

**JEA BOARD MINUTES
May 5, 2020**

The JEA Board met in special session on Tuesday, May 5, 2020, via WebEx. Pursuant to State of Florida Executive Order 20-69 (Emergency Management-COVID-19-Local Government Public Meetings), this meeting is permitted to be conducted by communications media technology, Jacksonville, Florida. In attendance were John Baker, Joe DiSalvo, Dr. Zachary Faison, Dr. Leon Haley, Marty Lanahan, Bobby Stein, and Tom VanOsdol. Also in attendance was Jody Brook, Office of General Counsel.

Agenda Item I – Welcome

- A. Chair Baker called the meeting to order at 1:02pm
- B. A moment of reflection was acknowledged by all.
- C. Chair John Baker completed a roll call of present Board members.
- D. **Adoption of Agenda** – The agenda was amended to move Agenda Item IV. A. Procurement of Executive Recruiting Firm – Managing Director/CEO Recruitment to after comments from the Council Liaison. On *motion* by Bobby Stein and Marty Lanahan the amended agenda was approved.
- E. The **Safety Briefing** was given by Caren Anders.
- 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. Shawn Eads, Chief Financial Officer, provided WebEx instructions.

Agenda Item II – Comments/Presentations

- A. **Public Comments** – N/A
- B. **Council Liaison Comments** – N/A

Agenda Item IV – Board and Committee Reports

- A. **Procurement of Executive Recruiting Firm – Managing Director/CEO Recruitment** – John McCarthy, VP/Chief Supply Chain Officer stated JEA staff prepared a Request for Proposal (RFP) to solicit responses from the leading executive recruiters in the industry to find and select the most qualified candidate for JEA’s permanent Managing Director/Chief Executive Officer. Mr. McCarthy stated that historically a board member has been chosen to conduct scoring and provide recommendations for selection to the Board. Staff recommends the Board provide input and feedback on the RFP, particularly the scoring criteria. Staff also recommends the Board approve publishing the RFP, incorporating any Board recommendations, to solicit responses from the top executive recruiting firms in the Utility Industry and the Board designate a Board member to serve as the scorer for proposals received, or specify another scoring arrangement satisfactory to the Board in its selection of an executive recruiting firm.

On *motion* by Bobby Stein and seconded by Tom VanOsdol, the motion to release the RFP, with revisions, passed unanimously. As the Chair, Bobby Stein will conduct

scoring.

Agenda Item III. For Board Consideration

- A. Interim CEO/Managing Director Appointment** – Chair Baker invited Paul McElroy to the meeting. Mr. McElroy provided board member with some personal and professional background. He then spoke on three of his professional cultural transformations. Next, Mary Lanahan stated she worked with Mr. McElroy in the past and she likes the stability and focus he brings to JEA. Joe DiSalvo stated Mr. McElroy is the right man because he understands the criticalness of the situation. Tom VanOsdol commended the number of times Mr. McElroy referenced involving the employees and supporting community engagement.

Chair Baker asked Mr. McElroy why do you want to do this. Mr. McElroy stated that if a new board thought that there was something he could do to restore trust then he was open to help in any way he could. McElroy stated that he believes he can help the Board restore a culture of ethics and responsibility for public service; help the board restore trust and position JEA for the future; help the community by providing reassurance that JEA is a reliable and financially healthy public and safe utility; and help JEA employees by providing the dignity and trust that they deserve. Mr. Stein stated he appreciated Chair Baker getting a great interim as quickly as he did. Mr. Stein also stated he was excited to have Chair Baker and hopefully Mr. Elroy in the leadership roles. Dr. Faison asked Mr. McElroy's philosophy on diversity and leadership reflecting the community, particularly pointing out the lack of diversity in senior leadership at JEA. Mr. McElroy stated he believes the workforce of JEA should reflect the composition of the community. McElroy stated it is important that leadership ensure that it's recruiting, retention policies, and developmental policies for the team allow it to grow and flourish. Dr. Haley asked how will he address the lack of trust and how to gain trust from the community. Mr. McElroy stated trust is earned and JEA has to focus on all the positive attributes and build trust one day at a time.

Chair Baker stated that part of Mr. McElroy's pension is that he can only be employed for six months and then have to go to a part time status. Jody Brooks, Office of General Counsel, outlined Mr. McElroy's contract and stated his duties and responsibilities would stay the same and there will be no pension modifications.

On *motion* by Bobby Stein and seconded by Marty Lanahan, the motion to allow Chair Baker to execute Mr. McElroy's contact as amended unanimously passed.

- B. Introduction to JEA Financial Statements** – Joe Orfano, Chief Financial Officer, introduced John DiSanto of Ernst & Young who provided an high level overview of JEA Financial Statements. Mr. DiSanto began the presentation included in the City's Comprehensive Annual Financial Report and which follows the accounting standards of the Governmental Accounting Standards Board (GASB). Mr. DiSanto explained GASB, regulatory accounting, deferred inflows and outflows of resources, and the differences between GASB and FASB in statement of cash flows, balance sheets and income statements. Additionally, Mr. DiSanto reviewed footnote disclosures, upcoming accounting changes, GASB 84 - fiduciary activities, and GASB-87 – leases.

This presentation was received for information only.

- C. Monthly Financials and Operations Dashboard: Introduction and Year-to-Date Performance** – Kerri Stewart, VP/Chief Customer Officer started the presentation by explaining the dashboard is a spreadsheet used to track key performance on a monthly basis. Ms. Stewart stated that annual departmental level goals are set at the beginning of each fiscal year and asked for input from the Board of Directors and approval on what's important to track on a corporate level. Ms. Stewart also covered the metrics for customer and community. Caren Anders, VP/GM Energy, reviewed Energy metrics and Deryle Calhoun, VP/GM Water/Wastewater, reviewed water/wastewater metrics.

Dr. Haley asked are there any metrics impacted by COVID-19. Ms. Anders stated Staff is monitoring O&M budgets because some capital projects could float to O&M. Ms. Stewart stated that her department is monitoring accounts receivables closely due to potential write-offs.

- D. Downtown Campus Update and Next Steps on Value Engineering** – Nancy Kilgo, Director Special Projects, provided an overview of the presentation, building project rationale, building project historical timeline, and gave an introduction of the building project partners. Doug Dieck, Ryan Companies, provided an introduction to Ryan Companies there other presenters. Mike Harryman, Ryan Companies, began with an introduction of the Ryan team update on current project overview of public and government approvals and preconstruction and design. Stewart Green, Ryan Companies, presented on value engineering as a whole, possible programmatic changes, as well as the importance of a schedule from now moving forward. After the presentation the Board held open discussion on this matter.

Chair Baker asked that Bobby Stein handle the corporate campus valuation with assistance from Tom VanOsdol. Chair Baker will handle the CEO Search.

Jody Brooks, Office of General Counsel, stated Caren Anders is still the Interim Managing Director/CEO until Monday, May 11 when Mr. McElroy is seated.

Agenda Item V– Other Business

- A. **Old Business** – N/A
- B. **Other New Business** – N/A

Agenda Item VIII – Closing Considerations

- A. **Announcements** – Next Board Meeting – May 26, 2020
- B. **Adjournment**

With no further business claiming the attention of the Board, Chair Baker adjourned the meeting at 3:50 p.m.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Madricka L. Jones, Executive Staff Assistant