



Review of JEA Pay for Performance Program for FY23

October 20, 2023

Details of Program

Audit Services has completed its review of the JEA Pay for Performance Program for FY23 (“FY23 Program”). The purpose of this review was to determine if achieved levels of performance were calculated in accordance with the FY23 Program.

The FY23 Program was designed to “drive and reward exceptional performance as measured against pre-established goals and is a key component of the JEA Total Rewards package”. The FY23 Program focuses on the company’s strategic initiatives: Employee Safety, Customer Satisfaction (Residential and Commercial), and O&M Expense Management/Cost Control.

The FY23 Program guidelines are described in the Organizational Policy – *HUMR-Pay for Performance Program*. Payout will be based on percentage of award earned for each factor and will be paid individually by percentage of salary, not to exceed 5% of salary or \$20,000. Under the FY23 Program, all JEA employees who meet eligibility requirements will receive the same performance pay percentage. Payout is contingent on various factors as described in the policy, including approval by the Board of Directors.

The FY23 performance factors are (reported results are **highlighted**):

(1) **Safety** – Measured by OSHA Lost Time Incident Rate (LTIR):

	Does Not Meet	Meets	Exceeds
Goal	LTIR \geq .35	LTIR < .34 – .28	LTIR < .28
Achievement Value	0.00%	1.00%	1.25%
Reported Results			.27

(2) **Customer Satisfaction** (Residential and Commercial):

(Residential)	Does Not Meet	Meets	Exceeds
Goal	< 2 nd Quartile	2 nd Quartile	1 st Quartile
Achievement Value	0.00%	1.00%	1.25%
Reported Results	3 rd Quartile		

(Commercial)	Does Not Meet	Meets	Exceeds
Goal	< 2 nd Quartile	2 nd Quartile	1 st Quartile
Achievement Value	0.00%	1.00%	1.25%
Reported Results		2 nd Quartile	

(3) **Cost Control - O&M Spend:**

Total O&M Spend	Does Not Meet	Meets	Does Not Meet
Goal	< \$480,947M	\$480,947 - \$506,260M	> \$506,260M
Achievement Value	0.00%	1.25%	0.00%
Reported Results			\$513,783M

Testing

Per the reported results, the payout percentage is 2.25%. Our testing included validation of the reported results for the aforementioned components, in comparison with the stated eligibility requirements. We also reviewed the calculated payout amount per employee, based on eligibility status and salary. The estimated payout calculated by Human Resources for the FY23 Program is \$4,432,082.

Conclusion

We concluded that the calculations for measuring achieved levels of performance were accurate and in accordance with the eligibility requirements of the approved FY23 Program as of the date of this memorandum.



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