

## **COMMITTEE ON PERSONNEL AND TENURE**

Thursday May, 11, 2006 at 3:30 p.m. in the Executive Conference Room, in the General Administration Building, 910 Raleigh Road, Chapel Hill, NC

### **Minutes of Meeting May 11, 2006**

Committee members present at the meeting included: Mr. Charles H. Mercer, Jr., Mr. Peter Keber, Mr. Brent D. Barringer, Dr. Dudley E. Flood, Dr. Patsy B. Perry, Mr. William G. Smith, and Mr. David W. Young. Board of Governors members attending were: Mr. Charles S. Norwood and Mr. F. Edward Broadwell, Jr. General Administration staff present at the meeting included: President Erskine B. Bowles, Dr. Alan R. Mabe, Dr. Betsy E. Brown, Ms. Ann Lemmon, Ms. Kitty McCollum, Mr. Charles Waldrup, Ms. Leslie Winner, and Ms. Lisa Adamson.

*Mr. Mercer 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 meeting was moved into closed session.*

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

The Committee returned to open session.

The minutes of the April 11, 2006 meeting were approved as distributed.

Mr. Charles Waldrup discussed the changes in the Optional Retirement Program. He explained the changes, stating that three insurance companies will be offering mutual funds, the mutual fund carrier will now offer annuities, and each of the four vendors must have a bank to serve as trustee/custodian of the mutual funds. He asked the Committee to seek Board of Governors' approval for use of the three new banks, JP Morgan Chase Bank, AIG Federal Savings Bank, and Wilmington Trust, and to ratify the past selection of Fidelity Management Trust Co. He noted that Deloitte had provided information about a new annuity provider, Principal Life Insurance Co., which will also require Board of Governors' approval.

Mr. Waldrup provided the new group annuity contracts those three vendors will use, which were reviewed and approved by the Commissioner of Insurance. He also provided an

annuity contract and custodial agreements between UNC and AIG Federal Savings Bank and asked that the Board of Governors approve the contracts, understanding that their approval is contingent upon VALIC signing a contract with UNC to indemnify UNC for any payment pursuant to a no-liability clause. Mr. Waldrup also presented the Committee with a Motion to delegate to the President duties to operate the ORP, noting that this delegation was the same as the existing authority, updated to assure the vendors that the President and his staff have appropriate authority. Mr. Waldrup provided the Committee members with modified copies of the *Motion to Approve Trustees/Custodians*, the *Motion to Approve Trust/Custodian Agreements and Annuity Contracts and Annuity Company*, and the *Motion to Delegate Authority to the President*. After some further discussion, the motion was made and seconded for recommendation for approval by the Board of Governors. Motion passed with Mr. Smith abstaining.

The Committee reviewed the *Resolution to Honor Retiring Faculty*. The motion was made and seconded for recommendation for approval by the Board of Governors. Motion passed unanimously.

Mr. Charles Waldrup discussed the proposed amendment to Policy 300.2.2, "*Conflicts of Interest and Commitment Affecting Faculty and Non-Faculty EPA Employees*." Mr. Waldrup told the Committee that these amendments would allow employees who are out of work due to an external professional activity for pay, or who wish to retain an honorarium, to choose to use periodic uncompensated leave rather than annual leave. The motion was made and seconded for recommendation for approval by the Board of Governors at the June meeting. Motion passed unanimously.

Dr. Betsy Brown discussed the script for the May 12, 2006 Board of Governors Awards for Excellence in Teaching.

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Mr. Brent D. Barringer, Secretary

Attachments