

SUMMARY MINUTES
HUMAN RESOURCES COMMITTEE
MEETING OF JANUARY 18, 2017

Mr. Griffin chaired the January 18 Human Resources Committee Meeting, calling it to order at 9:27 a.m. A quorum was present during the Meeting: Mr. Pozen, Co-Chair, Mr. Adams, Ms. Hanley, Mr. Lazaro, Mr. Tejada, Mr. Uncapher, and Mr. McDermott (*ex officio*). Ms. Lang, Ms. Merrick, Mr. Mims, Mr. Speck, Mr. Sudow, Ms. Wells, and Mr. Williams were also present.

Recommendation to Confirm Nine Members of the Employee Relations Council. Tony Vegliante, Vice President for Human Resources and Administrative Services, reported that the Airports Authority's Labor Code established the Employee Relations Council (ERC), which consists of nine members named for two-year terms. He noted that the process is a mutual agreement between the Airports Authority's President and Chief Executive Officer and the leaders of the labor organizations. Mr. Vegliante explained that the ERC serves as independent arbiters for a number of labor issues, which arise between the Airports Authority and the labor organizations. The Labor Code provides that members of the ERC are eligible to be reappointed. Mr. Vegliante reported that the ERC is comprised of three panels -- Impasse Panel, which invokes mediation and gets involved when the Airports Authority fails to reach a collective bargaining agreement and offers dispute resolution services; Representation Matters Panel, which determines an appropriate union to represent a unit; and Unfair Labor Practices and Negotiability Disputes Panel, which works to resolve a disagreement on what is negotiable, as the deciding body, as well as with allegations of unfair labor practices by managing through the unions. Mr. Vegliante noted that the assignments for the panels would be comprised by rotating the members to get full use of their expertise in labor relations matters.

Ms. Hanley asked if the ERC members had already served the Airports Authority for a period of time. Mr. Vegliante stated that all of the ERC members have served at least one two-year term. He noted that his experience with labor negotiations is that it did not represent a growing industry; therefore, it is typical to see the same ERC members serve on the panels. Mr. Vegliante stated that ERC members are required to reside in the local area because of per diems, travel, and expenses. He further stated that the ERC members may participate in only four cases annually. Ms. Hanley noted that perhaps labor-related issues considered

by the ERC members represent an area that could possibly promote job opportunities for young people throughout the region.

Ms. Merrick asked if the ERC meetings are measured from year to year in terms of issues or whether the meetings are held on an as-needed basis. She also inquired whether the ERC members followed trends. Mr. Vegliante stated that some of the ERC panels have not met during his tenure at the Airports Authority. He reported that the Representation Matters Panel recently dealt with an issue. Mr. Vegliante advised that the ERC members rotate panel memberships to keep them interested. While there is not a substantial amount of activity, the ERC also considers trends and determines if there are issues between management and the union.

The Committee approved the recommendation. Mr. Griffin stated that he would offer a motion later at the day's Board Meeting.

Strategic Workforce Planning and Development Update. Mr. Vegliante provided an update on the progress of the Airports Authority's workforce strategy that has been in effect for the past three years. He reported that the first strategy begins with considering what types of programs are needed to compete and attract quality talent to join the Airports Authority's workforce. In the past couple of years, a trades' apprentice program was established. Mr. Vegliante stated that the Airports Authority also offers a professional development program for college graduates who possess basic skills and talents, known as management interns.

He reported that the second strategy focuses on the development of the Airports Authority's 1,600 existing employees by providing opportunities for them to advance into roles of greater responsibility and authority. Mr. Vegliante further reported that the third strategy involves the need to hire people with specific skills and experience, which is referred to as a mid-career hire. Mr. Vegliante explained that this strategy explores different ways to compete in the marketplace for qualified candidates in such a competitive environment.

Mr. Vegliante reported that the Airports Authority currently has 15 apprentices in the trades program -- 11 at Reagan National and four at Dulles International. The trades offered are electricians, heavy equipment mechanics, Heating, Ventilation, and Air Conditioning (HVAC), and plumbing.

Mr. Vegliante also reported that the Airports Authority has 11 entry-level interns supporting the offices of human resources, revenue, procurement, finance, airport management and budget. The interns represent Virginia, Maryland and the District of Columbia jurisdictions where the pool of candidates were obtained from surrounding universities and various job fairs. The first class will complete its cycle at the end of February and be placed into regular career jobs.

With regard to the new hire programs for Public Safety, Mr. Vegliante reported that every six months people are recruited for the Criminal Justice Academy for police officers. He stated that there is an entry-level program for firefighters, and the first class of seven candidates graduated in October 2016. Mr. Vegliante advised that three recruits will start in February 2017, at which time the Airports Authority will be at full complement. He reported that 19 new police officers, who graduated from the academy, are now Airports Authority employees.

Mr. Vegliante reported that a number of training approaches have been implemented in Public Safety. He reported that a leadership development program for the leaders in police, fire and communications was established. The Organizational Development office within the Human Resources Department oversees the leadership development program. Mr. Vegliante stated that the program is getting good reviews from the Public Safety staff. He reported that the Organizational Development staff also gave training to Public Safety to improve their skills as mentors and communicators in fulfilling their responsibilities in teaching trainees. Mr. Vegliante stated that another training approach was in customer service, which was implemented to ensure amicable communication when directing customers without being confrontational.

Mr. Vegliante reviewed the internal development program that focuses on the succession planning process that was implemented in 2014. He stated that the program and its process have been successful and well received by employees. The second round of organization-wide succession planning would begin by the end of the month. In an effort to develop internal leadership, individuals are provided with diagnostic tools to assess their strengths and to determine where improvement is needed. The training program consists of a total of six classes, both online and in person, as well as the development of a plan that focuses specifically on the individual. Once classes are completed, there are additional targeted courses to continue enhancing the leadership training for supervisory and managerial positions. Mr. Vegliante advised

that 37 participants completed classes in 2015. An additional 58 participants will have participated in the classes by the middle of this year. Mr. Vegliante advised that there were 18 internal promotions in 2014 before the internal development program began. In 2015 and 2016 the numbers for internal promotions increased significantly, which is indicative of the value of the succession planning process. Individuals had been promoted to vice presidents, office director, manager, supervisor, and 54 employees had been promoted to higher-level positions.

Mr. Vegliante reported that Information Technology (IT) positions are the most competitive and difficult positions to fill. He reported that the Airports Authority is developing an IT Professional Development Program to attract community college level students with an Associate of Arts degree in IT. The Airports Authority is currently focused on areas dealing with security and social media and candidates will be offered a part-time job while completing their Bachelors of Art degree in IT. Mr. Vegliante advised that students can use the Airports Authority's tuition assistance plan while receiving on-the-job training in security and social media. He stated that once the students have completed the program, they will be asked to commit to at least two years for the Airports Authority's investment in their development and education.

Mr. Vegliante explained that the IT Professional Development Program is well received by the community colleges since the staff's goal is to place students. He presented another program called capstone projects, where an organization partners with a university on a specific project because their graduates need experience credits. The Airports Authority benefits because the students and the professors at the university focus on a project. Mr. Vegliante stated that there have been discussions with a university specifically in the IT area to help the Airports Authority build mobile applications. The project will be two-fold since the students and a professor will work on the project at the school, while the graduate students would have internships at the Airports Authority and work on the project with its IT staff. He stated that they will be developing passenger-centric information and exploring ways to integrate way-finding services in the terminals for better customer service. Mr. Vegliante advised that the second project, for which he provided examples, will focus on creating an automatic response to a customer's text.

Mr. Vegliante reiterated how critical the apprentice program is and the challenges the Airports Authority faced to secure more candidates at Dulles International. He noted that more community outreach and interaction are key components in an effort to research different ways to engage potential candidates.

Ms. Hanley asked where the Airports Authority's fire fighters are trained. Mr. Vegliante stated that they are trained at a facility in Prince Georges County, Maryland. Ms. Hanley then asked if employees were promoted to fill vacant positions. Mr. Vegliante stated that promoted employees either filled vacant positions or backfilled a position for another employee who was promoted.

Ms. Lang inquired as to whether students will have an opportunity to work together within the departments in which they will be assigned in an effort to produce a more effective outcome. She also inquired how change management and behavioral change are addressed in the leadership development program. Mr. Vegliante stated that the Airports Authority has a lot of individuals in intern roles and there is an advantage in collaborating across functions, such as allowing individuals to expand their networks and understand what others do throughout the organization. He further explained that the Airports Authority is in the process of creating a change management program to accompany the Workday implementation that is taught in all the classes. He advised that existing Airports Authority staff has experience in this area, as well as change management, and in the creation of courses for training of interns, supervisors, and leadership. Mr. Vegliante stated that numerous changes will be implemented throughout the Airports Authority over the next few years.

Ms. Wells asked whether the Airports Authority would send students to executive programs at top business schools for the top-level promotions. Mr. Vegliante stated that there had been plans to send one individual to a business school, but that the individual had left the Airports Authority to take advantage of another great opportunity. He further stated that he would meet with senior staff to discuss the possibility of taking two candidates out of the workplace for three to four months. There will also be discussions during the January succession planning update with potential candidates about pursuing their master's degrees.

Mr. Adams commended Mr. Vegliante on his efforts in planning such a robust program. He asked whether formal arrangements are made with

community colleges. Mr. Vegliante stated that a formal agreement is executed with the college and the students when they are hired. Mr. Adams requested that staff provide periodic updates with regard to efforts underway to establish agreements with community colleges for participation in the Airports Authority's trades' apprentice programs, to which Mr. Vegliante agreed to provide. He noted that while the current focus is on information technology, the program can be expanded.

Mr. Lazaro asked about the difficulty in identifying apprentices for employment at Dulles International. Mr. Vegliante reported that although outreach had been conducted in West Virginia and throughout Fairfax County, potential candidates still preferred employment at Reagan National. He stated that many of the schools are more interested in the trades program. Mr. Lazaro suggested the Airports Authority conduct outreach in Loudoun County and on the Northern Virginia Community College (NOVA) - Woodbridge Campus, where they have a great HVAC certification program. Mr. Vegliante advised that Airports Authority staff had visited Loudoun County a number of times, and staff is currently working with NOVA.

Mr. Sudow also commended Mr. Vegliante for developing the programs. In terms of cost issues, competence, and the dedication of the staff to the Airports Authority's mission, he expressed the criticality of the programs. He noted that many people believe that succession plans pertain only to top leadership and that the plans that Mr. Vegliante had reviewed are critical. Mr. Sudow inquired about the Airports Authority's turnover rate and how it compared to industry metrics. Mr. Vegliante stated that the Airports Authority's turnover rate is approximately 8 percent which is about average for the geographic area. He further stated that he believed that the Airports Authority could do some things differently as an employer, which could potentially improve the turnover rate.

Mr. Sudow reiterated Mr. Lazaro's comments regarding NOVA's campus in Loudoun County, and he encouraged Mr. Vegliante to consider potential opportunities. Mr. Vegliante stated that he had spoken to NOVA's dean, and he had worked with the college's leadership, all of whom had been supportive and helpful. Mr. Sudow advised that George Mason University is engaged in the same type of IT programs as the Airports Authority. With regard to the various IT projects and apps, Mr. Sudow encouraged staff to consider non-airline revenue opportunities and to monetize some of the developments. He noted that the projects have applicability beyond the airport industry to almost any other public

facility that requires similar services. Mr. Vegliante stated that Goutam Kundu, Chief Information Officer, guides the IT portion and that Jerome L. Davis, Executive Vice President and Chief Revenue Officer, guides the revenue portion of this collaborative project. He advised that this undertaking is supported by the entire Airports Authority in order to execute successful programs.

Mr. Williams joined his colleagues in commending Mr. Vegliante for an excellent presentation. As a former Co-Chair of the Human Resources Committee, Mr. Williams stated that he was familiar with the amount of work that had been involved. He applauded Jack Potter, President and Chief Executive Officer, for bringing such an experienced individual as Mr. Vegliante to the Airports Authority.

With regard to recruitment and promotions, Mr. Williams inquired as to how the Airports Authority will ensure that a diverse pool of candidates exists. Mr. Vegliante explained that there are a number of opportunities to advertise and to recruit from a very diverse group. He stated that a lot of organizations represent diverse groups, and the Employee Relations Manager represents the Airports Authority at these community group meetings or ensures that vacancy announcements are posted using an available communication process. Mr. Vegliante further stated that the communications provide an opportunity to engage a diverse audience for those groups that want their membership to know about job vacancies. Since most recruiting presently occurs online, it is important to have a presence on all of the appropriate social media sites either through the Airports Authority's contacts or by working with organizations. Mr. Vegliante stated that the Airports Authority has a diverse population, and diversity is part of the training and development process. The challenge to the organization is to ensure that each candidate has an opportunity to be the best qualified person so the emphasis is to focus on the development opportunities, training, and assignments.

Mr. Williams requested statistical information on the diversity (by region, sex, and race) for the internal promotions that occurred from 2014 to 2016. Mr. Vegliante acknowledged the request and stated that he would provide the information at a later date. Mr. Williams stated that he is encouraged and impressed by Mr. Potter's commitment to a diverse workforce and the subject area of diversity within the Airports Authority.

Ms. Merrick recalled that the turnover rate is approximately 8 percent and noted that 79 internal promotions occurred within the past year,

which indicates that more than 5 percent of the Airports Authority's workforce advanced, which she believed is a really good metric. She asked if there is a benchmark, understanding that every organization is unique in terms of opportunities and availability and what is needed to fulfill the jobs and serve customers well. As had been communicated for the past couple of years, Mr. Potter stated that the organization is getting older, noting that the Airports Authority has existed for almost 30 years. He advised that the Airports Authority's retirement system allows employees to retire after 30 years of service [and the required age] with a full pension, which had resulted in a great deal of turnover in the last couple of years. He explained that the Airports Authority's turnover rate is reflective that as senior staff retires, internal staff is ready to be promoted. Mr. Potter advised that the Airports Authority's challenge is that retirees are at all levels in the organization so a strategy had to be developed at the apprentice, trades, supervisory, director, and vice president levels to ensure that the best individuals are hired. He stated that succession planning is owned by staff at every level within the organization. The fair hiring process the Airports Authority has in place is reflective of the community that it serves.

The meeting was thereupon adjourned at 10:12 a.m.