

January 16, 2015

RE: Weekly Policy Update

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

Dear Mayor:

I. Governor Delivers the State of the State

On Tuesday, Governor Christie delivered his fifth State of the State address before a joint meeting of the State Senate and General Assembly. The prepared text of the address is available online at: <http://www.state.nj.us/governor/news/news/552015/approved/20150113e.html>

The Governor, while not addressing any specifics, did address the issue of pension and health care funding. A set of recommendations from the Governor's Blue Ribbon Pension and Health Benefit Study Commission is expected shortly. If you recall, the League wrote the members of the Commission and urged that their recommendations address State government funding gaps only and not weaken the vitality of the local plans. You can view the full letter on our website at: <http://www.njslom.org/pension-health/PensionStudy-9-22-14.pdf>.

II. EIT Mandate Bill Advances---Please contact your Legislators

On Thursday, the Assembly Environment and Solid Waste Committee approved [A-3548](#), which would require local governments and authorities to obtain financing cost estimate required to be provided by New Jersey Environmental Infrastructure Trust (NJEIT) for certain projects. A municipality already has the option to seek a cost estimate from the NJEIT, thus the League **opposes** this unnecessary new requirement.

Specifically, this bill would mandate that any local government financing an environmental infrastructure project or a component of project 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. When it makes financial and planning sense a municipality will pursue funding from NJEIT. However, at this time, NJEIT has application deadlines and priority funding. A municipality may make a policy decision that savings from the NJEIT may not be as advantageous as they appear due to the time it takes to apply and receive funding. A-3548, while well intended, mandates the use of a planning tool that creates a lengthy process that could delay a project. Further, the potential savings may never be realized since the project may not qualify for funding due to NJEIT's

funding priorities and available funds. In addition, A-3548 requires that all environmental infrastructure projects over \$1,000,000 go through this process, regardless of the funding source.

At times, a municipality will receive grant funds for 100% of the cost of the project but will finance the project due to the release of the funds. A-3548 does not exempt a municipality from going through the process, even if they are receiving grants.

A-3548 now stands at 2nd reading the Assembly and unless it is 2nd referenced to another committee, could be voted on by the full Assembly on January 26. The Senate companion, S2354, is referenced to the Senate Budget and Appropriations Committee. Because of the additional red-tape, the limited transparency of this new, to date unreleased program, and the possibility of leading to delays in projects, we would urge you to contact your State Legislators and ask them to oppose A-3548 and S-2354.

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

III. Federal Military Equipment

The League **supports** the passage of two bills that will provide greater deliberation on decisions to accept surplus military equipment for use by local law enforcement, through the Federal 1033 program. Specifically, [S-2364](#) (and its companion, A-3901) require that an application for the enrollment of a county or municipal law enforcement agency in the 1033 program needs to be approved by a resolution adopted by the governing body prior to submission of the application to the State Coordinator. This legislation also requires the actual acquisition of property through the 1033 program to be approved by a resolution adopted by the governing body. [S-2365](#) (a companion to A-3754) requires the Attorney General to direct the Office of Emergency Management to review the 1033 program.

As the program currently operates, local law enforcement agencies must request enrollment through the State Coordinator and the DLA Law Enforcement Support Office. Once received, the local unit is responsible for all costs related to operation, maintenance and repair of the equipment, and for training local personnel in its use. Increased oversight of the 1033 program will help to ensure that local law enforcement agencies obtain equipment necessary and appropriate for the execution of their responsibilities, and that it is used responsibly.

On Monday, the bills were released by the Assembly Law and Public Safety Committee. They are now positioned for final action on the Assembly Floor.

Contact: Jon Moran at jmoran@njslom.com or 609-695-3481, ext. 121.

IV. League Legislative Priorities and Mayors' Legislative Day

If you have not yet done so, please review the League's legislative priorities from 2015 and what you can do to make sure the voice of local governments and taxpayers are heard in Trenton: <http://nj-njslom.civicplus.com/Archive.aspx?ADID=412>. These priorities will be a topic of discussion at the Mayors' Legislative Day on February 4, 2015 link: <http://nj-njslom.civicplus.com/542/Mayors-Legislative-Day-Photo-Albums> **Contact: Mike Cerra, mcerra@njslom.org or 609-695-3481 x120**

Very truly yours,

William G. Dressel, Jr.
Executive Director