

RESOLUTION 207-19

RESOLUTION URGING GOVERNOR PHIL MURPHY AND THE NEW JERSEY LEGISLATURE TO ENACT LEGISLATION THAT WILL PERMANENTLY EXTEND THE 2.0% CAP ON BINDING INTEREST ARBITRATION AWARDS; AND TO FURTHER REQUIRE THE PUBLIC EMPLOYMENT RELATIONS COMMISSION (PERC) TO INCLUDE IN ALL ARBITRATION AWARDS: A FULL FINANCIAL IMPACT STATEMENT

WHEREAS, the failure to permanently extend the 2.0% cap on binding interest arbitration awards has inequitably altered the collective bargaining process in favor of labor at the expense of property taxpayers as police and fire unions have been aggressively leveraging its expiration to win contracts that far exceed the 2.0% spending cap imposed on local governing bodies for nearly a decade; and

WHEREAS, between 2011 and 2017, the 2.0% cap on binding interest arbitration awards allowed local governments to live within their limited means and kept public safety employee salaries and wages under control as parties were closer to an agreement from the onset of negotiations; and

WHEREAS, the 2.0% cap on binding interest arbitration awards established clear parameters for negotiating reasonable successor contracts that preserved the collective bargaining process and took into consideration the separate and permanent 2.0% spending cap; and

WHEREAS, recent arbitration decisions, which do not readily disclose the total cost of the contract, underscore the vital need to restore the cap as at least one of the awards included annual salary increases that range from a minimum of 8.54% to a maximum of 20.54% when step increases are included with the widely reported annual raises of 2.0% to 2.25%; and

WHEREAS, these substantial annual salary increases do not include longevity pay, employer pension contributions of which equal approximately 30.0% of the annual salary of a public safety sector employer, and an additional 20.0% to 35% in employer health benefit contributions; and

WHEREAS, the equation is clear, failure to permanently extend the 2.0% cap on binding interest arbitration awards is unsustainable without increasing property taxes, reducing non-union staff, or eliminating essential services.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Borough Council of the Borough of Clayton, County of Gloucester, State of New Jersey does in fact, hereby urge Governor Phil Murphy and the New Jersey State Legislature to enact legislation that will permanently extend the 2.0% cap on binding interest arbitration awards that expired in 2017; and, to further require the Public Employment Relations Commission (PERS) to include in all arbitration awards: a full financial impact statement that summarizes the total cost of all awards in a clear, concise, and transparent manner.

BE IT FURTHER RESOLVED that certified copies of this Resolution are forwarded to the Governor of the State of New Jersey Phil Murphy, the President of the New Jersey State Senate Stephen M. Sweeney, and the Speaker of the General Assembly Craig J. Coughlin.

ADOPTED, at a regular council meeting of the Mayor and Borough Council of the Borough of Clayton, which was held on September 26, 2019.

BOROUGH OF CLAYTON



THOMAS BIANCO, Mayor

ATTEST:



CHRISTINE NEWCOMB, Clerk