

**IMPORTANT UPCOMING EVENTS**  
Please consult the League [Web Calendar](#)

- Feb 3- [Budget Updates-PNC,Holmdel](#)
- Feb 8-[20th Annual Mayor's Legislative Day, Statehouse, Trenton](#)
- Feb 15-[Budget Updates-Conference Center at Mercer, West Windsor](#)
- Feb 17- [Collection of Municipal Court Fees-National Conference Center, East Windsor](#)
- Feb 25-[Executive Leadership Training for Mayors and Council Presidents, Conference Center at Mercer, West Windsor](#)

- ✓ Mayor's Training Program
- ✓ Women in Government Day
- ✓ Municipal Directory
- ✓ Volunteers Needed
- ✓ Weather Hotline
- ✓ Elected Officials Hall of Fame
- ✓ 2012 Scholarship Competition
- ✓ Mayors Survey Response
- ✓ New Year and New Priorities for DCA
- ✓ PERS System Billing for 2013
- ✓ Civil Service Consolidation

**FROM THE PRESIDENT**

*By Art Ondish, Mayor, Mount Arlington*

There's an old proverb that says that, "the proof of the pudding is in the eating." In other words, experience is the best proof, and experience is one such word to describe the work your League does on your behalf in Trenton.

Consider this: during the 2010—2011 Legislature, just over 8,200 bills were introduced. The League reviewed just over 1,700 of those bills, usually taking a position of support, opposition or no action.

Of those bills, just 71 were signed into law by Governor Christie. Of the 71 bills signed into law, 40 were supported by the League, there were 22 in which the League took no position and just 9 were bills that were opposed by the League.

It's a testament to the work of the League that considering the influence of special interests, and the ever increasing demands and mandates placed on local government, that so few bills actually made it into law. But, more importantly, it's a testament to our local officials who engage their legislators, informing them of the consequences, most of them unintended, of detrimental legislation and the benefits of legislation that protects the interests of taxpayers.

*Continued on next page.....*

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- WILLIAM G. DRESSSEL JR.**, Executive Director
- MICHAEL J. DARCY, CAE**, Asst. Executive Director

*PRESIDENTS MESSAGE CONTINUED....*

That's why when you receive a Legislative Alert or Legislative Call to Action from the League; you should take the time to read it. If the League asks you to pass a resolution, you should consider it. Time and time again I hear we received your resolutions. They do make a difference. And when the League asks you to reach out to your Legislators or the Governor's Office, you can trust that the time you take to do that outreach is time well spent for you and for those we are all elected to represent. When we speak and act together, we can keep our municipalities, and our State, on the right track and moving in the right direction. No Municipality is an Island!

**MAYOR'S AND COUNCIL PRESIDENTS TRAINING OFFERED ONCE AGAIN!**

-Contact Danielle Holland ext.118 or [dholland@njslom.com](mailto:dholland@njslom.com)

Due to overwhelming demand, the League will once again hold its special training program especially for Mayor's and Council Presidents at two locations! Each features presentations from the Department of Community Affairs, a panel discussion with MCANJ and NJMMA, an Ethics presentation, and a panel discussion featuring five Mayors with varying levels of experience. For more information on this program see page one of this newslines or, the [calendar](#) on our website.

**SAVE THE DATE!!-**

**WOMEN IN MUNICIPAL GOVERNMENT "WOMEN IN GOVERNMENT DAY"**

**- MARCH 9, 2012**

-Contact Lori Buckelew ext 112 or [lbuckelew@njslom.com](mailto:lbuckelew@njslom.com)

The Women in Municipal Government Committee will be holding their 4th annual "Women in Government Day" on Friday, March 9, 2012 at the Princeton Marriott. For more information on this program please click on the following link <http://www.njslom.org/WIMG-Day-030912.html>

**2012 MUNICIPAL DIRECTORY**

-Contact Dee Kotch ext.115or [dkotch@njslom.com](mailto:dkotch@njslom.com)

The annual Municipal Directory will be mailed to all mayors the first week of March. There is no cost for this first copy. Additional paper copies are \$25 each and the PDF is \$49. If you wish to order additional copies please contact Dee Kotch at 609-695-3481 ext. 115 or [dkotch@njslom.com](mailto:dkotch@njslom.com)

**VOLUNTEERS NEEDED FOR EMERGENCY MANAGEMENT PREPAREDNESS TASK FORCE**

-Contact Bill Dressel ext 122 or e-mail [bwright@njslom.com](mailto:bwright@njslom.com)

We are looking for some Mayors who would be interested in serving on the League of Municipalities Emergency Management Preparedness Task Force, chaired by Mayor Tim McDonough, Hope.

This Task Force meets periodically (about four times annually) with the State Offices of Emergency Management and Homeland Security, as well as other State and Federal Agencies, to develop League policy on emergency management issues. Our focus is to reflect the broad spectrum of municipal perspectives on emergency preparedness issues related to terrorist attacks, natural disasters like hurricanes and other emergencies where a coordinated State and local response is warranted. Often times the Mayor perspective on these issues is not considered and the first and foremost purpose of this Task Force is to provide that perspective.

If you are interested in serving, please email Becky Wright at [bwright@njslom.com](mailto:bwright@njslom.com) or call Bill Dressel at (609) 695-3481, ext. 122.

## **WEATHER HOTLINE FOR SEMINAR CANCELLATIONS**

The League will announce emergency seminar cancellations via recorded announcement on our Weather Hotline: **609-695-3481 ext. 200** and post announcements on our website [www.njslom.org](http://www.njslom.org) after 6:00am on the morning of the meeting.

## **ELECTED OFFICIALS INDUCTED IN LEAGUE HALL OF FAME**

*-Contact Michael Darcy extn 116 [or mdarcy@njslom.com](mailto:mdarcy@njslom.com)*

The League will induct new members into the Elected Officials Hall of Fame during the 20th Annual Mayors Legislative Day February 8, 2012 at the State House Annex in Trenton. This honor is reserved for those governing body members, active and retired, who have served 20 years in elected municipal office. There are currently 429 inductees in the Elected Officials Hall of Fame. Congratulations to our most recent members! See the list below and the 2012 Hall of Fame page for more information at [www.njslom.org](http://www.njslom.org).

Alderman Robert Looker, Boonton Town  
Committeewoman Teresa Kelly, Buena Vista Township  
Honorable Chuck Chiarello, Buena Vista Township  
Councilman William Lewis, City of Orange Township  
Mayor Thomas K. Charles, Frelinghuysen Township  
Councilman Wayne A. Ross, Hardyston Township  
Councilman Kenneth P. Kievit, Hardyston Township  
Councilman James A. Wild, Lincoln Park Borough  
Councilwoman Mary F. Martz, Magnolia Borough  
Councilman Donald E. Wilson Jr., Magnolia Borough  
Councilman Anthony Vangeli, Pohatcong Township  
Councilmember John E. Murray, Saddle River Borough  
Councilmember William J. Keeler, Sea Bright Borough  
Mayor Terry G. Warrelmann, South Bound Brook Borough  
Committeemember James Anzevino, South Hackensack Township  
Councilman James D. Bower, Tuckerton Borough  
Councilman Robert M. Howard, Jr., Union Beach Borough  
Councilman Gerard "Jerry" Porter, Wayne Township  
Councilman Robert Luban, Woodbridge Township  
Mayor H. Ron Riskie, Woodbury City

## **2012 SCHOLARSHIP COMPETITION**

*-Contact Michael Darcy ext.116 or [mdarcy@njslom.com](mailto:mdarcy@njslom.com)*

In December, the League mailed information to all mayors concerning the Annual Louis Bay II Future Municipal Leaders Scholarship Competition. Councilman Chuck Chiarello of Buena Vista Township chairs the Scholarship Competition and Deputy Mayor Dan Coranoto of Hampton Township also serves as a judge. This popular competition is open to all high school juniors and seniors throughout the state. The top three winners each receive \$1,000 scholarships from the League.

Mayors play an integral role in the success of this program because your office publicizes its availability, judges the local entries, and distributes the checks and certificates supplied by the League. You should publicize the scholarship to your local schools and establish your judging committee. Your local winning entry must be submitted to the League office by April 1, so we can announce the three statewide winners by May 4.

## **MAYORS RESPOND TO 13th ANNUAL LEAGUE SURVEY**

*-Contact Bill Dressel [BDressel@njslom.org](mailto:BDressel@njslom.org)*

For the 13th consecutive year, over one hundred mayors offered their views on several major policy areas in response to the League's Annual Legislative Priority Survey. Their responses to specific issues provide direction and will assist the League Executive Board and staff during what could be a critical year for municipalities and property taxpayers.

2011 was the first budget year that municipal leaders had to comply with the 2% property tax levy cap. One year later what have learned?

29% of the Mayors indicated their municipality's final total levy increased 2%, with the exclusions for debt services, capital expenditures, pension cost, health benefit cost and declared emergencies. While 19.35% saw tax levy increases of between 1.5 and 1.99%, over last year's level. Followed by 18% whose tax levy increase was under 1%.

When asked **what action(s) they took to meet the 2% cap** the Mayors ranked them as follows:

1. Shared Services
2. Used a higher percentage of surplus than in previous years
3. Increased Health Care contribution from employees
4. Deferred Capital Improvements
5. Concessions from Employees
6. Increased Fees
7. Reduced staff from Full-time to Part-time
8. Reduced appropriation to the capital improvement fund
9. Reduced Services (tie)
10. Lay-offs (tie)
11. Furloughs (tie)
12. One-time revenue (i.e. sale of public property) (tie)
13. Initiated Accelerated Tax Sale

Municipalities are continuing to see **an increase in tax appeals**. 66% of the Mayors saw an increase in their residential tax appeals in 2011. Of those, 63% noted that the results of the tax appeals will impact their available surplus in their 2012 budget. However, 71% noted that they do not plan on increasing their budget in regards to fighting tax appeals in 2012.

Another impact on municipal budgets is the cost associated with defending a municipality's compliance with the **Open Public Records Act (OPRA)**. Only 15% of the Mayors noted that their municipality had appeared before the Government Records Council or Superior Court regarding OPRA. Of those municipalities, municipal attorney fees ranged from \$1,300 to \$10,000. Only one Mayor reported paying prevailing attorney fees of \$6,000.

The survey also indicates a changing trend in how municipalities plan to meet their affordable housing obligations. Nearly half of the Mayors noted that once a prospective housing obligation is determined their municipality will implement 100% municipal sponsored partnerships with non-profit sponsors housing to address part of their future obligation. These projects rely heavily on subsidies, and as a result 94% support a legislative change to push the July 2012 deadline established by PL 2008, c. 46, which establishes that a municipality has 4 years to commit their housing trust fund dollars.

Of an interesting note, 59% of the Mayors surveyed support an increase in State motor fuel taxes if and only if the proceeds are to be used to finance the repair and renovation of municipal and county transportation infrastructures.

For more survey results and to view the full press release, visit the [League website](#).

## **“NEW YEAR AND NEW PRIORITIES AT DCA”**

By The Hon. Richard E. Constable, III  
Acting Commissioner, NJ Department of Community Affairs

On January 3, I assumed my new role as Acting Commissioner of the Department of Community Affairs (DCA).

I want to thank Governor Christie for nominating me to this extremely important position and I look forward to tackling some of the most pressing issues facing our cities, towns and State.

Although I am new to the DCA, I am not new to Trenton. For the past two years, I served as Deputy Commissioner at the Department of Labor and Workforce Development (LWD), managing the day-to-day operations. My experiences at LWD, where I worked both to help the unemployed find jobs, and incentivize businesses to hire citizens with special needs, veterans and ex-offenders, taught me that government can have a positive impact on people’s lives. Without a doubt, I am a better public servant for having worked at LWD.

It goes without saying that the DCA plays a critical role in implementing so much of the Governor’s reform agenda. Early on in the Governor’s tenure the DCA was key to the success of several of the measures in the “Tool Kit.” Under former Commissioner Grifa, major strides were made in giving our local elected officials resources to help control property taxes and rein in municipal spending. That was a good start. As DCA Commissioner, my highest priority will be working with our local mayors and the leadership at the League, to help move through some of the additional reforms that Governor has identified.

For instance, as the Governor has continued to emphasize, we can’t stop doing the “big things.” Some of the goals we have set for 2012 are:

1. Enacting Sick and Vacation Pay Reforms, so that our towns have more flexibility in their budgets;
2. Passing Civil Service Reforms so that initiatives like shared services and municipal consolidations have a chance to flourish; and
3. Developing fair, affordable housing policies that actually create real housing opportunities for New Jersey’s families.

Although our agenda is ambitious, I am prepared for the road ahead. I realize that governing isn’t about easy fixes. Rather, it’s about working hard to improve the lives of residents and tax-payers throughout this great State.

I can’t think of an organization I’d rather be leading than the Department of Community Affairs. I can promise you that I will do my very best to engage with you, be a partner with you, and work to make New Jersey’s municipalities stronger.

## **I AM FROM THE STATE AND I AM HERE TO HELP YOU PUBLIC EMPLOYEES RETIREMENT SYSTEM BILLING FOR YEAR 2013.**

By L. Mason Neely, Chief Finance Officer,  
Township of East Brunswick

The Board of Trustees for the Public Employees Retirement System (PERS) received the Annual Valuation Report (the Report) from the actuarial consultants. This report will be the basis of your 2013 PERS pension bills. The report raises questions for local officials, regarding the division of assets between the State, as an employer, and local governments. It also raises questions regarding the funding of State Division of Pensions and Benefits operations.

The Report notes that total membership in the PERS dropped from 309,099 in the prior year to 291,826, on July 1, 2011. The loss of 17,273 active PERS members represents a 5.5% decline. Active membership for Local PERS changed from 212,808 to 200,361. That is a 5.85% reduction, resulting from 12,447 less local employees.

These numbers demonstrate what every Mayor understands. Revenues are constricting; while the demand to reduce the size of governmental is ever present. The compensation which can be paid is

limited. In fact, the annual compensation upon which the current valuation report is based declined from \$11.9 billion to \$11.6 billion, or a decrease of \$372.3 million. That is a 3% reduction. As the number of employees covered by PERS decreases and total compensation paid to members decreases, the value of the assets held in trust by the Division of Pensions for the PERS increased to \$29 billion.

Those assets have increased during these economically turbulent times, despite the fact that the State, during the last two years, paid \$0 toward their required contribution. In those same two years, Local Governments paid 100%.

Local Governments make their payment in April at the beginning of the calendar year and the State, if they were to make a payment, does not do so until June 30 or after. During this past calendar year Local Governments paid 100%. The State has appropriated 1/7<sup>th</sup> of their obligation for FY 2012, but has yet to transfer the money to the Division of Pensions.

These facts cause every Mayor to ask if local payments, rather than State resources, are funding the operations for the Division of Pensions. The outflow of funds for retired (PERS) State employees totaled \$1.2 billion, during the year covered by the Report. The revenue from State employees' contributions was \$288 million, indicating a negative cash flow for the State's portion of PERS of \$1 billion. Contrast this to the Local Government part of PERS. There, the outflow for (PERS) retirees was \$1.5 billion and the revenue resulting from member and employer contributions was \$1.25 billion. This contribution, added to the excess revenue from prior year (for local contributions) of \$1.3 billion, provided the pension system with \$2.6 billion of cash. That sum could be used by the Division to invest and grow local assets, or to cover the underfunding of State obligations. It appears the local property tax payer, through their annual contributions and returns on investments, are funding the State's pension cash flow.

The pension valuation report shows investment income of \$3.8 billion of which only 59% was credited to Local Governments. In prior years, the State was very liberal in giving themselves the larger portion of investments, even though local assets were significantly larger. The Division of Pensions and Benefits agreed to change this practice and apportion investment income based upon the market value of assets at the close of the fiscal year. Based on that standard, Local Governments should have been credited with 65% of the \$3.8 billion. Since pension and benefit payments are excluded for the caps, that additional \$200+ million credit to Local PERS would directly benefit our property taxpayers.

With the State having made no payments toward their obligation, we need to know on what basis Treasury intends to allocate that \$200 million to its portion of PERS.

I ask the question, if 65% of the market value of assets is Local Government, then why 59% of investment income? If 70% of the workforce is Local Government, then why not award to Local Government 70% of the investment income? If Local Government is the only entity paying 100% and the State is paying \$0, then why would the State receive 41% portion of the investment income? If Local Governments are prefunding their costs, including Non-Contributory Life Insurance (where more the \$50 million sits) and the State does not transfer their payments until the end of the fiscal year, then why would the investment income not be distributed based upon assets or membership? As Local governments are charged 69.3% of the cost to administer the Division of Pensions, the why not use this same percentage for income distribution?

Each question was presented to the Board of Trustees at the time they reviewed and adopted the PERS Valuation Report. Their response was, "We only have the paperwork submitted to us. Treasury is responsible for those decisions. Go there and present your case."

The League of Municipalities, through its Pension Study Commission will challenge the distribution of investment income allocation to Local PERS. Mayors, Freeholders and Directors of Authorities have accepted the responsibility to make 100% of their payments for each and every bill which has been submitted by the Division of Pensions. The State of New Jersey, on the other hand, has not made a full payment and, in many years, contributed nothing.

The local property tax dollars, sent to Trenton to fund Local obligations, should not be used to cash flow the State's pension system. It is my suggestion that a correction is needed.

## **CIVIL SERVICE AND MUNICIPALITIES' TEAM UP FOR TITLE CONSOLIDATION**

By Robert M. Czech, Chair/CEO, NJ Civil Service Commission

The New Jersey Civil Service Commission (CSC) celebrated the New Year by marking a major milestone in streamlining government.

As of December 31, 2011, the Commission passed 2,000 job titles eliminated or consolidated at the state and local levels. The figure represents more than 80% of the goal of a net reduction of one-third set at the outset of the effort in early 2010.

When he took office, Governor Chris Christie made it clear that we were to do everything in our power to reduce red tape and give government managers at all levels more flexibility in hiring and deploying their workforces. Cutting through the thicket of redundant titles and hyper-specific job descriptions was the logical place to start.

The Title Consolidation Initiative took shape in early 2010, when I approached the League of Municipalities and the New Jersey Conference of Mayors and asked for their assistance in assembling a task force of state, county, and municipal human resources professionals and managers to undertake a comprehensive review of the nearly 7,500 job titles on the books at all three levels. Previous attempts to tackle the issue relied on outside consultants, but we felt it was essential that the effort be guided by those closest to the situation, and carried out by career Civil Service professionals who best know the system.

The committee comprised officials from all regions of the state and from communities of diverse sizes and demographics. Headed by CSC Director of State and Local Operations Kenneth Connolly, it met regularly through the spring and summer of 2010, gathering data and exchanging insights into the hiring and promotion process at various levels of government. Some early decisions were fairly easy – titles that were obsolete or had not been filled for several years.

After we identified the most obvious targets, our attention turned to taming the myriad variations that had grown up around simple job descriptions. Our guiding purpose was to focus on the similarities among jobs, not the minute differences.

Initial efforts focused on abolishing over 650 state and local titles that were not being used, were obsolete and had zero incumbents. Next, we assigned workgroups to review two representative occupational groups (Stenography, Typing, Filing and Related Fields, and Infrastructure and Structural Repair and Maintenance) and identify titles with similar job-related competencies, i.e. type and class of service, compensation structure, educational and experience requirements, etc.

The review resulted in the recommendation of over 200 local titles to be considered for consolidation. For example, prior to the start of the project, there were over 60 titles on the books that pertained to clerical work. Under title consolidation, those clerical titles are to be reduced to four.