
From: Zahn, Aaron F. - Interim Managing Director/CEO <zahnaf@jea.com>
Sent: Monday, December 31, 2018 4:21 PM
To: Dykes, Melissa H. - President/COO
Subject: FW: Print version of presentation
Attachments: Compensation presentation -v5PRINT VERSIONdmg.pdf

MD –

See attached. I've been working on this with David over the week. There is a 5 to 5 slide at the end. If you give me comments I'll incorporate with my own.

A

From: Goldberg, David M. - Director Customer & Community Engagement <golddm@jea.com>
Sent: Monday, December 31, 2018 10:16 AM
To: Zahn, Aaron F. - Interim Managing Director/CEO <zahnaf@jea.com>
Subject: Print version of presentation

Aaron,

I know you are making tweaks to the presentation but I wanted to provide you a print version in case you need it in the meantime.

I hope you have a happy and safe new year's eve tonight. Looking forward to a great year ahead!

David Goldberg
Director, Customer and Community Engagement
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Mobile: (904) 657-8048





Total Market Compensation Strategy

January 2018





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:

1) Customer value

What a customer expects to get in exchange for the price they pay

2) Financial value

The monetary value and risk profile, both today and tomorrow, of JEA as it relates to the City

3) Community impact value

Improving the quality of life through innovative and cost-effective service offerings, employee volunteerism and ambassadorship, relevant and timely communications, and support of economic development and job growth throughout JEA's service territory; foster a collaborative and respectful corporate culture that provides exceptional employee value to equip the JEA team to deliver outstanding service and value to its community

4) Environmental value

Ensuring a sustainable environment for future generations

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

- Deliver an unparalleled positive customer experience
- Work together to elevate the entire team
- Innovate and evolve to match our customer's needs with market trends



GUIDING PRINCIPLES

ACCELERATING UTILITY INNOVATION

Corporate Measures

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- 1) Customer Value**
- 2) Financial Value**
- 3) Environmental Value**
- 4) Community Impact Value**



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

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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	\$137.5	\$137.5	\$137.5
DELTA ▲	(\$14.4)	\$8.4	(\$9.4)

Above numbers exclude healthcare and retirement



**WHERE DOES JEA
STAND TODAY?**

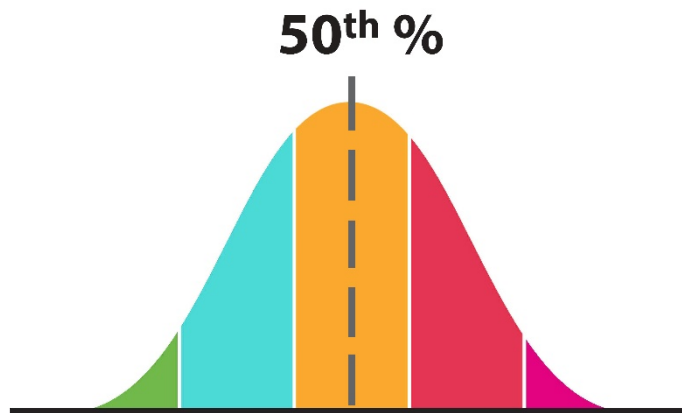
HOW DO WE DEFINE TOTAL COMPENSATION?

	BASE	+	SHORT TERM INCENTIVE	+	LONG TERM INCENTIVE
JEA	\$132.8		\$4.7		\$0.0
50 th Percentile	\$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)

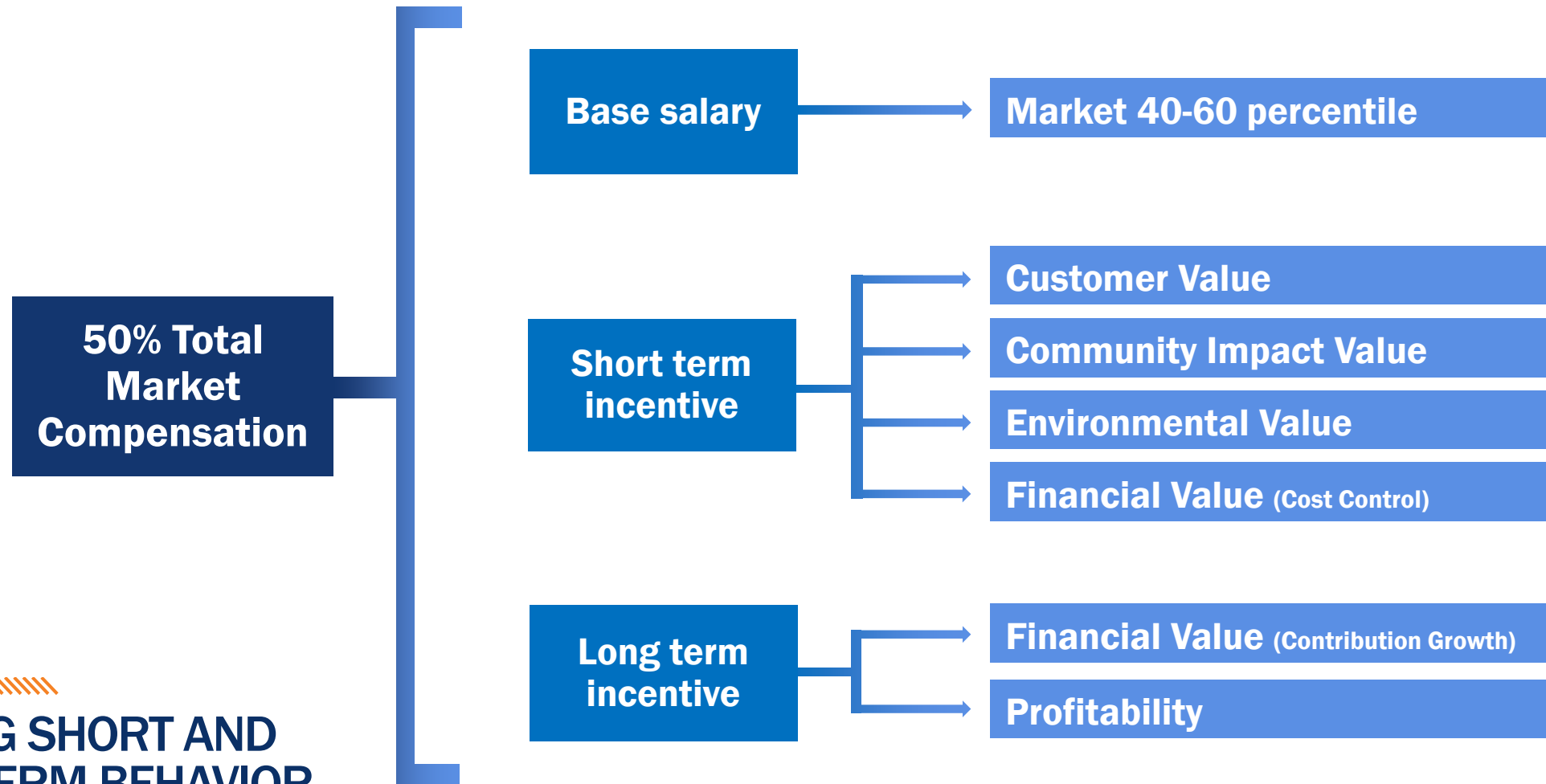
“...providing a total rewards package that encompasses salary/wages, retirement benefits, incentives and health and welfare benefits.

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



ACCELERATING AN INNOVATIVE CULTURE

- The purpose of the **5 to 5 Innovation Incentive Program** is to encourage and reward employees for developing and submitting innovative *ideas* (*Ideas* being one of JEA's core values) that benefit JEA and our community.
- 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

