

To: Councilman John Divney
Councilman Michael McHale

From: Thomas A. Henry

Date: Jan. 30, 2010

RE: Recommendations for City Contract Negotiations

As per your request here are our preliminary recommendations for the upcoming negotiations with the various City Labor Unions.

The Goal of these negotiations should be to bring about a 12% decrease in the cost for salary and benefits over the next three years. The decrease should be measured against the salary and benefits in the 2009 budget.

To achieve this Goal, it is recommended that:

- The three year salary increases be: Yr.1 - 0%; Yr. 2 – 0%, and Yr. 3 – 2.0%
- The City's health benefit plan be switched to one of the State Plans. The financial impact of such a change was shared with you at a prior Financial Advisory Committee meeting by Joe McDevitt.
- Personnel reductions be enacted, especially in the areas of Administration, Finance, and Vehicle Maintenance.
- City employees contribute to their health insurance plan at the same rate as their counterparts in State government.

To achieve other cost reductions and operating efficiencies, the following contract changes are recommended. It should be noted that most of these items are based on Recommendations proposed by the State Commission on Investigations.

- 1) Personal Days: establish a maximum of 5 days.
- 2) Holidays: reduce number to 12
- 3) Vacation Days:
 - 3.1 Maintain current schedule of allowable days based on years of service
 - 3.2 Reduce carryover to a maximum of one year's entitlement.
 - 3.3 Institute a strict "use it or lose it" paragraph

- 3.4 Eliminate pre-payment of vacation pay.
- 4) Sick Days:
 - 4.1 Reduce number of allowable days to 15
 - 4.2 Eliminate provision of 1 year of extended sick leave after 10 years of service.
 - 4.3 Eliminate practice of cashing in prior to retirement
 - 4.4 Eliminate practice of using sick days as pre-retirement leave.
- 5) Temporary Leaves of Absence: Eliminate because of duplication with Personal days.
- 6) Compensatory and Call in Compensation: Compensatory time should be allocated strictly based upon the hours actually worked beyond the normally scheduled hours of employment as confirmed by daily attendance sheets. Such time must be used within one year of its allocation or it is lost. Under no circumstances should compensatory leave be exchanged for cash payments. Call-in compensation must be calculated on the basis of the clock-in and clock-out time.
- 7) Overtime: Overtime calculations must be based on the actual time worked in quarter-hour segments. Rounding up to the next full hour is not permitted.
- 8) Eliminate the provision for paying spouse health benefit premiums upon the death of the employee or retiree except in cases covered by Article VI, Section 5 of the Police and Superior Officers Contracts.
- 9) Salary:
 - 9.1 Salary Steps: Eliminate all Salary Steps. With the establishment of salary ranges under the Position/Salary Study and the calculation of range mid-points, salary steps become unnecessary since annual increases are negotiated. Under such a system, salary steps become an extra form of annual raises.
 - 9.2 Red-lining: Language must be included to indicate that when an unit member's salary exceeds the salary range no increase will be awarded until the unit member's salary again falls within the salary range. (A fall back position could be: awarding a small cash payment that is not part of the base salary.)
 - 9.3 Police Salary Arbitration: In anticipation of a demand for arbitration by the police unions, the City should compile data to refute the basic argument for higher salaries for police, namely, the inherent danger of the position. Injury and salary range data should be collected from cities such as Atlantic City, Camden, Philadelphia, Trenton, and Vineland to show that Sea Isle's salary structure is significantly higher than those cities and police injury rates much lower.
 - 9.4 Salary Adjustment: Salary adjustments, such as that for the possession of a CDL license or EMT certification, should be eliminated. If a license or certificate is a job requirement it should be included in the position job description.
- 10) "Me Too" Clauses: All contract language that automatically grants a bargaining unit benefits granted under other negotiated contracts (see Middle

Management, Article XV, Section 1) must be eliminated.

- 11) Bans on Future Negotiations: All contract language that bans the re-negotiation or removal of any contract provision including benefits (e.g. See Middle Management, Article XVII, Section 3, e) or restricts Management Rights must be challenged as an illegal subject of negotiation as per the Ridgefield Park Decision.