



State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
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MEMORANDUM

TO: Mark E. Belland, Esq.
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FROM: DLGS State Designee, Jeffrey S. Chiesa
Timothy Cunningham, Director, Division of Local Governmental Services

cc: Ronald L. Israel, Esq.
Jason Holt, Business Administrator
Henry White, Chief of Police
Rick Richardella, State Fiscal Monitor
Matthew J. Giacobbe, Esq., Special Labor Counsel
Gregory J. Franklin, Esq.

Date: June 7, 2017

RE: NOTICE OF IMPLEMENTATION-PBA LOCAL 24

The representatives of the New Jersey Department of Community Affairs (“DCA”), the City of Atlantic City (“City”) and PBA Local 24 (“PBA”) attempted to reach an amicable resolution from December 2016 through March 13, 2017 to formulate contractual terms designed to reduce operating costs and to provide significant assistance in the ongoing efforts toward restoring the fiscal stability of the City. The union leadership, however, rejected most of the proposals made by the State and the City and ultimately filed a lawsuit in the Superior Court on March 15, 2017, seeking to prevent the unilateral imposition of modifications to the collective negotiations agreement as deemed appropriate by the Director of the Division of Local Government Services and his Designee in accordance with the Municipal Stabilization and Recovery Act (“MSRA”), codified at N.J.S.A. 52:27BBBB-1, et seq.

On May 23, 2017, the Honorable Julio L. Mendez, Assignment Judge of the Superior Court of New Jersey in Atlantic County upheld the right of the State to implement the majority of the modifications to the collective bargaining agreement and issued an Order denying the PBA’s petition for temporary injunction with the exception of certain proposals. In doing so, the Court recognized that in enacting the MSRA, the State Legislature determined that the current salaries and benefits are no longer sustainable. Therefore, the Director and his Designee find that the following modifications to the collective negotiations agreement are necessary to achieve financial stability:

- Duration of Agreement: June 7, 2017 through December 31, 2021.
- Effective June 7, 2017, all pending and prospective Terminal Leave payments over \$15,000 shall be eliminated for all employees. The State reserves the right to modify or entirely eliminate the payment of terminal leave payments in accordance with future rulings or interpretations by the Court.
- Effective June 7, 2017, change the overtime calculus so that officers only receive overtime after they have worked in excess of eighty-six (86) hours over a fourteen (14) day work cycle in accordance with Section 207 (k) of the Fair Labor Standards Act and 29 C.F.R. Part 553.230.
- Effective June 7, 2017, all paid time off, including but not limited to sick leave, vacation leave and personal leave shall **not** count as hours worked for overtime purposes in accordance with the Fair Labor Standards Act, 29 C.F.R. Part 778.218 (d).
- Effective June 7, 2017 or as soon thereafter as possible, all current employees and future retirees will be provided with the New Jersey Direct 15 Plan in the State Health Benefits Plan. Employees and future retirees who select a plan that is more expensive than New Jersey Direct 15 shall be solely responsible for paying the difference in costs between the more expensive plan and the New Jersey Direct 15 Plan in addition to the employee's Ch. 78, P.L. 2011 contributions.
- Effective June 7, 2017, a new salary guide is hereby established for **all** current and future employees (including future promotions to rank of Sergeant). Police officers will be placed on the step that is closest to their current base salary. (Step 15 is maximum for Police Officers). Base salary is defined as the employee's total pensionable salary. The below salaries shall be the entire compensation for each employee. There shall be no supplemental compensation except for overtime where applicable:

<u>RANK</u>	<u>2017 Salaries</u>
SERGEANT	\$95,000
<u>POLICE OFFICER</u>	
STEP 15	\$90,000
STEP 14	\$84,782
STEP 13	\$83,568
STEP 12	\$80,354
STEP 11	\$77,140
STEP 10	\$73,926
STEP 9	\$70,712
STEP 8	\$67,298
STEP 7	\$64,283
STEP 6	\$61,070
STEP 5	\$57,856
STEP 4	\$54,642
STEP 3	\$51,428
STEP 2	\$48,214
STEP 1	\$45,000
ACADEMY	\$35,000

- Effective June 7, 2017, eliminate current rank differential upon promotion from Police Officer to Sergeant.
- Effective June 7, 2017, eliminate Longevity in its entirety for all employees.
- Effective June 7, 2017, eliminate Educational Incentive Pay in its entirety for all employees.
- Effective June 7, 2017 or as soon as practicable, the co-payment for generic drugs shall be increased to \$15.00 per prescription, and the co-payment for non-generic drugs shall be increased to \$35.00 per prescription. Active employees shall pay a \$50.00 deductible for covered dental services.
- Revise Article 28 (Sick and Injured) to include the statutory language for workers compensation payments based upon seventy percent (70%) of weekly wages in accordance with N.J.S.A. 34:15-12c, effective June 7, 2017.
- Effective June 7, 2017, all accumulated sick leave shall be deducted in the event the illness or injury is not service connected, provided that the examining physician appointed by the City certifies to such illness or injury. Such employees may be entitled to sick leave with pay in the event they exhaust their accumulated sick leave for a period not to exceed one (1) year, subject to the provisions of N.J.S.A. 40A:14-137.
- Effective June 7, 2017, Police Officers hired on or after January 1, 2013 shall be entitled to the following vacation schedule:

First twelve months of employment:	One day per month by anniversary date
Second through Fourth year of employment:	Ninety (90) hours per year
Fifth through Ninth year of employment	One Hundred (100) hours per year
Tenth through Twentieth year of employment	One Hundred Thirty (130) hours per year
Twenty-first year of employment and thereafter	One Hundred Seventy (170) hours per year
- Effective June 7, 2017, any employee who is assigned to the Detective Bureau, or to the Investigative Unit, or who is trained as a bomb technician, shall not be entitled to receive any differential payment for such assignments or training.
- Article II – Interpretation
Effective June 7, 2017, modify Section C as follows: Eliminate the words “safety of equipment”.
- Article III – Management Rights
Effective June 7, 2017, modify language as follows: “It is the right of the City, subject to the appointing authority, through and by the Chief of Police in accordance with N.J.S.A. 40A:14-118, and any of its designated representatives, to determine the standards of

selection for hiring, promotion, and assignments, and to determine when and if such actions will be taken; to assign and direct its employees; to take disciplinary action; relieve its employees from duty for any legitimate reason; maintain the efficiency of its operations; determine the methods, means and personnel by which its operations are to be conducted; determine the content of job classifications; schedule the hours of work; take all necessary actions to carry out its mission in daily activities and emergencies; ...”.

- Article V – Grievance Procedures

Effective June 7, 2017, modify Step 1, second paragraph as follows: The Association Grievance Committee shall receive, screen and process all grievances within thirty (30) days of receipt.

- Article XII – Shoe and Clothing Maintenance Allowance

Effective June 7, 2017, modify Section A as follows: Police officers shall receive an annual clothing maintenance allowance of eight hundred and fifty (\$850.00) dollars at step 1 of the salary guide, and shall receive same within thirty (30) days after a class has graduated from the academy.

- Article XIII – Special Leaves

Effective June 7, 2017, modify Section A as follows: Leave from duty with full appropriate pay shall be granted to two (2) members of the Local’s negotiation committee who attend meetings between the City and the Local for the purpose of negotiating the terms of the contract, provided the employee is scheduled to duty at the time of the meeting. Any bargaining unit member who is released for these reasons will not be assigned to a shift the day or night of the event triggering the union release time.

Effective June 7, 2017, modify Section B as follows: All officers shall be entitled to up to four (4) days, at the discretion of the employee, in the event of a death of a member of the immediate family or domestic or civil union partner of an officer. ‘Immediate family’ shall include spouse, mother, father, sister, brother, child, mother-in-law, father-in-law, grandparent, grandchild, step-mother, step-father, step-sibling and step-children. Up to three (3) working days, at the employee's discretion, shall be granted for any other related member of the employee's household. These days are to be taken from either the date of death on or from the date of the funeral back. In the event of the death of all other relatives, the officer shall be entitled to one (1) working day of leave to attend the funeral service. Upon submission of proof, an additional two (2) working days of paid leave shall be granted for travel of more than two hundred and fifty (250) miles as calculated based on vehicular travel using MapQuest for viewing and funeral.

Effective June 7, 2017, add New Section C as follows: Where appropriate, bereavement leave days shall be converted to hours for computation purposes.

- Article XVI – Hospitalization Insurance

Effective June 7, 2017, eliminate the first and second sentences of Section 2 in their entirety, which presently reads as follows: The complete cost of paying the premiums for

the Hospitalization and Medical-Surgical Insurance shall be paid by the City of Atlantic City. Said coverage is more particularly set out in Ordinance No. 6 of 1964, as amended.

Effective June 7, 2017, eliminate Section 3 in its entirety as follows: The Blue Cross and Blue Shield plan will be the U.C.R. Series.

Effective June 7, 2017, eliminate Section 4 in its entirety as follows: The complete cost of paying the premium for the U.C.R. Series shall be paid by the City of Atlantic City.

Effective June 7, 2017, add a new paragraph under the section entitled “Retiree Health Benefits” as follows: For employees hired after June 7, 2017, retirees shall receive medical health coverage upon completion of twenty-five (25) years of service with the City, and such service shall be in good standing with the Police and Fire Retirement System.

- Article XXXVIII – Sick and Injured

Effective June 7, 2017, add the following language after the first paragraph of the Article: ‘Sick leave’ is hereby defined to mean an absence from the post of duty by a bargaining unit member, due to illness, accident, injury, disability, and/or exposure to contagious disease or the necessity to attend and care for an ill member of his or her immediate family. The term “immediate family” for the purpose of this Article shall include the following: a) spouse; b) parent; c) step-parent; d) child; e) step-child; f) foster child; and g) any other relative residing in the bargaining unit member’s household.

Effective June 7, 2017, Paragraph 2 shall be eliminated.

Effective June 7, 2017, add the following language to Section 4, paragraph 3: “... subject to the provisions of N.J.S.A. 40A:14-137.

Effective June 7, 2017, add a New Section 7.j. as follows: Where appropriate, sick leave days shall be converted to hours for computation purposes.

- Article XXIX – Vacations

Effective June 7, 2017, add a New Section as follows: Where appropriate, vacation days shall be converted to hours for computation purposes.

- Article XXX – Personal Days

Effective June 7, 2017, add a New Section as follows: Where appropriate, vacation days shall be converted to hours for computation purposes.

- Article XXXI – Legal Plan

Effective June 7, 2017, modify this Article as follows: In the event any unit negotiates a legal plan, the City will negotiate with PBA Local 24.