



**From:** NJLM - Municipal Clerks [mailto:njlm-clerks@cityconnections.com]

**Sent:** Friday, September 11, 2009 12:43 PM

**To:** Lashway, Lisa

**Subject:** Two Issues for the Lame Duck & Beyond

## LEAGUE ALERT

Municipal Clerk: Please forward to Mayor and Governing Body.

September 11, 2009

**RE: Two Issues for the "Lame Duck" and Beyond**  
**I. Mandates Relief**  
**II. Binding Arbitration Reform**

Dear Mayor:

This November, voters will elect 80 Members of the General Assembly to serve in 2010 and 2011. Campaigns are now in full swing, as incumbents, challengers and those seeking soon-to-be vacated seats jockey for position.

There is no better time to find out how those candidates feel about two issues vital to municipal government and our property taxpayers.

### **I. Mandates Relief**

Unfunded state mandates drive up local government costs and force local budget-makers to address a laundry list of state priorities before, and often to the detriment of, local needs for vital municipal programs and services. These mandates include state required training for local officials and employees, state required reporting and permitting and state required services and programs. These mandates have built up, over the years, with no attention paid, at the State level, to their cumulative impact on local budgets.

As both municipalities and the State struggle to deal with the economic crisis, our property taxpayers deserve cooperation among all elected officials at all levels of government. In order to keep the State budget in balance, municipal officials have been asked to absorb cuts in municipal property tax relief funding. Recognizing the strain this puts on local leaders and their fellow citizens, we have asked Governor Corzine and the Legislature to act on mandates relief.

In this economy, at this time, the State doesn't have to spend a penny to give our taxpayers real relief. All that is needed is a relaxation of some of the many mandates that past legislatures and

that past administrations have laid on local government.

When you talk with the candidates who seek to represent you in the 2010-2011 Legislature, ask them to support mandates relief. And let us know how they respond.

For more information on our mandates relief efforts, visit <http://www.njslom.org/mandates-relief.html> or call Jon Moran at 609-695-3481, ext. 121.

## **II. Binding Arbitration Reform**

It is generally recognized that personnel costs and personnel related costs have been increasing at faster rates than other goods and services used by local governments. This is, accordingly, one of the leading causes of the rise in the property tax. Binding interest arbitration for police and fire employees is the primary reason for this never ending rise in the cost of government.

Arbitration awards routinely exceed the rate of inflation. The effects of these awards then ripple through local budgets, as public safety employees in neighboring jurisdictions, and other employees of the same municipality, push for greater wage increases. The ripples then gain in strength, as pension liabilities expand. As public employee wage and benefit packages go up, they are inevitably accompanied by property tax rates.

For years now, the League has asked the Governor and Legislature to modify the binding arbitration requirements. We now reemphasize the importance of protecting the public's interest, the taxpayer's pocketbook and the need for modification to the binding arbitration regulations.

Future liabilities which confront local government are large. The unfunded portion of the pension obligation has been well reported. The cost of medical coverage is ever increasing, with a compounded impact because of the extended longevity of retirees. Maintenance of infrastructure and basic services are continuously put at risk because of the economic pressure placed upon the property tax dollar.

We urge you to encourage your State legislators, and candidates for the Legislature, to place the reform of binding arbitration near the top of their agenda for the 2009 Lamé Duck session and for 2010.

Very truly yours,

William G. Dressel, Jr.  
Executive Director  
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