TOWNSHIP OF VERONA
COUNTY OF ESSEX, STATE OF NEW JERSEY

RESOLUTION No. 2017-116

A motion was made by Councilman Roman; seconded by Mayor Ryan that the following resolution be adopted:

RESOLUTION URGING THE STATE LEGISLATURE TO EXTEND THE 2% CAP ON POLICE AND FIRE ARBITRATION CONTRACT AWARDS

WHEREAS, local municipalities require specific tools to address the rising cost of municipal government; and

WHEREAS, in July 2010 the Governor and New Jersey State Legislature enacted a permanent 2% cap on municipal and school board tax levies with limited exceptions that did not include police and fire arbitration contract awards; and

WHEREAS, salary costs, to a great extent, drive property tax increases; and

WHEREAS, in December 2010 the Legislature unanimously approved and the Governor enacted a temporary 2% cap on police and fire arbitration contract awards in an effort to control increasing salary costs and provide a solution to assist local governments in keeping property taxes down and cost under control; and

WHEREAS, the December 2010 legislation included an April 1, 2014 sunset on the 2% arbitration cap while the 2% property tax levy remained permanent for municipalities and school boards; and

WHEREAS, in June 2014 the Legislature unanimously approved and the Governor enacted an extension to December 31, 2017 for the 2% arbitration cap, however, the 2% property tax levy cap continues to remain permanent, without an exemption for police and fire arbitration contract awards; and

WHEREAS, municipalities continue efforts to contain costs and provide vital services to residents within the 2% property tax levy while the New Jersey economy remains sluggish and taxpayers struggle to keep their homes and pay their taxes; and

WHEREAS, we recognize that this change in arbitration reform needs a longer time to mature in order to see the benefits of the legislation and its actual impact on the cost of local government budgets and the impact on taxpayers; and

WHEREAS, the final report and recommendations of the Police and Fire Public Interest Arbitration Impact Task Force, which was established in the December 2010 legislation, is not due until the same day as the expiration of the cap on interest arbitration awards, December 31, 2017; and

WHEREAS, we recognize it is now time for our taxpayers to benefit directly from these cost saving measures as many police and fire contracts will come due for negotiation after the sunset date, and

WHEREAS, if the cap on interest arbitration expires while the 2% levy cap remains in effect, municipalities will be forced to reduce or eliminate municipal services in order to fund interest arbitration awards;

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of the Township of Verona urges the State Legislature to extend the 2% cap on Police and Fire Arbitration Contract Awards for 5 more years at which time the Legislature will have hard data to examine and then make a final decision as to whether this law should be made permanent; and

BE IT FURTHER RESOLVED, that a copy of this Resolution is forwarded to Assemblywoman BettyLou DeCroce, Asssemblyman Jay Webber, State Senator Joseph Pennacchio, the Commissioner of the Department of Labor, the Lieutenant Governor and the Governor of State of New Jersey, The New Jersey Conference of Mayors and the League of Municipalities.

ROLL CALL:

AYES: Roman, Giblin, McEvoy, Nochimson, Ryan

NAYS:

THIS IS TO CERTIFY THAT THE FOREGOING IS A TRUE AND EXACT COPY OF A RESOLUTION ADOPTED BY THE MAYOR AND COUNCIL OF THE TOWNSHIP OF VERONA AT THE REGULAR MEETING HELD ON JULY 17, 2017.

Jennifer Kiernan

JENNIFER KIERNAN, Municipal Clerk

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COUNTY OF ESSEX
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NEW JERSEY