

ZAZZALI, FAGELLA, NOWAK, KLEINBAUM & FRIEDMAN

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

ANDREW F. ZAZZALI (1899-1969)

570 BROAD STREET, SUITE 1402

NEWARK, N.J. 07102

Telephone: (973) 623-1822

Fax: (973) 623-2209

ANDREW F. ZAZZALI, JR.

ROBERT A. FAGELLA**

KENNETH I. NOWAK***

RICHARD A. FRIEDMAN

PAUL L. KLEINBAUM*

EDWARD H. O'HARE*

COLIN M. LYNCH**

FLAVIO L. KOMUVES*

SIDNEY H. LEHMANN (1945-2012)

COUNSEL

JAMES R. ZAZZALI***

150 West State Street

Trenton, New Jersey 08608

Telephone: (609) 392-8172

Fax: (609) 392-8933

www.zazzali-law.com

GENEVIEVE M. MURPHY-BRADACS**

MARISSA A. McALEER**

EDWARD M. SUAREZ, JR.

JAMES R. ZAZZALI, JR.

KAITLYN E. DUNPHY

CYNTHIA M. REVESZ‡

ASHLEY E. MALANDRE*

OF COUNSEL

KATHLEEN NAPRSTEK CERISANO

JASON E. SOKOLOWSKI

DANIEL GEDDES‡‡

*Also admitted Pennsylvania

**Also admitted New York

***Also admitted New York & D.C.

‡New York Only

‡‡Workers Compensation Law Attorney

Please Reply to Newark

October 24, 2017

VIA EMAIL ONLY

Patrick Colligan, President

New Jersey State PBA

158 Main Street

Woodbridge, NJ 07095

Re: Proposed Local Government Services/Local Finance Board Rules

Dear Pat:


Some questions arose at the last meeting concerning the proposal on the employee compensation disclosure rule and there may be some confusion over the proposed rule concerning compensation for accumulated absences. I will address both issues.

First, on the employee compensation disclosure rule, a question was asked about the application of the rule to municipal officials. The rule generally applies to all changes in compensation for all local government employees, including elected and appointed officials, with a couple of exceptions. It does not only apply to union contracts. It also does not apply to contracts awarded through interest arbitration.

Second, as a result of questions which arose after the meeting, there may be some confusion about the rule proposal on compensation for accumulated absences. It would be an understatement to state that the rule is poorly written. However, it appears that the intent of the proposal is that it would not affect compensation for any time accumulated before the rule becomes effective, but that it seems to apply to time accumulated after the effective date of the rule. The effective date of the rule is also not clear if the rule is adopted. It appears that, if it is

adopted, it will be effective immediately if there is no contract in effect or, if there is a contract in effect which does not have express language on this issue, when the contract expires. It is unclear whether a contract which has language specifying compensation for accumulated absences based on salary at time of retirement will be affected by this rule. If a contract has such a provision, an argument could be made that the language is enforceable even if the rule becomes effective. I know this may be confusing but the rule is confusing.

While there is no specific time period for the Local Finance Board to act, it is likely that it will act on both rule proposals before the end of this year. We will keep you advised of any developments. If you have any questions, please call.

Very truly yours,

Paul L. Kleinbaum

PLK/sl

cc: Marc Kovar (via email only)