

July 16, 2009

10-007

BOARD RESOLUTION FOR DISTRICT PRESIDENT
COMPENSATION FOR FY 2009-2010

PREPARED BY: Jerry Donnelly, Director, Human Resources

APPROVED BY: Wing-Kit Chung, Vice President, Administrative Services
Dr. Preston Pulliams, District President

REPORT: This resolution is to adjust the compensation package of the District President.

The Board previously conducted its annual performance assessment of the President and determined its strong desire to encourage his continued efforts to lead the College; to support his on-going efforts to raise the profile of PCC, in particular with the Portland area business community and through increased activity in various public service and community social networks to the benefit of the College and the PCC Foundation. In recognition of such the Board has expressed the desire to provide an adequate compensation and benefits package for the President.

In light of the current economic conditions and the resulting PCC budget impact, the District President has requested no increase in base salary or other allowances for FY2009-10.

The transition of the College life and long term disability insurance plans to plans provided by the Oregon Educator's Benefit Board (OEBB) will require modification of the current level of benefits provided to the President, effective October 1, 2009. Currently the President is provided with the same \$50,000 base life insurance plan as all other management employees of the College and with a supplemental life insurance plan of \$350,000. In order to provide a comparable level of benefit under the OEBB, the College must opt to provide the President's benefit on the basis of a multiple of annual salary. Human Resources recommends a benefit level of two times annual salary. In addition, maximum monthly benefit

limitations of the OEGB long term disability plans would significantly reduce the level of benefits the District President is entitled to under current College plans. This will necessitate the acquisition of a supplemental LTD plan by the College.

The Board has determined to provide an additional year of deferred compensation contribution to the planned five year distribution of the President's retention incentive, such additional contribution to be paid in FY2013-14.

RECOMMENDATION: That the Board of Directors approve the following adjustments to the total compensation package of the District President:

- That the President's salary for FY2009-10 shall continue at the same annual rate as FY2008-09
- That the President's life insurance coverage be modified to conform to the manner in which a comparable level of plan can be made available to the President, and that Human Resources be authorized to explore the acquisition of supplemental LTD coverage to provide a comparable plan;
- That the distribution of the President's retention incentive be extended for one additional year of contribution in FY2013-14;
- That the President's other benefits be increased for FY2009-10 to the same extent as all other managers of the College, except that the President shall no longer receive the same \$50,000 base life insurance plan as all other management staff of the College.
- That the Chair is authorized to execute the revised contract on behalf of the Board, subject to approval as to form by the College's legal counsel.