

Annual Report

2021



Michael Cerra,
Executive Director,
New Jersey State
League of Municipalities

This report intends, on annual basis, to both look back at the year behind us and to look forward to what lies ahead. We did that in 2019 with no possible knowledge or appreciation for what 2020 would entail as COVID-19 had yet to reach our shores. And last year, we hoped the worst was behind us and that 2021 would allow a return to normalcy.

But it turns out that 2021 had its own unique challenges, as the promise and success of vaccines provided hope that a finish line was in site, but the emergence of a new variant provide new challenges and a spike in cases. Fortunately, New Jersey is a highly vaccinated state and the spike here was significantly less than elsewhere.

However, the Garden State was not spared, and the public health challenges we have had no choice but to face appear prepared to linger into 2022. Yet in so many other ways, 2021 was a success based on how local officials rallied to another set of challenges, how our elected representatives responded with an unprecedented infusion of recovery funding, and how our citizens continued to show resilience and faith even as our collective fatigue mounts.

The theme of the League’s 2021 Conference asked us each to create a legacy. We’ve learned from 2020 and 2021—now let’s prepare for what may lay ahead and let’s move towards our continued objective to find our common goal of helping New Jersey’s municipalities through these challenging times.

Through this all, the League has continued to advocate on your behalf in Trenton and Washington to secure much-needed fiscal security.

Legislative

The League’s Legislative team, Lori Buckelew Assistant Director and Director of Government Affairs; Legislative Analysts Andrew LaFevre and Paul Penna; Frank Marshall, League Associate General Counsel; Legislative Administrator Ciara Bradley; and Shirley Cade, Legislative & Administrative Support, continue to advocate on behalf of municipalities during the COVID recovery.



League Legislative Committee meetings continue virtually. The General Assembly also continues to meet virtually while the State Senate is holding in-person hearings for which the League's Legislative team registers to testify in advance. We are only allowed in the hearing room if testifying, but we have consistently followed proceedings digitally and actively followed up with legislators utilizing many means of communications.

NJLM's Legislative team focused on COVID and non-COVID issues of importance to local governments, serving as an active voice for local officials on topics including:

Cannabis Implementation: In February, Gov. Murphy signed legislation legalizing personal use of cannabis for those over the age of 21 and decriminalizing marijuana and hashish possession. While the League did not take a position on legalization, we worked with the Legislators and the Administration to ensure municipalities had the ability to govern cannabis in their respective municipalities. The League continues to ensure municipalities will have a say in the cannabis marketplace during the regulatory process by working with the Cannabis Regulatory Commission.

20 and Out: In April Governor Murphy signed legislation (P.L. 2021, 52) that permits a Police and Fire Retirement System (PFRS) employee who is enrolled before or after the bill's April 19, 2021 to retire, regardless of age, upon attaining 20 or more years of service credit and would allow that employee to receive a retirement allowance equal to 50% of the member's final compensation. The League was joined by the New Jersey Association of Counties in opposing this legislation. Through our collective efforts the legislation was amended to have this enhanced benefit only apply to police and firefighters currently enrolled in the Police and Fire Retirement System and the benefit will expire in two years.

Land Use Appeals: COVID-19 put municipal land use boards in a unique situation. When in-person meetings were cancelled or postponed, land use boards remained subject to the strict timeframes for review of applications, as laid out in the Municipal Land Use Law. Failure to review applications or provide hearings would result in unwanted consequences, including the deemed approval of applications. Despite the best efforts of the land use boards to ensure procedural and substantive due process rights were preserved some may see this as an opportunity to falsely challenge the actions of the board. These challenges could lead to costly and mostly frivolous litigation. In September, Governor Murphy signed P.L. 2021, c. 230, which would eliminate many of the possible claims that could be brought based on frivolous assertions, while maintaining a legitimate objector's rights to challenge the actions of a land use board. The League strongly supported the quick passage of this legislation and would like to thank Assemblyman Greenwald as the sponsor of this bill for his leadership on this important issue.

After Election Day, we entered into the end of the 219th legislative session and the end of the Governor's four-year term.

This time between Election Day and the beginning of the new legislative session when state legislators will begin new terms is known as the "lame duck" period. We anticipate movement on the following:

Responsible Collective Negotiations Act: S-3810/A-5862 would substantially expand the power and influence of public sector labor unions in collective bargaining negotiations with county and municipal governments across the state. The legislation would eliminate a long-established precedent in public sector labor negotiations by creating permissive issues of negotiations that would broaden the category to include all collective bargaining units, eliminate the category's temporary nature, and subject previously non-negotiable items to binding arbitration. Local governing bodies negotiate with property taxpayer dollars and the public's vested interest in limiting the scope of labor negotiations. The League joins the New Jersey Association of Counties in strongly opposing S-3810/A-5862 as it will not only infringe upon the ability of public sector management to manage but it will drive up costs borne by local government and, ultimately, our taxpayers.

Small Cell Wireless and 5G: The League opposes A-1116/S-2674 (known as "5G" or "Small Cell Bill") because it provides broadband telecommunications providers with favorable and discounted access to public rights-of-way without requiring these cost savings be passed on to customers, or requiring broadband infrastructure buildout necessary to help bridge the digital divide. Further, committee amendments to A-1116/S-2674 expand the scope of the legislation beyond the legislation's original intention, further limiting safeguards for local communities. Municipal governments actively manage public rights of way to protect residents' safety, preserve the character of their community, and maintain the availability of the public rights of way for current and future uses. As trustees for this limited public asset it is important that municipal governments are empowered to act as effective stewards. Provisions within A-1116/S-2674 would dilute the ability of local governments to manage and protect the public right of way, providing a benefit to the private shareholders of broadband telecommunications providers. The League is engaged on this legislation and continues to work with stakeholders in the hopes of drafting legislation that will ensure equitable deployment and access to broadband internet while protecting the public rights of way.

Open Public Records Act & Open Public Meetings Act: We do anticipate a push to advance legislation regarding the Open Public Records Act (OPRA) and the Open Public Meetings Act (OPMA). While some provisions of S-379, which makes various changes to OPMA, and S-380, which makes certain access changes to OPRA have changed, the League must continue to oppose both pieces of legislation. The Legislation continues to require that governing bodies make a determination if a subcommittee meeting is open to the public, and that regardless if the subcommittee is open to the public

they must prepare quarterly reports; prevailing attorney fees continue to be mandated in the OPRA legislation and the OPMA legislation changes prevailing attorney fees from permissive to mandatory; and both bills continue to exempt the Legislature from many requirements of the OPMA and all of the requirements of the OPRA.

Payment in Lieu of Taxes (PILOTs): The League will also engage on any legislation that will require municipalities to share Payment in Lieu of Taxes (PILOTs) payments with school districts. PILOTs are the single most powerful tool available to municipalities to encourage businesses and developers to make improvements to property or to locate a project in a distressed or blighted area. Municipalities, not the school district or other government entities, have the responsibility to develop commercial, residential, and industrial ratable base of the municipality to maintain and expand the financial viability of the municipality and provide the financial support for the other governmental entities as well. Municipalities are responsible for the billing and collecting the real estate taxes not only for the municipality but also for the county, the school district, fire districts and other similar entities within the municipality. Regardless of the real estate taxes collected the county, school district, fire district and other similar entities are guaranteed 100% of the levy regardless of the collection. Any shortfall is borne by the municipality. In addition, municipalities are responsible for defending tax appeals and paying out any judgments. The League has requested that any discussions on the reallocation of PILOT payments be delayed until there is a broader discussion regarding the entire property tax collection process. Municipalities, not counties and school districts, expend the energy and resources to spur economic development for the benefit of the entire community. These efforts encourage new tax rateables while also promoting job growth in areas in need of redevelopment.

In the past, legislation has moved very quickly during lame duck, with newly introduced legislation moving to full floor vote within weeks. We urge you to keep an eye on the League's Town Crier blog post, daily updates, and legislative alerts to stay abreast on the legislation moving quickly. We will continue to be your advocate in Trenton, but we ask that you join us by contacting your legislative representatives and echoing our collective municipal voice at local district offices.



Washington

To say it has been an eventful and busy year in Washington would be an understatement. All municipalities received direct federal funding for the first time ever. The ongoing pandemic

and recovery, the new federal administration, and a new Congress meant that the League's federal priorities have been at the forefront while decisions are being made that affect our state. The League has worked closely with our partners at the National League of Cities (NLC) and members of the state's Congressional delegation to ensure municipal priorities are represented.

League Associate General Counsel Frank Marshall carefully monitors U.S. Supreme Court cases on issues ranging from billboard siting requirements conflicting with First Amendment protections to matters involving the use of eminent domain. And, at the federal regulatory level, he has monitored and commented on proposals ranging from the copper and lead rules, to FCC proposals that would hinder municipal authority over the siting of telecommunication equipment.

In early February, President Kovach and League staff members joined leaders and staff from more than 30 other state municipal leagues for a day of virtual meetings with the offices of our respective U.S. Senators and Representatives. This event was organized by NLC with a sharp focus on local aid in the American Rescue Plan; funding for pandemic relief; infrastructure needs and funding; Clean Water State Revolving Fund reauthorization; and National Flood Insurance Program reauthorization.

American Rescue Plan: On March 11, President Joe Biden signed H.R. 1319, the "American Rescue Plan Act of 2021," which provides \$1.9 trillion for additional relief to address the continued impact of the COVID-19 pandemic on the economy, public health, State and local governments, individuals, and businesses. Included in this legislation is the \$65.1 State and Local Fiscal Recovery Funds, for every state, county, and municipality in the country. These funds can be utilized for aspects of the COVID-19 response, mitigation, and prevention activities; alleviate the negative economic impacts of the pandemic; replace lost revenue; improve broadband access; and improve water/sewer infrastructure. New Jersey municipalities were allocated \$1.7 billion over two years to utilize these funds. Municipalities are utilizing these funds to replace lost revenue, improve ventilation in public buildings, upgrade sewer lines, and provide premium pay for municipal workers.

In addition to the allocation under the SLFRF, the American Rescue Plan Act provided funding for a myriad of problems that directly and indirectly affect municipalities, including nutrition, mental health, vaccines, testing, child care, energy assistance, emergency rental assistance, and housing counseling. It's also funding assistance for people experiencing homelessness, emergency housing vouchers, mortgage and utility assistance, public transportation, information technology and cyber security, FEMA grants, restaurant funding, shuttered venue grants, expanded Paycheck Protection Program, economic development assistance, rail funding, unemployment insurance extension direct payments to families, and expansion of the Earned Income Tax Credit.

Infrastructure Investment and Jobs Act & Build Back Better Agenda:

As of this writing, there is much that remains incomplete as Congress is debating major legislative priorities. The Senate amended and passed the House passed Infrastructure Investment and Jobs Act (IIJA) and returned it to the House for their consideration. The \$1.2 trillion, 5-year plan includes \$550 billion in new infrastructure spending. Passage of this bill would include funding for the Gateway Project to build new rail tunnels under the Hudson River, expand mass transit; repair roads and bridges; and replace and repair water and sewer infrastructure.

The House has not passed the amended IIJA and first wants agreement with the Senate on a framework to pass the Biden Administration's Build Back Better agenda that includes funding for child care, makes permanent child tax credits, expands access to community colleges, lowers prescription drug costs, lowers housing costs, and increases workforce training. This act would be considered using the budget reconciliation process and needs 51 votes in the Senate to proceed.

Several members of the New Jersey delegation have indicated they will not support the Build Back Better Agenda if the State and Local Tax (SALT) deduction cap is excluded from this legislation. We thank them for their advocacy on behalf of New Jersey's taxpayers.

Over the course of the year, League staff have kept in regular contact with New Jersey's Congressional delegation, and League board members have participated in tele-town halls and other events with New Jersey's delegation.

Legal

The League has been busy advocating for municipalities in the courts this past year. Our legal department, led by Counsel William Kearns, Deputy Counsel Trishka Cecil Waterbury, and Associate General Counsel Frank Marshall, participated in various amicus interventions in 2021 before both the New Jersey Appellate Division and Supreme Court. The legal matters at issue were diverse but once again matters related to OPRA in some way or another saw the most action.

The League participates in these cases because they have statewide impact and municipal interests are well served by our involvement.

In addition to our amicus work, the League's legal department continues to act as a helpful resource to municipal attorneys. We act as a clearinghouse for ideas and practices and monitor and report 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 create useful resource material. This includes various publications offered by the League, contributing to the League magazine with articles on particular areas of interest, and writing blog posts to outline new laws and regulations.

With the legalization and regulation of adult use cannabis earlier this year, the League's legal department worked tirelessly to provide timely information to our members. Through virtual legislative briefings, FAQs, and model ordinances, our legal department ensured our members were kept up-to-date on the evolving cannabis landscape.

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.

The League's legal department also works on legislative and regulatory advocacy, working closely with members of the League's legislative staff to provide analysis on legislative affairs. The League's Associate General Counsel frequently represents the League and municipal interests as a stakeholder on a variety of issues before the State's regulatory bodies and legislative committees.



Labor Relations

The League's Labor Relations Advisory Service is conducted by the League's Labor Relations Counsels, Angelo Genova and Joseph Hannon of the firm Genova Burns LLC. And now the League has bolstered its Labor Relations offerings by the retention of former municipal manager and former Director of the Division of Local Government Services Matthew U. Watkins.

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. 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 Conference. He also authors the Labor Relations column in NJ Municipalities magazine.

Likewise, Matt Watkins is now available to provide assistance and insight into negotiation skills and strategies and trends. He will provide Labor Negotiations columns to NJ Municipalities magazine, but will also be able to speak with labor attorneys and others to provide guidance on these trends and negotiating with your local bargaining units.

Legal Q&A 20 Years of the Council on Local Mandates. What is the Council on Local Mandates? The Council on Local Mandates is a bipartisan body, independent of the Executive, Legislative, and Judicial Branches of State government. The Council was created pursuant to the '94 Local Mandates Act...

Executive Director Report 2021

Matthew U. Watkins, who brings his experience as a municipal manager to the Labor Negotiations column. Managing Editor Amy Spiezio and Creative Director Dawn Becan continued to fine-tune the magazine's design with timely appeal.

Throughout the pandemic, the magazine has shared information and strategies from around the state and well as ongoing federal information regarding the Census and other useful topics.

Fueled by insightful editorial and advertising contributions from League members from all regions of New Jersey and their operational partners, as well as state commissioners and other experts, the magazine is:

- Provider of a wide range of stories to managers and policy-makers including, special focus sections on topics ranging from water infrastructure to COVID recovery.
- Designed for easy navigation and visual interest.
- Environmentally and socially responsible in its operations, printing on industry-leading, environmentally responsible papers that use 10% post-consumer waste and FSC chain of custody certification.
- Created with print and digital readers in mind, with a growing publication archive in an electronic format based on the League's website.



Training and In-Service Programs

Without in-person events through much of 2020 and 2021, NJLM pivoted strategically to offer programs that broaden, deepen, and increase knowledge and skills of municipal personnel in various professions while collaborating with our Affiliate Groups. For the second year in a row, the One Day Mini Conference was transitioned to three-day online conference with 12 different educational sessions offered. Many of our traditional in-person events were also transitioned to online webinars that our members could still attend and earn credit in the midst of a pandemic.

Approved continuing education programs 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 many professional development seminars and webinars, educating more than 2,000 attendees in 2020/2021.

Highlights included:

- Orientation for Newly Elected, Reelected, and Experienced Officials
- Budgeting for the Elected Official: Everything you Need to Know to Create, Balance, and Approve Your Municipalities' Budget
- Best Practices for a Diverse Municipal Workplace
- The Online Mini Conference
- Returning to Work After COVID-19 Webinar
- Cannabis in The Workplace
- Recent GRC Decisions and Q &A with the GRC
- Cannabis and Land Use Law

@ For more information on the League's upcoming seminars and webinars, visit www.njlm.org/Seminars

Creating Your Legacy

NJLM Conference • 106th Annual
November 16-18 • Atlantic City
#njleague



Annual Conference

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. As the 106th returned to Atlantic City, the resource was the same, but it looked different this year as we put healthy and wellness in the forefront of our planning.

Like just about every event in the second half of 2020, last year the League Conference pivoted to a virtual one. It was not easy to recreate 100 years of in-person events in a five-day event, in particular thanks to the efforts of Continuing Education/Special Programs Manager Danielle Holland-Htut, Finance and Administration Director Marie Kizer, Conference Business Development Director Kristin Lawrence, and Communications, Marketing, and Technology Director Taran Samhammer.

That Conference was a challenge, but the return to the in-person conference here in 2021 was a larger one. As part of our preparation for the Annual Conference, the League implemented policies and procedures to create a healthy and safe environment for all attendees. In doing so, we monitored guidance from the CDC and the State Department of Health while communicating with the Murphy Administration regarding appropriate safety measures to best assure a successful event.

To that end, the League implemented measures for the in-person 2021 NJLM Annual Conference:

- Masks were required for all Conference participants upon entry to the Atlantic City Convention Center and for League-sponsored events held at the Sheraton Hotel.

- Proof of full vaccination or a negative COVID test was required for all Conference participants during Conference hours.
- The registration area, exhibit hall floor plan, meeting rooms, session schedule, and all aspects of the Conference were designed with safety in mind

Just a few short months ago, we all hoped to be in a better place come November; but the emergence of the Delta variant forced us to implement these important safeguards to best protect the health and safety of all League Conference participants. The decision to implement these protocols was not done lightly. The League is certainly cognizant of and respects the deep-rooted feelings regarding this issue, but these steps were taken so that we could offer the safest possible environment for all of our attendees and supporters, just as local governments have been doing so for their residents since March 2020.

The Conference featured over 125 sessions on a wide range of issues of interest, including:

- Issues related to COVID, public health and economic recovery.
- Small cell technology 5G.
- Affordable housing.
- Economic development, planning, management, and initiatives coming from State government.
- A keynote address by Governor Phil Murphy.



NJLM Foundation

The New Jersey League of Municipalities' Educational Foundation is an informational resource for local government that offers timely research and a proactive approach to resolving the complex issues affecting New Jersey's diverse communities. It brings together municipal officials, academics, government officials, business leaders and other stakeholders to share their visions and hopes for the future of public policy, and their solutions to the compelling challenges facing the state.

Responding to the unique demands of this time, Walmart provided a grant of \$100,000 to the League Foundation. Its wish was to help address educational connectivity issues. In an effort to reach this objective the foundation requested joint proposals from municipalities and school districts. The initiative's intent was to bring these two vital divisions of government together in the hope of forming a more powerful solution to this widespread issue.

Walmart has been a supporter of the League Foundation and has provided funding that supports the small grants program

from Sustainable Jersey. This new grant was a demonstration of its continued commitment to the State of New Jersey and its local governments.

The foundation requested proposals to address internet connectivity challenges related to virtual/distance learning. These included:

- Remote learning from school buildings with connectivity issues
- Limited internet access among students and faculty in particular school locations
- Shortage of necessary devices to access web-based services
- Priority was given to applicants who have a definable need and who demonstrate a partnership between the school districts and municipal officials

After careful review, the NJLM Foundation has awarded first round grants to:

- The Cumberland Regional School District, Upper Deerfield Township School District, and Upper Deerfield Township
- The City of East Orange and the East Orange Public Schools
- Farmingdale Borough and Farmingdale School District
- The City of Jersey City and the Jersey City Public School District
- Morris Township and the Morris School District
- Town of Newton and Newton Public Schools
- Oxford Township and the Oxford Township School District
- South Toms Rivers Borough and the Toms Rivers Regional Schools
- City of Wildwood, NJ and Wildwood Public Schools
- Winfield Township and the Winfield Township School District

NJLM Education Foundation Board

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Ken Gardner Trustee; New Jersey Turnpike Authority

Cheryl Griffith Trustee; Senior Vice President, Government Banking Group Manager TD Bank

Jeanne Herb Trustee; Executive Director, Environmental Analysis & Communications Group, EJ Bloustein School of Planning & Public Policy, Rutgers, the State University of NJ

Calvin Ledford Trustee; President, PSEG Foundation, Director of Corporate Social Responsibility

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Membership and Finance

The League is completing its 106th 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.

2020-2021 Adopted Budget

INCOME

Appropriation of Prior Cash Balance	—
Membership Dues	\$657,039
Magazine	\$294,776
Annual Conference	\$406,040
Interest	\$23,088
Publications	\$28,713
Seminars	\$125,380
Misc. Receipts	\$6,008
Internet Advertising	\$239,396
Sub-Leases Base Rent	\$104,824
Sub-Leases Expense Rent	\$69,979
Sub-Leases Parking Space Rental	\$24,388
Corporate Supporters	\$60,999
Grant Station Subscription	\$95
Employee Medical Contributions	\$72,707

Total Revenue **\$2,113,432**

EXPENSES

Salaries	\$1,352,750
Social Security and Medicare	\$99,442
Pension Employer Portion	\$201,859
Disability Insurance	\$1,239
Medical Benefits	\$426,066
Workers Compensation Insurance	\$4,026
Unemployment Compensation Insurance	—
Automobile	\$8,359
Magazine	\$182,969
Office Expense	\$24,343
Legislative	\$8,669
Conference	\$257,906
Meetings/Training	\$8,604
Postage	\$15,794
Equipment Payments	\$13,195
Maintenance on Equipment	\$2,676
Printing	\$10,180
Books, Subscriptions	\$4,572
Grant Station Subscription Expense	\$47
Seminars	\$9,717
Telephone	\$15,397
Audit	\$8,600
Legal	\$38,060
Insurance and Bond Premium	\$38,928
National League of Cities	\$35,486
Temporary Help	—
Technology	\$47,476
Internet Web Maintenance	\$4,318
Photocopying	\$331
Scholarships	\$3,000
222 Base Rent	\$391,167
Expense Rent	\$201,809
Commission Leasing	
Online Ordinance Shared Services	\$2,100
Tuition Reimbursement	\$4,434

Total Expenses **\$3,423,519**