

**STATE OF NEW JERSEY**  
**PUBLIC EMPLOYMENT RELATIONS COMMISSION**

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In the Matter of Interest Arbitration Between:

**TOWNSHIP OF BEDMINSTER,**  
**“TOWNSHIP”**

- and -

Docket No. IA-2019-017

**PBA LOCAL 366**  
**“PBA or Union.”**

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**Before:** Brian W. Kronick, Esq., Interest Arbitrator

Appearances:

**For the Township:**

Arthur R. Thibault, Esq./Robert J. Merryman Esq. and H. Thomas Clark, Esq.  
Appruzzese, McDermott, Mastro & Murphy, P.C.

**For the PBA:**

Leonard C. Schiro, Esq. and Colin Krol, Esq.  
Mets, Schiro & McGovern, LLP

## PROCEDURAL HISTORY

Police Benevolent Association Local 366 (the “PBA”) and the Township of Bedminster (the “Township”) are parties to a Collective Negotiations Agreement with an effective term of January 1, 2014 through December 31, 2018 (the “Agreement”).

On March 1, 2019, the PBA filed a Petition to Initiate Compulsory Interest Arbitration with the New Jersey Public Employment Relations Commission (“PERC”) (the “Petition”) pursuant to the Police and Fire Interest Arbitration Reform Act, N.J.S.A. 34:13A-16 (the “Act”). On March 18, 2019, PERC randomly appointed me as arbitrator. On April 21 and 22, 2019 mediation sessions were held as required by the Act. Since a settlement was not achieved through mediation, Interest Arbitration proceedings were scheduled for May 21 and May 22, 2019. On May 21, 2019, Interest Arbitration proceedings were held. At hearing both parties were represented by competent and professional counsel and each had an opportunity to present evidence and offer testimony. Neither party presented any argument or witnesses. The parties agreed to review the evidence submitted on May 21<sup>st</sup> and amend their submissions by May 22, 2019. On May 22, 2019, the Township updated Township Exhibit T-140, which is a cost out of the PBA’s Final Offer revised to reflect the PBA’s new wage proposal of spilt 4% each year with 2% in January and 2% in July and included an addition to Township Exhibit T-133, which is the back-up information regarding the Township’s health insurance costs requested by the PBA at the May 21<sup>st</sup> proceeding. On May 22, 2019, the PBA submitted its Amended Final Offer and twenty-nine (29) additional exhibits. On May 23, 2019, the Township objected to the PBA’s “document dump,” and on May 24, 2019, I accepted the documents subject to the Township’s objection and arguments to be made in the parties Post-Hearing submissions that were due June 3, 2019 with reply briefs due June 10, 2019. On June 3, 2019, I received the Post-Hearing submissions from both parties that were mutually exchanged via e-mail that same date. On June 6, 2019, the Township objected to the PBA’s submission of a financial report (the “Financial Report”). On June 7, 2019, a conference call was held, and the parties were given until June 10, 2019 to file reply briefs and until June 12, 2019 to address the Financial Report only.

This proceeding is governed by the Police and Fire Interest Arbitration Reform Act as set forth in N.J.S.A.34:13A-16 through N.J.S.A.34:13A-16.9 as amended on June 24, 2014 by P.L. 2014, c.11 (the “Act”). The Act requires the use of conventional arbitration, however, the strict limits on the amount of base salary increases has sunset and this agreement is not subject to those limitations. Still, the Award must be in compliance with the Act, the appropriations and tax levy limitations in P.L. 1976, c. 68 (C. 40A:4-45, *et. seq.*) and Section 10 of P.L. 2007, c. 62 (C. 40A:4-45:45). This Interest Arbitration Award is issued in accordance with the 16g interest arbitration criteria to the extent deemed relevant. See N.J.S.A. 34:13A-16.7(b) and N.J.S.A. 34:13A-16g.

Pursuant to P.L. 2014, c. 11, the arbitrator has 90 days from appointment, or by June 17, 2019, in which to render an award. This has resulted in a greatly compressed time period for issuance of the Award.

## THE FINAL OFFERS

In accordance with the Act, each party submitted a Final Offer (the “Final Offer”). These Final Offers are set forth as follows:

### TOWNSHIP FINAL OFFER

#### **I. Article 30 – Term of Agreement**

- a. January 1, 2019 through December 31, 2024

#### **II. Article 13- Salaries**

- a. The 2018 salary guide shall be frozen for the entirety of the contract.
- b. Salaries shall be increased at the top step and Sergeant position of the 2018 Guide as follows:

January 1, 2019	1.80%
January 1, 2020	1.80%
January 1, 2021	1.60%
January 1, 2022	1.60%
January 1, 2023	1.60%
January 1, 2024	1.60%
- c. Officers not at top step in the 2018 guide shall advance on the salary guide set forth in Schedules A and B of the current Collective Negotiations Agreement on January 1<sup>st</sup> of each year.
- d. For those officers who are not at top step of the 2018 salary guide as of December 31, 2018, the following shall apply:

(1) Once an officer reaches top step the officer shall remain at the 2018 top step salary for one (1) year. Thereafter, the officer shall go off guide, and receive the base salary increase set forth in section (b) above for the year eligible for the stated increase. For example, an officer who reaches the 2018 top step of \$114,002.38 in 2020 shall receive a 1.6% increase to that rate on January 1, 2021 for a yearly salary of \$115,826.42.

**III. Article 7 – Health Programs**

All officers who wish to be covered by the Township insurance program shall continue to contribute toward the premium cost of all health insurance coverage provided for in this Agreement consistent with Tier 4 of P.L. 2011, Chapter 78.

Add the following sentences to Section 5:

Officers hired on or after January 1, 2019 shall be limited to elect enrollment in either the Aetna ACPOS II \$25 Plan or Aetna High-Deductible Health Care option and contribute to the cost of their health insurance as required by Tier 4 of P.L. 2011, Chapter 78.

**IV. Article 10 – Clothing Allowance**

a. Replace Section 1 with the following language:

The Township shall provide all newly hired Police Officers with the necessary clothes and equipment in Section 4 of this Article.

b. Eliminate Section 2

c. Add language that the Township will provide a drop-off cleaning service.

**V. Article 16 – Vacation**

a. Effective January 1, 2019, the following language shall be eliminated from Section 1:

26 years and over – 8 additional hours each year

Vacation shall be capped at 200 hours per year after 21 years of service. Those officers who have already achieved 26 years of service will retain their currently earned vacation hours.

**VI. Article 23 – Sick/Injury Leave**

a. Add language to Section 1 that proof of illness shall be required for three or more days of consecutive sick leave.

b. Add language to Article that sick time shall not count towards the computation of overtime hours.

**VII. Article 28 – Pool Time**

a. Effective January 1, 2020, Article 28, Pool Time, shall be eliminated from the Agreement and replaced with the following Article:

**Article 28 – Police Training**

Officer training shall be performed during off-shift hours. Officers are required to complete forty-eight (48) hours of mandatory training, which shall be:

- Spring/Fall Firearms Qualifications
- Spring/Fall MATS (USE of Force/Pursuit/Domestic Violence)
- Tactical Firearms/OC/Baton/Handcuffing
- Active Shooter
- First Aid
- Rifle Quarterly Training

In addition to the 48 hours of mandatory training outlined herein, officers may also attend up to two (2) eight (8) hour days of specialty training conducted in a formal class setting, with the approval of the Chief. As an alternate to the specialty training, the officer may elect to turn in one or two holidays or other paid time off (at 8 hours or 16 hours) to offset the one or two days of specialty training.

For training sessions, officers may leave directly from their homes and do not need to first arrive at Police Headquarters, unless otherwise directed by the Chief.

**PBA LOCAL 366 FINAL OFFER**

**I. Article 30 - Duration**

Four (4) Year Contract Duration; January 1, 2019 through December 31, 2022.

**II. Article 13 - Salaries**

Two Percent (2%) Increase each January 1 and July 1, Retroactive each year and each step.

- |                      |    |
|----------------------|----|
| i. January 1, 2019   | 2% |
| ii. July 1, 2019     | 2% |
| iii. January 1, 2020 | 2% |
| iv. July 1, 2020     | 2% |
| v. January 1, 2021   | 2% |
| vi. July 1, 2021     | 2% |
| vii. January 1, 2022 | 2% |
| viii. July 1, 2022   | 2% |

**III. Article 7 – Health Benefits**

- a. Health Benefit Contributions shall be reduced from the contractual level of 35% each year during the duration of the contract, as follows:
- b. The reduction of the rate shall be the following:
  - i. January 1, 2019 – 35%
  - ii. January 1, 2020 – 30%
  - iii. January 1, 2021 – 25%
  - iv. January 1, 2022 – 25%
- c. In the event of Legislation being passed which mandates an increase in health benefits contributions imposed requirement for PBA 366 members to pay, the economic value of those mandated increases shall be placed into base salary.

**IV. Article 10 – Clothing Allowance**

- a. Increase Cleaning/Clothing Hybrid Allowance amount by \$50.00 each year.
  - i. January 1, 2019 - \$500.00
  - ii. January 1, 2020 - \$550.00
  - iii. January 1, 2021 - \$600.00
  - iv. January 1, 2022 - \$650.00

**V. Article 16 – Vacation**

Unused vacation is to be paid dollar for dollar. PBA 366 members shall be paid for up to two (2) weeks of vacation in lieu of taking vacation. Such payment shall be paid within two (2) weeks of requesting such time.

**VI. Article 21 – Compensatory Time**

Compensatory Time shall be increased to the federal minimum of four hundred and eighty hours (480).

**VII. Article 23 – Sick Time**

- a. Sick Time shall be increased to One Hundred and Sixty-Five (165) Hours per year.
- b. Hours may accumulate from year to year and be carried over.
- c. If a PBA 366 member retires, they shall be paid \$.50 per dollar for each unused Sick Time Hour, maximum shall be \$15,000.00.

**VIII. Road Job Provision**

- a. PBA 366 members shall be paid \$80.00 per hour for any road job.
- b. An emergency road job, three (3) hour notice or less, shall pay \$95.00 per hour to the officer.
- c. Four (4) hour minimum for each road job.
- d. All hours requested will be the minimum hours paid to the officer. Hours may exceed such requested time.

**IX. Drug Recognition Expert**

If an officer is engaged and or trained as a Drug Recognition Expert (“DRE”) they shall be compensated an additional \$1000.00 to their base salary.

**X. Training Provision**

Training in excess of five (5) hours shall be counted as one (1) day worked.

## **BACKGROUND**

The parties to this proceeding are the Township of Bedminster and Police Benevolent Association Local 366.

### **A. Township Background and Demographics**

Bedminster is a Township in Somerset County, New Jersey, and is governed under the Township form of government. The Township borders Somerset County municipalities Peapack-Gladstone, Far Hills, Bernards, and Bridgewater. It also borders Readington and Tewksbury (Hunterdon County) and Chester (Morris County). As of the 2010 United States Census, the Township's population was 8,165, a decline from the 8,302 counted in the 2000 Census. The Township is 26 square miles with a density rank of 476<sup>th</sup> of 566 in the State and 20<sup>th</sup> of 21 in the County. The racial make-up of the Township was 86.41% White, 2.06% Black or African American, .02% Native American, 8.68% Asian, Hispanic 6.36%, .01% Pacific Islander, 1.03% other races, and 1.79% two or more races. There were 4,100 households out of which 19.7% had children under the age of 18 living with them, 39% were married couples living together, 7.9% had a female householder with no husband present, and 50.7% were no-families. 44.4% of all households were made up of individuals, and 10.3% had someone living with them 65 or older. The average household size was 1.97 and the average family size was 2.76. The Township population was spread out with 17.7% under 18, 4.6% from 18-24, 30.5% from 25-44, 33.2% from 45 to 64, and 14.1% were 65 years of age or older. The median age was 45 years. The American Community Survey show that (in 2010 inflation-adjusted dollars) median household income was \$104,452 and the median family income was \$145,579. The per capita income for the Township was \$70,405. Trump National Golf Course which is often visited by President Trump and requires police services is in the Township.

### **B. Township Financial Picture**

The Township's 2018 total municipal budget was \$11,356,629 up from the 2017 budget of \$11,104,928. The municipal portion of the budget was \$7,495,941 in 2018 and 2017. Sixty-six (66%) percent of the Township revenues come from taxation. The Township's collection rate was 98.97% in 2017. State aid has been level at \$866,281 from 2010 to 2018. The Township's Fund Balance in 2018 was \$7,029,508 up from \$6,388,869 in 2017. The 2018 Summary Levy Cap Calculation indicates that the maximum amount to be raised by taxation was calculated to be \$6,850,517. The 2017 Summary Levy Cap Calculation indicates that the maximum amount to be raised by taxation was calculated to be \$6,770,554. The municipal budget represents 23% of the tax bill. The Police Budget in 2018 was \$2,086,927 down from \$2,102,358.00 in 2017. The police department accounts for approximately 23.7% of the total tax bill or an estimated \$342.61 dollars per year based on the average tax bill. The municipal portion of the average residential property tax increased by \$23.59 from 2016 to 2017. The municipal portion of the average property tax bill allocated to the cost of police services increased by \$5.51 from 2016 to 2017.

### **C. Bedminster Police Department**

The Bedminster Police Department is currently comprised of a Chief of Police, five (5) Sergeants and ten (10) Police Officers.

The Department is divided into three (3) separate divisions; Administrative Division, Detective Division and Patrol Division. The function of the Administrative Division is to oversee and maintain support for headquarters as well as to supervise the sworn and civilian personnel working within the Department. In addition, the Administrative Division oversees the alarm registration program, police records, budgets, patrol vehicles and the department's computer systems.

The Detective Division is comprised of two (2) Detectives. The Detectives' primary duty is to conduct follow-up investigations of all criminal matters. Detectives assigned to the division develop and maintain sources of intelligence. They also review all criminal activity reported within the Township and correlate information as it may pertain to open investigations. Detectives also maintain fingerprint and photograph files as they prepare cases for prosecution. Detectives to work in plain clothes and drive unmarked vehicles.

The Patrol Division is comprised of Sergeants and Patrol Officers. The officers work eleven (11) hour shifts to provide 24-hour coverage of the Township's twenty-six (26) square miles. The Patrol Division is responsible for preventive patrol activities, discovery of public hazards and delinquency causing situations, as well as for an initial call for police, fire and medical assistance. The officers are tasked with preliminary investigation of crimes, traffic enforcement, DWI detection and apprehension and drug interdiction. Officers in the Patrol Division have many administrative duties such as preparing written report to document their actions and appear in court when required to assist in their prosecution. Officers are also required to direct and control traffic investigations. In addition, Officers provide protection to the residents of the Township.

Bedminster Police had 13,986 incidents in 2018 the lowest since 2015. Most reported incidents involve motor vehicle accidents and summonses.

The total base salary for the PBA as of December 31, 2018 was \$1,554,252.63. A Detective Stipend of \$3,000 is provided to two officers assigned as Detectives. In 2018, overtime for the Department (including the Chief) was \$235,262.43 and Off-Duty compensation was \$127,922.50. The Township's total cost of the PBA contract in 2018 was \$2,701,720.62 which includes compensation, pension, health benefits, and taxes.

Since 2004, ten (10) officers have left the department. Seven (7) of those officers retired after 33, 31, 29, 26, 25, 23, and 20 years of service. One (1) officer left the department in 2004 after 20 years of service and after receiving credit for military time. One (1) officer passed away in 2016 after having been with the Department for 20 years. Finally, one officer was laid off in 2010 for budget reasons.

The PBA and Township have an expired contract that had a duration from January 1, 2014 through December 31, 2018. The prior contract was from January 1, 2008 through December 31, 2013.

## **POSITION OF THE PARTIES**

### **The PBA's Position**

The PBA submits that when the evidence is applied to each proposal in the parties Final Offers and reviewed against the statutory criteria, the PBA's Final Offer must be awarded in its entirety.

The PBA argues that the Arbitrator must consider the impact on the morale of the bargaining unit when rendering an award. The PBA argues that awarding the Township's Final Offer will further erode the morale of the bargaining unit and as such it is not in the interest and welfare of the public. They maintain that the bargaining unit has suffered under the confines of the 2% hard cap and Chapter 78 by losing substantial buying power. They contend the morale of the bargaining unit was futilely damaged by the minuscule raises. The PBA maintains that the CPI has consistently been on the rise, while PBA members have received minuscule salary increases that do not comport with the ongoing rise of the CPI. In addition, they maintain that with their health benefit and pension contributions, the bargaining unit has lost buying power, and have been on a downward trend. On the other hand, awarding the PBA's Final Offer they submit would benefit the public and boost the morale of the bargaining unit members.

The PBA argues the Township can also afford to reduce PBA members' healthcare contribution rate. Currently PBA members contribute an estimated 35% of health insurance premiums. The PBA's Final Offer has proposed a decrease of 5% each year during the contract duration to allow the bargaining unit members to recoup more monies they argue.

The PBA argues that its Final Offer is in the public's best interest and a cursory analysis reveals that the Township's proposal is a mere sham that leaves officers with less money under the previous contract.

### **The Township's Position**

The Township argues that New Jersey residents have long endured the burden of the highest average property tax rates in the country. As a result, they submit that municipalities throughout New Jersey have been making every effort to minimize the local tax burden on their residents by reducing costs where possible or at least controlling the growth of costs necessary to provide services. This effort can only be accomplished, they submit, if reasonable restraint is exercised with the largest component of any municipal budget, the salaries and benefits of public employees.

This case, according to the Township, involves the question of whether a municipality will be able to control its increasing costs and, thereby, have the ability to provide the level of services it provides its residents by obtaining some degree of control over the increasing cost of police officers' salaries, benefits, and health insurance premiums. The Township maintains it has proposed reasonable salary adjustments for its police officers represented, while at the same time, controlling the costs associated with the generous package of benefits it provides them.

The Township's submits its offer will help control the escalating cost of salaries, benefits and corresponding financial burden that is placed on Township residents and ensure that future budgets will not be negatively impacted in a substantial way. Failure to do so it argues will deplete Township resources and undue the Township's past responsible fiscal management.

The Township submits its position is more reasonable than the position advanced by the PBA. Accordingly, the Township submits that its position must form the basis of his award in this matter.

## DISCUSSION AND ANALYSIS

### **A. The Arbitrator's Authority**

Public employers and public safety unions are statutorily mandated to resolve their labor disputes pursuant to the Police and Fire Interest Arbitration Reform Act, N.J.S.A. 34:13A-16 (the "Act"). By enacting the Act, the Legislature recognized the unique and essential duties police officers and firefighters perform and the life-threatening dangers they face. The purpose of the interest arbitration procedure is to promote and protect the well-being of New Jersey citizens, the efficient operation of police and fire departments as well as the high morale of employees that perform this important work.

### **B. Statutory Criteria**

In rendering an award, the Arbitrator must consider the following nine (9) factors:

1. The interest and welfare of the public;
2. Comparison of wages, salaries, hours and conditions of employment of the employees involved in the arbitration proceedings with wages, hours and conditions of employment of other employees performing the same or similar services and with other employees generally:
  - a. In private employment in general;
  - b. In public employment in general;
  - c. In public employment in the same or similar comparable jurisdictions as determined in accordance with section 5 of P.L. 1995, c. 425 (C. 34:13A-16.2)
3. The overall compensation presently received by the employees inclusive of direct wages, salary, vacations, holidays, excused leaves, insurance and pensions, medical and hospitalization benefits, and all other economic benefits received;
4. The stipulation of the parties;
5. The lawful authority of the employer;
6. The financial impact on the governing unit, its residents and taxpayers;
7. The cost of living;

8. The continuity and stability of employment, including seniority rights and such other factors not confined to the foregoing which are ordinarily or traditionally considered in the determination of wages, hours and conditions of negotiations and collective bargaining between the parties in the public service and in private employment;

9. Statutory restrictions imposed on the employer. Among the items the arbitrator or panel of arbitrator shall assess when considering this factor are the limitations imposed upon the employer by section 10 of P.L. 2007, c.62 (C. 40A:4-45.45).

The Arbitrator must render an award based on the evidence on the record considering the statutory criteria set forth above. The opinion and award must clearly address the criteria. It must include a discussion of the evidence as it relates to the statutory criteria, the weight accorded to each criterion and the reason for the decision. The opinion and award must also explain whether any of the criteria were deemed to be irrelevant and why.

This Award will be issued under concept of “conventional authority” pursuant to N.J.S.A. 34:13A-16d; and, N.J.A.C. 19:16-5.7(e). Under conventional authority, an arbitrator’s award is not limited by either party’s final offer. Rather, the arbitrator has the power to select from either party’s last offer or, alternatively, the arbitrator may use his or her judgment and grant an award that he or she feels is more reasonable than any offers made by the parties. See, e.g., Hudson County Prosecutor and PBA Local 232, Docket No. IA-96-178 (July 28, 1997) (Arbitrator did not err by establishing third year salary for Township prosecutor investigators which was lower than the employer’s offer).

N.J.S.A. 34:13A-16g(8) requires consideration of those factors ordinarily or traditionally considered in the determination of wages, benefits, and employment conditions. One such consideration is that the party proposing a change in an employment condition bears the burden of justifying the proposed change. The burden must be met by sufficient evidentiary support. No proposed issue can be deemed presumptively valid in the absence of justification that is supported by credible evidence. Indeed, labor stability is partly conditioned upon the parties consistency in the application and implementation of terms and conditions of employment as set forth in the parties’ agreement. For this reason, changes in terms and condition of employment should not be awarded lightly. Moreover, any decision to award or deny any individual issue in dispute, especially those having economic impact, will include consideration as to the reasonableness of that individual issue in relation to the terms of the entire award. A decision on an individual issue will include consider the reasonableness of awarding that issue in relation to the overall terms of the award. Indeed, while there may be merit to awarding or denying a single issue if it were to stand alone; a different conclusion is reached when considered within the context of the entire award. I am also required by statute to determine the total net annual economic cost of the terms required by the award.

The parties have submitted extensive documentation and comprehensive position statements addressing the statutory criteria which I have reviewed and considered under the 16g criteria. The issues in dispute are both economic and non-economic. Each issue in dispute will be addressed below and will include an analysis of the issue and an award resolving that issue.

## **APPLICATION OF THE 16g CRITERIA**

### **Public Interest Criteria 16g (1), (5), (6) & (9)**

The Interest and Welfare of the Public, N.J.S.A. 34:13A-16g(1);  
The Lawful Authority of the Employer, N.J.S.A. 34:13A-16g(5);  
The Financial Impact on the Governing Unit, Its Residence, The  
Limitations Imposed Upon the Local Unit's Property Tax Levy, and  
Taxpayers, N.J.S.A. 34:13A-16g(6); and Other Restrictions  
Imposed on the Employer, N.J.S.A. 34:13A-16g(9).

The Public Interest Criteria is the most significant of all statutory factors to be considered and an Arbitrator must give due weight to the interest and welfare of the public when issuing an award. It is a criterion that includes the financial impact of the awarded increases and the desirability of maintaining employee morale for the Township's police officers. Indeed, the criteria recognizes the interest of the public in knowing that its police department is staffed by competent, dedicated personnel possessing good working morale, and the interest of the public in avoiding higher taxes and/or diminished services. As Arbitrator Mastriani recognized in Point Pleasant and PBA Local 106, IA-2012-001 (September 19, 2011): "The interest and welfare of the public is entitled to the most weight because it is a criterion that embraces many other factors and recognizes their interrelationships, including the financial impact of an award on the governing body and taxpayers." See also Township of Seaside Park and PBA Local 182, IA-2012-022 (April 9, 2012) ("The interest and welfare of the public is not only a factor to be considered, it is the factor to which the most weight must be given."). "Arbitrators have reviewed the public interest as encompassing the need for both fiscal responsibility and the compensation package required to maintain an effective public safety department with high morale." See Sayreville and PBA Local 98, IA 2006-047 (November 5, 2008).

The interest and welfare of the public criterion also specifically include limitations that have been imposed upon the employer by law. While the 2% hard cap has sunset, statutory limitations are specifically referenced in other criteria, including the lawful authority of the employer, the tax cap levy and other statutory restrictions upon the employer. N.J.S.A. 34:13A-16g (5) requires the Arbitrator to consider the "lawful authority" of the employer and its impact on the parties' final offers. Among the items to be assessed when considering this factor are the "cap" limitations imposed on municipalities by N.J.S.A. 40A:4-45 et. seq. The Legislature has codified the "cap consideration" requirement at 34:13A-16g(9). N.J.S.A. 34:13A-16g (6) also requires the Arbitrator to consider the financial impact of the parties' offers on the governing unit, its residents and taxpayers. In PBA Local 207 v. Borough of Hillsdale, 137 N.J. 71 (1994), the court noted that the financial impact requirement in the statute does not equate with the municipalities' ability to pay. Id. at 188. The Supreme Court stated in Hillsdale that a municipality should not have to prove that it is not financially able to afford the PBA's final offer. 137 N.J. at 86. Arbitrators have recognized this fact as well. Arbitrator Barbara Tener analyzed this issue in In the Matter of Interest Arbitration between Borough of Oakland and Oakland PBA Local 164, IA-93-069 (1994) noting that "[T]he affordability of the respective packages is not, in my view, a

very weighty factor unless the more reasonable package is also the more expensive. The question of whether the Borough can afford the PBA's offer is not dispositive in this case."

The Public Interest Criteria are the most important and I give them great weight in rendering this Award. The criterion has always been recognized to be given great weight because it recognizes the interrelationship of all the statutory criteria and the impact on bargaining unit.

### **Comparability 16g (2)**

Comparison of the wages, salaries, hours, and conditions of employment of the employees involved in the arbitration proceedings with the wages, hours, and conditions of employment of other employees performing the same or similar services and with other employees generally:

- (a) In private employment in general; provided, however, each party shall have the right to submit additional evidence for the arbitrator's consideration.
- (b) In public employment in general; provided, however, each party shall have the right to submit additional evidence for the arbitrator's consideration.
- (c) In public employment in the same or similar comparable jurisdictions, as determined in accordance with section 5 of C.34:13A-16.; provided, however, that each party shall have the right to submit additional evidence concerning the comparability of jurisdictions for the arbitrator's consideration.

### **Internal Comparisons**

Internal comparability can be broken down into two general categories consisting of uniformed and non-uniformed employees within the same jurisdiction. An internal pattern of settlement in the same jurisdiction involving both uniform and non-uniform employees is a significant factor in the determination of an award because it usually corresponds to a public employer's budgetary capabilities and connotes uniform treatment.

In this matter, the only internal comparable is the annual compensation and benefits provided to other Township civilian employees and the Chief of Police. The salary increases provided to other Township employees are as follows: 2011-0%; 2012-1.5%; 2013-2%; 2014-2%; 2015-1.5%; 2016-1.5%; 2017-1.5%; 2018-1.8%. In 2019, Township employees received 2% salary increases. The Chief of Police earned \$166,562 in 2018 (including \$152,924 salary, \$1,488 in overtime, \$6,000 in off duty work, a \$2000 stipend).

### External Comparisons

External comparability consists of comparisons between the group subject to the petition and other public safety employees in similar jurisdictions, other public employees, generally, and private sector comparisons. In weighing salary statistics introduced by a party, I observe that PERC has promulgated guidelines that may be broken down into the following five general categories:

1. Geographic comparability, contiguous jurisdiction or nearby, size of jurisdiction, and nature of employing entity;
2. Socioeconomic considerations, basically a comparison of the type of statistics found in the New Jersey Municipal Data Book and the UCR, such as population density, cost of living, crime rate, violent crime rate, fire incident and crime rate, etc.;
3. Financial considerations, such as the tax collection rate, state aid, budget surplus, surplus history, ratios of tax revenue to total revenue, etc.;
4. Compensation/benefits provided to employees of the comparison group; and
5. Any other comparability considerations deemed relevant by the arbitrator.

### Salary comparisons

Since 2011, comparability of percentage increases for interest arbitration has been considered but has been less relevant due to the 2% salary cap. Now that the 2% cap has sunset, comparability will once again be a significant criterion to address.

According to the 2018 Biennial Report on the Police and Fire Interest Arbitration Reform Act issued by PERC, the number of interest arbitration petitions decreased since the implementation of the 2% hard cap. After enactment of the law, there were twenty (20) petitions in 2015, nine (9) in 2016, and twenty-nine (29) in 2017. The number of interest arbitration awards issued over the last two years remained low (8 in 2016; 4 in 2017; 2 in 2018). For the years 2008 through 2017, the average annual salary increases in interest arbitration awards were: 2008-3.73%; 2009-3.75%; 2010-2.88%; 2011-2.05%; 2012-1.98%; 2013-1.89%; 2014-1.69%; 2015-1.71%; 2016-1.94%; 2017-2.05%.

Here, the Township submitted comparisons from the following Somerset County collective negotiations agreements as external comparables for consideration: Bernards, Bernardsville, Branchburg, Bridgewater, Far Hills, Franklin, Greenbrook, Hillsborough, Manville, Montgomery, North Plainfield, Peapack, Raritan, and Watchung. The PBA submitted comparisons from the following collective negotiations agreements as external comparables for consideration: Hillsborough, Watchung, Warren, Bernards, Manville, North Plainfield, Bridgewater, Branchburg,

Sayreville, South Brunswick, North Brunswick, New Brunswick, Monroe, Metuchen, Mountainside, Edison, East Brunswick, and Woodbridge.

#### Private Sector Wage Data

Although an arbitrator must consider the general level of wage increases in the private sector, an arbitrator is not required to accord such statistics any weight. Indeed, unless a party presents credible evidence comparing a private sector classification to a public sector classification, the private sector comparison will be considered but not given much weight. Here, neither party submitted credible relevant evidence of private sector comparable and thus I give it little weight.

On July 11, 2018, PERC published its most recent report of private sector wage changes based on data compiled by the New Jersey Department of Labor and Workforce Development. For the fiscal year period July 1, 2016 through June 30, 2017, according to PERC's reporting, private sector wages increased 2.1%; government wages increased 1.9%; and total average annual wages increased 2.1%.

#### **Overall Terms and Conditions of Employment 16g(3)**

Overall compensation presently received by the employees, inclusive of direct wages, salary, vacations, holidays, excused leaves, insurance and pensions, medical and hospitalization benefits, and all other economic benefits received.

The evidence considered by the Arbitrator encompasses the *status quo* terms and conditions of employment and note that that this unit receives: a top-step salary of \$114,002.38, 8 step guide increases based on year of hire, Detective Stipend, overtime, compensatory time, pool time, uniform allowance, holidays/holiday pay, personal days, health insurance, vacation, college credit compensation, and sick leave. In 2018, the Township had five (5) sergeants who earned \$125,309.99 and five (5) of the fifteen (15) Bedminster police officers were at top step earning \$114,002. One (1) officer was at Step 7 on the 8-step guide earning \$106,563.63. Eleven (11) of the fifteen (15) police officers in Bedminster earned over \$100,000 in 2018.

#### **The Stipulation of the Parties, N.J.S.A. 34:13A-16g(4)**

There were no stipulations by the Parties stipulations in this proceeding.

#### **Cost-of-Living Criterion, N.J.S.A.34:13A-16g(7)**

The Consumer Price Index "CPI" is a measure of the average change, over time, in the prices paid by consumers for a market basket of consumer goods and services. Goods and services

measured by the CPI include food and beverages, housing, apparel, transportation, recreation, education and communication, and all other goods and services. The CPI is the most widely used measure of inflation. The CPI for all urban consumers in the United States increased by 0.3 percent in April 2019's CPI data. The CPI increased by 1.7 percent over the past year according to CPI data. The CPI for the New York-Northern New Jersey area has reported increases. Prices in this area have increased by 0.3 percent in April, after rising 0.3 percent in March. For the 12 months ended in April 2019 the CPI advanced 1.6 percent.

In addition, the CPI is often used to adjust consumer's income payments, for example, Social Security, to adjust income eligibility levels for government assistance and to automatically provide cost of living wage adjustments to millions of American workers. The COLA for Social Security benefits in 2019 is 2.8%.

An annual Cost-of-Living Adjustment (COLA) is authorized under the Budget Cap Law, N.J.S.A. 40A:4-45.1.a. Under the Budget Cap Law, the Department of Local Government Services ("DLGS") announces the COLA. The DCA announced COLA for calendar year 2019 budgets is 2.5%.

### **Continuity and Stability of Employment, N.J.S.A. 34:13A-16g(8)**

N.J.S.A. 34:13A-16g(8) provides for consideration of:

The continuity and stability of employment including seniority rights and such other factors not confined to the foregoing which are ordinarily or traditionally considered in the determination of wages, hours, and conditions of employment through collective bargaining between the parties in the public service and in private employment.

The continuity and stability of employment criteria incorporates several concepts. The first providing a competitive compensation and benefits package that alleviates excessive turnover thus maintaining "continuity and stability in employment." The second is the concept of the "relative standing" of a negotiations unit with respect to other units of similar employees. Last, the continuity and stability of employment criteria incorporates the consideration of internal settlements and comparability, since deviation from such settlements can undermine morale, discourage future settlements, and affect labor relations stability.

Since 2004, ten (10) officers have left the department. Seven (7) of those officers retired after 33, 31, 29, 26, 25, 23, and 20 years of service. One (1) officer left the department in 2004 after 20 years of service and after receiving credit for military time. One (1) officer passed away in 2016 after having been with the Department for 20 years. One officer was laid off in 2010 for budget reasons.

## ANALYSIS AND AWARD

After review of the Final Offers, evidence and arguments, the Award in this proceeding is analyzed and discussed below. The Public Interest Criterion has been given the most weight with great scrutiny given to the existing salary and benefits of PBA members, a comparison of police salary and benefits to other Township employees, comparable municipal police officers in the geographic area, and the continuity and stability of employment. I have also given weight to the CPI, COLA, private sector wage increases and PERC settlement statistics.

### **Article 30-Term of Agreement**

The PBA is proposing a four (4) year contract term. The Township is proposing a six (6) year contract term.

The PBA asserts that a six-year contract will have a detrimental impact on all police officers. The PBA argues that it's interest and the interest of the Township are best served by a contract that allows them to be able to negotiate a successor contract soon rather than be bound by a long-term contract with minimal wage increases. If the Arbitrator was to award the six-year contract proposed by the Township, the PBA argues its bargaining unit members would be confined to a long-term contract, out of sync with the comparable wage increases other police departments have received in the surrounding area.

The PBA also argue that its prior contract had its wage increases obliterated by Chapter 78 contributions. They submit they suffered inadequate raises in pay due to the statutory obligation to pay for health benefits as well as increased pension contributions. They argue the Township's proposal of a longer duration would handcuff the PBA from negotiating these debilitating and diminishing economic affects and would create an additional and substantial diminution in their salary expectancies through the coming years. They also argue that this contract is post sun-setting of the statutorily imposed 2% hard cap, which allows the Arbitrator to impose wage increases over 2%. The PBA's Final Offer they suggest would allow the Township time to explore solutions to the core financial issues that resulted from contracts incapable of keeping up with the cost of living.

The Township proposes a six-year duration. Prior to the 2014 through 2018 Collective Negotiations Agreement, they submit the parties had entered into a six-year agreement. The Township argues that a six-year contract duration, rather than four years, creates stronger labor stability in its bargaining relationship with the PBA which is in the public interest. The Township thus seeks to revert to six-year contract terms as it did from January 1, 2008 through December 31, 2013.

Contract duration has been addressed in Interest Arbitration proceedings on a consistent basis. In City of Asbury Park, and PBA Local 6, 36 NJPER ¶ 126, in deciding the issue of contract duration, Arbitrator Mastriani balanced the nature of the City's financial status, the need to provide harmony and stability in the labor-management relationship, including the need to maintain the

department's increased effectiveness and productivity, and the desirability of maintaining the continuity and stability of employment within the department.”

After consideration of the parties Final Offers and submissions, I conclude that a four-year (4) contract is a reasonable duration based upon the evidence and the application of the statutory criteria to this Award. The parties contract recently expired and with the interest arbitration process “rocket docket” of ninety (90) days, the parties are only six months into the new term of a four-year contract. Thus, the parties have three and a half years under this contract for labor stability and time to address the economic difficulties and uncertainties facing the Township and State.

A four-year term is in the public's interest and provides for continuity and stability. Like Arbitrator Osborn found in In the Matter of the Interest Arbitration between County of Hudson and Hudson County Sheriff's Officers PBA Local 334, (Docket No. IA-2014-004), dated December 30, 2013 citing to Borough of Midland Park and Midland Park PBA Local 79, Docket No. IA-2013-013 (2013):

“There was not much doubt that a longer contract provides a period of labor peace and stability which is beneficial to the parties and furthers the public interest ... However, both in New Jersey and nationally, we are in a period of economic uncertainty. Indeed, it is difficult to predict whether economic conditions will improve, deteriorate or remain stable. . . .Because of the extreme impact of the hard cap on my ability to award a salary benefits package which would more appropriately recognize the relevant statutory factors as set forth immediately above, I reluctantly conclude that the parties and the public interest would be better served if the parties were in a position to renegotiate the contract sooner rather than later.”

The recent expiration of the “hard cap” and negotiability of health benefits supports awarding a four-year contract. A four-year contract provides for labor peace and stability and allows the parties to get back to the table sooner in a post “hard cap”/Chapter 78 Tier IV landscape. While a longer contract provides stability, after years of “hard cap” and statutory health care contributions, a shorter-term contract better balances labor peace, stability and the continuity of employment with the increasing costs of living, health care, and the uncertainty of the New Jersey and United States economy. Therefore, I conclude that the parties and public interest would be best served by a four-year contract term from January 1, 2019 through December 31, 2022.

**Article 13-Salaries**

The PBA has proposed two percent increases every six (6) months, retroactive and applied to each step, as follows:

January 1, 2019	2.0%
July 1, 2019	2.0%
January 1, 2020	2.0%
July 1, 2020	2.0%
January 1, 2021	2.0%
July 1, 2021	2.0%
January 1, 2022	2.0%
July 1, 2022	2.0%

The Township's has proposed the following:

- a. The 2018 salary guide shall be frozen for the entirety of the contract.
- b. Salaries shall be increased at the top step and Sergeant position of the 2018 Guide as follows:

January 1, 2019	1.80%;
January 1, 2020	1.80%;
January 1, 2021	1.60%;
January 1, 2022	1.60%;
January 1, 2023	1.60%;
January 1, 2024	1.60%.

- c. Officers not at top step in the 2018 guide shall advance on the salary guide set forth in Schedules A and B of the current Collective Negotiations Agreement on January 1<sup>st</sup> of each year.
- d. For those officers who are not at top step of the 2018 salary guide as of December 31, 2018, the following shall apply: Once an officer reaches top step the officer shall remain at the 2018 top step salary for one (1) year. Thereafter, the officer shall go off guide, and receive the base salary increase set forth in section (b) above for the year eligible for the stated increase. For example, an officer who reaches the 2018 top step of \$114,002.38 in 2020 shall receive a 1.6% increase to that rate on January 1, 2021 for a yearly salary of \$115,826.42.

In Monmouth County Sheriff –and- PBA Local 314, P.E.R.C. Docket No. I.A. 2002-061 (2003), Arbitrator Mastriani recognized that an increase in salary fosters the interest and welfare of the public by reducing turnover. In this regard, he stated: “[t]he interests and welfare of the public are served by a stable and well-trained workforce and the continuity and stability of employment will be enhanced as a result of the salary guide compression and increase in salary.” Thus, an analysis of this criteria must extend beyond the finances of the governing unit and include how wage increases will affect the public interest in other areas. See also Point Pleasant, P.E.R.C. Docket No. I.A. 2011-001 (Mastriani, J. 2011) at 34.

The PBA seeks two percent (2%) increases January 1 and July 1 each year and step movement each year to combat the economic decreases in wages the PBA bargaining unit members have suffered in the expired contract and to improve members morale. The PBA argues that its members have suffered from Chapter 78 health care contributions, increased pension costs and miniscule salary increases that have not kept up with the cost of living.

The PBA submits that Township’s financial records clearly show that it can afford the PBA’s Final Offer. The PBA submits that the Township fund balance of \$7,029,508 at January 1, 2018 is the highest fund balance accumulated since 2012 and has grown by \$2,109,692 or 43% over the six-year period 2012 to 2018, or an average increase of 7.15% per year. In addition to its high cash balances, the PBA notes that the Township has realized substantial revenue not anticipated ranging from \$358,713 in 2012 to \$419,987 in 2017. The PBA argues that over a six (6) year period, the Township has shown significant revenue growth by 7.70% on average between 2012 and 2017. The PBA also notes that the Township’s actual collections from taxation increased by \$532,390 (\$7,937,313 less \$7,440,923) or 7.19% (\$532,390/\$7,404,923) from 2012 to 2017 and has maintained consistently strong collection levels. In 2017 they argue the collection percentage of 98.97% was the highest collection percentage for 2012-2017. For the year of 2017, the actual revenue collected from taxation exceeded budgeted amounts by 5.89% they contend with actual collections from taxation increased by \$532,390 or 7.19% from 2012 to 2017.

The PBA submits that other municipalities have recently settled contracts that have provided salary increases clearly exceeding the Township’s Final Offer. While they admit there are a dearth of settlements in Somerset County, the PBA argues that neighboring Middlesex County offers a paradigm of economically sound settlements addressing the fiscally employer sided settlements imposed with the economic constraints of legislation. The settlements they submit have salary increases in excess of the Township’s Final Offer and Chapter 78 reductions or eliminated health care contributions.

The PBA argues that the Township proposed wage increases will not improve the morale of the department and could dangerously impair the continuity and stability of employment. Pt. Pleasant at 38 (Arbitrator Mastriani stated that the terms of the Borough’s award could “unduly erode [the PBA’s] relative standing with other comparable law enforcement units, thereby having the potential to threaten the continuity and stability of the Borough’s police officers”). The Township proposed increases, the PBA argues, will be completely subsumed by the statutorily required health benefits contributions of 35% and pension contribution of 10%.

The Township submits its Final Offer is more rational than that proposed by the PBA. The Township maintains that it has been able to maintain a balanced budget despite a struggling New Jersey economy and should not be penalized for its sound fiscal management.

The Township argues that there has been relatively no growth in ratables over the past ten years. From 2009 to 2018, it submits ratables have decreased by 4.24%. In 2019, it submits the assessed value of the top ten taxpayers decreased by \$12,985,000 resulting in a reduction in tax revenue of \$23,499 for 2019 alone. The Township also notes it lost a tax appeal to one of its top taxpayers costing the Township a refund in the amount of \$254,000 and lower tax revenue prospectively.

The Township recognizes that the interests and welfare of the public require the services provided by the officers who are represented by the PBA. However, they argue the evidence demonstrates that the crime rate in Bedminster has decreased especially when compared to other municipalities in Somerset County.

The Township also argues that public sector employees nationwide from 2010 through 2018 received a total increase to wages of 13.6%, whereas the Bedminster police officers received a 38.55% increase (including increment). In New Jersey specifically, they submit that public sector employees received a 12.4% increase from 2010 through 2017.

The Township argues it is not in the public's best interest to treat one group of employees differently than another. The Township submits that parity in economic benefits is one of the most basic tenants of sound labor relations. They argue that treating one group of employees differently or more favorably than another would negatively impact the entire Township. The Township argues that Bedminster police officers are the highest paid group of employees in the Township. From 2011 through 2018, all other Township employees earned an average wage increase of only 1.47%. The Bedminster police, they argue averaged a 4.2% increase to base salaries during that same period. In addition, they submit that other Township employees do not receive the extra compensation that Bedminster Police Officers receive like overtime, compensatory time, cleaning allowance, off-duty pay, and the accrual of more vacation hours than other Township employees. The Township submits that a police officer with just five (5) years' experience receives a package worth \$148,934.04. At top pay, they submit, an officer receives a package worth \$204,040.25.

The Township also argues that Bedminster police officers enjoy a generous package of benefits when compared to their Somerset County counterparts. In 2018, a Bedminster police officer at Step 1 of the salary guide earned a base salary of \$53,475 fourth among County comparables with top step base salary of \$114,002 third highest. The Township's five sergeants earn a base salary \$125,309 which they argue is competitive with what other sergeants in Somerset County are earning.

The Township submits that the PBA "cherry picked" municipalities in Middlesex and Union Counties that do not compare to Bedminster. They argue that many of the contracts and/or memorandum of agreements submitted by the PBA are newly proposed and are not comparable to Bedminster as required by N.J.A.C. 19:16-5.14(d). The jurisdictions selected by the PBA are considerably larger and, in many instances, much more urban or more densely populated than Bedminster. They also note that the salary levels in many of these municipalities are much less

than Bedminster. They submit that these are an unfair and unreasonable comparisons and should be not be considered.

The Township argues that if the PBA's proposal is awarded, Township employees may receive less in order to pay for the additional increase and benefits the Bedminster police receive. They also argue that the Township may be required to draw upon its surplus so that it can continue to provide a safe level of police services without having to unreasonably increase the cost of its overall budget to accommodate the salary and benefit demands of the PBA. The Township also argues that the more the Township increases its budget to accommodate the salary and other economic demands of the PBA, the larger the Township's average tax bill will be.

### **Cost Outs**

In 2018, the base pay for PBA members was \$1,554,252.63. The total cost of police services provided by the Township in 2018 was \$2,701,720.62, which includes base salary, overtime, medical benefits, pension, health care waivers, stipends and taxes paid by the Township.

The PBA's cost out of its Final Offer as compared to the Township's Final Offer is as follows:

In calendar year 2019, the cost of the PBA proposal is \$1,519,535.61 and the Township proposal is \$1,496,704.88 a difference of \$22,830.72.

In calendar year 2020, the cost of the PBA proposal is \$1,604,009.82 and the Township proposal is \$1,540,394.94 a difference of \$63,614.87.

In calendar year 2021, the cost of the PBA proposal is \$1,692,839.20 and the Township proposal is \$1,581,999.60 a difference of \$110,839.59.

In calendar year 2022, the cost of the PBA proposal is \$1,786,237.80 and the Township proposal is \$1,623,921.72 a difference of \$162,316.07.

In calendar year 2023, the cost of the PBA proposal is \$1,884,429.80 and the Township proposal is \$1,666,166.36 a difference of \$218,263.44.

In calendar year 2024, the cost of the PBA proposal is \$1,987,650.10 and the Township proposal is \$1,708,738.69 a difference of \$278,911.41.

The total cost of the PBA proposal over the six years is \$10,474,702.32 and over four years is \$6,602,622.40. The total cost of the Township proposal over six years is \$9,617,926.20 and over four years is \$6,243,021.15.

The Township's cost out of the Final Offers is as follows:

In calendar year 2019, the Township's proposal results in a total cost of \$1,602,655.22, or a 3.11% increase in 2019. The PBA's increment cost in 2019 is \$28,916.52, or 1.86%. The PBA's Final Offer cost of the base salary increases in 2019 is \$1,627,536.23, or 4.72%. The PBA's salary proposal would cost an additional \$24,881.00 above the Township's proposal it submits.

In calendar year 2020, the Township's Final Offer results in a cost increase of \$43,653.12, or 2.72% over the cost of 2019 salaries. The PBA's Final Offer will result in an increase in wages of \$84,475.94, or 5.19% over the cost of 2019 salaries. The PBA's offer will cost the Township \$1,712,012.17, or \$40,822.82 more than the Township's Final Offer it submits.

In calendar year 2021, the Township's Final Offer results in a cost increase of \$41,571.24 or a 2.53% increase in cost over the 2020 salaries. The PBA's final offer will result in an increase in wages of \$88,829.43 or 5.19% over the cost of 2020 salaries. The PBA's Final Offer will cost the Township \$1,800,841.60, or \$47,258.19 more than the Township's Final Offer it submits.

In calendar year 2022, the final year of the PBA's proposed four-year duration, the Township's Final Offer results in a cost increase of \$41,888.16, or a 2.48% increase in cost over the 2021 salaries. The PBA's Final Offer will result in an increase in wage of \$93,398.55 or 5.19% over the cost of the 2021 salaries. The PBA's Final Offer will cost the Township \$1,894,240.15 or \$51,510.39 more than the Township's Final Offer in 2022 it submits.

Over the course of four years, the Township submits the PBA's salary proposal would result in a total increase of \$339,987.52 over the cost of salaries in 2018. This would equate to a 21.87% increase in salaries over four years, or 5.47% per year. The cost of the Township's proposal during that same four-year period would result in a total increase of \$175,515.11, or 11.29%. The difference in cost between the PBA's and Township's offer over the course of four years is \$164,472.41.

### **Salary Award**

Both parties agree on one thing: New Jersey is a costly place to work and live. After review of the parties Final Offers, evidence and submissions, I do not award either parties Final Offers on Salaries but use my authority under conventional arbitration to craft a salary award based on the evidence and application of the statutory criteria. Both parties' extensive submissions confirm that the Township is well funded and does not have "an ability to pay" issue and that PBA members are well compensated and receive a generous benefit package.

The PBA Final Offer of 2% increase in January and July of each year is not supported by the evidence or application of the statutory criteria. While the hard cap and health benefit contributions have arguably contributed to a decline in PBA members earnings and purchasing power, its members are still compensated well when compared to their fellow Township employees and County police colleagues. Similarly, the evidence and application of the statutory criteria cannot support the Township's Final Offer. The Township's proposed percentage increases to top step and sergeants with a freeze of the salary guide for the duration of the contract will create greater disparity in pay within the department and arguably threaten morale. The 2018 composition of the bargaining unit suggests an equitable distribution of any increased compensation is reasonable and appropriate and holding an officer at top step for a year is unwarranted.

In 2018, the base pay for PBA members was \$1,554,252.63. The Township sergeants earned \$125,309.99 and Bedminster police officers at Top Step earned \$114,002. One (1) officer was at Step 7 of the 8-Step guide earning \$106,563.63. Eleven (11) of the fifteen (15) police officers earned over \$100,000 in 2018. Among Somerset County police departments, in 2018 Township officers ranked fourth in Step 1 compensation of \$53,474.79 and third in Top Step Pay

of \$114,002.38. The Township's Sergeants ranked sixth in starting pay and eighth in Top Pay at \$125,309.99. Based on the 2018 Salary Guide, the increment cost in 2019 is \$28,916, and \$21,764 in 2020, 2021, 2022, 2023 and 2024. The salary increases to other Township employees in 2019 was 2%.

Based on the application of the statutory criteria to the evidence, I Award the following salary increases:

### **2019**

The 2018 Salary Guide shall be frozen for 2019. Salaries shall be increased at the top step and Sergeant position of the 2018 Salary Guide by 2% effective and retroactive to January 1, 2019. Officers not at top step in the 2018 guide shall advance on the salary guide set forth in Schedules A and B of the current Collective Negotiations Agreement on January 1<sup>st</sup> of each year.

The cost of the 2019 increase including step movement is \$52,847.00 for a total salary cost of \$1,607,099 or a 3.4% increase from 2018. The increment cost is \$28,916.

### **2020**

Salaries shall be increased by 2% across-the board effective January 1, 2020. Officers not at top step in the 2019 Salary Guide shall advance on the salary guide set forth in Schedules A and B of the current Collective Negotiations Agreement on January 1<sup>st</sup> of each year.

The cost of the 2020 increase including step movement is \$48,929 for a total salary cost of \$1,656,028 or a 3% increase from 2019. The increment cost of \$21,764 increased to \$22,199.

### **2021**

The 2020 Salary Guide shall be frozen for 2021. Salaries shall be increased at the top step and Sergeant position of the 2020 Salary Guide by 2% effective January 1, 2021. Officers not at top step in the 2018 guide shall advance on the salary guide set forth in Schedules A and B of the current Collective Negotiations Agreement on January 1<sup>st</sup> of each year.

The cost of the 2021 increase including step movement is \$51,242 for a total salary cost of \$1,707,270 or a 3.01% increase from 2020. The increment cost is \$22,199.

### **2022**

The 2020 Salary Guide shall be frozen for 2022. Salaries shall be increased at the top step and Sergeant position of the 2018 Guide by 2% effective January 1, 2022. Officers not at top step in the 2018 guide shall advance on the salary guide set forth in Schedules A and B of the current Collective Negotiations Agreement on January 1<sup>st</sup> of each year.

The cost of the 2022 increases including step movement is \$51,604 for a total salary cost of \$1,758,874 or a 2.94% increase from 2021. The increment cost is \$22,199. Over the course of four years, the Award will result in a total increase of \$204,622 over the cost of salaries in 2018; an 11.64% increase in salaries over four years or 2.91% per year.

The Salary Award will allow the Township to continue to maintain its fiscal responsibility to the taxpayers while providing the officers a fair and reasonable increase and as such is in the public interest.

The record shows that PBA members are well compensated and receive a generous benefit package when compared to their fellow Township employees. Sixteen (16) of the top eighteen (18) Township employees ranked by earnings in 2018 are police officers. Eleven (11) of the fifteen (15) police officers in Bedminster earned over \$100,000 in 2018. While the PBA raised morale as an issue, the Township's officers spend their careers with the department. Since 2004, seven (7) officers retired after 33, 31, 29, 26, 25, 23, and 20 years of service, one (1) officer left the department in 2004 after 20 years of service and after receiving credit for military time; one (1) officer passed away and one (1) officer was laid off in 2010 for budget reasons.

PBA members are also competitively compensated when compared to other police departments in Somerset County. In 2018, among Somerset County police departments Township officers ranked fourth in Step 1 compensation of \$53,474.79 and third in Top Step Pay of \$114,002.38. The Step 1 average pay of the Somerset County police departments in 2018 was \$49,463 or 7.5% less than starting pay in Bedminster. In 2018, the average Top Pay of the Somerset County police departments was \$102,866 or 9.8% less than Top Pay for a Township police officer. The Township's Sergeants ranked sixth in starting pay and eighth in Top Pay at \$125,309.99. The 2018 average of Somerset County police departments Sergeants starting pay was \$121,003 and Top Pay of \$122,928, 3.5% less and in starting pay and 2% less in Top Pay than a Bedminster Sergeant. The Award recognizes the relative standing of the PBA members amongst comparable police departments and maintains that standing. A guide freeze for the duration of the contract as the Township proposed with increases to top step and sergeants pay would create a disparity in the guide, potential schism between the members, and further erode members standing as other Somerset County municipalities settle post 2% cap contracts. An adjustment to the guide in 2020 will address any guide disparity issues, allow the Township the ability to budget for the guide movement, and allow its PBA members to retain their relative standing amongst their police department peers and keep up with COLA. The Township's proposal for an Officer reaching top step to stay at top step for a year and go off guide is not granted as it would create a schism among senior officers and the evidence is insufficient to meet the burden to justify awarding same.

## Article 7 Health Program

The Township has proposed the following:

All officers who wish to be covered by the Township insurance program shall continue to contribute toward the premium cost of all health insurance coverage provided for in this Agreement consistent with Tier 4 of PL 2011, Chapter 78.

Add the following sentence to Section 5:

Officers hired on or after January 1, 2019 shall be limited to elect enrollment in either the Aetna ACPOS II \$25 Plan or Aetna High-Deductible Health Care option and contribute to the cost of their health insurance as required by Tier 4 of PL 2011, Chapter 78.

The PBA has proposed the following:

“Health benefit contributions shall be reduced from the contract level of 35% each year during the duration of the contract, as follows:

- i. January 1, 2019 - 35%
- ii. January 1, 2020 - 30%
- iii. January 1, 2021 - 25%
- iv. January 1, 2022 - 25% ...”

They also proposed that:

“In the event of Legislation being passed which mandates an increase in health benefits contributions imposed requirement for PBA 366 members to pay, the economic value of those mandated increases shall be placed into base salary.”

The PBA notes that N.J.S.A. 40A: 10-21.2, provides that during negotiations for the next collective negotiations agreement to be executed after employees in a unit have reached the full Chapter 78 fourth tier contributions levels, the parties “shall conduct negotiations concerning contributions for health care benefits as if the full premium shares was included in the prior contract.” N.J.S.A. 40A:10-21.2 also provides that: “After full implementation [of Chapter 78 contribution levels], those contribution levels shall become part of the parties' collective negotiations and shall then be subject to collective negotiations in a manner similar to other negotiable items between the parties.” See Clementon Bd. of Ed., P. E.R.C. No. 2016-10, 42 NJPER 117 (¶34 2015), *appeal dismissed as moot*, 43 NJPER 125 (¶38 2016) (Chapter 78 mandates that the tier four contribution levels become the status quo for negotiations for the successor CNA); City of Hoboken, P.E.R.C. No. 2019-22, 45 NJPER 213 (¶56 2018) (during negotiations for the successor CNA after full Chapter 78 implementation, the employer complied with N.J.S.A. 40A:10-21.2 by maintaining the percentage of premium contribution

levels set by Chapter 78, tier four, as the status quo pending completion of negotiations). Township of Fairfield, Petitioner, and West Essex PBA Local 81, Respondent, 45 NJPER ¶ 68.

The PBA submits its members have already satisfied Chapter 78 Tier IV levels and are seeking a reduction from the statutory mandated 35% contribution rate. Currently, they note that only nine (9) bargaining unit members partake in the health benefits program through the Township. They submit the total employee cost for health benefits pursuant to the 35% contribution is \$59,150.16. The PBA is proposing for 2019, the contribution rate stay at 35%, followed by 2020 a 30% rate, followed by 2021 and 2022 a 25% rate.

The PBA submits that Township's finances demonstrate there are available funds to reduce health benefits contribution for PBA bargaining unit members. They submit the total benefit premium is \$200,952.00 and total employee cost is \$59,150.16. They argue that an officer on the family plan whose salary is towards top pay, must contribute 35% of the premium. This amount can be as high as \$10,815.00 for an officer on the family plan.

The PBA also argues its members need relief, especially with the current environment of jurisdictions in the surrounding area negotiating contribution rate reductions, since Chapter 78 Tier IV levels have sunset. The PBA submits that recent contracts have been settled that have provided relief to PBAs regarding Chapter 78 Tier IV healthcare contribution rates. They submit that Sayreville, South Brunswick, Plainfield, Edison and North Brunswick agreed to health benefits concessions.

The Township proposes that officers who are covered by the Township insurance program shall continue to contribute toward the premium cost consistent with Tier IV of Chapter 78. The Township argues that the cost of health care has dramatically increased over the years and there is no reason to expect that the cost of health benefits for Township employees and retirees will not continue to increase at a significant rate going forward. In order to continue health insurance as a benefit, they argue that employers must contain these costs. Thus, the Township maintain its ability to continue to provide quality health insurance requires the PBA to continue to contribute toward the cost of the premium at Tier IV levels.

The Township also argues that it is not in the public interest for the PBA receive additional benefits above and beyond all other Township employees. Specially, they argue the PBA should continue to contribute at Tier IV like other Township employees. They argue that PBA members are the highest compensated group of employees in the Township. In 2018, the Township submits the its total premium cost was \$840,175 with the PBA contributing \$69,434.64, and the non-union contribution was \$112,945.32. If the PBA does not continue to contribute at Tier IV levels, the Township argues it will have to bear the additional cost.

To continue the Townships generous level of benefits, it argues that there is a need for fiscal restraint and responsibility. The Township also proposes to place new hires in the Aetna \$25 Plan, a \$31,776.24 estimated cost containment for the Township. The Township submits that it seeks health insurance containment due to the increase in the cost of health insurance and the recognition that in order to continue health insurance as a benefit at this level employers must be able to contain those costs.

Chapter 78 Tier IV relief is a sensitive topic for the PBA, Township and New Jersey taxpayers. Public employee salaries were historically lower than private sector salaries with fully paid health benefits a valued term and condition of employment. In 2010, the Legislature enacted Chapter 2 that imposed health care contributions of 1.5% of base pay on all public employees. In 2011, Chapter 78 imposed higher levels of contributions based on the type of plan and salary with percentages as high as 35%. The legislation provided welcomed relief to public employers and taxpayers. The “savings” realized by the Township by employee contributions has become part of the Township’s budgetary fabric since 2011 and, like savings in other line items, has helped the Township offset increases in health benefit costs and costs/expenditures in other areas of operations.

I note that the legislature made clear that all levels of Tier IV are now the *status quo* for the purpose of future negotiations and impasse proceedings in the public sector:

A public employer and employees who are in negotiations for the next collective negotiations agreement to be executed after the employees in that unit have reached full implementation of the premium share set forth in section 39 of P.L.2011, c.78 (C.52:14-17.28c) shall conduct negotiations concerning contributions for health care benefits as if the full premium share was included in the prior contract....After full implementation, those contribution levels shall become part of the parties’ collective negotiations and shall then be subject to collective negotiations in a manner similar to other negotiable items between the parties [emphasis supplied].

Thus, as with any other item, the party seeking a change in the *status quo* bears a heavy burden to support such change.

After review of the parties Final Offers and submissions, I do not find any merit in alteration of the status quo as neither party met its burden for a change. In that regard, the Township’s Final Offer that “All officers who wish to be covered by the Township insurance program shall continue to contribute toward the premium cost of all health insurance coverage provided for in this Agreement consistent with Tier IV of PL 2011, Chapter 78” is consistent with my finding and I award same.

By legislating health care contributions with Tier IV being the *status quo* for successor negotiations, the New Jersey legislature clearly intended that all public employees share in the cost of health care benefits. All other Township employees continue to contribute at Tier IV of Chapter 78, and the nine (9) PBA members that receive Township health benefits should be no different.

As to the PBA’s Chapter 78 Tier IV reduction proposal, while the PBA cite to a number of municipalities that have recent contracts with varying forms of Chapter 78 relief, each settlement was mutually embraced by the parties during negotiations and involved varying forms of concessions. I am not aware of any Interest Arbitrator that has awarded Tier IV Chapter 78 relief when the employer has been resistant to change. I am also reluctant to make such an award here.

It is important to note that the evidence does not include any Somerset County municipalities which would indicate relief being implemented in the geographic area.

I do not award the Township's Final Offer limiting new employees as of January 1, 2019 to the Aetna ACPOS II \$25 Plan or Aetna High-Deductible Health Care option. Nothing precludes the Township from offering the Aetna plans, however, there was insufficient evidence when applying the criteria to justify an award limiting new officers into those plans. I also do not award the PBA's proposal that "in the event of Legislation being passed which mandates an increase in health benefits contributions imposed requirement for PBA 366 members to pay, the economic value of those mandated increases shall be placed into base salary" as it was not supported by evidence to meet the burden for its award.

### **Article 10 Clothing Allowance**

The parties expired CNA provided that:

"All full-time Police Officers shall receive \$450.00 in annual allowance for the maintenance, cleaning, and repair of police clothing, shoes, arms, and furnishings."

The PBA has proposed that the Clothing Allowance be increased \$50.00 each year during the duration of the contract, which would provide the following, January 1, 2019 - \$500.00, January 1, 2020 - \$550.00, January 1, 2021 - \$600.00, January 1, 2022 - \$650.00. Currently, the employees are provided \$450.00 annually each year. The PBA argues that many police departments within the County provide clothing allowances that exceed the amount provided to PBA members. The PBA notes the following comparables: Officers in Bernards are provided \$600.00 to maintain their uniforms; Officers in Bound Brook receive a uniform allowance of \$1,500.00; Officers in Branchburg receive \$1,400.00 to maintain their uniforms; Officers in Bridgewater receive \$750.00; Officers in Far Hills receive \$950.00; Officers in Hillsborough receive \$938.00 each year; Officers in North Plainfield receive \$825.00 each year; Officers in Peapack-Gladstone receive \$700.00 each year; Officers in Raritan Boro receive \$1,250.00 each year.

The PBA argues that these comparables demonstrate that the uniform allowance currently received by PBA members is deficient. The PBA argues its proposal will not raise the uniform allowance to the level of other municipalities within the County, it will certainly bridge the gap. They also argue that a slight increase in the clothing allowance will boost the morale of the department and thus enhance the public interest. The minimal increase will provide increased compensation to bargaining unit members and in turn, raise morale and foster the public interest.

The Township proposes that in lieu of a uniform allowance for new hires, it will provide new hires with the necessary clothing and equipment. The Township notes that the uniform allowance was rolled into base in 2010. The Township also proposes to eliminate the cleaning allowance and provide a drop-off cleaning service instead. The dry-cleaning services cost the Township \$4,000 per year. Therefore, providing the PBA a drop off dry-cleaning service through Plaza Cleaners would save the Township \$3,200.00 per year.

After review of the parties Final Offers and submissions, I find there is insufficient evidence to award either the Township's or PBA's proposals and alter the *status quo*. The current amount of cleaning allowance is not unreasonable given that a uniform allowance was included in base pay in 2010. Moreover, the Bedminster Officers overall compensation and benefits package compared to Township employees and other Somerset County municipalities warrants maintaining the present level of clothing allowance.

### **Article 16 Vacation**

The PBA proposes: "Unused vacation is to be paid dollar for dollar. PBA 366 members shall be paid for up to two (2) weeks of vacation in lieu of taking vacations. Such payments shall be paid within two (2) weeks of requesting such time."

The PBA argues its proposal will enhance the public interest in many ways. By compensating bargaining unit members for not taking vacation, the police department will be fully staffed, and in return the public will be better protected from crime. In addition, the Township will not have to compensate other PBA members for overtime, if the PBA's proposal is awarded, as full staffing would be met.

The Township proposes to cap vacation hours at 200 hours. Currently, officers earn 200 vacation hours after 20 years of service. After 25 years of service, an officer earns an additional 8 hours of vacation each year. While the Township is proposing to cap vacation hours at 200, it is proposing that officers who have already exceeded 26 years of service will continue to retain their currently earned vacation hours. The Township argues that capping vacation at 200 hours is consistent with the amount of vacation hours that all other Township employees receive. All other Township employees receive a maximum of 25 vacation days, which equates to 200 hours per year.

The Township submits that vacation leave offered to Bedminster Township police officers is very generous when compared to other municipalities in Somerset County. Currently, the PBA's vacation is not capped, and earn an additional 8 hours of vacation every year after reaching 25 years of service. They submit that the only other municipality in Somerset County that does not cap vacation is Branchburg. In Somerset County, the Township submits that many other municipalities do not exceed 200 hours of vacation, such as Bernards, Bernardsville, Franklin, Greenbrook, Montgomery, and in Hillsborough officers can only accrue a max of 208 hours of vacation.

After review of the parties Final Offers and submissions, I find there is insufficient evidence to award either the Township's or PBA's proposals and alter the *status quo*. The amount of vacation is not beyond the norm and there is no evidence of the need to compensate for unused vacation or to take any additional vacation away from PBA members.

## **Article 23 Sick/Injury Leave**

Article 23, Section 1 provides that:

“Full-time Police Officers shall receive sick/injury leave for up to 56 hours each calendar year for illness or injury. Unused hours shall not be carried over to the following year.”

The PBA has proposed that “Sick Time shall be increased to one hundred and sixty-five hours (165) hours and may accumulate from year to year and be carried over, as well as retirees shall be paid \$0.50 per dollar for each unused sick time hour, maximum shall be \$15,000.00.” The Township has proposed in its Final Offer that “proof of illness shall be required for three or more days of consecutive leave.”

The PBA argues that many police departments in Somerset County provide more sick time leave compared to the Township. For instance, officers in Bernards, Branchburg and Franklin receive ninety-six (96) hours of sick leave. Officers in Bound Brook, Bridgewater, Manville and Watchung receive fifteen (15) days of sick leave. Officers in Far Hills and Warren receive unlimited sick leave. Officers in Manville receive fifteen (15) days of sick leave. Officers in Montgomery, Somerville and Peapack-Gladstone receive twelve (12) days.

The PBA argues that the comparables show that the sick leave policy currently received by PBA members is deficient. The PBA submits it is completely disadvantaged because they receive far less sick leave time compared to police departments in the surrounding area and within the County of Somerset. They argue an increase in sick leave time will boost the morale of the department by having more time off and thus enhance the public interest. They argue the increase will bolster the PBA’s future with recruiting new police officers. They argue the Township’s current offering of only (56) hours of sick time is complete out-of-sync with the neighboring townships in Somerset County.

The Township seeks to add language that proof of illness is required for three or more days of consecutive sick leave. The Township argues that the PBA has a generous level of time off, which includes vacation, holiday, and sick leave. The Township submits that to ensure that PBA members have a legitimate illness to utilize sick leave for three or more days, the Township should be permitted to request a doctor’s note to validate the illness. The Township of Bedminster requires verification of sick leave after three (3) days of illness for all other Township employees as well. The Township submits that this proposal ensures officers are not abusing sick time and using three or more consecutive days for a legitimate illness.

In addition, the Township has proposed language that sick time shall not count towards to computation of overtime hours. The Township argues that the PBA has a generous level of sick leave benefits and is also afforded overtime opportunities which is a significant cost to the Township. In 2018 alone, it submits that the Township’s overtime cost for the PBA was \$235,262.43. It argues that when sick hours are included in the calculation of overtime, the overtime calculation is based on hours an officer did not work, and eliminating sick time from the overtime calculation will help reduce the Township’s very high overtime cost, and provide an incentive to officers who use sick time legitimately.

After review of the parties Final Offers and submissions, I find there is insufficient evidence to award either the Township's or PBA's proposals. The amount of sick leave is not beyond the norm and there is no evidence of sick leave being an on-going issue to warrant awarding the PBA proposal and a need for more sick leave or the accumulation of sick leave. Likewise, there is no evidence of misuse of sick leave to support awarding the Township proposal and insufficient evidence of sick time's impact on overtime to overcome the burden to justify the change.

### **Article 28 Pool Time**

Article 28, Pool Time provides as follows:

“Section 1. Should the hours of shift work on average fall short of the standard 2080 hours in a work year, each individual officer working on shift shall ensure that the Township is made whole by the use of Pool Time hours. Pool time hours are based on the average number of hours that the shift rotation fails to include, (currently 69 <sup>3</sup>/<sub>4</sub> with an 11-hour shift).

Section 2. Effective upon signing of this Agreement, Officers may work a minimum of one (1) hour extra per shift, either by beginning their shift one (1) hour earlier or by remaining on duty one (1) hour past their regular quitting time, to make up pool time, up to a maximum of 30 hours per year, with 24 hours advance notice to and approval of the Chief of Police, or his designee, which approval shall not be unreasonably withheld.”

The Township has proposed the following:

Effective January 1, 2020, Article 28, Pool Time, shall be eliminated from the Agreement and replaced with the following Article:

### **Article 28 – Police Training**

Officer training shall be performed during off-shift hours. Officers are required to complete forty-eight (48) hours of mandatory training, which shall be:

- Spring/Fall Firearms Qualifications
- Spring/Fall MATS (USE of Force/Pursuit/Domestic Violence)
- Tactical Firearms/OC/Baton/Handcuffing
- Active Shooter
- First Aid
- Rifle Quarterly Training

In addition to the 48 hours of mandatory training outlined herein, officers may also attend up to two (2) eight (8) hour days of specialty training conducted in a formal class setting, with the approval of the

Chief. As an alternate to the specialty training, the officer may elect to turn in one or two holidays or other paid time off (at 8 hours or 16 hours) to offset the one or two days of specialty training.

For training sessions, officers may leave directly from their homes and do not need to first arrive at Police Headquarters, unless otherwise directed by the Chief.

The PBA's submission of June 3, 2019 indicates it is accepting of the Township's proposal concerning eliminating "Pool Time" and replacing with Article 28 – Police Training.

Based on the PBA's acceptance of the Township's proposal, I award the Township's Final Offer regarding Article 28-Pool Time.

### **Article 21 Compensatory Time**

Article 21, Section 2 of the Agreement provides as follows:

"All cumulative compensatory time accumulated in excess of 160 hours at the end of each given calendar year shall be paid by the Township prior to the expiration of that calendar year."

The PBA has proposed that the compensatory time be increased to the federal minimum of four hundred and eighty (480) hours. (PBA Final Offer). See 29 C.F.R. § 553.24. The Township has not proposed altering compensatory time. The PBA argues that increasing the amount of compensatory time the PBA bargaining unit members can accumulate will increase the morale of the department. Moreover, increasing to the federal minimum of four hundred and eighty (480) hours will allow the parties to comply with federal law, and therefore it will not harm the public interest. The Township maintains that members of the PBA already receive a significant amount of time off. Any additional time off can result in increased overtime costs to the Township. The cost of this proposal, not only for the duration of this contract but going forward would be substantial they argue. In addition, they submit that the PBA has failed to present sufficient evidence to support its proposal.

After review of the parties Final Offers and submissions, I find there is insufficient evidence to meet the burden to award the PBA's proposal and alter the *status quo*.

### **Road Job Provision**

The PBA has proposed that a "Road Job Provision" be incorporated into the next agreement. The PBA proposes that "PBA members be paid \$80.00 per hour for any road job. If an emergency road job arises, three (3) hours' notice or less, then the officer shall be paid \$95.00 per hour to the officer. As well as a four (4) minimum for each road job and all hours requested will be the minimum hours paid to the officer and may exceed such requested time." The Township argues that the PBA has failed to present any evidence to support this proposal and it should be denied.

After review of the parties Final Offers and submissions, I find there is insufficient evidence to overcome the burden to award the PBA's proposal and alter the *status quo*.

### **Drug Recognition Provision**

The PBA has proposed that if an officer is certified and or trained as a Drug Recognition Expert ("DRE") he/she shall be compensated an additional \$1,000.00 to their base salary each year. The Township rejects the proposal noting that PBA has failed to submit any support for this proposal. Moreover, the Township argues the PBA has failed to establish a need for the proposal, especially considering the size of the Department and low crime rate in Bedminster

After review of the parties Final Offers and submissions, I find there is insufficient evidence to overcome the burden and award the PBA's proposals and alter the *status quo*.

### **Training Provision**

The PBA has proposed that training in excess of five (5) hours shall be counted as one (1) day worked. The Township argues its proposal is more reasonable and cost-effective.

After review of the parties Final Offers and submissions, and the PBA's acceptance of the Township's Pool Time proposal, I award the PBA's proposal coupled with its acceptance of the Township's Pool Time proposal.

Based upon the application of 16g criteria and the record before me, I respectfully enter the terms of this Award.

**AWARD**

1. **Duration.** Four-year term January 1, 2019 to December 31, 2022.

2. **Salaries.**

**2019**

The 2018 Salary Guide shall be frozen for 2019. Salaries shall be increased at the top step and Sergeant position of the 2018 Salary Guide by 2% effective and retroactive to January 1, 2019. Officers not at top step in the 2018 guide shall advance on the salary guide set forth in Schedules A and B of the current Collective Negotiations Agreement on January 1<sup>st</sup> of each year.

**2020**

Salaries shall be increased by 2% across-the board effective January 1, 2020. Officers not at top step in the 2020 Salary Guide shall advance on the salary guide set forth in Schedules A and B of the current Collective Negotiations Agreement on January 1<sup>st</sup> of each year.

**2021**

The 2020 Salary Guide shall be frozen for 2021. Salaries shall be increased at the top step and Sergeant position of the 2020 Salary Guide by 2% effective January 1, 2021. Officers not at top step in the 2020 guide shall advance on the salary guide set forth in Schedules A and B of the current Collective Negotiations Agreement on January 1<sup>st</sup> of each year.

**2022**

The 2020 Salary Guide shall be frozen for 2022. Salaries shall be increased at the top step and Sergeant position of the 2020 Guide by 2% effective January 1, 2022. Officers not at top step in the 2018 guide shall advance on the salary guide set forth in Schedules A and B of the current Collective Negotiations Agreement on January 1<sup>st</sup> of each year.

3. **Health Programs.** Add the following to Article 7, Health Programs:

Section 8. All officers who wish to be covered by the Township insurance program shall continue to contribute toward the premium cost of all health insurance coverage provided for in this Agreement consistent with Tier IV of PL 2011, Chapter 78.

4. **Pool Time/Training.**

Effective January 1, 2020, Article 28, Pool Time, shall be eliminated from the Agreement and replaced with the following Article:

**Article 28 – Police Training**

Officer training shall be performed during off-shift hours. Officers are required to complete forty-eight (48) hours of mandatory training, which shall be:

- Spring/Fall Firearms Qualifications
- Spring/Fall MATS (USE of Force/Pursuit/Domestic Violence)
- Tactical Firearms/OC/Baton/Handcuffing
- Active Shooter
- First Aid
- Rifle Quarterly Training

In addition to the 48 hours of mandatory training outlined herein, officers may also attend up to two (2) eight (8) hour days of specialty training conducted in a formal class setting, with the approval of the Chief. As an alternate to the specialty training, the officer may elect to turn in one or two holidays or other paid time off (at 8 hours or 16 hours) to offset the one or two days of specialty training.

For training sessions, officers may leave directly from their homes and do not need to first arrive at Police Headquarters, unless otherwise directed by the Chief.

Training in excess of five (5) hours shall be counted as one (1) day worked.

5. All other proposals by the Township and the PBA not awarded herein are denied and dismissed.
6. All provisions of the existing agreement shall be carried forward except for those which have been modified by the terms of this Award.
7. Pursuant to N.J.S.A. 34:13A-16(f), I certify that I have taken the statutory limitation imposed on the local tax levy cap into account in making the award. The Award also explains how the statutory criteria factored into my final determination.
8. I have also calculated the net, annual economic change in base salary, including step increments over the four-year term of the new agreement, as follows: 2019-\$52,847; 2020-\$48,929; 2021-\$51,242; 2022-\$51,604.

June 15, 2019  
Jersey City, New Jersey

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Brian W. Kronick, Esq.  
Interest Arbitrator

On this \_\_\_ day of June 2019, before me personally came and appeared Brian W. Kronick to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed same.