



# This Week in New York

## Covering New York State and City Government

*A Publication of Pitta Bishop Del Giorno & Giblin LLC*  
*August 26, 2011 Edition*



## *In the News – New York State*



### **Judicial Pay Increase Okayed**

New York's Judicial Pay Compensation Commission today approved a proposal to give the State's jurists a 27 percent salary increase over the next three years.

Under the proposal, approved by a 4 to 3 vote, a State Supreme Court judge's pay would rise to \$160,000 by April 2012, \$167,000 by April 2013, and then to \$174,000 by April 2014. State Supreme Court judges currently earn \$136,700.

The Commission's recommendations go into effect April 1<sup>st</sup>, unless legislation is passed to amend or rescind the raises. Judicial salaries have not been increased since 1999. However, earlier this summer, State Budget Director Robert Megna testified that New York could not afford judicial pay raises given the projected \$3 billion deficit for 2012.

According to Commission Chairman Bill Thompson, the proposal represents a compromise, as some groups advocated increases up to \$192,000.

"I think all of us would like to see an agreement of 192, 195 [thousand]," Chairman Thompson said, according to published reports. "Federal judges have had their raises and salaries frozen for the last three years. But I think we all remember that we're still in, maybe not a recession, but we just came out of one of the worst recessions in years. We're not out of the woods yet and there's a reason why those salaries haven't moved in a last few years — because nothing operates in a vacuum."

In addition to Chairman Thompson, Commissioners Rick Cotton, Bill Mulrow, and James Tallon voted to approve the proposal. Commissioners Robert Fiske, Jr., Kathryn S. Wylde, and Mark Mulholland voted against it.

Official release of the Commission's proposal is scheduled for Monday.



## **Extreme Makeover: Governor Cuomo Launches "New York Open for Business" Marketing Initiative**

Combating New York's image of having one of the worst business climates in the nation, Governor Andrew M. Cuomo this week launched "New York Open for Business." The "coordinated communications and marketing effort" is aimed at demonstrating the benefits of doing business in New York State to business leaders "across the world."

In announcing the initiative, Governor Cuomo acknowledged that businesses have left New York in record numbers and job losses have devastated local communities.

"The goal of the 'New York Open for Business' initiative is to promote the many assets of investing in New York so the state can regain its reputation as a business-friendly location," he explained. "The 'New York Open for Business' campaign will get the message out to companies throughout the world that New York is a premier place for businesses to invest and grow."

The campaign will be led by a committee of business representatives from across the state, including:

- Russell M. Artzt, Vice Chairman and Founder of CA Technologies.
- Kathy Bloomgarden, Ph.D., CEO of Ruder Finn Inc.
- Kenneth I. Chenault, Chairman and CEO of American Express
- Donny Deutsch, Chairman of Deutsch Inc.
- Shelly Lazarus, Chairman of Ogilvy & Mather
- Eric Mower, Chairman and CEO, Eric Mower and Associates.
- Julie A. Shimer, Ph.D., President and CEO, Welch Allyn Inc. & Chair of Empire State Development Corporation (ESDC).
- G. Thomas Tranter, Jr., President of Corning Enterprises
- Robert G. Wilmers, Chairman and CEO of M&T Bank Corporation.

As a central component of this effort, the state will recruit a communications firm to create a new campaign across all media to promote the advantages of doing business in New York. The Empire State Development Corporation (ESDC) will have responsibility for recruiting the firm through an RFP process. The initial campaign is expected to cost at least \$10 million and as high as \$50 million if deemed necessary. The budget pools resources appropriated in the 2011-2012 State budget in ESDC and other agency advertising resources, as well as other existing economic development funds.

# Localities Told to Brace for Increased Pension Costs

## *Municipal Employee & Teacher Pension Costs Increase*

Pension costs for state and local governments are set to rise again in fiscal year 2012 -- 16 percent to cover public employees and 19 percent to fund police and fire workers, Comptroller Thomas DiNapoli announced this week. According to the Comptroller, State and local governments will have to pay \$5.5 billion toward pension costs in 2013, a rise of \$600 million.

"The Common Retirement Fund has had two consecutive years of strong investment returns," Comptroller DiNapoli explained. "However, we are still incorporating the market loss of 2008-09 into our employer contribution rates. While rates will continue to increase, the size of that increase is less than it has been for the past two years."

In Fiscal year 2011-2012, state and local governments saw pension expenses rise 37 percent.

The new pension payments are for the 2012-13 fiscal year, which starts April 1. Local and state government would have to make the payments in either December 2012 or February 2013. The average contribution rate for the Employee Retirement System for public workers will increase from 16.3 percent to 18.9 percent of salary. The average contribution rate for the Police and Fire Retirement System will increase from 21.6 percent to 25.8 percent, Comptroller DiNapoli said.

In an effort to aid localities as they budget for their employer contributions, Comptroller DiNapoli directed the Retirement System to give localities access to a full estimate of their annual pension bill by September 1, six weeks earlier than in previous years.

This is the second pension increase forecasted for localities in recent weeks. Earlier this month, the State Teacher's Retirement System announced that school districts will see a 29 percent increase in their pension costs this school year. According to a fund spokesman, the teachers' fund too is trying to make up for a steep decline two years ago.

According to preliminary estimates, the increase means schools will pay 11.11 percent of their payroll toward retirement costs in 2012, up from 8.62 percent in the prior school year, which ended June 30. The payments are due in the fall 2012.

## *Bills Signed by the Governor*

**Chapter 389 - A5516C Sponsored by M of A Jaffee (Senator Fuschillo)** -- Prohibits smoking in outdoor areas of ticketing, boarding, waiting or platform areas of railroad stations operated by the metropolitan transportation authority or its subsidiaries.

**Chapter 390 - A8124 Sponsored by M of A Jaffee (Senator Bonacic)** -- Authorizes the disposal of computers through donation to not-for-profit institutions for use by senior citizens or low income individuals.

**Chapter 399 - S5679 Sponsored by Senator Skelos (M of A Silver)** -- Enacts the public integrity reform act of 2011.

**Chapter 403 - A30 Sponsored by M of A Cahill (Senator Golden)** -- Establishes the qualifications of director of facilities of school districts.

**Chapter 406 - A384B Sponsored by M of A Paulin (Senator McDonald)** -- Facilitates payment of claims by health insurers to municipalities for early intervention services.

**Chapter 410 - A2502A Sponsored by M of A Canestrari (Senator Oppenheimer)** -- Requires applicants to complete a master's degree or higher to obtain a license in physical therapy.

**Chapter 441 - A7650A Sponsored by M of A Gottfried (Senator Hannon)** -- Relates to permitting a hospice to employ and enter into contracts with licensed healthcare professionals.

**Chapter 444 - A7893 Sponsored by M of A Gunther (MS) (Senator Young)** -- Expands the health occupation and workplace demonstration program to home health care providers.

**Chapter 451 - A8297A Sponsored by m of A Weinstein (Senator Bonacic)** -- Relates to the exercise of a power of appointment and an authorized trustee's authority to invade trust principal.

**Chapter 456 - S2628A Sponsored by Senator LaValle (M of A Glick)** -- Relates to the practice of public accountancy by accountants who are not licensed in New York state.

**Chapter 459 - S2877A Sponsored by Senator Grisanti (M of A Canestrari)** -- Relates to the number of reverse vending machines required for mandatory acceptance of empty beverage containers.

**Chapter 460 - S2911A Sponsored by Senator LaValle (M of A Canestrari (MS))** -- Defines occupational therapy assistant and provides requirements for authorization as an occupational therapy assistant.

**Chapter 470 - S4053A Sponsored by Senator Farley (M of A Reilly (MS))** -- Includes public library systems within the definition of entities that are eligible to apply for local government efficiency grants.

**Chapter 475 - S4772 Sponsored by Senator Marcellino (M of A Lentol)** -- Authorizes motion picture theaters to serve alcoholic beverages.

**Chapter 492 - A7810 Sponsored by M of A Gottfried (Senator Hannon)** -- Allows limited liability companies to operate renal disease diagnostic or treatment centers.

## *In the News – New York City*

### **NYC Hurricane Information**

***Evacuation of NYC Low-Lying Areas.*** New York City Mayor Michael Bloomberg ordered a mandatory evacuation of all low-lying areas (coastal areas in Brooklyn, Queens, including all of the Rockaways, and Staten Island, along with Battery Park City and the financial district in Lower Manhattan and Governor's Island) by 5 p.m. on Saturday. Mayor Bloomberg told a press conference that the evacuation could begin when shelters open at 4 p.m. today.

***NYC Public Transportation Shutdown.*** Governor Andrew Cuomo says public transportation in New York City will shut down at about noon on Saturday. According to the Governor's office, the Metropolitan Transit Authority will institute a system-wide shutdown when subways and buses begin their final runs starting at approximately noon. The shutdown will include the Long Island Rail Road, Metro-North Railroad and Access-A-Ride.

***NJ Transit Shutdown.*** New Jersey Transit trains also will stop running at noon Saturday. Gov. Chris Christie made the announcement during a briefing on the storm Friday.

***Philadelphia Transportation.*** In Philadelphia, Mayor Michael Nutter says mass transit in suburban Philadelphia will halt at 12:30 a.m. Sunday.

*Note: Due to high web traffic, NYC.GOV websites are experiencing technical issues and may not load in your web browser. The City is currently working to fix the issue. Attached please find a map of the City's hurricane evacuation zones and centers.*

## *In Brief*

### **Governor's Task Force Seeks Compensation Data From Not-For-Profit Organizations**

Under the direction of Benjamin M. Lawsky, Superintendent of the Department of Financial Services, Governor Andrew M. Cuomo's Task Force on Not-For-Profit Entities this week sent a data request to not-for-profit organizations seeking detailed information about compensation for their executives and board members. Superintendent Lawsky chairs the Task Force (see *TWNY* 8/5).

According to Mr. Lawsky, the letter is being sent on a rolling basis to the boards of trustees of organizations selected based on an analysis of funds received from the State. Organizations include Medicaid providers, other health services providers, many types of social service providers, hospitals and others.

In addition to seeking detailed compensation and other financial data, the Task Force letter also asks the organizations' boards to explain the basis for their not-for-profit status and whether it is appropriate to recoup any excessive compensation.

## **Thomas Madison Nominated as Executive Director of Thruway Authority**

Thomas J. Madison has been nominated by Governor Andrew M. Cuomo to serve as Executive Director of the New York State Thruway Authority. Currently, Mr. Madison is a Vice President and Director of Transportation Policy at STV, Inc., a consulting firm specializing in design services and construction management for transportation systems and infrastructure projects.

From 2008 to 2009, Mr. Madison served as Federal Highway Administrator at the U.S. Department of Transportation. Previously, he served as Commissioner of the New York State Department of Transportation from 2005 to 2007 and was Deputy Secretary for Transportation from 2004 to 2005. Mr. Madison received a Bachelor of Arts degree SUNY Geneseo.

The nomination is subject to confirmation by the State Senate. If confirmed, Mr. Madison will succeed Michael Fleischer who recently resigned.



Vito Pitta, Bob Bishop, Comptroller DiNapoli &  
Vincent Pitta

## **Comptroller Meets With the North East Conference of IUOE**

Prior to his national 15 minutes of fame on *Good Morning America* this week, State Comptroller Thomas DiNapoli addressed the members of the North East Conference International Union of Operating Engineers in Saratoga Springs, New York.

Pictured left, the Comptroller greets Pitta Bishop founders Vincent Pitta and Robert Bishop and Vito Pitta at the event.

## Coming Up

# Board of Elections Campaign Finance Filings– Primary Election

Primary Election – September 13, 2011

<u>Report Period</u>	<u>Cut-Off Date</u>	<u>Filing Due Date</u>
11-Day Pre-Primary	August 29, 2011	September 02, 2011
10-Day Post-Primary	September 19, 2011	September 23, 2011

---

**Disclaimer:** The materials in this *This Week in New York* report are provided for informational purposes only and are not intended to be a comprehensive review of legislative or governmental or political developments, to create a client-consultant/lobbyist relationship, or to provide consulting, lobbying or political advice. Readers are cautioned not to attempt to solve specific problems on the basis of information contained in this *This Week in New York*. If consulting, lobbying or government relations advice is required, please consult a professional expert in such matters. The information contained herein, does not necessarily reflect the opinions of Pitta Bishop Del Giorno & Giblin LLC, or any of its partners or employees or its clients. Neither Pitta Bishop Del Giorno & Giblin LLC, nor its partners or employees make any warranty, expressed or implied, and assume no legal liability with respect to the information in this report, and do not guarantee that the information is accurate, complete, useful or current. Accordingly, Pitta Bishop Del Giorno & Giblin LLC is not responsible for any claimed damages resulting from any alleged error, inaccuracy, or omission. This communication may be considered an advertisement or solicitation.

**To Our Clients:** If you have any questions regarding any of the matters addressed in this newsletter, or regarding any legislative, government relations or political or consulting or related issues in general, please contact the Pitta Bishop Del Giorno & Giblin LLC professional with whom you usually work.

**To Our Clients and Friends:** To request that copies of this publication be sent to a new address or fax number, to unsubscribe, or to comment on its contents, please contact Theresa Cosgrove at [tcosgrove@pittabishop.com](mailto:tcosgrove@pittabishop.com) or at (518) 449-3320.

---

*This Week in New York* is a publication of Pitta Bishop Del Giorno & Giblin LLC, 120 Broadway, 28<sup>th</sup> Floor, New York, New York 10271.