

SUMMARY MINUTES
HUMAN RESOURCES COMMITTEE
MEETING OF SEPTEMBER 17, 2014

Mr. Gates chaired the September 17 Human Resources Committee Meeting, calling it to order at 10:40 a.m. A quorum was present during the Meeting: Mr. Williams, Co-Chair, Mr. Carter, Ms. Lang, Ms. Wells and Mr. Conner, *ex officio*. Mr. Adams, Mr. Chapman, Mr. Griffin, Ms. Hall, Mr. Kennedy, Mr. McDermott, Ms. Merrick and Mr. Session were also present.

Information Paper for Strategic Workforce Planning and Development. Tony Vegliante, Vice President for Human Resources, began his presentation with demographic information about the current state of Authority employees, including the accelerated amount of those eligible for retirement and the turnover rate. He also reviewed information on the competitive recruitment environment and the employment challenges and risks facing the Authority.

Mr. Vegliante described the Authority's workforce strategy – internal development; entry level; and mid-career hires. He characterized the internal development as the most important part of the strategy noting the importance to develop existing career employees so that they are able to undertake leadership roles going forward.

Mr. Vegliante stated that the Authority has a 30-year retirement plan. He explained that since the Authority had been created 28 years ago the retirement plan would mature in two years. Therefore, many employees who had begun their careers when the Authority had first been created would be faced with a decision on whether they would end their employment at the end of 30 years because they would have maximized their service credit.

Mr. Vegliante reviewed the phases of the Internal Development Program – new supervisors, current supervisors, leadership development and succession planning. With new supervisors, a 12-month blending learning approach, combined with online and classroom activities, would be used. For current supervisors, the focus would be employee relations issues, policy updates and adequate tools and technology. Leadership development would be a program for 12 months applicable to those managers who take on larger managerial assignments and manage multiple groups of staff in multiple functions. Mr. Vegliante reported

that Vice Presidents would be required to recommend that their high performers be included in leadership development. Succession planning would be used to identify high-potential, motivated employees; two separate talent pools would be used. Vice Presidents would be required to nominate employees who must also be approved by the President and Chief Executive Officer. As part of the succession planning, participants would be required to develop an individual development plan that may include specialized training or educational requirements for which the Authority will provide assistance. Mr. Vegliante noted that succession planning would not be limited to employees' existing offices or departments. Rather, the more an employee knew about an organization, the results would likely include better decision making.

With regard to the Management Intern Program, Mr. Vegliante reported that the Authority would recruit candidates who had a bachelor's degree with two years of experience in areas such as procurement, finance, human resources, engineering or information technology. Upon successful completion of an 18-month development program, the Authority would hire the trainee. Mr. Vegliante stated that most organizations had some type of entry-level programs and that the Authority would follow the standard. He noted that Authority staff had already contacted 11 colleges throughout Virginia, Maryland and the District of Columbia. In fact, one of Ms. Evans' engineering managers had visited Virginia Tech that day for recruiting purposes. Staff would visit most of the universities throughout the metropolitan area.

Mr. Vegliante reported that staff would work with union employees as part of its collective bargaining process with respect to the Trades' Apprentices Program. He explained that the Authority wanted to recruit and develop highly-skilled internal and external candidates who have a high school diploma or equivalent. Mr. Vegliante stated that staff had contacted various Authority offices and had learned about certain areas where there had been difficulties in hiring individuals, as well as their forecasts about employees who would be retiring. He noted that the Trades' Apprentices Program would take three or four years to complete so that the Program should start right away. Another important aspect of the Program would be a written agreement with the apprentices. Upon completion of the Program, the apprentices would be placed in a journey-level position and become part of the Authority workforce. As with the Entry Level Program, staff would visit schools and inform people about the Program.

Several Directors thanked Mr. Vegliante and his team for the excellent work they had performed and complimented him for the detailed report.

Ms. Wells referred to the two talent pools to be used for succession planning and asked how staff would ensure that women and minorities would be included. Mr. Vegliante stated that diversity inclusion is presently a part of the Authority's semi-annual review and it is also discussed as part of the selection process.

Ms. Lang stated that Authority staff, along with Directors who represent the District of Columbia, meet with the Chairman of the Council of the District of Columbia annually. Among the topics discussed at the annual meeting is the number of District of Columbia residents who are employed by the Authority and contractors from the District of Columbia doing business with the Authority. Ms. Lang suggested that staff also conduct outreach efforts with the Director of the Department of Employment Services with respect to the new employment programs that the Authority would soon offer.

Ms. Merrick inquired about the cost to recruit individuals for employment. Mr. Vegliante responded that it cost the Authority approximately \$7,000 to recruit for each external position. He noted that the Authority's recruitment cost is slightly less when compared to the private sector and even lesser than what he had experienced historically.

Mr. Carter inquired whether the Authority would conduct outreach to veterans, to which Mr. Vegliante responded affirmatively.

Mr. Adams asked whether the 12-month program associated with the Internal Development Program would be an internal or external program. Mr. Vegliante responded that the program would be an internal one. Upon completion of the program, the Authority would certify the new supervisors. Mr. Vegliante noted that the Authority had considered using an external certification process but that the costs associated with the process would be relatively high. He stated that prior to expending additional costs he first wanted to confirm that the program would produce the results he expected. Mr. Potter noted that the Authority offered a Tuition Assistance Program that enables employees to potentially take a couple of courses annually.

Mr. McDermott inquired about the total number of employees at the Authority, to which Mr. Vegliante responded approximately 1,500. Mr. McDermott then asked whether staff had considered how the elements of technology may affect the Authority's future workforce in a manner whereby it may not be necessary to replace all employees once they terminated their employment. Mr. Vegliante stated that he believed that the Authority had done a good job over the years with staffing at the appropriate levels, and that many of the Authority's support functions required interaction with managers and employees. While the Authority had explored the possibility, it would not occur in the near future. Mr. Potter noted that there was not a lot of activity that could be done electronically at the Authority with its 1,500-person workforce spread out over two campuses.

Mr. Conner stated that he believed that the Programs that Mr. Vegliante had described were perfect and are what the Authority has needed for some time. He reported that the Authority, as an organization, had been embarking on an effort for some time to enhance everything it did. He referenced the recently published Economic Development Report and noted that the Authority is the second largest provider of economic development in the region and that it has to be the most effective organization possible to carry out the broader mission of stimulating economic development in the region.

Mr. Williams commended Mr. Conner for establishing the new Human Resources Committee. He also thanked Mr. Potter for recruiting Mr. Vegliante as the Vice President for Human Resources. Mr. Williams stated that he believed the Human Resources Committee could utilize the experience of Directors Griffin, Lang and Kennedy and encouraged all of the Directors to get engaged in the Authority's Workforce Planning and Development, which is vital to the Authority's survival.

Mr. Gates recalled the cost benefit implications of an internal development focus described earlier and asked whether other important corollary benefits would also exist. Mr. Vegliante responded affirmatively, noting that employees become more engaged. Mr. Potter stated that he believed that the internal development focus would also help with retention and loyalty to the organization. Ms. Merrick noted that 70 percent of people in the United States report that they are not as engaged in their work as they preferred. With her private sector experience, Ms. Merrick agreed that it is substantially less expensive to retain and develop internal employees than to recruit externally.

Ms. Merrick inquired about the assessment tools that would be used with the program; whether a formal mentoring process would be used; and if the Authority would train mentors. Mr. Vegliante stated that staff is considering five assessment tool options, all of which are reasonably priced. He reported that the Authority is in the process of developing a mentor program. Additionally, the Authority had initiated a new employee orientation process, which kicked off about two weeks ago, that will provide all new employees with a mentor.

Mr. Gates stated that he and other Directors had acknowledged the extraordinary progress that the Authority had made in recruiting executive talent, in particular. He noted that the components of the programs discussed during the meeting are what he believed a vital organization needed.

The Meeting was thereupon adjourned at 11:25 a.m.