Inc. and Andrea Lewis of Human Capital Services (HCS), LLC. Andrea Lewis gave a presentation on Compensation Services (*Proposal Overview* handout on file in the Committee meeting book). Ms. Andrea Lewis explained

the joint venture between HCS and HRM. Then, Andrea Lewis presented phases one through four of the project plan that HCS is responsible for completing. Director Muhammad asked Ms. Andrea Lewis to clarify exempt vs non-exempt employees. He also had questions about overtime and comp time as it relates to exempt employees. Ms. Andrea Lewis explained that exempt means an employee does not have to be paid overtime wages and therefore, the employee's monthly or yearly salary stays the same even if the employee works more or less than 40 hours each week. Per Andrea Lewis, non-exempt means an hourly wage is paid for a certain number of hours each week and once those hours are exceeded, the employee will be paid time and a half for all overtime hours. In addition, she also stated that comp time is established by organizational policy. Ms. Andrea Lewis concluded her presentation. Since no one had any other questions to ask her, she turned the meeting over to Charles Wilkinson (HRM) to begin his presentation (the *HRM Service Proposal RFP#17-01-02 Compensation Services* handout is on file in the Committee meeting book). Mr. Wilkinson discussed base pay, incentive pay and total annual compensation. Dr. Dickerson asked him if he was aware of longevity pay and would it be looked at also. Per Mr. Wilkinson, they will review longevity pay. Then, Dr. Dickerson asked is incentive pay different from merit. Per Mr. Wilkinson, merit pay increased percentages are an adjustment to annual base pay. However, there could be a merit based incentive plan. Dr. Dickerson also inquired about cost of living. Mr. Wilkinson also stated there will be recommendations for implementing the salary administration plan and the procedures and processes for job evaluations and performance reviews. Per Charles Wilkinson, it should take about seven months to complete all phases of the Compensation Services project. Director Alexander left the meeting at 10:08 a.m. Before concluding his presentation, Mr. Wilkinson asked if anyone had questions for him. Director Muhammad asked about the percentage of work breakdown between HCS and HRM. According to Mr. Wilkinson, Human Capital Services will complete phases one through five, and phase ten at approximately 43% of the work and Human Resource Management will complete phases five through ten at approximately 57% of the work. Dr. Muhammad stated the percentage of the work breakdown for the joint venture between HCS and HRM is extraordinary and a great example of the partnerships the Board is interested in. Dr. Dickerson asked Charles Wilkinson to come back again and give the Board an update, which he agreed. Director Alexander returned to the meeting at 10:12 a.m. Afterwards, Dr. George Munchus asked for a motion to approve agenda item three. Mr. Ronald A. Mims made a motion to move the item to the full Board for approval at the upcoming Regular Board of Directors' Meeting. Dr. Dickerson seconded the motion.

Next, GM Underwood requested the Committee to schedule a future HR Committee meeting to (a) review the 2018 Employee Engagement Survey Results, (b) review the Document Management System Bid, and (c) discuss new hire and promotion reports and any additions, as set forth in agenda item four. The Committee agreed to schedule the next HR Committee Meeting for Tuesday, December 12, 2017 at 9:00 a.m. to discuss said items. Dr. Dickerson indicated she did not currently want item d (discuss overtime and longevity pay) to be on the Agenda of the December 12, 2017 HR Committee Meeting due to the Compensation Services presentations, wherein HCS and HRM indicated they would be reviewing overtime and longevity. Dr. Dickerson requested a list of everyone that has received overtime.

Subsequently, agenda item five acknowledged new business. Director Muhammad expressed concerns about progressive discipline. He requested that the Committee receive a disciplinary report for the past two years to ensure the progressive disciplinary policy of the Board

is being enforced. GM Underwood stated he would direct Human Resources to compile the requested information and provide it to the Board. Next, Dr. Munchus indicated that although Dr. Dickerson did not want item d (overtime and longevity pay) on the Agenda for the December 12, 2017 HR Committee Meeting, he would like to keep it on the Agenda. Dr. Dickerson agreed to allow the item to stay on the Agenda. 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 10:24 a.m.

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

_____/s/_____
Ronald A. Mims
Director

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

_____/s/_____
Mac Underwood
General Manager