

JEA
BOARD MINUTES
November 27, 2018

The JEA Board met in regular session on Tuesday, November 27, 2018, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Alan Howard, Husein Cumber, Frederick Newbill, Kelly Flanagan, April Green, Camille Johnson and John Campion.

Agenda Item I – Welcome

- A.** The meeting was **called to order** at 12:02 PM by Chair Howard.
- B.** A **Moment of Reflection** was observed by all.
- C.** The **Pledge of Allegiance** was led by Chair Howard.
- D.** **Adoption of Agenda** – The agenda was approved on **motion** by Secretary Newbill and second by Ms. Johnson.
- E.** The **Safety Briefing** was given by Aaron Zahn, Interim Managing Director/Chief Executive Officer.
- F.** **Sunshine Law/Public Records Statement** – Jody Brooks, Office of General Counsel (OGC), stated this Board Meeting is being held in compliance with Florida’s Government in the Sunshine Law, §286.011. The complete statement can be found in section I. F. of the Board package.

Agenda Item II – Presentations and Comments

- A. Comments from the Public**
 - 1. Mr. David Bruderly addressed the Board regarding the CEO search.
 - 2. Mr. Dane Grey addressed the Board regarding the CEO search.
- B. Council Liaison’s Comments** – The Honorable Matt Schellenberg thanked the Board Members and applicants. Council Member Schellenberg stated he hopes the Board selects the candidate that will be beneficial to JEA, City of Jacksonville, St. Johns County and Nassau County.

Agenda Item III – Operations (Discussion / Action)

- A. Consent Agenda** – used for items that require no explanation, discussion or presentation and are approved by one motion and vote. On **motion** by Vice Chair Cumber and second by Mr. Campion, Appendix A, C and D were unanimously approved and Appendix B, E through G were received for information.

Appendix A: Board Meeting Minutes October 16, 2018 – approved

Appendix B: Fiscal Year 2018 Pay For Performance Program – received for information

Appendix C: Fiscal Year 2018 Operating Budget Line Item Transfers – approved

Appendix D: St. Johns Power Park Regulatory Accounting – approved

Appendix E: Monthly Financial and Operations Dashboard – received for information

Appendix F: Monthly Financial Statements – received for information

Appendix G: Monthly FY18 Communications & Engagement Calendar and Plan Update – received for information

Agenda Item IV – Strategy (Discussion Only)

A. N/A

Agenda Item V – Subject Matter Exploration (Opportunities & Risks – Presentation)

A. N/A

Agenda Item VI – CEO Search and Selection

A. Search Committee Report on Actions to Date

1. **Approval of Minutes** – July 16, 2018 – On **motion** by Secretary Newbill and second by Ms. Green, the minutes were approved.

B. CEO Interviews – Chair Howard provided the process for today’s interviews. Chair Howard stated prior to today’s meeting, Ms. Brooks met with the three candidates and drew lots to determine the order in which they would present. Chair Howard stated the order would consist of Cris Eugster, Pamela Hill and Aaron Zahn. Each candidate will have 30 minutes with the Board, which will include 5 minutes of presentation time by the candidate and 25 minutes of question and answer time. Chair Howard added after each presentation, Board Members will have the opportunity to partake in a preliminary scoring of each candidate using a scoring guide, which has been provided to each Board Member. A copy of the scoring guide is located in the original Board Meeting package. After all candidates have presented, they will be excused to a secure location during Board discussion. Following the Board’s discussion period, Board Members will conduct a final scoring of the three candidates. Upon completion of the final scoring, score sheets will be passed to Ms. Brooks and Ms. Fuhrman, who will tabulate the scores. Once all scores have been tabulated, Ms. Brooks will read each Board Member’s individual scores and final combined scores for each candidate. Upon the conclusion of the reading of the scores, the Chair will entertain a motion to ratify the scores and approve the candidate with the highest combined score as the JEA Managing Director/CEO. Upon the passing of that motion, the candidate will work with the Office of General Counsel and the Board with negotiations of an employment contract. Chair Howard provided a review and clarifying remarks regarding recent news stories related to the CEO Search process.

1. Cris Eugster – Mr. Eugster provided a brief introduction of his qualifications and highlighted five things he would accomplish if selected as the CEO, including: operational excellence, transformation of the customer experience, moving beyond fossil fuels on the generation mix, electrification and bringing the community along in each item. Following his presentation, Mr. Eugster had the opportunity to answer questions from Members about his presentation and vision.

Chair Howard stated Mr. Eugster was provided with 44 minutes for his introduction and question and answer period and noted Ms. Hill and Mr. Zahn will be provided 44 minutes as well. Following the question and answer period, the Board dismissed Mr. Eugster and Members completed the individual preliminary scoring for Mr. Eugster.

2. Pamela Hill – Ms. Hill provided a brief introduction of her qualifications and experience, highlighting within her first 90 days if selected, she would spend time

understanding what services JEA provides to its customers and what is needed, understanding the needs of the employees including their development, gaps and union. By the sixth month, ensuring JEA is strong within the community, as well as the business community. Ms. Hill plans to work with the small and emerging business community, as well as Council Members on critical issues. Ms. Hill added at the one year mark, she would work to ensure JEA was at the business line implementation. Following her presentation, Ms. Hill was provided the opportunity to answer questions from Members about her presentation and vision.

Following the question and answer period, the Board dismissed Ms. Hill and Board Members completed the individual preliminary scoring for Ms. Hill.

3. Aaron Zahn – Mr. Zahn thanked Board Members for the opportunity to work with them over the last seven months as the Interim Managing Director/CEO. Mr. Zahn provided a brief introduction of his qualifications and experience highlighting the work completed over the last seven months. If selected as the permanent Managing Director/CEO, over the next year, Mr. Zahn stated he would: 1) focus on JEA's culture 2) continue to drive alignment on a pervasive commitment to value and profitability 3) create a technology and communication architecture that will support customer choice 4) continue to be committed to derisking for the benefit of the customer and community 5) begin building a 10-year strategic plan. Following his presentation, Mr. Zahn had the opportunity to answer questions from Members about his presentation and vision.

Following the question and answer period, the Board dismissed Mr. Zahn and Members completed the individual preliminary scoring for Mr. Zahn.

Chair Howard called upon Kay Fuhrman, Heidrick & Struggles (H&S) to provide a report on the reputation and education references for each candidate. Ms. Fuhrman stated the Board requested a reputational referencing on the finalists. Ms. Fuhrman stated H&S reached out to a significant number of candidates as they relate to a 360 degree view of the candidate's interactions. The feedback was focused on the priorities as outlined in the specification, skills, experience and leadership style. Ms. Fuhrman stated all education has been verified.

Board Members held discussions related to the process of tallying the scores. Vice Chair Cumber made the **motion** and second Mr. Campion to eliminate Mr. Eugster from the preliminary scoring process. Board Members held discussions and Chair Howard called for a vote, Board Members voted and the motion failed to pass.

Chair Howard called for Board Members to complete the final scoring for all three candidates. Chair Howard called upon Ms. Brooks and Ms. Fuhman to tabulate the individual scores of each candidate from individual Board Members. Following the score tabulation by Ms. Brooks and verification by Ms. Fuhman, Ms. Brooks announced the scores as follows:

	Howard	Cumber	Newbill	Flanagan	Green	Campion	Johnson	Combined Total
Cris Eugster	61.5	64	53	61	41	50.5	50	381
Pamela Hill	55.5	60	58	59	38	54	56.5	381
Aaron Zahn	60.5	64	66.5	61	53	56	59.5	420.5

Upon **motion** by Secretary Newbill and second by Ms. Green to offer Mr. Zahn the permanent position of Managing Director/CEO, Board Members held discussions. Vice Chair Cumber requested a friendly amendment to offer the permanent MD/CEO position to Mr. Zahn and require Board approval of the Chief Operating Officer position. Chair Howard requested the motion to be tabled until after the vote of the Managing Director/CEO. Board Members held further discussions regarding the motion on the table to offer Mr. Zahn the permanent position of Managing Director/CEO. Upon a vote, the Board unanimously approved Mr. Zahn as the Managing Director/CEO. Upon **motion** by Vice Chair Cumber and second by Secretary Newbill to adopt a Board policy to retain approval of the Chief Operating Officer position, Board Members held discussions and voted and the motion failed to pass.

Agenda Item VII – Other Business

- A. Old Business – N/A
- B. Other New Business – N/A
- C. Open Discussion –
- D. Chair’s Report – Chair Howard had no further comments.

Agenda Item VIII – Closing Considerations

- A. Announcements – Next Board Meeting – December 11, 2018
- B. Adjournment

With no further business claiming the attention of the Board, Chair Howard adjourned the meeting at 2:21 PM.

APPROVED BY:

Frederick D. Newbill
 SECRETARY
 DATE: 12/11/18

Board Meeting recorded by:

Melissa M. Charleroy
 Melissa M. Charleroy
 Executive Assistant