

BOROUGH OF HILLSDALE
RESOLUTION 19276

**RESOLUTION URGING THE GOVERNOR AND LEGISLATURE TO
REINSTATE THE 2% CAP ON BINDING INTEREST ARBITRATION AWARDS
AND TO REQUIRE PERC TO INCLUDE IN ALL INTEREST ARBITRATION
AWARDS A 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 Council of the Borough of Hillsdale 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 (PERC) 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.

Council member	Motion	Second	Yes	No	Absent	Abstain	Recuse
DeRosa, Anthony			X				
Escobar, John						X	
Horvath, Zoltan			X				
Lundy, Abby			X				
Pizzella, Frank		X	X				
Segalas, Steven	X		X				
Ruocco, John							

Adopted: November 12, 2019

Attest: Denise Kohan
 Denise Kohan
 Municipal Clerk

John J. Ruocco
 John Ruocco
 Mayor