



## From The Chair – Barbara Pooley

Welcome to the 2004-2005 CACC year. As we embark on a new year, I would like to take the opportunity to review the accomplishments of the 2003-2004 CACC Board of Directors. With Chair Jean Gilreath leading the organization, the Charlotte Area Compensation Council achieved significant milestones including the establishment of CACC as a stand alone non-profit organization. Our membership of compensation professionals exceeded 100 for the first time and we established a firm link with World at Work. Finally, we launched a new website which facilitates all facets of your membership from application to program registration. Please visit the website at [www.caccweb.com](http://www.caccweb.com). Current members should have received an email specifying the login information for the members only section. Contact Kevin Gill if you need this information. Big Kudos to Jean and her team.

As always, the 2004 Board of Directors is dedicated to improving the benefits that CACC provides to our members. You should receive the 2004 CACC survey shortly and we NEED your input. We are planning our programs for the next 12 months with multiple goals of addressing developing trends in the compensation world as well as keeping you informed on current issues and legislation. Please let us know what is important in your career/job environment. The World at Work certification courses offered by CACC have been well received and we will continue to offer them. We are also looking forward to awarding our first scholarship this year.

If you would like to contact me or any of the Board members, you can find contact information in the membership Listing. I look forward to seeing you at future meetings.

Regards,

Barbara Pooley

## Our Next Membership Meeting: Wednesday, May 12, 2004

The speaker for the May 12th membership meeting will be John H. Blaine, District Director for the Charlotte Office of the Wage/Hour Division – US Dept. of Labor. Mr. Blaine's topic is two-fold: (1) "A Review of the Proposed Revisions to the Fair Labor Standards Act;" and (2) "FLSA Hot Topics", in which he will review his thoughts and insights about the FLSA based on recent audits and findings of the Wage/Hour Division. There is no charge for CACC members and guests. The meeting will be held at the Westin Charlotte Hotel, 601 South College St., Charlotte. Parking will be paid by CACC.

*The meeting will begin at 7:45 AM with a breakfast buffet and networking period. The business meeting starts at 8:15 AM; and the presentation begins at 8:30 AM and will end by 9:45 AM.*

## New Members

We are pleased to welcome the following new members:

- ❖ Daryl Bennett, Transamerica Reinsurance
- ❖ David Birnbaum, Premier, Inc.
- ❖ Edith Blydenburgh, City of Charlotte
- ❖ Paul Boyles, Wake County Government
- ❖ Adela Castellino, City of Charlotte
- ❖ Tracy Goodman, First Charter Bank
- ❖ Robert Gormley, Watson Wyatt & Co.
- ❖ Susan Hampton, Coinmach Corporation
- ❖ Joletia Jones, Time Warner Cable
- ❖ Dona Maczka, Asmara
- ❖ John Tremblay, Hudson Mann
- ❖ Gwendolyn Vinson, Clariant Corporation
- ❖ Scott Willis, Transamerica Reinsurance

## Member News

- *Genie Harrington* is now Accounting & Benefits Administrator with Grace Covenant Church.
- *Joyce McGee* is now Human Resource Manager with CRS, Inc.

Please contact Arnie Silverman, "Compensation Matters" editor for 2003, at (704) 557-4460, with member news that you would like to share.

**2004 CACC Board Members  
and Committee Chairs**

- CHAIRPERSON**  
BARBARA POOLEY ..... 704/643-6416
- VICE CHAIRPERSON**  
DONNA CRAWFORD ..... 704/940-1524
- SECRETARY**  
LAURA LOOKADOO..... 704/373-7572
- TREASURER**  
ROBIN BERNSTEIN ..... 704/733-5099
- MEMBERSHIP MEETING DIRECTOR**  
AL BLACK ..... 704/331-7121
- EDUCATION DIRECTOR**  
BOB CORBETT ..... 704/731-4378
- PUBLIC RELATIONS DIRECTOR**  
ARNIE SILVERMAN ..... 704/557-4460
- MEMBERSHIP DIRECTOR**  
DELANE HUNEYCUTT ..... 704/336-5700
- BOARD MEMBER AT-LARGE**  
KAREN SIMPSON ..... 704/595-1210
- EX-OFFICIO**  
JEAN GILREATH ..... 704/944-8805
- SPECIAL PROJECTS CHAIR**  
CHUCK PARKER ..... 704/426-2398
- BUSINESS MANAGER**  
KEVIN GILL ..... 704/442-9247  
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**Upcoming Events/Education**

**Membership Meetings (mark your calendars):**

- May 12, 2004
- September 8, 2004 (1/2 Day Meeting)
- November 10, 2004
- February 9, 2005 (Annual Meeting)

**WorldatWork Certification Courses:**

**April 26-28, 2004 –**

- B-3** -- Health Care and Insurance Plans
- C-11** -- Performance Management
- T-3** -- Quantitative Methods

**July 19-21, 2004 –**

- B-1** -- Fundamentals of Employee Benefits Programs
- C-2** -- Job Analysis, Documentation & Evaluation
- T-12** -- (*new course*) Outsourcing & Managing HR Svce. Partners

**October 6-8, 2004 –**

- C-1** -- Regulatory Environments for Comp. Prog.
- C-9** -- Elements of Expatriate Compensation
- T-4** -- Strategic Communication

*For more information, or to register,  
contact WorldatWork Customer Relations at (877) 951-9191,  
or visit www.worldatwork.org*

**Member Profile – Bob Corbett**

One of the newest members of the CACC Board of Directors is Bob Corbett, Education Chair. Bob is the Manager-Compensation for Piedmont Natural Gas where he is responsible for compensation activities.

Piedmont Natural Gas has 2,200 employees and is a regional natural gas utility serving a large portion of North Carolina, the upstate of South Carolina and Nashville, Tennessee.

Bob joined Piedmont last June. Prior to joining Piedmont, he was employed by Royal & SunAlliance USA in Charlotte, Safety-Kleen Corporation, Policy Management Systems Corporation and Fleet Mortgage all located in Columbia, SC. Bob was previously the President of the South Carolina Compensation & Benefits professionals.

Bob is originally from New Jersey and graduated from the University of South Carolina where he received a B.S. in Management and Finance as well as a B.A. in History.

Bob and his wife Rose Mary reside in Rock Hill with their two children: Joshua age 5 and Caroline 19 months. Bob enjoys “playing” golf and wishes he had more time to bring his handicap down to a more respectable level.

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**WorldatWork Building Blocks Locations**

WorldatWork produces a series of brief training and professional development booklets called Building Blocks. CACC provides a copy of all Building Block booklets at Johnson C. Smith Univ. Library; UNCC Library, and The Employers Association Library.

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**Quotes**

“The big salaries in business always go to those who have what it takes to get things done. That is true not only of those executives who guide the destinies of a business, but it is true of those upon whom those executives must depend for results.”

J. C. Aspley

## Director Compensation: Latest Happenings

William R. Reigel, The Hay Group

Last year, Hay Group forecasted and recommended an increase in director compensation. An increase in demand for qualified directors coupled with a reduction in the supply of directors due to new requirements relating to expertise and independence, greater time commitments and an increase in potential liability was expected to push up director pay.

To test our predictions, we examined year-over-year changes in director compensation levels of S&P 1500 companies. To screen out changes in director compensation due to variables such as total meeting fees and present values of equity compensation, we only looked at changes in fixed compensation levels (i.e., per meeting fee, annual retainer, fixed number equity grants) to determine whether modifications occurred in a company's director compensation program.

At first glance, total value of director compensation increased 13% year-over-year – modest given what most people were anticipating. Looking deeper into the data, we found that year-over-year, the median stock price in the group declined by approximately 16%, and because a majority of director compensation programs denominate director equity compensation as a fixed number of shares, equity valuations were impacted accordingly. Factoring in changes in stock price, the median director total direct compensation package actually increased by approximately 30%.

Predictions regarding an exodus from stock options to restricted stock for directors did not occur over the past year. Stock option use declined by only 2% to 72% of all S&P 1500 companies. Use of restricted/deferred stock increased to 28% of S&P 1500 companies up from 24% the year before.

In developing a "typical" director compensation package, we assumed that the director is a member of the audit and compensation committees and that the director attends all meetings of the board and committees. The following table illustrates a typical director compensation package for all S&P 1500 companies by S&P membership:

*(continued on Page 4 – see "Director Compensation")*



## Company Spotlight on Hay Group

The Hay Group was founded in 1943 in Philadelphia, PA and has grown to become the world's largest compensation consulting firm. Hay employs approximately 2,000 professional and support employees located in 75 offices in 32 countries.

While compensation is Hay's core business, they also have the capability of consulting on all other human resource systems, including benefits, performance management, organizational effectiveness, employee attitude research, and leadership/management assessment, selection and development.

Hay has maintained an office in Charlotte, NC for over 20 years. Their local phone number is 704.333.1591. More information on Hay can be accessed on their website at [www.haygroup.com](http://www.haygroup.com).

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### CACC Website

Be sure to visit our website at [www.caccweb.com](http://www.caccweb.com)

(Members only section: User ID = cacc

Password = 04cacc)

Note: these are in lower case and need to be entered that way.

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### 2004 CACC Member Survey

You will soon receive the 2004 Member Survey. Please take the time to respond. We need your input so that we may continue to provide and improve the services, meeting content and course offerings that will be of most benefit to our members. It only takes a few minutes and your input is important to us.

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### Thought for the Day

"The characteristic of scientific progress is our knowing that we did not know."

- Gaston Bachelard, (1884–1962) French philosopher

**Director Compensation** (continued from page 3)

S&P Membership	Average Board Retainer	Average Total Cash Compensation <sup>1</sup>	Average Total Direct Compensation <sup>2</sup>
S&P 500	\$43.6	\$91.7	\$135.3
S&P Midcap 400	\$29.0	\$70.9	\$99.9
S&P Smallcap 600	\$22.8	\$52.4	\$75.2
S&P 1500	\$31.9	\$70.5	\$102.4

<sup>1</sup> Board Retainer + Committee Member Retainers (if any) + Board & Committee Meeting Fees

<sup>2</sup> Average Total Cash Compensation + Present Value of Equity Compensation

Over the past year director compensation levels have increased and will likely continue to evolve. First, fewer than half of all S&P 1500 companies made changes to their director compensation programs during the past year. Second, companies and their boards are just beginning to gain a more complete understanding of the time commitments and increased responsibility and accountability that accompany corporate directorships in today’s governance climate. Third, many companies are hesitant to make large increases in one year and may phase-in enhancements of director pay over a period of years. Until boards have had some time to fully absorb the new realities of corporate governance, Hay Group expects director pay programs to continue to move sharply upward.

**The 2004 Annual Meeting**

Our 2004 Annual Meeting on Feb. 11 was a great success with featured speaker Richard Hadden. We enjoyed how Richard personalized his talk with photos of the audience. He was also kind enough to autograph copies of his book which were provided to attendees. In addition to the feature event, 2004 Chairperson Barbara Pooley thanked the outgoing 2003 Board and welcomed the new 2004 Board.



Pictured above are the 2004 Board members with our Feb 11 Annual Meeting featured speaker, Richard Hadden, co-author of “Contented Cows Give Better Milk: The Plain Truth About Employee Relations and Your Bottom Line.” **Standing** (left to right) are Bob Corbett, Arnie Silverman, Richard Hadden, Kevin Gill, Robin Bernstein and Al Black. **Seated** (left to right) are Karen Simpson, Laura Lookado, DeLane Huneycutt, Barbara Pooley, Jean Gilreath and Donna Crawford

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