

RESOLUTION NO. 2022-222

**RESOLUTION OF THE TOWNSHIP OF LITTLE EGG HARBOR,
COUNTY OF OCEAN, STATE OF NEW JERSEY AUTHORIZING
A CORRECTIVE ACTION PLAN**

WHEREAS, on July 7, 2022, the Office of State Comptroller issued a report concerning sick and vacation leave policies in New Jersey municipalities; and

WHEREAS, the OSC is requiring all municipalities surveyed to submit a corrective action plan concerning the alleged deficiencies identified in the sick and vacation leave policies; and

WHEREAS, the Township Administration has formulated the attached Corrective Action Plan for submission to the Office of State Comptroller; and

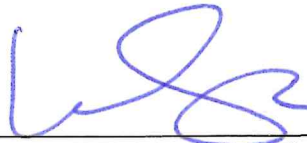
WHEREAS, the governing body desires to approve the Township's Corrective Action Plan and authorize its submission to the Office of State Comptroller.

NOW, THEREFORE, BE IT RESOLVED, by the governing body of the Township of Little Egg Harbor, County of Ocean, State of New Jersey as follows:

1. That the governing body does hereby approve the Corrective Action Plan and authorizes the submission of the plan to the Office of State Comptroller.
2. That a certified copy of this resolution, together with a copy of the Corrective Action Plan, shall be forwarded to Township Chief Financial Officer, Township Labor Counsel, Township Labor Counsel and the Office of State Comptroller.

CERTIFICATION

I, KELLY LETTERA, RMC, Municipal Clerk of the Township of Little Egg Harbor do hereby certify that the foregoing resolution was duly adopted by the Township of Little Egg Harbor Township Committee at a meeting held on the **8th** day of **September, 2022**.



KELLY LETTERA, RMC
Township Clerk
Little Egg Harbor Township

Township of Little Egg Harbor
CORRECTIVE ACTION PLAN

Pursuant to the directive issued by New Jersey Office of State Comptroller on July 7, 2022, the following is the Township's comprehensive Corrective Action Plan:

Mr. Rodney Haines, Township Administrator and Chief Financial Officer is responsible for implementation of the Plan. His contact information is as follows:

Rodney R. Haines
Little Egg Harbor Township
Municipal CFO / Township Administrator
Office: (609) 296-7241 x226

A. Township's Response to OSC General Recommendations:

1. The Township will continue to conduct a legal review of all contracts and ordinances to determine compliance with N.J.S.A. 11A:6-19.1 and N.J.S.A. 11A:6-19.2. The Township has already updated its policies and procedures. (Attached hereto as Exhibit A). Additionally, its CFO/Business Administrator contract has been updated and revised to comply with the statutes (Attached hereto as Exhibit B).
2. The Township will seek to revise its union contracts and employee contracts to remove any provision that violates the identified statutes during the next round of negotiations. If the Unions refuse to remove the provisions, the Township will file a Scope of Negotiation Petition at New Jersey Public Employment Relations Commission requesting the agency declare the provision non-negotiable and invalid based upon the statutory preemption. The Township will comply with this provision as soon as negotiations of the various collective bargaining agreements permit.
3. The Township has previously conducted an audit of sick leave and vacation leave payments. The Township has determined that no payments have been made that violate the statutes in the last five years.
4. The Township will establish a policy for evaluation of all supplemental payments at the time of retirement in the next three months which will include the following:
 - a. A Human Resource employee verifies the hiring dates of employees;
 - b. A Certification of Service and Final Salary is completed;
 - c. A legal and administrative review of any and all contract provisions, amounts claimed to be due and a determination if the employee is subject to LFN 2007-28 and LFN 2008-10; and
 - d. A Resolution of the Township Committee authorizing the supplemental payment.

B. Township's CAP for specific deficiencies identified on Page 55 of the Appendix to the OSC Report "A Review of Sick and Vacation Leave Policies in New Jersey Municipalities":

1. The terms of two contracts do not comply with the 2007 law (N.J.S.A. 11A:6-19.1) with regard to sick leave payments. The individual contracts for covered employees allow the payment at a time other than retirement in excess of the \$15,000 cap.
Resolution: Both contracts are no longer valid. Furthermore, the CFO/Business Administrator contract has been updated and revised to comply with the statutes. (See Exhibit B)
2. The terms of Little Egg Harbor's union contracts do not comply with the 2010 law (N.J.S.A 11A:6-19.2) regarding sick leave payments. Four contracts all allow for payment of accrued sick leave at retirement greater than \$15,000 for employees hired after May 21, 2010. The contracts also allow for payment other than at retirement and terminal leave payments for employees hired after May 21, 2010.

Proposed Resolution: The Township will seek to revise its union contracts and employee contracts to remove any provision that violates the identified statutes during the next round of negotiations. If the Unions refuse to remove the provisions, the Township will file a Scope of Negotiation Petition at New Jersey Public Employment Relations Commission requesting the agency declare the provision non-negotiable and invalid based upon the statutory preemption. The Township will comply with this provision as soon as negotiations of the various collective bargaining agreements permit.