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January 3, 2020

- I. State Issues
- II. Annual League Conference

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

I. State Issues

a. Lame Duck Update

The 218th New Jersey State Legislature will end at midnight, January 13. The 219th Legislature will begin its work on January 14, including the State of the State Address by Governor Murphy. Between now and then, we expect significant legislative activity. Here is an update on two such items. We will advise you of other significant developments in the upcoming days and weeks.

In December, the General Assembly approved [A-6024](#). This bill, along with its Senate companion, [S-4297](#), would create an additional category of service retirement for Police Fire Retirement System (PFRS) employees. Under the bill, a PFRS employee who is enrolled before or after the bill's effective date may retire, regardless of age, upon attaining 20 or more years of service credit and would receive a retirement allowance equal to 50% of the member's final compensation.

The December 12 [statement from the Assembly Appropriations Committee](#) on the Assembly companion bill, [A-6024](#) included a fiscal impact analysis, which was prepared by the non-partisan Office of Legislative Services (OLS). The OLS analysis stated that the bill "...will have a significant, indeterminate fiscal impact, likely in the hundreds of millions of dollars, on both the State and local portions of the PFRS pension funds and the unfunded liability costs that would be charged to the State and local government entities to fund the unfunded liability created by the bill."

The League opposes these bills, which are now referenced to the Senate Budget and

Appropriations committee. That Committee is scheduled to meet on Monday and these bills are not on the agenda. That could change or there may be another committee hearing so we are fully engaged on the issue and will advise you of any developments. [There is a blog post at League's Town Crier blog with more information.](#)

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

[S-4110](#), which the League supports, provides clear authority allowing a municipality to pass an ordinance allowing the municipality, municipal water system, or an agent thereof to enter onto property within the municipality to perform lead service line replacement. The legislation requires that the municipality provide notice to the property owner at least 72 hours prior to entering the property. This bill has passed both houses and awaits the Governor's action.

The League would like to thank the bill's sponsors, Senator Teresa Ruiz and Assemblywoman Eliana Pintor Marin for their efforts in assisting municipalities to see that their communities are free of lead water service lines.

Contact: Frank Marshall, Esq., Associate General Counsel, fmarshall@njlm.org, 609-695-3481 x137.

b. Division Extends CY 2020 Budget Deadlines

The Division of Local Government Services has issued [Local Finance Notice 2019-16](#) regarding 2020 Calendar Year (CY) Budget matters, including information on the Transitional Aid Application process, health benefits cap, municipal aid, and local examination. Please note that municipalities will be required to submit all budget related processes using the Financial Automation Submission Tracking (FAST) system.

The Division has extended the CY 2019 Budget deadlines as follows:

Introduction and Adoption of Budget – Non Referendum

Mayor/Council Faulkner Act (Executive) budget transmission to governing body

Statutory Date 1/15

Revised Date* 2/28

Municipal **introduction** and approval of budget

Statutory Date 2/10

Revised Date* 3/30

Municipal **adoption**

Statutory Date 3/20

Revised Date* 4/30

**or the next regularly scheduled governing body meeting*

In addition, no later than March 30, 2020, governing bodies may, by resolution, increase their temporary budget appropriations as necessary to adjust for the 2020 budget extensions.

After the state budget is proposed, the Division will notify municipalities of the amount of

CMPTRA and Energy Tax Receipt than can be anticipated in their budgets. However, for budget planning purposes the Division is advising municipalities to use the 2019 CMPTRA and Energy Tax Receipts numbers for their 2020 budget.

The Division is also advising that there is no health insurance cap exclusion for both the property tax levy and appropriation caps as the State Health Benefits Program increase, on which the cap is based on, is 0%.

The Division reminds all governing body members who willfully fail or refuse to timely adopt their budgets can be subjected to a daily personal penalty of \$25.

We strongly suggest you review this Local Finance Notice with your Chief Financial Officer.

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

II. Annual League Conference

a. Addressing a Toxic Culture

Recent reporting has focused on a toxic culture of sexual harassment in governmental settings. One example is Sunday's Star Ledger and NJ.com (#MeToo was supposed to fix things).

Government generally and the League Conference specifically are called upon to address sexual harassment in many government related venues and circumstances. NJLM response to the article is posted [here](#).

The League has started to act and will continue to take action as we gain more information and recommendations through meetings with other agencies such as NJCASA, our local government partners, State agencies, Senator Weinberg's [task force](#) and others.

b. Claim Your CEU's from the 2019 League Conference

Attention Municipal Officials! Do Not Forget to Claim Your CEU's from the 2019 NJLM Annual Conference! Visit the [Conference Tracking page](#) to claim your credits.



New Jersey State League of Municipalities

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