

AGREEMENT

BETWEEN

OFFICE & PROFESSIONAL EMPLOYEES INTERNATIONAL UNION,
LOCAL 153, AFL-CIO

AND

TOWNSHIP OF VERONA

JANUARY 1, 2008 – DECEMBER 31, 2010

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ARTICLE I
PREAMBLE

- A. This Agreement, with an effective date of January 1, 2008 entered into this 1st day of January, 2008 by and between Township of Verona in the County of Essex, a Municipal Corporation of the State of New Jersey, hereinafter called the "TOWNSHIP" and Office and Professional Employees International Union, Local 153 AFL-CIO (OPEIU) duly appointed representative hereinafter called the "UNION", represents the complete and final understanding on all bargainable issues between the Township and the Union.

- B. The Employer recognizes the Union as the sole and exclusive bargaining representative of all permanent full-time and permanent part-time employees working at least twenty five (25) hours per week blue and white collar employees excluding Confidential Secretary to Township Manager, department heads, any and all supervisory personnel, school crossing guards, craft workers, police, firemen, confidential employees and all other Township employees.

- C. Permanent part-time employees are entitled to pro-rate benefits in accordance with State Health Benefits.

- D. Supervisory personnel are defined as personnel assigned the responsibility to develop work schedules, assign employees to perform specific tasks, evaluate and discipline employees under their supervision.

ARTICLE II – MANAGEMENT RIGHTS

- A. The Township of Verona hereby retains and reserve unto itself, all powers, rights, authority, duties and responsibilities conferred upon and vested in it prior to the signing of this Agreement by the laws and constitution of the State of New Jersey and of the United States, including but without limiting the generality of the foregoing the following rights:
1. The executive management and administrative control of the Township Government and its properties and facilities and activities of its employees utilizing personnel methods and means of the most appropriate and efficient manner possible as may from time to time be determined by the Township.
 2. To make rules of procedure and conduct to use improved methods and equipment, as well as duties, to decide the number of employees needed for any particular time and to be in sole charge of the quality and quantity of work required.
 3. The right of management to make such reasonable rules and regulations as it may from time to time deem best for the purpose of maintaining order, safety and/or the effective operation of the Department after advance notice thereof to the employees to require compliance by the employees is recognized.
 4. To hire all employees, whether permanent, temporary or seasonal, to promote, transfer, assign or retain employees in positions within the Township.
 5. To set rules of pay for temporary or seasonal employees.
 6. To suspend, demote or take any other appropriate actions against any employee for good and just cause according to law.
 7. Nothing contained herein shall prohibit the Township from contracting out any work.
 8. To layoff employees in the event of lack of funds or under conditions where continuation of such work would be inefficient and nonproductive.
 9. The Township reserves the right to all other conditions of employment not reserved to make such changes as it deems desirable and necessary for the efficient and effective operation of the various Departments.
- B. In the exercise of the foregoing powers, rights, authority, duties and responsibilities of the Township, the adoption of policies, rules, regulations, code of Conduct and practices in the furtherance therewith, and the use of judgment and discretion in connection therewith, shall be limited only by the specific and

expressed terms hereof in conformance with the constitution and laws of New Jersey and of the United States.

- C. Nothing contained herein shall be construed to deny or restrict the Township of its rights, responsibilities and authority under N.J.S.A. 40A:1-1 et.seq. or any national, state, county or local laws or regulations.
- D. The parties recognize that the exercise of managerial rights is a responsibility of the Township on behalf of the taxpayers and that the Township cannot bargain away or eliminate any of its managerial rights.

ARTICLE III – MAINTENANCE OF WORK OPERATIONS

- A. The Union hereby covenants and agrees that during the terms of this Agreement, neither the Union nor any person acting in its behalf will cause, authorize or support, nor will any of its members take part in any strike (i.e. the concerted failure to report for duty or willful absence of any employees from his position, stoppage of work, of absence in whole or in part, from the full faithful and proper performances of the employee's duties or employment) work stoppage, slow-down, walk-out or other illegal job action against the Township.
- B. The Union agrees that any strike is a breach of contract and that such act removes all impediment from and permits the Employer to dismiss or to otherwise discipline employees taking part in that breach of contract.
- C. The Union agrees that it will make every reasonable effort to prevent its members from participating in any strike, work stoppage, slow-down or other activity aforementioned or from supporting any such activity by any other employee or group of employees of the Township and that the Union will publicly disavow each action and order all such members who participate in such activities to cease and desist from same immediately and to return to work, and take such other steps as may be necessary under the circumstances to bring about compliance with the Union order.
- D. Nothing contained in this Agreement shall be construed to limit or restrict the Township in its right to seek and obtain such judicial relief as it may be entitled to have in law or in equity for injunction or damages, or both in the event of such breach by the Union or its members.

ARTICLE IV – GRIEVANCE PROCEDURE

- A. The purpose of this procedure is to secure, at the lowest possible level, an equitable solution to the problem which may arise affecting the term and conditions of employment under this Agreement.
- B. Nothing herein shall be construed as limiting the right of any employee having a grievance to discuss the matter informally with an appropriate member of the department.
- C. With regard to employee, the term “grievance” as used herein means an appeal by an individual employee or group of employees, from the interpretation, application or violation of the terms and conditions of this Agreement. With regard to the Township, the term “grievance” as used herein shall mean a complaint or controversy of the terms and conditions of this Agreement only.
- D. The following constitutes the sole and exclusive method for resolving grievances between the parties covered by this Agreement, and shall be followed in its entirety unless any steps are waived by mutual consent:

Step One: The Union shall institute action under the provisions hereof within ten (10) calendar days after the event giving rise to the grievance has occurred, and an earnest effort shall be made to settle the differences between the aggrieved employee and the immediate supervisor for the purpose of resolving the matter informally. Failure to act within said ten (10) calendar days shall be deemed to constitute an abandonment of the grievance.

Step Two: If no agreement can be reached orally within five (5) calendar days of the initial discussion with the immediate supervisor or his designated representative, the written grievance at this Step shall contain the relevant facts and a summary of the preceding oral discussion. The applicable Section of this contract violated, and the remedy requested by the grievant. The immediate supervisor or his/her designated representative will answer the grievance in writing within five (5) calendar days of receipt of the written grievance.

Step Three: If the Union wishes to appeal the decision of the immediate supervisor, such appeal shall be presented in writing to the Township Manager within five (5) working days thereafter. This presentation shall include copies of all previous correspondence relating to the matter in dispute. The Township Manager shall respond in writing to the grievance within five (5) calendar days of the submission.

Step Four: Within five (5) days exclusive of designated holidays and Saturdays and Sundays of the Township Manager’s decision the Union may apply to the Public Employment Relations Commission (PERC) for binding arbitration. The selection of an Arbitrator and the arbitration shall

be in accordance with the rules and procedures of PERC. Simultaneously, with application to PERC, the Union will send notice to the Employer of its arbitration position.

- a. The decision of the Arbitrator shall be in writing and shall include the reasons for such decision.
 - b. The decision of the Arbitrator shall be binding upon the Employer and the Union and the employee.
 - c. The parties may direct the Arbitrator to decide, as to a preliminary question, whether he has jurisdiction to hear and decide the matter in dispute. The costs for the services of the arbitrator shall be borne equally by the Union and the Township. Any other expenses, including but not limited to the presentation of witnesses, shall be paid by the parties incurring same.
 - d. The Arbitrator shall be bound by the provisions of this Agreement and the Constitution and Laws of the State of New Jersey, and be restricted to the application of the facts presented to him involved in the grievance. The arbitrator shall not have the authority to add to, modify, detract from any way the provisions of this Agreement or any amendment or supplement thereof. Only one (1) grievance at a time may be submitted to arbitration.
- E. Upon prior notice and authorization of the Township Manager, the designated Union Representative shall be permitted as a member of the Grievance Committee to confer with employees and the Township on specific grievances in accordance with the grievance procedure set forth herein during work hours of employees without loss of pay, provided the conduct of said business does not diminish the effectiveness of the Township of Verona or require the recall of off duty employees.
- F. The time limits expressed herein shall be strictly adhered to. If any grievance has not been initiated within the time limits specified, then the grievance is not processed to the next succeeding step in the grievance procedure within the time limits prescribed thereunder, then the disposition of the grievance at the last preceding step shall be deemed to be conclusive. If a decision is not rendered within the time limits prescribed for decision at any step in the grievance procedure, then the grievance shall be deemed to have been denied. Nothing herein shall prevent the parties from mutually agreeing to extend or contract the time limits for proceeding, the grievance at any step in the grievance procedure.

ARTICLE V – SALARIES & LONGEVITY

- A. Effective January 1, 2008, all employees shall receive an increase of 4% above their 12/31/07 base rate.
- B. Effective January 1, 2009, all employees shall receive an increase of 4% above their 12/31/08 base rate.
- C. Effective January 1, 2010, all employees shall receive an increase of 4% above their 12/31/09 base rate.
- D. The value of the annual increment for each labor grade shall be determined as follows:

The minimum shall be subtracted from the maximum and that difference shall be divided by 8. This number shall represent the annual increment for each labor grade payable on January 1st of each year. (See Schedule A).

- E. In addition to annual salaries, employees on payroll prior to 01/01/96 shall receive longevity compensation added to base salary according to the following schedule:

5 through 10 years.....	2%
11 through 15 years	4%
16 through 20 year.....	6%
21 through 25 years.....	8%
25 years plus.....	10%

- F. Employees hired after 12/31/95 shall not be eligible for longevity increases.

ARTICLE VI – OVERTIME

A. Overtime will be kept to a minimum except in cases of emergency, and must be authorized in advance by the Department Head. The reasons for the granting of overtime shall be noted on the time report and certified by Department Head.

B. Overtime shall be computed and payment made on the following basis:

1. Up to the first fifteen (15) minutes – no pay
2. Fifteen (15) through forty-five (45) minutes – 30 minutes pay at overtime rate.
3. Forty-five (45) through sixty (60) minutes – 1 hour pay at overtime rate.

C. Any employee who is recalled for any purpose shall receive a minimum of three (3) hours pay at the overtime rate. This provision is not applicable for recall, which is contiguous with the front or back side of the employee's work schedule. The Township retains the right in its sole discretion to retain the employee for the full minimum callout.

ARTICLE VII – VACATIONS

- A. All vacation time should be used in the current year. The employee has the right to carry over up to a maximum of one year's vacation. At the end of the next year he/she loses such time if not used.
- B. Employees must submit vacation preference by March 1st of each year. Failure to timely submit such request shall result in the employee receiving left over vacation time. Timely requests for the same vacation shall be resolved by seniority in the following manner:

In the order of seniority each employee in a department may select his/her first vacation period.

When all employees have selected a first vacation period the process will be repeated for a second vacation period. The process will be repeated until all vacations have been selected. Vacations will normally be taken in increments of at least four (4) days or more.

- C. When an employee requests permission to use an individual vacation day such requests shall be granted at the discretion of the Department Head.
- D. Any employee who is on leave of absence (i.e. injury leave or unpaid leave) shall have his/her vacation leave for the year prorated for the time absent.
- E. Changes in the scheduling of vacations will not be permitted without the prior approval of the Department Head.
- F. If for any reason an employee's vacation is cancelled or not taken as scheduled, the vacation may be rescheduled with the approval of the department head.
- G. Employees hired after October 16, 1987, shall enjoy the following vacation schedule:
 - 1. 0-1 year pro-rata share of 10 days;
 - 2. completion of 1st year through completion of 2nd year – 10 days;
 - 3. completion of 2nd year through completion of 3rd year – 11 days;
 - 4. completion of 3rd year through completion of 4th year – 12 days;
 - 5. completion of 5th year through completion of 12th year – 15 days;
 - 6. completion of 12th year through completion of 20th year – 20 days;
 - 7. completion of 20th year on – 25 days
- H. Employees hired prior to October 16, 1987 shall enjoy the following vacation schedule:
 - 1. Date of hire to December 31st of year of appointment – 1 day per month.
 - 2. Completion of one (1) year through the completion of five (5) years – 12 days.

3. From five (5) years through the completion of twelve (12) years – 15 days.
 4. From the completion of twelve (12) years through the completion of twenty (20) years – 20 days.
 5. Twenty (20) years forward – 25 days
- I. Any employee who is laid off, retired or separated from the service of the Employer for any reason, prior to taking his/her vacation, shall be compensated in cash for the unused vacation he/she has earned at the time of separation. For the current year earned vacation is computed on the basis of 1/12th of the annual entitlement for each month up to time of separation. Any employee active as of April 1 shall be entitled to full compensation for that year.

ARTICLE VIII – SICK LEAVE

- A. Sick leave is hereby defined to mean absence from post or duty because of illness, accident or exposure to a contagious disease requiring isolation. Sick leave may not be used for personal business.
- B. All employees with more than one (1) year of service shall be eligible for fifteen (15) sick days per year. Employees hired after October 16, 1987 shall receive sick leave benefits under the following schedule:
 - 1. First year of employment – 9 days;
 - 2. Second year of employment – 12 days
 - 3. Third year of employment and thereafter –15 days
- C. The appointing authority may require proof of illness of an employee on sick leave over three (3) days whenever such requirement appears reasonable. Abuse of sick leave shall be cause for disciplinary action up to and including discharge. In all cases of reported illness or disability suffered by an employee, the Township reserves the right to send for a Medical Physician to examine the reports on the condition of the patient to the Department Head.
- D. During the protracted periods of illness or disability of an employee, the Department Head may require interim reports on the condition of the patient at weekly or bi-weekly periods from attending physician and/or Township medical physician.
- E. The rules, which follow, apply to the payment of salaries during periods of illness or disability for regular permanent full-time employees. Temporary and seasonal employees are not entitled to compensation for such absences.
- F. No employee shall be allowed to work and endanger the health and well being of other employees and if the employee's conditions warrants, the employee may be directed to take sick leave. The Department Head may direct the employee to the Township physician for an opinion as to the eligibility of the employee to be absent from work.
- G. Sick leave with pay shall not be allowed under the following conditions:
 - 1. When the employee does not report to the Township physician.
 - 2. When the supervisor is unable to contact the employee within twenty-four (24) hours.
- H. The recommendation of the Township medical physician as well as those of the attending physician as to the justification for the absence from duty on account of disability or illness or the fitness of the employee to return to duty shall be considered by the Department Head. The Department Head reserves the right in such cases where there is a difference of professional opinion between the Township physician and the personal physician to require the employee to submit to an examination by a doctor. If the Township selects the third doctor (family service), the Township shall

pay for such visit. The employee agrees to submit the doctor visit to his /her insurance company for reimbursement payable to the Township.

- I. In charging an employee with sick leave, the smallest unit to be considered is one-half (1/2) of a working day.
- J. Sick leave shall not be allowed for such things as dental care, nor for any other professional services that may be normally scheduled within the employee's regular off time. The utilization of sick leave for elective medical procedures will not be considered without sufficient medical evidence to substantiate the necessity of scheduling the medical or dental services during the work day.
- K. If an employee is absent from work for reasons that entitle him to sick leave, the Department Head or his/her designated representative shall be notified as early as possible, but no later than fifteen minutes after the start of the scheduled work shift from which he/she is absent. Failure to notify the Department Head or his/her designated representative may be cause for denial of the use of sick leave for that absence and constitute cause for disciplinary action. An employee who is absent for two (2) consecutive days or more and who does not notify his/her Department Head or some other responsible representative of the Township during the first two (2) days may be subject to dismissal. Habitual absenteeism or tardiness may be cause or discipline up to and including discharge.
- L. Any employee who calls in sick for the purpose of engaging in outside employment shall be subject to immediate discharge.
- M. Any employee who engages in outside employment while on sick leave without the permission of the Department Head shall be subject to disciplinary action up to and including discharge.
- N. Employees shall receive sick pay accumulated at retirement pursuant to the existing personnel policies.
- O. Employees hired by the Township after January 1, 1978 may accrue sick leave up to a maximum of one hundred (100) days.
- P. Employees who were hired by the Township prior to January 1, 1978 may accrue sick leave time up to a maximum of two hundred twenty five (225) days.
 - Option I be reimbursed for accumulated sick time at full rate of pay at retirement to be paid at retirement in a lump sum
 - Option II convert accumulated sick leave time into a vacation at full pay to be taken anytime before the effective date of retirement.

ARTICLE IX – FUNERAL LEAVE

- A. In the event of death in the employee's immediate family, the employee shall be granted time off without loss of pay from the day of death up to and including the day of the funeral, but in no event shall said leave exceed four (4) consecutive days.
- B. The immediate family shall include only husband, wife, child, foster child, parents, grandparents, grandchild, sister, sister-in-law, brother, brother-in-law, father-in-law, mother-in-law, or relative residing in the employee's home for at least one (1) year.
- C. Reasonable verification of the event may be required by the Township.
- D. Such bereavement leave is not in addition to any holiday, day off, vacation leave or compensatory time off falling within the time of the bereavement.
- E. Employees whose religious preference dictates, may commence funeral leave on the date of death or the date of burial. Duration of such leave shall be limited to four (4) consecutive calendar days or the end of Shiva, whichever is less.

ARTICLE X – INSURANCE

- A. The Township shall provide hospitalization insurance, dental coverage and major medical insurance. Any difference in cost between an HMO and the Township insurance coverage shall be borne by the individual employee.
- B. The Township has the right to change insurance carriers or institute a self-insurance program so long as the same or substantially similar benefits are provided.
- C. Each employee shall receive \$150. per year as per past practice payable by November 1st.
- D. Employees shall have the option of declining medical coverage authorized and provided for in paragraph A of this Article and in return shall receive 40% of the annual premium in cash for the benefits they were previously receiving. Payment of this money shall occur on December 1 of each year during such exercise of this option.

In the event the employee re-enrolls for medical coverage, such re-enrollment shall be as required by the rules and regulations of the State Health Benefits fund. Payment of the aforementioned 40% shall be prorated for the months that no medical coverage is provided.

- E. Employees hired after 12/31/95 shall not be eligible for Retirees Medical Coverage. Employees on payroll prior to 1/1/96 who "bought in" while actively employed shall continue to receive medical benefits coverage for the employee and spouse at the time of retirement.

ARTICLE XI – HOLIDAYS

- A. All employees shall receive credit for a day off for the following fourteen (14) holidays:

New Year's Day	Columbus Day
Lincoln's Birthday	*General Election Day
President's Day	Veterans' Day
*Good Friday	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Day before Christmas
Labor Day	Christmas

- B. Any employee who is on leave of absence (i.e. injury leave or other unpaid leave) shall not be eligible for paid holidays which fall during the employee's leave of absence.
- C. Good Friday and General Election (*) may be used or either alternate holidays or religious holidays of the individual employee's choice. Election of such use must be made at least thirty (30) days prior to the elected day or the day it replaced, whichever is sooner.
- D. Paid holidays referred to herein which fall on a Saturday shall be observed on the preceding Friday. Paid holidays falling on a Sunday shall be observed on the following Monday.
- E. Police Dispatchers – Holidays observed on regular workdays, employee off with pay. Holidays occurring on employee's first regularly scheduled day off are to be observed on the last workday preceding the holiday. Likewise holidays occurring on the employee's regularly scheduled second day off is observed on the next workday following the holiday.

ARTICLE XII – WORK INCURRED INJURY

- A. Employees who are injured, whether slightly or severely while working must make an immediate report within eight (8) hours thereof to the Department Head.
- B. Employees may not return to work without a certification from his/her physician that he/she is capable of returning to work.

ARTICLE XIII – MILITARY LEAVE

- A. Any full-time employee who is a member of the National Guard, Naval Militia, Air National Guard or a Reserve component of any of the Armed Forces of the United States and is required to engage in field training shall be granted as is authorized by law. This paid leave of absence shall be in addition to his/her vacation.
- B. If the amount of pay the employee receives from the federal or state government for temporary training duty (a period not to exceed fifteen (15) consecutive calendar days of training) is less than the base compensation which he would have received for the same period, he/she shall be paid the difference by the Township. All eligible employees are required to submit a copy of their military pay voucher before the Township is required to comply with the provision.
- C. When an employee not on probation has been called to active duty or inducted into the military or naval forces of the United States, he/she shall automatically be granted an indefinite leave of absence without pay for the duration of such active military service and all employee benefits shall cease. Such employee may be reinstated without loss of privileges or seniority accrued to the last day worked, provided he/she reports for duty with the Township within sixty (60) days following his/her honorable discharge from the military service and provided he/she has not voluntarily extended the length of his/her military service.
- D. If the military service occurs during a time of war, reinstatement will be allowed up to three (3) months after the date of honorable discharge unless the employee is incapacitated at the time of discharge, in which case reinstatement will be allowed up to three (3) months following his/her recovery so long as the recovery occurs within two (2) years from the date of discharge.
- E. "Active Duty" shall mean more than fifteen (15) days service.

ARTICLE XIV – LEAVE OF ABSENCE

- A. Any employee may request a leave of absence without pay, not to exceed thirty (30) continuous calendar days, by submitting in writing all facts bearing on the request to his/her supervisor, who will append his/her recommendations and forward request to Township Manager. The Township Manager will consider each such case on its own merits, and a decision in one case shall in no event be deemed to have established a precedent in another. Any extension of time should be at the discretion of the Manager. Such leave of absence shall not be deemed to be part of the term of employment. Holidays occurring within the period of an excused absence or leave of absence are part of the absence if the employee is not available for work. Such decision is non-grievable.

ARTICLE XV – DISCRIMINATION AND COERCION

- A. The employer and the Union agree that there shall be no discrimination against any employee because of race, creed, color, religion, sex, national origin or political affiliation.

- B. The Employer and the Union agree that all employees covered under the Agreement have the right without fear of penalty or reprisal to form, join and assist any employee organization or to refrain from any such activity. There shall be no discrimination by the Employer or the Union against any employee because of the employee's membership or non-membership or activity or non-activity in the Union.

ARTICLE XVI – PROBATIONARY PERIOD

- A. All employees hired during the term of this Agreement shall serve a probationary period of three (3) months from the date of hire. During this probationary period, the Township reserves the right to terminate a probationary employee for any reason. An employee, if terminated, shall not have recourse through the grievance procedure set forth in this Agreement. The probationary period may be extended at the discretion of the Department Head.

ARTICLE XVII – SEPARABILITY AND SAVINGS

- A. If any provision of this Agreement or any application of this Agreement to any employee or group of employees is held to be contrary to law, then such provision or application shall not be deemed valid and subsisting, except to the extent permitted by law, but all other provisions or applications shall continue in full force and effect.

ARTICLE XVIII – JURY LEAVE

- A. A regular full-time employee who loses time from his/her job because of jury duty as certified by the clerk of the Court shall be paid by the Township his/her normal pay, subject to the following conditions:
1. The Employee must notify the Township Manager or Department Head immediately upon receipt of a summons for jury service.
 2. The employee has not voluntarily sought jury service.
 3. The employee submits adequate proof of the time served on the duty and the amount received for such service.
- B. If, on any given day an employee is attending jury duty he/she is released by the Court prior to two o'clock PM, that employee shall be required to return to work by three o'clock that day in order to receive pay for that day.

ARTICLE XIX – PERSONAL DAYS

Effective January 1, 2006 Employees covered under this Agreement shall be entitled to personal days as follows:

<u>Years of Employment</u>	<u>Personal Days</u>
0-12 months	1
13- beyond	4

Such days of personal business leave shall be with the approval of the Department Head. Such leave shall be non-cumulative.

ARTICLE XX – MISCELLANEOUS

- A. Bulletin Boards – Bulletin boards on the Township's premises will be for the posting of notices relating to the Union Meetings and official business only. Posted notices shall be signed by an elected or appointed official of the Union. Shop Stewards shall be responsible for all correspondence posted on the Union Bulletin Boards.
- B. Job Posting – When a permanent vacancy in a bargaining unit position is to be filled or a new position is created, the Employer shall post a notice of such vacancy or new position on the bulletin board for a period of five (5) working days. The posting shall contain the date the position is to be filled, title of the position requirements, rate of pay and space for all interested employees to sign said posting. The Township may select any individual whether in the bargaining unit or not in filling the vacancy.
- C. Visitation Rights - A representative or representatives of the Union, shall upon notification to the Township Manager have access during working hours of all facilities, building, grounds and other places in which employees covered by this Agreement work, for the purpose of adjusting grievances and negotiating the settlement of dispute.
- D. Collective Negotiations – The Employer agrees to permit up to two (2) representatives release time with pay to participate in negotiations during working hours. There is no obligation to pay for negotiations time which does not occur during the employee's work day.
- E. Layoff and Recall – The Employer agrees to follow Department of Personnel rules concerning recall and layoff.
- F. Labor-Management Committee – The parties agree that during the term of this Agreement the parties will meet periodically to discuss current problems.
- G. It is recognized that work schedules are a prerogative of management and are determined by management's judgment as to needs to perform the job. Further, where there is a routine repetitive requirement, then work hours may be adjusted to accommodate the work requirement. In the event that any alternate work schedule is required, every effort shall be made to assign employees on a volunteer basis. If there are no volunteers then the least senior qualified employee (as determined by management) will be selected.
- H. All full-time employees are entitled to one 15-minute break to be taken at the work place. This break may be taken either in the morning or afternoon period as approved by the Department Head.
- I. All township employees are given "Township Employee" parking permits, which permit them to park in those spaces designated as "Two Hour Parking" spaces.
- J. Clothing/Uniforms/Personal Equipment – See Appendix A.

ARTICLE XXI – CHECKOFF

- A. The Township agrees to deduct from the salaries of its employees, subject to this Agreement, dues for the Union. Such deduction shall be made in compliance with N.J.S.A. 52:14-15.9E, as amended.
- B. A check-off shall commence for each employee who signs an authorization card, supplied by the Union and verified by the Township Clerk or his/her designee during the month following the filing of such card with the Township.
- C. If during the life of this Agreement there shall be any change in the rate of membership dues, the Union shall furnish the Township written notice thirty (30) days prior to the effective date of such change and shall furnish to the Township either new authorizations from its members showing the authorized deduction for each employee or an official notification on the letterhead of the Union and signed by the President of the Union advising of such changed deduction.
- D. The Union will provide the necessary “check-off authorization” form and the Union will secure the signatures of its members on the forms and deliver the signed forms to the Township Clerk or his/her designee.
- E. Any such written authorization may be withdrawn at any time by the filing of notice of such withdrawal with the Township Clerk or his/her designee. The filing of notice of withdrawal shall be effective to hold deductions in accordance with N.J.S.A. 52:14-15.9E as amended.
- F. Indemnification With respect to dues deductions, and the Union’s demand return system established pursuant to law, the Union shall indemnify, defend and hold the Township harmless against any and all claims, demands, suits or other forms of liability that shall arise out of, or by reason of, action taken by the Township pursuant to the above provisions concerning dues deductions.

ARTICLE XXII – AGENCY SHOP

- A. Representation Fee – If a permanent employee does not become a member of the Union during any membership year (i.e., from January 1 to the following December 31), which is covered in whole or in part by this Agreement, said employee will be required to pay a representation fee to the Union for that membership year. If the obligation to pay a representation fee as aforesaid does not commence at the beginning of a membership year, the amount of said representation fee shall be pro-rated for members of the union. The representation fee shall be in an amount equal to no more than eighty-five percent (85%) of the regular Union membership dues, fees and assessments as certified to the Township by the Union. Provided that in the event the governing statute is amended so as to either increase or decrease the permissible amount of representation fee, this Agreement shall be deemed to have been automatically amended to conform to such statutory change.
- B. Procedure:
1. Notification: Prior to March 1 of each year, the Union will submit to the Township a list of those employees who have not become members of the Union for the then current membership year. The Township will deduct from the salaries of such employee in accordance with Section 2 below, the full amount of the representation fee and promptly will transmit the amount so deducted to the Union.
 2. Payroll Deduction Schedule: The Township will deduct the representative fee in equal installments, as nearly as possible, from the paychecks paid to each employee on the aforesaid list during the remainder of the membership year in question. The deductions will begin with the first paycheck paid: (a) ten (10) days after receipt of the aforesaid list by the Township; or (b) thirty (30) days after the employee begins his/her permanent employment in the bargaining unit position.
 3. Mechanics of Deductions and Transmission of Fees: Except as otherwise provided in this article, the mechanics for the deduction of representation fees and the transmission of such fees to the Union will be in the same as those used for the deduction and transmission of regular monthly membership dues to the Union which shall be deducted on the first pay period of the month.
 4. Changes: The Union will notify the Township in writing of any changes in the list provided for in Section 1 above and/or the amount of the representation fee, and such changes will be reflected in any deductions made more than ten days (10) after the Township receives said notice.
- C. Indemnification: With respect to dues deductions, representation fee deductions and the Union's demand return system established pursuant to law, the Union shall indemnify, defend and hold the Township harmless against any and all claims, demands, suits or other forms of liability that shall arise out of, or by reason of, action taken by the Township pursuant to the above provisions concerning dues deductions

and representation fee. It is furthermore expressly understood that the representation fee provisions set forth above shall not be effective unless and until the Union shall have notified the Township in writing that it has adopted a demand return system which fully complies with applicable statutory provisions.

ARTICLE XXIII – FULLY BARGAINED AGREEMENT

- A. This Agreement represents and incorporates the complete and final understanding and settlement by the parties of all bargaining issues which were or could have been the subject of negotiations.

ARTICLE XXIV - DURATION

This Agreement shall be in full force and effect as of January 1, 2008 and remain in effect to and including December 31, 2010 with the reopening date(s) referred in Article 5.

This Agreement shall continue in full force and effect from year to year thereafter until one party or the other gives notice, in writing, to terminate. That notice shall be given at least one hundred fifty (150) days prior to nor later than one hundred twenty (120) days from the expiration date of this Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals at the Township of Verona, New Jersey, on this _____ day of _____, 2008.

**OFFICE & PROFESSIONAL EMPLOYEES TOWNSHIP OF VERONA
INTERNATIONAL UNION, LOCAL 153**

By: _____

[Handwritten signature]

SECRETARY-TREASURER

By: _____

SR. BUSINESS REPRESENTATIVE

By: *Austin Dewitt*

CHIEF STEWARD

Card
GAVE out S Dewitt -
Have contract (attached)
Not signed by Union Rep -
At least signed by Soe Tower
ket checks rig!
[Signature]

INCREASE 01/01/2008 – 4%
2008 SALARY GUIDE

GRADE	INCREMENT	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9
5	1200	33,928	35,124	36,324	37,524	38,724	39,924	41,124	42,324	43,524
6	1261	34,755	36,102	37,273	38,534	39,795	41,056	42,317	43,578	44,839
7	1316	37,105	38,424	39,740	41,056	42,372	43,688	45,004	46,320	47,636
8	1358	38,803	40,157	41,515	42,231	44,231	45,589	46,947	48,305	49,663
9	1458	40,527	41,981	43,439	44,897	46,355	47,813	49,271	50,729	52,187
10	1528	42,450	43,977	45,505	47,033	48,561	50,089	51,617	53,145	54,673
11	1604	44,351	45,958	47,562	49,166	50,770	52,374	53,978	55,582	57,186
12	1713	46,150	47,860	49,573	51,286	52,999	54,712	56,425	58,138	59,851
13	1787	48,077	44,867	51,654	53,441	55,228	57,015	58,802	60,589	62,376
14	1862	50,005	51,863	53,725	55,587	57,449	59,311	61,173	63,035	64,897
15	1920	51,431	53,350	55,270	57,190	59,110	61,030	62,950	64,870	66,790
16	1978	52,857	54,837	56,815	58,793	60,771	62,749	64,727	66,705	68,683

APPENDIX A

CLOTHING/UNIFORMS/PERSONAL EQUIPMENT VERONA PUBLIC WORKS DEPARTMENT FIRE ALARM, MAINTENANCE DEPARTMENT DISPATCHERS, SEWER TREATMENT PLANT

1. The Township of Verona shall supply and replace the following items for all employees of the garage, treatment plant and buildings and grounds departments. These items are to be replaced yearly;
 - a. Five (5) pants
 - b. Five (5) Short Sleeve Shirts
 - c. Five (5) Long Sleeve Shirts
 - d. Two (2) Spring Jackets
 - e. Five (5) Tee Shirts
 - f. One (1) Steel Tip Work Shoes

2. The Township of Verona shall supply and replace the following items for all employees of the garage, treatment plant and buildings and grounds departments. These items are to be every other year.
 - a. One (1) winter coat

3. The Township of Verona shall supply and replace the following items for all employees of the garage, treatment plant and buildings and grounds departments, these items are to be replaced if worn, unfit or unsafe to wear.
 - a. One (1) Rain Suit
 - b. One (1) Pair Rain Boots
 - c. One (1) Pair of Work Gloves
 - d. One (1) Hard Hat

4. If any part of an employee's uniform and/or personal effects is destroyed or damaged in the course of employment, it shall be the responsibility of the Township to replace same upon approval of the Township Engineer, which approval shall not be unreasonably withheld. Personal effects shall be limited to watches and glasses whose replacement cost shall not exceed \$100.00. (This section shall not apply if effects are damaged or destroyed due to the employee's negligence.)

5. If an employee is entitled to certain items in Sections 1,2 and 3 but not in need of them, the Township can substitute (with approval of the employee) other needed clothing or personal equipment.

6. Dispatchers

The Township of Verona shall supply the following items for all dispatchers:

- Five (5) pants
- Five (5) long sleeve shirts
- five (5) short sleeve shirts
- One (1) pair of shoes
- One (1) belt
- One (1) tie
- Five (5) turtlenecks

NIGHT ALARM

Each full time employee in the labor force will be required to carry the emergency beeper for a one-week (7 night) period. The week will start with Monday and will end on the following Sunday. The person on call will receive overtime pay for any alarms that he/she is called in on. Additionally, he/she will receive three (3) hours of overtime pay for the week that he is the person on call regardless if he/she gets an alarm call or not.

NIGHT ALARM BEEPER

OVERTIME PAYMENT

1. Each employee will receive three hours of overtime pay for the week that they are on call. The rate is 1.5 times your hourly rate. An overtime slip will be filled out for such on the last day (Sunday) of the assigned week.
2. For each call that is responded to the employee will receive overtime pay according to the following time brackets:

<u>TIME AT PLANT</u>	<u>HOURS OF OT</u>
i. 0 to 1 hour	1 hour
ii. Over 1 hour to 2 hours	2 hours
iii. Over 2 hours to 3 hours	3 hours

3. A separate overtime slip should be filled out for each alarm the employee is called in on.
4. The overtime that the employee claims is for the time at the plant. This does not include time spent traveling to and from the plant. Travel time and gas is compensated for in the three (3) hour overtime pay that the employee receives for the week that the employee is on call.

SICK LEAVE ACCRUAL

Employees hired by the Township after January 1, 1978 may accrue sick leave up to a maximum of one hundred days.

Employees who were hired by the Township prior to January 1, 1978 may accrue sick leave time up to a maximum of two hundred twenty-five (225) days.

Procedure:

If any salaried employee is in good health and retires he/she may:

- Option I be reimbursed for accumulated sick time at full rate of pay at retirement to be paid at retirement in a lump sum

- Option II convert accumulated sick leave time into a vacation at full pay to be taken anytime before the effective date of retirement.

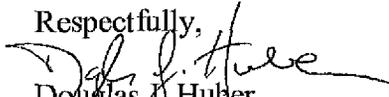
December 10, 2008

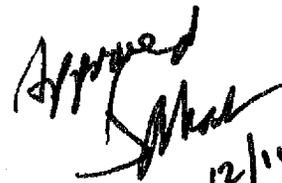
To: Mrs. Dee Trimmer
From: Chief Douglas Huber
Subject: OPIEU EMT Stipend

Dear Mrs. Trimmer,

As per an agreement between the OPIEU and Mr. Martin, employees with their EMT certification will receive a \$500.00 stipend. The following OPIEU members have their EMT certification, Sue Dewitt, Tom Matus and Matt Antolino.

Respectfully,


Douglas J. Huber
Chief of Police


12/10/08

LAW OFFICES
GIBLIN & GIBLIN

PAUL J. GIBLIN*
PAUL J. GIBLIN, JR.*
BRIAN T. GIBLIN**
MICHAEL A. CANNAIO+

* MEMBER N.J. & N.Y. BAR
** MEMBER N.J. & FLA. BAR
+ MEMBER N.J. & WI BAR

2 FOREST AVENUE
SUITE 200
ORADELL, N.J. 07649
(201) 262-9500
TELECOPIER (201) 262-8107

170 DUANE STREET #2C
NEW YORK, NY 10013
(212) 226-8841

December 21, 2006

REPLY TO: ORADELL

CONFIDENTIAL
ATTORNEY WORK PRODUCT

Joseph A. Martin, Township Manager
Verona Town Hall
600 Bloomfield Avenue
Verona, New Jersey 07044

Re: Township of Verona – OPEIU Local 153

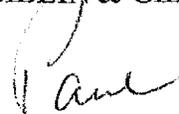
Dear Mr. Martin:

Enclosed please find the Arbitration Decision and Award in the Matter of the Arbitration between OPEIU Local 153 and the Township of Verona. This Award clarifies and confirms that this Award eliminates any future claims and/or interpretation of the contract language in the 1993 Agreement between the Township of Verona and OPEIU Local 153.

If you have any questions or wish to discuss this matter in greater detail please do not hesitate to contact my office.

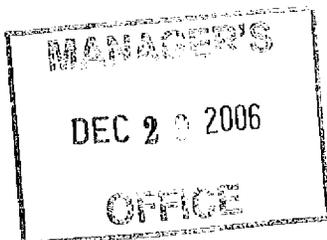
Very truly yours,

GIBLIN & GIBLIN



Paul J. Giblin, Sr.

PJG/mg
Enclosure



ELIGIBLE EMPLOYEES

<i>John Riccio</i>	12-4-89
Jeff Sonntag	11-19-90
Michael Wilson	03-01-93
Carol Huber	06-21-76
Patricia Schisler	07-01-81
Gary Grasso	03-28-88
William Trafton	05-28-82
RoseAnn Harrison	01-01-83
Margaret Spinelli	09-14-87

Non-OPEIU Employees

Donald Ross	07-02-90
Timothy Newton	11-26-90
Patricia DiMauro	01-01-81

RECEIVED

MAR 3 - 2006

TAX OFFICE OF VERONA, NJ

In the Matter of the Arbitration between

OFFICE AND PROFESSIONAL EMPLOYEES)
INTERNATIONAL UNION, (OPEIU))
LOCAL 153)
)
)
)
)
)
)
)
AND)
)
)
)
)
)
TOWNSHIP OF VERONA)

ARBITRATION
DECISION AND
AWARD

APPEARANCES:

For the OPEIU

Bruce D. Leder, Esq.
Susan DeWitt, OPEIU Steward
Gary Grasso, Union Member/Employee
Ronald Blaha, Union Member/Employee
Matthew Antolino, Union Member/Employee

For the Township

Paul J. Giblin, Sr., Esq.
Dee Trimmer, CFO

BEFORE: Robert J. McDonnell MA APM, Arbitrator

The undersigned was appointed arbitrator pursuant to a joint agreement between the Office and Professional Employees International Union, Local 153 (OPEIU, or the "Union") and the Township of Verona (the "Town") to decide an issue involving an interpretation of an Agreement between the parties involving health benefits upon retirement to some of the organized employees.

An evidentiary hearing was held on June 12, 2006 at the Township of Verona Municipal Offices. Both parties were afforded an opportunity to argue orally, present documentary evidence and to examine and cross-examine witnesses.

This Award clarifies and confirms that this Award eliminates any future claims and/or interpretation of the contract language in the 1993 Agreement between the Township of Verona and OPEIU Local 153.

EXHIBITS

- J-1 Agreement between Township of Verona and O.P.E.I.U., Local 153, January 1, 1993 through December 31, 1995
- J-2 Agreement between Township of Verona and O.P.E.I.U., Local 153, January 1, 1996 through December 31, 1998
- J-3 Agreement between Office & Professional Employees International Union, Local 153, AFL-CIO and Township of Verona, January 1, 1999 through December 31, 2001
- J-4 Memorandum of Agreement between Office & Professional Employees International Union, Local 153, AFL-CIO and Township of Verona
- J-5 Borough of Verona Resolution 319, dated September 4, 1979, and Resolution 11, dated January 6, 2003
- T-1 Letter from Dee Trimmer to Attorney Paul Giblin regarding "Health Benefits upon Retirement"
- T-2 Listing of Eligible Employees, plus State Health Benefits Costs and Analyses

ISSUES

- A. Has the Township violated the collective bargaining Agreement by refusing to permit employees to “buy in” for retiree health benefits?
- B. Are part-time employees eligible for this benefit?
- C. If so, what should be the remedy?

CONTENTIONS OF THE PARTIES

THE UNION’S POSITION

The thrust of the Union’s argument is that the employees in question are eligible for Retirees Medical Coverage under its 1993 Agreement with the Township. The Union asserts that the language in the original Agreement, as well as in subsequent Agreements, does not preclude employees from subscribing to Retirees Medical Coverage at a time other than during the original 60 day period specified. In support of this argument it relies on the language and provisions in the initial Agreement and proceeds sequentially through the later Agreements discussing the specifics of the Retirees Medical Coverage.

The Union notes that the 1993 Agreement (Exhibit J-1) introduced the Retirees Medical Coverage benefit, specifically:

ARTICLE X – INSURANCE, Paragraph E

E. Retirees Medical Coverage - Effective January 1, 1993, Employees shall be eligible to receive health coverage upon retirement for the employee and spouse on a pre-retirement “buy in” basis.

The Employer shall offer three options, and the employee may select one.

Option:

1. 25 years of services, 100% premium paid by the Employer at the time of retirement.
2. 20 years of service, 75% premium paid by the Employer and 25% paid by the Employee.

3. 15 years of service, premium shared 50/50 between the Employee and Employer.

See Appendix B for formula and details of this benefit.

In the attached Appendix B, there are more specifics related to the coverage and the process for enrolling in this benefit. Relevant sections are noted here:

APPENIX B, RETIREES HEALTH COVERAGE

Employees shall have the option of "buying in" while actively employed, to provide medical benefits coverage for the employee and spouse at the time of retirement.

...

Employee shall pay 1% of 1992 base salary x number of years option divided by number of years to go to retire divided by 26 pay periods, equals amount of deduction per pay period for number of years to retire.

...

1. Employees must sign up for their option within 60 days of ratified 1993 Agreement.

2. Employees who elect to wait longer than the 60 days in #1 (above) will be required to contribute 1 ½% of base salary.

3. Employees hired after the 1993 agreement is ratified will be required to contribute 2% of base salary at the time of electing this coverage.

...

The Union argues that the language in this Agreement, which introduced Retirees Medical Coverage for the first time, established three categories of employees: 1) those signing up for the coverage within the 60 day period, who would pay the 1% rate in the formula, 2) those signing up after the 60 day period, who would pay the rate of 1.5% as specified in note 2 above, and 3) those employees who would be hired after contract ratification¹, who would pay 2.0% per note 3 above.

¹ Contract ratification date for the 1993 Agreement was June 1, 1993.

In the subsequent Agreement between the parties, effective from January 1, 1996 through December 1998 (Exhibit J-2), the language in the body of the Agreement relating to the Retirees Medical Coverage in ARTICLE X – INSURANCE is unchanged except for the addition of a new paragraph:

F. Employees hired after 12/31/95 shall not be eligible for Retirees Medical Coverage.

The Union argues that there was a *fourth* category of employees introduced: those hired after December 31, 1995, who were not eligible for Retirees Medical Coverage. The Union points out that Appendix B of this Agreement contains the following relevant changes:

Employees on payroll prior to 1/1/96 had the option of “buying in” while actively employed, to provide medical benefits coverage for the employee and spouse at the time of retirement. *dependents*

...

1. Employees must sign up for the option within 60 days of ratified 1993 Agreement.

...

3. Effective 1/1/96 employees presently enrolled in the pre-payment for retiree medical coverage will continue to make payments until 12/31/96. At that time they will be considered to be paid up. ...

4. Employees hired after 1/1/93 and desire retiree coverage, shall contribute 2 1/2 % of annual salary for a period of one year and shall only be eligible for coverage based on 25 years of service.

In the next Agreement between the parties, which was effective from January 1, 1999 through December 31, 2001 (Exhibit J-3), the language in the body of the Agreement relating to the Retirees Medical Coverage in ARTICLE X – INSURANCE is unchanged from the prior 1996 - 1998 Agreement. Indeed, the language about employees hired after 1/1/95 remains unchanged:

F. Employees hired after 12/31/95 shall not be eligible for Retirees Medical Coverage.

The Union notes that, in the most recent Agreement, the Memorandum of Agreement (Exhibit J-4) between the Union and the Township, there were no changes to the health care coverage.

The Union concludes that the employees at issue, those in the second category who were on the payroll as of the contract ratification but who did not “buy in” or exercise their option, are entitled by the Agreement to exercise their option to select Retirees Medical Coverage.

THE TOWNSHIP’S POSITION

The Town argues that the Retirees Medical Coverage was offered to the employees subject to the “buy in” period specified in the Agreements. It argues that the 60 day “window” has past and, therefore, the Town has no obligation under the Agreement to allow enrollment in the benefit. There are eight (8) full-time employees who have been identified as employees whose coverage is an issue in this matter. They are on the list of eligible employees, introduced as Exhibit T-2 by the Town. All listed employees were on the payroll as of the contract ratification, and all but one, M. Wilson, who was hired on 3/1/93, were on the payroll as of the effective date of the 1993 Agreement. The Town notes that every one of these employees, therefore, was on the payroll before the start of the Retirees Medical Coverage and prior to the 60 day “buy in” period.

The Town contends that the May 25, 1993 memo from Mr. Vincent A. Di Mauro (Exhibit T-1, Page 5) is important because this memo provided employees with the enrollment procedures. In this memo, Mr. Di Mauro specifies that “This is a participation plan that requires employees to indicate, within a specified period, whether they choose to participate.” Further, “For purposes of enrollment the 60 day initial option period will commence June 1, 1993 and end 60 days later.” Payroll deductions were to “commence Sept. 1, 1993.”

The Town argues that there was no open end sign-up period for the Retirees Medical Coverage and that there was a general understanding of this among the parties. The Town also asserts that the grievance provisions of the contract between the Union and the Town are operable. If the parties felt – or now feel – that they were aggrieved, they should have – and still can – file a grievance. If there was an incident warranting an action, then should have been a grievance. If there has not been a grievance filed, then the Union waived its right to bring the complaint. Specifically, per the 1993 Agreement (Exhibit J-1):

ARTICLE IV – GRIEVANCE PROCEDURE (page 6)

D. The following constitutes the sole and exclusive method for resolving grievances between the parties covered by this Agreement, and shall be followed in its entirety unless any step is waived by mutual consent:

Step One: The Union shall institute action under the provision hereof within ten (10) calendar days after the event giving rise to the grievance has occurred, and an earnest effort shall be made to settle the differences between the aggrieved employee and the immediate supervisor for purpose of resolving the matter informally. Failure to act within said ten (10) calendar days shall be deemed to constitute an abandonment of the grievance.

...

F. The time limits expressed herein shall be strictly adhered to. If any grievance has not been initiated within the time limits specified, then the grievance is not processed to the next step in the grievance procedure within the time limits prescribed thereunder, then the disposition of the grievance at the last preceding step shall be deemed to be conclusive. If a decision is not rendered within the time limits prescribed for decision at any step in the grievance procedure, then the grievance shall be deemed to have been denied. ...

The Town emphasizes that no grievances were filed. Therefore, there is no complaint, as the Union's inaction has effectively waived their ability to file and they have abandoned their grievance.

In testimony provided by Witness Trimmer, CFO/Tax Collector for the Town, she noted that the eight full time employees identified in Exhibit T-1 were

eligible for the Retirees Medical Coverage under the “buy in” provisions of the original 1993 Agreement. She testified that there were no procedures for employees to “opt out” of the coverage.

Ms Trimmer also testified that when the retirement health provision was terminated as of January 1996, there was no more eligibility for the Retirees Medical Coverage and that it was “taken off the table.” Ms. Trimmer described the retiree health benefits for other Town employees covered by collective bargaining agreements and noted that the provisions for these benefits for police officers who retire from the Town Police Department and meet the service requirements are described in Exhibit T-1, on pages 2 and 3. In this PBA contract, a qualifying police officer contributes 2.1% of his/her yearly base salary for a period of two years, after which the officer has no further deductions or payments for the retiree medical coverage.

STIPULATED ISSUE

The Union and the Town have agreed that, to the extent the arbitrator determines that the employees at issue are eligible for Retirees Medical Coverage and awards accordingly, the contribution rate for the subject employees would be 2.1% for a period of two years, which would be the same contribution rate as in the agreement with the PBA.

DISCUSSION

Collective agreements, by their definition, restrain action as both parties to an agreement both lose and gain power and freedom through jointly negotiated understandings. The terms of the agreements are the boundaries set by the parties. When these terms are documented and agreed to by the parties, they constitute the agreement and neither party may stray beyond the mutually established borders.

In the instant case, the Preamble of the three agreements introduced into evidence as Joint Exhibits, J-1, J-2 and J-3, all note that “This Agreement ... represents the complete and final understanding on all bargainable issue (sic) between the Township and the Union.” Further, ARTICLE XXIII – FULLY BARGAINED AGREEMENT states that:

A. This Agreement represents and incorporates the complete and final understanding and settlement by the parties of all bargaining issues which were or could have been the subject of negotiation.

Applying this concept to the issue reduces it to a determination of whether the refusal by the Town to provide the employees noted with an opportunity to “buy in” to the Retirees Medical Coverage was a trespass by the Town into an area barred by the Agreement. As the moving party, the Union assumes the burden of proving any such violation of the Agreement.

The Union began meeting this burden by “walking through” the contract language relating to the Retirees Medical Coverage from its inception in the January 1, 1993 through December 31, 1995 Agreement (Exhibit J-1), and following the terms and conditions for Retirees Medical Coverage through each of the subsequent Agreements. As noted above, the language introducing the coverage in the initial 1993 – 1995 Agreement (Exhibit J-1) was:

ARTICLE X – INSURANCE, Paragraph E

E. Retirees Medical Coverage - Effective January 1, 1993, Employees shall be eligible to receive health coverage upon retirement for the employee and spouse on a pre-retirement “buy in” basis.

Appendix B was referred to for the “formula and details of this Benefit.” The wording of the terms and conditions specified in Appendix B are important to this analysis. It specifies that “Employees shall have the option of “buying in” while actively employed, to provide medical benefits coverage for the employee and spouse at the time of retirement.” Additionally, there are formulaic explanations regarding the allocation of the premium between the Town and the employee and computation of the employee deduction for this coverage. Notes 1 through 5 on page 2 of Appendix B are noteworthy to this analysis. Notes 1, 2 and 3 are particularly important, and are repeated here:

1. Employees must sign up for their option within 60 days of ratified 1993 Agreement.
2. Employees who elect to wait longer than the 60 days in #1 (above) will be required to contribute 1 ½% of base salary.
3. Employees hired after the 1993 agreement is ratified will be required to contribute 2% of base salary at the time of electing this coverage.

While note 1 specifies that employees “must” sign up for their option within 60 days, note 2 specifies that employees who wait longer than the 60 days will be allowed to enroll, but will be required to contribute at a higher rate and pay 1.5% of their base salary. This is higher than those who sign up within the 60 day period, obviously providing an incentive for employees to sign up during the 60 day enrollment period. Note 3 discusses employees hired after contract

ratification and allows them to participate, but at an even higher contribution percentage.

The Union is correct in arguing that this contract provided for three groups of eligible employees:

Group 1: Existing employees, as of the contract ratification date, who sign up within the 60 day period; payment percentage is 1.0%

Group 2: Existing employees, as of the contract ratification date, who wait longer than the 60 days to sign up; payment percentage is 1.5%.

Group 3: Employees hired after contract ratification date; payment percentage is 2.0%.

It is important to note that, while note 1 of Appendix B specified that "employees must sign up for their option within 60 days of the ratified 1993 agreement," notes 2 and 3 allowed for sign up after the 60 day period.

The May 25, 1993 memo from Mr. Di Mauro (Exhibit T-1, Page 5) provided employees with notice about the new benefits and announced the 60 day period for enrollment, which would be followed by commencement of payroll deductions for those enrolling in the program during the specified period.

Moving to the next contract period, covered by the January 1, 1996 through December 31, 1998 Agreement (Exhibit J-2), the Retirees Medical Coverage benefits were continued, using essentially the same language as in the prior contract with one important addition, Paragraph F:

F. Employees hired after 12/31/95 shall not be eligible for Retirees Medical Coverage.

As noted by the Union, this language created a fourth group of employees:

Group 4: Employees hired after 12/31/95, who are not eligible for Retirees Medical Coverage.

Appendix B to this 1996 to 1998 Agreement contains the additional terms and conditions for this retiree coverage. This Appendix specifies that "Employees on payroll prior to 1/1/96 had the option of "buying in" while actively employed, to provide medical benefits coverage for the employee and spouse at the time of retirement." *dependents*

Note 1 continues to specify that "Employees must sign up for their option within 60 days of the ratified 1993 agreement." Note 4 specifies that "Employees hired after 1/1/93 and desire retiree coverage, shall contribute 2 ½% of annual salary for a period of one year ..."

In the following Agreement, covering the January 1, 1999 through December 31, 2001 (Exhibit J-3), ARTICLE X – INSURANCE contains the same language as the prior Agreement:

ARTICLE X – INSURANCE,
E. Retirees Medical Coverage - Effective January 1, 1993,
Employees shall be eligible to receive health coverage upon retirement for the employee and spouse on a pre-retirement "buy in" basis.

This Agreement contains no new terms or conditions relating to Retirees Medical Coverage. Similarly, the Memorandum of Understanding between the Town and the Union, entered as Exhibit J-4, details that the Agreement "dated January 1, 1999 through December 31, 2001 remains if (sic) full force and effect except for the following changes:" None of the changes relate to insurance or Retirees Medical Coverage.

No other employees, other than those specified in Exhibit T-2, are eligible for Retirees Medical Coverage or impacted by this award.

On the issue of the eligibility of the part time employee, I am guided by the testimony of Ms. Trimmer, who noted that the permanent part-time employees receive the same benefits as full time employees, and that the part-time employee, M Spinelli, met the requirements for permanent part time.

AWARD

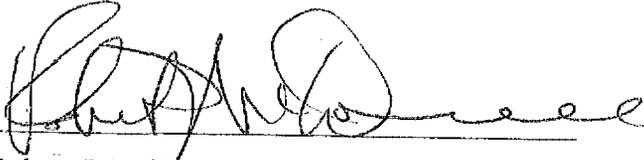
After careful consideration of the arguments and evidence submitted, I have determined that the contract language in the Agreements between the Union and the township does not preclude the eligible employees, identified in Exhibit T-2, and only these employees, from participating in the Retirees Medical Coverage, provided that they meet the service and any other qualifications for such insurance coverage as specified in the Agreement between the Union and the Town.

On the issue of the eligibility of the part-time employee for Retirees Medical Coverage, I have determined that this employee is eligible for this coverage, subject to any contractual limitations that exist for permanent part-time employees in the Agreement between the Union and the Town.

On the remedy, I am guided by the stipulation and determine that contributions by the eligible employees should be at the rate of 2.1% for a period of two years, which is consistent with the agreement between the PBA and the Town.

This Award clarifies and confirms that this Award eliminates any future claims and/or interpretation of the contract language in the 1993 Agreement between the Township of Verona and OPEIU Local 153.

Date: *December 18, 2006*
Lincoln Park, New Jersey



Robert J. McDonnell

Arbitrator



Jigisha Patel
Notary Public State of N.J.
My Commission Expires Dec 28, 2007