

In the Matter of Interest Arbitration Between:

TOWNSHIP OF TEANECK

“Public Employer,”

- and -

PBA LOCAL NO. 215 & SOA

“Unions.”

Docket Nos. IA-2008-032 & IA-2008-046

**INTEREST ARBITRATION
DECISION AND
AWARD**

**Before
James W. Mastriani
Arbitrator**

Appearances:

For the Employer:

Brian W. Kronick, Esq.
Genova, Burns & Vernoia

For the Unions:

Richard D. Loccke, Esq.
Loccke, Correia, Schlager, Limsky & Bukosky

The Township of Teaneck [the "Township"] and PBA Local 215 & SOA [the "Unions"] are parties to two (2) Collective Negotiations Agreements [the Agreements"] that expired on December 31, 2007. I was designated by the New Jersey Public Employment Commission to serve as interest arbitrator after the Township and Unions reached an impasse in negotiations. Mediation sessions resulted in the reduction of issues and narrowing of remaining issues but because the impasse remained, formal interest arbitration hearings were held on June 22, 2009, July 27, 2009 and August 10, 2009 at which time testimony and documentary evidence was submitted into the record. The petitions before me were not formally consolidated. However, all parties recognized that the goal of economy would be met by receiving evidence that was common to each negotiating unit during the course of the hearings without having to independently resubmit documentary or testimonial evidence in duplicate fashion. It was also agreed that a single decision would issue covering both units. Testimony was received from PBA President Edward Hahn, Sergeant Kenneth Egner, Gregory C. Fehrenbach, formerly the Interim Municipal Manager and Charles J. Ferraioli, Jr., President of Ferraioli, Wielkotz, Cerullo & Cuva, CPAs. Both parties filed post-hearing briefs, the last of which was received on or about November 1, 2009. The parties did not agree on an alternative terminal procedure, and therefore the terminal procedure shall be conventional arbitration under which the arbitrator has the discretion to render an award that is not confined to the last offers of either party.

As required by statute, each party submitted a final or last offer. They are as follows:

FINAL OFFERS OF THE PARTIES

Township of Teaneck

1. **Term of Contract:** January 1, 2008 through December 31, 2011.

2. **Article XXVIII – Salary:** The Township proposes the following salary increase with no retroactive application and any such increase shall be offset by health care contributions as set forth below
 - A. January 1, 2008: 2.9% total (inclusive of base salary, stipends, longevity)
 - B. January 1, 2009: 2.9% total (inclusive of base salary, stipends, longevity)
 - C. January 1, 2010: 2.9% total (inclusive of base salary, stipends, longevity)
 - D. January 1, 2011: 2.9% total (inclusive of base salary, stipends, longevity)

3. **Article XXIII – Health Benefits:** The Township seeks to modify health benefits for current employees and future retirees effective July 1, 2009 as follows:
 - A. Health Benefit Contributions:
 - i. Single: \$40 per month
 - ii. Husband/Wife and Parent/Child(ren): \$45 per month
 - iii. Family: \$50.00 per month

4. **Article VIII – Overtime:** The Township proposes the following with respect to overtime pay:
 - A. Paragraph B1(a) – No change.
 - B. Paragraph B2 – No change.

C. Paragraph B3 – No change, subject to proposal in “Article XXVIII, Salary” as outlined above.

5. **Article XIII – Injured on Duty:** No change.

THE UNIONS

1. **Wage Increase:** The organizations will propose a five (5) year contract to follow the term of the most recent Agreement. It is proposed that on each successive January 1 there be a five percent (5%) across-the-board increase applied to each rank, step and position on the respective contract wage schedules.
2. The SOA proposes that whenever a supervisor is called during said supervisor’s regular off-duty hours then said supervisor shall be credited with two (2) hours of compensatory time off. This proposal which affects supervisory employees only was set forth in the Original Proposal Sheet as Item 2A.
3. The Associations both propose a modification of the Overtime provisions at Article VIII as follows:
 - A. Modify Paragraph B1(a) by deleting the thirty (30) minute delay.
 - B. Modify Paragraph B2 by deleting the one hundred and two (102) hour Compensatory Time Bank maximum.
 - C. Modify Paragraph 3 to provide the Detective Differential change from the current Twelve Hundred Dollars (\$1,200.00) to two percent (2%).These modifications apply to both contracts.
4. Both Associations propose a modification of Article XIII, Work-Incurred Injury, by changing the current thirty (30) day provision to a one (1) year provision.

BACKGROUND & POSITIONS

The Township is one (1) of seventy (70) municipalities in the County of Bergen. The Township comprises six (6) square miles and is located between the City of Hackensack and the City of Englewood, with nine (9) bordering Bergen County municipalities that require regular law enforcement and public safety relationships and mutual aid agreements. In 2008, the department employed 106 sworn officers, 4 parking enforcement officers, 9 dispatchers and 7 civilian employees. As of June 25, 2009, the Police Department employed sixty-nine (69) rank and file Police Officers and twenty-seven (27) Superior Police Officers. The cost of providing police was \$15,638,162, or 25% of the municipal budget. The Township also has a paid fire department and the overall cost of public safety in 2009 was \$29,596,566, or 48% of the budget.

The 2002 U.S. Census indicated thirty-nine thousand two hundred sixty (39,260) full-time residents. The Township is home to Holy Name Hospital, which is one (1) of three (3) major hospitals in New Jersey and Fairleigh Dickinson University, which has a student population of over six thousand (6,000) and an employee population of five hundred (500). Also, there are eleven (11) grade schools within the Township and forty (40) diverse houses of worship.

The Township has a commuter population of those passing through on one of the many major roadways leading to New York and a significant daytime population that is drawn by attractions or commercial activities. Such transient

population attractions are evidenced by the Township's approximately fifty (50) restaurants, fifteen (15) liquor consumption licenses, three (3) club licenses and eleven (11) package good licenses within the Township. Teaneck Glenpointe Complex, Glenpointe Marriott Hotel, Street Fairs, Farmers Fairs, Sidewalk Sales, the Teaneck Armory, Overpeck County Golf Course, and the Richard Rodda Recreation Center also bring substantial transient traffic to the Township.

PBA President Edward Hahn testified that interstate rush hour traffic is usually backed up into the Township and that the Township's Police Department is generally the first to respond to calls generated on Route 95. In 1997, the New Jersey Department of Transportation reported an average daily flow of northbound Route 95 traffic through the Township to be one hundred thirty-four thousand four hundred eighty (134,480) and the average daily flow of Route 4 traffic in 2008 was reported to be one hundred thousand one hundred ninety-five (100,195). To further show the type of work obligations related to traffic control, the Unions introduced the County of Bergen, Department of Public Works statistics on internal Township daily traffic. These statistics indicate the flow of twenty-four thousand four hundred seventy eight (24,278) vehicles at one example intersection. Several other example intersections show as much vehicle flow as three thousand five hundred (3,500) per hour.

The Unions boast an exceptional level of services in combating criminal activity ranging from murder to civil disobedience and even riots. The 2008

statistics show more than two thousand two hundred (2,200) adult arrests and over twenty-one thousand (21,000) motor vehicle summonses. The Police Department provides outreach initiatives such as the DARE program and operates cutting edge initiatives for all ages of the community through the Citizens Police Academy, a Junior Police Academy, Traum-a-roo and a child safety seat program. All of these programs are aimed at educating the public. The testimony showed that the Police Department operates with a pride in performance with each member putting forth great effort through teamwork.

The Unions argue that all of this unquestionably shows that the interests and welfare of the public are well served by the Police Department as reflected by the fact that calls for service increased by one hundred twenty-nine percent (129%) since 1994 while there has been only an eight and a half percent (8.5%) increase in the size of the Police Department.

The Township does not contest the value of the police department to the public but claims deep a financial crisis of dropping revenues, rising expenditures and dwindling state aid. The Township argues that the interests and welfare of the public will be best served by its Final Offer because the Township's resources should be focused on the residents' need for services rather than providing additional compensation to the already well performing and comparably well paid Unions members. The average per capita Township resident income is thirty-two thousand two hundred twelve dollars (\$32,212.00) and the average per

capita County resident is forty-one thousand four hundred seventy-two dollars (\$41,472.00). Moreover, 5.2% of the County residents living below the poverty level, per the U.S. Census.

Meanwhile, in 2007, the Township points out that rank and file officers averaged eighty-one thousand seven hundred twenty-three dollars (\$81,723.00), max out at ninety thousand three hundred eight dollars (\$90,308.00) and the Superior Officers earned one hundred four thousand one hundred ninety-two dollars (\$104,192.00) on average with a Captain earning one hundred twenty thousand one hundred ninety-nine dollars (\$120,199.00) in 2007. These figures would rise under either party's proposal and not include longevity pay which rises to 12% at the top level. Further, the Union members' salary increases from 2005 through 2007 have been on average or above the CPI average increases. Also, while the Police Officers have enjoyed a long employment with the Department and a very low turnover rate, the Bergen County unemployment rate was 7.2% and rising as of June of 2009 and 9.4% in the nation as a whole. Because of the Township's recent financial difficulties, two (2) rank and file police officers were laid off. The Township contends that should the Union's Final Offer be awarded, there would be additional layoffs which would upset the stability and continuity of employment.

The Union submits that its members' maximum base pay ranks near the bottom of all comparable municipalities. The Union provided an average base

pay of thirty (30) other Bergen County municipalities, one of which being the Bergen County Prosecutor's Office. This average equals ninety-seven thousand two hundred ninety-seven dollars (\$97,297.00) in comparison to the Township's Patrol Officers' maximum base pay of ninety thousand three hundred eight dollars (\$90,308.00). When comparing the Township to these specific thirty (30) other municipalities, the Township's Patrol Officers earn six thousand nine hundred eighty-nine dollars (\$6,989.00) below the average which would require a 7.74% increase to maintain an average position. The Township responds that the Unions' submission did not, however, include all seventy (70) Bergen County municipalities and, as noted, one of the municipalities submitted for comparison was the County Prosecutor's Office. The Township's comparison of all Bergen County municipalities shows a figure of \$1,500 less than the PBA's.

While the Township stresses that "parity" arguments connecting the Township to other jurisdictions are no longer an acceptable basis upon which to entirely base an interest arbitration decision, the Township's comparison of the Police Officers to other Bergen County Municipalities shows that the Township's Police Officers' starting salary of thirty-nine thousand two hundred twenty-five dollars (\$39,225.00) exceeds the County average of thirty-four thousand forty-one dollars (\$34,041.00). The Township points out that only seven (7) of the seventy (70) municipalities earned a starting salary higher than that of the Township's rank and file police officers.

The Township's comparisons, which included *all* seventy (70) municipalities, revealed that The Township's rank and file police officers starting salary as well as the Lieutenants and Captains top salary exceeded the County average in 2005, 2006 and 2007. Additionally, the thirteen (13) compensable holidays received by the Unions' members is the County average and the number of maximum vacation days and maximum longevity pay is above the County average.

The Unions further compared the future annual salaries of other Bergen County municipalities to show that the gap is continually increasing. In so doing, the Unions provided averages of base rate salary increases of thirty-five (35) of the seventy (70) municipalities, which, again, included the Prosecutor's Office. The averages showed a cumulative increase of 20.51% by the year 2012. Using these specific thirty-five (35) examples, the Unions conclude that an average increase of 5.65% over the next five (5) years would be required.

The Unions goes on to compare the Township Patrol Officers' schedule to that of twenty-five (25) other municipalities to show that, on average, the Township's Officers are required to work more annual hours than the average. However, the Township points out that this comparison was with only twenty-five (25) of the seventy (70) municipalities within the County. Furthermore, only eighteen (18) of the municipalities submitted for wage comparison were included in the Unions' work schedule comparison.

The Unions compared the Township to other municipalities in regards to other aspects of their Final Offer, such as the “Injured On Duty” provision of Article XIII. The Unions point to the unquestionably dangerous nature of police duties and argue that the current provision of thirty (30) day wage protection should be extended to one (1) year. It is noted, however, that the Township’s current thirty (30) day wage protection may be extended by the Employer upon the employee meeting the contractual procedural requirements. The Unions show that twenty (20) Bergen County municipalities have a one (1) year compensation guarantee, five municipalities have no stated limit and that one municipality guarantees six (6) months.

The Township argues that a maximum of one (1) year wage protection is already provided for in the current/expired Agreement. As the Township points out, and as reflected at Article XIII, Section B of the current/expired Agreement, “The Township Manager may extend injury leave with pay up to a maximum of one (1) year upon the written recommendation of a physician appointed by the Township.” The Unions question whether the current practice of permitting the Employer to override the treating physician’s recommendations with the recommendations of an appointed doctor is violative of HIPPA privacy protections.

The Unions also find the current "Overtime" provision of Article VIII questionable under FLSA, stating that there is no precedent for a thirty (30) minute delay in overtime payments. Of the municipalities offered for comparison, only (1), Parsippany, has a delay, that being fifteen (15) minutes. The remaining twenty-five (25) municipalities offered have no delay in overtime compensation. The Township explains that Officers are frequently required to work in excess of their shift to complete their work but that, if an Officer remains on duty for thirty-one (31) minutes, he/she is compensated for that full amount of time at the overtime rate.

A last area of comparison offered by the Unions regards medical premium contributions, which they submit that at close of record is extremely rare and outside the norm for Bergen County. The Unions submitted thirty (30) municipalities for comparison with only two (2) requiring a twenty dollar (\$20.00) per day contribution. The Township's position on medical premium contribution is that the arbitral trend is to award the public employer's request for medical contributions and that seven (7) other Bergen County municipalities do require such contributions.

When making comparisons, the Township asks that the pattern of settlements within the Township be given deference, noting that consistency among all employees is more likely to promote stability of employment and is generally in the public's interests. It urges rejection of the 5% wage proposal of

the Unions as unrealistic and way beyond the Township's other agreements and the external comparisons. According to the Township, the public's interests would not be served by awarding the PBA's proposals because it would engender acrimony among its other units and would ignore the deteriorating economy and downward budgetary trends that were occurring at time of hearing. The Township cites prior arbitrations wherein it was noted that "the burden shifts to the PBA to prove that a different settlement should be awarded when a bargaining pattern such as the one which exists in [the] County has been established." County of Camden Sheriffs Office and PBA Local 277, IA-99-40 (December 3, 2001); Township of Union and PBA Local 69, IA-91-103 (1991).

The Township submitted evidence of the pattern of settlement within the Township through the testimony of the Township Manager, Gregory Fehrenbach. Fehrenbach testified that, in 2009, the rank and file firefighters and Supervisors Union each agreed to successor contracts that provided for a total annual cost increase not to exceed 2.9% annually. The Township does note that the Superior Fire Officers did not reach a negotiated agreement at time of hearing and that four (4) other unions, including the AFSCME employees, DPW supervisors, DPW rank and file and Library employees had negotiated wage increases in excess of 2.9%. According to the Township, while these four (4) contracts represent a break with the pattern, it stresses that these negotiations and settlements took place well prior to January 1, 2009 and before economic and financial distress.

The Township also argues that its Final Offer regarding medical contributions is within the pattern of settlement where five (5) unions have settled at a contribution of twenty dollars (\$20.00) per month for single coverage, thirty dollars (\$30.00) per month for husband/wife and forty dollars (\$40.00) per month for family. Furthermore, the Township shows that the rank and file firefighters contribute forty dollars (\$40.00) per month across the board.

Moving beyond the pattern of settlement, the Township provides a comparison with the only other uniformed employees, the firefighters. The Township's Final Offer herein provides for the same wage terms as those accepted by the rank and file firefighters. According to Ferenbach, the agreement reached by the Township and the rank and file firefighters achieved a total annual cost increase not to exceed 2.9 percent (2.9%) for each year of the three (3) year contract resulting in increases at maximum pay of less than 2%.

The Township further shows that the rank and file police officers have maintained a starting and top salary that exceeds that of the Township's firefighters and that the Police Sergeants, Lieutenants and Captains have also maintained a top salary in excess of the Fire Lieutenant and Captain. The Township points out that these higher salaries must also be considered in light of the superior benefits enjoyed by the Police Officers, including the fact that firefighters provide medical contribution of forty dollars (\$40.00) per month that

commenced well prior to the PBA hearings in comparison to the Police Officer's zero contribution.

The Township goes on to compare the Police Officers with the Township's other civilian employees: the Supervisors Union, Public Works Supervisors and Public Workers Association. Of these contracts, the Township shows that, since January 1, 2009, the Supervisors Union negotiated a total annual cost increase of 2.9%. Also, these civilian unions' members contribute twenty dollars (\$20.00) per month for single medical coverage, thirty dollars (\$30.00) per month for husband/wife and forty dollars (\$40.00) per month for family medical coverage in comparison to the Unions' members' current contribution of zero. The Township further points out that the Police Officers earn significantly higher wages and enjoy higher maximum allowable vacation days than these civilian employees.

Lastly, the Township shows that the private sector earned a mean average salary of forty-three thousand one hundred thirty dollars (\$43,130.00) in 2008 and that the Township's Final Offer of an all inclusive 2.9% increase is in line with other private sector settlements. The Unions respond that the private sector should not be used as a basis of comparison since the role and duties of a police officer is distinct in nature in terms of lack of mobility, responsibilities that exist off duty, the inherent hazard and risk of the job and the specific statutory control over the position of police officer.

The Township argues that its Final Offer is more reasonable when looking at the total cost-out of the parties' respective proposals, which include longevity, stipend and college. According to the Township, the Unions' proposal will equal a total cost-out of twenty-eight million seven hundred ninety-eight thousand four hundred one dollars (\$28,798,401.00) for rank and file officers and fourteen million one hundred two thousand one hundred forty-seven dollars (\$14,102,147.00) for the Superior Officers over the life of the four (4) year contract. In contrast, the Township's Final Offer over the four (4) years would total twenty-five million four hundred twenty-eight thousand six hundred sixty-four dollars (\$25,428,664.00) for rank and file officers and thirteen million two hundred fifty-two thousand five hundred forty-three dollars (\$13,252,543.00) for the Superior Officers. The Unions did establish in testimony, however, that when preparing the cost-out calculations, Fehrenbach did not contemplate reductions in longevity due to separation or retirement from the Police Department or decreasing gross salary amounts due to turnover, or "breakage." According to the PBA, the testimony reflected that there were several examples of specific retired officers who were included in the Township's salary calculations but no longer employed.

Nonetheless, the Township argues that this cost-out difference between the proposals must be considered and taken in light of the confines of the Property Tax Cap Law which at the time of record implemented a four percent (4%) tax cap on local governments, a figure that changed to two (2%) percent for

the 2011 budget year. According to the testimony of Township Auditor Charles Ferraioli, the Township has reached the Cap for 2009. The Township asserts that the money generated from the tax levy is a significant factor in determining the funds available to dedicate toward the Unions' Agreements. The Township submits that 73.8% of the Township's total 2008 fiscal revenue was generated from the tax levy of approximately forty-five million five hundred seventy-one thousand dollars (\$45,571,000.00). In 2009, the tax levy was expected to garner forty-seven million nine hundred forty-eight thousand dollars (\$47,948,000.00), which represents approximately seventy-four percent (74%) of the total revenue for that fiscal year.

Fehrenbach explained that, assuming all other revenues remain static, the four percent (4%) increase in property tax is the only budget item available to provide additional expenditures. Unfortunately, according to Fehrenbach, revenues have not remained static but instead have dropped by 1.9 million in 2009. The Township's claims that its Final Offer is within the parameters of the increase of 2.95% in property tax revenues and an award in excess of this amount would require the reduction or elimination of other community services, programs and positions. Therefore, the Township argues that an award in excess of the property tax revenues increase is contrary to the interests and welfare of the public. The Township argues that it would be imprudent to go back in time to increase a budget beyond the amount already allocated for 2009. The

Township asserts that, to do so, would create fiscal budgetary problems and create a detrimental financial impact on the taxpayers.

The Unions disagree that the lawful authority of the Employer prohibits the award of their Final Offer. The Unions point to Township growth and exceptionally high ratables of over six billion dollars (\$6,000,000,000.00) with a collection rate of 98.32% in 2008. The Unions also note the Township's ability to maintain a flat tax rate in recent years but criticizes the Township for having done so during the most recent election year, stating that the flat tax rate suppressed the flexibility under the Tax Levy Cap for the succeeding year and delayed required spending until a later time.

According to the testimony of Fehrenbach, police salaries and wages represent twenty-five percent (25%) of the budget thereby making it the Township's largest expense. He notes that the New Jersey State Health Benefits & Pension Commission approved a sixteen percent (16%) premium cost increase for local governments' active and retired employees. This is expected to impact the Township by approximately four million nine hundred seventy-four thousand dollars (\$4,974,000.00). As a result of this increase, the Township has eliminated the Teaneck Economic Development Corporation, reduced the Recreation Department programs, reorganized and reduced overtime pay to police and firefighters, opened vacancies in various Township departments and reduced police vehicles by fifty percent (50%). According to the Township, its

financial crisis has also led to demotions and layoffs, including within the Police Department, which the Township notes has been challenged.

The parties have also addressed the impact of litigation costs on the Township. The Township is self-insured as opposed to carrying liability insurance and several taxpayer funded lawsuits settlements have precluded its ability to obtain insurance by an outside company. The Unions point to the Township's obligation to pay ten million eight hundred forty thousand dollars (\$10,840,000.00) due to sixteen (16) recent liability settlements and argue that any resulting fiscal problems is the result of the Township's poor decision to forego liability insurance. Regardless of this fact, the Unions note that the Township maintains trust funds with 8.1 million in reserves. The Township in response finds it relevant that one lawsuit that cost the taxpayers 4.7 million dollars was a result of misdeeds and inexcusable behavior that occurred within the Police Department. This involved an Officer's claim of sexual harassment and another Officer's claim of retaliation based on his support of the sexually harassed Officer in her lawsuit against the Township.

Moreover, the Township asserts that it must also contend with its debt service, which has been on the rise since 2006 and is anticipated to increase to one million six hundred twenty thousand forty-nine dollars (\$1,620,049.00) in 2009. The Unions, however, cast the Township's debt service in a different light, showing that it operates at only approximately one-tenth (1/10th) of the limit. It

references the testimony of Fehrenbach who described the debt service as “a very small percentage of this budget compared to other municipal budgets...”

The Township maintains that in light of its financial crisis and its already detrimental impact on the community, the Unions’ Final Offer would only result in the termination of programs, additional layoffs or a plea to the State for emergency appropriations since the Township is already at the maximum property tax cap of four percent (4%). Ferraioli explained that it is becoming increasingly difficult to obtain tax cap waivers from the Local Finance Board, which is what “got most people through” in 2008. Fehrenbach also testified as to the prospect of the Township obtaining waivers and offered a letter from the Governor to the Director of the Division of Local Government Services that called for a reverse in the pattern of municipal taxes exceeding in the tax levy cap by urging the Board to firmly enforce the Property Tax Levy Cap Law by “...implementing carefully considered and/or service reductions rather than seeking increased property taxes through waiver requests.” According to the Township, the decline in waivers, the ninety-two (92) tax exempt properties within the Township and the influx of tax appeals since 2007 all have had a harsh effect on the Township’s recurring revenues.

The Unions disagree that the Township is in financial crisis. In support of its position, it references the Township’s ability to re-generate surplus as evidenced by the four million seven hundred seventeen thousand thirteen dollars

(\$4,717,013.00) resulting from operations in 2008 and its 2008 realized budget revenues of sixty-four million seven hundred forty-one thousand five hundred nine dollars (\$64,741,509.00). The parties also do not agree as to the impact of the Appropriations Cap on the Township. While the Unions submit that the Township's approximate three million four hundred thousand (\$3,400,000.00) under Cap in fiscal year 2009, a figure that supports its position, the Township argues that this sum does not translate into a surplus of expenditure. Testimony from Ferraioli does show that surplus has been on an upward trend since 2003 with the lowest percentage utilized for the 2009 budget. Nevertheless, Fehrenbach testified that the use of surplus funds can no longer be relied upon if the Township is to maintain an appropriate fund balance level, especially in light of the tax cap levy. The Township's surplus history is charted as follows:

Year Ended December 31,	Amount	Utilized in Budget of Succeeding Year	Percentage Utilized
2003	\$5,270,107	\$3,500,000	66.41%
2004	\$6,206,823	\$4,200,000	67.67%
2005	\$6,472,453	\$4,450,000	68.75%
2006	\$6,848,770	\$4,450,000	64.98%
2007	\$6,462,182	\$4,450,000	68.86%
2008	\$6,729,195	\$4,150,000	61.67%

The last area to be addressed relates only to the SOA in circumstances where a supervisor is called during regular off duty hours. The SOA advocates for the supervisor to be credited with two (2) hours of compensatory time off in each such circumstance. Sergeant Egner testified that there is a chain-of-command in which a supervisor would be called for certain serious situations,

such as murder or suicide. Sergeant Egner testified that if the first in the line of command, the Captain, could not be reached at home or by cell phone, the next Officer in the chain-of-command would be contacted.

In response, the Township notes that these supervisory calls are limited in nature and are made only upon the occurrence of serious situations such as murders, arson, sex crimes and the like. Egner, in disagreement, testified that the Captain of Investigations is called approximately ten (10) times per month. The Township responds that these calls may only last as little as a few minutes. Moreover, if these calls result in supervisor mobility, that supervisor will be compensated for his or her presence at work.

DISCUSSION

I am required to make a reasonable determination of the above issues giving due weight to the factors set forth in N.J.S.A. 34:13A-16(g)(1) through (9), that I find relevant to the resolution of these negotiations. These factors are as follows:

- (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:4-45.1 et seq.).
- (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 P.L. 1995. c. 425 (C.34:13A-16.2) provided, however, 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, vacations, 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 the P.L. 1976 c. 68 (C.40A:4-45 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 on 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 its proposed local budget.

- (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 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).

I must also separately determine whether the total net annual economic changes for each year of the agreement are reasonable under the statutory criteria. N.J.S.A. 34:13A-16d(2). This means that consideration must be given to the reasonableness of each individual issue in dispute in relation to the terms of the entire award since awarding any single change can reasonably impact the resolution of all other issues and on the overall costs of the entire award.

DURATION

The Township proposes a four (4) year agreement beginning January 1, 2008 and expiring December 31, 2011 while the Unions have proposed a five (5) year agreement that would expire on December 31, 2012. The Unions' proposal, under all of the circumstances present herein, is more reasonable. In particular, I take official notice through PERC publication of an agreement the City entered

into with the Fire Superior Officers after the close of this record that extended through December 31, 2013. This confirms the desirability of a longer term agreement that will allow the Township the ability to plan for departmental costs established by labor agreements. Accordingly, I award a contract with effective dates of January 1, 2008 through December 31, 2012.

HEALTH BENEFITS – ARTICLE XXIII

Under Article XXIII of the Agreement, officers were not required to make contributions toward health benefits. The Township has proposed this be changed to provide for the following contributions:

- i. Single: \$40 per month
- ii. Husband/Wife and Parent/Child(ren): \$45 per month
- iii. Family: \$50 per month

The Township has made a comprehensive proposal regarding health insurance based upon an asserted need for employee participation due to increases in premiums and due to other negotiations within the Township that resulted in employee contributions and similar agreements in other jurisdictions within the County. After the close of the record in this proceeding, the issue of employee contributions was subsequently addressed through legislation, of which I take official notice. [P.L. 2010, Ch.2]. This legislation requires the payment of 1.5% of base salary towards health insurance for public employees in the absence of any other contractual arrangement, effective May 21, 2010.

The Township's proposal on health insurance has been rejected by the Unions who have sought to maintain fully funded health insurance without employee participation. The Township has shown a basis for employee participation given the voluntary agreements to do so in several of its collective bargaining agreements within the Township and the expansion of employee contribution assignments in many of the other municipal labor agreements in the record.

Based on the above, I award employee contributions towards medical insurance consistent with what is required by law, but reject that any contributions be made prior to the effective date of the legislation. The contribution shall be for current and future employees and the contribution shall not extend to current employees who will retire except for retirees who, consistent with law, joined a state or locally administered retirement system after May 21, 2010. The language shall read as follows:

The level of employee contribution of 1.5% of base salary shall be as set forth in P.L. 2010, Ch.2, effective May 22, 2010. The contribution shall not apply to current employees who retire except for those employees who have joined or will join a state or locally administered retirement program on or after May 21, 2010 whose contribution shall be 1.5% of their monthly retirement allowance. This level of employee contribution shall be inclusive of, rather than in addition to, any statutory obligation towards an employee's requirement to make contributions toward the payment of health insurance.

OVERTIME – ARTICLE VIII

The Unions seek to modify Article VIII of the Agreement to delete the thirty (30) minute delay in overtime compensation and the one hundred two (102) hour compensatory time bank maximum. Also, the Unions propose a modification to Paragraph 3 in order to provide a two percent (2%) Detective Differential. The only changes sought by the Township are subject to its proposed salary changes under Article XXVIII.

The Township indicates that Officers often work beyond their regularly scheduled shift in order to complete their duties but where they work thirty-one (31) minutes in overtime, they receive overtime compensation for that entire thirty-one (31) minutes. However, it is clear from the comparisons offered by the Unions that the Township's current practice of delaying overtime compensation by thirty (30) minutes is unique within Bergen County. Only one (1) other municipality in the record, Parsippany, provides for a delay and that delay is of fifteen (15) minutes. I am persuaded that the PBA's proposal to delete any reference whatsoever to a delay is unreasonable given the parties longstanding contractual arrangement to do so. But I conclude that a reduction in the delay to fifteen (15) minutes is reasonable and should be awarded given the overwhelming evidence on external comparables.

The procedures which are currently in place for the thirty (30) minute delay shall remain and the effective date for the implementation of the reduction to

fifteen (15) minutes shall be September 1, 2011. I do not award a change to the compensatory time bank maximum nor to the detective differential. The Union has not established a basis to alter the status quo on these two issues.

INJURED ON DUTY – ARTICLE XIII

The change in provision Article XIII is sought by the Unions and would provide wage protection to injured Officers for a period of one (1) year as opposed to the current period of thirty (30) days. Currently, pursuant to Section A, Officers injured in the line of duty receive full pay for a period of thirty (30) days provided that the employee:

1. Presents evidence that he/she is unable to work in the form of a certificate from a reputable physician forwarded to the Township Treasurer within seventy-two (72) hours of the injury or illness.
2. Submits upon request to examination, by a physician appointed by the Township or the Township insurance carrier.

Section B goes on to provide that "the Township Manager may extend injury leave with pay up to a maximum of one (1) year upon the written recommendation of a physician appointed by the Township."

The Unions contends that the existing language could allow the Township's physician to override the recommendation of the employee's own physician. While this, in theory, could occur, there is insufficient evidence that an

employee's physician's recommendation has not been given good faith review or that the Township's authority to have an officer submit to an examination by a Township appointed physician has ever been exercised in an arbitrary or discriminatory manner. For these reasons, I do not award the Union's proposal.

SUPERVISOR CALL OUT

Another area of dispute relates only to the SOA. This SOA proposal would provide a superior officer with two (2) hours of compensatory time off for each time a supervisor is called during regular off-duty hours.

The task of a supervisor carries with it a higher level of responsibility than that of a rank and file officer. One such responsibility is to be informed of major developments that occur within the Township. The evidence showed that the notification process upon the occurrence of a serious crime occurs approximately ten (10) times per month. But there is no evidence that such calls involve a significant amount of a supervisor's time. When a supervisor is required to physically respond to the situation, the supervisor is compensated. The responsibilities to be notified of a major development is one that is undoubtedly considered when a police officer accepts a supervisory position and this duty must be weighed in light of the greater compensation received by a superior officer. The record simply does not reflect that the notification result in the intrusion of off duty time to the extent that would require additional compensation

in the amount of two (2) hours per occurrence. Accordingly, the SOA's proposal is denied.

SALARY

I next turn to the issue of salary. The Unions in this proceeding are parties to Agreements that expired on December 31, 2007 with a new effective date of January 1, 2008. The Agreements between the Township and the PBA and the SOA are among the many labor agreements that are negotiated between the Township and various employee organizations, including two in the fire department, blue and white collar units and supervisory units. In public safety, a voluntary agreement was achieved with the FMBA effective January 1, 2009 through December 31, 2011 and another with the Professional Fire Officers Association effective January 1, 2009 through December 31, 2013. Additional voluntary agreements were achieved between the Township and Public Workers Association and UPSEU effective January 1, 2008 through December 31, 2011, the Township and Public Works Supervisors effective January 1, 2008 through December 31, 2011 and between the Township and AFSCME Local 820, Council 52 effective January 1, 2008 through December 31, 2011.

The evidence and arguments with respect to salary are comprehensive. A concise summary of the parties' submissions have been set forth and need not be recited. It is sufficient to say that the Township relies heavily, but not exclusively, upon pattern bargaining among its various bargaining units, its

financial status which it deems to be bleak and its legal requirement to adhere to appropriation and revenue caps. The Unions' main emphasis is on the productivity and the efficiency of the department which it believes justifies the compensation increase and salary comparisons with law enforcement units in municipalities it deems comparable along with base rate salary changes which have been negotiated in those municipalities prior to the close of this record. The Union dismisses the Township's internal settlements as non-persuasive and irrelevant given the PBA's emphasis on external comparability and unique circumstances such as layoffs and demotions that were to occur in the fire department which it believes prejudiced the fire negotiations. The PBA/SOA also disagree with the Township's negative financial assessments. It contends, for various reasons, that the Township can fund its final offer without adverse financial impact and within its obligations to comply with its statutory limitations on taxing and spending.

Because the Township asserts a pattern of settlement, I am required to first determine whether such pattern exists and, if so, whether deviations from pattern are justified. (See In the Matter of Somerset County Sheriff's Office v. Somerset County Sheriff's FOP Lodge #39, Docket No. A-1899-06T3, 34 NJPER 8 (App. Div. 2008). See also County of Union v. Union County Corrections Officers, PBA Local 999, PERC No. 2003-33 and PERC No. 2003-87). FMBA Local 42, representing rank and file firefighters, negotiated a three-year contract, January 1, 2009 through December 31, 2011 which the Township submits

contains the same wage terms that it seeks in this matter of the PBA/SOA.

Fehrenbach testified as to the terms of that agreement:

The terms of the agreement were to achieve a total annual cost increase not to exceed 2.9 percent for each of the three years of the contract (in) 2009, 2010, 2011. It included contributions to health insurance premiums by the firefighters and calls for essentially a freeze of the wages for all of the firefighters below the top step and the top step would see increases that would be somewhere in the vicinity of about 1.2 to maybe 1.9 percent over the period.

My independent review of the FMBA contract terms reflects that there were top step increases in 2009 of 1.93%, 1.7% in 2010 and 1.3% in 2011 with the balance of the costs towards the 2.9% arising primarily from step movement, approximately \$500 increase on steps and increased longevity costs associated with the across the board increases. In 2008, the last year of the FMBA agreement which would be the first year of the PBA/SOA agreement to be determined in this proceeding, there was a 3.5% increase for the FMBA. The Township submits that the agreement of the FMBA eliminated the need to implement layoffs that had been scheduled for rank and file firefighters.

The Township also achieved a voluntary agreement with FMBA Local 252, Fire Superior Officers.¹ As with the FMBA, the Fire Superiors prior agreement expired in 2008 and it contained a 4.0% increase for the last year of that contract which would be the first year of the PBA/SOA contract. The new agreement with the Fire Superiors was effective January 1, 2009 through December 31, 2013.

¹ I take official notice of this voluntary agreement as reflected in the public Report of Settlements by the New Jersey Public Employment Relations Commission.

The agreements provide for a single salary step for the ranks of Fire Lieutenant, Captain and Battalion Chief. Pursuant to this Agreement, the step at each rank was increased by 2.9% in 2009, 2.9% in 2010, and by 1.95% in 2011, 2012 and 2013.

The Township also entered into a one-year agreement with its Supervisors Union, Local 108 for January 1, 2009 through December 31, 2009. In relevant part, the Memorandum of Agreement between these parties stated the following:

2. The parties agree to salaries for all members of the unit shall be limited to no more than 2.9% of the total cost of salaries and wages for 2008 (for the same members) during the period of 1 January 2009 through 31 December 2009. [underline in original]

According to the Township, this agreement averted layoffs within this unit.

The Township acknowledges that it arrived at settlements with four civilian unions at levels which exceeded 2.9% of total cost but dismisses their applicability in this proceeding based upon the fact that they were entered into prior to January 1, 2009, unlike the agreements with the rank and file firefighters and the fire superior officers. According to the Township, these agreements stand in stark contrast to those negotiated thereafter which called for far less amounts of percentage increase due to demonstrated changed financial and economic circumstances that must also apply to the PBA/SOA units. One such agreement was with the Teaneck Public Workers Association/United Public

Service Employees Union. This agreement, dated July 15, 2008, provided for a 4.0% increase effective January 1, 2008, a 3.75% increase effective January 1, 2009, a 3.75% increase effective January 1, 2010 and a 3.75% increase effective January 1, 2011. The Township also reached an agreement with the Public Works Supervisors for contract years 2008 through 2011. It included increases of 4.0% effective January 1, 2008, 3.5% effective January 1, 2009, 3.5% effective January 1, 2010 and 3.0% effective January 1, 2011. Additionally, the Township reached an agreement with AFSCME Local 820, Council 52 for the same duration containing substantially similar terms. The Township rejects the applicability of these terms due to the timing of these negotiations and the changed terms later reached in the fire department and with other non-public safety units.

After reviewing the record evidence as it deals with internal settlements, that is, settlements within the Township, I conclude that there is no Township-wide pattern of settlement for the settlements that contain contract years which commenced during 2008. There is no uniform or reasonably consistent terms of settlement for all units. Instead, there are two generally consistent, but different patterns of settlement depending on the date of the settlement terms. There were reasonably consistent terms for several non-public safety units in mid to late 2008. Thereafter, during 2009, the Township reached a settlement with the FMBA for lesser terms followed by a similar agreement with the fire superiors in 2010. In addition, a similar agreement was reached during 2009 with Local 108,

the Supervisors Union. These latter agreements were, according to the testimony and the documents, heavily influenced by efforts to avoid layoffs and/or demotions. While the PBA minimizes the settlements for the reasons that were clearly present in those units, their existence and the circumstances surrounding those settlements tend to confirm the negative trends in the Township's financial posture. It is these latter agreements that the Township seeks to serve as guidance or a pattern in the PBA units and there is merit to greater weight being given to these settlement terms.

The finding that there is no Township-wide pattern of settlement does not definitively resolve the merits of the salary issue because the statutory criteria on comparisons requires an analysis of the evidence that concerns internal comparability even where no strict pattern of settlement exists. With respect to internal comparability, the timelines for the settlements achieved during the similar time framework that is operative for this proceeding must be given the most weight given the fact that the 2009 budgetary posture of the Township shows change from 2008. The evidence on internal as well as external comparability must also be weighed in addition to the financial evidence (the financial impact of an award on the governing body and taxpayers as well as the Township's statutory limitations on appropriations and the tax levy) and the remaining criteria including the cost of living, continuity and stability of employment and the overall terms and conditions of employment presently being received under the terms of the existing contract. As is normal in cases that

require that a reasonable determination of the salary issue, all of the statutory criteria are relevant even if all are not entitled to the same weight. The interests and welfare of the public is the factor to be given the most weight because it is a criterion that directly or indirectly embraces the other factors, including the lawful authority of the employer, and recognizes the interrelationships among all of the remaining criteria.

When the statutory criteria is applied to the salary proposals of the parties, I am compelled to conclude that, in general, the Township's proposal is more responsive than the PBA's, although I adopt neither proposal. The PBA has offered evidence establishing that comparability data among law enforcement units in the County of Bergen for years which span 2008 and 2009 could be read to support an award at levels that would be closer to what the PBA has proposed compared to what the Township has proposed. But the comparability data presented for those years is more reflective of terms that were struck by voluntary settlement and awards well prior to financial and economic trends within the nation, the state and the Township, all of which, as shown by the record evidence, trended downward at the time of hearings and prior to this record being closed. This evidence must be given less weight than the internal settlements which were reached during the time that paralleled this proceeding.

The financial impact of these negative trends on the Township are not theoretical and are supported by record evidence. After the 2008 budget year,

the record shows that the Township experienced a substantial decrease in revenues, reductions in state aid simultaneously with increases in pension contributions and in fixed costs. The Township, which is self-insured, also has paid out many millions of dollars to settle and pay judgments in cases involving former and current employees between 2007 and 2009. As a result, the Township was required to bond for \$5,900,000 to fund its liabilities. The PBA/SOA points out that these liabilities should not be held against its labor agreement. But the issue of blame is secondary to the real and actual impact of these losses on the Township's finances.

I am persuaded that an award containing the following terms represents a reasonable determination of the salary issue after application of the statutory criteria. The sixth year maximum step and the superior officer ranks shall increase by 2.75% in 2008, 2.5% in 2009, 2.25% in 2010 and by 1.95% in years 2011 and 2012 effective January 1st of each contract year. The steps in the salary schedule below the top step sixth year maximum shall increase by 1% annually, effective each January 1, with each officer eligible for step movement at times that are currently set by existing contract language which shall carry forward into the 2008-2012 agreement.

These terms are responsive to the internal comparables that were negotiated during similar time frames to those during this proceeding. Because these internal settlements have differing impacts on the salary schedules and

salary levels, the awarded terms need not be directly and identically parallel but they are generally consistent. In certain respects, the terms are above the across-the-board levels of the FMBA settlement for years 2009, 2010 and 2011, but they are lower in 2008 than what the FMBA negotiated increase was for that year. For 2011 and 2012, the terms at top step are identical to what has been set for fire superiors who have a single step at each rank and whose increases during 2009 and 2010 are above the terms awarded here for those two contract years. The increases at top step and for each officer rank in the police department are identical in order to maintain existing differentials between the two units. The salary schedules have also been revised to award lesser increases of 1% at each step in each contract year coupled with the creation of a new salary schedule for police officers hired after the date of implementation of the terms of the award which will provide cost offsets to the Township in the future. That schedule will contain an additional step at the 7th year with the 6th year step being set at 50% of the value between the 5th and the 7th step.

The terms of the Award have given weight to the interests and welfare of the public criterion by setting new terms that are generally consistent with other public safety settlements and within the Township's lawful authority. I have also considered and weighed the criteria that concern the cost of living, the continuity and stability of employment and the overall compensation currently being received.

The Township is subject to an appropriations cap and a tax levy cap.² The record does not reflect that the Township is in jeopardy of exceeding its appropriations cap limits. For fiscal year 2009, the Township was over \$3.3 million under the appropriations cap suggesting that the Township has broad latitude to spend more money within this cap. However, companion legislation creating the property tax cap limits the amount that the Township can raise. This effectively prevented the Township from increasing the funds it could otherwise legally expend under the appropriations cap. Seventy-four (74%) percent of the Township's total revenue in 2009 was raised through the tax levy. Township testimony reflects that its 2.9% overall cost proposal is based upon applying the 4% tax cap levy in 2009 to the 73.8% of budget figure of what the property tax revenue yields. Feherenbach and Ferraioli each testified that the Township's 2009 budget was formulated based upon being at the maximum of the tax levy cap and that any increase beyond its 2.9% all inclusive offer would compel additional layoffs or reductions in services. This theme was consistently present during the Township's negotiations with the groups that resolved their negotiations during the 2009 time framework. I generally credit this testimony but do not find it binding on the terms of the award because it does not factor in the reductions in employee costs caused by a reduction in police manpower which represent significant cost savings to the employer. This was acknowledged in his testimony during cross-examination. Nevertheless, given Feherenbach's estimate that compensation costs other than across-the-board increases cost

² The tax cap law allowed for a 4% increase through 2010. Section 10 of P.L. 2007, c. 62, codified at N.J.S.A. 40A:4-45.45 and as amended by P.L. 2010, c. 44 reduced the allowable tax levy increase from 4% to 2% effective January 1, 2011.

approximately .5%, the levels of the award over the five year period is generally consistent with his testimony.

The Township also contends, and the record does reflect, that the cost of living factor tends to support its proposal over the PBA's. It points out that salary increases for the PBA between 2005 and 2007 have been on average or above the average increases in the CPI and that their respective proposals commencing in 2008 and thereafter reflect a greater consistency between the Township's proposal and CPI increases while the PBA's proposals are well in excess of the 2009 CPI. Further, the Township has anticipated that recessionary factors thereafter will yield CPI results far closer to its proposal and well beneath the PBA's 5% proposals.

The record reflects that the police department has historically had stability and continuity of employment and need not receive the substantial increases sought by the PBA to maintain this continuity. Employee rosters show that the average seniority of a superior officer is nineteen (19) years while the average seniority of a rank and file police officer is eleven (11) years. In 2009, two superior officers retired and two police officers retired. Two rank and file police officers were laid off as a result of a layoff plan the Township filed with the Civil Service Commission in April of 2009. Given the cost calculations of the parties' respective proposals, the additional \$4.22 million required by the Union's proposal compared to the Township's proposal would likely aggravate the

continuity and stability of employment for the Township's police officers, even if that difference is less than what the Township calculated due to its inclusion of officers who had separated from the Township.

The overall compensation received by the Township's police officers is broad in scope. In 2007 a sixth year police officer received \$90,308 in base pay, a longevity schedule reaching 12% with 24 years of service, a \$600 clothing allowance, funeral leave, terminal leave in the amount of 50% of the value of accumulated sick leave time, 15 working days of sick leave which are accumulated if not used, hospitalization, dental insurance, prescription coverage, 13 tours of paid days off in lieu of holidays and up to 26 working days of paid vacation. This factor is linked to the comparability criterion which shows that the terms and conditions of Teaneck's police officers is generally mid-range in Bergen County and need not be substantially changed in either direction in order to maintain overall levels of compensation which are and will remain, attractive under the terms of this award. The award will increase maximum base pay to \$101,081 effective January 1, 2012 and result in a salary of \$111,185 for Sergeant, \$122,305 for Lieutenant and \$134,538 for Captain, also effective January 1, 2012.

The total net economic costs of the Award cannot be determined with absolute precision given many factors that include changes to manpower levels during the contract years. Nevertheless, the cost estimates offered by the

Township are instructive and serve as a reasonable guideline. For the purpose of costing out the respective proposals, the Township has offered the calculations [E. Exs. #35 and #38] which I find to be reasonably accurate. Given the overall terms of the award, I find the terms to project cost increases over the prior year that approximate \$95,000, \$91,000, \$88,000, \$91,000 and \$94,000 for superior officers in 2008, 2009, 2010, 2011 and 2012 respectively; and for rank and file officers, \$345,000, \$180,000, \$180,000, \$183,000 and \$186,000 for contract years 2008, 2009, 2010, 2011 and 2012 respectively. These figures do not represent a significant departure from the new costs the Township has estimated for its own proposal. The actual costs for each unit may fluctuate depending upon the number of resignations, retirements, new hires and differing methods of calculation such as those that would include cumulative costs.

Accordingly, and based upon all of the above, I respectfully submit the following Award:

AWARD

1. All proposals by the Township and the Unions not awarded herein are denied and dismissed. All provisions of the existing agreement shall be carried forward except for those modified by the terms of this award or by mutual agreement of the parties.

2. **Duration**

There shall be a five-year agreement effective January 1, 2008 through December 31, 2012.

3. **Salary/Wages**

Salaries for the PBA and SOA shall be modified pursuant to the percentages and amounts shown in the following salary schedules. They are retroactive to their effective dates.

PBA

Police Officer	1/1/08 1% at Steps 2.75% at Max	1/1/09 1% at Steps 2.5% at Max	1/1/10 1% at Steps 2.25% at Max	1/1/11 1% at Steps 1.95% at Max	1/1/12 1% at Steps 1.95% at Max
0-6 months	\$32,141	\$32,463	\$32,787	\$33,115	\$33,446
6 months-1 Year	\$39,617	\$40,013	\$40,414	\$40,818	\$41,226
2 nd Year	\$48,589	\$49,075	\$49,566	\$50,061	\$50,562
3 rd Year	\$59,052	\$59,642	\$60,239	\$60,841	\$61,449
4 th Year	\$69,518	\$70,213	\$70,916	\$71,625	\$72,341
5 th Year	\$79,985	\$80,785	\$81,593	\$82,409	\$83,233
6 th Year (max)	\$92,791	\$95,111	\$97,251	\$99,148	\$101,081

SOA

	1/1/08 2.75%	1/1/09 2.5%	1/1/10 2.25%	1/1/11 1.95%	1/1/12 1.95%
Sergeant	\$102,067	\$104,618	\$106,972	\$109,058	\$111,185
Lieutenant	\$112,275	\$115,082	\$117,671	\$119,966	\$122,305
Captain	\$123,504	\$126,592	\$129,440	\$131,964	\$134,538

There shall be a new salary schedule applicable to employees hired on or after the execution of the new Agreement. The salary schedule shall read as follows:

NEW HIRES

Police Officer	1/1/11 1.95% at Max	1/1/12 1% at Steps 1.95% at Max
0-6 months	\$33,115	\$33,446
6 months-1 Year	\$40,818	\$41,226
2 nd Year	\$50,061	\$50,562
3 rd Year	\$60,841	\$61,449
4 th Year	\$71,625	\$72,341
5 th Year	\$82,409	\$83,233
6 th Year	\$90,788*	\$92,157*
7 th Year (max)	\$99,148	\$101,081

*50% of the difference between the 5th year and 7th year steps.

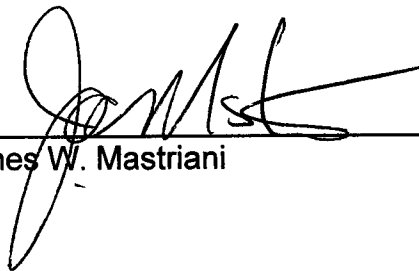
4. **Article XXIII – Health Benefits:**

The level of employee contribution of 1.5% of base salary shall be as set forth in P.L. 2010, Ch.2, effective May 22, 2010. The contribution shall not apply to current employees who retire except for those employees who have joined or will join a state or locally administered retirement program on or after May 21, 2010 whose contribution shall be 1.5% of their monthly retirement allowance. This level of employee contribution shall be inclusive of, rather than in addition to, any statutory obligation towards an employee's requirement to make contributions toward the payment of health insurance.

5. **Overtime – Article VIII**

The procedures which are currently in place for the thirty (30) minute delay shall remain until September 1, 2011. The effective date for the implementation of the reduction in the thirty (30) minute delay to a fifteen (15) minute delay shall be September 1, 2011.


Dated: June 5, 2011
Sea Girt, New Jersey



James W. Mastriani

State of New Jersey }
County of Monmouth }ss:

On this 5th day of June, 2011, before me personally came and appeared James W. Mastriani 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.



Gretchen L. Boone
Notary Public of New Jersey
Commission Expires 04/30/2013