

April 2, 2015

RE: Weekly Policy Update

Municipal Clerk: Please forward a copy to all Governing Body Members Dear

Mayor:

Here's a recap of major policy issues of interest to local governments.

I. Legislative Budget Hearings

The State Legislature is on its "budget break." Between now and June 30, the Legislature will conduct a thorough Department-by-Department review of the budget, leading to final action on the Annual Appropriations Act, prior to July 1.

Recently, League President Brian Wahler, Mayor of Piscataway, testified before the Assembly Budget Committee in Trenton. League Executive Board Member, Leo McCabe, testified before the Senate Budget and Appropriations Committee in Sewell. For more on the League's testimony, please see our March 24 Dear Mayor letter (<http://nj-njslom.civicplus.com/ArchiveCenter/ViewFile/Item/356>.)

On Monday, March 30, before the Assembly Budget Committee, and on Tuesday, March 31, before the Senate Budget and Appropriations Committee, the Office of Legislative Services' Budget and Finance Officer, Dr. David Rosen, and the State Treasurer, Andrew SidamonEristoff, presented their perspectives on the state of the State's finances and the Governor's FY

2016 Budget proposal. For more, please see the April 1 Dear Mayor letter (<http://nj-njslom.civicplus.com/Archive.aspx?ADID=363>.)

Today, Jamie Fox, Commissioner of the Department of Transportation, New Jersey Transit Executive Director Veronique Hakim and Motor Vehicle Commission Administrator Raymond Martinez testified before the Senate Budget Committee. In regards to the Transportation Trust Fund, Commissioner Fox indicated, "I want to be completely clear, at its most basic level this Year's TTF (Transportation Trust Fund) funding plan frees up much needed cash to get us through the last year of this reauthorization. As a result projects will move forward and counties and municipalities will receive much needed funding."

That is welcome news. However, the Commissioner continued, "Since my confirmation in September, I have travelled the State with one message – our infrastructure is in disrepair and our Transportation Trust Fund is running out of money. Today my message is the same. Our bridges and roads are old, crumbling, and getting worse every day. ... So, there should be an honest discussion and public debate about the best way to raise the revenue for the Trust Fund."

He went on to state, emphatically, “(O)ne thing is for certain – the Treasurer has determined, whether you like his ideas or not, that we are funded for this year... And then we are broke... and THAT ... is not open for debate. ... We need to do what each of us knows must be done. We must identify a reliable, dedicated revenue source for the Transportation Trust Fund.”

The Commissioner’s complete testimony, along with the Office of Legislative Services’ (OLS’) detailed analysis of DOT’s proposed budget, as well as analysis of matters related to the Motor Vehicles Commission and New Jersey Transit, are all available on the OLS website at <http://www.njleg.state.nj.us/legislativepub/govbudget2015-2016.asp> **Contact:** Jon Moran, jmoran@njslom.org or 609-695-3481, ext. 121.

II. Pension and Health Benefits Reform

On February 24 Governor Christie’s Pension and Health Benefit Study Commission released their “Roadmap to Resolution” report. The report highlights the fiscal challenges faced by the State Government in funding pension and health benefits going forward. The report then proposes options that, in the Commission’s viewpoint, require shared sacrifice and willingness to let go of the status quo. We have raised concerns with the report’s failure to acknowledge that municipalities and their employees have consistently contributed to the local PERS and PFRS funds and that the real issue is with the State’s pension funds – PERS, TPAF, PFRS, JRS, and SPRS. We also raised our concern that the Commission is recommending that savings from health benefit reforms be used to off-set the pension cost at the State level.

As outlined in our March 13 Dear Mayor Letter (<http://nj-njslom.civicplus.com/ArchiveCenter/ViewFile/Item/378>) League President and Piscataway Mayor Wahler convened a meeting with League Officers, Management Reform Chair Wilda Diaz, Mayor of Perth Amboy, and representatives of each affiliated group to discuss the State Pension and Health Benefit Commission Roadmap Report. As a result of this meeting, five subcommittees have been created to explore and research different options.. Those five subcommittees had their initial meetings this week. We will continue to keep you posted. **Contact:** Lori Buckelew, lbuckelew@njslom.org or 609-695-3481, ext. 112.

III. Legislative Webinar

Yesterday, the League held a free legislative webinar to brief membership on the State budget, the proposed Health and Benefits “Roadmap,” update on COAH and other legislative issues. If you were unable to make the webinar, you can download the presentation (in PDF format) at: <http://www.njslom.org/legislation/LegWebinar040115.pdf>

IV. Upcoming Events

Don't miss out – very few seats remaining! League 100th Anniversary Banquet, May 7, 2015: Please see: <http://nj-njslom.civicplus.com/154/100th-Anniversary>

The League Educational Foundation's *Mayors' Primer on Important Energy Issues* in North Jersey on May 13th, in Central Jersey on May 20th and in South Jersey on May 27th.
<http://www.njlmef.org/Energy-Issues-May2015.html>

Very truly yours,

William G. Dressel, Jr. Executive
Director