

Agreement
Between

THE CITY OF CAPE MAY
AND
CITY OF CAPE MAY
UPPER MANAGEMENT EMPLOYEES

Represented By
UAW LOCAL 2327

January 1, 2009 through December 31, 2012

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PREAMBLE

THIS AGREEMENT entered into this 18th day of May, 2010, by and between the City of Cape May, County of Cape May, a municipal corporation in the State of New Jersey, hereinafter referred to as the "City" and the City of Cape May Upper Management Employees, UAW Local 2327, hereinafter referred to as the "Union", represents the complete and final understanding on all bargainable issues between the City and the Union.

ARTICLE 1 RECOGNITION

The City of Cape May, New Jersey recognizes that UAW Local 2327, hereinafter known as "Union", as the exclusive negotiating representative for collective negotiations concerning the terms and conditions of employment for upper management employees employed by the City including Construction Official, Director of Civic Affairs, Superintendent of Public Works, Superintendent of Water and Sewer and Court Administrator, but excluding all other employees of the City.

ARTICLE 2 LEGAL REFERENCE

2.1 Nothing contained herein shall be construed to deny or restrict any unit member such rights as he/she may have under any other applicable laws and regulations.

2.2 Provisions of this Agreement should be subject to and subordinate to State Law, but nothing contained herein shall be deemed to subordinate this contract to local ordinances.

ARTICLE 3 MANAGEMENT RIGHTS

3.1 The City hereby retains and reserves unto itself, all powers, rights, authority, duties and responsibilities conferred upon and vested in it by the Laws and Constitution of the State of New Jersey and the United States.

3.2 The exercise of the foregoing powers, rights, authority, duties or responsibilities of the City, the adoption of policy, rules, regulations and practices and furtherance thereof, and the use of judgment and discretion in connection therewith shall be limited only by the specific and express terms of this Agreement and then only to the extent that specific and express terms hereof are in conformance with the Constitution and Laws of the State of New Jersey and the United States and the ordinances of the City of Cape May

3.3 Nothing contained herein shall be construed to deny or restrict the City of its rights, responsibilities and authorities under N.J.S.A. 40:1 et. seq., N.J.S.A. 40A.1 et. seq. N.J.S.A. 11:1 et. seq. N.J.S.A. 11A et. seq., any other national, state or county law or administrative code.

ARTICLE 4
GRIEVANCE PROCEDURE

4.1 The purpose of this procedure is to secure, at the lowest possible level, an equitable solution to the problems which may arise affecting the terms and conditions of employment under this Agreement.

4.2 Nothing herein shall be construed as limiting the right of any employee having a grievance to discuss the matter informally with any appropriate member(s) of Administration.

4.3 The term "grievance", as used herein, means any controversy arising over the interpretation, application or alleged violation of this Agreement affecting the terms and conditions of employment. A "grievance" may be raised by an individual or the Union.

4.4 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 or the Union shall institute action under the provisions hereof within sixty (60) calendar days after the event giving rise to the grievance has occurred, and an earnest effort shall be made to settle the differences between the aggrieved employee and his/her immediate Supervisor for the purpose of resolving the matter informally. Failure to act within said sixty (60) calendar days shall be deemed to constitute an abandonment of the grievance.

Step Two: If no agreement can be reached orally within twenty (20) calendar days after the initial discussion with his/her Supervisor, the employee or the Union may present the grievance in writing within fifteen (15) calendar days thereafter to the City Manager or his/her designated representative. The written grievance at this step shall contain the relevant facts and a summary of the oral discussion, the applicable section of the contract violated and the remedy requested by the grievant. The City Manager or his/her designated representative will answer the grievance in writing within thirty (30) calendar days of receipt of this written grievance.

Step Three: If the grievance is not settled through Steps One and Two, either party shall have the right to submit the dispute to arbitration pursuant to the Rules and Regulations of the Public Employment Relations Commission. The costs for the services of the arbitrator shall be borne equally by the City and the Union. Any other expenses, including but not limited to the presentation of witnesses, shall be paid by the parties incurring it. The parties direct the arbitrator to decide, as a preliminary question, whether he/she has jurisdiction to hear and decide the matter in dispute. The arbitrator shall be bound by the provisions of this Agreement and the Constitution and Laws of the State of New Jersey, and be restricted to the application of the facts presented to him/her involved in the grievance. The arbitrator shall not have the authority to add to, modify, detract from or alter in any way the provisions of this

Agreement or any amendment or supplement thereto. The decision of the arbitrator shall be final and binding.

4.5 The designated Union Representative(s) shall be permitted to confer with employees and the City on specific grievances in accordance with the grievance procedure set forth herein during work hours of employees, without the loss of pay, provided the conduct of said business shall not diminish the effectiveness of said employees.

4.6 The time limits expressed herein shall be strictly adhered to. If any grievance has not been initiated within the time limits specified, then the grievance shall be deemed to have been abandoned. If any grievance is not processed to the next succeeding step in the grievance procedure within the time limits prescribed thereunder, then the disposition of the grievance at the last preceding step shall be deemed to be conclusive. If a decision is not rendered within the time limits prescribed for decision at any step in the grievance procedure, then the grievance shall be deemed to have been denied. Nothing herein shall prevent the parties from mutually agreeing to extend or contract the time limits provided for processing the grievance at any step in the grievance procedure.

4.7 In the event the aggrieved elects to pursue remedies available through the New Jersey Department of Personnel, the grievance shall be canceled and the matter withdrawn from this procedure. It is agreed between the parties that no arbitration hearing shall be held until the expiration of at least thirty (30) calendar days after the decision rendered by the City Manager or his/her designated representative on the grievance. In the event the grievant pursues his/her remedies through the New Jersey Department of Personnel, the arbitration hearing, if any, shall be canceled and the filing fees and expenses incurred shall be paid by the grievant or Union.

ARTICLE 5 UNION REPRESENTATIVES

5.1 Accredited representatives of the Union may enter the City facilities or premises at reasonable hours for the purpose of observing working conditions or assisting in the adjustments of grievances. When the Union decides to have its representative enter the City facilities or premises, it will request such permission from the chief executive of the City or a designated representative and such permission will not be unreasonably withheld, provided there should be no interference with the normal operations of the business of the City government or normal duties of the employees.

5.2 The Union shall advise the City in writing of the name(s) of all union representatives each January or within seven (7) days following any change of representatives.

5.3 During negotiations, the Union's representatives so authorized by the Union, not to exceed two (2), shall be excused from their normal duties for such period of negotiations as are reasonable and necessary. Such excused individuals, however, shall be available for duty in the event the need arises.

ARTICLE 6
RETENTION OF CIVIL RIGHTS
& JUST CAUSE PROVISIONS

6.1 Members shall retain all civil rights under New Jersey State Law and Federal Law.

6.2 The City shall not discharge any unit member without just cause.

ARTICLE 7
LEAVES OF ABSENCES

7.1 Employees may request a leave of absence without pay, subject to the following conditions and terms:

(A) Request for a leave of absence without pay must be submitted to the City Manager in writing, and shall state the reasons for the request, the date desired to begin the leave, and the date of intended return.

(B) A request for a leave of absence without pay for a reason other than military leave may not exceed six (6) months. No more than two (2) consecutive leaves of absence may be granted.

(C) A request for a leave of absence directly related to an injury or illness of the employee will not be granted until all available sick leave has been used. For this purpose an employee may reserve a maximum of 120 hours (15 working days) of sick leave.

(D) Unless otherwise required by law (i.e. FMLA or FLA leave), any employee granted an unpaid leave of absence shall not receive credit toward seniority or years of service; vacation, personal, or sick leave time; nor towards pension benefits.

(E) Any employee granted an unpaid leave of absence greater than ninety (90) days shall reimburse the City for the cost of health benefits in the same manner as a COBRA participant unless the City is required by law to provide continued health insurance benefits.

(F) Any employee granted an unpaid leave of absence would be guaranteed to return to the same position or level of employment that the employee held on the date the leave commenced. If the City experiences a reduction in force, or layoff, and the employee would have lost his/her position had the employee not been on leave, the employee shall not be entitled to reinstatement to the former or an equivalent position.

7.2 Family Leave.

(A) Family Leave may be granted an employee to provide care made necessary by:

1. The birth of a child of an employee.
2. The placement for adoption of a child with the employee.
3. The serious health condition of a child, parent, spouse, or spouse's parent.

(B) A serious health condition means an illness, injury, impairment, or physical or mental condition that requires:

1. In-patient care in a hospital, hospice or residential medical care facility; or
2. Continuing medical treatment or continuing supervision by a health care provider.

(C) A certificate from a licensed health care provider may be required and must:

1. Contain date of onset of the condition;
2. Probable duration; and
3. Medical facts surrounding the condition.

(D) Family Leave shall be approved on an individual basis.

(E) Family Leave shall not exceed twelve (12) weeks in any twenty-four (24) month period and:

1. Is available to each eligible employee;
2. Shall include accumulated sick time, vacation time, and compensatory time in that order. Once all accumulated benefit time has been exhausted, the balance of the leave time shall be unpaid.
3. Any qualified leave is countable against New Jersey Family Leave as well as Federal Family and Medical Leave eligibility to the extent the leave is covered by both statutes; and
4. City records will reflect the use of Family and/or family and Medical Leave in addition to other absence time.

(F) To be eligible, an employee must have:

1. Been employed for at least twelve (12) months by the City; and
2. Worked a minimum of One Thousand (1000) hours in the preceding twelve-month period.

(G) Intermittent of reduced Family Leave

1. Intermittent leave is a non-consecutive leave interval of at least one but less than twelve work weeks within a consecutive twelve-month period. The City Manager must approve intermittent leave use.

2. Reduced leave is a non-consecutive leave of up to the equivalent of twelve work weeks of not less than one work day, but not more than one work week at a time. Reduced leave cannot be scheduled over a period of more than twenty-four (24) consecutive weeks. Reduced leave requires approval by the appointing authority for leave taken for the birth or adoption of a healthy child.

(H) Notification required by employee:

1. Thirty (30) days in advance or as soon as practical for adoption or birth.

2. Fifteen (15) days in advance or as soon as practical for serious health condition.

(I) Benefits during an approved Family Leave:

1. Health Insurance shall be maintained at the level and under the conditions coverage would have been provided if the employee had continued in employment continuously from the date of commencement of the leave to the date that the employee returns to work or the date that the coverage would have expired, whichever is sooner.

2. Other benefits will be available to employees on family leave as are available to other employees on paid or unpaid leaves of absences respectively.

7.3 Federal Family And Medical Leave.

(A) The City grants leave of absence to employees in accordance with provisions of Federal Family and Medical Leave Act, Family and Medical Leave may be granted to an employee to provide care made necessary by:

1. The birth of a child or the placement of a child for adoption or foster care except that the entitlement expires at the end of the twelve (12) month period beginning on the date of birth or placement.

2. The need of the employee to care for a child, spouse or parent with a serious health condition. A parent means a biological parent or an individual who stood in loco parents when the employee was a child. It does not include parents' in law; or

3. The employee's own serious health condition makes the employee unable to do his/her job.

(B) A serious health condition means an illness, injury, impairment or physical or mental condition that involves:

1. Any period of incapacity or treatment in connection with or resulting from inpatient care in a hospital, hospice or residential;

2. Any period of incapacity requiring absence from work, school, or other regular daily activities of more than three (3) calendar days, that also involves continuing treatment by a health care provider; or

3. Continuing treatment by a health care provider for a chronic or long term health condition that is incurable or so serious that, if not treated, would likely result in a period in incapacity of more than three calendar days; or for prenatal care.

(C) Medical certification may be required to support a request for a leave because of a serious health condition as well as to support the employee's fitness to return to work from the leave.

(D) Family and Medical Leave shall be approved on an individual basis.

(E) Family and Medical Leave shall not exceed twelve (12) weeks in any twelve (12) month period. Which twelve (12) month period shall begin on the first day that family leave commences; and

1. Leave for birth, adoption or to care for a sick parent must be shared by spouses working for the same employer;

2. Shall include accumulated sick time, vacation time and compensatory time in that order. Once all accumulated benefit time has been exhausted, the balance of the leave time shall be unpaid;

3. Any qualified leave is countable against the New Jersey Family Leave as well as the Federal family and Medical Leave to the extent the leave is covered by either or both statutes.

4. Records will show use of Family and/or Family and Medical Leave in addition to any other absence time.

(F) To be eligible, an employee must have:

1. Been employed for at least twelve months by the City; and
2. Worked a minimum of One Thousand Two Hundred Fifty (1,250) hours in the preceding twelve-month period.

(G) Intermittent or reduced Family and Medical Leave

1. Intermittent leave may last for as little as one hour or for as long as several weeks. An employer may limit leave increments to the shortest period of time the payroll system uses to account for use of leave.
2. Reduced leave schedule reduces the employee's hours per workweek or workday.
3. May be used when medical necessary in case of an employee who has a serious health condition or in the case of a child, spouse or parent whom has a serious health condition.
4. May be used for the birth or placement of a child for adoption or foster care only if the employer agrees.

(H) Notification required by employer:

1. Thirty (30) days in advance or as soon as practical.

(I) Benefits during an approved Family and Medical Leave

1. Health Insurance must be continued under the same conditions as prior to the leave.
2. Other benefits will be available to employees on family and Medical Leave as are available to other employees on paid or unpaid leaves of absences respectively.

(J) The City will apply family leave time for any employee who is absent for five (5) or more consecutive days for a reason, which qualifies as a serious health condition.

7.4 Military Leave.

(A) Any full time employee who is a member of the National Guard, Naval Militia, Air National Guard or a reserve component of the U.S. Armed Forces, and is required to engage in field training, shall be granted a military leave of absence with full pay for the period of such training as is authorized by law (N.J.S.A. 38:23-1), and provided that he/she does not

voluntarily extend such service. The employee must turn over to the City of Cape May any pay received for military service from the State of New Jersey, or the United States Government, in order to be eligible for full pay while on military leave.

(B) Leave for voluntary field training or a voluntary extension of military service, not to exceed two (2) weeks, may be granted by the City Manager, provided the activities of the department can be carried out with minimum of interruption or inconvenience. Such time shall be a leave of absence without pay.

(C) In all cases involving military leave, the employee shall provide the City Manager with a certificate verifying the call to military duty prior to departure.

(D) An employee may elect at his/her own discretion to utilize vacation leave to attend military duty.

(E) Any employee called to duty in time of war or military conflict shall be granted a leave of absence without pay until such time as the employee is discharged from active duty. The leave of absence will automatically extend for six (6) months from the date of discharge.

7.5 Jury Duty or Court Leave

An employee who is required to serve on a jury, or as a result of official City duties is required to appear before a court, legislative committee or quasi-judicial body as a witness in response to a subpoena or other directive, shall be granted the necessary time off with pay to serve on a jury, or appear before any court or other body as required by law. The employee shall notify the City Manager, in writing prior to the commencement of jury duty and provide a copy of the notice of report for jury duty, subpoena or other directive. Any pay received from any court by an employee while attending to jury duty shall be turned over to the City. If the employee completes jury duty and is able to report for work by 12:00 Noon, the employee will be required to report to work for the completion of his/her work shift. Employees are required to provide written verification from the court of jury duty service in order to be eligible for full pay.

ARTICLE 8 **WORKING HOURS**

8.1 Upper management employees work a standard forty (40) hour workweek. This shall include all hours which enable the employee to complete the routine duties of his/her office and to perform special duties as assigned, attend council meetings and other meetings as assigned, to work hours as required to complete critical work tasks or handle emergency conditions as they may arise.

8.2 Recognizing the above responsibilities the employee on certain occasions may work additional hours beyond the standard workweek, and at his/her own option request an equal

amount of time off. The City does not have a procedure or system for compensatory time and does not permit the accrual of uncompensated hours. However, the City reserves the right to permit a flexible schedule upon request by an employee and upon approval by the City Manager. Generally, flextime is the trading of hours worked in one day for time off on another day. Earned flextime must be used within a reasonable time period and not interfere with normal duties of the employee.

ARTICLE 9 COMPENSATION

9.1. Date of Hire and Anniversary Date. All employees hired before January 1, 2009, shall be entitled to full contractual raises as listed in Section 9.2. Employees hired during this Agreement shall receive contractual raises as follows:

- A. if the date of hire is between January 1st and June 30th, the employee will receive a full contractual raise effective on the next January 1st following the initial date of hire;
- B. if the date of hire is between July 1st and December 31st, the employee will receive a contractual raise effective on the next July 1st following the initial year of hire;
- C. all subsequent raises will be in accordance with Section 9.2.

9.2 A minimum salary shall be established for each upper management position based upon experience, skill level, and marketplace conditions. Salaries for personnel currently in these positions will reflect the following:

- A. Effective retroactive to January 1, 2009, base salaries shall be increased by four (4%) percent over each employee's 2008 base salary.
- B. Effective January 1, 2010, base salaries shall be increased by three and one-half (3.5%) percent over each employee's 2009 base salary.
- C. Effective January 1, 2011, base salaries shall be increased by two and nine-tenths (2.9%) percent over each employee's 2010 base salary.
- D. Effective January 1, 2012, base salaries shall be increased by two and nine-tenths (2.9%) percent over each employee's 2011 base salary.

9.3 In addition to salary, employees hired prior to July 1, 2010 shall receive longevity pay to be computed at two (2%) percent of the employee's base salary for every five (5) years of completed service, to the maximum of ten (10%) percent. Longevity pay shall be computed from the original date of employment. For employees hired prior to July 1, 1999, the anniversary date for this purpose shall be January 1st; for employees hired through July 1st, and for those hired after July 1st, the anniversary date shall be January 1st of the following year. For employees hired as new full time City employees on or after January 1, 2010, longevity pay shall be

based on the following schedule:

Years of Service	Percentage
1-5	0%
6-10	1.5%
11-15	3%
16-20	4%
21-25	5%
Over 25	6%

ARTICLE 10
SICK LEAVE

The City shall provide paid sick leave to all Management/Professional employees and on a pro-rated basis.

10.1 Sick leave with pay shall be earned at the rate of eight (8) hours (one (1) working day) leave for every month of service during the remainder of the calendar year following the date of hire to a maximum of ninety-six (96) hours (twelve (12) working days) of paid sick leave during the first year of employment. For any employee hired after the fifteenth (15) day of the month no sick leave will be earned until the first full month of employment.

10.2 In addition to Section 10.1 above, employees hired on a full time basis shall earn sick leave after the initial year of hire, at the rate of one hundred twenty (120) hours (fifteen (15) working days) each year.

10.3 Sick leave may be used by an employee when he/she is unable to perform work by reason of personal illness (including childbirth), accidents, or exposure to contagious disease.

10.4 Sick leave may be used by an employee to attend to a seriously ill member of the immediate family (as defined in this paragraph) for a period not to exceed four (4) weeks. Immediate family, for the purpose of this section shall be defined as husband, wife, child, stepchild, mother, father, brother, sister, guardian, mother-in-law, father-in-law, grandmother, grandfather, grandchildren, sister-in-law and brother-in-law. Reasonable verification of the event may be requested by the City.

10.5 Sick leave may be used in the case of a death of a member of the immediate family (as defined in E above) not to exceed forty (40) hours (five (5) working days) for each instance. Such leave time may be requested in addition to Bereavement leave when an employee requires additional time to grieve the loss of a family member.

10.6 Sick leave must be taken in a minimum one-half (1/2) day (four (4) hour) increments.

10.7 Sick leave will be prorated and credited for months of actual service during the last year of employment.

10.8 Unused sick leave may be accumulated and carried forward from year to year until termination of employment. Employee who have retired and used more sick leave than they have earned (on a pro-rated basis) will be required to reimburse the City for any used but unearned sick leave.

10.9 An employee is required to notify the City Manager, as of the employee's usual reporting time, of his/her absence from work and use of available sick leave. An employee absent on sick leave for five (5) days or more consecutive working days shall be required to submit acceptable medical evidence substantiating the illness. Also, when in the opinion of the City Manager, the use of sick leave appears to be excessive or abusive (i.e. used to extend weekends or time off, etc.) of total ten (10) or more days in a calendar year the City may request acceptable medical evidence substantiating the illness or reason for the absences.

10.11 No deduction shall be made from an employee's sick or other leave balance(s) when absent from work due to related injuries that qualify for worker's compensation benefits. Time off taken in connection with injuries or sickness that do not qualify for worker's compensation payments shall be deducted from the employee's sick leave balance.

10.12 An employee shall not be reimbursed for accrued sick leave at the time of termination of employment, except when an employee terminates employment by reason of retirement. Should an employee retire with less than twenty-five (25) years of service such an employee shall be reimbursed for twenty-five (25%) percent of all accumulated sick leave time; or should an employee retire with twenty-five (25) or more years of service such an employee shall be reimbursed for fifty (50%) percent of all accumulated sick leave time. The employee's annual compensation at the time of retirement, excluding uniform pay, shall be used to calculate the amount of the reimbursement. In no case shall the amount of reimbursement of sick leave time exceed fifteen thousand dollars (\$15,000.00) in gross pay. Payment for unused sick leave upon retirement will be made in the next subsequent payroll period, unless the retiree and the City mutually agree to a future date for payment.

10.13 In the event the reason for sick leave absence also qualifies for family leave under the Federal Family and Medical Leave Act (FMLA) or the New Jersey Family Leave Act (FLA), then the sick leave taken shall also apply against the leave entitlement under either or both the FMLA or the FLA, as applicable.

ARTICLE 11
RETIREMENT COMPENSATION; COBRA

11.1 Retirement Compensation

The City of Cape May participates in the State of New Jersey pension system, which includes the Public Employees Retirement System (PERS). Employees will retire by the State of New Jersey established laws, rules and regulations governing pensions including eligibility, enrollment, pension contributions, arrears and buy-back payments, loans, qualifications for vesting pension benefits and retirement benefits. In order to receive the retirement compensation, an employee must retire from employment with the City under the established criteria of the respective retirement system for the individual's position. It shall be the policy of employees to provide the City with ninety (90) calendar days of notice of their intention to retire.

11.2 Health Benefits COBRA

The City will make available continued medical insurance coverage to eligible participants (employees and qualified beneficiaries) in compliance with the requirements of the Federal Consolidated Omnibus Budget Reconciliation Act (COBRA). Qualified participants may elect to maintain medical insurance coverage in one of the City's plans, at their own expense, if loss of medical coverage occurs as a result of one of the following qualifying events:

- (A) Termination of the covered employee (voluntary or involuntary), except for gross misconduct, (eighteen (18) months).
- (B) Reduction of the employee's hours so that the employee and dependents, if any, no longer meet the group's coverage eligibility requirements (eighteen (18) months).
- (C) A disabling injury under the Social Security Act (twenty-nine (29) months).
- (D) Death of a covered employee (thirty-six (36) months for dependents).
- (E) Non-Medicare spouse and dependents of an employee entitled to Medicare (thirty-six (36) months).
- (F) Divorce or legal separation of the covered employee and his/her spouse (thirty-six (36) months).
- (G) Loss of dependent child status under the terms of the employers' plan (thirty-six (36) months).

11.3 COBRA Eligibility

A qualified beneficiary (COBRA-eligible) is a person who, on the day before a qualifying event, is covered under a group health plan maintained by an employer. Continuation of coverage is available to:

- (A) An active, covered employee;
- (B) Spouse of an active, covered employee; or
- (C) Eligible dependent child of an active, covered employee.

11.4 COBRA Benefits

(A) The City will provide each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under the City's health insurance plan. The notice contains important information about the employee rights and obligations. Employees and/or qualified beneficiaries shall notify the City of any qualifying event.

(B) When a member and/or his/her spouse become eligible for Medicare/Medicaid, the City's health plan shall remain in effect as secondary provider. The City's maximum liability as secondary provider shall be as per the insurance plan as selected by the individual.

(C) Upon written request, retirees shall receive descriptions of their health benefits annually.

ARTICLE 12 INSURANCE, HEALTH AND WELFARE

12.1. The City shall continue to provide and maintain group health benefits coverage and dependent coverage for all permanent full time employees beginning on the first of the month following sixty days of employment, as presently offered through the New Jersey State Health Benefits Plan (SHBP).

12.2. The City shall have the right to change health benefits carriers so long as the change in carriers has no appreciable effect on the level of benefits.

12.3 The City shall provide disability leave protection after a fourteen (14) day waiting period (sickness and accident) after which the employee will receive up to seventy (70%) of lost earnings up to the weekly benefit amount established by the State of New Jersey for twenty-six (26) weeks.

12.4. Upon retirement after 25 years of service to the City (or 27 years of service to the City for employees hired on or after January 1, 2010), the City will pay the entire cost of health benefit coverages available for retirees at the time of retirement to supplement Medicare or any other health benefits to which the retiring employee may be entitled for the lifetime of the retiring employee and the employee's spouse at the time of retirement. The health plan for retirees shall reflect a lifetime limit as provided for under the specific health plan selected by the retiree.

12.5. During the term of this Agreement, the City may offer alternative health plans to the Union other than those specified in Section 12.1. Subject to Section 12.2, the Union must approve any alternative health plan in writing before it will be available to all Union members on a uniform basis. Any agreement between the City and an employee regarding a Union approved alternative health plan will be authorized in writing. No employee shall be required to accept such alternative health plans.

12.6. All employees will continue to have their existing health insurance plan paid by the City through the SHBP. For employees hired before January 1, 2010, employees will be permitted to retain the option presently chosen without any additional contribution. Employees hired on or after January 1, 2010 shall be permitted to accept the Direct 15 option with no additional contribution, but may be permitted to select an option other than Direct 15, provided that if there are additional costs they will be paid by the employee. Such additional costs may be reimbursed through the City's Flex Care Program. All plans provided by the City shall be without a prescription drug program, but will include prescription reimbursement under the plan's deductible and co-insurance limits (the "SHBP w/o Prescription"). In the event the options available under the SHBP change, the City shall designate the option that is most comparable to Direct 15 as the option that will continue to be offered at no charge to the employees.

12.7 Employees who are entitled to and who elect to "cash out" their health insurance benefits will be given two options: (i) receive the lesser of Eight Thousand (\$8,000.00) Dollars or fifty (50%) percent of the Direct 15 premium, without prescription and without participation in the City's Flex Care Program; or (ii) receive the lesser of Five Thousand Seven Hundred (\$5,700.00) Dollars or fifty (50%) percent of the Direct 15 SHBP w/o Prescription and with participation in the City's Flex Care Program. Except for City employees who are married to each other prior to January 1, 2010, if both a husband and wife are City employees, only one of them will be offered a health insurance plan and there will be no right for the other to "cash out". To the extent P.L. 2010, Ch. 2, supersedes the provisions of this Section 12.7, notwithstanding that the effective date of this Agreement is prior to May 21, 2010, the provisions of P.L. 2010, Ch. 2, shall supersede this section.

12.8. The City also provides a Flex Care Program to those qualified employees. This program is shown in Appendix A. Qualified employees shall provide receipts for items covered under this program. Effective January 1, 2010, the Flex Care benefits amounts shall be increased to One Thousand Four Hundred (\$1,400.00) Dollars for employee only and Two Thousand Three Hundred (\$2,300.00) Dollars for employee plus dependents.

12.9 All employees, except those who elect to cash out under Section 12.7, shall be required to contribute to the cost of health benefits. The contribution shall be based upon the following:

Up to \$30,000.00	None
\$30,000.00 but less than \$50,000.00	½%
\$50,000.00 but less than \$70,000.00	1%
\$70,000.00 or more	1½%

These percentages shall be for all wages earned including stipends (but excluding longevity, overtime, clothing allowances and expense reimbursements) and are not marginal rates. For example, if an employee is scheduled to earn Forty Nine Thousand (\$49,000.00) Dollars for the year he/she will contribute Two Hundred Forty-Five (\$245.00) Dollars (½% x \$49,000.00), but if the total earnings are Fifty One Thousand (\$51,000.00) Dollars, the total contribution will be Five Hundred Ten (\$510.00) Dollars (1% x \$51,000.00). The required contributions shall be phased in over a four (4) year period beginning January 1, 2009 in equal twenty-five (25%) percent increments. It is also acknowledged that all employees covered by this Agreement shall be required to make a contribution toward the cost of health benefits pursuant to this Section 12.9 and, based upon the effective date of this Agreement being prior to May 21, 2010, the contribution set forth in this Section 12.9 shall supersede any contributions required under P.L. 2010, Ch. 2, such that the employees who make contributions toward health benefits under this Section 12.9 shall not be required to make a contribution pursuant to P.L. 2010, Ch. 2.

12.10 Upper management employees will be provided a life insurance in accordance with the following terms and conditions:

A. Upper management employees will be provided a life insurance and accident death and dismemberment policy with a face value amount of \$10,000.00 for each actively working full time employee. This policy value will automatically reduce to sixty (60%) percent at age sixty-five (65), and fifty (50%) percent at age seventy (70).

B. Coverage will commence after sixty (60) day waiting period from the date of hire.

C. The City may require an employee to provide evidence of insurability by means of taking a physical exam before coverage will commence. Any required physical exam will be at the expense of the employee.

D. Life Insurance coverage ceases upon an employee's termination of active employment, including by reason of retirement, or a leave of absence, except the coverage will continue for a family or medical leave under the Federal Family and Medical Leave Act and/or the New Jersey Family Leave Act for a maximum of twelve (12) weeks. Upon termination for any reason, employees may continue life insurance coverage at their own expense.

E. Upon retirement, all full time employees may convert and purchase the life insurance coverage (\$10,000.00) limit from the City's provider; such conversion and purchase must be executed within the first thirty one (31) days following retirement.

F. A copy of the actual life insurance policy terms and conditions is on file in the City Clerk's office.

ARTICLE 13
TIME OFF

13.1 Vacations.

Upper management employees shall receive paid vacations in accordance with the following schedule:

YEARS OF SERVICE	VACATION DAYS
1 ST	1 day per month
2 nd thru 5 th	12 days per year
6 th thru 12 th	15 days per year
13 th thru 19 th	20 days per year
20 th & over	25 days per year

For employees hired on or after January 1, 2010, the vacation hours and days for 20th year and over shall be one hundred seventy-six (176) hours and twenty-two (22) days.

A. Vacation leave will be credited to each employee hired prior to January 1st, 2000 on January 1st of each year regardless of the actual date of hire. Any employee hired after January 1st, 2000 shall receive full vacation credit on his/her actual anniversary date of hire.

B. Vacation leave will be prorated and credited for the months of actual service during the last year of employment.

C. Vacation allowance must be taken during the current calendar year at such time as permitted or directed by the chief executive of the City or a designated representative unless the chief executive of the City or a designated representative determines that it cannot be taken because of pressure of work. Vacation requests should be made as far in advance as possible, but they must be submitted to the employee's Department Head no later than forty-eight (48) hours in advance. Up to one (1) year of unused vacation may be carried forward only into the next succeeding year unless there is an emergency condition in the next succeeding year as set forth by the City Manager which prevents the employee from utilizing the unused vacation time in that year. In that circumstance alone, the employee may carry the unused vacation time into the third year.

13.2 Holidays.

Upper management employees shall be entitled to fourteen (14) paid holidays. The following holidays shall be recognized:

- | | |
|--------------------------|---------------------------------------|
| 1. New Year's Day | 8. Columbus Day |
| 2. Lincoln's Birthday | 9. Veteran's Day |
| 3. Washington's Birthday | 10. General Election Day |
| 4. Good Friday | 11. Thanksgiving Day |
| 5. Memorial Day | 12. Day After Thanksgiving |
| 6. Independence Day | 13. Christmas Day |
| 7. Labor Day | 14. Martin Luther King, Jr., Birthday |

A holiday shall be granted to all employees covered under this agreement, whenever the same is declared by proclamation of the President, the Governor, or the County Board of Chosen Freeholders, provided the City Council accepts the holiday by proper resolution.

13.3 Personal Leave.

Upper management employees will earn and take personal leave as follows:

A. Personal leave with pay shall be earned at the rate of eight (8) hours (one working day) leave for every four (4) months of service during the remainder of the calendar year following the date of hire to a maximum of twenty four (24) hours (3 working days) of paid personal leave during the first (1st) year of employment. For any employee hired after the fifteenth (15) day of November no personal leave will be earned until start of the first full year of employment.

B. In addition to Section 13.3 A. above, employees hired on a full time basis shall earn personal leave after the initial year of hire at the rate of twenty four (24) hours (3 working days) each year.

C. Personal Leave must be used in the current year, and may not be carried forward.

D. Personal leave may only be taken in minimum one-half (1/2) day (4 hour) increments.

E. Personal leave does not require prior approval, but each employee must report to the City Manager intended use of personal leave at least two (2) hours prior to the start of the employee's work shift.

ARTICLE 14

PROFESSIONAL LIABILITY INSURANCE

Upper management employees shall be covered by appropriate insurance purchased by the City of Cape May. The City agrees to provide legal representation for all Upper management employees if litigation should develop as a result of actions performed in the line of duty as a City employee. Additionally, the City will indemnify and save harmless the management and professional employees from any liability for personal injury or property damage which may result from actions undertaken by the employee during the normal course of employment. The provisions of this Article are subject to the terms and conditions of Chapter 32 of the City Code as in effect on the date of this Agreement.

ARTICLE 15

DUES CHECKOFF AND REPRESENTATION FEE

15.1 The City agrees to deduct from the salaries of its employees subject to this Agreement dues for the Union. In addition, the City agrees to deduct from the salaries of its employees subject to this Agreement but not members of the Union a representation fee in lieu of dues for services rendered by the majority representative, in an amount equal to 85% of the regular membership dues, fees and assessment paid by members of the Union, less the cost of benefits financed through the dues and assessment and available to and benefiting only members of the Union. Such deductions shall be made in compliance with Chapter 310, Public Laws 1967, N.J.S.A. (R.S.) 52:14-15.9 (E) as amended. Said monies together with records of any corrections shall be transmitted to the Union office by the fifteenth (15th) of each month following the monthly pay period in which deductions were made.

15.2 If, during the life of this Agreement, there shall be any change in the rate of membership dues, the Union shall furnish to the City written notice prior to the effective date of such change and such notification shall be signed by the President and Financial Secretary of the Local Union.

15.3 The Union shall indemnify, defend and save the City harmless against any and all claims, demands suits or other forms of liability, which may arise by reason of any deductions and remitting the same pursuant to this Article.

ARTICLE 16

SEVERABILITY AND SAVINGS

If any provision of this Agreement or any application of this Agreement of any employee, member or group of employees or members is held to be invalid by operation of law by any court or other tribunal of competent jurisdiction, then such provisions and application shall be deemed inoperative; however, any other provisions and applications contained herein shall continue in full force and effect and shall not be affected thereby.

ARTICLE 17
EDUCATION AND TRAINING

The City shall provide training to all upper management employees in the proper use and safety of any equipment required in the performance of job duties. Also, the city encourages upper management employees to attend seminars and conferences providing information and instruction relative to the performance of duties including administrative and statutory requirements. Upper management employees will be subject to the following terms and conditions regarding training and education:

17.1 The City shall pay for cost of seminar and conference registration fees subject to available budget appropriations.

17.2 Any management employees must get approval of the City Manager prior to making application to attend any seminar or conference.

17.3 The City shall permit upper management employees authorized to attend seminar or conferences during the regular workday to count the hours attending seminar or conferences as "other" time worked.

17.4 Any upper management employee authorized to attend a seminar or conference that requires travel, meals, or overnight stay may request reimbursement of such expenses subject to available budget appropriations provided such expenses are approved in advance. An employee requesting to stay over night in an area not normally provided for must obtain the approval of the City Manager prior to the scheduled training or conference.

ARTICLE 18
FULLY BARGAINED PROVISIONS

This Agreement represents and incorporates the complete and final understanding and settlement by the parties on all bargainable issues, which were or could have been subject of negotiations. The intent and purpose of this paragraph is to give the parties opportunity to review and revise titles and salary ranges to keep them competitive and current.

ARTICLE 19
DURATION

This Agreement shall be in full force and effect as of January 1, 2009 and shall remain in effect to and including December 31, 2012 without any reopening date. This Agreement shall continue in full force and effect from year to year thereafter, unless one party or the other gives notice, in writing, no sooner than one hundred twenty (120) nor no later than ninety (90) days prior to the expiration of this Agreement of a desire to change, modify or terminate this Agreement. Any Agreement so negotiated shall apply to all upper management employees, be reduced to writing and be signed by the parties.

ARTICLE 20
STIPENDS

The terms and conditions of that certain Stipend Agreement dated March 18, 2008, attached hereto as Appendix C, are hereby incorporated herein by this reference.

IN WITNESS WHEREOF, the parties have hereunto set their hand and seals at City of Cape May, New Jersey on this 18th day of May, 2010.

CITY OF CAPE MAY,
COUNTY OF CAPE MAY, NJ

UAW, LOCAL 2327,
REGION 9

BY: Edward J Mahoney Jr, Eld 5/18/2010

BY: Frank Smith 5/17/10

ATTEST: Deanne Wilton

ATTEST: Sandra J. Lylean
WM. R. Callahan

DATE: 5/18/2010

DATE: May 17, 2010

APPENDIX A
2009 - 2012 FLEX CARE MEDICAL OPTIONS

	Employee Only	Employee & Dependents
FLEX CARE BENEFITS	\$1,300.00 ¹	\$2,100.00 ²
VISION CARE	\$	\$
PRESCRIPTIONS	\$	\$
DENTAL CARE	\$	\$
DR. PRESCRIBED HEALTH AIDES	\$	\$
DEDUCTIBLE RESERVE (\$100 @)	\$	\$
20% CO-PAY RESERVE (\$400 @)	\$	\$
OTHER ITEMS APPROVED BY CITY	\$	\$
CONTRIBUTION TO HEALTH CARE	\$	\$
STATE HEALTH BENEFIT OPTION	\$	\$

.....

Employees are required to select the dollar amounts for each Flex Care Option each December for the next following calendar year. Dollar amounts selected will be locked in as of the first business day of each year. Employees will be required to submit paid bills for reimbursement. Flex Care reimbursements will be made through and in conjunction with the issuance of regularly scheduled payroll. Any unused benefits will terminate at the close of the year. Employees who elect to "cash out" are not entitled to Flex Care benefits.

AUTHORIZATION: _____ DATE: _____
 I understand and authorize my Flex Care Medical Options selected above.

¹ Increased to \$1,400.00 effective January 1, 2010.

² Increased to \$2,300.00 effective January 1, 2010.

APPENDIX B
CLOTHING ALLOWANCE

The Superintendent of Public Works and Water and Sewer shall be paid six hundred and seventy five (\$675.00) dollars each year, for the purchase and maintenance of clothing and protective work shoes or boots. The Director of Civic Affairs and Construction Official will not be paid a clothing allowance, but will be reimbursed for clothing damaged in the performance of his or her duties.

APPENDIX C
STIPEND AGREEMENT

AGREEMENT

THIS AGREEMENT ("Agreement") is hereby entered into this 18TH day of MARCH, 2008, by and between the CITY OF CAPE MAY, a municipal corporation of New Jersey (hereinafter referred to as "City" or the "Employer"), and the UNITED AUTO WORKERS AFL-CIO Local 2327 (hereinafter referred to as "UAW" or the "Union") the City and the UAW may hereinafter be collectively referred to as the "Parties".

WITNESSETH:

WHEREAS, the UAW is the representative of certain collective bargaining units whose members are employees of the City; and

WHEREAS, the City and the UAW are parties to the following collective bargaining agreements defining the terms and conditions of employment: City of Cape May Upper Management/Professional Employees, dated January 1, 2005 through December 31, 2008; City of Cape May, New Jersey and White Collar Clerical and Communications Employees, dated January 1, 2005 through December 31, 2008; City of Cape May, New Jersey and Public Works and Water and Sewer Employees, dated January 1, 2005 through December 31, 2008; City of Cape May, New Jersey and Middle Managers/Professional Employees, dated January 1, 2005 through December 31, 2008; City of Cape May, New Jersey and the Lieutenant Lifeguards Association, dated January 1, 2003 through December 31, 2006; City of Cape May, New Jersey and the Lifeguards Association dated January 1, 2003 through December 31, 2006, together with amended and superseded by successor agreements (collectively referred to as the "Collective Bargaining Agreements"); and

WHEREAS, the City desires to remunerate certain employees by payment of Stipends more fully defined below, who are members of the UAW and subject to the terms and conditions of the Collective Bargaining Agreements for work performed in addition to their regular job responsibilities as those responsibilities are defined by their respective Collective Bargaining Agreements and applicable New Jersey Department of Personnel job descriptions; and

WHEREAS, a dispute has arisen concerning the unilateral implementation of stipends above the wage rates set forth in the various Collective Bargaining Agreements; and

WHEREAS, the City and the UAW desire to permit such Stipends and to fully settle and resolve the dispute in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing paragraphs, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Recital Paragraphs. The above recital paragraphs are incorporated herein as if set forth at length.

2. Existing Collective Bargaining Agreements. All terms and conditions set forth in the Collective Bargaining Agreements shall continue in full force and effect and unmodified hereby. To the extent that there are any inconsistencies between the terms of this Agreement and the terms of the Collective Bargaining Agreements, the terms of this Agreement shall apply, unless modified pursuant to Paragraph 7 below.

3. Stipend. Stipends, in the form of compensation which, for the purposes of distribution to the employee, shall be included in the employee's salary, and subject to payroll and pension deductions, where applicable, may be paid to such employees who are subject to the Collective Bargaining Agreements, for the performance of certain duties and responsibilities in addition to those for which they are compensated in accordance with the relevant provisions of their respective Collective Bargaining Agreement as follows:

(a). For the performance of duties or responsibilities, which may be the same or similar duties or responsibilities performed by the employee for the City, resulting from or in connection with a duly enacted Interlocal Service Agreement in accordance with the Interlocal Services Act, N.J.S.A. 40:8A-1, et seq., which authorizes agreements between municipalities for the provision of services by one municipality for another; and

(b). For the performance of duties and responsibilities unrelated to, or in addition to those duties and responsibilities required by the employee's respective Collective Bargaining Agreement and applicable New Jersey Department of Personnel job description, or those duties and responsibilities that are in addition to or unrelated to the employee's regularly performed duties and responsibilities, as defined by the City.

(c). All stipends currently in effect prior to the effective date of this Agreement shall be deemed agreed to by the parties and shall not be altered except as provided for herein.

(d). If the additional duties or responsibilities pertaining to a Stipend cease and the employee in question is no longer required to perform such additional duties or responsibilities, the City may cease payment of the Stipend.

(e). If the additional duties or responsibilities pertaining to a Stipend become the responsibility of another employee, that other employee will receive the Stipend for such additional work, and the original employee shall no longer receive the Stipend once he or she no longer performs the work associated with the Stipend. The City may only reassign Stipends with thirty (30) days advance notice to the Union, and may not use such reassignment to retaliate against any employee.

(f). If the City requires the work of additional duties or responsibilities to be performed, the City shall notify the Union of its desire to impose such additional duties or responsibilities on employees and the amount of the Stipend it proposes to pay in exchange for

such additional work. Upon receipt of such notice the Union may demand bargaining over the value of the additional work and the amount of the Stipend. Upon receipt of such a bargaining demand the City agrees that it will meet and bargain in good faith with the Union.

4. Intent. The UAW and the City acknowledge and agree that the intent of this Agreement is to permit the City to compensate certain employees in accordance with the terms and conditions set forth herein for the performance of those additional duties and responsibilities in connection with the payment of a Stipend as set forth above in Paragraph 3, notwithstanding the terms and conditions of the Collective Bargaining Agreements that pertain to compensation. The UAW further acknowledges and agrees that any Stipend paid to an employee shall not be construed as part of the salary of the employee for the purposes of negotiating salary increases for that employee or any other employee, group of employees or bargaining unit, provided the City complies with the terms of this Agreement. The City acknowledges that it is not the UAW's intention to relinquish its right as the bargaining representative for the purpose of compensation for the performance of additional duties and responsibilities.

5. Unfair Practice Charges. The UAW agrees to withdraw and dismiss, with prejudice, the Unfair Practice Charge and Amended Unfair Practice Charge filed with the New Jersey Public Employees Relations Commission pertaining to the subject matter hereof, under Docket Number CO-2007-180. The UAW further agrees not to file any future unfair practice charges or grievances pertaining to the subject matter hereof, provided that the City complies with the terms of this Agreement.

6. Effect of Invalidity. Should any provision of this Agreement be declared or be determined by any court of competent jurisdiction to be illegal, invalid, void, or unenforceable, the legality, validity, and enforceability of the remaining parts, terms, or provisions shall not be affected thereby, and any said illegal, unenforceable, or invalid part, term, or provision shall be deemed not to be a part of this Agreement.

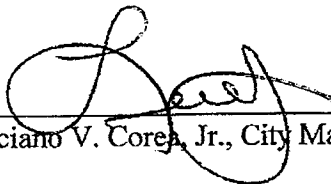
7. No Modifications. This Agreement may not be modified except upon express written consent of both parties wherein specific reference is made to this Agreement. Absent any modification, this Agreement shall be incorporated into and made a part of all Collective Bargaining Agreements between the Parties and the successor agreements thereto and shall be attached to each such agreement when they are printed.

8. Counterparts / Facsimile. This Agreement may be executed in any number of counterparts, including counterparts transmitted by facsimile, which shall constitute an original of this Agreement.

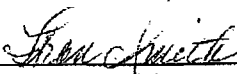
9. Entire Agreement. This Agreement sets forth the entire agreement between the parties hereto and fully supersedes any and all prior agreements or understandings between the parties hereto pertaining to the subject matter hereof. Any disagreement concerning the interpretation or application of this Agreement shall be subject to the grievance and arbitration procedure set forth in the applicable collective bargaining agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF CAPE MAY

BY: 
Luciano V. Corea, Jr., City Manager

UNITED AUTO WORKERS AFL-CIO
Local 2327

BY: 
Fran Smith, President