

## **New Jersey municipalities, state legislators searching for solution to budget-straining payouts for unused sick time**

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Of the 16 large to moderately sized towns in the region for which the total accrued sick and vacation time was examined, practically every town has different rules about how they award, calculate, cap and award accumulated sick- and vacation-time payouts to municipal employees.

In addition, not only does each town have different rules for payouts, many times a town will have different rules for different employees, depending on which union they belong to or whether they belong to a union at all.

Hamilton Township is one of the few to have a set cap of \$15,000 for both union and non-union employees, along with Middle Township and its across-the-board cap of \$12,500.

Egg Harbor City caps payouts to 45 days worth of sick time upon retirement — so that only two employees will have payouts of about \$31,000 while all others have no more than \$16,000.

Some towns have caps in place for newer employees. Lower Township has a cap of \$15,000 for most employees, Township Clerk Claudia Kammer said, except for several older employees who are entitled to as many as 180 days' worth of sick time.

Other towns have different rules for each union, such as Ventnor — which caps City Hall employees at \$16,000 and police at \$30,000, while 10 firefighters have accrued sick time of more than \$30,000, including two with more than \$50,000 due to the lack of a hard cap.

Absecon also has different standards for different unions, with maximums of \$50,000, 180 days or whichever is lower, said City Administrator Terry Dolan, as well as a limit of 50 percent of the time accrued for non-represented employees. Dolan himself, meanwhile, is capped at 60 days.

Some towns have different rules for employees and department heads. Upper Township has a maximum of \$10,000 in payouts for employees and 75 percent of time accrued for department heads, leaving the highest accrued values at almost \$54,000 and \$51,000, with several more in the \$20,000 to \$30,000 range.

Some have different rules by employee. Egg Harbor Township has caps of either \$30,000, \$15,000 or \$10,000 for City Hall employees — or occasional limits of 25 percent or 50 percent of sick time accrued, whichever is smaller. Police, meanwhile, measure their cap in days — all at 220 — or by 25 percent, 50 percent, 75 percent or 100 percent of time accrued, so that several officers have listed values of more than \$30,000.

Somers Point also has a “mixed bag” of rules, City Administrator Wes Swain said, with a \$20,000 cap for the Teamsters union and 180-day caps for police — though even with caps, one police officer is listed as having “capped” sick leave value of \$110,000 for 285 days, a number based on the 2011 salary that may only increase over time.

It certainly appears difficult in Margate, however, where one officer is listed as having accumulated \$298,831 in sick time, a figure that both the interim city administrator and police chief believe to be an obvious mistake. “That’s impossible,” is how Chief David Wolfson put it.

When municipal employees retire with substantial unused sick time, it can literally break the local budget.

State legislators are debating how to reform payouts of unused sick days to municipal employees on their retirement. But that doesn't affect the crush of upcoming budget-breaking payouts that municipalities — and their taxpayers — are facing.

Brigantine, for its part, will probably see several more payouts of more than \$100,000 to firefighters over the next few years, with four having already accrued more than that amount, including one who has accrued \$138,000. Five more have accrued \$87,000 or more. Those figures include compensatory time (deferred payments in lieu of overtime) and banked holiday time, but unused sick-day time will make up more than 70 percent of most payouts.

The reality — in a state already in financial trouble — is that continuing to pay public employees for unused sick time is unsustainable, said Michael Busler, a fellow at the William J. Hughes Center for Public Palripat Mic Palripaslerrrtgi

former, is also important, she said, as many of the most “egregious” payouts are due to non-union employees such as department heads.

Determining which local public employees have a large payout awaiting them upon retirement — and how much they will get — is made more difficult by how municipalities are required to compile accumulated sick-time information. The state mandates that the total value of all accumulated sick days be calculated and listed for each employee, even though the actual payout may be limited by various monetary, time or career caps.

Ocean City Administrator Frank Donato said that distinction is important to note when looking at lists of accrued sick-time values.

“When the Governor’s Office said what the liability was for each town and divided it up among each taxpayer, saying, ‘Here’s how much each taxpayer owes,’ one of the things you have to understand is (orders \_ctu4runtr each)Tj0 -1.

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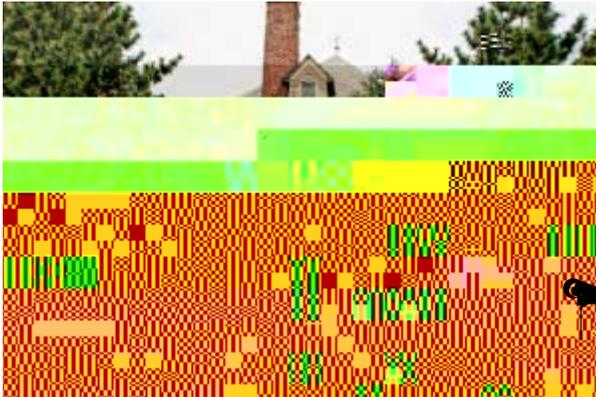
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