

**New Jersey Department of Community Affairs
Division of Local Government Services
Local Finance Board**

Waiver Request Application

Applicant Name:

Agency Name: City of Orange Township
County: Essex
Municode: 0717

Provide a general explanation and summary of waiver requested. The submission should include the following information at a minimum:

1. General overview of waiver requests
2. Reasons for any new programs, hiring, or spending initiatives in the budget
3. Expiration dates of all existing labor contracts
4. Explanation of actions taken to control costs, including productivity improvements, shared services, and changes in service delivery in other areas
5. Tax impact on average home if the waivers are approved
6. Other information the applicant wants the Local Finance Board to know.

Begin Executive Summary Below:

The City of Orange Township is requesting a surplus appropriation waiver related to the CY 2017 budget in the amount of \$3,290,000. If the City is not granted this waiver, it would result in a significant reduction in workforce, including police and fire which could endanger the safety and welfare of the City's residents. The City has recently hired 7 new police officers and anticipates hiring an additional 17 new police officers in July 2017. In addition, the City hired 17 new firefighters in 2017 to bring both of the departments back to a full complement of personnel.

In CY 2017, the City is required to appropriate additional funds for an increase in salaries in the Police and Fire Departments due to the arbitration/settlement of union contracts with the PBA and FMBA. The City has been in protracted negotiations with both the Police and Fire departments. The last PBA and FMBA contract expired on December 31, 2009. An arbitrator's decision was rendered on July 7, 2016. Subsequently, the City appealed and entered into a MOA with the PBA and FMBA requiring the City to pay a lump sum to the union members for the years 2010 through 2016. The cumulative raise of 15.5% is effective for calendar year 2017.

The additional tax increase if the waiver is granted is \$448 per average household assessed at \$175,000. However this has been offset by the utilization of surplus. The introduced CY 2017 budget calls for a tax increase of 2.8% or \$158.

The City's financial plan for future years calls for substantial savings in overtime costs as well as health care premiums.