

Maillis, Patricia L. - Director, Employee Services

From: Maillis, Patricia L. - Director, Employee Services
Sent: Monday, November 26, 2018 6:53 PM
To: kim.evatt@willistowerswatson.com; andrea.deeb@willistowerswatson.com
Subject: JEA Compensation Analysis

Hi Kim/Andrea,

Hope you are doing well and your first holiday of the season went well. I personally am exhausted due to the swarm of locus (nickname for my family) that descended upon my house and ate all of my food (in 48 hours)!

Hoping you may be able to give me a quick sanity check on some analysis and recommendations that Angie and I are providing the new CEO related to LTI.

To give you some quick background. I am proposing that consideration be given to modifying the STI TIO to align with market. This will result in a 50 – 150% more target opportunity for some (e.g., SLT from 12% to 35%). Most line employees would realize a 50% increase as a percentage of base, e.g., today 1.5% of base, future proposed is 3%).

All that said, I am hoping that this proposed change will put STI and TC closer to market.

However, there is an additional ask. The CEO is seeking to put LTI in place. Looking at some public / government survey info, it appears this form of comp is only used at about 25% of public sector companies. I am planning to dust off and use the percentages provided for the SLT analysis in 2017 (percentages of compensation were provided, so I am thinking it has not changed much for execs).

I've done some analysis using some of the same resources we provided WTW back in 2017 (2018 data) on LTI and came up with some aggregate LTI percentages as follows:

Directors:	20-22% of base (direct reports to c-Suite)
Managers:	5-9% (this is middle management and I am adjust Target STI to reflect 50 th %tile of market, no LTI)
Supervisors:	Adjust Target STI to reflect 50 th %tile of market, no LTI
Professionals:	There are some outliers that receive LTI, but since this is unionized, we would be consistent, so adjust Target STI to reflect 50 th %tile of market, no LTI
Line Employees:	Adjust Target STI to reflect 50 th %tile of market, no LTI

Because the turn time on this is pretty quick, just doing a check to see if this passes your sniff test. We have not begun design, but need to start somewhere for budgeting purposes.

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