

BOROUGH OF RED BANK

COUNTY OF MONMOUTH

RESOLUTION NO. 10-239

A RESOLUTION SUPPORTING ARBITRATION REFORM WITH AWARD CAPS

Mr. DuPont offered the following resolution and moved its adoption;

WHEREAS, it has now been three months since the Governor signed the new 2% levy cap into law; and

WHEREAS, the League had asked the Governor and the Legislature to delay action on the cap until after they had agreed on management reforms and mandates relief items that would make that cap workable; and

WHEREAS, our request was ignored; and

WHEREAS, all around the State, responsible municipal officials have begun planning their 2011 budgets, which, at this point, MUST account for the new cap, and be based on the assumption that meaningful management reforms and mandates relief initiatives will NOT be in place, and also be based on the further assumption that next year's State budget will not provide statutorily required revenue replacement funding; and

WHEREAS, though Mayors and governing bodies will do whatever they can to prevent negative outcomes, property taxpayers should anticipate service cuts, and local government employees should expect lay-offs; and

WHEREAS, while these consequences may be unavoidable in 2011; going forward, the situation can only improve IF serious reforms are enacted and unfunded mandates are relieved or repealed; and

WHEREAS, attention to the Binding Interest Arbitration mandate should top the list of State priorities for meaningful property tax relief; and

WHEREAS, the primary driver of local government costs has been the inexorable increase in employee salaries; and

WHEREAS, over the past 30 years, the salaries of police and paid fire personnel have risen faster than all others, though other personnel have also seen higher than CPI increases in salary rates, just at a slightly lower rate; and

WHEREAS, this has occurred primarily as the result of the 1977 legislation mandating binding interest arbitration to settle contractual disputes; and

WHEREAS, having approved an inflexible 2% cap on the property tax levy, State policy makers need to recognize that any arbitration awards with a total economic impact of more than 2% will force cuts elsewhere in local budgets; and to fund increased public safety compensation, in excess of the 2% cap, municipalities will need to cut services, salaries and/or personnel in other departments or reduce the number of uniformed personnel; and

WHEREAS, even those actions will not satisfy the public's hunger for reduced property tax burdens; but will only slow the rate of growth; and

WHEREAS, we have, accordingly, advocated for a hard 2% cap on the total economic impact of any arbitration award; and

WHEREAS, such a cap is included in the provisions of S-2310 and its companion measure, A-3283; and

WHEREAS, nothing short of that can assure local elected officials that they will be able to continue to provide adequate public services to their citizens; since without that cap, other services will be the first to be cut; but over time, even public safety service levels will decline, as fewer and fewer police officers and firemen and women consume more and more of the levy limited local budget; now, therefore, be it

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of the Borough of Red Bank do, hereby, support the provisions of S-2310/A-3283, which require the arbitrator to cap the full economic impact of the award at the 2% limit; and,

BE IT FURTHER RESOLVED that we would urge our State Legislators to oppose and the Governor to veto any arbitration reform initiative that does not impose a 2% cap on the total economic impact of any future arbitration awards; and be it, further,

BE IT FURTHER RESOLVED that copies of this Resolution be forwarded to Governor Christie, to our State Senator Jennifer Beck, to our Representatives in the General Assembly, Declan J. O'Scanlon, Jr. and Hon. Caroline Casagrande, and to the New Jersey League of Municipalities.

Seconded by Ms. Lee and adopted on roll call by the following vote:

	Yes	No	Abstain	Absent
Ms. Lewis	(x)	()	()	()
Mr. Zipprich	(x)	()	()	()
Mr. DuPont	(x)	()	()	()
Ms. Horgan	(x)	()	()	()
Ms. Lee	(x)	()	()	()
Mr. Murphy	(x)	()	()	()

Dated: November 8, 2010