

3. Incentive Compensation Plan for EPA Non-Faculty Corporate Underwriting Staff of The University of North Carolina Center for Public Television (UNC-TV).....Matt Brody

Situation: The President seeks approval for an incentive compensation plan for EPA Non-Faculty Staff employed in the Corporate Underwriting area of the UNC-TV, effective July 1, 2015.

Background: The market for experienced corporate underwriting talent within the public and commercial television community is competitive, which is intensified, given the limitations of UNC-TV's standard compensation and benefit offerings as a State Government entity. As UNC-TV undertakes a major transformation of its funding stream, it is essential that the organization is equipped to attract and retain corporate underwriting professionals of the highest caliber, and to motivate these individuals to achieve high performance outcomes.

Assessment: The incentive compensation plan is intended as a recruitment and retention tool to attract the highest order talent to critical corporate underwriting roles within UNC-TV. It also shifts allocation of UNC-TV's resources to have a substantial portion of these employees' total compensation directly tied to corporate underwriting revenue based on their direct performance contributions.

Action: A vote is required to recommend to the Board of Governors the establishment of an incentive pay plan for EPA Non-Faculty Corporate Underwriting Staff of The University of North Carolina Center for Public Television (UNC-TV), as provided for under UNC Policy 300.2.14, which is the University "Policy on Non-Salary and Deferred Compensation."

The University of
North Carolina
Center for Public
Television

UNC-TV

919 549-7000

FAX# 919 549-7201

www.unc.tv.org

June 9, 2015

Mr. Kevin M. FitzGerald
Senior Vice President and Chief of Staff
The University of North Carolina
P.O. Box 2688
Chapel Hill, NC 27515-2688

Dear Kevin:

This letter is to request approval of the Incentive Compensation Plan for EPA Non-Faculty Corporate Sponsorship/Underwriting Staff of the University of North Carolina Center for Public Television (UNC-TV).

BACKGROUND

The market for experienced corporate sponsorship and underwriting talent within the public television community is competitive, which is intensified given the limitations of our standard compensation and benefit offerings as a state government entity. As UNC-TV undertakes a major transformation of its product offerings and attempts to diversify its funding stream, it is essential that the organization is equipped to attract and retain corporate underwriting and sponsorship professionals of the highest caliber and to motivate these individuals to achieve high performance outcomes.

REQUEST

UNC-TV requests approval of the Incentive Compensation Plan ("Plan") effective July 1, 2015. Increasing private support is critical to UNC-TV's ability to maintain current programs and services and to position UNC-TV for the future of public media in North Carolina.

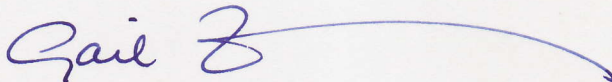
RATIONALE

Implementation of the Plan will only be available to full-time EPA employees working in corporate underwriting in the Development Division of UNC-TV. The Plan allows UNC-TV to be competitive in the recruitment and hiring of account executives charged with seeking broadcast sponsorships. The Plan provides an incentive compensation for eligible participants who work in the very competitive marketplace vying for corporate underwriting dollars.

I know you understand the need for UNC-TV to increase private support for North Carolina's statewide public television network. Implementation of this Incentive Compensation Plan will strengthen UNC-TV's ability to recruit, hire, and retain qualified employees in corporate underwriting.

Thank you for your consideration.

Best,



Gail Zimmermann
Director and General Manager (interim)

WUNF-TV 33 Asheville

WUNW-TV 27 Canton/Waynesville

WUNC-TV 4 Chapel Hill

WUNG-TV 58 Charlotte/Concord

WUND-TV 2 Edenton/Columbia

WUNK-TV 25 Greenville

WUNM-TV 19 Jacksonville

WUNE-TV 17 Linville

WUNU-TV 31 Lumberton

WUNP-TV 36 Roanoke Rapids

WUNJ-TV 39 Wilmington

WUNL-TV 26 Winston-Salem

**THE UNIVERSITY OF NORTH CAROLINA GENERAL ADMINISTRATION
INCENTIVE COMPENSATION PLAN FOR EPA NON-FACULTY
CORPORATE UNDERWRITING STAFF
OF THE UNIVERSITY OF NORTH CAROLINA CENTER FOR PUBLIC TELEVISION (UNC-TV)**

June 18, 2015

OVERVIEW

The market for experienced corporate underwriting talent within the public and commercial television community is competitive, which is intensified given the limitations of UNC-TV's standard compensation and benefit offerings as a state government entity. As UNC-TV undertakes a major transformation of its product offerings and attempts to diversify its funding streams, it is essential that the organization is equipped to attract and retain corporate underwriting professionals of the highest caliber and to motivate these individuals to achieve high performance outcomes. This Incentive Compensation Plan ("Plan") results in having a substantial portion of these employees' total compensation directly tied to corporate underwriting revenue, based on their direct performance contributions, rather than relying solely on base salary.

ELIGIBLE EMPLOYEES

Employees eligible for incentive pay under this Plan shall include corporate underwriting employees with the following specific titles:

- Supervisory Account Executive (Assistant Director of Development for Corporate Underwriting)
- Senior Account Executive

While it is generally expected that UNC-TV will extend incentive pay to all employees within these classifications, this incentive pay is not an absolute entitlement. It may be extended, or not, at the sole discretion of UNC-TV management, as long as the basis for this decision is not any impermissible criteria or protected status under federal or state law.

COMPONENTS OF INCENTIVE PAY

The calculation of incentive payments under this Plan shall be based on the following components:

- For **new** corporate underwriting commitments, UNC-TV shall be authorized to award incentive pay to the responsible employee on a fiscal year quarterly basis in an amount equal to ten percent (10%) of any received revenue in the quarter.
- For the renewal of **existing** corporate underwriting commitments, UNC-TV shall be authorized to award incentive pay to the responsible employee on a fiscal year quarterly basis in an amount equal to seven percent (7%) of the total value of the received revenue in the quarter.
- For a corporate underwriting employee who directly supervises other employees who obtain **new or existing** corporate underwriting commitments, UNC-TV shall be authorized to award incentive pay on a fiscal year quarterly basis in an amount equal to five percent (5%) of the total value of any received revenue in the quarter.

LIMITS ON TOTAL COMPENSATION

Including base salary, the components of incentive pay set forth in this Plan shall not, in any case, result in total compensation for any employee in a single fiscal year to exceed the following amounts:

- For a Supervisory Account Executive (Assistant Director of Development for Corporate Underwriting), a total of two-hundred-fifteen thousand dollars (\$215,000);
- For a Senior Account Executive, a total of one-hundred-eighty-five thousand dollars (\$185,000).

See Attachments 1 and 2 as illustrative examples under this Plan.

OTHER CONDITIONS

The following other general conditions shall apply to the administration of this Plan:

- Employees who are the subject of an at-will end of appointment or voluntarily resign prior to the end of a fiscal year quarter shall receive the portion of incentive compensation earned as of their appointment end, within the Plan's overall limits. This shall not include the value of any revenue that is received following the employee's separation from UNC-TV, regardless of the date of the original underwriting commitment.
- An exception shall be for employees who are terminated for cause, in which case no incentive compensation of any kind shall be due.
- The President and/or the Board of Governors may suspend or terminate the authority for UNC-TV to make incentive payments under this Plan at any time and for any reason. In that event, quarterly incentive payments earned by eligible employees to date shall be paid in accordance with the provisions of this Plan.
- The General Manager of UNC-TV shall submit a detailed annual report of all incentive payments accomplished under this Plan, and the basis for such payments, to his/her immediate supervisor at UNC General Administration no later than August 31 of each year for the preceding fiscal year. A copy of this report shall also be provided to the Vice President for Human Resources, who shall furnish this report for information to the President and the Personnel and Tenure Committee of the Board of Governors.
- All payments made under this Plan shall comply with all applicable State of North Carolina and UNC Board of Governors policies with respect to employee salaries and compensation.
- All payments made under this Plan shall be paid as regular salary, included in the employee's regular paycheck, and subject to all statutory withholding and deductions.
- No payments made under this Plan shall use state-appropriated funds of any kind or any other restricting fund source that prohibits expenditures of this type and purpose.



INCENTIVE COMPENSATION PLAN

Assistant Director of Development for Corporate Underwriting

<p>► Compensation Year 1 when generating \$150,000 in revenue (\$50,000 new business, \$100,000 renewal business) plus \$600,000 revenue from subordinate Account Executives</p>	<p>YEAR 1 \$50,000</p>
BASE SALARY	\$5,000
Incentive Compensation New Business (10%)	\$7,000
Incentive Compensation Renewal Business (7%)	\$30,000
Incentive Compensation Subordinate Sales Performance (5%)	\$42,000

Total Incentive Pay	\$42,000
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Total Compensation	\$92,000
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<p>► Compensation Year 2 when generating \$250,000 in revenue (\$100,000 new business, \$150,000 renewal business) plus \$1,600,000 revenue from subordinate Account Executives</p>	<p>YEAR 2 \$39,000</p>
BASE SALARY	\$39,000
Incentive Compensation New Business (10%)	\$10,000
Incentive Compensation Renewal Business (7%)	\$10,500
Incentive Compensation Subordinate Sales Performance (5%)	\$80,000
	\$100,500

Total Incentive Pay	\$100,500
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Total Compensation	\$139,500
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<p>► Compensation Future Year when generating \$600,000 in revenue (\$300,000 new business, \$300,000 renewal business) plus \$2,500,000 revenue from subordinate Account Executives</p>	<p>FUTURE \$39,000</p>
BASE SALARY	\$39,000
Incentive Compensation New Business (10%)	\$30,000
Incentive Compensation Renewal Business (7%)	\$21,000
Incentive Compensation Subordinate Sales Performance (5%)	\$125,000
	\$215,000

Total Incentive Pay	\$215,000
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Salary Cap \$215,000

Total Compensation	\$215,000
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INCENTIVE COMPENSATION PLAN

Senior Account Executive

- **Compensation Year 1** when generating \$150,000 in revenue
(\$50,000 new business and \$100,000 renewal business)

	YEAR 1
BASE SALARY	\$45,000
Incentive Compensation New Business (10%)	\$5,000
Incentive Compensation Renewal Business (7%)	\$7,000
Total Incentive Pay	\$12,000

Total Compensation	\$57,000
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- **Compensation Year 2** when generating \$400,000 in revenue
(\$150,000 new business and \$250,000 renewal business)

	YEAR 2
BASE SALARY	\$35,000
Incentive Compensation New Business (10%)	\$15,000
Incentive Compensation Renewal Business (7%)	\$17,500
Total Incentive Pay	\$32,500

Total Compensation	\$67,500
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- **Compensation Future Year** when generating \$1,000,000 in revenue
(\$500,000 new business and \$500,000 renewal business)

	FUTURE
BASE SALARY	\$35,000
Incentive Compensation New Business (10%)	\$50,000
Incentive Compensation Renewal Business (7%)	\$35,000
Total Incentive Pay	\$85,000

Salary Cap \$185,000

Total Compensation	\$120,000
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