**Overall Comment**

The Guaranteed Employee Benefits noted below that would occur upon a Recapitalization Event will reduce any net proceeds to the City from a sale of JEA.

**2019-726 (JEA Supervisor’s Association – JSA)**

**Significant Agreement Changes:**

1. Estimated increased cost of 3-year contract - $3.5 million
2. General annual wage increases of 3.5% for Fiscal Years 19/20, 20/21, and 21/22
3. Increase in standby pay from flat dollar amount to 1.5 times hourly rate of employee
4. Increase of $25 in safety shoe voucher
5. Paid parental leave program allowing up to 6 weeks of paid leave effective 1/1/20

**Guaranteed Employee Benefits upon a Recapitalization Event**

1. Retention Payment (cash payment of employee’s annual base salary paid out over a two-year period) – estimated cost $18.5 million
2. Employee Protection (substantially comparable employee compensation and benefits for a three-year period) - estimated cost of $61 million, not including benefits
3. Provides for protection of employee pensions in accordance with 2019-566-E

**2019-727 (American Federation of State, County, and Municipal Employees – AFSCME)**

**Significant Agreement Changes:**

1. Estimated increased cost of 3-year contract - $1.8 million
2. General annual wage increases of 3.5% for Fiscal Years 19/20, 20/21, and 21/22
3. One-time 1.5% lump sum ratification incentive
4. Paid parental leave program allowing up to 6 weeks of paid leave effective 1/1/20

**Guaranteed Employee Benefits upon a Recapitalization Event**

1. Retention Payment (cash payment of employee’s annual base salary paid out over a two-year period) – estimated cost of $10.8 million
2. Employee Protection (substantially comparable employee compensation and benefits for a three-year period) - estimated cost of $36 million, not including benefits
3. Provides for protection of employee pensions in accordance with 2019-566-E

**2019-728 (Professional Employees Association – PEA)**

**Significant Agreement Changes:**

1. Estimated increased cost of 3-year contract - $5.9 million
2. General annual wage increases of 2% for Fiscal Years 19/20, 20/21, and 21/22
3. Performance Pay increases ranging from 0% to 4% each fiscal year
4. One-time 1.5% lump sum ratification incentive
5. Increases in pay range minimums (2%) and maximums (3.5%) each fiscal year
6. Paid parental leave program allowing up to 6 weeks of paid leave effective 1/1/20

**Guaranteed Employee Benefits upon a Recapitalization Event**

1. Retention Payment (cash payment of employee’s annual base salary paid out over a two-year period) – estimated cost of $25.9 million
2. Employee Protection (substantially comparable employee compensation and benefits for a three-year period) - estimated cost of $90 million, not including benefits
3. Provides for protection of employee pensions in accordance with 2019-566-E

**2019-729 (Laborers’ International Union of North America – LIUNA)**

**Significant Agreement Changes:**

1. Estimated increased cost of 3-year contract - $4.1 million
2. General annual wage increases of 3.5% for Fiscal Years 19/20, 20/21, and 21/22
3. Increase in standby pay from flat dollar amount to 1.5 times hourly rate of employee
4. Increase of $25 in safety shoe voucher
5. Paid parental leave program allowing up to 6 weeks of paid leave effective 1/1/20

**Guaranteed Employee Benefits upon a Recapitalization Event**

1. Retention Payment (cash payment of employee’s annual base salary paid out over a two-year period) – estimated cost of $24 million
2. Employee Protection (substantially comparable employee compensation and benefits for a three-year period) - estimated cost of $80 million, not including benefits
3. Provides for protection of employee pensions in accordance with 2019-566-E

**2019-730 (International Brotherhood of Electrical Workers – IBEW)**

**Significant Agreement Changes:**

1. Estimated increased cost of 3-year contract - $7.7 million
2. General annual wage increases of 3.5% for Fiscal Years 19/20, 20/21, and 21/22
3. Increase in standby pay from flat dollar amount to 1.5 times hourly rate of employee
4. Paid parental leave program allowing up to 6 weeks of paid leave effective 1/1/20

**Guaranteed Employee Benefits upon a Recapitalization Event**

1. Retention Payment (cash payment of employee’s annual base salary paid out over a two-year period) – estimated cost of $43.7 million
2. Employee Protection (substantially comparable employee compensation and benefits for a three-year period) - estimated cost of $145 million, not including benefits
3. Provides for protection of employee pensions in accordance with 2019-566-E

**Financial Summary of Collective Bargaining Agreements**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Costs borne by JEA** | |  | **Potential Costs of a Recapitalization Event (1) (3)** | | |
| **Union** | **Estimated Cost of Contract Changes over 3 years** | **Estimated Cost of Retention Payments** | **Estimated Cost of Employee Protection Benefit Over 3 Years (2)** | **Estimated Total Costs of a Recapitalization Event** |
| JSA | $3.5 million | $18.5 million | $61 million | $79.5 million |
| AFSCME | $1.8 million | $10.8 million | $36 million | $46.8 million |
| PEA | $5.9 million | $25.9 million | $90 million | $115.9 million |
| LIUNA | $4.1 million | $24.0 million | $80 million | $104.0 million |
| IBEW | $7.7 million | $43.7 million | $145 million | $188.7 million |
|  | | | | | |
| **Totals** | **$23 million** |  | **$122.9 million** | **$412 million** | **$534.9 million** |

**Chart Notes:**

Note 1: These totals do not include costs of retention payments and potential protection benefits provided to non-union employees.

Note 2: The contracts include employee protections that would obligate a buyer to an estimated $412 million in employee compensation over a 3-year period. While this is an obligation of a buyer, it is unknown if, or how much, this would impact a sales price and net proceeds to the City.

Note 3: This chart does not include the estimated cost of $132 million to provide protection of JEA employee pensions addressed in 2019-566-E.