

MINUTES OF SPECIAL MEETING
NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION
August 23, 2012
10:00 a.m.
495 West State Street
Trenton, New Jersey

The meeting was called to order by Chair P. Kelly Hatfield.

Present were:

Commissioners:

John Bonanni
Paul Boudreau
David Jones
Paula Voos

Also present were:

David Gambert, Deputy General Counsel
Mary E. Hennessy-Shotter, Deputy General Counsel
Don Horowitz, Deputy General Counsel
Christine Lucarelli-Carneiro, Deputy General Counsel
Martin R. Pachman, General Counsel
Annette Thompson, who acted as Stenographer

At the commencement of the meeting, Chair Hatfield, pursuant to section 5 of the Open Public Meetings Act, entered this announcement into the minutes of the meeting:

Adequate notice has been provided by the dissemination of a written "Notice of Special Meeting."
On August 17, 2012 a copy of such notice was:

(a) prominently posted in a public place at the offices of the Public Employment Relations Commission;

(b) sent to the business offices of the Trenton Times, the Bergen Record, and the Camden Courier Post, as well as to the State House press room addresses of 25 media outlets;

(c) mailed to the Secretary of State for filing; and

(d) posted on the agency's web site.

A roll call was initiated to confirm the Commissioners that were present and participated via the telephone conference call. Commissioners Eskilson and Wall were not present because they were both recused from voting on this case.

The first case for consideration was the draft decision in County of Hudson and PBA Local 109, Docket No. IA-2012-046. Commissioner Bonanni moved the draft decision and Commissioner Boudreau seconded the motion. Commissioner Jones stated that this particular ruling is a gross violation of the due process rights of the union. First, they rule on a case going forward as to what the fiscal impact is going to be. Second, we do not know that we are going to still be governed by a 2% rule. The arbitrator made a ruling to cease the expiration of the contract in 2012. The Chair responded that the arbitrator backs up the award and that is why we affirm it. Commissioner Jones asked how can the arbitrator affirm something that they are not empowered to do. The Chair responded that the arbitrator is concerned that the step increments are large. Hudson County has a long history of resolving their contract disputes through interest arbitration. There would be certain groups of police officers that might suffer more if they start paying those increments. That is what the arbitrator is stating in the award. Commissioner Jones stated that the arbitrator assumes there is going to be the implementation of this 2% cap. Commissioner

Jones stated that the arbitrator negotiated for the County and gave the union no voice. Chair Hatfield responded that there is nothing to say that the next round of negotiations is not going to allow all the members to move up to the next step increment. The arbitrator is making sure that they are capable of awarding the contract under the existing laws going forward. Commissioner Voos asked if we needed some economic analysis to back the assertion about the cost of a step movement. Mr. Horowitz responded that the arbitrator wrote a 139 page opinion. In that opinion she did set forth the guide that has salary step increments. There is a figure in the award indicating how many officers are at the top step and how many are still on the guide. There is a dual track guide, there is one salary guide for new hires or recent hires and one salary guide for existing officers, and some of those steps represent a double-digit percentage raise. This information comes from the arbitration award. There is an analysis in the award about how much the increases are for those officers that are still not at the top step of the salary guide. Commissioner Voos stated that the reason that the arbitrator limits the automatic step increases at the end of the contract, there is an assertion that somehow that might be more than the 2%. Mr. Pachman stated that the evidence is in footnote number five of the draft decision from which Mr. Horowitz just related this information to you. It shows the number of people

who are at the top of the guide, therefore, the rest of the unit is moving through the steps and the magnitude of those particular increments demonstrate that the numbers will simply not work out. The arbitrator leaves the field open for them to agree or not to agree to future increments. Ms. Hennessy-Shotter stated that this is not the first interest arbitrator to do this. There is an internal pattern argument that could be made. This is not unique. Commissioner Boudreau stated that in the brief there was a disagreement as to what the situation was in Hudson County with other units and wouldn't this unit be a deviation going into 2013 and 2014 relative to the issue of steps based on what the County's strategy is and what the status is of other units. Mr. Pachman responded he did not know what the County's strategy is, and it does not matter. The point is that the arbitrator made a determination here that given the structure of the guide that they were dealing with, the duration should not exceed the end of 2012. The arbitrator has the right to do this and they exercised that right. One of the main factors sighted is that at the end of 2012 every other Hudson County law enforcement unit contract will expire and going forward the arbitrator felt it was in the best interest of the parties and the public that all the law enforcement contracts be considered at the same time. The draft decision was approved by a vote of three in favor (Chair

Hatfield, Commissioners Bonanni and Boudreau), and two opposed (Commissioners Jones and Voos).

Commissioner Bonanni made a motion to adjourn the meeting and Commissioner Boudreau seconded the motion. The motion was unanimously approved. The meeting was then adjourned.

The next regularly scheduled meeting is scheduled to be held on Thursday, September 6, 2012.