Susan Gouveia

From: Lashway, Lisa
Sent: Tuesday, February 18, 2014 4:05 PM
To: Canning, Sean
Cc: Susan Gouveia
Subject: FW: Resolution - 2% Cap on Interest Arbitration
Attachments: reso 2014-30 arbitration 2-2014_201402121634.pdf

CORRESPONDENCE

Michelle Masser
Deputy Clerk

973-691-0900 Ext. 7291
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PO Box 450
Budd Lake, NJ 07828

From: Cindy Eckert [mailto:ceckert@netcong.org]
Sent: Tuesday, February 18, 2014 3:54 PM
To: Boonton; Butler; Chatham; Chatham Borough; Chester; Chester Borough; Denville; Dover; Florham Park; Hanover; Harding; Jefferson; Kinnelon; Lincoln Park; Long Hill; Madison; Mendham Borough; Mendham Township; Mine Hill; Montville; Morris Plains; Morristown; Mount Arlington; Lashway, Lisa; Mountain Lakes; Parsippany; Pequannock; Randolph; Riverdale; Robckaway Borough; Rockaway; Roxbury; Town of Boonton; Township of Morris; Victory Gardens; Washington Township; Wharton
Subject: Resolution - 2% Cap on Interest Arbitration

Hello,
Attached please find a copy of Resolution 2014-30 adopted by the Netcong Borough Council on February 6, 2014.
Thank You,

Cynthia Eckert
Borough Clerk/Tax Collector/Registrar
Netcong Borough
23 Maple Ave.
Netcong NJ 07857
973-347-0252 ext. 105

Resolution 2014-30

Resolution Calling on the Legislature to Make Permanent the 2% Cap on Interest Arbitration Awards

WHEREAS, on December 21, 2010, Governor Christie signed into law reforms to the Arbitration process that took effect January 1, 2011; and

WHEREAS, the reforms capped arbitration awards on economic factors to no more than 2%, provided for random selection of arbitrators, expedited the determination of awards, required the arbitrator to provide a written report detailing the weight accorded to each of the required considerations and expedited the appeal process; and

WHEREAS, these reforms marked a dramatic change to the arbitration process and have helped municipalities to control the never-ending rise in public safety personnel costs; and

WHEREAS, a key element of the reforms, capping arbitration awards on economic factors to no more than 2% of the property tax levy will expire on April 1, 2014; and

WHEREAS, while municipalities are statutorily limited to raise their property tax levy by no more than 2%, with very limited exceptions, failure to extend the 2% cap on interest arbitration awards will force municipalities throughout the State to further reduce or even eliminate crucial services, personnel, and long-overdue infrastructure improvement projects in order to fund an arbitration award; and

WHEREAS, the 2% Interest Arbitration cap has controlled one of the largest municipal expense, public safety salaries, not only through arbitration awards but through contract negotiations; and

WHEREAS, absent further action by the Legislature, any contract that expires on or after April 1, 2014, will be subject to all new procedures and requirements, EXCEPT the 2% awards cap; and

WHEREAS, without those limits, arbitrators will be able to impose awards that do not account for the 2% limit on the property tax levy, which would immediately threaten funding for all other municipal services; and

WHEREAS, without the 2% cap on Interest Arbitration Awards but with the 2% cap on property tax levy local budget makers could be forced to reduce other essential municipal services to fund an arbitration award;

NOW, THEREFORE, BE IT RESOLVED, that the governing body of the Borough of Netcong strongly urges the Legislature to permanently extend the 2% cap on interest arbitration awards prior to the April 1, 2014 sunset; and

BE IT FURTHER RESOLVED, that a that a copy of this duly adopted resolution be forwarded to Senate President Stephen Sweeney, Assembly Speaker Vincent Prieto, the legislators of the Borough of Netcong, State Legislative representatives, Governor Chris Christie, municipalities in Morris and Sussex Counties and the New Jersey State League of Municipalities.

BOROUGH OF NETCONG

By: _____
Joseph A. Nametko, Mayor

Dated: 2/7/14

CERTIFICATION

I, Cynthia Eckert, Clerk of the Borough of Netcong, do hereby certify the foregoing to be a true copy of a Resolution adopted by the Borough at a meeting held on February 6, 2014.

_____
Cynthia Eckert, Borough Clerk