

AGREEMENT

Between

THE TOWNSHIP OF FRANKLIN

And

**LOCAL 2426 AMERICAN FEDERATION OF STATE, COUNTY
AND MUNICIPAL EMPLOYEES (AFSCME)**

Effective July 1, 2005 to June 30, 2010

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**ARTICLE 1
RECOGNITION**

- A. The following titles constitute the bargaining unit, until such time as the parties agree to any additional classifications excluding, however, confidential employees, and all other employees excluded by statute N.J.S.A. 34:13A.3: Township Engineer, Director of Public Works, Director of Fire Prevention, Director of Planning, Director of Health , Director of Recreation, Superintendent of Recreation, Construction Official, Zoning Administrator, Tax Collector ,Court Administrator, Assistant Township Engineer, Records and Information Systems Supervisor , Grants Coordinator, Economic Development Director, Public Works Manager, and Water Utility Manager.

- B. The title “employee” shall be defined to include the plural unless otherwise indicated.

- C. Any gender specific references contained herein shall be deemed to include the opposite gender as well.

ARTICLE 2
DUES CHECKOFF AND AGENCY SHOP FEE

- A. The Township hereby agrees to deduct from the salaries of employees covered by this Agreement dues for Union membership. Said monies, together with records regarding any corrections, shall be transmitted to the Union offices at 3635 Quakerbridge Road, Suite 1, Trenton, New Jersey 08619, by the end of the next month following the semi-monthly pay period in which the deductions were made. If there shall be any change in the rate of membership dues during the life of this agreement, the Union shall furnish to the Township written notice thirty (30) days prior to the effective date of such change on stationary bearing the Union letterhead.

- B. Any employee covered by this Agreement who does not choose to have dues deducted from his salary must pay a representation fee in lieu of dues to the Union. The representation fee shall be in an amount equivalent to the regular membership dues, charged by the majority representation to its own members less the cost of benefits financed through the dues, fees, and assessments, and available to or benefiting only its members but in no event shall such fee exceed eighty-five percent (85%) of the regular membership dues. The collection of such representation fee and appeal of such fee in regard to this Agreement shall be governed by N.J.S.A. 34:13A.5.5 through N.J.S.A. 34:13A-5.8.

- C. The Union will provide the necessary check-off authorization forms, and deliver said forms to the designated Township officials as provided for in N.J.S.A. 52:14-15(e), as mandated.

- D. The Union indemnifies, defends, and saves the Township harmless against any and all claims, demands, suits or other forms of liability that may arise out of or by reason of action taken by the Township in reliance upon the salary deduction authorization cards submitted by the Union to the Township or any action taken by the Township under all sections of this article.

ARTICLE 3
FULLY BARGAINED PROVISIONS

This contract represents complete collective bargaining and full agreement by the parties in respect to rates of pay, wages, hours of employment or other conditions of employment which shall prevail during the term hereof and any matters or subjects not herein covered have been satisfactorily adjusted, compromised or waived by the parties for the life of this agreement.

ARTICLE 4
MAINTENANCE OF WORK OPERATIONS

- A. The Union covenants and agrees that during the term 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 Employee from his position or stoppage of work, or absence in whole part or in part, from the full, faithful and proper performance of the Employee's duties of employment), work stoppage, slow-down, walk-out or other illegal job action against the Employer.

- B. 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 supporting any such activity by any Employee or group of Employees of the Employer and that Union will publicly disavow each action and order all such activities to cease and desist from same immediately to and return to work, and take such other steps as may be necessary under the circumstances to bring about compliance with the Union order.

- C. Nothing contained in this Agreement shall be construed to limit or restrict the Employer 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 5
DISCRIMINATION AND COERCION

- A. The Employer and the Union agree that there shall be no discrimination against any employee because of age, race, creed, color, religion, marital status, sex, national origin, political affiliation, sexual preference, and physical handicap.

- 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 6
UNION REPRESENTATIVE – UNION RIGHTS

- A. Union officers and stewards in cooperation with the Employer shall have the right to enter upon the premises of the Employer during working hours, with no loss of pay, for the purpose of conducting normal duties related to the enforcement and policing of this Agreement, so long as such visits do not interfere with proper service to the public, and with prior notice to the Department Head or his designee Township Manager or the Assistant Township Manager

- B. Effective upon this Agreement, Union members to be designated by the Union shall be granted four (4) paid days per year providing these days coincide with their regularly scheduled work days, and four (4) unpaid days per year in the aggregate to attend Union conferences or conventions. It is further understood that these leave days are not cumulative on a year to year basis

The union shall request these days at least two (2) weeks in advance.

ARTICLE 7 MANAGEMENT RIGHTS

Section 1

The Employer hereby retains and reserves unto itself, without limitation, all powers, rights, authority, duties and responsibilities conferred upon and vested in it prior to the signing of this Agreement by the Laws and Constitutions of the State of New Jersey and of the United States.

- A. The executive management and administrative control of its municipality, its properties and facilities, and activities of its Employees, personnel methods and means of the most appropriate and efficient manner possible as may from time to time be determined by the Employer.
- B. Management's right to make 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 to the Employees. No rule or regulation shall be implemented before discussing same with the Union. The Union has ten (10) business days to object to the regulation. If the Union does not object within this time frame, the rule or regulation shall be deemed acceptable and its reasonableness shall not be subject to the grievance procedure.

The township shall negotiate any item determined to be negotiable by the laws of the State of New Jersey.

- C. To set rates of pay for temporary or seasonal employees.
- D. To suspend, demote or take any other appropriate disciplinary actions against Employees for good and just cause according to law.
- E. Nothing contained herein shall prohibit the Employer from contracting out any work.
- F. Subject to Article (4) Section (3) Force Reduction; to lay off Employees in the event of lack of funds or under conditions where continuation of such work would be inefficient and non- productive.
- G. The Employer reserves the right as 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 Departments involved.

Section 2

In the exercise of the foregoing powers, rights, authority, duties and responsibilities of the Employer, the adoption of policies, rules, regulations 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 laws and Constitutions of the State of New Jersey and of the United States.

Section 3

Nothing contained herein shall be construed to deny or restrict the Employer of its rights, responsibilities and authority under R.S.40A:1-1 et seq., or any national, state, county or local laws or regulations.

ARTICLE 8 PERSONNEL FILES

- A. A separate personnel history file shall be established and maintained for each employee covered by this Agreement. Personnel history files are confidential records and shall only be maintained in the Township Personnel Director's Assistant Township Manager's office.
- B. Each employee shall have the right to inspect and review his or her own individual personnel file, upon request to the Employer. The Employer recognizes and agrees to permit this review and examination at any reasonable time. Employees shall have the right to photocopy, define, explain, or object to in writing anything found in his personnel file, and this writing shall become a part of the employee's personnel file. Such response must occur within ten (10) days of recovery in file or be waived.
- C. All personnel history files shall be carefully maintained and safeguarded.
- D. Employees shall receive a copy of each derogatory or disciplinary document being placed in his or her personnel file within ten (10) days. The employee shall sign off and date any document given to him, and have the right to place a written rebuttal response to any and all disciplinary documents contained in the personnel file. All warnings and minor reprimands over three (3) years old shall be deleted from the Township's personnel file provided it does not result in suspension or removal personnel file provided there are no subsequent reprimands, warnings, corrected and/or disciplinary actions of the same nature in the employee's file. It is further understood that all major disciplinary actions will remain in the employee's file.
- E. The files maintained by the Township Personnel Director Assistant Township Manager are the official personnel files for all employees. No other official file or personnel record will be maintained. However, it is agreed that a Supervisor's reference file will be maintained for day-to-day reference. Supervisor's file may not be used in disciplinary procedures.
- F. Employees will receive all copies of change of status forms. Original change of status forms will remain in personnel file.
- G. Job descriptions and job classifications of employees covered under this contract will be maintained and made available in Personnel Office.

ARTICLE 9
SAFETY

- A. Members of this bargaining unit are responsible for identifying, investigating, and remediating hazardous conditions. Where such conditions are outside the scope of the members' authority or budgeted resources, members are responsible for bringing to the attention of Township Manager recommendations for remediation of hazardous conditions. Bargaining unit members are responsible for seeing that remediation plans approved by the Township Manager are implemented in a timely fashion.
- B. All Township employees are required to have a high regard for personal safety and the safety of others.
- C. The Employer agrees to comply with P.E.O.S.H.A. standards for safety. In accordance with section A of this Article, bargaining unit members are responsible for ensuring that the Township complies with P.E.O.S.H.A. standards for safety within the units under their supervision. If the Township Manager has not acted on a remediation recommendation made by a member under section A within a reasonable period of time, the employee or the Union will give the Township Manager written notice ten (10) days prior to the employee or Union filing a complaint with P.E.O.S.H.A.

All members of this bargaining unit are members of the Township Safety Committee, which shall recommend, review, and enforce safety policies.

- D. Failure to use safety equipment may subject the employee to disciplinary action.

ARTICLE 10
PROBATIONARY PERIOD

- A. All employees hired or promoted during the term of this Agreement shall serve a probationary period of six (6) months with option to extend six (6) 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.

- B. A probationary employee shall be evaluated twice during any six (6) month probationary period. One evaluation shall take place after three (3) months of employment. The second evaluation shall take place no early than four (4) weeks before the end of the probationary but at least two (2) weeks before the end of the probationary period.

- C. Evaluations shall document the progress of probationary employee. Employees with unsatisfactory evaluations shall be told what actions are necessary to successfully complete the evaluations period or that their probationary period will be extended.

ARTICLE 11
HOURS OF WORK AND OVERTIME

Bargaining unit members are considered continually on duty and shall be responsible to see that they receive fair time off in lieu of overtime compensation within the framework of sound administration. Request may not be unreasonably denied.

1. Bargaining unit members are considered continually on duty, which shall mean that except when on vacation members shall call back when page or voice mail message is received.
2. No discipline if unit member has a good reason not to report for duty outside normal working hours, which for unit includes meetings that are part of their duties.

**ARTICLE 12
VACATIONS**

A. The vacation policy for the Bargaining Unit as established and agreed to by the Township shall be as follows

1. Effective January 1, 2007, vacation benefits will be based on length of service in the New Jersey Public Employees Retirement System (PERS). Members will be responsible for providing verification of length of service to Finance Department.

Entitlement shall be as follows:

Year one - one day per full month of service, not to exceed 10 days
Vacation will accrue but may not be used until after six month probationary period

Completion of 5 years in PERS	15 days
Completion of 10 years in PERS	20 days
Completion of 15 years in PERS	25 days
Completion of 20 years in PERS	30 days

Any member of the Bargaining Unit shall have the right to accumulate and carry over from year to year up to three (3) years earned vacation.

Requests for vacation shall not be unreasonably denied.

ARTICLE 13
OUT OF TITLE PAY

- A. Employees covered by this contract who are assigned duties higher than their classification or job description for more than ten (10) days shall be compensated at the rate of 6% higher than their current salary or the minimum of the higher classification, whichever is greater.

ARTICLE 14 PROMOTIONS

- A. No employee shall receive a pay cut on promotion.
- B. All employees promoted shall receive a higher salary calculated in the following manner. The employee's salary under his old job title shall be increased by either six percent (6%) or to the new minimum salary, whichever is greater, or such rate as established by negotiations with the Union. but only includes job titles covered by this agreement.
- C. An employee whose appointment does not become permanent, whose prior position is filled, and who is not placed in a vacant position will be eligible for the following post-employment benefits:
 - 1. one month's outplacement assistance from a firm selected/paid by employer for each year of employment up to nine (9) months.
 - 2. Health benefits at one (1) month for each year of employment with the Township, paid in accordance with their category under Article 26 for up to six (6) months and per COBRA afterwards.

ARTICLE 15
LEAVES OF ABSENCE

- A. By making application thirty (30) calendar days prior to the effective date, employees may apply to the Township Manager for a leave of absence without pay. Employees may be granted up to ninety (90) days of approved absence without loss or adjustment to seniority rights. However, employee shall deposit with the township funds to cover continuations to health, disability and pension benefits, if it is desired to continue benefits through the leave of absence without pay periods. Sick and vacation days will not accrue after thirty (30) days absence without pay.

- B. Maternity leave, paternity leave, leave for the adoption of a child and leave necessary for the illness of a member of an employee's household which require the employees personal care and attention shall be in accordance with the Family and Medical Leave Act.

**ARTICLE 16
MILITARY LEAVE**

Military leave shall be granted in accordance with State and Federal law.

ARTICLE 17
PROFESSIONAL LICENSES AND PROFESSIONAL ORGANIZATIONS

- A. Employees covered by this agreement shall be reimbursed for all professional job related licenses and professional organization memberships as per the approval of the Township Manager which shall not be unreasonably denied. Any employee required to take continuing education courses to maintain his professional licenses shall be granted administrative leave time for such purpose without having the leave time charged to his vacation or personal time accumulation. Reimbursement for expenses incurred in attending continuing education units shall include the cost of accommodations and meals, with a daily maximum of \$50 per day for meals.

- B. All proper documentation will be required to receive reimbursement. All expenses to be reimbursed within sixty (60) calendar days.

ARTICLE 18
CAR EXPENSES/TOLLS/PARKING

- A. Reimbursement for car expenses will be made at current IRS rate.
- B. Toll and parking expenses will be reimbursed when receipts are submitted.

ARTICLE 19
FUNERAL BENEFITS

- A. Members of the Bargaining Unit shall be entitled to up to five (5) days off with pay at the straight time rate in the event of the death of a member's spouse or child.
- B. In the event of the death of a member's parent, parent-in-law, grandparent, sister, or brother, the employee shall be entitled to up to three (3) days off with pay at the straight time rate.
- C. In the event of the death of a member's grandchild, sister-in-law, or brother-in-law, the employee shall be entitled to one (1) day off with pay at the straight time rate.
- D. In the event of the death of anyone not listed above, but someone who regularly lives with a bargaining unit member, that member shall be entitled to three (3) days off with pay at the straight time rate.

ARTICLE 20 SEPARATION

For purposes of this Article, separation includes layoff for economic reasons, reorganization which eliminates or substantially downgrades the employee's position, resignation or resignation in lieu of dismissal under Article 21 and failure to complete probation upon promotion. A member may request union representation at the time of notice.

All employees shall be given one hundred and twenty (120) working days written notice prior to the effective date of any separation.

Employees subject to layoff or reorganization shall be informed of all vacant positions in the Township. If an employee subject to layoff meets minimum qualifications for a vacant position, the employee will be interviewed. If the employee is not selected for a vacant position, the employee will receive an explanation why.

- A. In lieu of layoff, an employee may displace a less senior employee in the classification currently held or in a lower classification provided the employee is qualified to perform the functions of that different job classification.
- B. In the event of the elimination of a department and/or division, and a similar department and/or division is created, the seniority/layoff and recall provisions shall be adhered to.
- C. In all applications of seniority, departmental seniority shall be given preference in vacation schedules, overtime, personal days, and work shifts where a dispute arises between two or more employees.
- D. In matters of promotion or demotion, if qualifications, abilities and fitness are equal, than the employee with the highest seniority shall prevail.
- E. The Township shall maintain an accurate, up-to-date seniority roster showing each employee's date of hire, classification, and pay rate and shall furnish copies of same to the Union upon request.
- F. The Township shall promptly advise the appropriate Union representative of any change which necessitates amendments to the seniority list.

**ARTICLE 20 (Cont.)
SEPARATION**

During the one hundred and twenty (120) day notice period prior to any separation, an employee may engage in job search activities in accordance with a transition plan to be developed between the employee and the employer. Upon written notice of separation, the employer shall refer the employee to a professional outplacement service for assistance in finding other employment.

If a separated employee has not obtained a full-time position as of the effective date of separation, the following benefits shall be provided until such employment is obtained, subject to the time limits stated herein and provided the separated employee continues to engage in good faith efforts to find other employment. The employer will pay for one (1) month of outplacement service for each year the employee worked for the Township, up to nine (9) months. The employer will provide health benefits in accordance with Article 26 on the basis of one (1) month per each year of Township employment, up to six (6) months, and in accordance with COBRA thereafter.

If an employee was separated for reasons of economic layoff or reorganization and the employee's former position is re-established within two (2) years of the effective date of separation, the separated employee will be offered his/her former position at the former salary adjusted for increases granted to bargaining unit positions during this time period. The separated employee will have thirty (30) days to accept or reject the position, and forty-five (45) days to start on the job.

ARTICLE 21 DISCIPLINARY ACTION

TYPES

Disciplinary action or measures shall include the following:

oral reprimand,
written reprimand,
suspension (nature to be given in writing) and
removal/discharge

- a. *Oral Reprimand* – Oral statement administered by Supervisor to an employee.
- b. *Written Reprimand* – A formal statement delivered in writing by a Supervisor to an employee.
- c. *Suspension* – The temporary separation of an employee from employment for a defined period of time with or without pay (at the discretion of the Township Manager).
- d. *Removal/discharge*– The permanent separation of an employee from employment for cause.

OCCASIONS FOR DISCIPLINARY ACTION

Some infractions may include, but are not limited to:

1. Neglect of duty.
2. Sleeping while on duty.
3. Insubordination or serious breach of discipline.
4. Intoxication while on duty/drinking or substance abuse during work hours.
5. Chronic or excessive absenteeism/tardiness.
6. Neglect of, or willful damage of Public property or waste of public supplies.
7. The use or attempt to use one's authority or official influence to control or modify the political action of any person in the service or engagement in any form of political activities during working hours.

**ARTICLE 21 (Cont.)
DISCIPLINARY ACTION**

8. Conduct unbecoming as an employee of the Township.
9. Commission of a criminal act.
10. Violation of the Drug and Alcohol Policy adopted by the Township. In which case, disciplinary action will conform to the policy guideline.
11. Physical violence on the job initiated by the employee, which involves another employee or member of the public.
12. A proven violation of the ethics ordinance involving a matter with a value more than \$500.
13. The intentional dissemination of misinformation to undermine the public confidence on the Township.

PROCEDURE

When the Township manager or a supervisor believes that an employee is not performing consistent with Township policy and goals/standards, or that the employee has committed one of the above listed infractions, the Township Manager or Supervisor should privately discuss the matter with the employee concerned in order to obtain the employee's viewpoint.

Should the Supervisor consider the offense sufficiently serious to warrant formal action, the employee should be so advised, and a meeting arranged at the earliest possible date. All facts should be presented at this meeting, which should be conclusive. A written report of the meeting and all actions taken should be placed in the employee's personnel folder. An Employee may request a Union Representative at any time during the meeting. Upon said request the meeting will stop until a union representative is available.

For those employees who do not report directly to the Township Manager, in the event that it appears desirable to do so, the matter may be referred to the Township Manager for review and/or such action as is warranted by the facts. Any disciplinary action taken management against an employee must be initiated within a reasonable amount of time of the alleged violation or within a reasonable amount of time management discovers the violation.

In the event of a serious breach of discipline, an employee may be suspended or discharged immediately. An employee is subject to immediate termination in egregious circumstances.

TERMINATION FOR CAUSE

- a. Meeting and report, per procedure, result in recommendation to terminate.
- b. The Township Manager will meet with the Personnel Officer and the Township Attorney to discuss the recommendation.
- c. The Township Manager will send a copy of his determination to the employee, the Union, and the supervisor, if other than employee.
- d. Conference with Union and Township Manager, if Union requests.
- c. Township Manager sends formal notice of separation.

ARTICLE 22 GRIEVANCE PROCEDURE

PURPOSE:

The purpose of this procedure is to secure, at the lowest possible level, an equitable solution to any problem which may arise affecting the terms and conditions of this agreement. The parties agree that this procedure will be kept as informal as may be appropriate.

DEFINITION:

The term grievance as used herein shall be any controversy arising over the interpretation, application, or alleged violation of the terms and conditions of this agreement.

STEPS OF THE GRIEVANCE PROCEDURE:

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 aggrieved shall file a grievance, in writing, with his immediate supervisor within ten (10) working days from the date of the grievance or ten (10) days from the employee's knowledge of the potential grievance. Failure by the aggrieved to act within the specified time shall be deemed to constitute an abandonment of the grievance. The supervisor shall render a written decision within ten (10) working days from receipt of the grievance.

STEP TWO:

The Union has five (5) working days from receipt of the Step One answer, to process the grievance to Step Two, otherwise it shall be deemed withdrawn. If the grievance is filed at this step, it must be filed in writing to the Township Manager, even if filed with him at Step One. The Township Manager shall conduct a conference with the grievance at Step Two. The Township Manager shall have ten (10) working days after the conference to submit a written decision to the Union. The above time frames may be waived by mutual agreement and confirmed in writing.

**ARTICLE 22 (Cont.)
GRIEVANCE PROCEDURE**

STEP THREE:

All grievances as aforesaid between the parties that have not been satisfactorily settled after following the procedures outlined above shall, at the written request of either party, made to the other within ten (10) working days (not including Saturday or Sunday) after receiving the answer in Step Two, be referred to arbitration. If such written notice is not given within ten (10) working days (excluding Saturday and Sunday), the grievance will be deemed dropped. The demand written notice (Joint 11.15.99) shall be filed with the Public Employment Relations Commission, PERC.

The decision of the arbitrator shall be final and binding on both parties. The cost of the arbitrator shall be shared equally by the Union and the Township.

The arbitrator shall have no authority to change modify, alter, substitute, add to or subtract from the provision of the agreement. No dispute arising out of any question pertaining to the renewal of this agreement shall be subject to arbitration provisions of this agreement.

- (a) the arbitrator shall be bound to the provision of this Agreement and by the applicable laws of the state of New Jersey and the United States. The arbitrator shall not have the authority to add to any amendment or supplement thereto. In rendering his written award, the arbitrator shall indicate his findings of fact and reason for the decision. The arbitrator decision shall be final and binding upon the parties subject to applicable court proceedings.

EXTENSIONS IN TIME:

Nothing herein shall prevent the parties from mutually agreeing to extend or contract the time lines for processing the grievance at any step in the grievance procedure.

ARTICLE 23
LABOR/MANAGEMENT MEETINGS

- A. The parties to this agreement agree to meet on a quarterly basis, if needed, to discuss matters of mutual concern. Either the Union or the Township may call for a meeting. The party calling for the meeting shall submit an agenda to the other party five (5) days in advance.

- B. These Labor/Management meetings shall not be used to circumvent the grievance procedure and are designed to promote communication and harmonious relations between the parties.

**ARTICLE 24
LONGEVITY**

- A. Effective 7/1/07 longevity payments will cease.

- B. Effective 7/1/07 employees will be brought up to the next longevity level provided that :
 - 1. They were hired prior to 1/1/07
 - 2. They have not received a longevity increase between 1/1/07 and 6/30/07.
 - 3. The longevity payment will be added to base salary effective 7/1/07, before the annual increase is calculated.

**ARTICLE 25
SALARY INCREASE**

A. Increase in salaries and wages paid to Bargaining Unit personnel shall be provided as indicated below:

Annual increase based on annual CPI of previous year. Cost of Living to be determined from US Department of Labor Statistics for the Consumer Price Index for all Urban Wage Earners-in the New York-Northern New Jersey-Long Island, NY-NJ-CT-PA area.

7/1/05	3%
7/1/06	3%
7/1/07	3.8% (as based on annual CPI for 2006)
7/1/08	CPI (as based on annual CPI for 2007) and performance bonus
7/1/09	CPI (as based on annual CPI for 2008) and performance bonus

B. As outlined in Article 29, the Township Manager (or designee) will conduct annual performance evaluations of all employees covered under this agreement. In lieu of longevity, beginning 7/1/07, a performance bonus pool in the amount of \$60,000 will be established. Each year performance bonuses ranging from 0% - 5% will be paid out of this bonus pool. Any amount not paid out, will roll over into next year's performance bonus pool. This bonus will be paid in one lump sum by December 31st of each year.

**ARTICLE 25 (Cont.)
SALARY INCREASE**

B. Out of Contract Increases

1. The Township shall have the right to give a member of the bargaining unit an out of contract increase. Out of contract increases may be granted only once per year for a bargaining unit Employee. The year shall be based on the Employee's anniversary date (hereinafter "the anniversary year") (e.g. If hired on June 1, 2000, the year shall run through May 31, 2001).
2. The Township must notify the Union in writing of any out of contract increase(s), at least ten (10) business days prior to the effective date of the out of contract increase(s). The written notice shall indicate the effective date of the out of contract increase(s), the amount of the out of contract increase, the Employee's name, date of hire, and job title.
3. Employees of the bargaining unit who do not receive out of contract increases shall have the opportunity to meet with their respective department heads for further consideration. The Department Head's decision shall be binding and shall not be subject to the grievance procedure.

C. Pre-Tax Stipend

1. Effective July 1, 2003, employees will receive an annual \$1,800 pre-tax stipend for flexible spending account or deferred compensation plan or PERS supplemental annuity trust fund.

**ARTICLE 26
MEDICAL BENEFITS**

If during the term of this contract the Township makes other health plans or changes to the above named plans available to other bargaining units, such plans will also be made available to the employees covered by this collective bargaining agreement.

After consultation with the Union, the Township may change the vendor for any of the above named plans as long as the aggregate of services and out-of-pocket costs to the employees are equivalent or better for the employees.

Prior public service shall be counted cumulatively as service within the Township for purposes of this Article. Limitation: If previous employer covers employee's health benefit plan, the employee is not able to substitute coverage

Effective July 1, 2003, employee health plans will be as follows.

A. Available plans.

MEDICAL

HMO:	HMO Blue
PPO:	Horizon Blue Select
POS:	Health Net Charter POS with \$5 co-pay
PRESCRIPTION:	Benecard
DENTAL:	Blue Cross/Blue Shield, CIGNA HMO
OPTICAL:	\$150 reimbursement per employee family per annum
DISABILITY:	UNUM

Effective July 1, 2006

MEDICAL	PPO Plan 1 or 2
PRESCRIPTION:	Benecard or equivalent
DENTAL:	Blue Cross/Blue Shield, CIGNA HMO or equivalent
OPTICAL:	\$150 reimbursement per employee family per annum
DISABILITY:	The Standard

Effective July 1, 2007

OPTICAL: \$150 reimbursement will cease.

Effective July 1, 2008

MEDICAL Horizon BCBS of NJ Traditional – NJ State Defector Plan
Horizon BCBS of NJ Direct Access Plan – NJ State Defector Plan

DENTAL Dental Option Plan

Deductible	\$50 Single/\$150 Family
Preventative	100%
Basic	70%
Major	50%
Calendar Year Max	\$1,200
Orthodontia	50% up to \$1,500

PRESCRIPTION Non-formulary, \$0 co-pay for generic, \$4 co-pay for brand name.

DISABILITY: Township pays 50% and all employees pay 50%.

RETIREMENT

In the event a retired employee dies leaving eligible dependents, the eligible dependents may opt to continue coverage previously received, provided that the dependent was covered prior to the death of the retiree and is not otherwise eligible for medical benefits from his/her employers

Medical Benefits

Employees retiring in the New Jersey pension system under service retirement, early retirement or veteran retirement and who have twenty years of service (20) with the Township and their dependents shall, at the employee's option, receive the medical, prescription and dental benefits for which they are eligible under this agreement

Payments

Township pays 100% of Direct Access Plan for employee and eligible dependents. Those employees who enroll in the Traditional Plan will be responsible for the difference between cost of coverage that they choose (single, family, parent/child, 2 adult) under the Traditional Plan and the Direct Access Plan. Monthly premiums will be deducted from paycheck.

The Township has established a plan under Section 125 of the Internal Revenue Code to provide a tax-free stipend under the Township ordinance to those employees who have medical coverage elsewhere and who elect not to enroll in the Township's medical, dental, or prescription plans. Under the Section 125 plan, the employee shall receive 40% of the amount the Township would have paid for enrolling the employee in the plan or plans.

Effective July 1, 2000, the Township will expand its Section 125 plan to allow employees to establish flexible spending accounts to which they may contribute to pay for health and other expenses as allowed under the Internal Revenue Code. Up to the amounts allowed annually under the Internal Revenue Code, employees may pay into these flexible spending accounts from their salary or wages or additionally from their stipend under sub-section A of this section. Effective July 1, 2007 employees will have \$150 deposited into a Flexible Savings Account. It is the employee's responsibility to enroll into program.

The spouse of a retiree receiving benefit under this Article may, at the spouse's option, continue to receive these benefits after the death of the retiree, provided that this spouse was covered by this Article at the time of the employee's retirement and is not otherwise eligible for medical benefits from his/her own employer.

Employees retiring in the New Jersey pension system under service retirement, early retirement or veteran retirement and who have twenty years of service (20) with the Township and their dependents shall, at the employee's option, receive the medical, prescription and dental benefits for which they are eligible under this agreement.

When retiring with continuous service with the town, the following scale shall reflect payments for health benefits:

15 years –

Twp. Pays 75% of Horizon BCBS of NJ Direct Access Plan – NJ State Defector Plan

16 years –

Twp. pays 80% of Horizon BCBS of NJ Direct Access Plan – NJ State Defector Plan

17 years –

Twp pays 85% of Horizon BCBS of NJ Direct Access Plan – NJ State Defector Plan

18 years –

Twp pays 90% of Horizon BCBS of NJ Direct Access Plan – NJ State Defector Plan

19 years –

Twp pays 95% of Horizon BCBS of NJ Direct Access Plan – NJ State Defector Plan

20 years –

Twp pays 100% of Horizon BCBS of NJ Direct Access Plan – NJ State Defector Plan

If an employee chooses the Horizon BCBS of NJ Traditional – NJ State Defector Plan they will be responsible for the difference between cost of coverage that they choose (single, family, parent/child, 2 adult) under the Traditional Plan and the Direct Access Plan

ARTICLE 27 SICK LEAVE

Sick Leave

An employee using seven (7) or less sick days in the calendar year shall be compensated for the unused days at the rate of twenty-five (\$25) dollars per day.

If the employee uses three (3) or less sick days, the employee shall receive thirty-five (\$35) dollars per day.

Unused sick days will continue to accumulate.

To be eligible for this benefit, the employee must be in service as of January 1 of the year benefits are calculated.

Upon retirement or death after ten (10) years of service, the employee or his/her spouse/domestic/estate partner will receive payment for any unused accumulated sick leave computed on the basis of final wages, in an amount not to exceed \$ 30,000. For the purpose of this Section, retirement date shall be the date established by the Public Employees Retirement System.

Employees who retire by within one year of signing of contract will be eligible to be paid for a maximum of 110 sick days.

A full-time employee will be given one (1) day of paid sick leave per month, for a total of (twelve) 12 per year. To obtain payment for sick leave either before or after a holiday or vacation, the sickness must be substantiated by a doctor's certificate.

Sick Buy Back

60% buyback of maximum of 12 days per year. Buyback can be taken as cash, deposited into deferred compensation plan or flexible spending account.

Unused sick days will continue to accumulate.

To be eligible for this benefit, the employee must be in service as of January 1 of the year benefits are calculated.

**ARTICLE 28
PERSONAL DAYS**

Employees within the bargaining unit shall be entitled to three (3) personal days per year.

**ARTICLE 29
PERFORMANCE EVALUATIONS**

- A. The Township Manager (or designee) will conduct annual performance evaluations of all employees covered under this agreement. Evaluation form to be used will be at Township Manager's discretion.
- B. All employees covered under this agreement will be required to conduct annual evaluations of their staff

**ARTICLE 30
FLEXIBLE SAVINGS ACCOUNT**

Flexible Savings Account

Effective July 1, 2007 employees will have \$150 deposited into a Flexible Savings Account. It is the employee's responsibility to enroll into program. (This replaces the Optical Reimbursement that was previously given to employees)

