

Press Release

March 1, 2010

The Township received notice last night that the full membership of the Galloway Township Police Department did not approve by majority vote the offer presented to them by their negotiating team and representatives of PBA Local 77.

This is extremely disappointing considering the PBA and Township spent a considerable amount of time (over 9 hours in two days) negotiating and crafting a proposal that we all felt was as equitable as possible and in the end enabled us to bring our fourteen officers back to work. We will wait to talk to the PBA over the next few days to see if there is any chance for an agreement.

This has been an extremely stressful time for all, especially the officers and their families. I am sure it was a difficult decision to make by each officer. Every individual's situation is different and any decision made had to be made for what was in the best interest of the officer and their families. It is definitely not our place to judge. I remain hopeful that we can continue to work together to find a solution that these officers, the Township and the citizens of Galloway Township can live with.

Statements made in the Press of Atlantic City by PBA Local President Ray Theriault indicated that for the last two years the Police Officers have been asked to shoulder the burden. In 2009 the Police Officers agreed to a uniform salary reduction of \$3,049.00 with the understanding that if the Township had any savings due to employees being paid by workers comp or other unpaid leave this number would be reduced. The final reduction given by each officer was \$2,624.66. These officers were given the time off for this reduction. Each Officer received a contractual salary increase of 3.75% in 2009. This equated to an average base increase for senior patrol officers of \$2,928.00. In addition officers working a 12 hour shift who normally qualify for "Kelly time" agreed to take this time off over a two year period instead of being paid cash for this time. The officers always had this option. Each year this figure changed depending on the needs of the officers. These concessions were brought forward by the PBA to the Township as an alternative. The Township agreed but cautioned and the PBA agreed these were not permanent fixes and we would be back at the table next year. Local Union 676 which is made up primarily of non-supervisor members of the Public Works Department agreed to a 2% salary increase in 2009 with two furlough days and a 2.5% increase in 2010 with two furlough days again. Local 210 and non-union employees received a 3.75% increase in 2009 and took 3.5 furlough days and Local 68 received a 3.75% increase and took 4 furlough days.

In 2009 the average salary of a non-supervisory Police officer including salary, longevity and college credits was \$83,305.00 while the average salary for non-supervisory public works employees was \$31,172.00. In 2010 the lowest paid Officer including salary longevity and college credits would be \$77,995 and the highest \$113,815.00.

In the later part of 2009 the Township met with representatives from all unions advising them that 2010 will be worse than 2009 due to major anticipated losses in Revenues. The exact amount would not be known until January 2010 but the results would likely be worse not better. In order to balance the budget all union and non-union employees were given proposals for concessions and asked to either agree or submit suggestions that would equal the equivalent dollar amount. The following proposals were given to each union and non union employee:

1. PBA Local 77 – No salary increases, five furlough days, 2.5% of salary contribution on medical cost, no kelly time and reduction in staffing by 2. This was equivalent to \$954,000 in savings.
2. International Brotherhood of Teamsters Local 676 – No salary increases, 20 furlough days, 2.5% of salary contribution on medical cost. This was equivalent to \$150,000 in savings.
3. IBEW Local 210 - No salary increases, 20 furlough days, 2.5% of salary contribution on medical cost, no holiday payout and five furlough days for Communication Workers. This was equivalent to \$300,000 in savings.
4. IUOE Local 68 – No salary increase, 10 furlough days, 2.5% of salary contribution on medical cost, one employee to retire. This was equivalent to \$72,000.00
5. Non-Union employees - No Salary increase, 5-10 furlough days depending on department, 2.5% of salary contribution on medical, no overtime and reduction in vacation payouts. This was equivalent to \$60,000.00

Unfortunately IBEW Local 210 and IUOE Local 68 voted for no concessions and we were forced to close down municipal services with the exception of public safety and administrative services effective March 1, 2010 to achieve the necessary savings. IOUE is working with the Township to achieve the savings.

As previously mentioned the Township and PBA negotiation committee spent numerous hours trying to craft a proposal that would be acceptable to all. Originally the Township had asked for \$950,000 in cost reductions. On February 24, 2010 clarifications were asked by the PBA representatives on certain budget numbers and available surplus. The main bone of contention at that time was if the PBA members were being asked to cover more than their fair share of the Townships deficit. Ultimately the Township agreed to lower the amount of reductions we were asking for to \$833,000.00. The counter offer by the PBA included the elimination of Kelly Time and Overtime, meaning the officers would take the time off instead of receiving compensation; Roll back 2 steps for the 14 officers, which savings was projected at \$235,000 (the amount per officer ranged from a low of \$10,906 to a high of \$17,676) and \$4,000 per officer in furlough

time. The officers would still receive their 3.75% salary increase for 2010. Councilman Kleiner expressed concern and asked if the PBA felt this agreement would be approved. At that time they indicated it would. In addition a request was made to increase the extra hourly rates the officers received for special details. The township agreed to approve a \$16 increase for school/nonprofit details and \$18 increase for all other details.

The following day the PBA reached out and said they had forgotten to ask for additional savings to be applied to the \$833,000. At that time we indicated that we felt we had a deal and wanted it to move forward. On February 26, 2010 received an email from Myron Plotkin stating that they did not feel the offer would be approved and wanted the Township to reconsider its response to utilization of additional funding. After a few discussions the Township ultimately agreed to credit them with an additional \$124,000 of fund balance expected to be turned over to the Township in 2010 with the stipulation that these savings would be applied to the disproportionate amount of reductions placed on the 14 officers who received layoff notices. We were concerned that the costs were too great for them and they may decide to leave anyway. Since the \$124,000 was slated to replenish surplus already being used in the 2010 budget we asked for a 2% contribution on medical with a guaranteed cap if mandatory 1.5% was signed by the governor. We also requested that they approve a State Police modified 12 hour work schedule that would eliminate kelly time completely. Ultimately the PBA cancelled their meeting scheduled to discuss the original approved proposal and requested that the Township meet with them again. We agreed to meet on Monday evening at which time we discussed many options again in detail and ultimately agreed to the PBAs offer of \$732,404 in PBA concessions and utilization of \$100,600 in additional surplus. The final offer presented to the Township and agreed upon by all was broken down as follows:

1. Overtime to be taken as comp time in lieu of payment \$140,000 in savings
2. Kelly time to be taken as comp time in lieu of payment \$194,000 in savings
3. 1.5% contribution on Medical \$92,000 in savings
4. \$8,886 per officer in furlough time for the 14 officers \$124,404 in savings
5. \$3,500 per officer in furlough time for other 52 officers \$182,000 in savings
6. Credit of \$100,600 from surplus

Unfortunately there was not enough support by the officers and the proposal was not approved last night, March 3, 2010. The Chief has been meeting with his staff and will be prepared to move forward if necessary.

There have been many claims of mismanagement, lack of cooperation and wasteful spending, in particular the building of athletic fields. If the fields had not been built we would still be in the situation we are in. The construction of these fields is a capital expense similar to the repaving of roads. These projects ultimately become part of our Debt Service portion of the budget. In

2009 this portion of our budget actually went down by \$71,850.25 No business or government entity can lose revenue sources of over 2.2 million and survive without major reductions in expenses. Leon Costello, Municipal Auditor eloquently explained to the Council and the Public in detail at our last Council meeting of why the Township is in the situation it is. If you read the Press, listen to the news etc., this situation is widespread. Governor Christie declared the State of New Jersey in a state of fiscal emergency.

Now is not the time to point blame, to pit employee against employee. Now is the time to work together to find a solution. We all need to part of the solution not the problem. In the next several weeks the Township will be putting information on its website to better inform the public and the employees of where we are financially, how we got here and what our long range plan is to succeed. On behalf of the Mayor and Council of Galloway Township I ask all our citizens and employees to give us the time needed to complete our plan.

Jill Gougher, Township Manager