

February 27, 2018

Re: S-5, Bill to Transfer PFRS to a Labor-Management Board Held

Dear Mayor:

Yesterday, the Senate held [S-5](#), which transfers the management of Police and Fire Retirement System (PFRS) to a Board of Trustees of PFRS. It is our understanding that the bill was held to be amended to either reinsert or address the 80% target fund ratio provision, which is one of the major objections raised by the League, the Association of Counties, and the Conference of Mayors.

It is anticipated that the bill will again be before the full Senate on March 26. The League, along with New Jersey Conference of Mayors and New Jersey Association of Counties, continue to request the following taxpayer-friendly changes that will serve to protect the long-term health and viability of PERS as well as establish critical safeguards that require the new Board of Trustees to manage valuable property-taxpayers'-dollars in an effective and efficient manner:

Create a 15-member PFRS Board of Trustees comprised of an equal number of labor and management representatives with 1 independent member;
Authorize the League and Association of Counties to make direct management appointments to the new Board of Trustees as is the case for the labor representatives;
Prohibit the new Board of Trustees from enhancing member benefits until the system achieves a target funded ratio of 80% as required under current law; and
Require a vote of 2/3 of the full membership of the new Board of Trustees to enhance members benefits, and only after the system achieves a target funded ratio of 80%.

From news accounts we understand that Senate President Sweeney is open to considering some changes to the bill. Therefore, we ask that you please contact and ask your State Senator to oppose this bill until it is amended to add the necessary safeguards advocated by the League, the Conference of Mayors, and the Association of Counties.

You can find your Senator's contact information, listed by municipality, [here](#).

Contacts:

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

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

Sincerely,

Michael J. Darcy, CAE
Executive Director