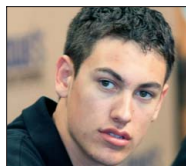




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An appeal to all, from a woman making history



Michelle Obama walks with her daughters, Malia (left), 10, and Sasha, 7 following her speech Monday night in Denver.



Sen. Edward Kennedy makes an appearance at the Democratic National Convention.

Old Senate lion enters convention with strong voice

By KEN HERMAN AND BOB DART
Cox News Service

DENVER — Once more, perhaps for the last time and with more feeling than ever, Edward Kennedy — the old lion of the U.S. Senate and the current patriarch of a great and tragic political family — took center stage Monday night in front of adoring Democratic National Convention delegates.

For about eight minutes, in a strong, certain tone, Kennedy — battling brain cancer — spoke about the future and vowed to be on the Senate floor next January.

"Nothing, nothing is going to keep me away from this special gathering tonight," he said. "I have come here tonight to stand with you to change America, to restore its future, to rise to

SEE KENNEDY, 6A

TODAY: SEN. CLINTON, GOVERNORS

■ Hillary Clinton's speech is pivotal, with many of her supporters unsure about Obama. 6A
■ Former Virginia Gov. Mark Warner will give tonight's keynote address.
Other speakers include Kansas Gov. Kathleen Sebelius and Arizona Gov. Janet Napolitano. 6A
■ Warren Buffett suggest lawsuit over Edwards' affair. 6A

ALL-DAY NEWS ONLINE

Observer staff bring you the Carolinas perspective through blogs and live reports. charlotteobserver.com

Michelle Obama speaks about the values that have guided her family in an effort to connect with families of all walks across the United States.

By SCOTT HELLMAN
Boston Globe

DENVER — Michelle Obama opened the Democratic National Convention on Monday night with a high-stakes speech designed to place her family squarely within the experience of American households everywhere.

It is a challenge each nominee's spouse before her has faced — notably Teresa Heinz Kerry in 2004 — but one that is also unique to her: As the first potential African American first lady, Michelle Obama has an unusually complicated task in trying to relate to and connect with the millions of families across the country looking for a president who understands and represents them.

"Barack and I were raised with so many of the same values," she said. "That you work hard for what you want in life. That your word is your bond and you do what you say you're going to do. That you treat people with dignity and respect, even if you don't know them, and even if you don't agree with them."

She continued: "Barack and I set out to build lives guided by these values, and pass them on to the next generation. Because we want our children — and all children in this nation — to know that

SEE MICHELLE OBAMA, 6A

N.C. trio on Obama's team

Robert Gibbs is Barack Obama's chief spokesman. Julianna Smoot is his chief fundraiser. And Reggie Love is his body man. 7A



Gibbs



Smoot



Love

United Way CEO ranks 1st in study of benefits

Gloria Pace King's pension is unusually big for someone with 17 years of service.

By KERRY HALL
AND MARK PRICE
khall@charlotteobserver.com
mprice@charlotteobserver.com

Gloria Pace King's combined salary and benefits package is the highest among 31 United Ways around the country, based on an Observer analysis of tax records.

Her salary ranks fourth. It includes a bonus that was the biggest among a sampling of 14 agencies of similar or larger size.

Her expense account is at least a third higher than her peers.

Yet, King's retirement package sets her most apart.

She'll receive a full, lifetime pension of more than \$200,000 a year — 60 percent of her pay. Experts say that level is typically reserved for 30-year employees. King, expected to retire within three years, would receive it after 17.

In 2007 the board of directors of United Way of the Central Carolinas increased King's benefits contributions more than sevenfold to \$822,000. She will receive retirement payments of roughly \$500,000 for the next three years — part

SEE UNITED WAY, 4A

Everett may be named King's replacement

Former United Way Board Chair-

man Mac

Everett is

expected to

be named

today as

interim

CEO of the United Way of

Central Carolinas, two

sources told the Observer

late Monday night. Everett,

a retired Wachovia executive

and past chairman of the

UNC Charlotte board of

trustees, has been ap-

proached about replacing

current CEO Gloria Pace

King and has accepted,

sources say. The board is

to meet at 7:30 this morn-

ing in private session at the

United Way's South

Brevard Street office. King,

in the center of a two-

month controversy over her

pay, is not expected to

attend. More on Everett, 4A

— MICHAEL GORDON

Check www.charlotteobserver.com for updates.

WHO MAKES WHAT?

A ranking of 31 United Way

groups by their CEO pay. 4A



Everett

Pendergraph quits federal position

Former sheriff insists he wasn't pushed out, despite his recent spat with Rep. Price.

By FRANCO ORDOÑEZ
AND GARY L. WRIGHT
frordon@charlotteobserver.com
gwright@charlotteobserver.com

Former Mecklenburg County Sheriff Jim Pendergraph is leaving his federal post just 11 months after being plucked by the Bush administration to lead a new effort to increase state and local coordination of immigration laws.

"I am resigning," Pendergraph told the Observer Monday. "I have given them my notice. I plan to come home the last week of October."

Pendergraph said he is returning to Charlotte to spend more time with his family.

The unexpected resignation, effective Oct. 24, comes weeks after Pendergraph drew controversy when he challenged a congressman who wanted to refocus spending on immigration enforcement.

Pendergraph's comments drew complaints from U.S.



STAFF FILE PHOTO

Jim Pendergraph has resigned from his job at Immigration and Customs Enforcement.

Rep. David Price, a Chapel Hill Democrat. A spokesman for Immigration and Customs Enforcement said Pendergraph was not authorized to present the agency's views on appropriations.

In July, Pendergraph told a Durham television program that he was concerned about a lack of money for workplace enforcement of immigration laws.

Pendergraph was quoted as accusing Price, head of the Homeland Security Appropriations Subcommittee, of being "politically correct" by putting emphasis only on criminal en-

SEE PENDERGRAPH, 12A

70° 80°

Plenty of rain: Mostly cloudy with showers and storms. 6D

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FIRST DAY: THOUSANDS GO BACK TO SCHOOL

With the usual spate of late buses and traffic jams, students in Charlotte and across the region returned to school this week. The region has at least nine brand new schools. 1B



Breakaway regions recognized by Russian parliament

Russian leaders say world has no choice but to come to terms with Russian actions in Georgia. 5A

COMING WEDNESDAY

Putting 'fast' in breakfast: Recipes and shortcuts show how families save time when getting kids that first meal of the day before school. CAROLINA LIVING



United Way chief tops benefit study

UNITED WAY

■ from 1A

of an accelerated effort, the board says, to bring King's pension to where it should be. Those payments, the board says, skew any comparison of King's salary and benefits.

But even without the increase, King's former pension payment of more than \$108,000 was the largest among the United Ways surveyed — many of which serve more people and raise more money.

The board has declined to explain why the catch-up payments are needed; to give details of how it arrived at the size of King's pay package; and to release minutes of board meetings that could shed light on the issue.

Thursday evening, the Observer gave the board's public relations firm a list of questions related to the paper's findings. The firm said the board would try to provide answers by Monday.

Monday, the board again declined comment.

The board planned to hold a closed-door meeting this morning. Chairman Graham Denton declined Monday to provide details.

King will not attend, said her attorney, Bill Diehl. Diehl told the Observer last week that King signed a three-year contract in January. He said she hired him after the Observer and its TV news partner, WCNC (Channel 36), questioned King's pay in June.

King, president and CEO since 1994, has declined comment throughout. Her board has said she has earned her salary and benefits.

United Way of Central Carolinas ranks among the United Way's top 20 largest fund-raisers. The watchdog group Charity Navigator gives King's agency high marks for efficiency.

The board credits King with boosting the agency to No. 2 in the number of donors giving at least \$10,000.

Under King, said former chairman Mac Everett, the agency's board has assumed a higher profile with the corporate community. Today, the 60-plus-member group includes bank presidents, university chancellors and executives from some of the area's most important companies.

Russell Robinson, a longtime board member who hired King, says she has built the best United Way in the country.

"Everybody knows Gloria," says Neil Belenky, the retired CEO of the Greensboro United Way. "And they know Charlotte because of her."

But lingering questions over King's pay and the board's handling of donor money threaten the agency's annual campaign, set to start next week. The United Way supports 91 agencies. Last year, the United Way said its drive raised \$43.5 million, more than double the amount from King's first year.

Aaron Dorfman, executive director of the National Committee for Responsible Philanthropy, says the Charlotte board "is out of touch" with reasonable compensation for a nonprofit CEO.

"The numbers speak for themselves," he said. "It's obvious they're providing her with a much higher-than-usual benefits package, even when compared with other United Ways, which typically provide compensation packages much higher than the rest of the charitable sector."

Bonus quadrupled

Giving King a full pension more than a decade earlier than most employees will mean an extra \$70,000 a year for life, estimates Dan Farrell, a Michigan-based accounting expert and consultant on compensation and benefits issues.

"I don't see too many people getting deals like that," he said.

Companies typically pay between 5 percent and 15 percent of an executive's salary on benefits each year, said Linda Lampkin, researcher director with ERI Economic Research Institute, which studies nonprofit compensation.

In 2007, King's benefits were three times her salary. In 2006, they amounted to 22 percent. This year, they stand to be almost twice as much.

Her bonus more than quadrupled in less than a decade —

What United Way CEOs get paid

Agencies ranked by salaries and bonus; benefits vary greatly

Agency	Location	President	Salary & Bonus	Benefits	Expenses	Revenue
1 New York City ²	New York, NY	Lawrence Mandell***	429,419	14,229	0	112,131,179
2 Southeastern Michigan ³	Detroit, MI	Michael J. Brennan	372,484	23,425	0	68,186,728
3 Miami-Dade ²	Miami, FL	Harve Mogul	369,356	34,285	1,500	63,684,346
4 Central Carolinas ¹	Charlotte	Gloria Pace King	365,000	822,507*	35,862	44,189,562
5 Metropolitan Atlanta ²	Atlanta, GA	Mark O'Connell	352,611	14,361**	22,500	100,946,621
6 Metropolitan Dallas ²	Dallas, TX	Gary Godsey	320,139	34,593	7,200	49,300,697
7 Massachusetts Bay ¹	Boston, MA	Milton J. Little	313,300	31,351	0	53,041,400
8 San Antonio and Bexar County ¹	San Antonio, TX	Howard J. Nolan	294,033	82,083	0	35,274,425
9 Los Angeles ¹	Los Angeles, CA	Elise Buik	291,669	6,600	0	58,504,016
10 Greater Cincinnati ⁴	Cincinnati, OH	Robert Reifsnnyder	291,448	22,340	5,534	64,464,428
11 Central Maryland ²	Baltimore, MD	Larry E. Walton	283,404	50,858	7,019	41,145,674
12 Greater Twin Cities ⁴	Minneapolis, MN	Lauren A. Segal	264,540	76,370	0	88,555,767
13 Tarrant County ³	Fort Worth, TX	Tim Carter	263,100	65,474	0	28,874,321
14 Metropolitan Central Alabama ⁴	Birmingham, AL	Dan Dunne	258,453	30,527	7,436	58,104,207
15 Orange County ¹	Irvine, CA	Maria Chavez Wilcox	256,083	22,548	5,704	26,611,727
16 Greater St. Louis ¹	St. Louis, MO	Gary C. Dollar	254,487	75,826	4,732	67,362,347
17 Central Ohio ³	Columbus, OH	Janet Jackson	246,244	88,429	10,106	54,490,141
18 Greater New Orleans ⁴	New Orleans, LA	G. Gary Ostroske	244,161	36,348	1,475	26,481,384
19 Midlands, Nebraska ⁴	Omaha, NE	Michael McLarney	232,700	31,980	8,092	20,315,400
20 King County ¹	Seattle, WA	Jonathan Fine	231,695	34,321	4,248	132,076,582
21 Greater Cleveland ⁴	Cleveland, OH	K. Michael Benz	231,640	39,509	8,571	44,908,796
22 Mid-South ⁴	Memphis, TN	Harry Shaw	231,636	58,130	0	31,192,926
23 Southeastern Pennsylvania ²	Philadelphia, PA	Alba Martinez	219,653	25,081	12,000	54,132,473
24 Bay Area ²	San Francisco, CA	Anne Wilson	218,000	15,753	6,878	39,682,036
25 Triangle ⁴	Morrisville, NC	Craig Chancellor	215,454	27,972	12,009	22,579,797
26 Forsyth County ¹	Winston-Salem	Ronald J. Drago	208,865	31,470	0	19,088,896
27 Middle Tennessee ⁴	Nashville, TN	Mark H. Desmond	174,945	26,683	6,000	26,139,906
28 Mile High ²	Denver, CO	Michael K. Durkin***	160,136	94,336	6,000	26,817,003
29 Central Indiana ¹	Indianapolis, IN	Ellen K. Annala	160,000	45,899	600	69,842,910
30 Metro ⁵	Louisville, KY	Joe Tolan	151,241	18,970	1,013	29,353,791
31 Heart of West Michigan ¹	Grand Rapids, MI	Robert Haight	127,522	26,492	4,022	17,150,701

Key:

*Includes 18 months of payments. Board has said the large payment was needed to make up for short payments in earlier years. King received \$108,590 in 2006; **Received a \$1.6 million retirement payment in 2007; *** left agency in 2007; ¹ from 7/1/06 to 6/30/07; ² from 7/1/05 to 6/30/06; ³ from 4/1/06 to 3/31/07; ⁴ during 2006 calendar year; ⁵ from 5/1/06 to 4/30/07



United Way of Central Carolinas CEO Gloria Pace King will receive a lifetime pension of more than \$200,000 a year.

King's bonus

Gloria Pace King's bonus has quadrupled during the past decade at the United Way

Year	Bonus
1994-1998	\$0
1999	\$20,000
2000	\$20,000
2001	\$30,000
2002*	\$80,000
2003	\$80,000
2004	\$80,000
2005	\$80,000
2006	\$87,000
2007	\$90,000

* Partial year because agency changed accounting methods

How much do cities give?

Here's an 11-city sampling of per capita giving to United Way, figured by the number of dollars raised compared to the population.

Birmingham:	\$56.05
Indianapolis:	\$48.62
Cincinnati:	\$45
Nashville:	\$42.31
Charlotte:	\$36.65
Columbus, Ohio:	\$32.22
Cleveland:	\$28.43
Louisville:	\$27.11
Miami:	\$27
St. Louis:	\$23.75
Atlanta:	\$23

hitting \$90,000 last year, or about a third of her salary.

Cities such as Seattle, Indianapolis and Birmingham did not offer bonuses.

Others, such as Philadelphia, Cleveland and Dallas, pay bonuses of 10 to 20 percent of CEO salaries. In Dallas, that amounted to \$64,000 in the 2006 fiscal year, the next highest amount from the agencies surveyed.

In Winston-Salem, where the bonus is up to 10 percent of the annual CEO salary, the bonus amounted to \$18,500.

Perceptions of excess

Belenky, Greensboro's former United Way CEO, said there has been a disconnect between United Way boards and the public. He said boards are typically made up of successful business leaders who bring corporate practices to a nonprofit entity. Those practices including paying top-level salaries to successful CEOs such as King.

That can lead to a perception of excess. Belenky said he experienced it firsthand when he told his board he wanted to leave a year early but keep his full retirement.

"The board and I were from two very different worlds," he said. "They were trying to do right by me, but there are options they presented that simply would not have translated well in the public sector."

Gary Dollar, CEO of the United Way of Greater St. Louis, earned \$254,487 last year and received roughly \$76,000 in benefits.

"We believe in people knowing how the money that

they invest in us and the community is spent," he said.

He said he wouldn't share specifics about other employees to protect their privacy. But as for his pay: "I'm the top here, the leader. You have a right to know."

Charlotte philanthropist David Barnhardt, who intends to withhold his United Way donation for the first time in 40 years, said the upcoming campaign will take a hit over the controversy.

The best local United Way leaders can do now, he said, is

United Way board meets today in closed session

By ERIC FRAZIER
efrazier@charlotteobserver.com

The United Way of Central Carolinas' board will meet this morning in closed session, possibly to discuss the controversy over its president's compensation package.

Board chairman Graham Denton said the meeting will be at 7:30 a.m. at the United Way's South Brevard Street headquarters.

The board members will meet with "no staff, no outsiders of any sort" allowed, Denton said.

The board includes at least 60 members, he said.

Asked whether the board will discuss President and CEO Gloria Pace King's compensation, Denton replied: "I'm not going to go into any detail. ... That sort of takes away from the purpose of hav-

ing an executive session."

King's attorney, Bill Diehl, said at midday Monday that King has "no official notification" of the meeting and doesn't plan to attend.

But he said things could change.

Diehl previously told the Observer he is negotiating with the board's attorney to find a solution to the controversy over King's pay and benefits.

The board paid \$822,000 in retirement benefits to King last year, more than seven times the \$108,000 it paid her in 2006.

It plans to pay between \$450,000 and \$500,000 into her retirement account each year for the next three years. King's combined salary and benefits are the highest found in an Observer analysis of tax records for 31 United Ways across the

country.

The Charlotte board has said the additional retirement payments were needed to make up for short payments in previous years. It has declined to explain why the catch-up payments were needed or say how it set the size of King's pay package.

The agency's annual campaign begins next week. Donors angry with King's package or the board's handling of it have threatened to withdraw support.

According to the Carolinas Poll, conducted by the Observer and WCNC, 29 percent of those who had heard of the controversy said they would reduce their donations; 26 percent said it would not affect their donations.

The United Way supports 91 nonprofit agencies.

How we wrote this story

The Observer obtained compensation information for 31 United Way executives across the country using the most current tax forms available. About half the agencies served an area similar in size to Charlotte's; the remainder served considerably more people. More than two dozen agencies provided details about their executive retirement plans. The Observer spoke with 14 agencies about CEO bonuses.

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