



**Ryan, Jessica**

**From:** Lashway, Lisa  
**Sent:** Tuesday, May 11, 2010 8:40 AM  
**To:** Sohl, Bill; Ryan, Jessica  
**Subject:** FW: Mayors Letter Took Kit News

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**From:** NJLM - Municipal Clerks [mailto:njlm-clerks@cityconnections.com]  
**Sent:** Monday, May 10, 2010 4:30 PM  
**To:** Lashway, Lisa  
**Subject:** Mayors Letter Took Kit News

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## Municipal Clerks for Mayors, Elected Officials and Staff



May 10, 2010

RE: "Toolkit" News

Dear Mayor:

New Jersey citizens deserve to see action on meaningful and sustainable property tax reforms. And they need to see it now.

Today, in Trenton, both Governor Christie and the Democratic Legislative Leadership Team held separate Press Conferences to announce major initiatives. Those initiatives could determine the course of legislative action for the next six weeks, in our State Capital. And that action could affect your ability to serve your fellow citizens effectively, efficiently and economically, for years to come.

The Legislative Leadership Team, led by Assembly Speaker Oliver and Senate President Sweeney, emphasized the importance of 'shared sacrifice' in this year's State budget. They indicated that both Houses will act, on May 20, on a proposal that would reinstitute the 'millionaires' tax' surcharge, on New Jerseyans with taxable incomes of at least one million dollars. The projected \$637 million would be used to restore property tax rebate checks for more than

600,000 senior homeowners and tenants to last year's levels, providing as much as \$1,295 in property tax relief to senior and disabled residents; and to protect 105,000 senior and disabled citizens in the Pharmaceutical Assistance to the Aged and Disabled prescription drug program and 23,000 senior citizens enrolled in the Senior Gold prescription drug program from increased medication co-payments.

Shortly after that revelation, Governor Christie announced the introduction of a 33 bill package of reforms aimed at solving New Jersey's property tax crisis. This package includes separate 'toolkits' for municipalities and counties, school districts, and higher education institutions. While the actual bills are not yet available, the Governor provided considerable detail on the specifics of the proposals. You can access an audio recording of his Press Conference at <http://www.state.nj.us/governor/news/videos/2010/20100510.html>.

The "MUNICIPAL AND COUNTY TOOL KIT" will include:

1) Constitutional amendment to impose a 2.5% cap on increases in the property tax levy increases for municipal, school and county taxes, cap banking is allowed.

2) Constitutional amendment to place a 2.5% cap on spending for State government operations (excluding state aid to municipalities and school districts and direct property tax relief); cap banking is allowed.

3) Reform in selection of arbitrators for union contracts.

4) Arbitrators are mandated to consider impact of union contracts on property taxes, no such requirement in current law.

5) Arbitrators are barred from making contract awards that exceed 2.5% cap, inclusive of all salary, benefit and other economic contract provisions

6) Pension benefit reform - eliminate eligibility for State retirement systems for non- government groups and associations.

7) Pension benefit reform - cap sick leave and carry forward of vacation for current employees.

8- 9) Shared services reform - when local units decide to share services current law requires buyout of union contracts, bumping and other civil service protections that destroy the efficiencies of the merger; this proposal eliminates certain civil services protections when services are shared. (2 bills required to amend different statutes).

10) Allow furloughs by local government to save costs.

11) Allow counties and municipalities to opt out of civil service municipalities by ordinance or referendum initiated by 15% of the voters.

12) Public employee discipline reform – reclassify many offenses as minor to avoid lengthy and costly hearings for relatively trivial infractions.

13) Police employee discipline reform – reclassify many offenses as minor to avoid lengthy and costly hearings for relatively trivial infractions.

14) Firefighters discipline reform – reclassify many offenses as minor to avoid lengthy and costly hearings for relatively trivial infractions.

15) Employee discipline reform – revise appeal process of employee disciplinary hearings to reclassify many offenses as minor.

16) Revise layoff rules to allow less senior, but more essential employees to avoid bumping.

17) Give Civil Service Commissioner more day-to-day control as when the Department of Personnel was a freestanding department.

18) Increase testing and appeal fees for civil service promotional exams.

19) Allow Civil Service Commissioner to make seasonal appointment for 9 months.

20) Allow municipalities to offset property tax refunds against State income tax refunds.

21) Expand parties that may bring challenges to Council on Local Mandates to include groups, like the League of Municipalities.

Obviously, some of these reforms are more valuable than others. And some, such as the 2.5% hard cap, will need to be carefully crafted, and may need to be amended, if they are to be workable and fair to those who depend on vital municipal services. We will provide you with a bill-by-bill analysis, as soon as the proposals are made public.

But the bigger danger may be that disagreement about the ‘millionaires’ tax’ will create a political impasse and prevent timely action on the many helpful and critically important parts of this crucial ‘toolkit.’ There is no reason for the legislature to delay consideration of these vital bills, even if their passage will not provide immediate help to our property taxpayers.

If the State cannot provide local officials with vital, long-term property tax relief reforms (like many contained in the ‘toolkit’) in a year when it will, for the third consecutive budget, cut property tax relief funding – and in year when those cuts will exceed \$400 million – then when will it ever?

Please urge your legislators to advance the helpful components of the Governor’s package, before they leave Trenton for summer recess. Differences regarding State taxing and spending are significant. They need to be resolved. But there is no reason for state policy makers to delay action on some of these ‘tools’ – and on immediate and significant mandates relief – until some future time after those other important differences have been resolved.

Our property taxpayers deserve to see action on meaningful reforms. And they need to see it now.

Very truly yours,

William G. Dressel, Jr.  
Executive Director.

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