

March 16, 2018

RE: WEEKLY UPDATE

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Dear Mayor:

I. State Issues

a. Governor Delivers Budget Address; Concern over Energy Tax Receipts Tax Relief Program

On Tuesday, Governor Murphy presented his first budget proposal to the Legislature and the people of New Jersey.

From our perspective, municipal property tax relief funding is of paramount importance. Regarding that priority, the Governor has called for level funding of comingled Energy Tax and CMPTRA property tax relief. Though better than a cut, we had hoped to see these funding sources restored to their previous levels. Currently, funding for Energy Tax and CMPTRA property tax relief are \$320 million lower than they were before the Recession of 2008. And while we appreciate the proposed \$15 million increase in Transitional Aid; we are concerned with the proposed elimination of Meadowlands Tax Sharing Payments.

We have another concern with the proposal. It appears that the Governor's proposal may jeopardize the most significant and reliable source of municipal revenues, other than the property tax, in future State budgets. Since the passage of the Voorhees Tax Act in 1900, municipalities have been able to lay claim to certain taxes paid by energy producing utilities. (Please see the League's White Paper, [Energizing Tax Relief](#), for a complete history of this issue.) Language in the Governor's proposal would allow the State to access these revenues. For the upcoming State Fiscal Year, the revenues would be replaced by funding derived through the State Income Tax. But we have been unable to find, in the proposal, any assurance that the State will guarantee distribution of Energy Taxes in future years.

For details on this issue, see our [Town Crier blog post](#).

We will strongly oppose any proposal that would change the Energy Tax Receipts Property Tax Relief program from a dedicated source of municipal funding, which the State can only reduce at some risk to its own revenues, to another discretionary aid program, which the State could reduce at any time, without danger of any repercussions.

We have requested a meeting with the Acting State Treasurer on this concern and will report back to you as soon as possible.

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

b. S-5 & A-3671. PFRS Takeover Legislation

As we previously have reported, on February 26, the Senate tabled a vote on [S-5](#), which transfers the management of Police and Fire Retirement System (PFRS) to a Board of Trustees of PFRS. We anticipate the Senate bill may be amended on the floor that day and sent provided a final Senate vote on March 26.

On Monday, Assemblymen Gordon Johnson (D-37) and Ron Dancer (R-12) introduced Assembly companion legislation [A-3671](#), which included some minor changes from the Senate version. These changes, however, do not address the significant issues raised by the League and the Association of Counties.

We should anticipate Assembly committee action on this bill shortly and it is very possible that A-3671 could be posted for an Assembly floor vote on March 26 as well.

Please urge your Legislators and tell them that property taxpayers should be on equal footing with representatives of the public safety union and that this legislation needs additional safeguards. Call on your Legislators **to oppose S-5 and A-3671, until it is amended to add the necessary safeguards advocated by the League, the Conference of Mayors, and the Association of Counties** (for more please see our [February 27 letter](#)) and to prioritize the renewal of the interest arbitration cap.

Contacts:

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

c. Paid Sick Leave Legislation Advancing

On March 12th, the League joined in testimony with the Association of Counties (NJAC) and School Boards Association (NJSBA) before the Assembly Labor Committee seeking amendments to [A-1827](#), which would mandate employers provide earned sick leave to employees.

The joint testimony, while appreciating the legislative intent of the bill, expressed concern that the legislation would provide additional benefits to public employees already protected by generous leave policies through collective bargaining agreements, statutory law, and past practices. Further, paid sick leave is a collectively bargained item in labor negotiations and practice is that non-affiliated and at-will employees receive the same benefits package. For these reasons, the League, NJAC and NJSBA recommended that the legislation should exempt local government employers. While not accepting our primary recommendation, the bill was amended and 2nd referenced to the Assembly Appropriations committee. The amendment language, which we are currently reviewing, reads as follows:

This act shall not be construed to preempt, limit, or otherwise affect the applicability of any provision of any State law or regulation regarding earned sick leave for employees of public employers that provides rights or benefits to employees which provide a greater length of earned sick leave to employees than those required by this act, but shall supersede any provision of any State law or regulation which provides a lesser length of earned sick leave to the employees than what is required by this act, notwithstanding the provisions of those other laws or regulations.

A-1827 is now 2nd referenced to the Assembly Appropriation. The Senate companion, S-2171, awaits consideration before the Senate Labor Committee.

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

d. Workplace Democracy Enhancement Act” bill before Committee on Monday

As we reported [last week](#), companion bills that would impose mandatory requirements on public employers “...to ensure that employee organizations... are able to carry out their statutory duties by having access to and the ability to communicate with” their public employee members are moving quickly through the legislature. The Assembly companion bill, [A-3686](#), was just introduced on Thursday and is before Assembly Labor Committee on Monday. We anticipate that both bills will be before their respective houses on March 26, the next voting session.

We are concerned that many provisions of the bill, such as access to employees provided to unions, and meeting with union officials and their members, intrude into the collective bargaining process. By mandating minimum requirements the bill does not consider the potential disruption to the day-to-day operations of our respective members, particularly if the relationship between management and the union is contentious. These are issues that have been successfully negotiated during the collective bargaining process. In fact, currently, N.J.S.A. 34:13A-5.4 provides appropriate protections regarding union activities.

We are also concerned with the new procedures established in S-2137/A-3868, such as providing detailed contact information to the unions on all employees, regardless if they are members of the union, or not. We are further concerned that management will be used to assist unions in the recruiting/retaining of their members, which is inconsistent with the labor-management dynamic.

Additionally, we believe that this bill will unintentionally create taxpayer-funded data mining and access that could violate public employees’ privacy and First Amendment rights. Typically the detailed information employers will be required to provide unions on their employees in the legislation is information a person provides an organization once they join, not beforehand, and certainly not by a third party, in this case, their employer.

We urge you to contact your Senator and Assembly representatives expressing concern that S-2137/A-3686 infringes on the collective bargaining process and possibly the rights of the public employees.

II. Federal Issues

a. Federal Government Shut-down Deadline One Week Away. Gateway Funding Threatened.

Congress will need to pass, and the President will need to sign Appropriations legislation by next Friday.

We have no new details to report since last week’s update. The President’s threatened veto of any bill that includes funding for the Gateway Project has not been withdrawn.

Please contact White House at 202-456-1111 and direct your comments to Deputy Director of Intergovernmental Affairs, Billy Kirkland.

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

III. League Conference Follow- Up

a. Claim Your CEUs from the Annual Conference

Attention Municipal Officials! Do Not Forget to Claim Your CEUs from the 2017 NJLM Annual Conference! Please click on the following link to claim your credits: www.njslom.org/confceu.

b. The Conference App is Still Available!

Misplaced your printed Session or Exhibitor Program Guide? The app can still be downloaded in your app store to reference session details or view contact information for participating consultants and exhibitors. The app will be available for download through the end of this calendar year and remains available for accessing on your device as long as it is installed.

c. Exhibits at the Annual Conference

Don't forget to follow up with the exhibitors you met during the Annual Conference! They're available to answer your questions and provide solutions to your town's issues. The full listing with contact information is available on the interactive floor plan and the mobile app.

IV. Also of Interest

a. LEAD Marijuana Symposium

Law Enforcement Against Drugs (LEAD) is holding a marijuana symposium in conjunction with its annual conference March 18-20 in Atlantic City.

It will take an agnostic look at marijuana, legal or not; including national and international presenters in the fields of health, law, and policy. For details, [click here](#).

b. Review and Consider Alternatives to the State Health Benefits Plan

New Jersey-based Association for Corporate Health Risk Management (ACHRM) is offering a free one-hour webinar April 4th 11:00 AM-Noon and follow-on Regional Collaborative Roundtables. Providing civic leaders with an overview of New Jersey's high-cost medical procedures and offering case studies and strategies to reduce these costs, the objective will be to organize roundtables throughout the state where local officials can collaborate and develop new strategies.

For more information and registration visit www.achrm.org or contact: Bill Lacy @ wlacy@achrm.org or 856-979-2067.

c. COMMISSION ON PUERTO RICO RELIEF REGIONAL MEETINGS

Governor Murphy's Executive Order No. 10 created the New Jersey's Commission on Puerto Rico Relief. The Commission will host three regional meetings to discuss aid efforts for evacuees and families on the island impacted by Hurricane Maria.

The North Jersey meeting will give members of the public an opportunity to engage with the commission, elected officials, and stakeholders. Meetings in Central and South Jersey are for stakeholders and elected officials only.

Here are the dates and times for these Commissioner Meetings.

1:00 p.m., Friday, March 16, 2018

Brighton Ave. Community Center, 56 Brighton Ave., Perth Amboy, New Jersey 08861

10:00 a.m., Saturday, March 17, 2018

The Cityline Church, 1510 John F. Kennedy Blvd., Jersey City, New Jersey 07305

12:00 p.m., Monday, March 19, 2018

City Chamber Office, City Hall, 520 Market Street, Camden, New Jersey 08102

Very truly yours,

Michael F. Cerra,
Assistant Executive Director