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Sent: Thursday, November 14, 2019 2:34 PM
To: 'Melissa Stone'; Stewart, Kerri - VP & Chief Customer Officer
Cc: Michael Munz; Maddie Milne
Subject: Kerri and Melissa: PUP messages

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Kerri and Melissa –

I translated Aaron's initial PUP letter to OGC into the attached one-page backgrounder and key messages. Michael asked that I send, please see attached.

Thanks!
Banks

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JEA Long-Term Performance Unit Plan postponement, background and key messages

DRAFT: November 14, 2019

Key players

- JEA board of directors
- JEA board chairman
- JEA senior leadership team
- Willis Towers Watson: third-party compensation consultant that recommended the Plan's framework.
- Chairman of JEA board's Compensation Committee: Plan Administrator and implementor, as directed by the board.
- Office of General Council (OGC): ensured all employment, corporate, ethics, tax and other related matters associated with the Plan were in accordance with applicable statutes and regulations.

Background

- On July 23, 2019 JEA's board of directors approved Resolution 2019-10, JEA Long-Term Performance Unit Plan. The board developed the incentive program in line with market standards as part of its total compensation policy.
- The purpose of the Plan was to establish a formal long-term employee incentive program that aligned behavior with JEA's four corporate measures of value (customer, community impact, financial and environmental).

Key messages

- On November 14, 2019 Aaron Zahn, CEO and managing director of JEA, informed Jason Gabriel, City of Jacksonville General Council, via letter that JEA will postpone indefinitely the implementation of its Long-Term Performance Unit Plan.
- The long-term nature of the Plan doesn't align with the potential short-term implications of JEA's current scenario-based strategic planning process.
- JEA's board chairman, Plan Administrator and senior leadership team believe the Plan would be best implemented, if ever, after the scenario-based strategic planning process is over and the strategic direction of JEA is determined by the board.
- JEA's senior leadership team and the Plan Administrator, welcome OGC input and advice on how to appropriately administer the Plan absent a full implementation with its employees.

Potential Plan next steps, in the context of JEA's scenario-based strategic planning process

- Scenarios
 - Scenario #1: Status Quo Plan;
 - Scenario #2: Traditional Utility Response Plan;
 - Scenario #3: Community Ownership Plan;
 - Scenario #4: Initial Public Offering (IPO) Plan; or,
 - Scenario #5: Strategic Alternative from ITN 127-19.
- Scenarios, the Plan and its potential implementation
 - Scenarios 3, 4 or 5: the Plan would not make sense as a long-term employee incentive.
 - Scenario 1 or 2: the Plan could play a more appropriate role in driving employee behavior in alignment with JEA's four corporate measures of value (customer, community impact, financial and environmental).