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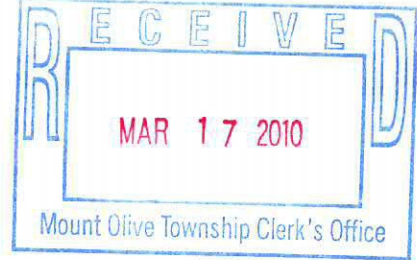
cc: Admin

TOWNSHIP OF HANOVER  
Department Of Administration  
1000 ROUTE 10  
P.O. BOX 250  
WHIPPANY, NJ 07981-0250



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Business Administrator/Township Clerk  
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March 15, 2010



**TO: HON. CHRIS CHRISTIE, GOVERNOR , SENATE PRESIDENT SWEENEY,  
SPEAKER SHEILA OLIVER & MEMBERS OF THE MORRIS COUNTY  
LEGISLATIVE DELEGATION**

**RE: RESOLUTION URGING THE ENACTMENT OF LEGISLATION TO REFORM  
THE POLICE AND FIRE FIGHTERS BINDING ARBITRATION PROCESS**

Dear Governor Christie, Senate President Sweeney, Speaker Oliver & Members of the  
Morris County Legislative Delegation:

During its March 11, 2010 regular meeting, the Township Committee  
unanimously approved the enclosed resolution urging the Legislature to enact  
legislation containing substantially reforms to the police and fire fighters binding  
arbitration process. The property taxpayers of New Jersey require immediate relief  
from the confiscatory binding arbitration awards that are imposed upon municipalities.

We urge you to hear the desperate cries from our taxpayers and those  
across the State to correct the inequities and injustices forced on our residents. Thank  
you.

Very truly yours,  
TOWNSHIP OF HANOVER

Joseph A. Giorgio, R.M.C.  
Business Administrator/  
Township Clerk

JAG/ci  
Enclosure

**A RESOLUTION OF THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF  
HANOVER URGING THE STATE LEGISLATURE TO ENACT LEGISLATION  
CONTAINING SUBSTANTIAL REFORMS TO THE POLICE AND FIRE FIGHTERS  
BINDING ARBITRATION PROCESS**

**WHEREAS**, the interest arbitration process was intended to fairly and adequately give all due consideration to the interest and welfare of the taxpaying public and support local government aims by arriving at award decisions that are equitable to all involved parties, including municipalities and Police and Fire Department personnel; and

**WHEREAS**, the New Jersey Employer-Employee Relations Act, adopted in 1968, was amended in 1977 to provide for interest arbitration as the statutorily imposed terminal step in the collective bargaining process for police and fire personnel as defined by the Act; and

**WHEREAS**, the Police and Fire Interest Arbitration Reform Act (L. 1995, c.425) was signed into law by Governor Christine Todd Whitman and became effective on January 10, 1996; and

**WHEREAS**, in 2005, the League of Municipalities' Arbitration Reform Committee suggested a number of Legislative reforms to the Interest Arbitration Process among the changes proposed by the Reform Committee were that: (1) the Arbitrator may not award salary increases in excess of the expenditure cap (N.J.S.A. 40A:4-45 et seq.); (2) the Arbitrator's Award may provide for salary increases limited to the budget cap imposed by the State of New Jersey and/or any lawful adjustment adopted by the public employer; and (3) the Arbitrator's award may provide for salary increases limited to the percentage established by the State, or the lawful adjustment adopted by the public employer, as may be appropriate, on a department line basis; and

**WHEREAS**, in 2007, the Police and Fire Interest Arbitration statute was amended to add a new ninth factor of the 4% Tax Levy Cap which resulted in 4 of the 9 statutory factors in Interest Arbitration addresses the employer's fiscal situation; and

**WHEREAS**, municipalities are bound by strict fiscal controls embodied in the expenditure limit and tax levy caps and it is the norm rather than the exception for state approved arbitrators to award raises for police salaries at rates that exceed the annual caps; and

**WHEREAS**, binding arbitration awards in excess of the caps forces municipalities to cut other critically needed municipal services, in order to fund salary increases, compounded by pension, to police and fire personnel, and cost for police and fire services continue to spiral at an unacceptable rate; and

**WHEREAS**, the State approved interest binding arbitration process is inconsistent with the State cap laws and is unfair to municipalities attempting to control property taxes through fiscal responsibility; and

**WHEREAS**, interest arbitration should be reformed to provide that the cost of living and the employer's ability to pay should be given greater weight, and the total costs of the arbitrator's award, including steps and cost of living (COLA) increases, should not exceed the cost of living; and

**WHEREAS**, arbitrators should be required to evaluate and analyze the total cost of the salaries and benefits, including step increases, and must provide a detailed line item analysis and explanation of the costs in the award; and

**WHEREAS**, arbitrators must also evaluate and analyze the overall compensation received by the bargaining unit, including vacations, longevity, holidays, excused leave, medical and pension benefits; and

**WHEREAS**, arbitrators should be required to live in New Jersey, and the process of selecting the arbitrators and the length of time the Arbitration process takes needs to be reviewed.

**NOW, THEREFORE, BE IT RESOLVED**, by the Township Committee of the Township of Hanover in the County of Morris and State of New Jersey as follows:

1. The governing body hereby urges the New Jersey State Legislature to pass legislation containing substantial reforms to the binding arbitration process.
2. That certified copies of this resolution be transmitted to Governor Chris Christie, President of the Senate Stephen M. Sweeney, Speaker of the Assembly Sheila Y. Oliver, Members of the Morris County Delegation, the Morris County League of Municipalities, the New Jersey State League of Municipalities and all Morris County municipalities.

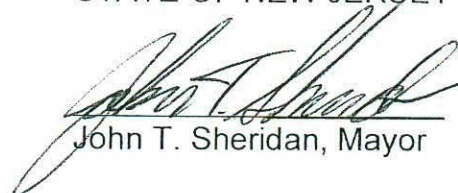
**INTRODUCED AND SPONSORED BY COMMITTEEMAN GEORGE F. COPPOLA**

DATED: March 11, 2010

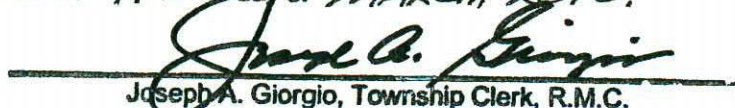
TOWNSHIP COMMITTEE  
TOWNSHIP OF HANOVER  
COUNTY OF MORRIS  
STATE OF NEW JERSEY

ATTEST:

  
Joseph A. Giorgio, Township Clerk

  
John T. Sheridan, Mayor

I hereby certify the foregoing to be a true copy of a Resolution/Ordinance adopted by the Township Committee of the Township of Hanover at a Regular/Special Meeting held on the 11<sup>th</sup> day of MARCH, 2010.

  
Joseph A. Giorgio, Township Clerk, R.M.C.

TOWNSHIP COMMITTEE MEMBER	AYE	NAY	ABSTAINED	ABSENT
VAMOSCA	✓			
LEIFER	✓			
DI	✓			
COPOLA	✓			
RIDAN	✓			
GIORGIO	50			