

PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of Interest Arbitration)	Before: J. J. PIERSON, Esq.
)	Arbitrator
between)	
)	
CITY OF TRENTON ("City" or "Employer"),)	
a municipality in the COUNTY OF MERCER,)	
STATE OF NEW JERSEY)	<u>OPINION and AWARD</u>
)	
and)	
)	
N.J. STATE POLICEMEN'S BENEVOLENT)	Docket No. IA-2007-60
ASSOCIATION, LOCAL NO. 11 ("PBA"))	
)	

The undersigned derives jurisdiction as Arbitrator of this matter from appointment by the Public Employment Relations Commission ("PERC") and consent of the parties pursuant to a Collective Bargaining Agreement (hereinafter, the "Agreement", as further described below).

The designation directs the Arbitrator to hear evidence and render a written Opinion and Award on the Issue submitted below. Numerous mediation sessions were conducted with the parties and, subsequently, an evidentiary hearing was conducted on April 30, 2008 at City Hall, Trenton, New Jersey. Due notice of hearings were given to the parties, and full afford was provided for the opportunity to present evidence, together with post hearing briefs, in support of their respective positions.

Appearing for the City:

Stephen E. Trimboli, Esq.
Jane Feigenbaum, Business Administrator
Joseph J. Santiago, Police Director

Appearing for the PBA:

Raymond G. Heineman, Esq.
George Dzurkoc, President PBA #11

ISSUE

What shall be the terms and conditions of the successor Collective Bargaining Agreement, based on consideration and application of all of the relevant statutory of N.J.S.A. 4:13A-16(g)(1) through (9)?

BACKGROUND

The City of Trenton (hereinafter the "City") and Trenton Policemen's Benevolent Association, Local 11 (hereinafter, the "PBA", representing City police officers of patrolman rank) are parties to Collective Bargaining "Agreements" (see Joint Exhibits J-1, J-2A and J-2B¹). Despite the expiration of the Agreement, the parties have recognized and serve thereunder.

As stated above, although the parties participated in extended negotiations, an impasse resulted. Since the parties did not agree upon an alternative terminal procedure, the arbitration was conducted pursuant to statute. The Arbitrator conducted the matter under the procedure of conventional arbitration. Numerous mediation sessions were held prior to the April 30, 2008 evidentiary hearing and, as required by statute, the parties submitted their respective issues to the Arbitrator.

FINAL OFFERS OF THE PARTIES

City of Trenton Final Offer:

1. **Term of Contract:** Five Years; January 1, 2006 through December 31, 2010.
2. **Salaries:** Increase each rank's salary 3% per year effective April 1st of each year. (Economic Issue)
3. **Medical/Dental/Prescription Drug Insurance:** (Economic Issue)
 - a. Co-pay of medical insurance:
 - i. From date of settlement through 12.31.09: \$19 per pay for single coverage/\$23 per pay for all others.
 - ii. From January 1, 2010, and thereafter: \$21 per pay for single coverage/\$25 per pay for all other.
 - b. Prescription drug co-pays: Create three tier system: generic, preferred and brand name: \$10/\$20/\$35; \$3/\$10/\$15 for mail order.

1. Reference to Exhibits in the record are (J-) for Joint; (C-) for City; and (PBA-) for PBA.

4. **Committees**: Eliminate provisions pertaining to sick leave committees. (Non-Economic)

5. **Article V, Section 5.01 through 5.04**: Eliminate. Bargaining unit employees to receive 15 sick days per year. For on-the-job injuries, officers shall receive workers' compensation benefit (70% of pay) only. (Economic)

6. **Article V**: Sick leave verification shall be required after three days' use of sick leave; "three instances rule" to be abolished. (Non-economic)

7. **Article VI, Section 6.01**: Add new paragraph,

"The Union shall indemnify and hold the employer harmless against any and all claims, demands, suits and other forms of liability that may arise out of, or by reason of any action taken or not taken by the Employer in conformance with this provision. The Union shall intervene in and defend any administrative or court litigation concerning this provision."

8. **Article XVI, Grievance Procedure**: Grievances must be initiated within 15 days of the date on which the grievant learned or should have learned of its occurrence, or else will be deemed waived. Grievances must be appealed within 10 days of the date on which an employer response is due, or else will be deemed waived. (Non-Econ.)

9. **Red Circling**: Amend the contract to read:

"Any officer demoted or reduced in rank or title for any reason, including but not limited to layoff/demotion for reason of economy, efficiency or any related reason, shall thereupon be compensated at the salary level appropriate to the officer's demotional title. The officer will be placed on the salary step for the demotional title that corresponds to the step on which the officer had been compensated for his/her previous title. Any contract provision, City policy or practice inconsistent with this provision is hereby superseded, null and void. (Economic).

10. **Article XXII**. Add the following:

a. Section 22.01. "Except as otherwise provided in this Agreement, the failure to enforce any provision of this Agreement shall not be deemed a waiver thereof."

b. Section 22.02 (new): "No deviation from, modification of, or exception to the terms of any provision of this Agreement on the part of the Employer shall be permitted except by the express, written permission of the Business Administrator.

Any deviation from, modification of, or exception to the terms of any provision of this Agreement on the part of the Employer that may occur in the absence of such express, written permission of the Business Administrator shall be deemed unauthorized, null and void. Under no circumstances shall any such unauthorized deviation from, modification of, or exception to the terms of any provision of this Agreement on the part of the Employer give rise to any claim, right or benefit in favor of the Union or any Employee other than the right to grieve same in accordance with the grievance procedure contained herein. All claims, rights and benefits accruing to the Union or any Employee shall only be as set forth herein by the express provisions of this Agreement.”

PBA Final Offer

- **Wages:** The PBA proposed a sole economic issue of a 4.5% increase in each year of a four (4) year Agreement, inclusive of both a regular wage increase of 4.% and an additional offset/recognition increase of .5%. As the PBA advanced, the offset was to acknowledged a lag in salaries and recognition was for increased productivity and performance of the Department’s police officers.

With respect to non-economic issues, the PBA proposed modifications to:

1. Article III, Conducting Union Business On Employer’s Time: Add a new provision:

“The City agrees to full union release to the PBA President. The City agrees to assign the PBA President to a Monday thru Friday, 8 hours daytime schedule. A shirt and tie or suitable casual business attire may be substituted for a police uniform. However, the uniform of the day shall be readily available in the event of an emergency that requires the PBA President to be utilized. This is to include attending the State PBA Meetings out of town.”

2. Article V, Pay Treatment for Extended Illness: Add new section:

“The sick leave policy shall be amended to eliminate the requirement of remaining in the home while off sick during off-duty hours. The policy shall be amended to require that that employees shall be subject to home confinement only during regularly scheduled duty hours.”

3. Article VII, Hours of Employment: Add provision memorializing the parties grievance settlement of employees’ entitlement to a meal period.

4. Article VII, Hours of Employment: Section 7:02: Modify to memorialize the negotiated unit schedules.

5. **Article VII, Hours of Employment:** Section 7:02: Modify the 3rd paragraph to provide that shift bids will take place in November based on seniority to the extent practical. Shift bid preferences will be implemented no later than the second week of January, after which no further bids will be considered. Thereafter, when an opening occurs on a shift, it shall go to the next most senior officer applying for that shift. The City shall provide a weeks notice prior to any shift change.

6. **Article VIII, Compensation for Overtime:** Add new provision:

“Prior to employees being mandated to work overtime, the City will offer overtime to qualified employees who have volunteered to work overtime, except in emergencies.”

7. **Article XIII, Vacations:** Add a new provision as follows:

“Employees with more than one year but less than 15 years of service will be required to designate at least two full weeks of vacation in November for the following year and will be permitted to schedule their remaining allotment in single days or fractions thereof. Employees with 15 or more years of service will be required to designate at least three full weeks of vacation in November for the following year and will be permitted to schedule their remaining allotment in single days or fractions thereof. All vacation time requested in November shall be approved by January 1 of the following year. Officers on the 4 on/4 off schedule shall not be required to work the 4 calendar days before and the 4 calendar days following an approved vacation week.”

POSITIONS OF THE PARTIES

The City contended that “the overriding consideration in this matter is this City’s precarious financial condition, and the impact of any economic award will have on the City’s precarious financial condition.” It was the City’s position that there are very real and significant financial limitations that face the City, its residents and taxpayers.

The City asserted that a major factor at issue is the significant cost of health insurance under the State Health Benefits Program (“SHBP”, in which the City participates) and the increased premium in rates of 23% between 2005 and 2008. (See C-49).

Advancing its position, the City pointed to two recent public sector contract settlements. The first, a settlement with the City's largest bargaining unit (AFSCME Local 2286, representing non-supervisory blue and white collar employees; see C-104), consisting of annual increases of 3.4% over a five (5) year contract period and containing both an employee contribution toward the premium cost of health insurance and employee co-payments toward prescription drug purchases²; the second, a settlement between the police officers and the City of East Orange, revealing 3.84% annual increases³ over a four (4) year agreement and including health care cost containment in the form of premium co-pay and prescription co-pays.⁴

The City contended that its final economic proposal was more consistent with comparable settlements and requested the Arbitrator to craft a fair settlement within the constraints imposed by the financial conditions of the City.

The PBA, while recognizing the problems of an urban city, initially referred to highlights of the City's growth and redevelopment⁵ and comments of Mayor Douglas Palmer to advance the notion that **"A cornerstone of our City's resurgence is public safety."**⁶

2. As the City asserted, when compared with employees in the non-supervisory blue and white collar unit, police officers work less hours and are paid substantially more than the AFSCME unit.

3. According to the City, the East Orange wage increase equivalent to 3.34% increases in the Trenton area.

4. As the City asserted, in contrast, Trenton police officers at top step are paid \$66,136 per year as opposed to East Orange police officers at top step who are paid \$64,833 per year; widened by Trenton's 4-4, ten hour schedule (1,825 hours annually) as compared to East Orange's 4-2, eight hour schedule (1,946 hours annually). While comparable communities in terms of finances and demographics, the City maintained that its police officers enjoy a salary premium, despite a higher cost of living in East Orange.

5. The PBA referenced the Trenton Green Initiative (a newly renovated \$74 million transportation hub), the Foundry project (a new \$45 million arts and entertainment district), the Broad Street Bank Building and new housing developments (Canal Banks, Monmouth Crossing).

6. Quoted from speech of October 25, 2007.

The PBA referred to both the City's high crime rate and the resulting drop from 2000 to the present as indications of the significant progress in the reduction of crime and improvement of the Department's efficiency.

With reference to recent Agreements and wage increases, the PBA maintained it lagged behind the overall average of increases in the State's uniformed services.

<u>Year</u>	<u>Trenton</u>	<u>Salary Awards</u>	<u>Voluntary Settlements</u>
1998	4% (splits)	3.87%	3.77%
1999	3.6%	3.69%	3.71%
2000	1%	3.64%	3.87%
2001	3.75%	3.75%	3.91%
2002	3.85%	3.83%	4.05%
2003	3.75%	3.82%	4.01%
2004	4% (splits)	4.05%	3.91%
2005	<u>4% (splits)</u>	<u>3.96%</u>	<u>3.94%</u>
Total:	17.5%	30.61%	31.17%

The PBA also asserted that the base salaries of its officers lagged behind their peers in Mercer County. The cited Comparison follows:

	2005	2006	2007	2008	2009
Ewing	\$86,719	\$86,719	\$90,188	\$93,791	
Lawrence		\$86,598	\$89,975	\$94,484	
Washington	\$80,340	\$83,554	\$86,896	\$90,372	
Princeton	\$80,098	\$83,302	\$86,634	\$90,099	\$93,703
W. Windsor			\$86,417	\$89,658	\$93,199
Hamilton	\$81,603	\$81,603	\$84,867	\$88,262	
Mercer Pros.		\$80,145	\$83,551	\$87,102	\$90,804
E. Windsor	\$77,584	\$80,493	\$83,512	\$86,644	\$89,893
Hightstown		\$73,153	\$80,056	\$82,858	\$85,873
Mercer Cor	\$69,868	\$72,838	\$75,933	\$79,161	
Trenton	\$66,136				

The PBA concluded that the City's "substandard" 3% wage proposal was below State and County averages, further increasing the existing gap in base salaries; while the "concessionary" health care premium contributions would exacerbate the present differential in base salaries.

Likewise, the PBA opposed the six language change proposals of the City and maintained that the City provided no evidence, rationale or elaboration to support the language proposals. As the PBA argued, the burden of proof rests with the party seeking modification.

STATUTORY CRITERIA

Pursuant to N.J.S.A. 34:13A-(d)(2), wherein the dispute is resolved through conventional arbitration, the resolution is reached through application of all of the relevant statutory of N.J.S.A. 4:13A-16(g)(1) through (9), with due weight given to each of the follow criteria:

g. The arbitrator or panel of arbitrators shall decide the dispute based on a reasonable determination of the issues, giving due weight to those factors listed below that are judged relevant for the resolution of the specific dispute. In the award, the arbitrator or panel of arbitrators shall indicate which of the factors are deemed relevant, satisfactorily explain why others are not relevant, and provide an analysis of the evidence on each relevant factor:

(1) The interests and welfare of the public. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by P.L. 1976, c. 68 (C.40A:4045.1 et seq.).

(2) Comparison of 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 P.L. 1995, c. 425 (C:34:13A-16.2); provided , however, that each party shall have the right to submit additional evidence concerning the comparability of jurisdictions for the arbitrator's consideration.

(3) The overall compensation presently received by the employees, inclusive of direct wages, salary, vacation, holidays, excused leaves, insurance and pensions, medical and hospitalization benefits, and all other economic benefits received.

(4) Stipulations of the parties.

(5) The lawful authority of the employer. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by P.L. 1976, c. 68(C.40A:4-45.1 et seq.).

(6) The financial impact on the governing unit, its residents and taxpayers. When considering this factor in a dispute in which the public employer is a county or a municipality, the arbitrator or panel of arbitrators shall take into account, to the extent that evidence is introduced, how the award will affect the municipal or county purposes element, as the case may be, of the local property tax; a comparison of the percentage of the municipal purposes element or, in the case of a county, the county purposes element, required to fund the employees' contract in the preceding local budget year with that required under the award for the current local budget year; the impact of the award for each income sector of the property taxpayers of the local unit; the impact of the award on the ability of the governing body to (a) maintain existing local programs and services, (b) expand existing local programs and services for which public moneys have been designated by the governing body in a proposed local budget, or (c) initiate any new programs and services for which public moneys have been designated by the governing body in a proposed local budget.

(7) The cost of living.

(8) The continuity and stability of employment including seniority rights and other such factors not confined to the foregoing which are ordinarily or traditionally considered in the determinations of wages, hours, and conditions of employment through collective 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 arbitrators 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).

DISCUSSION OF THE RECORD and REVIEW OF THE STATUTORY CRITERIA

The City of Trenton, with a population of nearly 85,000 residents, is composed of 7.66 square miles. Known as the State Capital of New Jersey, the City is a center of government and a hub for transportation and sports entertainment in Mercer County. There are approximately 360 police officers in the ranks of patrolman (represented by the PBA) within the Trenton Police Department.

An analysis of the N.J.S.A. 34::13A-16g(1) to (9) criteria follows:

Interests and Welfare of the Public

In addressing the interests and welfare of the public, the City contended that the evidence introduced into the record overwhelming demonstrated the City's precarious financial condition.⁷ It was the position of the City that its structural deficit, with fifty 50% of all property being tax exempt or tax reduced (such as Federal or State-owned property within City limits) limited its ability to generate revenue through municipal property tax. Likewise, the necessity to rely on State assistance resulted in historic insufficiencies in meeting the financial needs of the City. As the City asserted, the anticipated budget shortfall has now resulted in employee layoffs.

The City also cited the demographics of its residents. Of importance, 21.1% of individuals and 17.6% of families live below the poverty level. The median household income is \$31,074, the median family income is \$36,681, and per capital income is \$24,621. The median housing value is \$65,500. The City's reliance on State assistance in meeting its municipal expenditures, with 47% of Trenton's revenues consisting of State aid in 2007 and 48% of its revenue consisting of State aid in 2008.

7. The City introduced a post-hearing Certification of Business Administrator Jane Feigenbaum in which she described the condition of the City and maintained there were severe financing limitations facing the City. Of significant note, Ms. Feigenbaum stressed the City's reliance on State assistance in meeting its municipal expenditures, with 43.5% of Trenton's revenues consisting of State aid as compared to 18.4% for all other Mercer County municipalities.

According to the City, while it is facing revenue problems, there are “staggering increases” in employee health care costs (from \$24,500,011 in 2005 to \$30,115,878 in 2008), in total police and fire pension contributions (from \$1,218,436 in 2004 to \$11,308,952 in 2008, a 928% increase) and in worker’ compensation costs (from \$3 million in 2005 to \$4 million in 2007).

The City also introduced budgetary information for consideration. Arguing the items placed limitations imposed upon the employer (by P.L. 1976, c. 68 (C.40A:4045.1 et seq.)), the City cited the 2008 operating budget expenditure increase of \$16.2 million, or 9%, over the 2007 budget. According to the City, it relied on \$17 million in special State aid and \$1.6 million in additional State Aid to meet increased expenditures.⁸ The City maintained that it will be faced with an overall 11% loss or reduction in revenue in FY 2009 through a 100% decrease in available surplus; a 9% decrease in Capital City Aid; a 7.3% decrease in CMPTRA State Aid; a 51% decrease in Local Revenue; a 6% decrease in tax collections; and a 36% decrease in delinquent tax collections. (see C-140).

The PBA noted the high productivity of the Department in serving the needs and interests of the public, especially in light of the unique challenges of the City as capital of the State (with a daily “influx” of persons entering, working or visiting) and County Seat of Mercer County.

The PBA further noted that the Police Department is the busiest in Mercer County, responding to and investigating more murders, rapes, robberies, aggravated assaults and domestic violence cases than the remaining 12 municipalities combined. Similarly, the PBA noted that the City led Mercer County in burglary, larceny motor vehicle theft and arson. (PBA-44, 136-139). The PBA cited the number of crimes it responded to in 2006: 18 murders, 33 rapes, 633 robberies, 597 aggravated assaults, 810 burglaries, 1,340 larcenies and 1,580 domestic violence incidents. (PBA-50)

8. Jane Feigenbaum’s Certification represented that, in order to receive the State assistance, it was required to balance its revenue with expenditures through a Memorandum of Understanding which imposed limitations on hiring and promotions (absent permission from the State), reduce staff through attrition and outsourcing. Similarly, all labor contract settlements were subject to State review. (See C-4). This Certification mirrored a prior Certification relating to the FY 2008 budget. (See C-41).

As the PBA advanced, in protecting the residents, commuters and visitors and focusing on serious crime, police officers are subject to a greater risk of violence than their peers in other Mercer County communities. According to the PBA, despite the challenges, crime within the City has been reduced from 2005 to 2006 and police officers have been productive.⁹ As an endorsement, the PBA cited the former Police Director (Joseph Santiago) and his comment that the results are “directly related to the efforts of every member of the Police Department and serve as testimony to [their] commitment, professionalism and efforts every single days.” (PBA-45).

The PBA contended that, despite the professional efforts of police officers, the City has attacked the bargaining unit during the term of the Agreement. The Union asserted that the City froze accumulated vacation pay, ended a practice of providing officers a full allotment of vacation days (by calculating vacations on eight hour work days instead of ten hour work days), ended the practice of allowing police officers on administrative schedules to self-schedule administrative time, stopped police officers from bidding on shifts, mandated excessive overtime, restricted the scheduling of vacation, and changed work schedules. As the PBA asserted, the Department’s actions have eroded the morale of police officers and resulted in 27 police officers leaving the Department to work for other Mercer County law enforcement agencies.

9. See PBA-44 and PBA-46. Productivity was advanced by citing the number of service calls from 82,880 in 2004 to 174,176 in 2007, an increase of 110%; call wait time from 2004 to 2007 decreased 33%. (PBA-46).

Comparison of Compensation

In comparing 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 employees¹⁰, the parties submitted numerous contracts from other uniform forces.

The PBA contended that, for uniformed services statewide, salary increases in both voluntary settlements and interest arbitration awards in the "Urban 15" group trended in the 4% per year range:¹¹

	2006	2007	2008	2009
Bayonne City	6%	6%	5%	
Camden City	4%	5.5%	4%	
East Orange City	3.75%	3.75%	3.75%	4%
Elizabeth City	3%	3%	3%	
Irvington Town	4%	4%	4%	4%
Jersey City	3.5%	3.75%	4%	
Newark City	4%	4%	4%	
Passaic City		4%	4%	4%
Vineland City	3.5%	3.5%	3.5%	3.25%
Woodbridge Twp	<u>3.95%</u>	<u>3.8%</u>	<u>4%</u>	<u> </u>
Average	4.05%	4.19%	4%	3.81%

Likewise, the PBA noted that police officers in Bayonne, Elizabeth, Irvington, Jersey City, Newark, Passaic, Paterson and Woodbridge make no contribution to health care coverage. According to the PBA, only patrol officers in East Orange make monthly contributions.

10. Comparisons in private employment, in general; in public employment, in general; and in public employment in the same or similar comparable jurisdictions. In each instance, each party shall have the right to submit additional evidence concerning the comparability of jurisdictions for the arbitrator's consideration.

11. The "Urban 15" municipalities consists of the: City of Bayonne, City of Camden, City of Clifton, Dover Township, City of East Orange, City of Elizabeth, Town of Irvington, City of Jersey City, City of Newark, City of Passaic, City of Paterson, City of Trenton, City of Union City, City of Vineland, and Woodbridge Township.

When considering that Trenton police officers receive the lowest pay of police officers in Mercer County, the PBA argued that it would be misplaced and inequitable to impose healthcare costs on the police officers.

The PBA also opposed the increase prescription co-pays and asserted that the City's proposed \$10/\$20/\$35 amounts exceed the co-pays in other Mercer County municipalities and the Urban 15:

	Generic	Brand	Non-Formulary
Ewing	\$1	\$15	N/A
E. Windsor	\$3	\$5	N/A
Princeton	\$10	\$15	N/A
W. Windsor	\$10	\$15	N/A
County	\$4	\$12	N/A
Hamilton	\$2	\$9	N/A
Hightstown	\$5	\$10	N/A
Lawrence	\$3	\$10	N/A
Washington	\$5	\$10	N/A
Trenton	\$0	\$5	N/A

	Generic	Brand	Premium
Bayonne City	\$0	\$5	\$25
Camden City	\$5	\$10	
East Orange City	\$10	\$15	
Elizabeth City	\$5	\$12	
Irvington Town	\$10	\$20	
Jersey City	\$2	\$20	
Newark City	\$5	\$10	
Passaic City	\$5	\$20	
Paterson City	\$4	\$4	
Trenton	\$0	\$5	
Vineland City	\$5	\$10	
Woodbridge Twp	<u>\$7.50</u>	<u>\$15</u>	
Average	\$5	\$12	

The City maintained that the relevant basis of comparison was with:

- a) other City employees, and
- b) other patrol officers of financially constrained municipalities.

While addressing comparisons, the City specifically addressed the health care issue and the City's proposal that police officers share in the cost of health care and increase prescription drug co-payments "consistent with the trends in New Jersey and nationwide."

As a member of the NJ State Health Benefits Plan, the City pointed to both the increased cost of employee health care coverage¹² and the agreement with other City employees (AFSCME Local 2286) for sharing premium costs and prescription co-payments. As the City argued, AFSCME members receive the same health coverage as PBA members, yet receive lower wages and work more hours. The City asserted that PBA members should similarly contribute to health care costs and greater prescription drug co-payments. In supporting its position that cost sharing is a trend in the public sector, the City pointed to the City of East Orange/FOP settlement which includes an employee contribution of \$40 per month for singles/\$45 per month for husband-wife coverage/\$50 per month for family. (See C-90). The East Orange settlement also contains increased prescription co-pays of \$10/\$15.

Overall Compensation

In addressing the overall compensation presently received by the PBA, inclusive of direct wages and all other economic benefits, the City referred to the parties' prior Agreement(s)¹³, Personnel Manual (C-3) and a cost analysis of present health care costs (C-4). According to the City, the proofs reveal a comprehensive compensation package of salary, vacation, holidays, leaves, insurance and pensions, medical and hospitalization benefits.

12. The City cited the increase in the cost of health care for Trenton employees from \$24,500,011 in FY 2005 to \$30,115,878 in FY 2008. While acknowledging a announced reduction in premium costs in FY 2009, the City maintained that the increases since 2005 have impacted the budget.

13. See C-1, dated January 13, 2000; Amended by the Memorandum of Agreement dated July 1, 2000 through December 31, 2005 (See C-2).

The City also contended that the overall compensation should be considered in light of evidence that Trenton police officers enjoy a favorable 4-4 work schedule¹⁴, in which patrol officers work fewer days and hours per year than officers working under a 5-2 schedule in other municipalities. Moreover, the City argued that Trenton police officer compensation should not be compared with other municipalities in Mercer County.

The PBA submitted evidence of comparability with other officers serving in the Urban 15 cities. Proofs revealed that, between 2006 and 2009, average salary increases averaged 4.05% (2006), 4.19% (2007), 4% (2008) and 3.81% (2009).

In the opinion of this Arbitrator, the PBA's overall compensation favors an increase in salary in a range reflective of the between the final offers of the parties.

Stipulations

N.J.S.A 34:13A-16g(4) requires the Arbitrator to consider the stipulations of the parties. During the process of this matter, the parties have entered into stipulations regarding non-economic issues, and agreed to place those stipulations into the record:

- Article II, **Collective Bargaining Procedure**: Within 90 days of ratification the City will provide the PBA with a complete draft contract book for review.

- Article III, **Conducting Union Business On Employer's Time**: Add a new provision that the City will continue the current practice of providing the PBA with an office in Police Headquarters.

- Article XIII, **Vacations**: Add a new provision as follows: "Officers on the 4 on/4 off schedule shall not be required to work the 4 calendar days before and the 4 calendar days following an approved vacation week."

- Article IX, **Wages**, Section 9.05: Eliminate the tri-partite committee for resolving shift differential disputes; allow such disputes to be processed through the regular grievance procedure.

14. Four (4) - Ten (10) hour work days, with the Four (4) days off.

- Article XVII, **Arbitration**, Section 17.07: Clarify language of provision as to wages, hours and benefits to provide that nothing in the Agreement shall subject such fiscal matters to interest arbitration.

- **Committees**: Eliminate Sick Leave Committee.

-**Throughout**: Replace “Chief” and “Public Safety Director” with “Police Director.”

- Per the **Settlement Agreement, dated May 23, 2008¹⁵**:

“1. The current TAC schedule, (Proposal #3(b) attached) shall be maintained. This schedule includes the right to select 9 administrative days at officer’s choice subject to the limitations in paragraph 2, below.

“2. All officers working the 5-2 schedule and entitled to administrative time shall receive such time as follows:

a. 9 days per year, effective January 1, 2009, taken at officer’s choice, provided (1) no overtime is created by way of use of each day and (2) at least one week’s choice is provided except in emergent circumstances, and (3) one-half of the allotment must be used before July 1st. These days may not be carried over.

b. 13 days of administrative time shall be assigned by the Director or his designee as either full (8hr.) or one-half (4 hr.) day allotments.

“3. This settlement resolves the pending TAC schedule grievances which are hereby withdrawn and dismissed with prejudice, as settled.

“4. The PBA’s and TSOA arbitration proposal on use of administrative days are hereby withdrawn.”

Lawful Authority of the Employer

In addressing the lawful authority of the employer and the corresponding statutory restrictions on the City (per N.J.S.A. 34:13a-16g(1) and (5), including the “CAP” limitations (N.J.S.A 40A:4-45.1a *et seq*), the City relied on its presentation of budgets and caps on expenditures.

15. The parties reached a settlement of the grievance and agreed to submit the Settlement Agreement as a Stipulation in the present Interest Arbitration. (See J-4).

The City documented its limitations on State assistance and the companion requirement for cost containment through extensive exhibits and repeatedly through its brief. Citing a freeze on hiring and reductions in staff as limitations imposed upon the employer, the City argued that the evidence warranted an award consistent with the City's final offer or, alternatively, in pattern with the AFSCME settlement.

The City contended that its 3% salary proposal of in each year of a new contract, together with health care sharing and increased prescription payments, would maintain police salary costs within the 4% limit on municipal tax levy increases. When considering the traditional cap on municipal expenditures, the City asserted that its economic proposal is more consistent with the cap limitations.

Financial Impact

The parties repeatedly referred to and acknowledged a financial impact on the governing unit, its residents and taxpayers resulting from this Award. Both parties advanced arguments, with the City introducing extensive cost on both the City and PBA proposals, as well as a cost analysis of the AFSCME settlement. [This criteria will be discussed further on pages 23-25]

Cost of Living

In addressing the cost of living (per N.J.S.A.34:13a-16g(7)), the PBA acknowledged that its proposed increases exceed the cost of living but tracked salary increases in uniformed services through the State and County. The PBA asserted that, with its productivity increases, the proposed increases were justified regardless of the cost of living or comparable uniformed services compensation.

The City submitted rates for increase in the consumer price index for the period 1997 through 2007 (see C-71) and the rate of inflation from 1997 to 2005 (see C-73). As the City asserted, the figures are consistent with the City's final economic offer and oppose the 'excessive' increases sought by the PBA.

In the opinion of this Arbitrator, the evidence reveals that PBA salary increases have exceeded the rate of inflation over a number of years. However, this Arbitrator is not convinced by the figures presented that PBA members have "enjoyed real (salary) increases" to the extent that additional salary increases should be denied.

Continuity and Stability of Employment

N.J.S.A. 34:13A-16g(8) requires the Arbitrator to consider "the continuity and stability of employment including seniority rights and other such factors not confined to the foregoing which are ordinarily or traditionally considered in the determinations of wages, hours, and conditions of employment through collective negotiations and collective bargaining between the parties in the public service and in private employment" in their determinations. Salary structure, the rate of unemployment and turnover and likelihood of layoffs are factors to be considered.

The City introduced a number of documents to address the later factors, that is, the likelihood of layoffs in the City in FY 2009. Of particular note, the City offered the "Proposed Layoff Action - City of Trenton", dated October 27, 2008, which set forth a plan to layoff and/or demote 91 employees in order to realize a savings and to illustrate "an alarming trend of elevating expenditures versus stagnant revenues."

Moreover, the City offered that it is “without sufficient operating funds, projecting severe budget shortfalls ... despite budget cuts.”¹⁶ (See also C-140).

The City also introduced evidence regarding unemployment figures in the City (10.7%, per C-21 and C-22), which exceeds the Mercer County and Urban 15 averages. At the same time, the City argued there is no unemployment among police officers. The City asserted that it had little difficulty in attracting applications for police officer positions and a low turnover rate (6.9%) within the Trenton Police Department. This figure, according to the City, was substantially lower than the average annual turnover (14.6% to 16.9%¹⁷) in government employment.

The City opposed the position of the PBA, purportedly by submitting a list of police officers who left the Department for better paying agencies. As such, the City contended there was no basis to claim excessive turnover in the Trenton Police Department due to low salaries.

In response, the PBA pointed to the recent “attacks” on the bargaining unit by the City, citing as a primary example the “freezing of vacation benefits,” resulting in the loss of \$750,000 in accumulated vacation benefits. The PBA also claimed that the City ended the practice of providing patrol officers on the patrol schedule (working 10 hour days) with their full allotment of vacation days¹⁸, stopped police officers from bidding on shifts and mandated excessive overtime. In all, the PBA maintained that the City’s actions have eroded the morale of the Department’s police officers.

16. See letter sent by Jane Feigenbaum, Business Administrator, to Kenneth Connelly, Acting Director, New Jersey Department of Personnell, dated October 27, 2008. (Forwarded by Counsel to this Arbitrator on November 4, 2008).

17. Per U.S. Department of Labor, Bureau of Labor Statistics report. (See C-126)

18. Patrol officers are being paid on an eight (8) hour day as opposed to the ten (10) hour day, thus reducing the benefit by 20%. .

Statutory Restriction Imposed on the Employer

Statutory restrictions imposed on the employer. Among the items the arbitrator or panel of arbitrators 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). Without question, the City has presented an abundance of evidence describing its financial condition and the resulting constraints imposed by statute. Notwithstanding, the increases awarded below do not exceed the statutory restrictions imposed on the City of Trenton.

OPINION and FINDINGS

To the credit of the parties, final economic proposals offered in this interest arbitration were succinct and to the point. The evidence clearly demonstrated that Trenton police officers are dedicated to serving their community and effective in dealing with the obstacles of their job. The evidence also demonstrated that Trenton officers lag behind other law enforcement officers in Mercer County and at the lower end of those officers in the State's Urban Fifteen cities. As this Arbitrator concluded, holding a position in law enforcement in the inner city environment of Trenton is demanding, but not necessarily financially rewarding. Thus, the primary goal of the PBA is to raise base wage rates for its members.

At the same time, the City of Trenton faces a daunting budgeting task in the face of drastically reduced revenues and significantly increased benefit costs (both health care and pension) for its personnel. The evidence established that the financial limitations expressed by the City are "neither illusory nor exaggerated." The proofs clearly evidenced the harsh reality of budgetary gaps and imposing financial limitations.

Thus, as repeatedly stressed, a major goal of the City was to harness increasing costs of health insurance under the State Health Benefits Program and to seek both an employee premium co-pay for health insurance and an increase in co-pay for prescription drugs.

In determining the value of an individual police officer when considering the economic constraints of the employer, this Arbitrator has been tasked with a balancing of reasonableness in the face of statutory factors. Indeed, this Arbitrator applied the nine criteria of N.J.S.A. 34:13A-16(1) through (9) and decided the dispute based on a reasonable determination of the issues, giving due weight to the factors discussed as relevant.

In the first instance, this Award must address the contract duration. The parties' Agreement expired on December 31, 2005 and is now three years in extension. To issue an Award and a successor Agreement of four year duration (to expire December 31, 2009) would effectively put the parties back into immediate negotiations. Since the present interest arbitration has continued for an extended period, this Arbitrator is also of the opinion that the five-year Agreement would provide labor stability and alleviate the immediacy and costs of reopening negotiations. As such, it determined that the duration of the successor Agreement will be for five years, effective January 1, 2006 and expiring December 31, 2010.

Next, in considering the criteria discussed above, it is this Arbitrator's opinion that a reasonable increase in base wages is a sheer necessity to recognize the contributions and value of the City's police officers and to raise their compensation to a level which, while lower than all other communities in Mercer County, will provide the incentive to remain an effective police force.

While addressing and balancing the criteria, it is this Arbitrator's conclusion that wage increases must be implemented immediately, reflecting a 3.75% wage increase on all base wages, effective and retroactive to January 1st of 2006 and January 1st of 2007; 3.5% effective, and retroactive to, January 1st in 2008; 3.75% effective January 1st of 2009 and January 1st of 2010.

It is this Arbitrator's belief that an average gross wage increase of 3.7% over a five year period is reasonable and rests within the financial limitations of the City.

The evidence demonstrated that the average wage salary Awards for police and fire officers between 1998 and 2005 have increased an average of 3.75%. Trenton police officers have widely lagged behind both State and County averages in base wages and percentage increases. To make the point, the top step officer in Trenton will attain a pay level of \$79,310.49 in 2010 which was gained by the next higher wage rate (\$79,161.) in Mercer County (Mercer Correction Officers) in 2008. (See Comparison, page 7).

	12/31/2005	1/1/2006	1/1/2007	1/1/2008	1/1/2009	1/1/2010
Base Rate:\$66,136.						
Base Rate Increase:		3.75%	3.75%	3.50%	3.75%	3.75%
Dollar Increase:		\$ <u>2,480.10</u>	\$ <u>2,573.10</u>	\$ <u>2,491.62</u>	\$ <u>2,763.03</u>	\$ <u>2,866.64</u>
Base Rate:		\$68,616.10	\$71,189.20	\$73,680.82	\$76,443.85	\$79,310.49

Based on the measure of calculations submitted by the City, and accepting that \$19,090,286.80 is the total base salary for the PBA Local 11 bargaining unit in 2005¹⁹, the following calculations result:

19. See PBA-12, C-4 and City Brief, page 9 "Costing of Proposals". The figure used by the City to address the Total Base Salary for the Unit with 30% "Roll Up" Factor is \$19,090,286.80, based on the 2005 salaries and 2007 Step Placement of Officers. The City utilized a 30% roll-up figure as "an approximation commonly used in labor relations to account for the cost of economic benefits that are tied to or derived from base salary."

	2006	2007	2008	2009	2010
Cost to City:	\$715,885.75	\$742,731.47	\$719,211.64	\$797,554.33	\$827,462.63
Cost to Unit Discounting for Health Insurance Co-Pay Premium				<u>\$106,340.57</u>	<u>\$110,328.35</u>
Net Cost to City:	\$715,885.75 ²⁰	\$742,731.47 ²¹	\$719,211.64 ²²	\$691,213.76 ²³	\$717,134.28 ²⁴

Therein are the limits of economic award which this Arbitrator deems appropriate. While directly aimed to meet the primary goal of each party, the salary Award reflects moderation and consistency²⁵, allowing the City to contain increases within its stated range.

Within its brief, the City maintained its proposal had a cumulative cost of **\$2,924,755.89** (see page 14) over **5 years**, while the PBA proposal had a cumulative cost of **\$3,756,362.70** over **4 years**. Moreover, the City maintained that the cumulative cost of salary increases for the PBA under the terms of the AFSCME Local 2286 settlement would result in a cumulative cost of **\$3,525,421.19** over **5 years**. Using the method of calculation advanced by the City, this Arbitrator concludes that the gross cost of the PBA salary increases are **\$3,802,845.82** over **5 years**. When compared with the AFSCME settlement, the difference in cost is **\$277,424.63**.

While believing that a wage increase is mandatory, this Arbitrator is of the opinion that police officers must now assume a portion of financial responsibility for their healthcare coverage and accept the obligation of paying for a portion of both **premium co-pay for health care coverage and increased co-pays for prescriptions**.

20. Resulting in a total base of \$19,806,172.55 in 2006.

21. Resulting in a total base of \$20,548,904.02 in 2007.

22. Resulting in a total base of \$21,268,115.66 in 2008..

23. Resulting in a total base of \$22,065,669.99 in 2009.

24. Resulting in a total base of \$22,893,132.62 in 2010.

25. In fact, the Award comports with the previous pattern of the AFSCME settlement and serves the City's financial limitations.

Accepting the City's arguments in supporting its proposal, this Arbitrator shall award the Medical, Dental and Prescription Drug Insurance final position. PBA members shall commence with co-payments for healthcare at the following time and under the following rates: a) Effective January 1, 2009, \$19 per pay for single coverage and \$23 per pay for all others (husband/wife and/or family); and, b) Effective January 1, 2010, \$21 per pay for single coverage/\$25 per pay for all others (husband/wife and/or family).

With respect to prescription drug co-payments, effective January 1, 2009, a three tier system shall be created, delineating "generic/ preferred/brand" prescriptions with co-pays of \$10/\$20/\$35 and \$3/\$10/\$15 co-payments for mail order prescriptions. Considering the cost implications, this Arbitrator values the employee contributions and payments for healthcare and prescriptions at approximately .5% per cent per year.²⁶ This calculation considers an actual cost for health care premium between \$494 per year for single coverage and \$598 per year for 'all others'.²⁷

As such, the salary increase averaging 3.7% per year, when reduced by approximately .5% costs by the implementation of health care sharing and reduced prescription payments in the final two years, results in the City achieving its PBA contract well within the 4% limit on municipal tax levy increases and more consistent with the traditional cap limitations. There is no evidence that the terms of this Award will exceed the lawful authority of the City, either with respect to the CAP Law or the spending limitations imposed by P.L. 1976 C.68. When considering the arguments of the City, with respect to consistency in a pattern with the previous settlement with AFSCME, this Arbitrator concludes that the financial impact of the Award will not adversely affect the governing body, its residents and its taxpayers.

26. Using the City's method of calculation, a .5% cost to the PBA unit in 2009 would be a **\$106,340.57** savings to the City and, in 2010, a **\$110,328.25** saving to the City; or a total savings of **\$216,668.82**.

27. The actual costs for prescription co-payments is not calculable (without basing costs on historic demand) and merely speculative for purposes of cost analysis.

Finally, in considering the overall compensation for PBA police officers, this Arbitrator is of the opinion that the terms of this Award will moderately improve the existing levels of economic (wage) compensation, even with the participation of police officers paying a portion of their healthcare costs and greater prescription co-pays. While the compensation of Trenton police officers could hardly be characterized as ‘competitive’ with other Mercer County communities, the Award should permit help in the retention of qualified police officers and attraction of new police officers to the employment of the City.

One economic proposal submitted by the City regarding the elimination of the full pay for employees who suffer from on the job injuries is addressed in singular fashion.²⁸ According to the City, police officers on Workers’ Compensation leave receive 70% of their regular pay in the form of a Workers’ Compensation insurance check (paid tax free) and “top-off” the remaining 30% in the form of regular pay (with full payroll deductions). The City asserted that, through this method of payment, police officers actually take home more pay when injured on the job than they would have received prior to injury. As such, the City expressed “serious concern” that the method of pay for police officers on Workers’ Compensation have a “financial disincentive” to return from work-related injuries.

While the City cites its settlement with AFSCME as additional rationale for adopting the measure of “signing over” the Worker’s Compensation payments to the City in return for remaining on regular payroll (with full payroll deductions), this Arbitrator is not convinced that police officers have either abused the Workers’ Compensation benefit or pursued a financial incentive to remain out of work after a work related injury. Evidence does not justify this proposal and it shall be denied.

28. City proposal #5 - Article V - “For on-the-job injuries, officers shall receive workers’ compensation benefit (70% of pay) only.”

Likewise, the additional economic proposals of the parties are denied. In Interest Arbitration matters, the burden of proof rests with the party seeking to change to a contract provision (whether by addition, modification or amendment) to first evidence the necessity or rationale for the proposal and then demonstrate that the proposal will have merit or resolution in meeting the necessity or rationale. While certain proposals may have merit or offer improvement to the collective bargaining agreement, there must be an evidenced necessity or rationale for its inclusion. Without specific analysis, this Arbitrator has not been convinced that the additional economic issues, as proposed by both parties, are supported by necessity or rationale.

In turning to the non-economic proposals of the parties, this Arbitrator requires similar proof. In reviewing the record, the City has not met its burden of proof for inclusion of the following non-economic proposals: Article XVI, Grievance Procedure: requiring time limits for a grievance to be initiated and appealed; Red Circling an officer demoted or reduced in rank or title; Article XXII, adding Section 22.01 regarding a waiver for failure to enforce any provision of the agreement; and adding a new Section 22.02.

Similarly, in reviewing the record, the PBA has not met its burden of proof for inclusion of the following non-economic proposals: Article V, Pay Treatment for Extended Illness. remaining in the home while off sick;; and Article VII, Hours of Employment: Section 7:02: adding 3rd paragraph providing for shift bids to take place in November based on seniority to the extent practical.

In consonance with the proof, and upon all the foregoing, the undersigned Arbitrator hereby renders, decides, determines, and issues the following.

INTEREST AWARD
Public Employment Relations Commission
Docket No. IA-2007-060

1. **Duration**: The Collective Bargaining Agreement shall be effective for five (5) years, effective January 1, 2006 through December 31, 2010.

2. **Wages**: Increase each rank and step on the salary guide, as follows:

Effective: January 1, 2006: 3.75% across-the-board
Effective: January 1, 2007: 3.75% across-the-board
Effective: January 1, 2008: 3.50% across-the-board
Effective: January 1, 2009: 3.75% across-the-board
Effective: January 1, 2010: 3.75% across-the-board

Prior and present wage increases shall be implemented immediately, inclusive of retroactive amounts from January 1, 2006 through December 31, 2008, and paid within a reasonable period of time.

3. **Medical/Dental/Prescription Drug Insurance**:

a. Co-pay of medical insurance:

i. From January 1, 2009: \$19 per pay for single coverage/\$23 per pay for all others.

ii. From January 1, 2010: \$21 per pay for single coverage/\$25 per pay for all others.

b. Prescription drug co-pays: Effective 1/1/2009 Create three tier system: generic/ preferred/brand:\$10/\$20/\$35; \$3/\$10/\$15 mail order.

4. **Article III, Conducting Union Business On Employer's Time**: Add a new provision:

"The City agrees to full union release to the PBA President. The City agrees to assign the PBA President to a Monday thru Friday, 8 hours daytime schedule. A shirt and tie or suitable casual business attire may be substituted for a police uniform. However, the uniform of the day shall be readily available in the event of an emergency that requires the PBA President to be utilized. This is to include attending the State PBA Meetings out of town."

5. **Article V:** Sick leave verification shall be required after three days' use of sick leave; "three instances rule" to be abolished.

6. **Article VI, Section 6.01:** Add new paragraph,

"The Union shall indemnify and hold the employer harmless against any and all claims, demands, suits and other forms of liability that may arise out of, or by reason of any action taken or not taken by the Employer in conformance with this provision. The Union shall intervene in and defend any administrative or court litigation concerning this provision."

7. **Article VII, Hours of Employment:** Memorialize the settlement of 'meal period' grievance.

8. **Article VII, Hours of Employment, Section 7:02:** Memorialize the negotiated unit schedules.

9. **Article VIII, Compensation for Overtime:** Add new provision:

"Prior to employees being mandated to work overtime, the City will offer overtime to qualified employees who have volunteered to work overtime, except in emergencies."

10. **Article XIII, Vacations:** Add a new provision as follows:

"Employees with more than one year but less than 15 years of service will be required to designate at least two full weeks of vacation in November for the following year and will be permitted to schedule their remaining allotment in single days or fractions thereof. Employees with 15 or more years of service will be required to designate at least three full weeks of vacation in November for the following year and will be permitted to schedule their remaining allotment in single days or fractions thereof. All vacation time requested in November shall be approved by January 1 of the following year. Officers on the 4 on/4 off schedule shall not be required to work the 4 calendar days before and the 4 calendar days following an approved vacation week."

11. The following Non-Economic proposals of the City of Trenton shall be denied: Article XVI, Grievance Procedure: requiring time limits for a grievance to be initiated and appealed; Red Circling an officer demoted or reduced in rank or title; Article XXII, adding Section 22.01 regarding a waiver for failure to enforce any provision of the agreement; and adding a new Section 22.02.

12. The following Non-Economic proposals of the PBA shall be denied: Article V, Pay Treatment for Extended Illness. remaining in the home while off sick;; and Article VII, Hours of Employment: Section 7:02: adding 3rd paragraph providing for shift bids to take place in November based on seniority to the extent practical.

13. The following **Stipulations of the Parties** shall be incorporated into the 2007-2011 Collective Bargaining Agreement:

a. **Article II, Collective Bargaining Procedure:** Within 90 days of ratification the City will provide the PBA with a complete draft contract book for review.

b. **Article III, Conducting Union Business On Employer's Time:** Add a new provision that the City will continue the current practice of providing the PBA with an office in Police Headquarters.

c. **Article XIII, Vacations:** Add a new provision as follows: "Officers on the 4 on/4 off schedule shall not be required to work the 4 calendar days before and the 4 calendar days following an approved vacation week."

d. **Article IX, Wages, Section 9.05:** Eliminate the tri-partite committee for resolving shift differential disputes; allow such disputes to be processed through the regular grievance procedure.

e. **Article XVII, Arbitration, Section 17.07:** Clarify language of provision as to wages, hours and benefits to provide that nothing in the Agreement shall subject such fiscal matters to interest arbitration.

f. **Committees:** Eliminate Sick Leave Committee.

g. **Throughout:** Replace "Chief" and "Public Safety Director" with "Police Director."

h. Per the grievance **Settlement Agreement, dated May 23, 2008:**

"1. The current TAC schedule, (Proposal #3(b) attached) shall be maintained. This schedule includes the right to select 9 administrative days at officer's choice subject to the limitations in paragraph 2, below.

"2. All officers working the 5-2 schedule and entitled to administrative time shall receive such time as follows:

a. 9 days per years, effective January 1, 2009, taken at officer's choice, provided (1) no overtime is created by way of use of each days and (2) at least one week's choice is provided except in emergent circumstances, and (3) one-half of the allotment must be used before July 1st. These days may not be carried over.

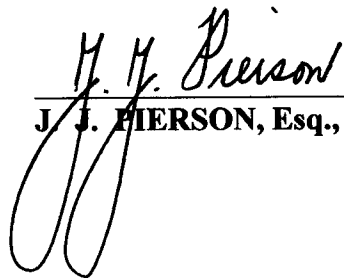
b. 13 days of administrative time shall be assigned by the Director or his designee as either full (8hr.) or one-half (4 hr.) day allotments.

"3. This settlement resolves the pending TAC schedule grievances which are hereby withdrawn and dismissed with prejudice, as settled.

"4. The PBA's and TSOA's arbitration proposal on use of administrative days are hereby withdrawn."

14. All provisions of the existing Collective Bargaining Agreement shall be carried forward except those modified by this award.

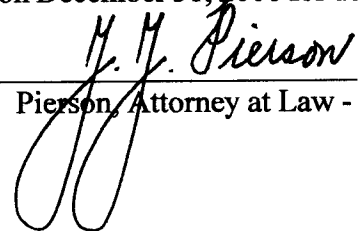
Dated: December 31, 2008
New Vernon, New Jersey



J. J. PIERSON, Esq., Arbitrator

STATE OF NEW JERSEY)
:SS
COUNTY OF MORRIS)

I, J. J. PIERSON, Esq., on my oath, do attest to being the person who has executed the foregoing instrument and issued the above Award on December 31, 2008 for delivery to the parties.



J. J. Pierson, Attorney at Law - State of New Jersey