

P.E.R.C. NO. 90-111

STATE OF NEW JERSEY
BEFORE THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of

BOROUGH OF FORT LEE,

Petitioner,

-and-

Docket No. ID-90-5

FORT LEE PBA LOCAL 245,

Respondent.

SYNOPSIS

The Public Employment Relations Commission finds that an insurance proposal made by the Fort Lee PBA Local 245 in interest arbitration with the Borough of Fort Lee is economic. The proposal concerns indemnification of employees from civil suits.

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Appearances:

For the Petitioner, DeMaria, Ellis & Hunt, attorneys
(Richard M. Salsberg, of counsel; Andrew B. Brown,
on the brief)

For the Respondent, Loccke & Correia, attorneys
(Richard D. Loccke, of counsel)

DECISION AND ORDER

On February 1, 1990, the Borough of Fort Lee petitioned for an issue definition determination. The Borough asserts that an insurance proposal made by the Fort Lee PBA Local 245 should be classified as an economic issue for the purpose of interest arbitration pursuant to N.J.S.A. 34:13A-16f(2).^{1/} The Borough has filed a letter brief.

N.J.S.A. 34:13A-16f(2) defines an economic issue for purposes of interest arbitration:

Economic issues include those items which have a direct relation to employee income including wages, salaries, hours in relation to earnings

^{1/} The PBA has conceded that it improperly classified two other proposals challenged in the petition.

and other forms of compensation such as paid vacation, paid holidays, health and medical insurance, and other economic benefits to employees. [Emphasis supplied]

The Borough asserts that this "Insurance" proposal is economic:

The Employer will indemnify all Employees covered by this agreement from civil suits arising out of the performance of their duties including but not limited to the following: False arrest, malicious prosecution, libel, slander, defamation of character, privileged occupancy and the invasion of civil rights.

Employees covered by this agreement shall be fully indemnified and defended by the employer for all circumstances in which the Employee renders first aid, whether on duty or off-duty.

It analogizes the proposal to health insurance because it would compensate employees for an economic loss. It cites Weehawken Tp., P.E.R.C. No. 81-103, 7 NJPER 145 (¶12064 1981), holding that a proposal to modify a legal service plan was economic.

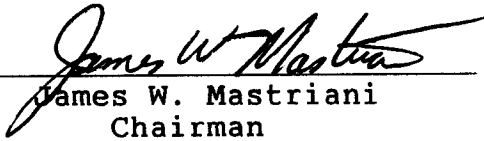
This proposal is economic. Saddle Brook Tp., P.E.R.C. No. 78-73, 4 NJPER 195 (¶4098 1978) holds that proposals consistent with a municipality's obligation under N.J.S.A. 40A:14-155 to defend police officers are non-economic. But this proposal goes beyond providing the legal counsel required by that statute to providing money to cover losses resulting from judgments.^{2/} Saddle Brook holds that any such expanded proposal is economic.

^{2/} The Legislature has narrowed the types of suits covered by N.J.S.A. 40A:14-155. See L. 1985, c. 457 and Sparkman v. City of Atlantic City, 237 N.J. Super. 623 (App. Div. 1990).

ORDER

The "Insurance" proposal is economic.

BY ORDER OF THE COMMISSION


James W. Mastriani
Chairman

Chairman Mastriani, Commissioners Bertolino, Johnson, Reid, Ruggiero, Smith and Wenzler voted in favor of this decision. None opposed.

DATED: May 14, 1990
Trenton, New Jersey
ISSUED: May 15, 1990