



BOROUGH OF HIGHLANDS
COUNTY OF MONMOUTH

Mayor Nolan offered the following
Resolution and moved its adoption:

RESOLUTION 14-65

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 Highlands 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 13th Legislative District, Governor Chris Christie, and the New Jersey State League of Municipalities.

Seconded by Mr. Redmond and adopted on the following roll call vote:

ROLL CALL:

AYES: Ms. Ryan, Mr. Redmond, Mr. Francy, Ms. Kane, Mayor Nolan

NAYES: None

ABSENT: None

ABSTAIN: None