



# Annual Report 2018

Michael J. Darcy, CAE; Executive Director,  
New Jersey League of Municipalities

The year 2018 was a transitional year for the Murphy Administration in Trenton and created new direction and many new programs requiring municipal responses. Activities in New Jersey were impacted by Federal changes and challenges, as well.

At the Federal level there are ongoing challenges to addressing the partial loss of state and local tax deductions on income tax filing. Funding for Northeast Corridor rail transportation remains an uncertainty and subject to piecemeal approaches to addressing the needs this vital economic infrastructure. Pre-emption of local land use authority seems to be part of the Federal government's approach to easing the roll out of new broadband technologies including smart cities technologies.

At the State level, municipal governments lost an effective property tax control tool—the cap on interest arbitration awards. That tool had proven, helpful impacts on labor negotiations and the arbitration process. At the same time municipalities were stuck without tools to address affordable housing and instead were left in the courts. Throughout the year (and going forward) the League urged the Legislature to act on both these critical issues.

Mid-year, two very important reports were released that may impact municipal operations. The Supreme Court report “Municipal Court Operations, Fines and Fees” for example, suggested limiting local appointment of judges and highlighted the escalating costs to defendants while never suggesting State imposed court fees should be reduced. Another legislative task force published the broad-ranging “Path to Progress Report”

which became an opening to discuss local government efficiency in an effort to find a solutions to, among other things, the State's pension funding problem.

Throughout this year, the League advocated for municipalities throughout New Jersey and made sure the municipal perspective was clearly understood in public policy debate. The League's strength is found in its active vocal leadership, strong administration and ongoing commitment to providing updated resources to you, its members.

A totally new League website and communication process debuted to help you get to those resources quickly and make sure you have access to all the basic League services you use every day.



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## Legal Advocacy



The League has been busy advocating for municipalities in the courts this past year. Our legal department participated in various amicus interventions in 2018 at the New Jersey Appellate and Supreme Court levels. The legal matters at issue were diverse: OPRA and electronic information, OPMA and Rice notices, and Torts Claim Act, just to name a few. The League participates in these cases because they have statewide impact and municipal interests are well served by our involvement.

This year, municipalities enjoyed a bit of a winning streak on cases the League joined as amicus, with the courts siding with the League's position in three of the four decisions issued thus far. This included a major win before the State Supreme Court regarding Rice Notices and the availability of meeting minutes in the *Kean Federation of Teachers* case, and in the *Dunbar Homes* case, the affirmance of the 'time of application' rule found in the MLUL.

In addition to our amicus work, the League's legal department continues to act as a helpful resource to municipal attorneys, a clearinghouse for ideas and practices, and a monitor/reporter on important court decisions at the state and federal level that impact our members. Attorneys must continually adapt to a changing legal landscape and our legal department is a strong resource to help them in this task.

Outside of the court context, our legal department continues to review and update the various publications offered by the League, contribute to the League magazine, and provide analysis for legislative affairs.

In addition to this, the legal department maintains the League's ordinance and resolution library. This library is a valuable tool for municipal attorneys, elected officials, and others as it allows users to see how other municipalities have solved problems helping them to better address their own.

## Legislative Activities

This year, League President James Casella, Mayor of East Rutherford, prioritized property tax relief and reform, long-overdue reforms to the Fair Housing Act, and the fiscal integrity of the adequately funded local pension and health benefits systems as the League's major legislative priorities.

The League's Government Affairs team remained active at the Statehouse, strongly advocating on your behalf before the Administration, Legislature, and regulatory bodies. As the Murphy Administration got underway, the League leadership and staff met regularly with the new Administration to articulate municipal concerns. During budget deliberations the focus was on the State's shift of the municipal energy tax receipts reimbursement from off-budget to on-budget. Such a change could put future energy tax receipts at risk of being diverted.



The League was an active voice in Trenton on many issues important to local officials.

The League also pushed for the Administration to reengage on affordable housing and provide guidance to municipalities. Unfortunately, considerable League efforts to renew the interest arbitration cap were unsuccessful as Trenton continued to call for a study analyzing the impact of the expired interest arbitration cap.

The League was an active voice in Trenton many issues important to local officials, including, but certainly not limited to the following:

- The League, with the Association of Counties, opposed legislation advanced to separate PFRS from State control, transferring a \$26 billion dollar fund from state oversight to a labor-controlled board. Ultimately, the Governor conditionally

vetoed (CV) the legislation, adding safeguards and keeping the State Treasurer as the custodian of the funds. We will continue to call on the Legislature to pass corrective legislation to place taxpayers on equal footing.

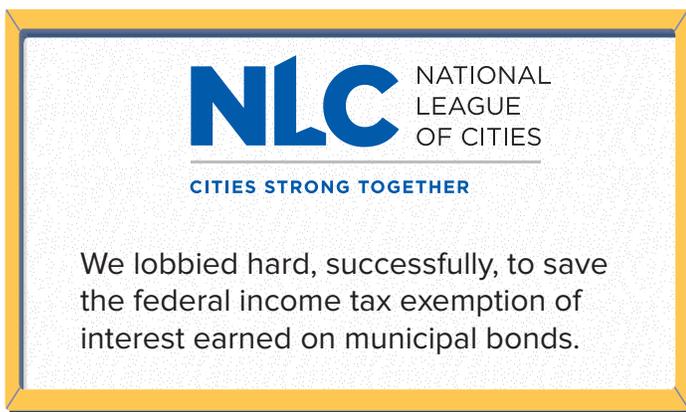
- As noted above, the renewal of the 2% interest arbitration remains a top priority for the League. This cap, has been successful in curbing property tax increases. With several dozen contracts expiring at the end of 2018, the expiration of the cap has already impeded negotiations. Local governments again face the prospect of arbitration awards again exceeding the property tax levy cap. The League will continue to push for this top legislative priority in 2019.

Going forward, the League will also continue efforts to:

- Protect municipal tax relief funding from State diversion.
- Protect municipalities from proposed changes to the Open Public Records Act and the Open Public Meetings Act that single out local government for additional requirement and new mandates.
- Call on the Administration and Legislature to reenter the affordable housing policy discussion and enact a reasonable, rational, and funded program so municipalities can meet their state imposed requirements.

Our Government Affairs staff, Mike Cerra, the League’s Assistant Executive Director/Director of Government Affairs; Senior Legislative Analysts Jon Moran and Lori Buckelew; Associate Legal Counsel Frank Marshall; and Legislative Administrator Ciara Bradley are always eager to hear from you, so they can better serve you and your municipality. Please contact them with your questions, comments, and ideas.

## Federal Activities



**NLC** NATIONAL LEAGUE OF CITIES  
CITIES STRONG TOGETHER

We lobbied hard, successfully, to save the federal income tax exemption of interest earned on municipal bonds.

NJLM’s Federal Relations team relies on information, analysis, and insights provided to us by the staff of the National League of Cities (NLC) in Washington, and on the efforts of New Jersey municipal officials who take the time to contact their representatives in Washington on matters that affect their communities and their fellow citizens.

These developments highlight our work in 2018:

- As Congress worked on the Tax Cuts and Jobs Act, we continued our educational and lobbying efforts to defeat the two provisions under consideration that posed major threats to New Jersey municipalities and taxpayers. We lobbied hard, and successfully, to save the federal income tax exemption of interest earned on municipal bonds. We lobbied just as hard, but not as successfully, to protect the federal income tax deduction for State and Local Taxes (SALT). Despite the efforts of countless New Jersey municipal officials, and of almost all the members of our Congressional delegation, the best we could secure was a partial deduction. The new law caps SALT deductions at \$10,000.

- Our efforts to advance the Amtrak Gateway project continued. The Gateway project involves the improvement and repair of New Jersey’s essential rail link with midtown Manhattan. It has been estimated that 10% of America’s Gross Domestic Product (GDP) depends on transit between New York and New Jersey. The two tracks that run from the Meadows through the tunnels to New York are the most heavily used and the most vulnerable links on the Corridor. Our thanks to Congressman Rodney Frelinghuysen, who, as Chair of the House Appropriations Committee, has done everything humanly possible to advance the Gateway project.

- In March, New Jersey Congressmen Chris Smith, Frank Lobiondo, and Tom MacArthur intervened with Interior Secretary Ryan Zinke to halt a plan that would open New Jersey’s coastal waters to the threat of off-shore oil exploration. The League, along with many municipal officials, has supported their ongoing efforts.

- The League monitored U.S. Supreme Court cases on issues ranging from internet sales taxes to public employee agency shop requirements and federal regulatory proposals. This included FCC proposals that would supersede local broadband deployment authority and proposals to regulate the usage of personal drones which would eliminate or severely restrict state and local prerogatives.

- The National Flood Insurance Program was kept alive with a series of short-term extensions. We continue to monitor developments and have expressed our support of a long-term reauthorization, as well as our opposition to any amendments that would increase homeowner coverage costs.

## Bureau of Municipal Information



Over the last several months, the Bureau of Municipal Information's online presence was given a major overhaul, increasing the ease of navigability and value of information provided online.

One of the League's valuable services continues to be the Bureau of Municipal Information. Many of the League's publications have been converted from paper to digital formats. The new digital versions include more data, valuable Excel spreadsheets that can be manipulated by purchasers, and faster receiving time, while allowing the League to provide information with an affordable pricing structure.

For many years, the League has offered various information resource centers on its website to aid members in finding pertinent information and provide a historical background on changing legislation. Over the last several months, the Bureau of Municipal Information's online presence was given a major overhaul, increasing the ease of navigability and value of information provided online.

While the above is a sampling of what the Bureau of Municipal Information offers, in total the Bureau provides resources and information on over 20 topics.

@ Visit the Bureau website at [njslom.org/bureau](http://njslom.org/bureau).

## New Jersey Municipalities

Moving into its second century of publishing, *New Jersey Municipalities*, the League's award-winning magazine continues to serve members and provide useful information for municipal officials and those working with municipalities. A highlight this year was the kick off of the Show Off Your City contest. Verona was named the winner of the inaugural competition and other participants, including Brick, Asbury Park, Chatham, Mt. Olive, and Highland Park provided images illustrating the Garden State's many success stories in fostering successful communities. The contest participants were featured in the April issue announcing the Show Off Your City results, as well as in other issues throughout the year. Thanks to its success, the Show Off Your City contest will be run again in 2019.

Monthly issues distributed from October through June continue to educate and inform more than 6,300 readers and an estimated 19,000 pass-along readership as vital source of information and news you need to govern in your local community.

Serving as a platform and information resource, the magazine is fueled by insightful contributions from League members and their operational partners, providing wide range of stories to managers and policymakers. Members of the state and national legislatures also contribute to and read the magazine to maintain the important ties between municipal issues and the state and national arenas. In addition to elected official's articles, *New Jersey Municipalities* includes a mix of pieces by state commissioners and other experts, as well as informative columns, opinion pieces, and advertising by some of the state's leading providers of products and services.

### Highlights:

- Easily navigable layout of features, departments.
- Expert-level articles contributed by officials, departments, divisions, and other municipal information providers.
- Features spotlight large, small, rural, and urban communities in all parts of the state to make the magazine useful to busy leaders.
- Accessible and enjoyable publication with expanded use of infographics and improved cover and interior design.



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- Environmentally and socially responsible operations, printing on industry-leading, environmentally responsible papers that use 10% post-consumer waste and FSC chain of custody certification.
- Monthly digital edition, which features the same useful content as well as a growing publication archive in an electronic format based on the League’s website.

As always, we welcome your calls, ideas, and articles for our premier publication.

@ Contact the magazine’s Managing Editor Amy Spiezio at 609-695-3481, Ext. 123, or [NJM@njslom.org](mailto:NJM@njslom.org) to contribute an article or to learn more. [www.njslom.org/magazine](http://www.njslom.org/magazine)

## Training and In-Service Programs



Approved continuing education programs also serve as a cost-effective way for municipal professionals to maintain their respective state licenses.

The League continued to successfully present programs that broaden, deepen, and increase knowledge and skills of municipal personnel in various professions while collaborating with our Affiliate Groups. Approved continuing education programs also serve as a cost-effective way for municipal professionals to maintain their respective state licenses. The League works cohesively with numerous accreditation bodies representing 20 government licenses, including Continuing Legal Education for New Jersey and Pennsylvania Attorneys, Municipal Licensees, Tax Assessors, Recycling Coordinators, Planning and Zoning Board Secretaries, Zoning Officials, Land Use Administrators, and Professional Engineers and Land Surveyors.

In addition to the Annual Conference, the League offered 25 professional development seminars and webinars, educating more than 2,100 attendees in 2017/2018.

Highlights include:

- Orientation for Newly Elected, Reelected, and Experienced Official

- Budgeting for the Elected Official: Everything you Need to Know to Create, Balance, and Approve Your Municipalities’ Budget
- 26th Annual Mayors Legislative Day
- Budget Audits and Updates
- Equal Pay in New Jersey: What You Need To Know Webinar
- Sexual Harassment in the Workplace: What You Need to Know
- A Review of Electronic Tax Sales Webinar
- Freedom Of Speech and Social Media in the Workplace
- OPRA In Depth: Privacy and Law Enforcement Issues
- The Mini One Day Conference

In addition to the programs above, the League also offers Legislative Update webinars. These periodic webinars keep members abreast of the current legislative action.

@ For more information on the League’s upcoming seminars and webinars, please visit our website at [www.njslom.org/seminars](http://www.njslom.org/seminars) or contact Danielle Holland-Htut, Seminar Manager at 609-695-3481, Ext. 118 or [dholland@njslom.org](mailto:dholland@njslom.org)

## Labor Relations Advisory Service



Joseph Hannon, Esq. is available to respond to a broad range of public employer labor and employment law questions as a telephone or email service of the League.

The League’s Labor Relations Advisory Service is conducted by the League’s Labor Relations Counsel, Joseph M. Hannon, Esq., of Genova Burns, LLC.

Joseph Hannon is available to respond to a broad range of public employer labor and employment law questions as a telephone or email service of the League. Inquiries to the League Labor Advisory Service over the years have included issues like:

- Interest arbitration reforms and the 2% cap on awards under the 45-day “rocket docket”
- Impacts of sunseting Chapter 78
- Furloughs and temporary layoffs
- Health benefit and pension reforms
- Perennial problems municipalities face in police and fire and civilian collective negotiations
- Public Employment Relations Commission unfair practices and representation matters
- Shared Service Issues
- Civil Service issues
- FMLA and NJFLA issues
- FLSA and wage and hour issues
- Americans with Disabilities Act issues
- Equal Employment Opportunity and New Jersey Law Against Discrimination issues.

As part of the Labor Relations Advisory Service, Genova Burns provides expert attorney presentations at several League seminars throughout the year and during the Annual League Conference as well as articles for the Labor Relations Column in the League’s Magazine.

@ You may contact Joe at [jhannon@genovaburns.com](mailto:jhannon@genovaburns.com).

## Annual Conference

Municipalities Leading the Way is the theme for the 103rd Annual League Conference. After all, it is municipalities that are the incubator of creative new ideas and solutions to our State’s challenges. The NJLM Annual Conference remains the largest municipal conference in the country and a critical mainstay in the portfolio of services provided by the League. With 17,000 attendees and 1,000 exhibit booths, it provides the raw information that municipal leaders take back to find the way forward for their communities. It also serves the critical role of providing professional development for licensed municipal professionals and exposure to new products and ideas.

Pre-Registration for the three-day event remains just \$55, the most affordable way for municipal officials to gain new solutions to both the perennial issues and evolving challenges. It is also the most cost-effective way for licensed and certified professionals to receive continuing education credits vital to maintaining their licensure. Some of the features of this year’s conference will be:

- 74 League educational sessions and more than 50 additional sessions produced by affiliated municipal professional associations.
- Sessions that highlight creativity in municipal thinking
- Sessions that explore municipalities’ use of new technology.
- Primers for newly elected governing body members.
- Sessions focused on ethics training, personnel and leadership
- Insights on Shared Services
- Information on economic development, planning, management, and understanding initiatives coming from State government
- Insurance training sessions that result in premium reductions for attendees



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- The largest municipal exhibit hall in the country with a special area for “Smart Cities” highlights.

The conference is also a chance to award special recognition to local officials’ dedication to public service and the work of their colleagues in municipal government across the state.

The 2018 Annual Conference provides all these opportunities while continuing to charge the lowest registration rate of any municipal league in the country.

@ For more information, visit [www.njslom.org/conference](http://www.njslom.org/conference).

## NJLM EDUCATIONAL FOUNDATION



The Foundation continues to publish a series of white papers on a wide range of issues that impact New Jersey local government. These papers offer a deeper understanding of the specific issues explored. All Foundation publications are available for free download at the foundation website.

To capitalize on years of experience piloting the youth and family literacy program “Mayors’ Book Club,” the Foundation continues to offer the manual “Planning and Participating in a Mayors Book Club” and distributed it to mayors at the Annual League Conference. The manual was written by Dr. Vicki Cohen, Fairleigh Dickenson University and edited by Foundation President Timothy McDonough, Mayor, Hope Township. The manual is also available for free download from the Foundation’s webpage, [www.njlmef.org](http://www.njlmef.org)

In 2018 the Foundation continued the administration of the Michael A. Pane Memorial Fund. The Fund awards an honorarium to a local government professional (attorney, engineer, or planner) who personifies outstanding ability, integrity, and ethics in his or her dealings with local governments.

The Educational Foundation will soon complete its work administering small grants in support of Sustainable Jersey. Over the years, more than \$1 million in grants has been administered from such funders as Wal-Mart Corp, BPU, and

the others. A list of Foundation trustees is found in this annual report and on the Foundation website.

@ Visit the NJLM Educational Foundation online at [www.njlmef.org](http://www.njlmef.org)

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The Corporation owns and operates the League's headquarters building.

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## Membership and Finance

The League is completing its 103rd year of service to the municipalities of New Jersey. Our membership currently includes 564 municipalities in the State of New Jersey.

The League's fiscal year runs from July 1 to June 30. The budget under which the League currently operates is set forth on this page.

## 2018/2019 Adopted Budget

### INCOME

1	Appropriation of Prior Cash Balance	\$146,928
2	Membership Dues	\$653,098
3	Magazine	\$310,000
4	Annual Conference	\$2,100,000
5	Interest	\$37,256
6	Publications	\$36,000
7	Seminars	\$140,000
8	Miscellaneous Receipts	\$4,500
9	Internet Advertising	\$148,000
10	Sub-Leases Base Rent	\$142,827
11	Sub-Leases Expense Rent	\$97,205
12	Sub-Leases Parking Space Rental	\$33,566
13	Corporate Supporters	\$61,114
14	Grant Station Subscription	\$400
15	Employee Medical Contributions	\$80,000

**\$3,990,895**

### EXPENSE

16	Salaries	\$1,362,327
17	Social Security & Medicare	\$104,218
18	Pension Employer Portion	\$170,000
19	Disability Insurance	\$2,600
20	Medical Benefits	\$472,400
21	Workers Compensation Ins	\$5,300
22	Unemployment Compensation Insurance	\$0
23	Automobile	\$19,743
24	Magazine	\$190,000
25	Office Expense	\$27,000
26	Legislative	\$44,500
27	Conference	\$530,000
28	Meetings/Training	\$39,000
29	Postage	\$35,000
30	Equipment Payments	\$17,000
31	Maintenance on Equip.	\$4,000
32	Printing	\$15,000
33	Books, Subscriptions	\$5,000
34	Grant Station Subscription Expense	\$235
35	Seminars	\$70,000
36	Telephone	\$13,000
37	Audit	\$8,000
38	Legal	\$161,387
39	Insurance & Bond Premium	\$29,000
40	National League of Cities	\$35,000
41	Temporary Help	\$3,000
42	Computer Expense	\$45,000
43	Internet Web Maintenance	\$15,000
44	Photocopying	\$6,000
45	Scholarships	\$3,000
46	222 Base Rent	\$379,052
47	222 Expense Rent	\$173,500
48	Commission Leasing	\$4,533
49	Online Ordinance Shared Services	\$2,100

**\$3,990,895**

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