

## RESOLUTION 2014-150

### RESOLUTION OF THE TOWNSHIP OF BARNEGAT, COUNTY OF OCEAN, STATE OF NEW JERSEY CALLING ON THE LEGISLATURE TO MAKE PERMANENT THE 2% CAP ON INTEREST ARBITRATION AWARDS

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

**WHEREAS**, these 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 expenses, 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 budgets 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 Township of Barnegat, County of Ocean, State of New Jersey 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 copy of this duly adopted resolution be forwarded to Senate President Stephen Sweeney, Assembly Speaker Vincent Prieto, the Legislators of the County of Ocean, State Legislative Representatives, Governor Chris Christie, and all Mayors in Ocean County and the New Jersey State League of Municipalities.

**CERTIFICATION**

I, Sharon L. Auer, Acting Municipal Clerk of the Township of Barnegat, County of Ocean, State of New Jersey do hereby certify that the foregoing resolution was duly adopted by the Township Committee at their regular meeting held on the 10<sup>th</sup> day of March 2014, in the Municipal Complex, 900 W. Bay Avenue, Barnegat NJ.

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Sharon L. Auer  
Acting Municipal Clerk