

March 6, 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. Legislative Alert: EIT Mandate Up for Assembly Vote on Monday

The League of Municipalities **opposes** [A-3548](#), which would require local governments and authorities to obtain financing cost estimate required to be provided by New Jersey Environmental Infrastructure Trust for certain projects. Specifically, this bill would require any local government financing an environmental infrastructure project, or project component, costing \$1,000,000 or more to request from the New Jersey Environmental Infrastructure Trust (NJEIT) an estimate of financing cost, if the project was to be funded in whole or in part by the NJEIT. NJEIT will have 15 days upon from the submission of a completed form to provide an estimate of financing cost and possible interest rate that may be made available for the project. If the local government does not finance an environmental infrastructure project with funding provided by the NJEIT, then they must submit the financing cost estimate provided by the NJEIT, together with the supplemental debt statement, to Division of Local Government Services.

Municipalities currently have the option of pursuing a loan from the NJEIT and the provisions of A-3548 are based on changes that are proposed to the NJEIT program but are currently in development and not in effect. Currently if a municipality wishes to use the NJEIT program they must adhere to a standard grant time table and they are not guaranteed funding. Funding is based on priority and fund availability. For example, the Clean Water Traditional NEIFP for 2016, according to NJEIT's website, has given funding priority to "(1) resiliency projects for systems adversely impacted during Sandy, (2) projects to repair Sandy damaged infrastructure and (3) projects to improve the resiliency of environmental infrastructure in future disasters throughout the State subject to the availability of funds at the time of project approval. As such, a projects readiness to proceed is now a critical element of funding eligibility."

In addition, NJEIT program may save some municipalities money when financing a project but savings are not always guaranteed. With interest rates low, municipalities have been able to secure interest rates at a lower rate than the NJEIT program without the ongoing administrative fees charged by NJEIT and DEP. NJEIT does offer principal loan forgiveness, but at this time only the Sandy NJEIP Loan Program has principal loan forgiveness of up to 18%.

A-3548, while well intended, mandates a lengthy process that will unnecessarily delay certain projects. **We are particularly concerned that this legislation will unnecessarily delay shovel**

ready projects. Further, this legislation mandates the use of an undeveloped tool that may be helpful in the planning process but will not provide an accurate picture of the funding available to municipalities.

The bill is before the full Assembly on Monday. Please consider contacting your Assembly representative and urge them to vote NO on A-3548.

Contact: Lori Buckelew, lbuckelew@njslom.org or 609-695-3481 x112.

II. Pension and Health Benefits Task Force Issues Recommendations

The League continues its review of the report of the Governor's Pension and Health Benefit Study Commission. The League Officers will be meeting shortly with representatives of the Affiliate organizations to discuss their respective viewpoints on the report and its recommendation. The report itself can be reviewed at:

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

Those proposals include the following steps:

- Freeze the existing pension plans; benefits earned to date would not be affected;
- Align future public employee retirement benefits with private-sector levels;
- Align public employee health benefits with private-sector levels;
- Realign State and local responsibility for new and sustainable pension and health benefits;
- Lock in fixed and certain pension funding with a constitutional amendment;
- Transfer the assets, liabilities and risks of the existing pension and new retirement plans to employee entities willing and able to assume this obligation.

The Commission's February 24 report also calls for the creation of a Roadmap to Resolution Implementation Task Force. That Task Force will, most likely, be created by a Governor's Executive Order.

Implementation of the Roadmap will have a crucial impact on local budgets and property taxes this year and for years to come. The League of Municipalities has established communications with the Commission. We believe that local government concerns need to be carefully considered, as the State moves toward the June 30 deadline for action this year. Accordingly, we have asked Governor Christie to appoint a municipal representative to the Task Force. We will keep you posted on any future developments.

Contact: Lori Buckelew, lbuckelew@njslom.org or 609-695-3481 x112.

III . Police Car Mandate Became Effective March 1

This is just a reminder that Chapter 54 of the Public Laws of 2014, signed by Governor Christie on September 10, 2014, went into full force and effect on March 1, 2015. This law requires that:

Whenever any traffic patrol vehicle, which will have been acquired on or after March 1, 2015, is in use, that vehicle must either:

Be equipped with a video camera; or
Be used by an officer wearing a body camera.

While the Attorney General was required to enact rules to help effectuate this law, to date, no rules have been introduced. For more information on this matter please see our February 19 Dear Mayor letter available at <http://nj-njslom.civicplus.com/ArchiveCenter/ViewFile/Item/364>

Contact: Ed Purcell Esq, epurcell@njslom.org or 609-695-3481 x137.

Very truly yours,

William G. Dressel, Jr.
Executive Director