

June 30, 2017

RE: WEEKLY UPDATE

- I. State Policy Issues
- II. Federal Policy Issues III. Annual League Conference

Dear Mayor:

I. State Policy Issues

a. State Budget Update

We are now hours away from a possible state shutdown, the first since 2006. The primary sticking point is the legislation, [S-4](#), sponsored by Senator Vitale and supported by the Governor and Senate President Sweeney that restructures Horizon Blue Cross Blue Shield. S-4 passed the Senate by a one-vote margin on Thursday (21-15) but Assembly Speaker Prieto has stated that he will not post it before June 30.

Late yesterday, the Speaker put the budget, without the Horizon legislation, on the Assembly floor and the final vote was 24-22, with over 30 members abstaining. (41 votes are needed for approval.) After twice taking the roll call of those who abstained, the Speaker pulled the bill off the board and the Assembly then recessed and returned to caucus. Those who abstained generally support posting the Horizon bill for a vote. Later it was announced that the Assembly will reconvene today at 2 pm.

The Senate announced that it would not consider the budget yesterday. The Senate did vote on some bills and did a number of nominations, but will reconvene today at 3 to advance other items on their agenda (including, we hope, [A-222](#) & S-2171, the library construction funding bill that the League supports); for more please see below, and possibly the budget.

Senate President Sweeney has publicly stated that he will not send the Governor a budget without assurance that the Governor will sign it. The Governor has stated that he will not sign the budget, which includes significant changes to school funding, unless he is also sent the bills to dedicate lottery proceeds toward the State pension payments and the Horizon restructuring. The lottery bill passed the Senate yesterday without any controversy. The Governor also stated today that if he is sent a budget without the Horizon bill, he will use his line item veto to change the budget to look more like the budget he first proposed back in February.

The state fiscal year ends at midnight Friday and a possible State shutdown looms starting on Saturday.

The League will provide updates through its social media feeds (http://twitter.com/nj_league and <http://www.facebook.com/njleague>) over the weekend and will send out an update advisory on Monday.

Contacts: Michael Cerra, Assistant Executive Director, mcerra@njslom.org, 609-695-3481 x120.

Jon Moran, Sr. Legislative Analyst, jmoran@njslom.org, 609-695-3481 x121.

b. OPRA/OPMA Legislation Advances

Yesterday, the Senate Budget and Appropriations Committee amended and released **without recommendation**, S-1045, which amends the Open Public Meetings Act, and S-1046, which amends the Open Public Records Act. The bills now await consideration by the full Senate, although we do not expect a vote until after the November election

Unfortunately, the League and others were unable to testify in opposition to the bills as no testimony was taken from anyone other than the sponsor. During her remarks, Senator Weinberg noted that she had sent a letter to all the Mayors in the State and only heard back from one Mayor expressing concerns with the proposed legislation. If you have not already done so, we strongly suggest that you contact the Senator expressing your concerns with the proposed legislation.

The League remains concerned with the legislation's impact on daily operations, staff time and resources, with the subcommittee language, with the continued exemption of the Legislature, and with a municipality's increased exposure to liability and frivolous lawsuits.

The Assembly companion legislation is referenced to the Assembly Judiciary Committee and has not advanced.

Thank you to everyone who contacted their legislative delegation to express their concerns. Although the Committee released the bills without recommendation, it is clear that many legislators share our concerns. The Committee Chair initially stated that there were not enough votes to move the bill out of committee and it recessed for two hours. After the recess, there was the minimum number of votes to advance the bills without recommendation.

We will provide you with a more comprehensive overview once the most recent amendments become available.

Contact: Lori Buckelew, Senior Legislative Analyst, lbuckelew@njslom.org, 609-695-3481 x112.

c. Library Construction Act

Yesterday, the Senate Budget and Appropriations Committee advanced A-222 and S-2171, the "New Jersey Library Construction Bond Act." This legislation, upon voter approval, would authorize the issuance of \$125 million in bonds for the purpose of the construction, reconstruction, development, extension, improvement and furnishing of New Jersey's public libraries. A-222 previously was approved by the General Assembly and is scheduled for a

Senate floor vote today. If approved by the Senate, the bill heads to the Governor for his consideration.

Contact: Jon Moran, Sr. Legislative Analyst, jmoran@njslom.org, 609-695-3481 x121.

d. 2% Interest Arbitration Cap to Expire At End of Year

In June 2014, the Legislature unanimously approved and the Governor enacted an extension on the 2% cap on Interest Arbitration awards. That extension is set to expire on December 31, 2017. While the 2% property tax levy cap will continue, the cap on Interest Arbitration awards will expire on the same day that the final report and recommendations of the Police and Fire Public Interest Arbitration Impact Task Force is due, unless the Legislature and Governor act.

The temporary 2% cap on police and fire arbitration contract awards has been an effective tool to control increasing salary costs and provide a solution to assist local governments in keeping property taxes down and cost under control. However, we recognize that this change in arbitration reform needs a longer time to mature in order to see the benefits of the legislation and its actual impact on the cost of local government budgets and the impact on taxpayers.

We urge you to pass a resolution ([pdf](#)) urging the State Legislature and Governor to extend the 2% cap on Police and Fire Arbitration Contract Awards for an additional five years, at which time the Legislature will have hard data to examine and then make a final decision as to whether this law should be made permanent.

If the cap on interest arbitration expires, while the 2% property tax levy cap remains in effect, municipalities will be forced to reduce or eliminate municipal services in order to fund interest arbitration awards.

Contacts: Michael Cerra, Assistant Executive Director, mcerra@njslom.org, 609-695-3481 x120;

Lori Buckelew, Senior Legislative Analyst, lbuckelew@njslom.org, 609-695-3481 x112.

II. Federal Policy Issues

a. Trinity Lutheran Church v. Comer

On June 26, 2017 the Supreme Court of the United States issued its opinion in, [Trinity Lutheran Church of Columbia, Inc. v. Carol S. Comer, Director, Missouri Department of Natural Resources](#). This case dealt with whether or not the Department's policy to categorically disqualify churches and other religious organizations from receiving certain grant money violated the Church's rights under the Free Exercise Clause of the First Amendment. In a 7-2 decision the Court ruled that denying the grant money to the Church, "simply because of what it is – a church" violated the Free Exercise Clause of the First Amendment.

This is the most recent in a long history of cases which deals with seemingly contradictory rights governmental agencies are forced to balance. In this case specifically, the rights granted by the Free Exercise Clause of the First Amendment were balanced against a government's attempt to avoid violating the Establishment Clause. This case should cause any municipality that issues grants to reevaluate their policies to ensure compliance with the newly issued case law. In addition, the outcome of this case may cause the State of New Jersey to adjust its policies when issuing grants, which could in turn increase the competition for limited grant money by opening up the pool of possible recipients.

You should review this case with your municipal attorney for additional information on how this recent decision will impact your municipality.

Contact: Frank Marshall, Esq., League Staff Attorney, fmarshall@njslom.org, 609-695-3481 x137.

III. Annual League Conference

a. Don't Use Unauthorized Hotel Reservation Services

Every year there are unauthorized firms soliciting housing and hotel reservations from attendees at the Annual League Conference. We assure you that the only firm authorized to handle our conference housing reservations is A.C. Central Reservations. This information is on the top of the official conference housing form sent to all municipal clerks and posted on our web site: <http://nj-njslom.civicplus.com/302/2017-Conference>

b. League Conference Fast Tracks Smart Cities

The concept of Smart Cities incorporates improving the quality of life by using technology to improve the efficiency of city services while meeting the needs of local businesses and residents. The League is helping its members stay up to speed with this rapidly developing school of thought.

For a firsthand take on the subject, attend conference sessions on Wednesday and Thursday focusing on Smart Cities concepts such as Creating Dynamic Content with Social Media and Lighting the Way—Outdoor Lighting That Saves. The League Conference will also debut a special area in the exhibit hall to highlight products and services that utilize new information and communication technologies to improve the quality of towns and make them more efficient.

For a rundown of the NJLM Education Foundations' recent event on the topic, visit <http://njlmef.org/events.html>.

Know of a company interested in being located in the "Smart Cities" pavilion? Please contact Kristin Lawrence, Exhibit Manager at klawrence@njslom.org or 609-695-3481, ext. 125.

Very truly yours,

Michael F. Cerra
Assistant Executive Director