

## **COMMITTEE ON PERSONNEL AND TENURE**

Thursday, October 7, 2010 at 3:00 p.m. in the Executive Conference Room at the C.D. Spangler, Jr., Building, UNC General Administration, 910 Raleigh Road, Chapel Hill, NC

### **Minutes of Meeting October 7, 2010**

Committee members present at the meeting included: Fred G. Mills, Laura Buffaloe Walter C. Davenport, Paul Fulton, G. Leroy Lail, Gladys Ashe Robinson, and David W. Young. Chair Hannah Gage and Board members Brent Barringer, John W. Davis III, James M. Deal, Jr., Clarice Cato Goodyear, Ronald C. Leatherwood, and Estelle W. Sanders . General Administration staff present included: President Erskine Bowles, Alan Mabe, Alisa Chapman, Laurie Charest, Jeff Davies, Laura Luger, Bruce Mallette, Tom Shanahan, Anita Watkins, Joni Worthington and Lisa Adamson. Other attendees included Western Carolina University Chancellor John W. Bardo and Chief of Staff Dianne Lynch, UNC Greensboro Chancellor Linda Brady, North Carolina School of Science and Mathematics Chancellor Thomas J. Williams, UNC Pembroke Chancellor Kyle Carter, North Carolina Central University 's Chancellor Charlie Nelms, Provost & Vice Chancellor for Academic Affairs Kwesi Aggrey and Associate Provost/Associate Vice Chancellor of Academic Affairs Debbie Thomas, Winston-Salem State University Chancellor Donald Reaves, North Carolina State University Chancellor Randy Woodson, Faculty Assembly Chair Sandy Gravett and members of the press attended a portion of the meeting.

The open minutes of the September 9, 2010 meeting were approved as distributed.

President Bowles discussed the issue of executive compensation, stating that he wanted to initiate this discussion as he will not be the beneficiary of such compensation, and the new president would not have to initiate such discussions early in his tenure. The President said that many of our chancellors are regularly approached about other positions and that a review of UNC's chancellors' compensation packages showed that many chancellors' total compensation was below the norm for their peer institutions. He said it was important for the Board to consider the total package for chancellor compensation, noting there were a number of components to a compensation package. He called attention to the option of deferred compensation, telling the Committee that this form of incentive is being used more and more by universities across the country. President Bowles also made it clear he was not recommending immediate action and would not recommend action until funds for a general increase for faculty and staff became available. President Bowles stressed that these discussions are preliminary, further research and vetting are needed before any decisions can be made.

Laurie Charest discussed the data distributed on chancellor's salaries and overall compensation. She said the data, based on a survey of salary and benefits at many other peer universities, showed that there is a growing gap in compensation for many of UNC's chancellors. Mrs. Charest also presented the various options that may be considered for a revised compensation package, including increased salary, deferred compensation, retention bonuses, performance bonuses, and supplemental retirement. She noted that most peer institutions offer some form of deferred compensation as a way of retaining chancellors. After considerable discussion about how such compensation may be structured, whether there should be a review of the UNC peers, how to ensure that long-term chancellors are also fairly compensated, and giving

all Board members in attendance a chance to express their views, Chair Mills said that as this is a weighty and complex subject it will need much additional discussion. He said that the Committee will have this item on the agenda in the coming months and will continue these discussions until a decision is made on whether this is a need for executive compensation and, if so, establishing a methodology for determining appropriate executive compensation.

Mr. Mills invited Board member Clarice Goodyear to discuss her views regarding executive compensation, calling attention to the copies of email correspondence from Mrs. Goodyear to President Bowles that were distributed to the Committee. Mrs. Goodyear said that the email messages illustrated her concerns regarding executive compensation and stressed that it was understood that “executive compensation” applied to the president and chancellors only. She also noted that many chancellors receive supplemental income for serving on boards of directors at major businesses and institutions and that such income should be considered when determining a chancellor’s total compensation package. A discussion ensued and differing viewpoints were expressed by the Committee members.

The Committee also reviewed the 2010-2011 Annual Plan for the Committee on Personnel and Tenure and the 2009-2010 Annual Report on Committee Activities. Dr. Mabe noted a change in the Annual Report on page two, at the end of the 2<sup>nd</sup> paragraph to indicate that Committee Officers are appointed and not elected.

The Committee also received the Report on Personnel Actions Delegated to the President, listing all personnel actions approved by the President since its last meeting.

- *Mr. Mills asked for a motion to go into Closed Session “to establish or instruct the staff or agent concerning the negotiation of the amount of compensation or other terms of an employment contract; to consider the qualifications, competence, performance, condition of appointment of a public officer or employee or prospective public officer or employee; to hear or investigate a complaint, charge, or grievance by or against a public officer or employee.” [N.C.G.S. §143.318.11(a)(5)&(6)] The motion was made, properly seconded and unanimously approved.*

*The meeting was **moved into closed session.***

*(The complete minutes of the Closed Session are recorded in Appendix A.)*

As there were no further items for discussion, the meeting was adjourned.

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David W. Young, Secretary

Attachments