

**Northern New Jersey NIGP  
Minutes of the Regular Meeting – March 12, 2015  
The Imperia Conference Center, Somerset New Jersey**

The meeting was called to order at 10:10AM by President James Jorgensen. After the flag salute, the President welcomed all new guests and introductions were made by the attendees.

By motion, the minutes from the previous meeting held on December 11, 2014 were approved. The President informed the attendees, that the Treasurer, Leonard Sorge, has been ill. The approval of the Treasurer's Report will therefore will done at the next meeting.

**GUEST SPEAKERS**

**Mary Lou Stanton, Retired, Director of Somerset County Purchasing**

Mary Lou spoke on behalf of Kathi Cupano from Rutgers. She discussed the last QPA Exam which was held on December 8, 2014. The test had a passing rate of 57% (30 of 53). 55% passed on their first try. 64% of the repeat takers passed. The QPA review classes for the June 9<sup>th</sup> exam will be held on May 13, 20 & 27. The review classes for the December 8<sup>th</sup> exam are on October 14, 21 & 28.

Regarding the annual Rutgers Annual Public Purchasing Forum which is being held on April 29 & 30, 85 people have registered to date, with 11 vendors confirmed. The summer schedule of purchasing classes with Rutgers is now available, including the pilot Green Product Purchasing course that will be needed for QPA re-certification. Course registration from Summer 2014 to Summer 2013 was down slightly, while registration for Fall 2014 courses compared to Fall 2013 increased slightly. Mary Lou noted that of the 19 people in her last Purchasing I class, only 3 people were actually doing Purchasing.

**John G. Donnadio, Esq., Executive Director NJAC**

John is the Executive Director of the New Jersey Association of Counties (NJAC), which is a non-profit that represents all 21 counties. Their newsletter, 'Statehouse News' is sent out twice a month. The NJAC annual Celebration of County Government is being held on May 6-May 8 in Atlantic City.

The governor introduced his \$33.8 billion dollar State budget in February. It is 3.1% higher than last year's. John believes his revenue projections of 3.8% look more realistic than previous years projections. The budget includes a \$1.3 billion dollar pension payment and \$3.3 billion in health benefits for current and retired employees. Hearings will be conducted and the budget must be signed into law by June 30<sup>th</sup>.

John provided the members with updates on the following issues:

**Pension and Health Benefit Update**

The Governor's Task Force recently came out with their proposal for Pension and Health Benefits reform. They have proposed to freeze existing pension benefits (PERS, PFRS &

Local) & establish something similar to a 401K plan. It will require legislative action. The concern is regarding the merging of the 2 pension systems, as local pensions are funded at 75%. Regarding health benefits, despite Chapter 78 implemented in 2011, health care costs continue to rise. The delivery of the system was addressed in the proposal. Public employees will have to pay more & expect health benefits to be more in line with the private sector. Chapter 78 sunsets in July 2015. What drives these issues is politics.

#### Transportation Trust Fund

The fund will be insolvent in July 2015. Counties maintain all of their bridges and receive very little from the Department of Transportation (DOT). Approximately \$3 billion worth of investment is needed. 80% of minor bridges are in need of repair or replacement. There needs to be a stable source of funding for TTF. Although increasing the motor fuels tax would be a solution, there is reluctance to go that route due to politics and re-election concerns.

#### Legislation

Of the 8,000 bills introduced every year, about 300 actually become bills. The Made in America bill (S1811) was vetoed by the Governor and won't be overridden. It is anticipated that the following 2 bills will be passed. S2364 will require local approval by resolution to purchase government surplus. The intention is to make sure the governing body knows what the Sheriff and Police Departments are purchasing. A3970 would allow a county vocational school district to request that a county improvement authority construct a county vocational school district project through a design build contract under the procedures established by the NJ Schools Development Authority. There are concerns that it circumvents the LPCL.

Senator Smith is working on legislation regarding the Electronic Waste Recycling Program. Changes in the E-waste market are forcing counties to decide whether to absorb the costs of these programs or eliminate them.

In the future, the State House News which is published by NJAC will be posted to the NIGP website as a source of information.

#### **James J. Jorgensen, Director of Purchasing Essex County**

Jim gave a presentation entitled "The Ethics Improv" which discussed ethics from a purchasing point of view. Ethics is the discipline that deals with what is good and bad and with moral duty and obligation. There is a fiduciary (legal or ethical relationship of trust that exists between 2 parties) bond to taxpayers; however purchasing is not a financial function of government, it is an administrative function of compliance. Jim gave examples of public officials who have been arrested as well as improvising several questionable ethical situations that a purchasing agent might find themselves in which were discussed with the membership.

The Local Government Ethics Law was covered, as well as the importance of how actions are perceived. Guidelines regarding gifts were reviewed and the concept of what constitutes a ‘nominal’ gift was discussed, i.e. is \$25 nominal? Jim stated that guidelines developed by the State of Oregon regarding ethics were very practical and should be looked at as a potential model to follow. Finally he emphasized that as purchasing agents very often we must act as a form of law enforcement.

**OLD BUSINESS**

None

**NEW BUSINESS**

A motion to approve publishing Statehouse News on the NJ NIGP website was made and approved.

National NIGP bylaws require 3 officers to have national membership. A motion was made to approve payment of the Chapter Assessment dues to the National NIGP from the NJNIGP treasury.

Membership dues for the Northern NJ NIGP are currently being processed.

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The meeting was adjourned at 11:58 PM

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Next meeting date: June 11, 2015 at 10 AM.

Respectfully submitted  
Mary Richers, Secretary