

NEW JERSEY ASSOCIATION OF COUNTIES
County Government with a Unified Voice!

MARY H. MELFI
NJAC President
Hunterdon County Clerk

JOHN G. DONNADIO
Executive Director

BOARD OF DIRECTORS MEETING MINUTES

September 14, 2018

State House Annex Building - Committee Room 4
Trenton, New Jersey 08608

The meeting was called to order at 10:09 a.m. by 2018 NJAC President and Hunterdon County Clerk Mary H. Melfi. After the flag salute, NJAC Executive Director John Donnadio called roll, and a quorum was present.

MEMBERS IN ATTENDANCE

Mary H. Melfi, *President & Hunterdon County Clerk*
E. Marie Hayes, *2nd Vice President & Cape May County Freeholder*
John Cimino, *Secretary-Treasurer & Mercer County Freeholder Vice Chair*
Frank Formica, *Atlantic County Freeholder Vice Chairman*
Joseph Derella, *Cumberland County Freeholder Director*
Ken Mecouch, *Cumberland County Administrator*
Rufus Johnson, *Essex County Freeholder*
Frank DiMarco, *Gloucester County Freeholder*
Abe Antun, *Hudson County Administrator*
Teri O'Connor, *Monmouth County Administrator*
John Bonanni, *Morris County Administrator*
Melissa DeCastro, *Salem County Freeholder Director*
Carl Lazzaro, *Sussex County Freeholder*
Gregory Poff, *Sussex County Administrator*
Bette Jane Kowalski, *Union County Freeholder Vice Chairwoman*
Richard Gardner, *Warren County Freeholder*
Edward Smith, *Warren County Freeholder Director*
John Armeno, *Sheriff's Association of NJ Executive Director*
George Strachan, *Gloucester County Improvement Authority Executive Director*
Paul Anzano, *NJAC General Counsel & Pringle, Quinn, Anzano, PC*
Joseph Hannon, *NJAC Labor Relations Counsel & Genova Burns LLC*
Bob Werkmeister, *NJAC Transportation Consultant & Greenman Pedersen*
John Donnadio, *NJAC Executive Director*
Allen Weston, *NJAC Legislative Director*
Loren Wizman, *NJAC Business Development Director*
Kimberly A. Nolan, *NJAC Office Manager*

GUEST SPEAKERS

Kevin Drennen, Executive Director of the Senate Majority Office, and Eugene Lepore, Deputy Executive Director of the Senate Majority Office, discussed the "Path to Progress," which provides a forum on the proposals by the NJ Economic & Fiscal Policy Workgroup to avert

looming financial crises, help maintain fiscal stability, reduce the costs of government and allow the state to support vital needs and services. Some of the proposals are as follows:

Pension and Benefits Reform

- Shift new State and local government employees and those with less than five years of service in PERS and TPAF from the current defined benefit pension system to a sustainable hybrid system and preserve the current system for employees with over five years of service who have vested contractual pension rights;
- Shift all State and local government employees and retiree's health care coverage from Platinum to Gold;
- Require all State and local government retirees to pay the same percent of premium costs they paid when working;
- Merge the School Employees Health Benefits Program into the larger State Health Benefits Plan and make the plans identical in coverage; and
- Cap accrued terminal leave payouts for State and local retirees at \$7,500.00 or the amount currently earned, and make those payments based on average career salary.

Leveraging Assets to Stabilize the Pension System

- Explore the viability of transferring major assets such as the New Jersey Turnpike system to the State pension system to lower the unfunded liability and generate new revenue streams for the pension system;
- Develop an inventory and establish values of State assets and study those assets to evaluate which are best suited for dedication to State pension funds. The State could also provide funding and/or technical assistance to local governments that are interested in the concept of transferring their assets as a form of pension contribution; and,
- Develop legislation to lay the framework for any future public asset transfer. The legislation would outline the authorization process and transfer procedure as well as permit the creation of limited liability companies that could be delegated the power of the governmental entity to operate the asset. It would also set forth a procedure for local governments to dedicate local assets in lieu of cash pension contributions.

Education Reform at the Administrative Level

- Permit the establishment of two countywide school district pilot programs;
- Move toward full State funding and administration of Extraordinary Special Education; and,
- Reform the hearing process for special education placements and disputes by appointing Office of Administrative Law judges with experience in special education who would hear only special education cases within the 60-day timeline.

County and Municipal Government Reform and Shared Services

- Create a Property Tax Assessment Study Commission to study the State's tax assessment practices and make recommendations for countywide or regional tax assessment to ensure consistency and efficiency;

- Authorize the Commission to undertake a study of shared services to identify the proper size, scale and level of government at which various services – from 911 calls to code enforcement to health services - can be delivered most efficiently and cost-effectively and make recommendations for legislation based on those analyses;
- Reestablish a program within the Division of Local Government Services to effectively promote and encourage shared services and the recommendations of the Commission; and,
- Authorize county governments to provide the full range of local police services (in full or in part) to help municipalities lower their costs.

State and Local Government Tax Structure

- Split revenue from Payments in Lieu of Taxes (PILOTs) among municipalities, school districts and counties based on current property tax ratios, and revisit the law establishing the formula for calculating the “annual service charge” that is the PILOT. Require governing body approval and spending justification for levy cap increases based on added assessments and new PILOT revenue;
- Undertake a comprehensive analysis of New Jersey sales tax exemptions to simplify the tax code;
- Revise New Jersey’s property tax relief programs to ensure that property tax relief is provided equitably and is allocated to reduce property tax payments for New Jersey owner-occupied homeowners to the greatest extent possible; and,
- Focus additional tax incentives towards small businesses to support more entrepreneurs with facilities located in New Jersey.

Commissioner Carole Johnson of the NJ Department of Human Services provided the board with updates on a variety of programs and services offered by the Department. The Commissioner was pleased to announce that the Department will once again oversee the Division of Mental Health and Substance Abuse Services as the Division has been transferred back to the Department of Human Services from the Department of Health. Commissioner Johnson was also pleased announced that the State will likely receive three federal grants in the amount of approximately \$30 million to fight the opioid crisis through initiatives aimed at preventing overdoses and expanding treatment and recovery services.

OFFICIAL REPORTS

1. SECRETARY/TREASURER’S REPORT - NJAC Secretary-Treasurer and Mercer County Freeholder Vice Chair John Cimino reported on the following:
 - a. Meeting Minutes - The board unanimously approved the meeting minutes of June 29, 2018 on a Warren/Cumberland County motion.
 - b. NJAC Financials - The board unanimously approved the NJAC financials, dated July 31, 2018, on a Cumberland/Sussex County motion.

2. **PRESIDENT'S REPORT** - NJAC President Mary H. Melfi announced NJAC's Nominating Committee will be considering candidates for Secretary-Treasurer for 2019. In order to maintain the Association's bipartisan rotation of presidents, candidates for 2019 the

Secretary-Treasurer must be from a county where the Republican party is the majority. Please submit your interest via email to NJAC Executive Director John Donnadio by November 16th as the Nominating Committee will meet and make a recommendation for the board to consider at the December 14th board meeting.

NJAC and Rutgers University have once again partnered to hold the County Administrators Training Program, which covers ethics, management, fiscal operations, and procurement. This program is open to all county professionals throughout New Jersey. It takes place from 9:00 a.m. to 4:00 p.m. on November 2nd and 9th at the Rutgers University Inn & Conference Center in New Brunswick.

President Melfi recently testified in opposition to **SENATE BILL NO. 647**, which permits registered voters to receive mail-in ballots automatically for all elections under certain conditions and of which Governor Murphy signed into law. All 21 county clerks opposed the measure as well and are concerned that the new law's swift implementation has forced them to spend staff time, money, and resources that they did not include in their budgets. In general, the new law changes current law to enable a qualified voter to vote by mail-in ballot in all future elections. The law also provides that a voter who requested a mail-in ballot for all future elections, including future general elections, will continue to receive a mail-in ballot for such elections until the voter notifies the appropriate county clerk in writing that the voter no longer wishes to receive such a ballot, or is no longer eligible to vote. President Melfi requested NJAC to file a complaint against with the New Jersey Council on Unfunded mandates as the measure has forced county clerks to spend more than \$1.0 million to implement. The board unanimously agreed to have NJAC Labor Counsel Genova Burns review and make a recommendation concerning the cost and potential outcome of the action on a Cape May/Gloucester County motion.

3. **EXECUTIVE DIRECTOR'S REPORT** - NJAC Executive Director John G. Donnadio reminded board members that the organization has been successfully managing the Government Finance Officers Association of NJ for nearly one year and is considering managing other associations.

In 2018, the NJAC Foundation Scholarship Program received \$38,250.00 in donations from Investors Bank, NJM Insurance Group and PSEG. Mr. Donnadio thanked the companies for their continued generosity and further thanked the counties that have held ceremonies honoring the award winners. The NJAC Foundation is a 501(c)(3) non-profit organization affiliated with NJAC and is committed to providing innovative educational opportunities for county vocational-technical school graduates of New Jersey who plan on continuing their higher education at a college or university within the State.

On December 14th, NJAC will hold its year end Summit on Active Shooter Preparedness and 911 Systems at the Trenton Country Club. The Summit will begin at 10:00 a.m. following a 9:00 a.m. board meeting. It will included to educational and informative panel discussions and a compelling keynote speaker.

4. LEGISLATIVE COMMITTEE REPORT – NJAC 2nd Vice President E. Marie Hayes announced that the August 9, 2018 copy of the State House News was enclosed in the provided packets and reported on the following issues in which NJAC is actively involved:

Interest Arbitration – NJAC will continue to aggressively pursue reinstating the 2% cap on binding interest arbitration awards that expired last December by targeting certain legislative districts and using committee hearings and other venues as opportunities to address the issue.

911 Fees – NJAC will continue to seek funding for 911 system upgrades and highlight the State’s decade long diversion of nearly \$1.3 billion in 911 fees.

County Initiatives – NJAC is taking the initiative on several fronts, which include promoting the regionalization of services, streamlining the costs associated with the operation and maintenance of the county court facilities, modernizing the bond ordinance notification process, and funding code blue alert plans.

Other Legislative Matters – NJAC is also working on several other matters, which include Local Aid Allocations under the Transportation Trust Fund, county jails, and the \$500 million bond referendum for county vocational-technical schools.

The next meeting is scheduled for December 14, 2018 at 9:00 a.m. in the Oakland Room of the Trenton Country Club.

ADJOURNMENT

The board adjourned at 11:52 a.m. on a Salem/Warren County motion.

Respectfully submitted by:

A handwritten signature in black ink, appearing to read "Donnadio". The signature is written in a cursive style with a large, prominent initial letter.

John G. Donnadio, Esq.
NJAC Executive Director