



**RELIABILITY FIRST**

## Agenda

### Board of Directors • Talent and Compensation Committee

August 21, 2024 • 9:00 am – 12:00 pm (ET)

**Gervasi Vineyard**  
**1700 55<sup>th</sup> Street, NE**  
**Canton, OH 44721**

**Room: The Farmhouse**

**Attire: Casual**

### Closed Agenda

1. **Call to Order**  
 Presenter: Lesley Evancho, Chair
2. **Appoint Secretary to Record Minutes**
3. **Antitrust Statement**  
 Presenter: Niki Schaefer, VP and General Counsel
4. **Approve Compensation Committee Meeting Minutes**  
 Presenter: Lesley Evancho, Chair  
 Reference: [Draft Minutes for the May 1, 2024 Talent and Compensation Committee Meeting](#)  
 Action: **Approve Minutes**
5. **Staffing Demographics & Diversity Strategy Update**  
 Presenter: Hue DeLuca, Manager Human Resources  
 Description: Ms. DeLuca will present year-to-date data on RF's demographics, provide an overview of diversifying recruiting efforts, and outline DEI initiatives for committee awareness on meeting corporate goals related to DEI.  
 Reference: [Presentation](#)  
 Action: Information and Discussion
6. **Talent Management**  
 Presenter: Hue DeLuca, Manager Human Resources  
 Description: Ms. DeLuca will provide an update on initiatives to develop talent across different levels and to address RF's gaps in succession plan.  
 Reference: [Presentation](#)  
 Action: Information and Discussion
7. **2024 Corporate Goals Update**  
 Presenter: Beth Dowdell, Sr. Director Corporate Services  
 Description: Ms. Dowdell will review key activities completed in Q2 and discuss progress towards completion of corporate goals for committee awareness. In addition, an update on the start/stop/continue projects will be provided.  
 Reference: [Presentation](#)  
 Action: Information and Discussion

**8. Benefits Discussion**

Presenter: Beth Dowdell, Sr. Director Corporate Services  
Description: Ms. Dowdell will review how RF's benefits benchmark against national averages and make recommendations regarding changes to the overall benefits plan that can assist with company saving, employee engagement and overall retention.  
Reference: [Presentation](#)  
Action: Information and Discussion

**9. 2025 Pay Study**

Presenter: Beth Dowdell, Sr. Director Corporate Services  
Description: Ms. Dowdell will discuss the plan and strategy for the 3-year Pay Study for 2025.  
Reference: None  
Action: **Approve**  
a) Issuing an RFP for a potential new vendor  
b) Moving forward with a new pay study in 2025

**10. Review Process for Evaluation of the President and CEO**

Presenter: Beth Dowdell, Sr. Director Corporate Services  
Description: Ms. Dowdell will discuss the timeline and activities needed from the Chairperson and board to conduct the annual CEO review in preparation for the December Compensation Committee meeting for committee awareness.  
Action: Information and Discussion

**CLOSED EXECUTIVE SESSION – COMMITTEE MEMBERS ONLY****11. Mid-year Review of President and CEO**

Presenter: Lesley Evancho, Chair  
Description: Chair Evancho and Mr. Gallagher will provide an update on progress towards 2024 goals and initiatives.  
Action: Information and Discussion

**12. 2024 Future Meetings:**

- December 4

**13. Adjourn**

## Roster • Talent and Compensation Committee

Lesley Evancho, **Chair** • Independent (2025)

Ken Seiler, **Vice Chair** • PJM (2024)

Joanna Burkey • Independent (2025)

Melika Carroll • Independent (2026)

Pat Cass • Lead Independent (2026)

Antonio Smyth • AEP (2026)

Jennifer Sterling • Exelon (2025)

# **Draft Minutes for the May 1, 2024 Talent and Compensation Committee Meeting**



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PUBLIC

## **DRAFT - Minutes**

# **Board of Directors • Talent and Compensation Committee**

May 1, 2024

ReliabilityFirst Corporation • Cleveland, OH

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### **Closed Session**

**Call to Order** – Chair Lesley Evancho called to order a duly noticed closed meeting of the Talent and Compensation Committee (Committee) on May 1, 2024, at 9:00 a.m. (ET). A quorum was present, consisting of the following Committee members: Lesley Evancho, Chair; Ken Seiler, Vice Chair; Joanna Burkey; Pat Cass; Antonio Smyth; and Jennifer Sterling. A list of others present during the Committee meeting is set forth in Attachment A.

**Appoint Secretary to Record Minutes** – Chair Evancho designated Niki Schaefer, ReliabilityFirst's (RF) Vice President and General Counsel, as the secretary to record the meeting minutes.

**Antitrust Statement** – Ms. Schaefer advised all present that this meeting is subject to, and all attendees must adhere to, RF's Antitrust Compliance Guidelines.

**Approve Compensation Committee Meeting Minutes** – Chair Evancho presented draft minutes from the December 6, 2023 Committee meeting, which were included in the agenda package. Upon a motion duly made and seconded, the Committee approved the minutes as presented.

**Staffing Demographics & Diversity Strategy Update** – Hue DeLuca, RF's HR Manager, discussed updates on RF's talent acquisition strategy. The company was able to hire four new employees, averaging 39 days to hire. Each position filled had a diverse candidate pool to select from. Ms. DeLuca reviewed the company's different demographics of age, gender, and ethnicity, noting improvement over time in all categories. Other key performance indicators reviewed were retention rate and vacancy rate, both of which were trending nicely for the first quarter.

Ms. DeLuca led a discussion around management training and the focused effort to enhance our people leader's skills in managing and developing their staff. The management team participated in a group training surrounding performance management, the legal implications, and risks when performance is not managed. That led to a discussion about how to deliver feedback more effectively. Ms. Evancho noted that at EQT, people leaders are guided to have specific monthly discussions with staff (on mental wellness for example), and each month the conversation is different. They send a short survey at the end of the year asking if the meetings are effective to gather feedback from

staff. This allows the meetings to not just be about performance but about the whole wellbeing of the employee.

Ms. DeLuca then discussed RF's new summer internship program, which will be more structured and organized than in the past, and the opportunity to develop relationships with local schools. RF will host five interns this summer around the organization. Each manager had to create a business case for an intern before it was approved and, in some cases, HR rejected the business case due to not having enough significant work for the intern to work on. Ms. DeLuca also showed diversity metrics for the intern pool. Ms. Burkey suggested that RF partner with historically black colleges, even if the intern program is going to be in person, to target people who may be coming to Cleveland for the summer.

Ms. DeLuca then talked about RF's new DEI strategy, with Ms. Schaefer as the new executive sponsor of the relaunched DEI committee, and a team of six formed to carry out the strategy. Ms. Schaefer discussed some of the activities the DEI committee is already planning. Ms. Evancho expressed support for how RF's new diversity strategy has been articulated, which focuses on the right areas for a company RF's size and is more about inclusion than hitting specific DEI metrics.

**2024 Corporate Goals Performance**— Ms. Dowdell gave a high-level overview of progress towards RF's corporate goals. She provided notable updates, including converting the RF newsletter to digital form, and creating an IT framework to move towards IT as a service organization and drive better technology decision making. Ms. Sterling talked about how Exelon handles new IT projects and asked about the current process at RF. Ms. Dowdell indicated IT is often brought in too late to projects and a review of the solution selected has not been completed to ensure it is compatible with current architecture. The goal is to start to shift the organization to bring IT in sooner by talking about projects collectively and prioritizing them. Mr. Cass mentioned that QR codes could be a great vehicle for digitizing information, and Ms. Burkey noted that there are often IT and security concerns expressed about QR codes but there is not a lot of justification for those concerns.

Ms. Dowdell then moved on to enforcement goals which are progressing nicely, as well as helping MRO and SERC with their winterization efforts, and a business threat intelligence dashboard to track situational awareness and threat intelligence that is being used. The Committee expressed interest in having a demo of the tool.

Ms. Dowdell moved on to notable updates on the HR front, including the performance management training, the summer intern program, identifying training gaps, and the new DEI committee. Ms. Dowdell noted the completion of the CIP Themes report that was almost ready for publication. She then discussed winterization effort post-mortem work, zero-day analysis work, and RF's risk assessment guidelines which are now public.

Given the earliness in the year, none of the goals were in jeopardy of being missed by end of year.

**Employee Survey Results Update** – Ms. DeLuca provided an overview of the 2024 Employee Engagement Survey Results. RF used the same vendor (Energage) as in the past and launched the survey in February to align with the Top Workplaces Award. The

survey is anonymous and gives employees the ability to leave open text comments to expand on their survey responses.

RF had a 98% response rate with a survey response average of 71%. There were 527 employee comments, a 13% increase from last year. RF received an 85% engagement, up 5% from last year. Ms. Evancho commented, recognizing the work to achieve this score and how difficult it is to continue to drive engagement up when it is already so high. She also remarked this is where the work happens since it can be difficult to maintain this score.

Mr. Smyth asked how engagement is determined. Ms. DeLuca indicated the tool uses an algorithm based on results from the core survey themes: closely aligned, empowered to execute, enabled to grow, valued, respected, and supported.

Ms. Deluca presented an engagement word cloud and compared them year over year. She highlighted that this year there were not any negative words from disengaged employees and that our company values and words describing our mission shone through.

Ms. Evancho mentioned additional metrics Energage produces that RF could leverage. Ms. Dowdell noted that they launched several new measurements and heatmaps that drill down into the data to provide better analysis into the story behind the data. Ms. Evancho mentioned the power of the Energage platform for data analysis.

Mr. Smyth asked about turnover and retention rate benchmarking, and if there is a way to compare those to the same pool of engagement benchmarking to see if they are correlated. Ms. Dowdell offered to graph this out for RF, which may create the opportunity to then benchmark.

Mr. Smyth suggested posting to Boardvantage articles where RF is mentioned so the board can read them. He also asked for an update on the substance of the engagement survey comments in August.

Ms. Deluca noted that RF will be announcing its award as a top workplace in Northeast Ohio for 2024 to staff. She committed to continue discussion and analysis around the results.

**Start/Stop/Continue Strategic Discussion** – Ms. Schaefer led a discussion about the stop/start/continue/improve exercise the RF senior executive team (Tim Gallagher, Diane Holder, Jeff Craigo, Marcus Noel, Beth Dowdell, and Niki Schaefer) engaged in after the close of their management retreat in March 2024.

She began by discussing the anonymous survey questions each executive team member answered before the exercise. The questions were:

1. What work is being done across the organization that you believe we should consider stopping and why? Please be as specific about the work as possible, noting whether it is certain activities, reports, etc. and please explain your reasoning in as much detail as possible, noting whether you think this could be

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May 1, 2024

replaced with a technology solution or it is work that is just not necessary anymore.

2. What work are we currently doing that you believe is necessary, but we can improve how we are doing it and why do you feel that way. If you have suggestions about how we can improve the work, please note them in your answer.
3. What work are we not currently doing that we need to start doing and why?
4. If you could make only three changes in how we approach our role as a protector and regulator of reliability, what would they be and why?

Ms. Schaefer explained that prior to the meeting, she compiled the teams' answers and arranged them in a slide deck. She divided them by action (stop, continue/improve, start) and then by function under each action and noted where multiple people said the same thing and how many people had said it.

For the exercise, over the course of two days, the team walked through each item to decide how to address it. Ms. Schaefer explained that parts of the discussion were quite tactical out of necessity. The team realized there are processes completed today that made sense to do them that way in the past, but they are no longer efficient or effective to the current environment RF operates in. A significant action item coming out of the exercise gives teams express permission to revamp certain processes and reports that needed changing.

Ms. Schaefer also noted there was extensive discussion about opportunities to improve how RF creates and prioritizes technology solutions for its business needs. RF will be planning a technology summit with representatives from the business and IT with the intent to collectively create and commit to a joint technology roadmap.

She noted the senior executive team discussed skill sets that are lacking among staff, which overburdens others who have the skills and a plan to address that.

Ms. Schaefer explained that every department across the organization had action items which have been discussed with the wider RF management team. Mr. Gallagher is going to have the senior executive team provide updates on their progress periodically. Ms. Evancho requested periodic progress updates to the Committee as well.

Ms. Schaefer concluded that the senior executive team committed to having a version of this discussion every year after their spring management retreat because they recognized how valuable it was for them and for the organization.

**Next Meeting** – Chair Evancho noted that the next Committee meeting will occur on August 21, 2024, in Canton, OH 9:00 AM (ET), Chair Evancho moved the Committee into closed session.



## **Closed Executive Session – Committee Members Only**

**Executive Session** – Chair Evancho held a confidential executive session with the Committee.

**Adjourn** – Upon a motion duly made and seconded, Chair Evancho adjourned the Committee meeting at 12:00 PM (ET).

As approved on this 21<sup>st</sup> day of August, 2024 by the  
Talent and Compensation Committee,

Niki Schaefer  
*Vice President, General Counsel and Corporate  
Secretary*

**Attachment A**

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**Others Present During the Compensation Committee Meeting**

Jeff Craigo  
Hue DeLuca  
Beth Dowdell  
Tim Gallagher  
Diane Holder  
Niki Schaefer