

# NEW JERSEY ASSOCIATION OF COUNTIES

*County Government with a Unified Voice!*

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## STATE HOUSE NEWS

*September 12, 2014*

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### PENSION STUDY COMMISSION

NJAC and the New Jersey State League of Municipalities (NJSLOM) are collaborating on a letter that we plan on sending to the New Jersey Pension and Health Benefit Study Commission established pursuant to Executive Order No. 161. In summary, the correspondence will respectfully request the Commission incorporate the statements outlined below into its official record and final report to Governor Chris Christie.

Although NJAC commends the Governor and Commission for their leadership in reviewing and making recommendations concerning the State's pension and health benefit systems, NJAC submits that both the local Public Employees Retirement System (PERS) and the local Police and Fire Retirement System (PFRS) are actuarially sound as counties and municipalities have made full employer contributions as required under the law for over a decade. In fact, local PERS is currently funded at 73.9% and local PFRS is currently funded at 76.9% according to the latest valuation reports. As the Committee is well aware, one of the more challenging objectives of the pension and health benefit reforms enacted in 2011 under Chapter 78 was to achieve a target funded ratio for the State's six pension systems of 75.0% by fiscal year 2012 and 80.0% by fiscal year 2019. As indicated above, the local pension systems are close to or have exceeded those expectations.

NJAC further contends that the local pension systems are well funded and solvent. Based again on the latest valuation reports, local PERS currently holds actuarial valued assets of approximately \$20.0 billion with estimated retirement allowances due of \$1.5 billion, while PFRS currently holds actuarial valued assets of approximately \$22.0 billion with estimated retirement allowances due of \$1.5 billion. Although NJAC is in fact concerned about and would welcome recommendations from the Committee on reducing the \$12.5 billion in unfunded accrued liabilities incurred by local PERS and PFRS collectively, NJAC asserts that such liabilities, particularly with respect to PERS, are compounded annually by State driven actuarial assumptions that are discounted for public employers to

pay a normal employer contribution rate of approximately 2.0%, which is significantly lower than the optimal normal employer contribution rate of 5.0%. With this in mind, and in light of the fact that counties employ over 30,000 employees across the State, NJAC will respectfully request that the New Jersey Pension and Health Benefit Study Commission recognize that the local pension systems are healthy, and that counties and municipalities have met their obligations as employers.

## **STATE OF EMERGENCIES**

NJAC is in the process of reviewing **SENATE, NO. 1717** (*Barnes D-Middlesex*) with the county human resources directors, emergency management coordinators, and administrators as the Senate Labor Committee will consider the measure on September 15<sup>th</sup>. In summary, this bill would prohibit an employer from taking any adverse employment actions against an employee who is unable to actively work or perform regular duties at the employer's place of business due to a declared state of emergency by the Governor or municipal emergency management coordinator. The bill would also prohibit an employer from requiring an employee to use any sick, personal, or other leave, paid or unpaid, for an absence from work due to a state of emergency.

Additionally, the measure would require an employee who is unable to work due to a state of emergency to make every possible effort to notify the employer of the absence and return to work as soon as possible, but not later than the first shift or regularly scheduled work hours occurring after the declaration of the state of emergency is rescinded, and accounting for the time needed to travel to the employer's place of business. The bill defines and employer an employer or employers agent, representative or designee, but not any public safety agency, which dispatches or provides law enforcement, firefighting, emergency medical services, or other emergency services accordingly.

Although we're still in the process of gathering feedback, NJAC plans to testify in opposition to the bill on Monday as the measure does take into consideration the complexities of how each county handles emergency closings, does not consider the fact that counties may declare a state of emergency for the county and designated municipalities within the county, and is generally vague and ambiguous on what constitutes a state of emergency.

## **DEED PROCUREMENT SERVICES**

On September 15<sup>th</sup> the Senate Labor Committee will also consider **SENATE, NO. 1635** (*Turner D-Mercer*), which would regulate deed procurement services. NJAC plans to testify in support of this legislation as it will protect consumers from

companies that often mislead consumers into overpaying for mortgage, deed, and other documents readily available through the offices of the county clerks and registers of deeds. These companies often charge up to 700% of what it would cost consumers to obtain the same information at their respective county offices. Although several counties have issued public warnings to residents, this legislation would help regulate this deceptive business practice.

In summary, the bill would require non-governmental entities providing deed procurement services to make certain disclosures when soliciting clients by making it a violation of the Consumer Fraud Act for any person to: use a written form of communication to solicit clients for deed procurement services unless the written form of communication displays, in a clear, conspicuous, and prominent manner and makes the information stand out from the rest of the text of the communication, the address and telephone number of the appropriate county clerk's office through which the recipient could obtain a copy of the deed directly, the amount of the fee provided for in Title 22A of the New Jersey Statutes that the county clerk assesses for providing copies of deeds and any other language that the Director of the Division of Consumer Affairs may prescribe by regulation; or create a false impression in a solicitation for deed procurement services that the recipient is in any way legally required to use the person's services in order to obtain a copy of a deed.

As defined in the bill, deed procurement services would mean the provision by a non-governmental entity of one or more copies of deeds for lands, tenements, or other realty in this State to a property owner, for a fee in excess of the amount authorized under Title 22A of the New Jersey Statutes that the county clerk's office assesses for providing copies of deeds, and not in relation to the transfer or sale of, or the mortgage origination, mortgage servicing, mortgage refinancing, property tax servicing, or other action initiated by or on behalf of the owner with respect to, such lands, tenements, or realty. The bill would also stipulate that any person who uses a written form of communication to solicit clients for deed procurement services shall, at least 15 days prior to distribution, provide a copy of such written form of communication to the county clerk's office in each of the counties in which the written form of communication will be distributed.

## **CAREER AND TECHNICAL EDUCATION BILL PACKAGE**

NJAC is pleased to support the important and timely initiative of the NJ Employer Coalition for Technical Education, spearheaded by the NJ Council of County Vocational-Technical Schools and NJBIA. The coalition is advocating for a package of bills that would promote career and technical education in the State of New Jersey. The General Assembly unanimously passed seven of the eight bills contained in the package back in June and we expect the Senate to move the

bills within the next few weeks. Although NJAC supports the entire package as they would promote career readiness, expand the capacity for career and technical programs, and offer multiple pathways to success, the two bills outlined below are of particular importance to county government.

**ASSEMBLY, NO. 3340/SENATE, NO. 2229** (*Prieto D-Hudson/Jasey D-Essex*)(*Sweeney D-Gloucester/Ruiz D-Essex*) would provide additional State aid to county vocational technical school districts in which enrollment increases by more than 10% over the prior year's enrollment. NJAC supports this bill as it would amend the School Funding Reform Act (SFRA), which under current law does not recognize significant one-year enrollment growth and does not consider the situation where a county vocational technical school expands to serve additional students. In addition, **ASSEMBLY, NO. 3337/SENATE, NO. 2228** (*Prieto D-Hudson/Jiminez D-Hudson*)(*Sweeney D-Gloucester/Ruiz D-Essex*) would require the Commissioner of Education to establish a four-year County Vocational School District Partnership Grant Program. NJAC supports this bill as it would encourage county vocational-technical schools to partner with local districts, county colleges, and others to establish additional career and technical education programs in existing facilities. The State's 21 county vocational school districts serve over 32,000 secondary students, but in many areas the demand for these programs has surpassed existing available

#### COUNTY PLANNING BOARDS

On Wednesday, Governor Christie signed into law **SENATE, NO. 1689/ASSEMBLY, NO. 1471** (*Smith D-Middlesex/Van Drew D-Cape May*)(*Diegnan D-Middlesex*), which permits certain alternate members of county planning boards to vote in place of any absent public member. In summary, this new law amends the County Planning Act at N.J.S.A. 40:27-1.1 to allow alternate freeholder and county engineer planning board members who regularly attend hearings to vote in place of citizen members who have been absent or otherwise disqualified from the meetings. Prior law was more restrictive in that it only permitted alternate members, who have attended hearings to participate in a planning board's decision during the absence or disqualification of a regular member for whom they are an alternate. NJAC supports the initiative as it should provide greater flexibility for county planning boards to secure a quorum.

#### FINANCIAL DISCLOSURE STATEMENTS

On Wednesday, Governor Christie also signed into law **SENATE, NO. 1048/ASSEMBLY, NO. 1794** (*Bateman R-Somerset/Van Drew D-Cape May*)(*O'Donnell R-Hudson/Clifton R-Monmouth*), which now prohibits the practice of requiring bidders to submit financial disclosure statements in order to bid on local public

contracts if such bidders are also required to furnish a guarantee bond or surety company certificate. This new law provides an exception for cases in which a law, rule, or regulation of the federal government imposes a condition upon the awarding of a monetary grant to be used for the purchase, contract, or agreement if the condition requires the submission of a financial disclosure statement. NJAC supports the measure as requiring bidders to submit both a financial disclosure statement and surety bond is redundant, costly, and time consuming

## LOCAL LIBRARY FUNDING

Governor Christie had busy day as he also signed law **SENATE, NO. 1803/ASSEMBLY, NO. 1314** (*Van Drew D- Cape May/Allen R-Burlington*)(*Quijano D-Union/Vainieri-Huttle D-Bergen*), which creates the option to make a voluntary contribution for the support of local libraries on gross income tax returns. The bill also establishes the Local Library Support Fund, which is where the receipts of voluntary contributions are deposited and ultimately appropriated for the support of county and municipal libraries. The bill finally authorizes the Division of Taxation to retain sufficient receipts to cover the cost of administering the voluntary contributions. NJAC supports the new law as it establishes an alternative and voluntary source of funding to support county and municipal libraries.

## MARK YOUR CALENDARS FOR THESE UPCOMING EVENTS

- A workshop on employee responses to an active shooter *September 19<sup>th</sup>*
- NJAC's board of directors meeting *September 26<sup>th</sup>*
- County finance officer continuing education program & public purchasing officials continuing education program *October 3<sup>rd</sup>*
- Road supervisors continuing education program *October 10<sup>th</sup>*
- County administrators certificate training program *October 24<sup>th</sup> & 31<sup>st</sup>*
- NJAC's year-end conference on transportation *December 12<sup>th</sup>*

Please contact our office at (609) 394-3467 or visit our website at [www.njac.org](http://www.njac.org) for additional details about any of the upcoming events.

*"There will be no forgetting September the 11th. We will remember every rescuer who died in honor. We will remember every family that lives in grief. We will remember the fire and ash, the last phone calls, and the funerals of the children." President George W. Bush, November 11, 2001*