

Middlesex County Conference of Mayors

P.O. Box 111

Helmetta, New Jersey 08828

Mayor Eric A. Steeber
President

Mayor Brian C. Wahler
1st Vice President

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3rd Vice President

Mayor Barry H. Zagnit (Ret.)
Secretary/Treasurer

December 12, 2017

Phil Murphy
Governor-Elect, State of New Jersey
20 West State Street
PO Box 002
Trenton, New Jersey 08608

RE: Extension of the 2% Interest Arbitration Cap

Dear Mr. Murphy,

We, the undersigned Middlesex County Mayors are writing to strongly implore you to support the extension or permanent implementation of the 2% cap on Police and Fire interest arbitration awards. As you are undoubtedly aware, the current extension of the 2% arbitration cap expires in less than a month; which has already caused significant uncertainty in labor negotiations and by extension, preparation of our municipal budgets.

While the 2% interest arbitration cap is set to expire, the 2% property tax levy cap will remain in place, creating an untenable situation for municipalities and the county. Police and fire costs are almost always the single largest items in our operating budgets, with salaries and wages being by far the largest component of those costs. In many Middlesex County municipalities, with both paid Police and Fire Departments, those costs represent more than 25% of the total annual operating budgets.

Without the 2% arbitration cap in place, the fate of local and county government would be left in the hands of unelected arbitrators with no effective recourse to appeal adverse decisions. Any arbitration awards in excess of 2%, when coupled with the 2% property tax cap, will unavoidably and negatively impact the level of services we can provide to our residents. Absorbing arbitration awards exceeding 2%, while complying with the property tax levy cap, can only be accomplished in a couple of ways. One would be to reduce the overall public safety manpower, resulting in fewer police officers and firefighters on the job and in turn, potentially compromising public safety for our communities. The other option is to continue to fund public safety at current manpower, with the difference having to be made up through cuts to other essential services; including public works, recreation, libraries, and the maintenance of our roads and aging infrastructure. Such budget cuts and corresponding reductions in public services will only increase existing problems and put additional pressures on the State budget to help municipalities and counties address the resulting financial challenges.

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In a related vein, the 2% property tax levy cap has effectively served as a 2% cap on the salaries and wages of our other (non-police and fire) public employees. Without the continuation of the arbitration cap, Police and Fire arbitration awards exceeding 2% would undoubtedly yield even lower salary adjustments for all other public employees, furthering the already large divide between Police and Fire employees and their non-public safety counterparts. The 2% property tax levy cap has forced fiscal discipline and shared sacrifice on all municipalities and public servants, and it would be fundamentally unfair to allow one sector of public employees to avoid sharing in that sacrifice.

In conclusion, we strongly support the continuation of the 2% public safety interest arbitration cap which has served as such a critical tool in enabling municipalities to remain within the 2% property tax levy cap without drastically and adversely affecting the services we provide to our already overburdened taxpaying residents. We look forward to hearing from you and working collaboratively with your administration on this issue and others that impact our local communities.

Sincerely,

Honorable David Cook
Mayor Cranbury Township

Honorable Christopher Slavicek
Mayor Helmetta Borough

Honorable Gail Brill Miller
Mayor Highland Park Borough

Honorable Ronald DiMura
Mayor Middlesex Borough

Honorable Eric Steeber
Mayor Milltown Borough

Honorable Francis Womack
Mayor North Brunswick Township

Honorable Brian Wahler
Mayor Piscataway Township

Honorable Peter Cantu
Mayor Plainsboro Township

Honorable Kennedy O'Brien
Mayor Sayreville Borough

Honorable Fred A. Henry
Mayor City of South Amboy

Honorable John Krenzel
Mayor South River Borough

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cc: The Hon. Steve Sweeney, President, NJ State Senate
The Hon. Vince Prieto, Speaker, NJ General Assembly
The Hon. Craig Coughlin, Speaker-Designate, NJ General Assembly
Michael F. Cerra, Assistant Executive Director, New Jersey State League of Municipalities
John Donnadio, Executive Director, New Jersey Association of Counties