

# Mayor's Newsline

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

- Apr 16- [Doing Business with Government: The Contracting and Ethics Rules are Different, Conference Center at Mercer, West Windsor](#)
- May 3- [Partnering with Municipalities for Economic Development, Crowne Plaza, Monroe Twp](#)
- May 8- [Conflict Resolution, Robert Meyner Reception Center, Holmdel](#)
- June 1 - [A Review of the Open Public Records Act- The Enterprise Center Mt. Laurel](#)
- June 8- [NJLM Mini Conference, Conference Center at Mercer, West Windsor](#)

- ✓ 2012 Scholarship Competition
- ✓ Mayoral Conference Suggestions
- ✓ League Grants Resource Center
- ✓ Municipal Directory
- ✓ Weather Hotline
- ✓ Shared Service Agreements
- ✓ NJ First Act
- ✓ Property Tax Bases

**FROM THE PRESIDENT**

*By Art Ondish, Mayor, Mount Arlington*

On February 25, 2012 and March 24, 2012 it was my pleasure and honor as your President to preside over and participate in the training seminars for Mayors and Council Presidents. I believe these seminars were very valuable. We had attendees that are veteran Mayors, with other elected experience, to brand new Mayors recently elected or appointed in attendance. This was a great opportunity to tap into a deep knowledge base. I am a firm believer that experience is the greatest teacher. One can read all the books in the world but still not gain the knowledge of speaking to those who have been there and done that. Someone once told me that if you want a good education, sit down with someone in their 80's and 90's and just listen. I really believe that to be true.

During our training in March, we discussed a variety of topics and had some great guest speakers to share their professional knowledge with us. Jon Rheinhardt the CFO/ Administrator of Wharton Borough shared his insights with us as well as Joanne Kwasniewski, RMC/CMC/MMC the immediate past president of the Municipal Clerks Association. Bob Casey the former Executive Director of the New Jersey Municipal Management Association provided some great guidance. Tom Neff, Director of Local Government Services shared great information about the Division of Local Government Services and answered questions from the audience and Bill Kearns, Esq, League General Council presented the topic "Ethics and Civility in Government."

During our earlier training in February we had Dave Hollberg the President of the Tax Collectors and Treasurers Association of NJ join us as well as Joel Popkin who is the Executive Director of the Municipal Clerks Association.

**OFFICERS:**

- ARTHUR ONDISH**, President;  
Mayor, Mount Arlington
- JANICE S. MIRONOV**, 1<sup>st</sup> Vice  
President, Mayor, East Windsor Township
- SUZANNE M. WALTERS** 2<sup>nd</sup> Vice  
President Mayor, Stone Harbor Borough
- GERALD TARANTOLO**, 3<sup>rd</sup> Vice  
President Mayor, Eatontown Borough

**MEMBERS OF THE BOARD:**

- CORY BOOKER** (Ex-Officio)  
Mayor, Newark City
- RANDY BROWN**  
Mayor, Evesham Township
- JAMES CASSELLA**  
Mayor, East Rutherford
- DAN CORONATO**  
Deputy Mayor, Hampton Township

**CHUCK CHIARELLO**

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- FRANK J. DRUETZLER**  
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- LEO MCCABE**  
Mayor, Glassboro

**GARY PASSANANTE**

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- ELLEN POMPPER**  
Mayor, Lower Alloways Creek
- SHARON ROBINSON-BRIGGS**  
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Mayor, Piscataway Township

**Executive Staff**

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

### **PRESIDENTS MESSAGE CONTINUED...**

Both sessions also had a panel of veteran Mayors who discussed current issues and took questions from the audience. Included in these panels were:

February 25, 2012- Conference Center at Mercer, West Windsor

Mayor Wayne Smith, Mayor of Irvington  
Mayor Janice Mironov, Mayor of East Windsor, League 1<sup>st</sup> Vice President  
Mayor David Fried, Mayor of Robbinsville Township  
Mayor Arthur Ondish, Mayor of Mount Arlington, League President  
Michael Cerra, Senior Legislative Analyst, NJLM  
Committeeman Chuck Chiarello, Buena Vista, League Immediate Past President

March 24, 2012- Renaissance Meadowlands Hotel

Mayor James Cassella, Mayor of East Rutherford  
Mayor Gerry Tarantolo, Mayor of Eatontown, League 3<sup>rd</sup> Vice President  
Mayor Colleen Mahr, Mayor of Fanwood  
Committeeman Chuck Chiarello, Buena Vista, League Immediate Past President  
Jon Moran, Senior Legislative Analyst, NJLM  
Mayor Arthur Ondish, Mayor of Mount Arlington, League President

You can see by the caliber of presenters as well as the caliber of the attendees, there was a great exchange of knowledge.

I would encourage you to attend future trainings. Whether it is to add value with your experience and knowledge or if you are just starting out and want to learn it is a great opportunity. This is where the League of Municipalities is a great partner for education and a tool to be taken advantage of. Membership in the League is very important and all should take advantage of the services that are provided with your membership. Whether you are a large city or small municipality, the League is your partner and everyone has an equal seat at the table. We all have similar issues just with different faces and scales. This training is surely one that I urge you to participate in.

### **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. League Past President and Committeeman 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.

## SEEKING MAYORAL CONFERENCE SUGGESTIONS

-Contact Bill Dressel ext. 122

[bdressel@njslom.com](mailto:bdressel@njslom.com) or fax 609-695-0151

Your League staff will shortly begin preparing the schedule of educational sessions for the 97th Annual League Conference. To make sure this schedule accurately reflects your needs, we need your input.

Please fax or e-mail your suggested topics and speakers so we may coordinate your ideas into an informative and thought provoking conference. Most conference sessions are based on the input and responses from mayors and elected officials.

## GRANTS - NJLM'S ONLINE RESOURCE FOR LOCATING GRANT OPPORTUNITIES

Contact Taran Samhammer at ext 124 or [tsamhammer@njslom.com](mailto:tsamhammer@njslom.com)

When doing grant research, be sure to visit the League's *Grants Resource Center*. This online tool provides a listing of links to grant opportunities, resources and information to assist our membership in researching and finding funding opportunities. Additionally, each month our site includes links to open funding opportunities and an article highlighting grant issues and the ways in which municipalities can utilize funding. Sign up for our weekly email service to have opportunities delivered to your email inbox. Through a partnership with Triad Associates, we also offer a Grant Consultation Service to provide general grant guidance, available to our membership only. Visit [www.njslom.org/grants.html](http://www.njslom.org/grants.html).

## 2012 MUNICIPAL DIRECTORY

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

The annual Municipal Directory was 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)

## 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.

## PLEASE SEND US YOUR SHARED SERVICE AGREEMENTS

Contact Taran Samhammer at ext 124 or [tsamhammer@njslom.com](mailto:tsamhammer@njslom.com)

Our "Interlocal Advisory Center", which is an online ready reference informational center for interlocal and shared service agreements and joint consolidation, also provides a library of sample shared service agreements and related resolutions.

**As part of this service we are asking you to assist us in making available copies of any interlocal or shared service agreements that you have initiated.** The agreements sent to us will be posted online in our Interlocal Advisory Center to be used as a reference for other municipalities in creating agreements in their municipalities

If you are willing to share your interlocal service agreements, please email them to [tsamhammer@njslom.com](mailto:tsamhammer@njslom.com), mail to the attention of Taran Samhammer at 222 West State Street, Trenton, NJ 08608 or fax to (609) 695-0151.

## **CIVIL SERVICE COMMISSION REGS ADDRESS NJ FIRST ACT**

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

The New Jersey First Act took effect on September 1, 2011, requiring that anyone who starts work in the state as a public employee after that date must live in the state. The law is silent or vague on a great many things.

The Civil Service Commission addressed some of the uncertainty through regulations that became effective on March 5. They are designed to give some guidance to employees and appointing authorities, and to provide a framework for enforcement by the latter. Of course, these only apply to jurisdictions in the Civil Service system, but they can be used as guidelines by those outside the system.

The regulations address these areas:

First, they amend Civil Service rules on residency requirements to conform to the new law. Previously, these rules only pertained to local government requirements. The new rule also states that the requirements of the Act will be included in all announcements and postings for open positions in state and local service.

It's important to note that the NJ First Act specifically states that being domiciled in New Jersey does not equate with residency. Candidates must provide proof. We believe that a signed statement from the current or prospective employee specifically referencing the requirements in the law will suffice.

The rules provide the basis for disciplinary removal – that is, they set up the regulatory framework to allow Civil Service jurisdictions to take enforcement action. They amend N.J.A.C. 4A:2-2.3 to affirm that an employee may be subject to discipline for violation of the Act, and 4A:2-2.5 to specify that an employee who does not have a principal residence in the state or an exemption within one year of appointment would be considered unfit for duty by virtue of illegally holding and being unqualified for employment.

The allocation of responsibilities between the Civil Service Commission and local governments regarding proof of residency is clarified by the new rules. The Commission retains its existing obligation to review residence requirements applicable to examination candidates. The appointing authority retains its responsibility for ensuring the residency of ongoing employees and new hires.

Finally, the rules define a break in service for purposes of the Act. An actual separation of more than seven calendar days because of resignation, layoff, retirement, or disciplinary removal constitutes a break in service. Should an out-of-state employee who had been grandfathered in or was granted an exemption be subsequently rehired, he would be treated as a new hire for purposes of the Act and required to meet the residency test. A leave of absence or a resignation-slash-new-hire do NOT constitute a break in service.

Regarding exceptions, the law is, if it can be possible, even broader. It simply states that an employee may request an exemption based on 'critical need or hardship.' A five-person multi-agency committee was established to hear employee requests for exceptions from the rule. The committee is located in, but not a part of, the Department of Labor.

As hiring authorities you may, but are not required to, support requests for exemptions. The application for an exemption can be found on the Civil Service website, under About Us/ Regulations and Laws. Once the committee receives an application it has 30 days to rule on the request. If it does not take action within that time, the request is deemed to have been denied.

We anticipate that some of the questions now being posed may be settled as actual cases begin to work their way through the system, and as more time elapses from the effective date of the law. In the meantime, keep an eye on the Civil Service and Labor websites for information as it becomes available,

and, most important, stay in touch with your solicitor if and when you are presented with a situation that falls under the Act.

**WHAT CAN GO UP AND DOWN AT THE SAME TIME  
PROMISES MADE, PROMISES KEPT?**

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

The Governor and Legislature are well recognized for the 2% property tax levy placed on real property taxation. It is referred to at the 2% Levy Cap which applies to most public expenditures within the control of a local governing body (other than Debt Service and State Mandated or regulated items such as pension and health insurance). The 2% Levy Cap was envisioned to contain property taxation and limit future increases. Indeed, the numbers show the 2% Levy Cap has resulted in a flattening of and, in some cases, declining tax rates as the size of the public work force has shrunk and local political leaders are forced to live within limitations. Has this been the Levy Cap or the jobless economy?

Property tax is a function of the tax base. From calendar year 2008 through 2011 the equalized valuation of all property within the State dropped by \$188 billion. The following table reflects a summary from the Table of Equalized Valuation produced by each county showing the collective impact over the period from 2008 through 2011. The largest absolute decrease in value was in Bergen County, where the tax base shrunk by \$15.8 billion reflecting a 9.29% change. When measuring the decline as a percentage of the base, Hudson County saw the greatest decline representing 16.8% or \$9.6 billion.

<b>COUNTY</b>	<b>2008 EQUALIZED VALUATION</b>	<b>2011 EQUALIZED VALUATION</b>	<b>DIFFERENCE</b>	<b>PERCENT DIFFERENCE</b>
ATLANTIC COUNTY	55,848,126,501	50,138,881,160	169,969,977,680	11.39%
BERGEN COUNTY	185,759,332,509	169,969,977,680	15,789,354,829	9.29%
BURLINGTON COUNTRY	52,139,640,688	48,371,862,795	3,767,777,893	7.79%
CAMDEN COUNTY	42,482,886,953	39,710,124,874	2,772,762,079	6.98%
CAPE MAY COUNTY	54,628,522,836	49,954,400,686	4,674,122,150	9.36%
CUMBERLAND COUNTY	9,510,214,384	9,170,908,274	339,306,110	3.70%
ESSEX COUNTY	96,255,150,674	88,435,937,310	7,819,213,364	8.84%
GLOUCESTER COUNTY	29,101,693,337	27,683,331,751	1,418,361,586	5.12%
HUDSON COUNTY	67,077,100,450	57,401,642,193	9,675,458,257	16.86%
HUNTERDON COUNTY	24,749,646,790	22,197,472,683	2,552,174,107	11.50%
MERCER COUNTY	48,238,394,984	44,593,949,773	3,644,445,211	8.17%
MIDDLESEX COUNTY	111,571,217,282	102,439,075,897	9,132,141,385	8.91%
MONMOUTH COUNTY	127,813,573,023	116,904,877,621	10,908,695,402	9.33%
MORRIS COUNTY	103,192,518,259	95,105,783,199	8,086,735,060	8.50%
OCEAN COUNTY	109,024,821,004	100,907,479,813	8,117,341,191	8.04%
PASSAIC COUNTY	57,227,118,466	50,249,517,609	6,977,600,857	13.89%
SALEM COUNTY	5,651,828,293	5,494,380,354	157,447,939	2.87%
SOMERSET COUNTY	63,431,787,374	59,793,291,376	3,638,495,998	6.09%
SUSSEX COUNTY	21,484,887,501	19,183,825,070	2,301,062,431	11.99%

UNION COUNTY	77,882,429,337	68,872,357,528	9,010,071,809	13.08%
WARREN COUNTY	<u>13,689,967,495</u>	<u>12,034,878,723</u>	<u>1,655,088,772</u>	<u>13.75%</u>
<b>TOTAL</b>	<b>1,356,760,858,140</b>	<b>1,238,613,956,369</b>	<b>118,146,901,771</b>	<b>9.54%</b>

Between the above two extremes the remainder of all New Jersey Counties also lost real property value during the period in question. Thus, a 2% Levy Cap placed a limitation on the absolute amount of revenue a particular budget may increase from one year to the next. It did not guarantee the rate (tax multiplier) would be limited to 2%. When the tax base *shrinks* the multiplier (tax rate) must *increase* simply to stay even and generate the same level of revenue as the larger base generated in the prior year. Thus, property values decrease and tax rates increase regardless of a 2% Levy Cap. The up's and down's of taxation.

This circumstance (an average of 9.5% loss in equity value in property) has caused numerous tax appeals to be filed by homeowners and businesses across the State. The tax appeals were justified because the common level of assessment on all properties, in general, diminished over the past three years resulting in a shift of tax incident. In some communities the commercial and industrial property base declined at a greater percentage than residential. When tax appeals were granted and taxes levied for the forthcoming year the residential property owners were forced to pick up a greater share of the community burden. For those communities which are primarily residential with a more uniform decline in value, the granting of a tax appeal became immaterial because the value, as assessed, may be *lowered* but the rate at which properties were taxed *increased* at a greater level causing a larger property tax bill.

This circumstance of declining values, high expectations that spending would be limited to 2% and the winning of tax appeals resulted in the amount of taxes to be paid being higher *after* a tax appeal than *before*. This has caused many residents to question the process.

The latest census reports 2.1 million homes are owner occupied. In these homes reside 5.8 million individuals representing 67% of the total State population. It is no surprise the number one issue on the minds of the majority of people living in New Jersey (67%) is property taxation and the need for relief.

The League of Municipalities recognized the impact of a declining tax base and promises made but not kept. It is worthwhile to review the League's website to understand the concept of transfer payments. Various Legislatures and Governors announced they would collect local revenues centrally and more efficiently at the State level. The State would then distribute the revenue back to local governments thereby reducing cost of collection and providing efficiency. What ended up happening was the State changed the plan. The State *kept* the revenues which were part of the property tax base. Therefore, when one looks at the above table and realizes a 9.54% decline in equalized valuation of real property one misses a major component. That component is former revenues which were collected at the local level, now collected by the State, and is now kept by the State. Yes, New Jersey residents demand change. It begins with promises made, promises kept.



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\*Only Municipalities (in NJ) who are dues-paying members of the League may take advantage of the Member Price.

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