NORTH TEXAS MUNICIPAL WATER DISTRICT

Regional Service Through Unity… Meeting our Region's Needs Today and Tomorrow

PERSONNEL COMMITTEE

January 12, 2022

10:00 A.M.

NORTH TEXAS MUNICIPAL WATER DISTRICT

AGENDA

I. CALL TO ORDER

II. PUBLIC COMMENTS

III. OPENING REMARKS

A. Chairman/Executive Director/Committee Champion Status Report concerning legislation and regulatory matters, budgets, current projects, and ongoing programs of the District

IV. ACTION ITEMS

A. Consider approval of Joint Committee of Finance and Personnel Committee meeting minutes – June 9, 2021

B. Consider approval of Personnel Committee meeting minutes – July 7, 2021

V. DISCUSSION ITEMS

A. Discuss findings from Administrative Organization Evaluation

B. Opportunity for Committee members to provide feedback on the Policy Committee meeting

C. Opportunity for Committee members to request potential future agenda items

VI. ADJOURNMENT

NORTH TEXAS MUNICIPAL WATER DISTRICT

AGENDA

IV. ACTION ITEMS

A. Consider approval of Joint Committee of Finance and Personnel Committee meeting minutes – June 9, 2021

Recommend Approval of Joint Committee of Finance and Personnel Committee meeting minutes – June 9, 2021

NORTH TEXAS MUNICIPAL WATER DISTRICT

AGENDA

IV. ACTION ITEMS

B. Consider approval of Personnel Committee meeting minutes – July 7, 2021

Recommend Approval Personnel Committee meeting minutes – July 7, 2021

NORTH TEXAS MUNICIPAL WATER DISTRICT

AGENDA

V. DISCUSSION ITEMS

A. Discuss findings from Administrative Organization Evaluation

North Texas Municipal Water District

Administrative Organization Evaluation

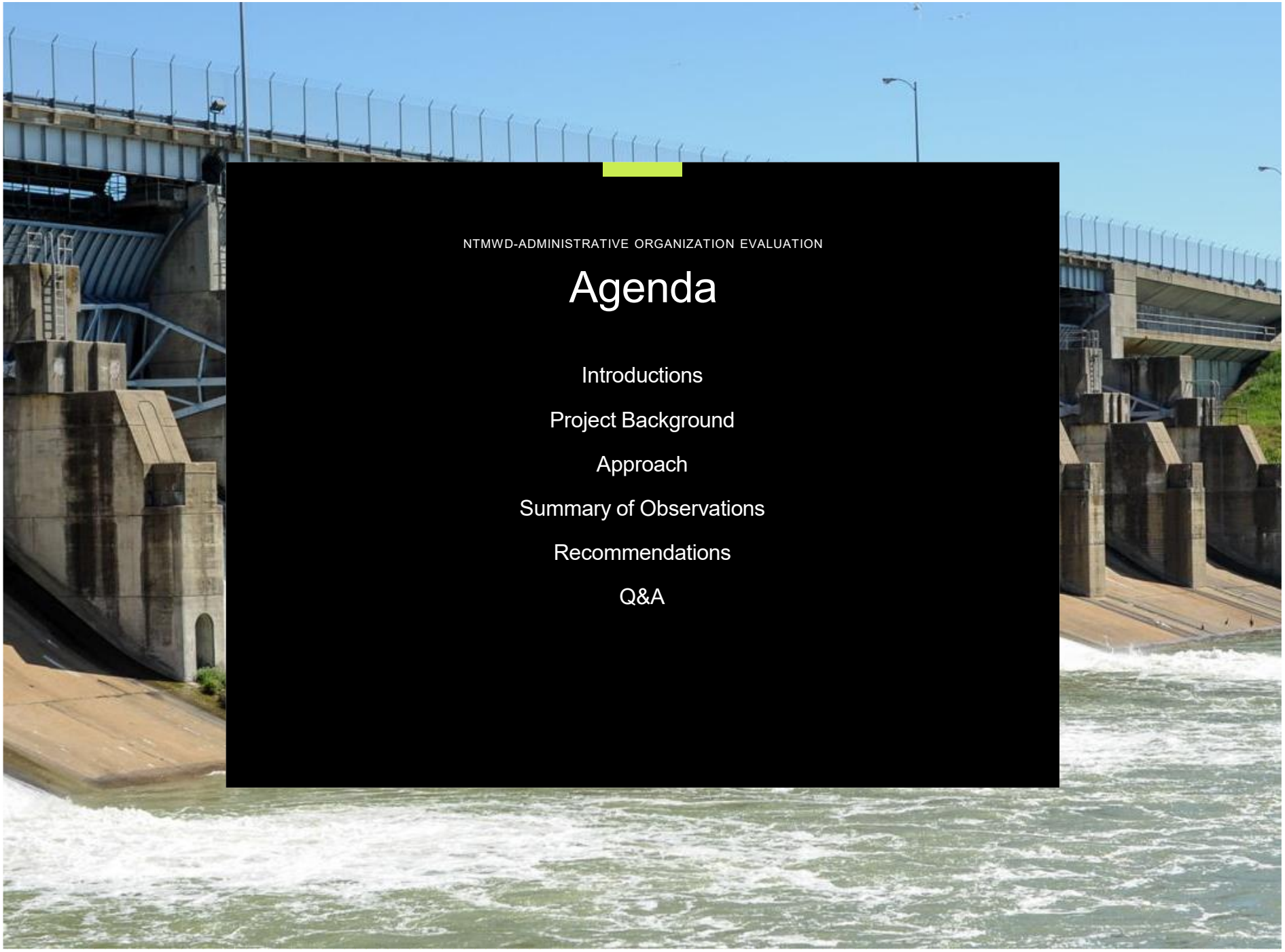
Personnel Committee

Wednesday, January 12, 2022

bakertilly

now, for tomorrow.

The information provided here is of a general nature and is not intended to address the specific circumstances of any individual or entity. In specific circumstances, the services of a professional should be sought. Tax information, if any, contained in this communication was not intended or written to be used by any person for the purpose of avoiding penalties, nor should such information be construed as an opinion upon which any person may rely. The intended recipients of this communication and any attachments are not subject to any limitation on the disclosure of the tax treatment or tax structure of any transaction or matter that is the subject of this communication and any attachments. Baker Tilly Virchow Krause, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2018 Baker Tilly Virchow Krause, LLP



NTMWD-ADMINISTRATIVE ORGANIZATION EVALUATION

Agenda

Introductions

Project Background

Approach

Summary of Observations

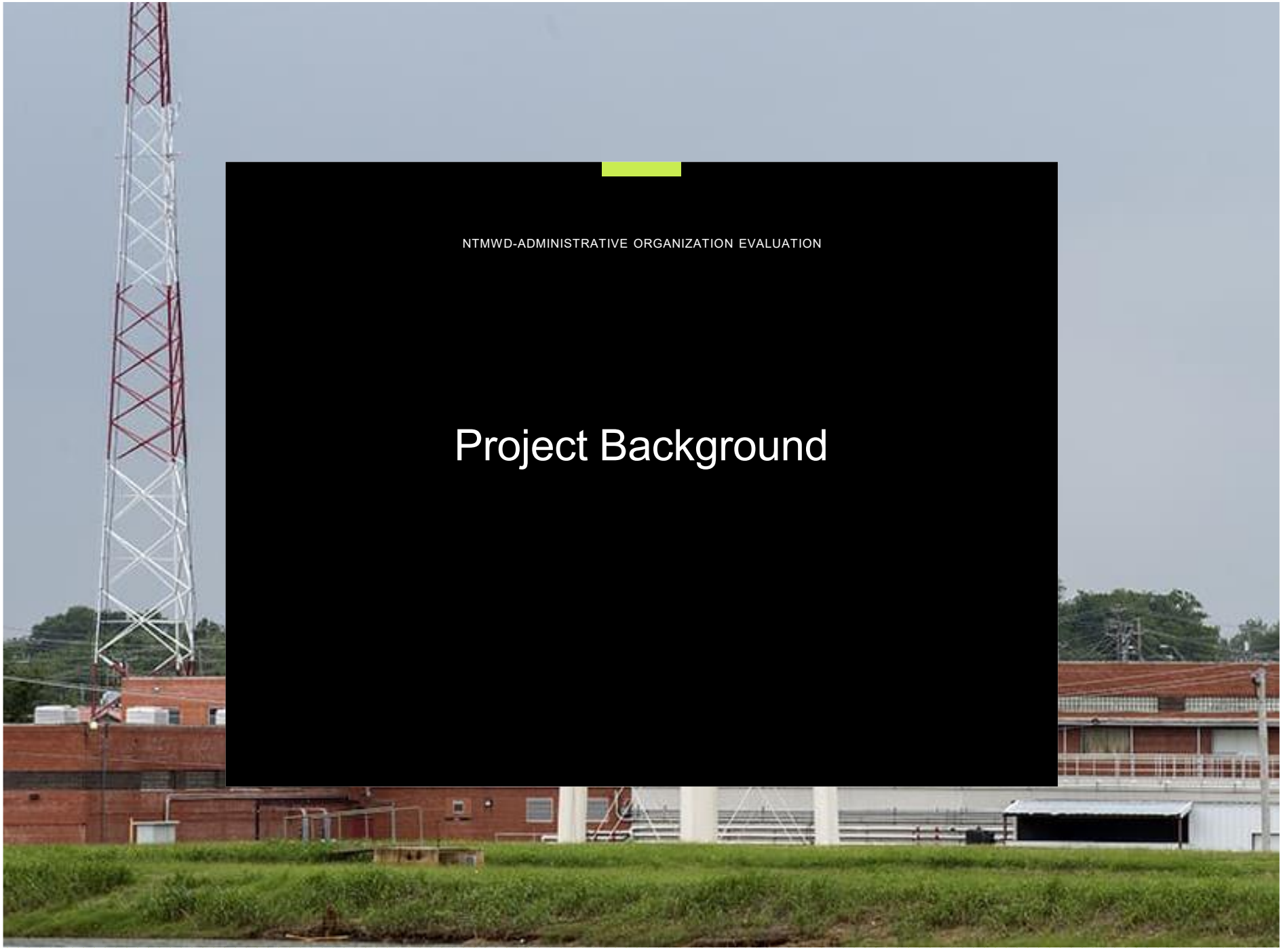
Recommendations

Q&A

Introductions

David W. Eisenlohr, Managing Director

Allison LeMay, Consulting Manager

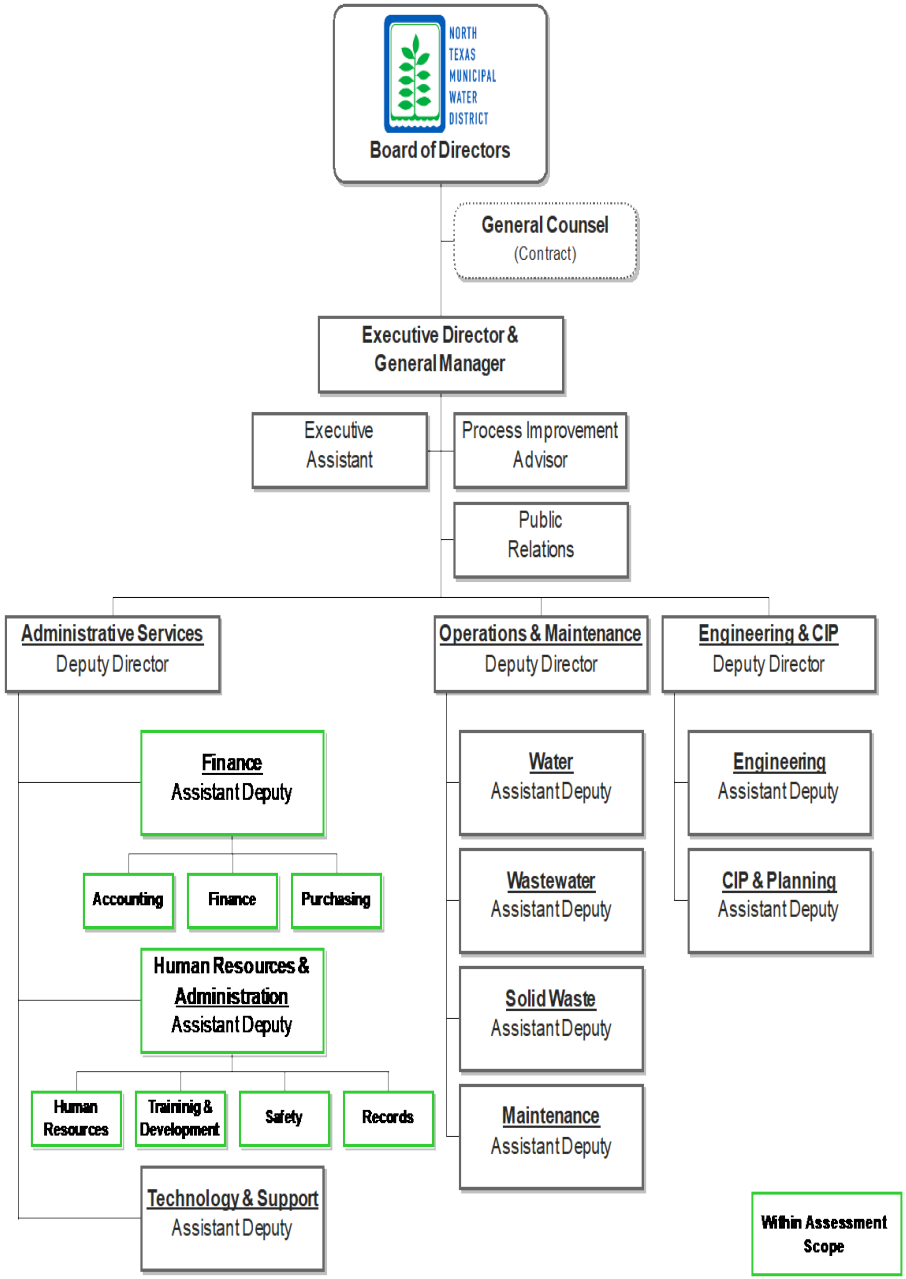


Project Background

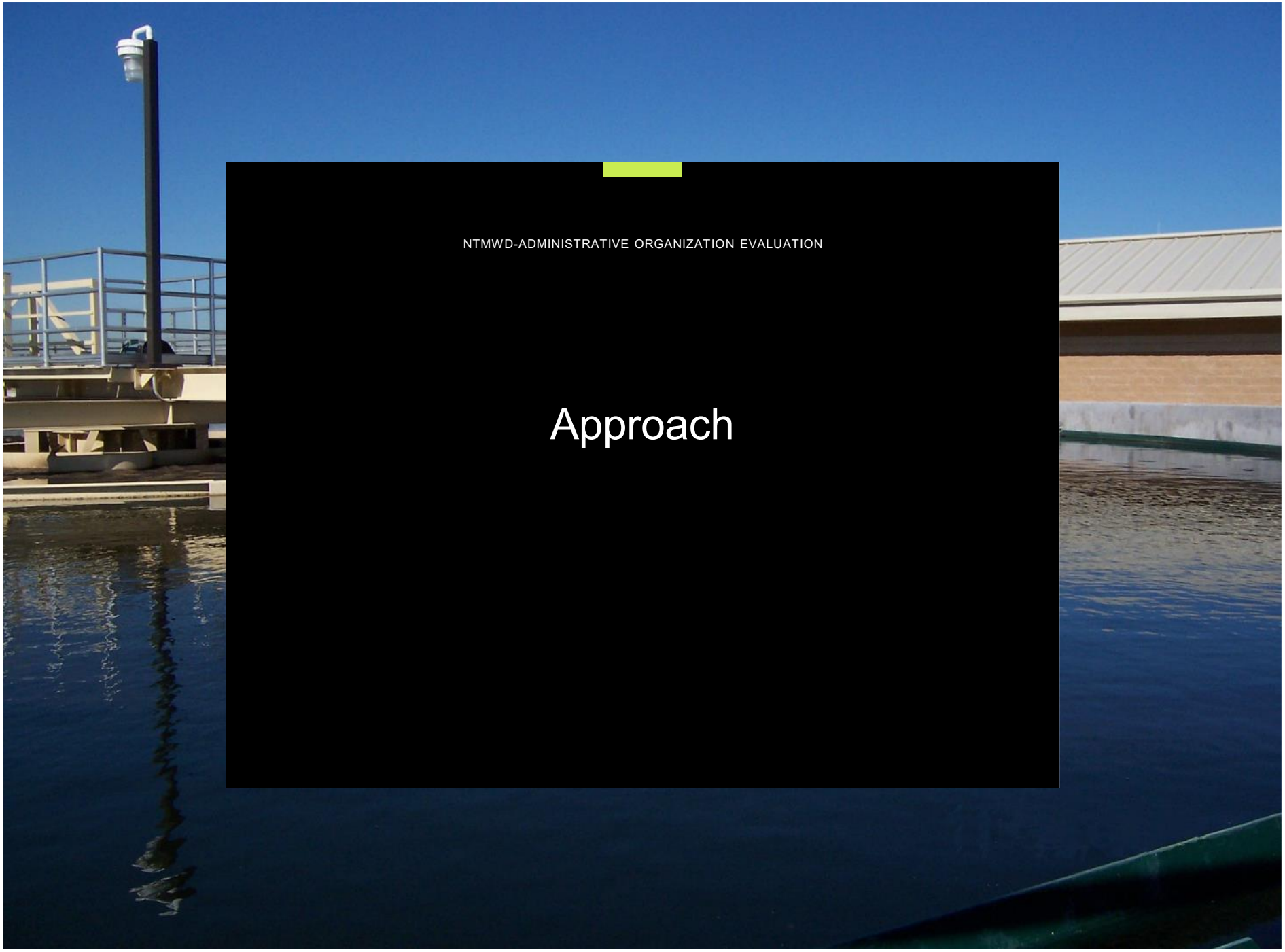
Background

- Baker Tilly was engaged to assess and evaluate the current organizational structure and staffing needs, work processes, and technology of the District's core administrative finance and human resources functions.
- The goal of the administrative assessment was to develop prioritized recommendations to improve the day-to-day effectiveness of the support services as value-added business partners.
- While this study and findings include evaluations of both finance and human resources functions, this presentation will focus on the Personnel side as well as some overarching Enterprise-wide observations and recommendations.

Organizational Structure



The organizational chart illustrates the overall structure of the District as of the time of Baker Tilly's principal field work in June 2021 and highlights the support service functions included within the scope of the administrative review.

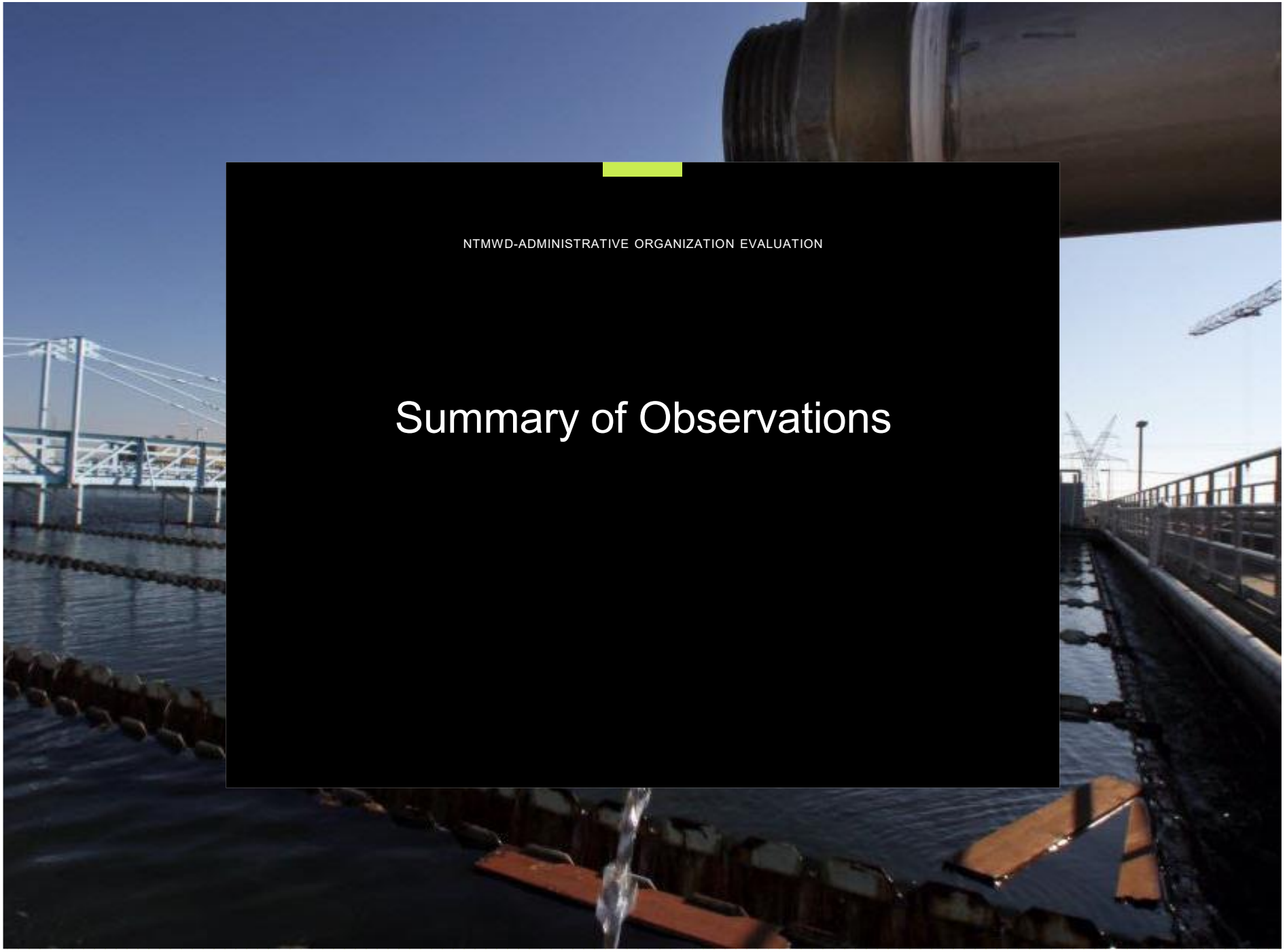


Approach

Administrative Assessment Approach

To assess the efficiency and effectiveness of the administrative support services, Baker Tilly executed a structured approach that followed the steps outlined below.

- Review the current organizational structure, policies, and procedures, and supporting documents of the Finance and Human Resources departments.
- Engage NTMWD Finance and Human Resources Department employees to better understand business operations.
  - Surveys
  - Individual/focus groups interviews
- Benchmark staffing levels with member cities and comparable organizations



Summary of Observations

Summary of Observations

Baker Tilly aggregated its observations, based on the data reviewed and imputed from employees, conducted an analysis using industry standards, and made prioritized recommendations.

- Identified high-impact improvement areas
- Identified and quantified areas where efforts are duplicated and could be streamlined
- Identified findings in key human resource and finance functions

Baker Tilly categorized recommendations using three of the ten Effective Utility Management (EUM) Attributes of Effectively Managed Water Utilities.

- Financial Viability
- Employee and Leadership Development
- Enterprise Resiliency

Baker Tilly has provided achievement rankings for each attribute component as a baseline for the organization to begin its own self-assessment across the organization.

Achievement rankings provided are only for the functions within the scope of this project and were assessed by Baker Tilly based upon industry knowledge of best practice utility operations, NTMWD data analysis and interviews.

EUM Overview

- Formed in 2008 from a collaboration of water sector associations
- Most widely recognized water sector utility management program in the country
- *EUM Primer* is the foundation of the EUM and outlines Ten Attributes of Effective Utility Management
- Self evaluation scoring using the *Primer* serve as the base for a number of industry awards including the AMWA Platinum Award for Utility Excellence and the NACWA Excellence in Management Recognition Program

EUM Overview – Ten Attribute Categories

- Product quality
- Customer satisfaction
- Employee leadership and development
- Operational optimization
- Financial viability
- Infrastructure strategy and performance
- Enterprise resiliency
- Community sustainability
- Water resource sustainability
- Stakeholder understanding and support

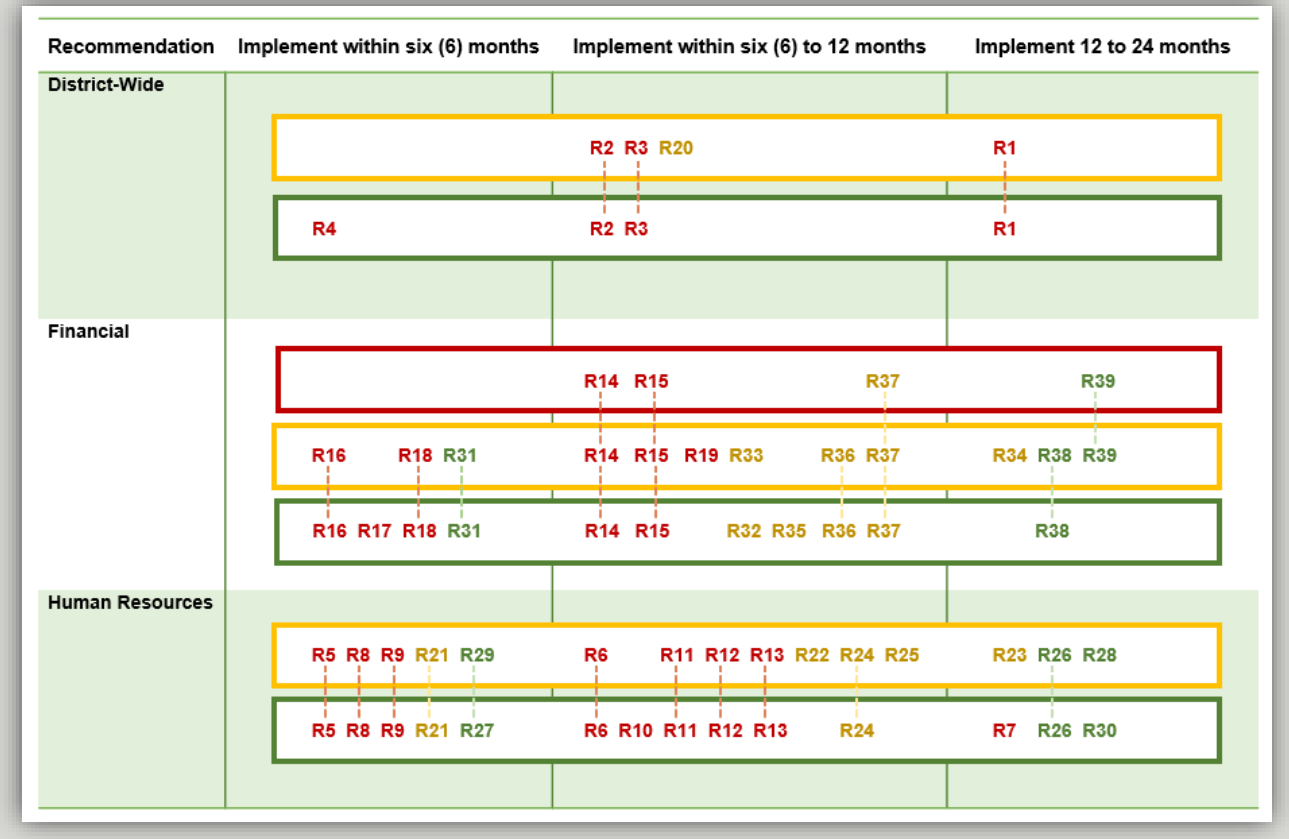
Each Attribute has subcomponents for organizations to self-assess with ratings for achievement and importance.

bakertilly
now, for tomorrow.

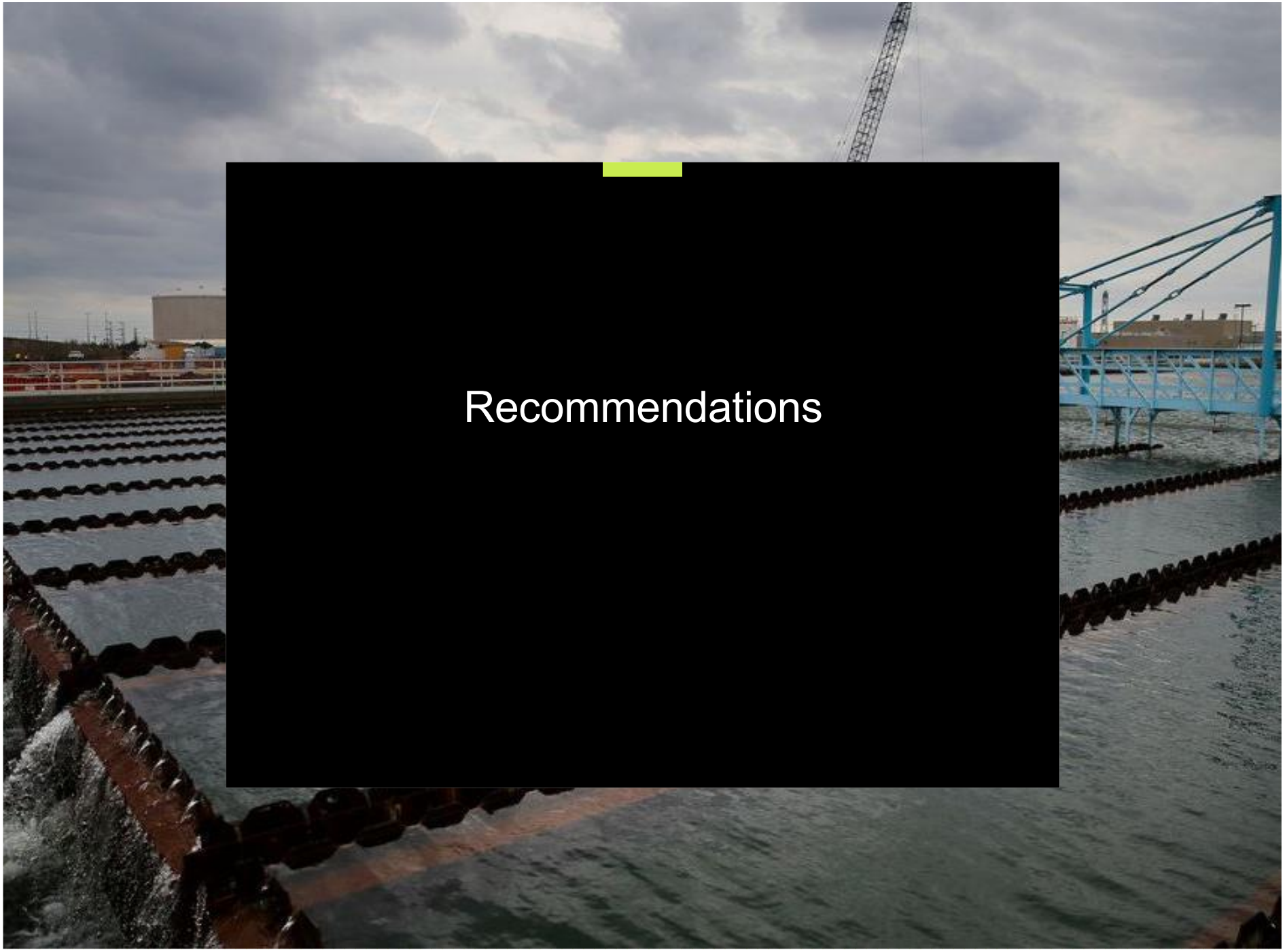
Achievement Ranking Table for Areas of Study	Average Score
Financial Viability	**3.00**
Understands and plans for the full life-cycle cost of utility operations and value of water resources.	3.00
Employee and Leadership Development	**3.86**
Recruits, develops, and retains a workforce that is competent, motivated, adaptive, and safety focused.	3.38
Establishes a participatory, collaborative organization dedicated to continual learning, improvement, and innovation.	3.71
Ensures employee institutional knowledge is retained, transferred, and improved upon over time.	4.75
Emphasizes and invests in opportunities for professional and leadership development, taking into account the differing needs and expectations of a multigenerational workforce and for resource recovery operations.	4.20
Establishes an integrated and well-coordinated senior leadership team.	3.25
Enterprise Resiliency	**3.99**
Ensures utility leadership and staff work together internally, and coordinate with external partners, to anticipate, respond to, and avoid problems.	3.71
Proactively identifies, assesses, establishes tolerance levels for, and effectively manages a full range of business risks (including interdependencies with other services and utilities, legal, regulatory, financial, environmental, safety, physical and cyber security, knowledge loss, talent, and natural disaster-related) consistent with industry trends and system reliability goals.	4.00
Plans for and actively manages around business continuity.	4.25

Rating:	Description:
1.	Effective, systematic approach and implementation; consistently achieve goals.
2.	Workable systems in place; mostly achieve goals.
3.	Partial systems in place with moderate achievement, but could improve.
4.	Occasionally address this when specific need arises.
5.	No system for addressing this.

RECOMMENDATIONS BY CATEGORY TABLE



KEY			
Priority level: colored text	High Priority	Medium Priority	Low Priority
EUM Attribute *Internal box*	**Financial Viability**	**Employee and Leadership Development**	**Enterprise Resiliency**



Recommendations

RECOMMENDATION 1: ORGANIZATIONAL LAYERS AND SPANS OF CONTROL

Over time, "de-layer" the Finance and Administrative Services units and broaden managerial and supervisory spans of control.

RECOMMENDATION 2: INTERNAL AUDIT

Establish and formalize an Internal Audit function focused on the maintenance and improvement of internal controls, assuring policy and procedures compliance and driving organizational performance improvement.

RECOMMENDATION 3: ADMINISTRATIVE SERVICES CAREER PATHS

Build a career path model for administrative services. Include career development and goal setting as part of employee annual reviews with managers. Revisit progress toward goals on a quarterly basis.

RECOMMENDATION 4: ENTERPRISE RISK MANAGEMENT

Adopt an enterprise risk management approach for the organization as well as establish an Enterprise Risk Manager role within the Finance & Administrative Services team, reporting to the Deputy Director.

bakertilly
now, for tomorrow.

RECOMMENDATION 5: HUMAN RESOURCES STRATEGIC PARTNERSHIP

Transition the role of the Human Resources Department to a strategic partner to guide the District's human capital management in alignment with strategic priorities and competitively position the District as a nationally recognized leader in the water utility industry.

RECOMMENDATION 6: TRAINING AND DEVELOPMENT

Consolidate training and development within the Human Resources unit. During consolidation, adjust the disparity in pay between managers of equal level as well as the minimum training requirements for all employees for relevant subjects.

RECOMMENDATION 7: RISK-BASED SAFETY PROGRAM

Adopt and implement a risk-based approach for the District's Safety program.

RECOMMENDATION 8: COMPENSATION PHILOSOPHY

Adopt a formal compensation philosophy to address transparency and distrust with current market assessment practices.

bakertilly
now, for tomorrow.

RECOMMENDATION 9: POSITION TITLES AND CLASSIFICATION CHANGES

Expand Human Resource's administrative authority to manage position titles and classification levels and curtail the use of "in lieu of" titles.

RECOMMENDATION 10: FMLA TRACKING

Adopt a practice for tracking FMLA to reduce the amount of staff resources required for compliance.

bakertilly
now, for tomorrow.

RECOMMENDATION 11: JOB DESCRIPTIONS

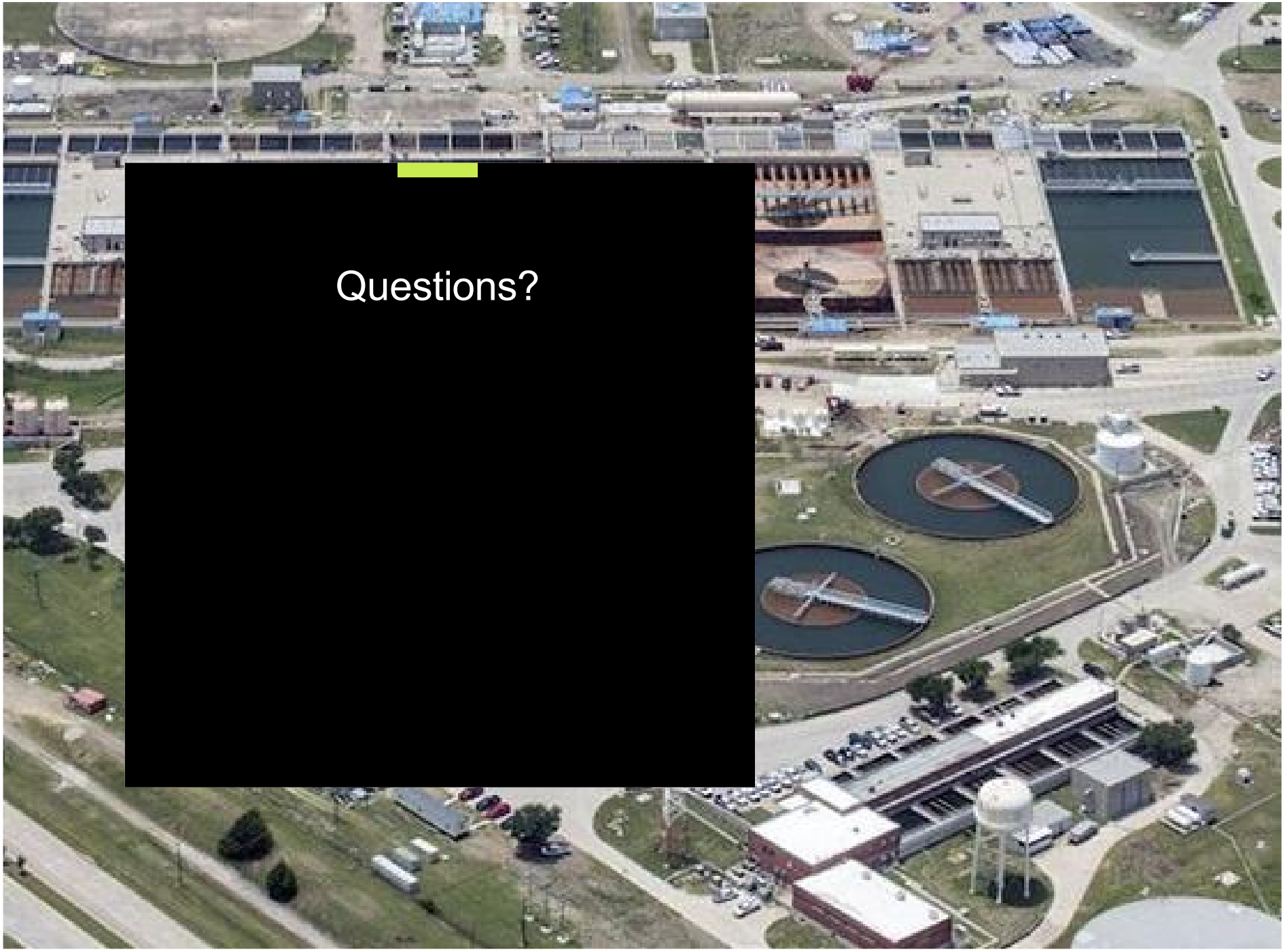
Comprehensively update all job descriptions during the next classification and compensation study. Establish a practice to review and update job descriptions on a regular basis.

RECOMMENDATION 12: SALARY INCREASE PRACTICE

Replace existing pay practice which caps hiring salaries and promotions at 5% with a policy that is more closely aligned to best practices.

RECOMMENDATION 13: PAY STRUCTURE

Adjust or replace the existing pay structure to better align with compensation structure best practice guidelines.


Questions?

Thank You

David W Eisenlohr
Managing Director, Public Sector Practice
email: **David.Eisenlohr@bakertilly.com** | office: 972.748.0127

Allison LeMay, MPA, IPMA-CP
Consulting Manager, Public Sector Practice
email: allison.lemay@bakertilly.com | office: 630.645.6243

NORTH TEXAS MUNICIPAL WATER DISTRICT

AGENDA

V. DISCUSSION ITEMS

B. Opportunity for Committee members to provide feedback on the Policy Committee meeting

C. Opportunity for Committee members to request potential future agenda items

VI. ADJOURNMENT