



From: NJLM - Municipal Clerks [mailto:njlm-clerks@cityconnections.com]
Sent: Thursday, October 15, 2009 3:36 PM
To: Lashway, Lisa
Subject: Two Issues

LEAGUE ALERT

Municipal Clerk: Please forward to Mayor and Governing Body.

October 15, 2009

Re: I Mandates Relief

Re: II Important Conference Sessions Budget Issues

RE: I. Mandates Relief

Dear Mayor:

Following guidance received from the Co-Chairs of the League's Mandates Relief Committee, Mayors John Bencivengo of Hamilton and Anthony Persichilli of Pennington, we have asked all State Legislators to make mandates relief a high priority, when they return to the State House after Election Day. Action on mandates relief can bring immediate and sustainable property tax relief to our State's citizens and hasten our recovery from the current financial crisis.

Specifically, we have asked for action on the following mandates:

4% Tax Cap Levy Cap - This arbitrary number has forced municipalities to use their surplus and limits the local flexibility necessary to meet the needs of the community. There are mandated costs that rise but are not exempt from the 4% Tax Levy Cap. Also, the constraints of the cap encourage municipalities to increase the levy to the maximum each year, never knowing the costs they will confront in subsequent years.

Municipal Stormwater Regulations - The New Jersey Department of Environmental Protection developed the Municipal Stormwater Regulations in response to the U.S. Environmental Protection Agency's Phase II Rules. The general permits issued to Tier A and Tier B municipalities address stormwater quality issues related to new development, redevelopment and existing development by requiring regulated entities to implement Statewide Basic Requirements. Among others, the regulations include the requirement for municipalities to distribute an annual notice to residents on stormwater management, label catch basins, reclaim water from washing municipal vehicles, street sweeping, adoption and enforcement of stormwater control ordinances, and the use of salt storage structures.

Pension contributions – Currently, the municipality must contribute a percentage determined by the Division of Pension instead of negotiating the employer "match" by contract.

Planning Board/Board of Adjustment - The law currently permits a municipality with a population of less than 1500 to consolidate their Planning Board with the Board of Adjustment. The law should be amended to permit any municipality to consolidate their Planning Board and Board of Adjustment based on their local need, not their population.

Binding Interest Arbitration – This is a State mandated process for settling collective bargaining disputes between a local government and a police or fire employees' union. It allows a union to bring in a third-party whenever economic issues, such as salary percentage increases, longevity pay, shift and rank differentials, etc., remain unresolved after at least three negotiation sessions. At that point, after considering guidelines contained in the law, the arbitrator has the power to impose the terms of a new contract. Since 2000, salary schedule increases have averaged approximately 4% per year. (Previous arbitration awards ranged upwards of 8%.) This means that, since 2000, each of the scheduled increases have been across the salary steps. However, the movement between the salary steps is not considered by interest arbitrators as a cost to employers. The movement between salary steps can be as much as \$15,000 per officer per year. As a result, a 4% increase to the salary guide can cost an employer upwards of 10%, depending on the way the award is structured.

Statutorily, arbitrators function without supervision or control. Even though the statute has criteria dealing with ability to pay, and requires a measurement of the "total net annual economic change" for each year of the contract, little attention is given to these criteria or this calculation.

In addition to police and fire fighters, almost all other local government employees have benefited from this, though to a lesser extent. When the police are receiving a 4% increase to their guide, which is costing the municipality 6 to 10%, it is difficult for a governing body to justify only 1 to 2% for other public employees. At times, municipal collective bargaining units will wait for the municipality to settle with the police or fire union, prior to negotiating, so as not to "lose out" on any benefits, including percentage increases, given to the police or fire unions.

Civil Service – The voters of a municipality can choose to place their public employees into the civil service system. Once they make that decision, the State statute mandates that future generations of municipal citizens are bound by it. "We the people" can amend our Constitution – our basic framework of civil rights and self-government – but we cannot rescind a personnel policy decision made decades ago and get out of the civil service system. We believe that requirements imposed on local management by civil service rules, and the rights that employees enjoy in the civil service system, increase local personnel costs and limited the municipalities' ability to create shared services.

We urge you to contact your State Legislators and ask them to support these, and other,

mandates relief efforts during, and after, the lame duck session.

Thank you for your consideration.

Very truly yours,

William G. Dressel, Jr.
Executive Director

RE: II. Important Conference Sessions Budget Issues

Dear Mayor:

This is our ninth letter highlighting sessions related to a particular theme. For more information on these and other sessions, visit the League's website at www.njslom.com. Also, be sure to read more about these sessions and the Conference in the October and November editions of our magazine, *New Jersey Municipalities*.

The conference schedule for Budget issues is as follows:

Date	Time	Session	Room
Tuesday, November 17th	2:00 p.m.	Budget and Audit Hurdles – Understanding the Process	Room 302
Wednesday, November 18th	10:45 a.m.	Show Me the Money – Locating Grant Funding to Meet Your Municipality's Needs	Room 421
	2:00 p.m.	Budget, Procurement and Finance in Purchasing Issues	Room 322
	3:45 p.m.	Budgeting in 2010 – Learning from the 2009 Experience: What Works for the Short Term and the Long Term Perspective	Room 408/409
Thursday, November 19th	2:00 p.m.	Tax Appeals in a Real Estate Recession – Strategies for Defending the Tax Base Without Wiping Out Your Budget	Room 411

We hope you find these sessions, and these letters, helpful.

Very truly yours,

William G. Dressel, Jr.
Executive Director

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