



AFFILIATE NEWSWIRE

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New Jersey State League of Municipalities

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Time is Running Out

Here comes the bus again and State government is going to try and throw us under it. With the state Treasurer Andrew Sidamon-Eristoff announcing that the PERS unfunded pension liability has grown to \$53.9 billion, an increase of \$8 billion, there is increased pressure on the Legislature to reform the pension system. As of June 2010 the State PERS was 52% funded and the Local PERS was 69% funded. The Governor stated that he will make an early contribution of \$500 million to the pension funds from excess revenues in the current years budget if his pension reforms are passed. There are no pension appropriations in the new proposed budget and paying out another years worth of retirement payments that are in excess of the 500 million will reduce the State PERS funded level below 50%. Local Governments need to ensure separate pension accounting and even a new pension system so Local Governments are not part of this management.

The Division of Investments realized a 13.36% return on investments as of June 30, 2010. That is approximately \$2.70 billion added to the total PERS system. Utilizing a five year average to smooth out gains and losses has left our portion of the pension 69% funded.

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Maintaining the Public Trust

The following is an article from "Local Government Matters", an electronic newsletter of the International City / County management Association, January 25, 2011, Volume 5 Issue 2. Given a lot of the discussions on recent events in California as well as discussions under way in New Jersey on limiting the salaries of Chief Administrative / Executive Officers, the article is highly relevant and should be shared with others who are involved in these discussions.

In our quest for better, faster, and cheaper government, it can be easy to lose sight of the fundamental values that underpin our commitment to public service.

Those values—honesty, trust, transparency, integrity, and accountability—were challenged this past year as the Bell, California, salary scandal unfolded and threatened to irreparably tarnish the image of local government and its elected officials and employees, specifically city, town, and county executives.

These fundamental public service values were recently reaffirmed by the ICMA membership in the form of a set of concrete [guidelines](#) that establish a best practice for determining and negotiating compensation for local government executives and staff. The guidelines also clarify the roles and responsibilities of the governing body, the local government executive, and employees.

Guiding Principles

The standard practice for establishing the compensation of local government executives must be fair, reasonable, transparent, and based on comparable regional and national public salaries. When negotiating compensation, local government executives have an ethical responsibility to be clear about what is being requested and to avoid excessive compensation.

Compensation should be based on the position requirements, the complexity of the job within the context of the organization and community, the leadership needed, labor market conditions, cost of living in the community, and the organization's ability to pay.

Elected officials perform a critical governance role by providing oversight of the management of the organization. To that end, they must be engaged in establishing the process for determining the compensation for all executives appointed by the governing body.

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League Affiliates

- [ASSOCIATION OF MUNICIPAL ASSESSORS OF NEW JERSEY](#)
- [NEW JERSEY INSTITUTE OF LOCAL GOVERNMENT ATTORNEYS](#)
- [BUILDING OFFICIALS ASSOCIATION OF NEW JERSEY](#)
- [MUNICIPAL CLERKS ASSOCIATION OF NEW JERSEY](#)
- [MUNICIPAL COURT ADMINISTRATORS ASSOCIATION OF NJ](#)
- [MUNICIPAL ELECTRICAL INSPECTORS ASSOCIATION OF NJ, INC.](#)
- [NEW JERSEY SOCIETY OF MUNICIPAL ENGINEERS, INC.](#)
- [GOVERNMENT FINANCE OFFICERS ASSOCIATION OF NEW JERSEY](#)
- [NEW JERSEY FIRE PREVENTION AND PROTECTION ASSOCIATION](#)
- [NEW JERSEY HEALTH OFFICERS ASSOCIATION](#)
- [NEW JERSEY MUNICIPAL MANAGEMENT ASSOCIATION](#)
- [NEW JERSEY PLANNING OFFICIALS, INC.](#)
- [NEW JERSEY STATE PLUMBING INSPECTORS ASSOCIATION, INC.](#)
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- [COMMUNITY RECREATION SOCIETY OF NEW JERSEY](#)
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- [TAX COLLECTORS & TREASURERS ASSOCIATION OF NEW JERSEY](#)
- [MUNICIPAL WELFARE ASSOCIATION OF NEW JERSEY](#)

Time is Running Out Cont

Are the reforms that are needed for the State PERS at 52% funding the same as the reforms that will be needed for the Local PERS which is 69% funded? We need to write legislation that guarantees that our Local PERS remains separate from the State PERS. The State government will try to combine the systems so they can put off making a decision on how they are going to fund their portion of the PERS pension

To avoid continuing State government interference with the Local PERS system, the new legislation should provide for a separate Local PERS Board of Directors to make the rules for the Local PERS pension system.

The Governor is calling for pension reform to cover up the State government's last 15 years of pension ineptitude. The first reform that is always proposed is the roll back of the current pension calculation, number of years of service over 55 (X over 55) to X over 65. When the legislation was passed in 1994 the total PERS pension system was 100% funded and funds were put aside for both the state and local PERS to pay for this increased benefit. The State government used their portion of the funding to pay for health benefits. Local PERS still has our money to fund the benefit that was granted. The State government will use our \$342 million to pay for their retirement benefits that they have failed to provide over the last 15 years. One more reason Local PERS needs to be a separate pension system.

The second reform called for is to raise the retirement age to 65. If the required pension contributions were made on a timely basis without pension holidays and step in periods there would be enough money to keep the Local PERS retirement age at 60. The State government contradicts this statement but they talk about the PERS as one system, not the two that now exist. It appears that the State government has already, in their thinking, combined the systems. Local Government needs legislation to prevent this from taking place.

A third reform would be to raise the amount that employees pay to 8.5%. When the pension system was originally designed the employee contribution was to be equal to the employers contribution. Due to the pension holidays and the four year catch up period some adjustment will need to be made to pension rates.

	Employee Contributions	Employer Normal Contributions 4/1/2011	Total Contributions	Equal Contributions	Accrued Liability Contributions 4/1/2011	Total Employer Contributions
PERS	5.50%	4.07%	9.57%	4.79%	6.98%	11.05%
Police & Fire	8.50%	15.78%	24.28%	12.14%	15.60%	31.38%

The employer rate is extraordinarily high to make up for the contribution anomalies mandated by the State government starting in FY 1996. You can see the total employer rates above that include the Accrued Liability for the pension holidays. When the Local pension system is back at 100% funding, rates will drop back to reasonable levels. Rate adjustments may be needed for lower paid employees. That will be up to our new proposed Board of Directors to decide.

To be fair, some recent retirees may need to pay some back contributions for the years where we all paid into the pension at a reduced rate. These reduced rates were mandated by the State government. Local Government cannot put up with the State government's continuing interference with our Local PERS pension system. Again, it will be up to our new proposed Board of Directors when they are elected to make this decision.

We need to write legislation that guarantees that our Local Government PERS pension remains separate from the State PERS pension. The new legislation needs to provide for a separate Board of Directors for the Local Government PERS system. The new board will be empowered to return our Local Government PERS to its previous 100% funding level before State government interference. The members of all the Affiliate Organizations need to find sponsorship for this legislation. When this legislation is introduced all the affiliate organization members need to contact their local Legislators and Senators to ask for their support. Local Government needs to have a separate pension system that the State government cannot manipulate for its benefit. It's our money (local governments, counties, schools and authorities and their employees) pension money. We need to have control of it.

**WOMEN IN MUNICIPAL GOVERNMENT
“WOMEN IN GOVERNMENT DAY”
- MARCH 11, 2011**

Upcoming Seminars

- [March 2, 2011-
A Look at Personnel
Manuals, Policies,
Procedures, and the Impact
of Social Networking-
Crowne Plaza, Monroe
Twp](#)
- [March 4, 2011-
Budget Updates-Bergen
County College, Paramus](#)
- [March 8, 2011-
Budget Updates-Robert
Meyner Reception Center,
Holmdel](#)
- [March 11, 2011
Women in Government
Day- Princeton Marriot](#)
- [April 13, 2011-
Affiliate Pre Conference
Meeting-Crowne Plaza,
Monroe Twp](#)
- [April 26, 2011-
Leaves of absence in
New Jersey: A look at the
Family Medical Leave Act,
the Family Leave Act, and
ADA Compliance-Robert
Meyner Reception Center,
Holmdel](#)
- [May 3, 2011-
Police and Fire Department
Consolidation: A Discussion
of Shared Services and
What it Could Mean For
Your Police and Fire De-
partment, Robert Meyner
Reception, Holmdel](#)

The Annual Women in Government Celebration Day honors the contributions of women in public service. This year we are honoring women and organizations who demonstrate a commitment to advancing women's equality and active participation in government. The event will take place, Friday, March 11, 2011 at the Princeton Marriott.

Keynote Speaker:

Lori Grifa, Commissioner of Department of Community Affairs

Recognizing:

Ingrid Reed, Former Director of NJ Project, Eagleton Institute of Politics,
Rutgers University
League of Women Voters
Alice Paul Institute
Tax Collectors & Treasurers Association of New Jersey

For more information visit:

http://www.njslom.com/women_municipal_govt031111.html or contact
Lori Buckelew at 609-695-3481 ext.112, or lbuckelew@njslom.com

Enlarging the Time Period to Challenge a Board Decision

A recent Supreme Court decision in [Hopewell Valley Citizens v. Berwind Property Group](#) (decided January 12, 2011) underscores that the time limits to challenge the decision of a planning or zoning board are not limited to the three exceptions referenced in [Brunetti v. New Milford](#), 68 N.J. 576 (1975).

In this case, the Board secretary informed a citizen of the date the Board published the notice of decision. Applicant's attorney published the notice six days earlier. Using the earlier date, the lower courts did not find a basis to enlarge the time period to appeal.

This decision confirms prior rulings in which the time period was extended based on equitable considerations, thus confirming that fairness plays a significant part in whether the forty-five-day period to challenge municipal action will be enlarged.

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SAVE THE DATE!!

The NJ Registrar's Association will be holding its Spring Meeting at the Crowne Plaza Monroe on May 5, 2011. Details and registration form will be posted soon.

Please visit www.njregistrars.org for more information.

SEMINAR REGISTRATION

To register for a Seminar and/or Event, please log onto www.njslom.org, click "[Calendar](#)", select your event, and [fax the downloaded registration form to Suzanne Delany, Registration Coordinator, at \(609\) 695-0151](#). Should you have any [registration questions](#), such as availability of a seminar, call Suzanne at [\(609\) 695-3481 at ext 111](#), or you can email her at sdelany@njslom.com.

“Maintaining the Public Trust Cont....”

and experience needed to successfully perform them.

Guidelines for Determining Compensation

During any salary negotiation, elected officials and local government executives should:

1. Determine the job requirements and experience needed to successfully perform them.
2. Examine market conditions to learn what comparable public-sector executives earn. One best practice would be to gather information from predetermined, comparable benchmark local governments or public-sector agencies.
3. Evaluate the individual's qualifications in context. Understand the services provided by the local government along with the nature of the current issues in the organization and in the community, and then compare these with the individual's expertise and proven ability to resolve those issues.
4. Identify the local government's current financial position, its ability to pay, and the existing policies toward compensation relative to market conditions.
5. Factor in the individual's credentials, experience, and expertise.
6. Consider unique and special circumstances, such as additional compensation in areas where the cost of living is high and the governing body wants the executive to reside within the community. Other such circumstances may include difficult recruitment markets or the particularly challenging needs of the public agency.
7. Seek legal advice as needed and appropriate when negotiating and finalizing terms and conditions.

Adjustments to Compensation

Increases in salary and benefits should, likewise, be comparable to those that local government executives receive within the designated benchmark or regional market area and should be generally consistent with other employees. Merit adjustments or bonuses should be contingent upon performance and the overall financial ability of the local government to afford them. Provisions regarding consideration of periodic merit adjustments in salary should be predetermined.

Executives must recognize and manage conflicts of interest inherent in compensation changes, and avoid seeking modifications in salary, pension, and other benefits from which they will be the sole or primary beneficiary, such as dramatic salary increases that lead to pension spiking or a single-highest-year approach to determining retirement benefits.

Public executives also should receive a single salary that recognizes all assigned duties and responsibilities, rather than different salaries for different assignments.

Severance

Severance provisions, as articulated in the employment agreement, must be reasonable and affordable for the community. The cost of a severance package should not be an impediment to fulfilling the governing body's right to terminate an executive's service. It should be consistent, however, with the role and expectations of the position. The [ICMA Model Employment Agreement](#) recommends a severance package equal to one year's salary, recognizing that the length of service with an organization may justify higher severance.

Transparency

When requesting compensation changes, local government executives should present their total compensation package to the governing body so that each member has a comprehensive view of the entire package. There should also be full disclosure of the potential cost of any benefit changes negotiated during employment.

When the terms and conditions of employment are renegotiated with the employer, or when employment is being terminated, ICMA members have a duty to advise the elected officials to seek legal advice. The salary plan and ranges for local government positions, including that of the executive, should be publicly accessible on the agency's website.

In summary, maintaining public trust and integrity in local government requires effective governance and management of the organization. Local government executives should not put their personal compensation interests before the good of the overall organization and that of citizens. ICMA encourages all public executives to review and adopt the guidelines discussed above whenever considering compensation for a public-sector position.

-From [Governing.com](#), by Robert J. O'Neill Jr., ICMA Executive Director.

New ADA Regulations Go Into Effect March 15, 2011
WILL YOU BE READY?

The Department of Justice published the new ADA regulations on September 5, 2010 and they become effective March 15, 2011. The new regulations incorporate the US Access Board final guidelines for many recreation environments.

The New Jersey Recreation and Park Association will present: **“The New ADA: Design and Construction Issues”** on Sunday, March 6, 2011, 11am – 4pm at the Trump Taj Mahal Hotel, Atlantic City. This session will highlight the key requirements for the accessible design of new and altered facilities and discuss ways to approach existing facilities and areas: pools & beaches, golf courses, boating & fishing areas, sports fields & courts, trails & trail heads, playgrounds, and picnic areas.

All municipal and county personnel are invited to attend and learn how they can develop strategies to comply with the new regulations. This educational session will be helpful to all township managers, engineers, recreation professionals, and pool managers.

The fee for this session is: \$75 NJRPA Members / \$100 Non Members. This session offers .4 CEU’s.

The speaker of this session, John McGovern, is the President of Recreation Accessibility Consultants LLC. He served 16 years as Executive Director of the Northern Suburban Special Recreation Association (NSSRA) in Northbrook, Illinois. Prior to that he worked as a consultant for Americans with Disabilities Consultants, and from 1979-1989 he served as Executive Director of the West Suburban Special Recreation Association in Franklin Park, Illinois. He began his career as Therapeutic Recreation Coordinator for the City of Albuquerque, New Mexico Department of Parks and Recreation in 1975. John has a MA and BA in Recreation Administration from the University of New Mexico. Always interested in civil rights, he earned a law degree from Loyola University of Chicago School of Law while working at WSSRA and remains licensed to practice law in Illinois.

To register call the New Jersey Recreation and Park Association office at 732-568-1270 or go to www.njrpa.org.

Feel free to download NJRPA’s complete 36th Annual Conference & Exhibition Brochure which features: Nationally Recognized Presenters, 30+ Educational Sessions, 2 Keynote Sessions, a Trade Show of 130+ vendors, and several exciting Socials.
Conference Dates: March 6-9, 2011 Trade Show: March 7-8, 2011 Trump Taj Mahal, Atlantic City, NJ.

Promotional support for this institute has been provided by Mobi Mat – Mobi Chair by Deschamps



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Visit our website at
www.njslom.org

Have an issue that you think should be addressed in this newsletter? Please send articles of 150 words to dholland@njslom.com

Deadline for May Newsletter: April 15, 2011

The New Jersey State League of Municipalities is a voluntary association created to help communities do a better job of self-government through pooling information resources and brain power. It is authorized by State Statute and since 1915, has been serving local officials throughout the Garden State. All 566 municipalities are members of the League. Over 560 mayors and 13,000 elected and appointed officials of member municipalities are entitled to all of the services and privileges of the League.