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THOMPSON AND NYC PENSION FUNDS SUBMIT SHAREHOLDER RESOLUTIONS CALLING FOR REFORMS ON EXECUTIVE PAY

-Nine companies receive resolutions dealing with executive compensation packages -

- Comptroller Re-files with Home Depot for "Say on Pay" proposal -

[view examples of the shareholder resolutions](#)

New York City Comptroller William C. Thompson Jr., on behalf of the New York City Pension Funds, has submitted shareholder resolutions to nine companies calling for more shareholder say and performance-based criteria in the compensation packages given to corporate executives.

Thompson has submitted an "Advisory Vote on Executive Compensation" (Say on Pay) resolution to five companies: The Home Depot, Rite Aid, The Ryland Group, KB Home, and Charming Shoppes. A "Pay for Superior Performance" resolution was submitted to Tenet Healthcare Corporation, Chesapeake Corporation, and Pier One Imports. PMC-Sierra Incorporated has received a resolution for "Performance-Based Stock Options."

The New York City Pension Funds are the: New York City Employees' Retirement System, Teachers' Retirement System, New York City Police Pension Fund, New York City Fire Department Pension Fund, and Board of Education Retirement System.

The resolutions can be viewed at www.comptroller.nyc.gov

"Shareholders deserve to have their voices heard regarding the compensation being doled out to corporate executives," Thompson said. "By approving these resolutions, these companies will agree to a more transparent and accountable process of compensation."

An Advisory Vote (Say on Pay) establishes an annual process for shareholders to communicate their views on senior executive compensation. The results of these votes would provide the Board of Directors with useful information about views on the company's senior executive compensation practices.

This is the third time this measure has been filed with Home Depot. In 2007 and 2008, the New York City Pension Funds filed "Say on Pay" proposals with the company, garnering 43% and 42.1% support, respectively.

"Investors increasingly are concerned about mushrooming executive compensation, particularly when it is insufficiently linked to performance," Thompson said. "Close to 100 'Say on Pay' resolutions were filed in 2008, with votes averaging 43% in favor. This demonstrates that there is strong shareholder support for this important reform."

In its 2008 statement, Aflac allowed shareholders an Advisory Vote on its executive compensation package, which resulted in a 93% vote in favor. A number of companies have also agreed to an Advisory Vote, including Verizon, MBIA, H&R Block, Blockbuster and Tech Data.

Pay-for-Superior Performance proposals request that companies' Executive Compensation Committees establish superior standards in their compensation plans for senior executives by incorporating guidelines such as:

- An incentive bonus should use financial performance criteria that can be benchmarked against a disclosed group of peer companies. An annual bonus is only awarded when the company's performance exceeds the median or mean performance of its peers.
- Long-term compensation should use criteria that can be disclosed against a peer group of companies.
- Compensation plan disclosure should be sufficient to allow shareholders to determine and monitor pay and performance correlation.

Tenet Healthcare, Chesapeake Corporation, and Pier One Imports have received Pay for Superior Performance resolutions from the New York City Pension Funds in the past.

Vote results are as follows:

Tenet Healthcare – 15.72% in 2008

Chesapeake Corporation - 23.7% in 2008, 11.7% in 2007

Pier One Imports - 46.8% in 2008, 25.6% in 2007

"A critical part of a well-conceived executive compensation plan is a close correlation between the level of pay and the level of performance relative to industry peers," Thompson said. "A senior executive compensation plan based on sound pay-for-superior performance principles will help moderate excessive executive compensation and create competitive compensation incentives that will focus senior executives on building sustainable long-term corporate value."

Comptroller Thompson also has requested that the Board of Directors at PMC Sierra, Incorporated adopt a policy requiring that stock options, granted to senior executives as part of their compensation packages, be performance-based.

This resolution is being re-filed by the Pension Funds. In 2008, the resolution garnered a 38.8% of the shareholder vote.

"Stock options too often facilitate a disconnect between reward and long-term performance at many companies," Thompson said. "Performance-based options, options tied to business performance goals or exceeding peers' performance, may better serve to align the interests of executives and stockholders."

The New York City Pension Funds hold 8,969,717 shares of the nine companies' common stock.

In addition to Thompson, Trustees for the five New York City Pension Funds are:

NYCERS: New York City Finance Commissioner Martha E. Stark (Chair); New York City Public Advocate Betsy Gotbaum; Borough Presidents Scott Stringer (Manhattan), Helen Marshall (Queens), Marty Markowitz (Brooklyn), Adolfo Carrion (Bronx), and James Molinaro (Staten Island); Lillian Roberts, Executive Director, District Council 37, AFSCME; Roger Toussaint, President Transport Workers Union Local 100; and, Gregory Floyd, President, International Brotherhood of Teamsters, Local 237.

TRS: New York City Finance Commissioner Martha E. Stark (Chair); Deputy Chancellor Kathleen Grimm, New York City Department of Education; and, Sandra March, Melvyn Aaronson and Mona Romain, all of the United Federation of Teachers.

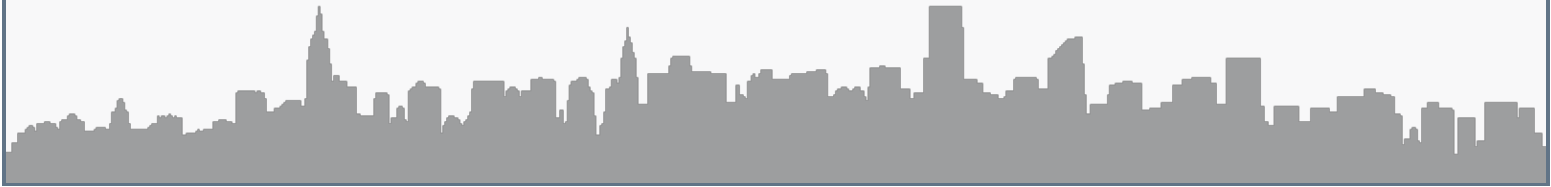
Police Pension Fund: Mayor Michael Bloomberg; New York City Finance Commissioner Martha E. Stark; New York City Police Commissioner Raymond Kelly (Chair); Patrick Lynch, Patrolmen's Benevolent Association; Michael Palladino, Detectives Endowment Association; Edward D. Mullins, Sergeants Benevolent Association; Thomas Sullivan, Lieutenants Benevolent Association; and, Roy T. Richter, Captains Endowment Association.

Fire Department Pension Fund: Mayor Michael Bloomberg; New York City Fire Commissioner Nicholas Scoppetta (Chair); New York City Finance Commissioner Martha E. Stark; Stephen Cassidy, President, James Slevin, Vice President, Robert Straub, Treasurer, and John Kelly, Brooklyn Representative and Chair, Uniformed Firefighters Association of Greater New York; John Dunne, Captains' Rep.; John J. McDonnell, Chiefs' Rep., and James J. McGowan, Lieutenants' Rep., Uniformed Fire Officers Association; and, Joseph Gagliardi, Marine Engineers

Association.

BERS: mayoral appointees Schools Chancellor Joel Klein, Alan Aviles, Philip Berry, David Chang, Tino Hernandez, Edison O. Jackson, Richard Menschel and Marita Regan; Patrick Sullivan (Manhattan), Wendy Gilgeous (Brooklyn), and Joan Correale (Staten Island); and employee members Joseph D'Amico of the IUOE Local 891 member and Milagros Rodriguez of District Council 37, Local 372.

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