

Resolution #94-2021
Resolution Supporting S-3522 Creating Local Part of the Public Employees'
Retirement System (PERS)

WHEREAS, county, municipal, and other local governments have met their pension obligations as employers for more than a decade while the State of New Jersey has continued to underfund the pension systems in varying degrees since 1996 and thus created one of the worst publicly funded retirement systems in the entire nation; and

WHEREAS, despite fulfilling their fiduciary duties in meeting their pension obligations, local governments across the State will experience double digit percentage increases in total employer pension contributions in 2021 as determined in figures recently published by the Division of Pension and Benefits in the State Department of Treasury; and

WHEREAS, even more alarming for local government employers is the fact that the unfunded accrued liability once again increased in 2021 to a staggering \$26.6 billion for the Public Employee's Retirement System ("PERS") alone, causing in part, a decrease in the funded ratio for the Local Part of PERS to 65.4%, the State Part to 31.2%, and the combined rate to a disconcerting 52.2% far below the target funded ratio of 75.0%; and

WHEREAS, S-3522 would divide PERS into two parts: A State Part for State employees, and a Local Part for all other employees; and

WHEREAS, the legislation creates a seven-member board consisting of three labor employee representatives, three management representatives, and one determined by the Board, tasked with operating the retirement system and directing policies and investments to achieve and maintain full funding; and

WHEREAS, this legislation is similar to the legislation that separated the Police and Fire Retirement System (P.L. 2018, c. 55) except for the control of investments and that management has an equal representation on the board, which was overwhelmingly supported by the legislature and signed by the Governor; and

WHEREAS, S-3522 would protect local governing bodies from the State of New Jersey further directing property taxpayer dollars to subsidize its long mismanagement and underfunding of the pension systems as it would provide the new balanced board of trustees of PERS with the ability to determine or modify member benefits, direct policies and investments to achieve full funding, and serve as fiduciary of the system.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the City of Margate City does in fact hereby support S-3522, which would establish a new board of trustees for the Local Part of PERS to preserve the structure and integrity of the more solvent Local Part.

BE IT FURTHER RESOLVED that certified copies of this Resolution shall be forwarded to Governor Phil Murphy, Senate President Stephen M. Sweeney, Speaker of the General Assembly Craig Coughlin, Senator Chris Brown, Assemblyman Vince Mazzeo and Assemblyman John Armato, and the New Jersey League of Municipalities.

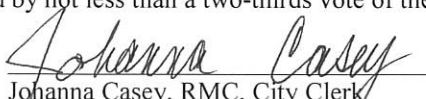
Roll Call

NAME	MOTION	SECOND	YES	NO	ABSTAIN	ABSENT
Becker			X			
Amodeo		X	X			
Blumberg	X		X			

DATE: April 15, 2021

CERTIFICATION

I, Johanna Casey, Clerk of Margate City, Atlantic County, do hereby certify the foregoing to be a true and correct copy of a resolution adopted by the Commissioners of the City of Margate City at a meeting of said Commission held on April 15, 2021 and said resolution was adopted by not less than a two-thirds vote of the members of the Commission.


Johanna Casey, RMC, City Clerk