

April 24, 2015

**RE: Weekly Policy Update**

Municipal Clerk: Please forward a copy to all Governing Body Members Dear

Mayor:

Here's a recap of major policy issues of interest to local governments.

**I. TTF Update: No New Revenue on Table for Transportation Trust Fund**

On April 2, New Jersey Department of Transportation (DOT) Commissioner Jamie Fox appeared before the Senate Budget and Appropriations Committee to discuss the Governor's proposed FY 2016 Budget, as it relates to his Department. The Commissioner indicated, "... this Year's TTF (Transportation Trust Fund) funding plan frees up much needed cash to get us through the last year of this reauthorization. As a result projects will move forward and counties and municipalities will receive much needed funding."

That is welcome news. However, the Commissioner continued, "our infrastructure is in disrepair and our Transportation Trust Fund is running out of money. Our bridges and roads are old, crumbling, and getting worse every day. ... So, there should be an honest discussion and public debate about the best way to raise the revenue for the Trust Fund."

He went on to state, emphatically, "... the Treasurer has determined, whether you like his ideas or not, that we are funded for this year... And then we are broke... and THAT ... is not open for debate. ... We need to do what each of us knows must be done. We must identify a reliable, dedicated revenue source for the Transportation Trust Fund."

The Commissioner's complete testimony, along with the Office of Legislative Services' (OLS') detailed analysis of DOT's proposed budget, as well as analysis of matters related to the Motor Vehicles Commission and New Jersey Transit, are all available on the OLS website at <http://www.njleg.state.nj.us/legislativepub/govbudget2015-2016.asp>

This followed an appearance by League Board Member and Princeton Mayor Liz Lempert before the Assembly Transportation and Independent Authorities Committee on Thursday, March 19. Mayor Lempert again urged action on the reauthorization of the Transportation Trust Fund, stressing the need for increased local infrastructure funding.

Mayor Lempert, speaking on behalf of all New Jersey Mayors, noted, "On June 30, it isn't a pot hole that awaits the New Jersey's Transportation Trust Fund. It is the end of the road. We have known this day was coming for well over a year. There have been public hearings. There have been press conferences. There have been editorials in the newspapers and interviews on radio

and TV. It is frustrating to local officials to know that there has been no agreement on a sustainable solution to the problem.”

You can read Mayor Lempert’s remarks on our website at:

<https://nj-njslom.civicplus.com/DocumentCenter/View/441>

For an update on the current status of continuing State and Federal (set to terminate on May 31) transportation infrastructure funding, see our February 27 letter at: <https://nj-njslom.civicplus.com/ArchiveCenter/ViewFile/Item/371> **Contact:** Jon Moran, 609-695-3481 x121, or [jmoran@njslom.org](mailto:jmoran@njslom.org)

## **II. Update on Pension and Benefits Reform**

Yesterday, the valuation reports as of July 1, 2014 for PERS and PFRS were released. The fund ratio for the LOCAL PERS is 73.5% compared to 43.8% for the State PERS. The LOCAL PFRS fund ratio is 76.3% compared to 47.2% for the State PFRS. The local PERS ratio decreased by 0.5% from 2013 while the State PERS decreased by 4.3%. While, the local PFRS ratio decreased by 0.6% from 2013 while the State PFRS decreased by 3.6%

The League’s various Pensions and Benefits subcommittees are continuing their work. The Health Benefits subcommittee will be sending out a survey on medical and prescription cost to municipalities next week. We ask for cooperation in completing and returning the survey as soon as possible as health benefit cost are critical components of the “Roadmap to Resolution” report issued by the Governor’s Pension and Health Benefit Study Commission. A copy of this report is online at:

<http://www.state.nj.us/treasury/pdf/FinalFebruaryCommissionReport.pdf>. **Contact:**

Lori Buckelew, 609-695-3481 x112, or [lbuckelew@njslom.org](mailto:lbuckelew@njslom.org)

## **III. Municipal Master Plan Element—Unfunded State Mandate**

The League opposes [S-2424](#) and A-4185 which would mandate “...a statement of strategy concerning smart growth, storm resiliency with respect to energy supply and environmental infrastructure, and environmental sustainability” be included as part of the land use element of the municipal master plan.

The League testified in **opposition** to this bill, which we consider to be an unfunded state mandate. Further the League noted that the optional elements under the Municipal Land Use Law, such as the utility service plan element, the conservation plan element and the green building and environmental sustainability plan element already allow the opportunity to municipalities to address resiliency, sustainability and “smart growth.”

S-2424 and A-4185 stand at Second Reading in their respective houses and can be scheduled for floor votes in May. . Please contact your Legislators and ask them to oppose S-2424 and A4185. **Contact:** Mike Cerra, 609-695-3481 x120, or [mcerra@njslom.com](mailto:mcerra@njslom.com)

Very truly yours,

William G. Dressel, Jr.  
Executive Director