

September 25, 2015

RE: Weekly Policy Update

I. Lagging State Pension Investment Returns Could Mean Higher Bills Future

II. Federal Shutdown Deadline Looms

III. State Preemption of Local Authority over Bee Keeping

IV. Bill to require release of “Bidders List” on Governor’s Desk

Dear Mayor:

Here is a brief recap of some policy issues of interest:

I. Lagging State Pension Investment Returns Could Mean Higher Bills in Future

On Wednesday in Trenton, the State Investment Council, which manages the assets of the various State administered pension funds, announced earnings that accrued during the State’s 2015 Fiscal Year. In aggregate, the State’s investment from July1, 2014 through June 30, 2015 earned 4.2 percent. This is well below the systems’ 7.9 percent assumed rate of return and a dramatic decrease from gains of 16.9% during the State’s 2014 Fiscal Year.

The three-year and the five-year rates of return still exceed 10 percent. The most recent news will, however, factor into future calculations of pension system liabilities. And any continuation of this trend could result in higher employer liabilities.

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

II. Federal Shutdown Deadline Looms

The Federal government has begun planning for the possibility of a shutdown - next Wednesday night—an increasingly likely prospect, unless Congress passes a short-term funding measure to keep the federal government operating on a temporary basis. The situation is muddled, especially in the House, where Speaker John Boehner has announced that he will resign from Congress, effective at the end of October. That action may avert a shutdown and lead to passage of a continuing resolution, which would, most likely provide for a short-term funding extension (perhaps to December)—an extension which would almost certainly retain the current sequester.

We will address this in greater detail early next week, if necessary, and keep you posted on any developments

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

III. State Preemption of Local Authority over Bee Keeping

Recently, legislation became effective that eliminates the ability of municipalities to regulate the keeping of honey bees. This law, [P.L. 2015 c. 76](#), requires that the Department of Agriculture

promulgate regulations concerning apiary activities and standards. Apiary activities include the breeding or keeping of honey bees or any activities including the use of honey bees for pollination, the reproduction and sale of honey bees or the production of honey or other apiary products from bees. These regulations will have to balance a number of interests.

The League negotiated two changes to this law before it was enacted. First, the Department may delegate the authority to monitor and enforce the state's standards to any municipality that adopts those standards by ordinance. Second, another amendment to the law allows for municipalities to seek guidance from the Department if the regulations fail to address a particular area of concern.

Honey bees are environmentally and ecologically important. At the same time, there have been instances of local concern over the raising of bees in urban and suburban areas. **The Department is interested in hearing municipal officials and residents' areas of concern.** If requested, Department representatives will attend two or three centrally located meetings of existing groups in the State that are likely to draw resident participation.

If your municipality wishes to participate or host discussions with residents related to this issue, please contact the Department's Division of Plant Industry, at proposedrulesPlantIndustry@ag.state.nj.us.

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

IV. Bill to require release of "Bidders List" on Governor's Desk

The League of Municipalities strongly **opposes** [A-947](#), which would require municipalities, counties and local authorities to release the names, upon request, of all parties who have received bid documents prior to the bid opening once three or more bid packets have been obtained. The release of the bidders' list would have to be made available in a timely manner in accordance with the Open Public Records Act. In addition, municipalities will have the option to post the list on their websites. However, failure to release this information would prohibit a municipality from accepting the bids and require the re-advertisement for bids.

The League opposes A-947 for several reasons. First and foremost, we are concerned that the release of the bidders' names prior to the receipt of bids could lead to collusion and bid rigging. We are also concerned with the benchmark of "three or more bids" before the release of the bidders' list. We believe that this arbitrary benchmark will lead to costly litigation. Finally, we are concerned that the bill will require a municipality to create and maintain a record.

Contractors have long argued that release of the bidder's list may force contractors to "sharpen their pencils." We question why can't these "pencils be sharpened" regardless of the number of bidders or who is bidding on the project. Shouldn't potentially responsible bidders be submitting their lowest prices in all their bids?

We strongly believe that the public bidding process should be open and competitive. The names of bidders are routinely released after a bid opening. We are troubled with releasing the list prior

to a bid opening because it has the potential to limit competition which can drive up costs for taxpayers and create an environment that could possibly lead to bid rigging and collusion.

The bill passed the Assembly in June 2014 by a vote of 59-16-3 and in June 2015 it passed the Senate 25-14. The bill now awaits action by Governor Christie.

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Sincerely,

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Executive Director