

September 27, 2017

Board Update:
LIPA Board's Policies on Development,
Retention and Succession and Staffing and
Employment



Board Policy on Development, Retention & Succession



- ▲ Adopted by the Board in September 2016
- ▲ Directs CEO's activities related to development, retention and succession planning for Trustees, officers and staff
- ▲ Maintain skill profiles for Board Committees and executives
- ▲ Promote executive retention to ensure long-term decision making and continuity in the implementation of Authority goals
- ▲ Develop a succession plan
- ▲ Make available a package of development opportunities

Board Policy on Staffing and Employment

- ▲ Adopted by the Board in January 2017
- ▲ Directs CEO's activities related to certain human resource issues
- ▲ Develop and implement appropriate human resource practices
- ▲ Manage staffing of the Authority to enable achievement of mission
- ▲ Establish appropriate compensation practices benchmarked to industry and job performance
- ▲ Establish procedure for written appeals of compensation decisions
- ▲ Establish policies that support and encourage personal and professional development

Implementation To Date -- Board

- ▲ Board annual agenda planning implemented to ensure (i) focus on mission and strategic board policies and (ii) efficient use of Trustee and Staff time
- ▲ Board educational workshop held in June 2017 to receive presentations from experts on relevant industry topics, including electric vehicles and rating agency views on electric industry trends
- ▲ Presentation from SMUD CEO to discuss what LIPA could learn from California's experience with renewables and rates
- ▲ Tours offered of Hicksville Operations Center, including control room, offshore wind farm, various power plants, and PSEG Energy Resources and Trade's trading offices, to increase Trustee familiarity with operations and facilities
- ▲ Skills profile for Trustees approved by Governance in March 2017
- ▲ Trustee onboarding package completed by Staff in July 2017
- ▲ New employee onboarding process established in August 2017

Implementation To Date -- Staff

- ▲ New mid-year feedback from senior staff to CEO to ensure appropriate priorities, staffing, development, and training (manager letters)
- ▲ Job descriptions with skills profiles for LIPA executives to be completed by year end
- ▲ Bylaws amended to address emergency succession
- ▲ Three management training programs conducted in 2017 to develop in-house talent pool
- ▲ Participation by management in appropriate electric industry forums to ensure industry awareness and best practices
- ▲ New performance evaluation and goal setting and tracking system under development, including 360 degree reviews
- ▲ Salary benchmarking study conducted annually to provide guidance on appropriate compensation and trends

Implementation To Date – Staff, cont'd.

- ▲ Employee engagement initiatives underway
- ▲ Tuition reimbursement program reviewed
- ▲ Employee handbook to be updated by end of 2017 consistent with best practices of other large public power entities and New York state authorities