

Lashway, Lisa

From: NJLM - Municipal Clerks [njlm-clerks@cityconnections.com]
Sent: Thursday, February 18, 2010 3:20 PM
To: Lashway, Lisa
Subject: Three issues

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William G. Dressel Jr.
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Michael J. Darcy, CAE
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LEAGUE ALERT

Municipal Clerk: Please forward to Mayor and Governing Body.

February 18, 2010

Re: I New Jersey Future Redevelopment Forum 2010

Re: II Review of New Local Financial and General Government Laws

Re: III S-2, S-3, S-4 and SCR-1 on Pension Reform

Re: I. New Jersey Future Redevelopment Forum 2010

**Friday, February 26, 2010
Hyatt Hotel and Conference Center
2 Albany Street
New Brunswick, NJ 08901**

The keynote luncheon speaker is Shelley Poticha, Senior Advisor for Sustainable Housing and Communities at the U.S. Department of Housing and Urban Development. Lieutenant Governor Kim Guadagno will offer luncheon remarks. Real Estate expert Jeffrey G. Otteau will be giving a breakfast presentation. He will provide his analysis of the New Jersey housing and commercial real estate markets and discuss what these trends mean for redevelopment.

Registration: Please [click here](#), if you would to register on-line with a Visa or Master card or you can send a Purchase Order to New Jersey Future, 137 West Hanover Street, Trenton, NJ 08618.

Admission is \$100 for members and \$140 for non-members. Registration at the door is \$175. Please visit our web site at www.njfuture.org/forum for more information or contact Marianne Jann at 609/393-0008, ext. 101 or njfuture@njfuture.org.

Re: II. Review of New Local Financial and General Government Laws

Dear Mayor:

Local Finance Notice 2010-6, "Review of New Local Financial and General Government Laws - February 2010" covers laws enacted at the end of the last Legislative Session. A copy can be found at www.state.nj.us/dca/lgs.

The Notice discusses a variety of new laws affecting municipal clerks, finance officers, tax collectors, and other officials. Please review it and share it with other local officials as appropriate to your organization.

Very truly yours,

William G. Dressel, Jr.
Executive Director

Re: III. S-2, S-3, S-4 and SCR-1 on Pension Reform

Dear Mayor:

Earlier today, South Brunswick Township Manager Matthew Watkins and I testified before the Senate State Government, Wagering, Tourism & Historic Preservation Committee, in strong support for the vast majority of the provisions in the bi-partisan public employee pensions and health benefits reform bills, S-2, S-3, S-4 and SCR-1. As noted in the State Commission of Investigation Report: The Beat Goes On: Waste and Abuse in Local Government Employee Compensation and Benefits, the League has been on the forefront of benefit and pension reform for some time.

The League has taken a general position of support of S-2, S-3, S-4 and SCR-1, as they are similar in nature. However, we believe for true pension reform, the final legislation should ensure consistent benefits provisions in ALL pension

systems – PERS, TPAF and PFRS. For example, in S-2 the pension calculation has been changed to the highest 5 years for PERS and TPAF and 3 highest years for PFRS. PFRS is the most expensive pension system in New Jersey. In order to curb pension cost and have true reform we must address PFRS, the most expensive portion of the municipality’s pension bill. The high cost of PFRS negatively impacts the property taxpayers of this State.

In addition, we asked that municipalities be held harmless with the legislative changes brought about in S-2, S-3, S-4 and SCR-1. We strongly believe that the final legislation must include language rendering the benefits not subject to the collective bargaining/arbitration process. This will provide relief from one of the highest mandated cost that municipalities have no control over and provide true property tax relief to our overburdened residents. All provisions should be immediate and effective for all participants – PERS, TPAF and PFRS. Having this in the final legislation prevents a challenge either through arbitration or subject to PERC. Further, it ensures that all the provisions are uniformly provided throughout the State. Lastly, it saves local government the cost of bargaining over these concessions that the State is imposing.

In concept we agree with the “one job for one pension” provisions in S-2, but are concerned of the unintended negative consequences that it could have on shared services and ultimately the local taxpayers. State law limits certain municipal appointments to individuals holding State certifications such as certified Tax Collectors, Chief Financial Officers or Municipal Clerks. Consequently, there can be a high demand for a limited number of qualified applicants. Due to their size and characteristics, many smaller municipalities do not need these certified officials on a full time basis but rather on a part-time basis.

During the testimony we emphasized the extreme burden of these mandate health and benefit costs on municipal budgets. We illustrated to the committee the negative impact if these reforms are not enacted and urged the committee for immediate relief for the 2010 budget.

The League commends Senate President Sweeney for prioritizing this necessary reform, and we thank the long list of sponsors on both sides of the aisle. This reform is truly a cost saving measure that will lead to property tax relief, and is most welcomed by local officials.

The bills were released from committee today and will be considered by the full Senate on Monday, February 22nd. The text of our testimonies is posted on the league’s website. We will continue to work with all interested parties on reforming the Pension Systems

Very truly yours,

William G. Dressel, Jr.
Executive Director