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**Sent:** Friday, December 28, 2018 10:40 AM  
**To:** Zahn, Aaron F. - Interim Managing Director/CEO  
**Cc:** Stewart, Kerri - VP & Chief Customer Officer  
**Subject:** Presentation For your Review  
**Attachments:** Compensation presentation -v3dmg.pptx

Aaron,

You will want to click through this in presentation mode, as some of the slides will appear blank otherwise. Looking forward to your feedback.

Thanks much!

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# Total Market Compensation Strategy

January 2018





# **GUIDING PRINCIPLES**

ACCELERATING UTILITY INNOVATION



# GUIDING PRINCIPLES

ACCELERATING UTILITY INNOVATION

## Vision

*Why we exist and who we want to be in the future*

**Improve lives by accelerating innovation**

## Mission

*How we are going to pursue our vision and what we need to do today to get there*

**Provide the best service by becoming the center  
of our customers' energy and water experience**

## Corporate Measures

*Our mission will be guided by and evaluated against how we as employees drive these four basic  
Corporate Measures of JEA's value*

**The fundamental goal is to maximize each value both now and in the future:**



## **GUIDING PRINCIPLES**

ACCELERATING UTILITY INNOVATION

### **Core Competencies**

*The things we need to be exceptionally and uniquely good at in order to yield better and better results of our Corporate Measures which drive our Mission to demonstrate our Vision*



**Work together to elevate the entire team**





## ELEVATE THE ENTIRE TEAM

1. Ensure compensation is in alignment with JEA's four corporate measures of value
2. Encourage a long-term culture of value creation through revenue growth and operational efficiency
3. Establish a formal compensation policy to align to corporate measures and market compensation

JEA's total compensation is competitive versus other public entities but lags behind investor owned utilities and local industry

This differential is most pronounced in the professional jobs where there is major discrepancy

## COMPENSATION MARKET COMPARISON

*Dollars below are in millions*

	IOU	PUBLIC	LOCAL
SLT	\$8.6	\$2.9	\$12.9
APPOINTED	\$51.0	\$43.0	\$43.9
UNION			
IBEW	\$28.3	\$27.0	N/A
LIUNA	N/A	\$16.2	N/A
PEA	\$28.5	N/A	\$26.4
AFSCME	\$9.0	\$8.1	\$8.0
JSA	\$6.9	\$6.1	N/A
TOTAL	\$151.9	\$129.1	\$147.1
JEA CURRENT TOTAL	<b>\$137.5</b>	<b>\$137.5</b>	<b>\$137.5</b>
DELTA ▲	<b>(\$14.4)</b>	<b>\$8.4</b>	<b>(\$9.4)</b>

Above numbers exclude healthcare and retirement


  
**WHERE DOES JEA  
STAND TODAY?**

# HOW DO WE DEFINE TOTAL COMPENSATION?

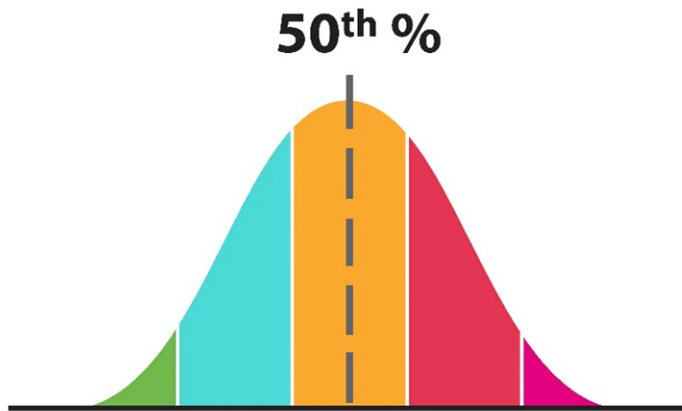
	BASE	+	SHORT TERM INCENTIVE	+	LONG TERM INCENTIVE
JEA	\$132.8		\$4.7		\$0.0
50% of Market	\$124.9		\$9.2		\$6.0
DELTA ▲	\$7.9		(\$4.5)		(\$6.0)

Above numbers exclude healthcare and retirement

Dollars above are in millions

JEA's total compensation is in line with the average of IOU, Public and local industry however the structure does not reward value creation





## Excerpt from JEA Board Policy Manual

(Revision adopted by JEA Board on June 17, 2014)

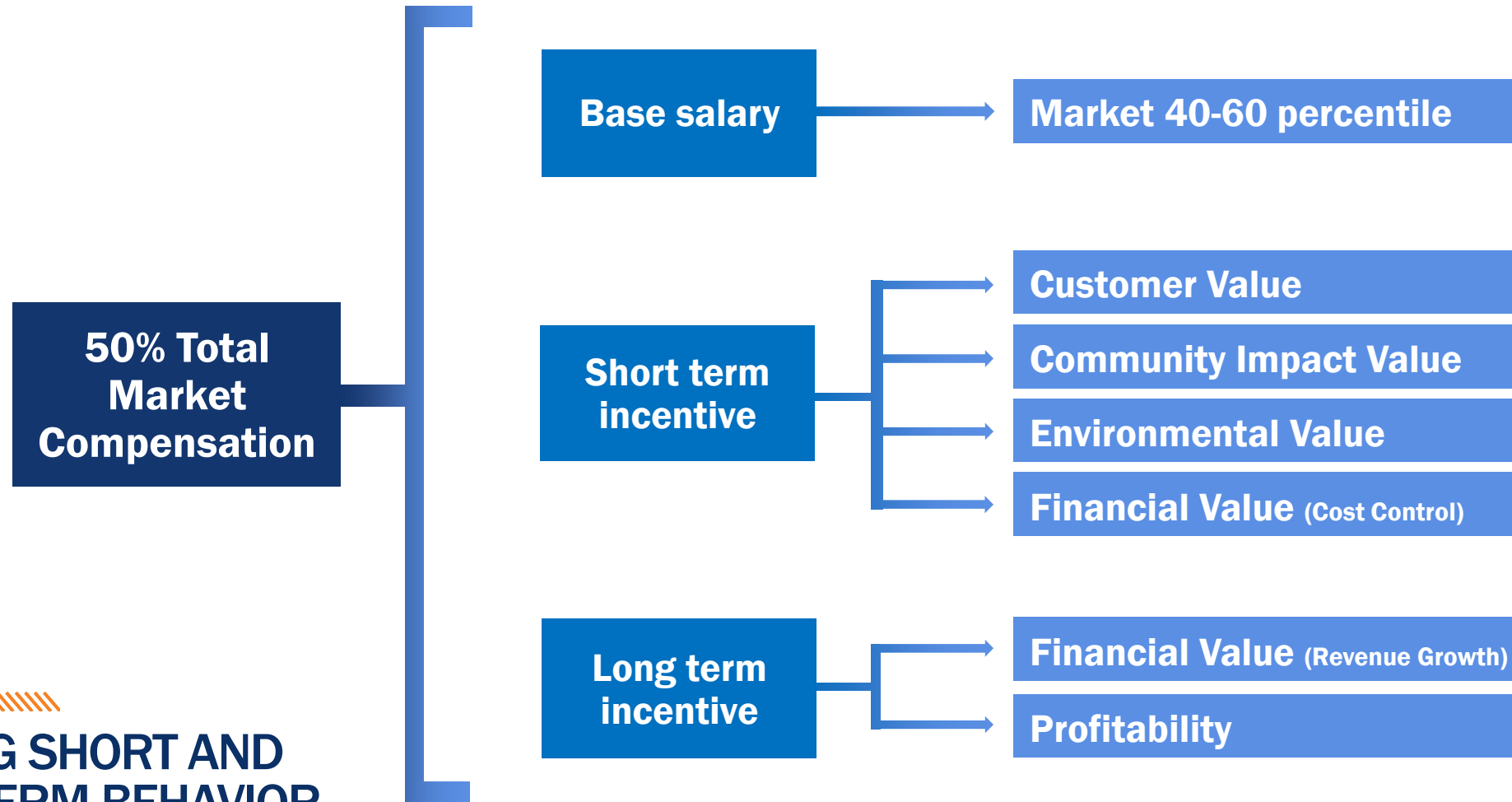
“...providing a total rewards package that encompasses salary/wages, retirement benefits, incentives and health and welfare benefits.

Salary/wages will meet the market (50% percentile), which is where the majority of companies in the geographical area reside. The 50th percentile pays competitively for behavior that meets expectations.

Additional consideration will be given to behaviors that exceeds expectations which are typically rewarded at the 75th percentile.

Internal equity will be achieved by evaluating differences in skill, effort, responsibility and working conditions among jobs.”

# Establish a Formal Compensation Policy to Align with Corporate Measures and Market Compensation



DRIVING SHORT AND  
LONG-TERM BEHAVIOR



## 5 TO 5 INNOVATION INCENTIVE PROGRAM



## INTRODUCING THE 5 to 5 Innovation Incentive Program

- The purpose of the **5 to 5 Innovation Incentive Program** is to encourage and reward employees for developing and submitting innovative ideas that benefit JEA.
- Employees who submit an idea that is implemented will be eligible for incentives ranging between **\$500 to \$5,000** depending on the scope, cost savings, and/or revenue generation associated with the submitted idea and corresponding results.
- Ideas will align with JEA's corporate measures:
  - *Customer Value*
  - *Financial Value*
  - *Environmental Value*
  - *Community Impact Value*



## Leaders Own the Job of Creating the Company Culture, as well as the Strategy



**LEADING BY EXAMPLE**