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September 21, 2018

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Municipal Clerks: Please forward to Mayor, Governing Body, and Department Heads.

I. State Issues

a. Update on Marijuana/Cannabis Legalization

In case you have not seen it, we call your attention to the [League's September 12 Urgent Alert](#) regarding the anticipated legalization of adult recreational use marijuana.

Since that alert went out, draft amendments to Senator Scutari's bill have gone public but with one major difference than what we reported in our earlier email. The state tax rate in the bill is 10%, not the 25% that was being widely discussed and included in the legislation as introduced. The difference reflects the respective positions of the Legislative sponsors and the Murphy Administration and will be subject to further negotiations.

As we anticipated, the legislation allows a municipality to enact an up-to-2% local excise tax for local purposes. It also would give a municipality 180 days to "opt out" by passing an ordinance banning any commercial business associated with cannabis.

The League, working closely with the Urban Mayors Association (UMANJ) and the Conference of Mayors (NJCM), has communicated to the sponsors and the Murphy Administration that the local option should be up to 5%. Enforcement will fall almost entirely on municipal governments, which will need to absorb costs associated with law and code enforcement, health services, education, and social services. Two percent is simply insufficient to offset costs and is an incentive for municipalities to opt out. We based this conclusion on our conversations with dozens of Mayors across-the-state and based on our outreach to our fellow State leagues in states that have legalized

recreational marijuana.

We note that the League, as well as the UMANJ and NJCM, has not taken a position on the larger legalization issue. But regardless of your position on legalization, there are inherent issues that will be confronted by local governments if and when cannabis is legalized and it is imperative to give municipalities as many tools sufficient to effectively deal with those issues. Thus, recognizing the likelihood of passage, most likely in October, **we urge you to contact your Legislators and ask that if they support legalization they should also support a 5% local option and that municipalities should have the ability to “opt-in” instead of requiring what will likely be hundreds of municipalities to “opt out.”**

Contact: Michael F. Cerra, Assistant Executive Director, mcerra@njslom.org, 609-695-3481, x120.

b. Issues Proposed Rules Implementing Workplace Democracy Enhancement Act

On Monday, the Public Employment Relations Commission (PERC) published [proposed rules](#) implementing the recently passed [Workplace Democracy Enhancement Act](#) (“WDEA”). The proposed rules would implement sections of the WDEA dealing with:

- The transmissions of information from public employers to employee organizations,
- The time periods for meetings with current and recently hired employees, and
- Access to and use of employer premises and facilities.

We are in the process of reviewing these proposed rules and plan to submit comments to PERC addressing our concerns. If you wish to submit your own comments on behalf of your municipality, please see the notice for more information. All comments must be submitted by November 16, 2018. If you do submit comments, please be sure to forward a copy to the League.

Contact: Frank Marshall, Esq, League Staff Attorney, FMarshall@njslom.org, 609-695-3481, x137.

c. State Health Benefits Plan Rate Renewal Recommendations Announced

AON (the independent auditing experts) has recommended to the State Health Benefits Plan (SHBP) Board of Trustees, Local Government SHBP overall premium rate adjustments for Plan Year 2019. They are recommending for Active Employees a 1.7% increase, for Early Retirees a 37.1% decrease, and for Medicare Retirees a 36.9% decrease. In the aggregate, the recommended rates represent an overall 7.6% decrease for the Local Government Group.

The plan design changes adopted by the SHBP Plan Design Committee for plan year 2017 have been reaffirmed for plan year 2019. These changes include an out-of-network reimbursement change for physical therapy services in PPO plans, mandatory generic for prescription drugs, and prescription drug copay change. The SHBP Plan Design Committee also approved the continuation of the alternative prescription drug formulary

for plan year 2019.

We anticipate that the actual rates for the various State Health Benefits Plans will be released shortly as open enrollment typically begins in October. We will continue to keep you posted.

Contact: Lori Buckelew, Sr. Legislative Analyst, lbuckelew@njslom.org, 609-695-3481, x112

d. 2% Interest Arbitration Cap

As you know, despite overwhelming support from municipal and county officials and the business community, and conclusive evidence for an extension, the Legislature and Governor failed to act by December 31, 2017, to renew the 2% cap on interest arbitration awards. Because contracts typically expire at the end of the calendar year, the impact of the failure renewal will be begin to be felt as municipalities begin to negotiate new contracts this year and through the spring and summer of 2019.

The temporary 2% cap on police and fire arbitration contract awards proved to be an effective tool to control increasing salary costs and provide a solution to assist local governments in keeping property taxes down and costs under control. It is important to note, that although the cap on Interest Arbitrations has expired the 2% property tax levy cap remains in effect.

If the cap on interest arbitration is not renewed, while the 2% property tax levy cap remains in effect, municipalities will be forced to reduce or eliminate municipal services in order to fund interest arbitration awards. We urge you, particularly if you have contracts that expire on December 31, to demonstrate to your Legislators what the impact will be on your budget, on other services provided to your constituents, and on local property taxes.

We urge you to pass a resolution urging the State Legislature and Governor to extend the 2% cap on Police and Fire Arbitration Contract Awards.

For a copy of the Resolution Urging the State Legislature to Extend the 2% Cap on Police and Fire Arbitration Contract Awards: [Word](#) / [PDF](#)

Contacts:

- Lori Buckelew, Sr. Legislative Analyst, lbuckelew@njslom.org, 609-695-3481, x112.
- Michael F. Cerra, Assistant Executive Director, mcerra@njslom.org, 609-695-3481, x120.

II. Federal Issues

a. Congress Advances Spending Package to Prevent Government Shutdown

On Tuesday, just before recessing for the observance of Yom Kippur, the United States Senate approved legislation that will appropriate \$854 Billion in funding for the Departments of Defense, Health and Human Services (HHS), Labor and Education. The House will return from its Rosh Hashanah/Yom Kippur recess next week. At that time, it will continue its work on these appropriations in anticipation of the beginning of the Federal Fiscal Year on October 1.

The Senate-passed bill also includes continued funding for some other departments and agencies, which will allow them to operate at current fiscal year levels through December 7. Those provisions would defer debate on issues like a border wall until after November elections.

Congress has already sent a bill funding defense infrastructure, Veterans' Affairs, Energy, the Army Corps of Engineers, and the legislative branch to the White House. If both that bill and the Defense/HHS/Labor/ Education bill are signed before the end of the month, five of the twelve individual spending categories normally advanced by Congress will be funded for the entire upcoming Federal Fiscal Year.

Both Legislative Chambers continue to work towards passage of a third bill, which would fund the Departments of Agriculture, Interior, and Transportation, as well as programs dealing with Financial Service. We will keep you posted on the specific program allocations, as further information becomes available.

Contact: Jon Moran, Senior Legislative Analyst, jmoran@njslom.org, 609-695-3481, x121.

b. Senate Takes Action on Opioid Epidemic

On Monday, with a vote of 99-1, the United States Senate passed [its version of H.R. 6](#), a comprehensive amalgamation of 70 bills aimed at curbing the opioid epidemic. This bill will now need to be reconciled with the [version passed by the House](#) on June 22.

In addition including regulatory changes meant to increase access to addiction treatments, the bill would authorize grants to municipalities and to state and local groups taking actions to address the opioid crisis.

Included in the House-passed bill, but not in the Senate's version, are provisions that would repeal Medicaid rules preventing that system from paying for in-patient care at treatment facilities with more than 16 beds.

Both versions include provisions that aim to prevent the shipment of opioids into our country from abroad.

We will keep you posted as the two Chambers proceed with reconciliation.

Contact: Jon Moran, Senior Legislative Analyst, jmoran@njslom.org, 609-695-3481, x121.

III. League Conference

a. Unauthorized Hospitality Functions

The 103rd Annual League Conference will soon be upon us and we know you are looking forward to a productive and educational week.

Numerous exhibitors and groups have scheduled receptions and hospitality functions during the evening hours in Atlantic City. However each year there are a few commercial entities that schedule hospitality function such as brunches and lunches which conflict with the Conference programming. These unauthorized functions should not be confused with legitimate business luncheons sponsored by our affiliated associations and their members. The League urges you not to attend daytime hospitality functions offered by commercial firms.

Instead, plan your daytime activities so you can derive the greatest educational benefit from attending the League Conference. League Education sessions begin at 9:00 AM, break at noon when there are informative Exhibitor Learning Sessions, resume at 2:00 and finally adjourn at 5:15.

As always, the League is available to answer your questions on any aspect of the annual conference and we strive to make your participation both enjoyable and highly productive.

Contact: Michael J. Darcy, CAE, Executive Director, mdarcy@njslom.org, 609-695-3481, x116.

b. Exhibits at the Annual Conference

Do you know a vendor that would be a good fit for the Annual Conference? If so, ask them about being an exhibitor or have them contact Kristin Lawrence, Exhibit Manager at 609-695-3481, x125 or klawrence@njslom.org. Information is also available on [our website](#).

c. Don't Forget! CEU Tracking System Procedures for 103rd Annual NJLM Conference

Badge Scanners will be used to track CEU Credits and Attendance at the NJLM 103rd Annual Conference.

For Sessions that Have CEU credit Available

- All Attendees looking to earn credit must scan-in and scan-out of these qualifying sessions* to earn their CEU credits.
- Attendees will claim their certificates after the conference via the League website www.njslom.org/confceu/

For more information or for a complete list of procedures please visit the [Conference Website](#).

* **Please note**, the procedures described above only apply to educational sessions. Business Meetings and Exhibitor Learning Sessions are **not** included in the scanning system.

IV. Also of Interest

a. Due October 1 - The League is Accepting Applications for the Innovation in Governance Program!

The New Jersey Department of Community Affairs (DCA) and the New Jersey League of Municipalities will again acknowledge and promote Innovation in Governance through our annual recognition program. This is a great opportunity to showcase innovative solutions to any problems that have cropped up – either suddenly or over time – in your municipality. It can also be an opportunity to let your peers in on innovations that prevented problems from even arising.

[Visit our awards page](#) to see previous years of impressive ideas created by our winning municipalities as well as the full invitation and application to this year's program.

Contact: Ciara Bradley, Legislative Administrator, CBradley@njslom.org, 609-695-3481, ext. 128.

b. Mayors' View on Race and Discrimination

The National League of Cities (NLC) along with Boston University and the Rockefeller Foundation have produced a report "[Mayoral Views on Race and Discrimination](#)" that explores how mayors of medium-sized and large cities understand race, discrimination and equity in their communities and on a national level. The report offers key findings on mayor's beliefs about:

- The four groups most subject to discrimination
- Race impacts on access to services
- The quality of services is largely equal across different groups of people, except for one service.

See the report for more details including NLC's Race, Equity and Leadership (REAL) initiative 10 concrete actions mayors can take to not only acknowledge, but address racism and discrimination in their cities.

For questions on the report contact Tom Martin, Communications Director, NLC at 202-626-3186

c. NJ Watershed Institute Hosting Free Stormwater Utilities Conference

On June 21, 2018, the New Jersey Senate approved legislation authorizing the creation of Stormwater Utilities. This fall, the Assembly will consider the bill and, if approved, will send it to the governor for his signature. New Jersey would then become the 42nd state in the nation to permit this important tool for addressing flooding and polluted runoff. But what does this all mean?

Join the Watershed Institute with NJSpotlight for a free Stormwater Utility Conference on September 26, 2018, to learn the nuts-and-bolts. Panelists include Stormwater Utility Operators from the Philadelphia Water Department and the Public Works and Water Resources Department, City of Newark DE, along with consultants that help communities

set up stormwater utilities.

While the event is free, registration is required. For registration, and more information, please see the [Watershed Institute's website](#).

d. Attorney General 21/21 Community Policing Project

The Attorney General has [asked the 21 County Prosecutors](#) to organize quarterly public events to discuss issues relevant to community policing in the 21st century (the "21/21 Community Policing Project"). The goal of the project is to strengthen relationships between law enforcement officers and the communities they serve – and to address areas of concern before conflicts arise. Starting in spring 2018, each of the County Prosecutors will be responsible for organizing one meeting each on the following topics:

- **Spring 2018** (Apr-Jun) – Investigations of Officer-Involved Shootings
- **Summer 2018** (Jun-Aug) – Opioids
- **Fall 2018** (Sep-Nov) – Immigration Enforcement
- **Winter 2018-19** (Dec-Feb) – Bias Crimes

The events will include presentations and/or discussions on the quarterly topic. For a listing of scheduled public events contact [your county prosecutor](#) or visit the [21/21 Community Policing Project site](#).

e. Application for 2018 Governor's Environmental Excellence Awards Available

The New Jersey Department of Environmental Protection (DEP) is accepting applications for the 2018 Governor's Environmental Excellence Awards (GEEA). The Governor's Environmental Excellence Awards Program is New Jersey's premier awards program for recognizing outstanding environmental performance, programs, and projects throughout the state. These awards recognize individuals, businesses, institutions, communities, organizations, educators, youth and others who have made significant contributions to environmental protection in New Jersey. Since the awards program was established in 2000, 170 winners have been recognized. Nominations can be submitted for seven different categories. In addition, the category for "Environmental Education" has been divided into two awards: one for adult-led educational initiatives and one for projects that are student-led or have succeeded due to a high level of student involvement.

The GEEA Program is sponsored by the New Jersey Department of Environmental Protection, the New Jersey Environmental Infrastructure Trust and the New Jersey Corporation for Advanced Technology, in partnership with the New Jersey State League of Municipalities. Award winners will be honored at a ceremony in December, to be held in Trenton. The 2018 application and other awards information is available at [the DEP website](#). Completed applications must be received at DEP by October 5.

Questions – Contact Tanya Oznowich at DEP, 609-984-9802 or Tanya.Oznowich@dep.nj.gov

f. Brownfields Reuse Workshop

The NJ Brownfields Interagency Working Group is hosting an "Accelerate Land Reuse for

Community Revitalization” workshop to address questions around legal liability, regulatory issues, funding resources, assessment/remediation, and community engagement to spur redevelopment of these properties.

Panels will feature NJEDA, IBank, NJDEP and USEPA. There will also be an opportunity to meet individually with panelists and over a dozen additional state and federal agencies during Office Hour Consultations. Lunch will be served.

The workshop is free but registration is required. **Attend October 9 at the Middlesex Fire Academy in Sayreville OR October 18 at the Kroc Center in Camden.** Come meet with the experts you need to move your redevelopment projects. Register today at the center for creative land recycling website.

[Register for the Sayreville workshop.](#)

[Register for the Camden workshop.](#)

For questions contact the center for creative land recycling at 646-712-0535.



New Jersey State League of Municipalities

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