

**MAYOR and COUNCIL of the
BOROUGH of HO-HO-KUS
BERGEN COUNTY, NEW JERSEY**

Resolution # 16-55

Subject: Oppose Pension and Health Benefit Study.

Dated: March 22, 2016

**RESOLUTION IN SUPPORT FOR THE PASCACK VALLEY MAYORS' OPPOSITION
TO THE PENSION AND HEALTH BENEFIT STUDY COMMISSION
REPORT DATED FEBRUARY 24, 2015**

WHEREAS, the Governor created the New Jersey Pension and Health Benefits Study Commission which released a report dated February 24, 2015; and

WHEREAS, this report recommends merging all nine (9) public employee pension funds in the State of New Jersey into one plan that would be merged into a new defined contribution plan (also known as a 457 plan); and

WHEREAS, local governments would have to pay an additional four (4) percent for each employee in the proposed new plan as well as fund a new pension liability for the two (2) local pension plans PERS and PFRS that would be frozen while current retirees received their benefit; and

WHEREAS, the report also recommends that the State of New Jersey transfer the responsibility for teacher pension payments to the local school districts; and

WHEREAS, the report further recommends that the school districts absorb and make payment on an as yet undetermined portion of the over \$80,000,000 unfunded liability for the teachers' pension plan; and

WHEREAS, if these two (2) recommendations related to the Teachers' Pension Plan are enacted, it will mean an immediate property tax increase to cover these costs which are currently paid for by the State or are future funding obligations of the State; and

WHEREAS, of the nine (9) public employee pension plans in the State of New Jersey, the seven (7) established for State employees will become insolvent within six (6) to seventeen (17) years; and

WHEREAS, there are two (2) pension plans that support local government employees, local PERS for municipal employees is solvent into perpetuity at current funding levels, local PFRS for police officers and firefighters is fully funded for the next forty (40) years at current funding levels; and

WHEREAS, the New Jersey State League of Municipalities, the New Jersey Municipal Management Association (NJMMA), and the Government Finance Officers Association (GFOA) are in agreement that the two (2) solvent local government pension plans should not be merged with the seven (7) State pension plans that are on the road to insolvency.

NOW, THEREFORE, BE IT RESOLVED, that the Governing Body of the Borough of Ho-Ho-Kus opposes the findings outlined in the Roadmap to Resolution Report dated February 24, 2015; and

BE IT FURTHER RESOLVED, that the Governing Body of the Borough of Ho-Ho-Kus urge all municipalities and school districts in the State of New Jersey to review the cost allocation estimates of pension liability for each one percent of payroll contribution report which was prepared by Professor Raphael J. Caprio, Ph.D. dated July, 2015 published by the Bloustein Local Government Research Center

which can be found at the following link: <http://tinyurl.com/paxvpty>.

BE IT ALSO RESOLVED, that a copy of this resolution be sent to the Governor, all state legislators, all municipalities in Bergen County, the League of Municipalities and Pascack Valley Mayor's Association.

	Motion	Second	Aye	Nay	Abstain	Absent
Mayor Randall						
Councilmember Troast	X		X			
Councilmember Shea		X	X			
Councilmember Rorty			X			
Councilmember Shell			X			
Councilmember Iannelli			X			
Councilmember Fiato			X			

Carried Defeated
 Tabled

✓ Approved
 Consent Agenda

This is to certify that the above Resolution was adopted by the Mayor and Council on March 22, 2016

Laura Borchers, RMC/CMR
 Borough Clerk