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Corzine appointment highlights parting gift with future cost

By Maya Rao

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In the tradition of his predecessors, Gov. Corzine is giving an adviser one final reward before leaving office: appointment to a casino-funded state authority that pays \$18,000 a year and keeps recipients in the pension system.

Michellene Davis, the governor's chief policy counsel, was named on Tuesday to the board of the Casino Reinvestment Development Authority.

Davis will join board member Peter Cammarano, who was chief of staff to Gov. Richard J. Codey in 2005 when Codey appointed him weeks before leaving office.

And she will have company in board member Michael DeCotiis, who was chief counsel to Gov. Jim McGreevey when he was appointed in 2004 on the governor's way out the door.

While board members said the compensation for those posts is unimportant to them, it distinguishes the agency - whose list of 17 board members doubles as a directory of some of New Jersey's most politically prominent people - from the majority of state authorities, whose board members are unpaid.

As the state struggles through a recession and transitions to a Republican administration, there are renewed efforts to scrutinize independent state authorities.

Gov.-elect Christopher J. Christie is looking to streamline such entities, and two Atlantic County legislators this month introduced a bill to eliminate the CRDA board salaries.

"I think there is no question at this point that they should be unpaid positions that people should be willing to serve without salary and pension credits," said Assemblyman Vince Polistina (R., Atlantic), who sponsored the bill with Assemblyman John Amodeo (R., Atlantic).

The CRDA declined to comment on the matter.

Davis said that state employees could not serve on the board, so the only time they can be considered is when they are going out the door.

"As I leave public service, what's most important to me is having the continued opportunity to continue that

public service," said Davis, adding that she hopes she can provide institutional knowledge.

Davis, who was recommended by the Assembly speaker, was previously acting state treasurer and the executive director for the New Jersey State Lottery.

Funded by a 1.25 percent tax on Atlantic City casinos' gaming revenues, the agency since its inception in 1984 has doled out \$1.8 billion for housing and economic-development projects around the state and in Camden and numerous Philadelphia suburbs.

"I think it's a perfectly appropriate exercise for the Legislature to go through and look at ways to save money, and commissioners' salaries are one way to do that," said DeCotiis, who is managing partner of the politically prominent law firm DeCotiis, Fitzpatrick & Cole, headquartered in Essex County.

"It wouldn't impact my ability or willingness to serve on the board one way or another," DeCotiis added, "but I think what that has to be weighed against is the type of work it is that we're doing in the CRDA and the amount of time that is expected of each committee meeting and each member beyond just attending the meetings."

DeCotiis said the bylaw review committee he chairs for the CRDA is looking to amend the agency's bylaws to have the board take on a greater oversight role in financial and other matters.

The CRDA board has unpaid slots for casino representatives and government officials, such as the mayor of Atlantic City (Davis served as an unpaid, ex-officio member while she was acting state treasurer). The governor appoints 10 paid members from around the state to four-year terms, nine of whom receive \$18,000 a year. The chairman - James Kehoe, a labor leader from Camden County - makes \$23,000.

The governor appoints six of the 10 paid, or public, members upon the advice and consent of the Senate, two upon the recommendation of the Senate president, and two upon the recommendation of the Assembly speaker.

Last month, Corzine appointed three labor leaders to the board: Richard Dressel, business manager of International Brotherhood of Electrical Workers Local 164; Robert Garrison, treasurer of the New Jersey State Laborers PAC; and Edward Gant, business manager of IBEW Local 351.

Board members are unsalaried at major state authorities such as the New Jersey Economic Development Authority, the New Jersey Sports and Exposition Authority, the New Jersey Turnpike Authority, the Port Authority of New York and New Jersey, the Delaware River Port Authority, and the New Jersey Schools Development Authority.

Efforts to end the CRDA salaries, now a cumulative \$185,000, went nowhere in the 1980s and 1990s.

Polistina said the savings could go toward marketing the casino industry, which saw annual gaming revenue plummet amid an economic downturn and increased competition from other states.

Noting New Jersey's own fiscal problems, he said: "We're just not going to be in a position to pay part-time board members for any of the authorities throughout the state."

"I'm familiar with a lot of other authorities in this state that run complex programs . . . and they're not compensated, so I don't think there's any reason for doing that. And the point is, I can't think of any unique justification for doing it because it's the casino authority," said David Sciarra, who helped write the original CRDA legislation and now heads the Education Law Center in Newark.

Ingrid Reed, a policy analyst at the Eagleton Institute of Politics, said New Jersey should evaluate what the responsibilities of membership are for all state authorities. She suggested giving board members at such

authorities \$1,000 for expenses, rather than a stipend or pension credits, and evaluating those who are paid on their performance.

"It's not going to add up to a whole lot of money in terms of the budget shortfall, but it does mean that government is being responsible," said Reed, who serves as an unpaid board member of the Capital City Redevelopment Corp.

Board members are charged with attending a monthly meeting at which action is taken, in addition to a second meeting for committees on funding for different geographic areas and other matters.

They are paid the same even when they miss meetings.

Of the 34 monthly meetings in which action is taken over the last three years - the authority could not provide records for December 2009 - Irene Hill-Smith, a former civil rights activist from Gloucester County, missed 17. Frank Spencer, an influential carpenters' union leader from Camden County, missed five of 17 such meetings, nearly a third, since being appointed in mid-2008.

Hill-Smith could not be reached for comment - several board members said she had been ill - and Spencer said the only times he did not attend were when he was traveling. He said the salary was not a driving force for him or his colleagues, noting that he has served on a number of boards that did not pay.

"This one just happened to have a stipend with it," he said.

Daniel Dalton, a former Senate majority leader and secretary of state, missed 10 meetings in that period, including five in 2009 alone. His term just ended.

Though the Gloucester County Democrat declined to comment, he noted that last year he had attended 16 of 21 total meetings, including committee meetings. He said he was out of town for two of those absences, and a third was for a special meeting with only one item on the agenda.

Cammarano, now a Trenton lobbyist, said that board members have a lot of government experience and care about Atlantic City, and that the position involves a level of expertise on bonding, casino revenue, and economic development.

"I would probably do this work no matter what. . . . I don't know why the salary is there," said Cammarano. "That was there long before me."

DeCotiis said he spends 15 hours a month traveling to and attending the Atlantic City meetings, reviewing packets and, more recently, working closely with the authority's counsel on amending the bylaws.

"To say that it's a patronage job and people show up for a paycheck, I don't think it's accurate or fair to the people who show up on the boards," he said.

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