

IMPORTANT INFORMATION TO THE MEMBERSHIP

REGARDING CONTRACT NEGOTIATIONS & PENSION REFORM

(October 22, 2010)

President Jeff Smith of the Lieutenant's union and President Jim McGonigal of the Sergeant's union had a private meeting with Senate President, Steve Sweeney and Assembly Speaker, Sheila Oliver yesterday at the State House. The meeting lasted approximately one hour. The meeting was due to the efforts on our part of trying to bring the state to the table in a fair and reasonable approach to fiscal control of the state's budget deficit.

With that being said, these are the highlights from the meeting:

- There was discussion about the new "Arbitration bill" which was disclosed at a press conference yesterday. A copy of the bill is on our website for all membership to review.
- This is currently in attorney review.
- This arbitration bill allows for a fair and final offer, which allows an Arbitrator to select one sides final offer over the other. It is similar to the "binding" Arbitration process in the early 90's, late 80's, with many caveats.

Also brought to our attention was the issue of Healthcare Reform and the Democrats counter proposal to the Governors proposal. In summary of the Democrats counter proposal, a basic plan would be paid by the state and the employee would incur a set contribution rate. If the employee opted to participate in a plan above the basic plan, ALL costs above the basic plan coverage would be incurred by the employee. We had serious reservations about what the plan would be because those details have not been worked out by either side.

In regards to the Civil Service Reform, as requested by the Governor; it is now on hold by the democratic controlled Senate and Assembly until the state makes their required contribution to our pension system. This was expressed to us by Senate President Sweeney.

Also discussed at length was Pension Reform in regards to "Property rights." It was brought to our attention that Sweeney and Oliver hold the same position as does our attorney and Executive Board in that you are vested after 10 years of service and no modifications can or should be made without all parties agreeing. Obviously, it is our opinion that no changes should be made to pensions of any employees. Any attempt by the State to reduce or otherwise change the pension system and/or benefit of any of our members will be legally and legislatively opposed.

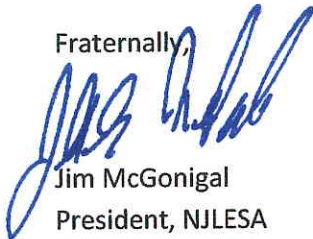
Again, we explained that public safety officers are now suffering the consequences for the state's mismanagement of the pension system and that we have been making our pension contributions while the local municipalities and state have not.

We also informed Senate President, Sweeney and Assembly Speaker, Sheila Oliver that at no time has the Governor or legislature solicited union input to assist with this fiscal mismanagement and we are now demanding a seat at the table.

We will remember next November those Legislators who stood up and did the right thing. It is obviously not necessarily the easiest thing to do considering it goes against the direction of the sitting Governor, but hopefully there will be some rational minds that choose to stand by and support the public safety officers in this state of NJ.

In closing, let it be noted that we were the first and only unions at the table yesterday with input and will continue this effort to ensure that our rights and benefits are not compromised.

Fraternally,

A handwritten signature in blue ink, appearing to read "Jim McGonigal".

Jim McGonigal
President, NJLESA

A handwritten signature in blue ink, appearing to read "Jeff Smith".

Jeff Smith
President, NJSOA