

**TOWNSHIP OF SOUTH ORANGE VILLAGE
BOARD OF TRUSTEES**

SPECIAL MEETING
June 1, 2020, 6:00 PM

ORDER OF BUSINESS

CALL MEETING TO ORDER

MEETING NOTICE STATEMENT

Adequate notice of this meeting had been provided to the press in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-6. In addition, notice of this meeting was posted in Village Hall and on the Village's website, and has been filed in the Office of the Village Clerk. Official action may be taken. Kevin D. Harris, Village Clerk

PUBLIC COMMENTS

Village President opens meeting for public comment.

RESOLUTIONS ON CONSENT AGENDA

2020-121 RESOLUTION APPROVING AND RATIFYING A MEMORANDUM OF AGREEMENT WITH AND AMONG THE POLICE BENEVOLENT ASSOCIATION, SOA LOCAL NO. 12A AND THE TOWNSHIP OF SOUTH ORANGE VILLAGE

2020-122 RESOLUTION APPROVING AND RATIFYING A MEMORANDUM OF AGREEMENT WITH AND AMONG THE TEAMSTERS LOCAL 125 AND THE TOWNSHIP OF SOUTH ORANGE VILLAGE

2020-123 RESOLUTION AUTHORIZING THE TOWNSHIP OF SOUTH ORANGE VILLAGE TO EFFECTUATE THE NECESSARY REDUCTION IN OPERATING EXPENSES INCLUSIVE OF FURLOUGHS, DEMOTIONS AND LAYOFFS AND PROVIDE ANY NECESSARY PAPERWORK AND SUPPORTING MATERIALS TO THE NEW JERSEY CIVIL SERVICE COMMISSION (NJCS).

Roll Call Vote:

PUBLIC COMMENTS

Village President opens meeting for public comment.

NEW BUSINESS

ADJOURNMENT

TOWNSHIP OF SOUTH ORANGE VILLAGE

RESOLUTION APPROVING AND RATIFYING A MEMORANDUM OF AGREEMENT
WITH AND AMONG THE POLICE BENEVOLENT ASSOCIATION, SOA LOCAL NO.
12A AND THE TOWNSHIP OF SOUTH ORANGE VILLAGE

WHEREAS, the Police Benevolent Association, SOA Local No. 12A, and the Township of South Orange Village (collectively the "Parties") have previously executed a collective bargaining agreement (the "Agreement"); and

WHEREAS, upon the Township of South Orange Village's request, the Parties agree to reopen the Agreement for voluntary negotiations limited to various issues, which are within the scope of management prerogative, and shall remain so; and

WHEREAS, the Parties propose to enter into a written Memorandum of Agreement ("MOA") allowing the Parties to reopen the Agreement for voluntary negotiations limited to issues contained in the MOA with respects to a successor collective negotiations agreement, a copy of which is attached hereto as Exhibit A and signed by representatives of the Parties; and

WHEREAS, the MOA was expressly made subject to the approval and ratification of the Board of Trustees.

NOW, THEREFORE, be it Resolved by the Board of Trustees of the Township of South Orange Village that the Memorandum of Agreement, annexed hereto as Exhibit A, is hereby approved and its execution ratified by the Board of Trustees.

#

Trustee Member	Motion	Second	Ayes	Nays	Abstain	Absent
Clarke						
Coallier						
Hartshorn Hilton						
Jones						
Schnall						
Zuckerman						

CERTIFICATION

I, Kevin D. Harris, Village Clerk of the Township of South Orange Village, County of Essex, State of New Jersey, do hereby certify that this is a true and correct copy of the Resolution adopted by the Board of Trustees at their special meeting held on Monday, June 1, 2020.

Kevin D. Harris
Village Clerk

MEMORANDUM OF AGREEMENT

The Township of South Orange Village (herein the "Village") and the South Orange Police Benevolent Association, SOA Local No. 12A (herein the "SOA") hereby agree to this Memorandum of Agreement with respect to a successor collective negotiations agreement ("CNA") between the parties on wages. This Memorandum is subject to and becomes effective upon ratification of the parties. The parties agree to recommend ratification of this agreement to their respective membership (the Village Board of Trustees and SOA members, respectively). The terms of the Memorandum are as follows:

1. The term of the successor agreement on base wages shall be from January 1, 2021 to December 31, 2022.
2. Base wages shall be increased across the board as follows:

January 1, 2021	-	2%
January 1, 2022	-	2%
3. Notwithstanding the increase in base wages set forth in paragraph 2, effective January 1, 2021, **base wages** will be frozen at the rates as of December 31, 2020 to be applied as follows:
 - A. Employees at top step in the guide for Sergeant or Lieutenant will be frozen at their salary rate as of December 31, 2020 for the years 2021 and 2022. **Base wages will unfreeze on December 31, 2022 to be effective January 1, 2023.**
 - B. Employees at Step 1 of either the Sergeant guide or the Lieutenant guide in 2020 will, when moving to Step 2 (top step) in 2021, receive an increase that reflects the agreed-upon 2% wage freeze. By way of example only, if the employee was moving

from a Sergeant step 1 salary of \$119,179 to a step 2 salary of \$125,965 in 2021, to determine the “adjusted” amount of step 2, we would first find 2% of the employee’s existing salary, then subtract it from the value of the second step. The formula is as follows: $\$125,965 - (\$119,179 * 2\%) = \$123,581$, which represents their 2021 step 2 salary. In 2022, they shall receive the top step rate frozen at the 2020 rate when scheduled to move to the top rate.

4. The Village agrees that should it become economically necessary at any point between the execution of this agreement and the two-year wage freeze period, as set forth in paragraph 3 above, to institute layoffs or demotions in the SOA negotiations unit, the Village will pay all SOA negotiating unit employees all amounts of wages previously (i.e. all wages back to **January 1, 2021**) subject to the wage freeze agreed to herein and which wages were frozen in either the first or second year of the wage freeze regardless of whether the employees were subject to lay-off or demotion. This clause is in recognition and in reliance upon the parties understanding that a reduction of the personnel within the unit would result in an increase in workload and that other reductions in work opportunities would be difficult to quantify.
5. All other terms of the existing collective negotiations agreement including longevity payments shall remain in full force and effect, excepting base wages, as modified by this Memorandum.
6. The parties agree that the SOA may request that the parties engage in negotiations on other negotiable terms and conditions of employment set forth in the current SOA collective negotiations agreement due to expire December 31, 2020, except for base wages and the agreed-upon freeze. If the parties cannot agree on a successor agreement on other terms and conditions of employment, either party may invoke statutory rights on terminal procedures for a successor agreement and put any issue before a mediator or arbitrator except for wages for years 2021 and

2022 and the agreed-upon freeze for those years.

FOR SOA LOCAL NO. 12A

**FOR THE VILLAGE OF SOUTH
ORANGE**

St A. DiEsse

ALAN DIESSO, PRESIDENT

DATED: 5-27-2020

ADAM LOEHNER, ADMINISTRATOR

DATED: _____

TOWNSHIP OF SOUTH ORANGE VILLAGE

RESOLUTION APPROVING AND RATIFYING A MEMORANDUM OF AGREEMENT
WITH AND AMONG THE TEAMSTERS LOCAL 125 AND THE TOWNSHIP OF
SOUTH ORANGE VILLAGE

WHEREAS, the Teamsters Local 125, and the Township of South Orange Village (collectively the "Parties") have previously executed a collective bargaining agreement (the "Agreement"); and

WHEREAS, upon the Township of South Orange Village's request, the Parties agree to reopen the Agreement for voluntary negotiations limited to various issues, which are within the scope of management prerogative, and shall remain so; and

WHEREAS, the Parties propose to enter into a written Memorandum of Agreement ("MOA") allowing the Parties to reopen the Agreement for voluntary negotiations limited to issues contained in the MOA with respects to a successor collective negotiations agreement, a copy of which is attached hereto as Exhibit A and signed by representatives of the Parties; and

WHEREAS, the MOA was expressly made subject to the approval and ratification of the Board of Trustees.

NOW, THEREFORE, be it Resolved by the Board of Trustees of the Township of South Orange Village that the Memorandum of Agreement, annexed hereto as Exhibit A, is hereby approved and its execution ratified by the Board of Trustees.

#

Trustee Member	Motion	Second	Ayes	Nays	Abstain	Absent
Clarke						
Coallier						
Hartshorn Hilton						
Jones						
Schnall						
Zuckerman						

CERTIFICATION

I, Kevin D. Harris, Village Clerk of the Township of South Orange Village, County of Essex, State of New Jersey, do hereby certify that this is a true and correct copy of the Resolution adopted by the Board of Trustees at their special meeting held on Monday, June 1, 2020.

Kevin D. Harris
Village Clerk

MEMORANDUM OF AGREEMENT

WHEREAS, the Township of South Orange Village (“Village”) and Teamsters Local 125 (“Union”) are parties to a Collective Negotiations Agreement (“CNA”) with an effective date of January 1, 2019 through December 31, 2023; and

WHEREAS, the Village, due to lost revenue and further anticipated future lost revenue as a result of the COVID-19 pandemic, approached the Union seeking concessions and modifications to the CNA to avoid layoffs, involuntary furloughs and demotions of Union employees; and

WHEREAS, the Village and the Union have engaged in discussions and negotiations to avoid layoffs, involuntary furloughs and demotions of Union employees; and

WHEREAS, the Village and Union have reached agreement on a modification to the parties current CNA to avert layoffs, involuntary furloughs and demotions Union employees.

NOW, THEREFORE, for good and valuable consideration, the existence of which is agreed to by the parties, the Village and the Union hereby agree to this Memorandum of Agreement (“MOA”) as a modification of the parties’ CNA effective January 1, 2019 through December 31, 2023 as follows:

1. All terms of the existing CNA shall remain in full force and effect except as modified by this MOA.
2. Article 19, *Wages*, of the CNA addresses wage increases for Union employees in each year of the contract, and which are more specifically set forth in the new salary guides created as a result of negotiations for the 2019-2023 CNA.
3. Article 19, Section 1 will be amended as follows:

“Employees in Guide

Effective July 1, 2020, employees in the step guide agree to a wage freeze of 2% for 2020 and 2% for 2021. Employees will move on the guide in 2020 and 2021, but will not receive the concomitant 2% increase associated with each new step.

Employees who may be moving from Step 9 to Step 10 in either 2020 or 2021 will receive only a 2% increase in pay instead of the anticipated 4% increase.

Effective July 1, 2022, employees in guide will move to the next step and receive the salary associated with that step.

For the contractual year 2022 and the raise applicable over the period of 7/1/22 to 12/31/22, for employees that move from Step 9 to Top Step in the freeze years, such employees will receive salary increases on 7/1/22 to correct guide salary and the 2% raise as stated in the CNA will be applied to this increased amount for the remainder of the year.

Employees at Top Step

Effective January 1, 2021, employees at top step in the guide will not receive their anticipated 2% raises and will be frozen at their salary rate as of December 31, 2020 for the years 2021 and 2022.

Effective January 1, 2023, employees at top step will move to the rate of pay associated with their title for the year 2023.”

See attached Exhibit A, which is made part of this Agreement.

4. The Village agrees that should it become economically necessary at any point during the two-year wage freeze period, as set forth in paragraph 3 above, to institute layoffs, involuntary furloughs or demotions in the Local 125 negotiations unit, the Village will pay all Local 125 negotiating unit employees all amounts of wages previously (i.e. all wages back to **July 1, 2020** for employees in steps and back to **January 1, 2021** for employees at top pay) subject to the wage freeze agreed to herein and which wages were frozen in either the first or second year of the wage freeze regardless of whether the employees were subject to lay-off or demotion. For any/all employees subject to layoffs, involuntary furloughs or demotions, the frozen wages repaid to employees will be calculated based upon the employees’ base amount prior to the demotion. The Village further agrees that there will be no elimination of job titles/classifications in connection with the Covid-19 crisis.

Notwithstanding the preceding, this provision of repayment of wages, however, shall not apply to shared service agreements, interlocal agreements, intralocal agreements, or third-party provider agreements entered into by the Village that may result in layoffs or job loss by unit employees during the two-year wage freeze period.

5. The Village agrees to take all reasonable measures to assist Local 125 negotiating unit members in applying for any federal money that essential personnel may be entitled to due to future legislation (i.e. Heroes Fund Bill) without the guaranteeing any result. If awarded, such funds are agreed to be exempt from consideration in future contract negotiations.

6. This MOA modifying the parties current CNA will become effective only upon ratification by the Village Board of Trustees and Union members.

7. The Union agrees to put this MOA to its members for a ratification vote and inform the Village Administrator of the outcome.

8. If the Union ratifies this MOA modifying the parties CNA then the Village Administrator will place this MOA before the Village Board of Trustees for ratification at its next public meeting.

So agreed.

Tony Petillo, President, IBT Local 125

Date

Adam Loehner, Village Administrator

Date

EXHIBIT A

SALARY EXAMPLES

Ken Greene and Dave Ruscansky

7/1/20 Step 9 - 2% raise freeze at current salary of \$63,566.22. (instead of \$64,837.54)

7/1/21 Raise to Top step salary minus 2% freeze = \$66,159.72 (instead of \$67,431.04)

1/1/22 Raise to OFF 1 salary minus 2% freeze = \$67,431.04 (instead of \$68,779.76)

7/1/22. Raise to full OFF1 salary of \$68,779.76 (Correct Rate of 2022)

1/1/23 Raise to OFF2 salary rate of \$70,155.35 (Correct Rate for 2023)

12/31/23. Contractual 1% raise to \$70,856.90

END OF CONTRACT

Dan Koenemund

7/1/20 Raise to TOP STEP salary minus 2% freeze = \$70,006.80 (instead of \$71,379.48)

1/1/21 Raise to OFF 1 salary minus 2% freeze = \$71,406.93 (instead of \$72,807.07)

1/1/22 Raise to OFF 2 salary minus 2 freeze = \$72,835.07 (instead of \$74,263.21)

7/1/22 Raise to full OFF 2 salary = \$74,263.21 (Correct rate of 2022)

1/1/23 Raise to Off 3 salary = \$75,748.48 (Correct rate of 2023)

12/31/23 1% contractual raise = \$76,505.96

END OF CONTRACT

All employees currently on Salary Guide at Step 1 to Step 7

7/1/20 Employees will move to the next higher step, but salary remains frozen at the rate of 6/30/20.

7/1/21 Employees will move to the next higher step, but salary remains frozen at the rate of 6/30/20.

7/1/22 Employees will move to the next higher step and receive the salary associated with that step in the salary guide.

1/1/23 Nick Donantoni (who hit top pay on 7/1/22) will receive 2% raise for year 2023.

7/1/23 All other employees still in steps shall move to the next higher step and receive the salary associated with that step in the salary guide.

12/31/23 All Employees receive 1% contractual raise in accordance with the Teamsters contract.

END OF CONTRACT

Employees at TOP SALARY STEP currently

1/1/21 - 2% raise frozen at 2020 rate

1/1/22 - 2% raise frozen at 2020 rate

1/1/23 - Employees will be placed at the rate they would have been, but for the wage freeze, i.e. Off 3. THUS, EMPLOYEES WILL BE AT THE OFF 3 RATE FOR THEIR TITLE AS FOLLOWS: OFF 1 IN 21; OFF 2 IN 22; AND OFF 3 IN 2023, WITH EACH YEAR BEING A 2% RAISE ABOVE PRIOR YEAR.

12/31/23 - 1% contractual raise for all employees in accordance with the Teamsters contract.

END OF CONTRACT

TOWNSHIP OF SOUTH ORANGE VILLAGE

RESOLUTION AUTHORIZING THE TOWNSHIP OF SOUTH ORANGE VILLAGE TO EFFECTUATE THE NECESSARY REDUCTION IN OPERATING EXPENSES INCLUSIVE OF FURLOUGHS, DEMOTIONS AND LAYOFFS AND PROVIDE ANY NECESSARY PAPERWORK AND SUPPORTING MATERIALS TO THE NEW JERSEY CIVIL SERVICE COMMISSION (NJCSC).

WHEREAS, since March 2020, New Jersey has been operating under a State of Emergency due to COVID-19 whereby schools and non-essential businesses have been closed, and the public has been under stay at home orders; and

WHEREAS, in mid-April, the Board of Trustees modified its original budget to include projected revenue losses reducing an 11% tax increase to a 2.7% increase; and

WHEREAS, in order to deliver a balanced budget, limit increases to taxpayers and avoid employee furloughs, demotions and layoffs, the Board of Trustees took the following actions:

1. Deferred previously anticipated new hires throughout various departments
2. Reduced the Capital Improvement Fund
3. Implemented 10% cuts to all service agreements
4. Eliminated/reduced various professional service agreements
5. Utilized a one-time asset sale from a redevelopment project
6. Applied the maximum amount of fund balance, per policy, from savings

WHEREAS, in addition to the aforementioned items, the Board of Trustees asked all employees including management, non-union and union employees to share in the sacrifice by forgoing a 2% "pay raise" for a 2-year period; and

WHEREAS, if a union employee was anticipating larger than a 2% pay raise as per their collective bargaining step guide, they were asked to contribute the equivalent of 2%; and

WHEREAS, a meeting was held with local union leaders to communicate that the Village was seeking their participation to achieve two goals: 1) ensure all existing employees remain employed and 2) limit increases on our taxpayers who are financially suffering; and

WHEREAS, over 1.1 million New Jersey resident are unemployed, a 15% unemployment rate, and many others have received reductions in salary and/or wage freezes; and

WHEREAS, the Village worked diligently and in good faith to reach agreements with all parties; and

WHEREAS, two of five unions agreed to the proposal including the Teamsters Union and South Orange Police Department Superior Officers Association in addition to all Managers and non-union personnel; and

WHEREAS, the Fire Department Superior Officers Union and Firefighters Union declined and the Police Department Patrol Officers Union declined.

THEREFORE, BE IT RESOLVED, that the Board of Trustees does hereby authorize the Village Administrator and Village Labor Counsel to take the following actions:

1. Draft and submit layoff plans to the New Jersey Civil Service Commission, for reasons of efficiency and economy as identified herein, to achieve the necessary reduction in operating expenses through the demotions and/or layoffs of permanent civil service employees of the Village.
2. Identify and submit recommendations to the Board of Trustees adjustments relating to existing Tables of Organizations, minimum staffing and overtime expenses.

#

Trustee Member	Motion	Second	Ayes	Nays	Abstain	Absent
Clarke						
Coallier						
Hartshorn Hilton						
Jones						
Schnall						
Zuckerman						

CERTIFICATION

I, Kevin D. Harris, Village Clerk of the Township of South Orange Village, County of Essex, State of New Jersey, do hereby certify that this is a true and correct copy of the Resolution adopted by the Board of Trustees at their special meeting held on Monday, June 1, 2020.

Kevin D. Harris
Village Clerk