

NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of Interest Arbitration Between the

**CAMDEN COUNTY BOARD OF CHOSEN
FREEHOLDERS AND SHERIFF,**

"County"
and

CAMDEN COUNTY SHERIFF'S OFFICE,

"Sheriff,"
and

PBA LOCAL NO. 277 (SUPERIORS),

"Union."

**INTEREST
ARBITRATION
DECISION & AWARD**

Docket No. IA-2013-010

**Before
Robert C. Gifford, Esq.
Arbitrator**

Appearances:

For the Employer:

Michael J. DiPiero, Esq.
Michael J. Watson, Esq. (On the Brief)
Brown & Connery

For the Union:

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

On January 14, 2013, the Union filed a Petition to Initiate Compulsory Interest Arbitration. On January 31, 2013, I was appointed through random selection from PERC's Special Panel of Interest Arbitrators to serve as interest arbitrator. The law requires that I issue an Award within 45 days of my appointment.

On February 6, 2013, I notified the parties by letter that an interest arbitration hearing was scheduled for February 20, 2013. The parties submitted their final offers to me on or before February 14, 2013.

An interest arbitration hearing was held at the law offices of Brown & Connery in Westmont, New Jersey on February 20, 2013 at which time the parties argued orally, examined and cross-examined witnesses and submitted substantial documentary evidence into the record. A stenographic recording of the proceedings was taken. Testimony was received from Lieutenant Lawrence Brandley, Sergeant Brian Madison, Sheriff Charles Billingham, David McPeak – County CFO/Treasurer, Brian Eisen – County Human Resources, and Vijay Kapoor – Director of Public Financial Management, Incorporated. The parties provided post-hearing briefs on or before February 27, 2013, whereupon the record was declared closed.

FINAL OFFERS OF THE PARTIES

SEE ATTACHED

BACKGROUND

PBA Local No. 277, Superior Officers is "the sole bargaining agent for the Captains and Lieutenants in the Camden County Sheriff's Department." The parties' prior Agreement, as covered by an Interest Arbitration Award issued by Arbitrator Barbara Zausner in June 2011, was effective from January 1, 2008 through December 31, 2012. [See Exs. C-8 & U-3].

The County's salary data spreadsheet for 2012 indicates that there were 8 bargaining unit members – 5 Lieutenants and 3 Captains. [Ex. C-32]. Lieutenant Lawrence Brandley and Sheriff Charles Billingham testified that at the time of the interest arbitration hearing there were 7 bargaining unit members – 2 Lieutenants and 5 Captains. [T:32, 101].

The parties submitted substantial evidence in support of their respective positions. I thoroughly reviewed that information. Because of the thousands of pages of evidence admitted into the record and the strict time constraints under the statute I have extracted significant portions of the legal arguments from the parties' briefs rather than providing a general summary herein.

The SOA's Position¹

INTEREST AND WELFARE OF THE PUBLIC

The employee organization in the instant case is made up of supervisors within the Camden County Sheriff's Department. The Sheriff's Department is a County-wide law enforcement organization with full police powers to enforce all laws both criminal and motor vehicle. The statutory basis for Sheriff's Officers of all ranks' authority is set forth in New Jersey Statutes as referenced in the Camden County "Office of the Sheriff Manual of Rules and Regulations" (U-8) at page 11 which provides as follows:

All Sheriff's Officers are, in addition to many other powers and authorities which they have, empowered to act as officers for the detection, apprehension, arrest and conviction of offenders against the law. N.J.S.A. 2A:154-3; Saved from repeal (See N.J.S.A. 2C:97-3).

The Sheriff and his officers are authorized to preserve the public peace and prevent or quell public disturbances. N.J.S.A. 2A:154-2 (Saved from repeal N.J.S.A. 2C:98-3).

The Sheriff has the duty to protect any property attacked or threatened. N.J.S.A. 2A:48-4.

In addition to the statutory authority noted above, Sheriff's Officers also have the authority to enforce motor vehicle laws under the Motor Vehicle Act

¹ The PBA's Legal Argument is set forth in pages 5-39 of its Brief.

(N.J.S.A. Title 39) and said authority is also noted in *Exhibit U-8* wherein it is provided as follows:

The sheriff's officers may enforce the motor vehicle laws, may arrest without a warrant any person violating motor vehicle laws in their presence and may issue a summons for motor vehicle violations. N.J.S.A. 39:5-25.

The Sheriff and the Sheriff's Officers' powers are the full gamut of law enforcement authority and peace officer status under New Jersey law. The Camden County Sheriff's Rules and Regulations Manual clearly provide for this wide power and include it within the authority and power stated for Employees covered in this bargaining unit.

The Sheriff has a broad range of powers in the State of New Jersey. The Sheriff's power was best expressed as the "primal power as a police and peace officer in the County..." State v. Winne, 12 N.J. 152 (1953). As specified in the above job description and statutes, these powers and duties span the full gamut of law enforcement activities. Within these general powers, the Sheriff is, of course, expected to utilize modern, efficient and technologically sound means. Thus, the use of K-9 Units, and other specialized services may be employed to effectuate completion of these law enforcement duties.

As can be seen by the extent of the powers of the Sheriff and the numerous duties of sheriff's officers, as described by the New Jersey Department of Personnel (Civil Service), many different types of law enforcement activities must be engaged. For example, the sheriff's officers are required to conduct investigations and take photographs of suspected criminal activities. This necessitates the establishment of a

photographic laboratory, maintenance of appropriate staff to process photographs and print same.

In staying with his peace keeping duties, in the event of civil disorders, particularly labor disputes, the Sheriff relies on professional and technological advances including videotape surveillance. Videotaping such events has been an indispensable means of not only proving that offenders have violated court orders requiring orderly demonstrations, but also have been proven to be effective aids in tempering otherwise aggressive behaviors.

Highly technical materials and equipment are also needed for fingerprint work. These are not only required in the civil service job description but are also necessitated to keep abreast with the state of the art crime fighting tools. This includes maintenance of appropriate laboratory facilities to conduct fingerprint analysis. (U-8, pp. 13-14).

The normal day-to-day activities of the Sheriff's Office are County-wide. Exceptions include working with other agencies, extraditions, etc.. The main focus however is County-wide law enforcement. The Mission Statement set forth on page 1 of *Exhibit U-5* clarifies the broad mission of the Sheriff's Office.

Providing a variety of law enforcement service and support using state of the art technology in a prompt, efficient and courteous manner to the residents, visitors and various agencies and departments throughout the County of Camden, the State of New Jersey and the United States.

Among the numerous specialty bureaus supervised by persons in this bargaining unit are the following designations:

Court Security

Investigations/Apprehension of Fugitives/Missing Persons

Bureau of Criminal Identification - Maintains Photographs/
Fingerprints/Criminal Histories

Civil Process Bureau

Transportation Bureau

Technical Services Unit (Bomb Squad)

K-9 Unit - Drugs/Bomb Sniffing Dogs

Tactical Team

Trained Negotiators

These many specialities, details of which commence at page 3 of *Exhibit U-5* are extensively explained with their many sub-specialties, unique training and equipment meant to not only serve primary functions but also to provide services to the municipalities throughout the County.

The fact that the Sheriff's Office and the supervisors in this bargaining unit provide services throughout the County including technical expertise, equipment, and the ability to mass force when needed are critical to an analysis of this agency.

The County Sheriff's Office operations are not part of the problem but rather the solution to a problem when considering taxation. The County law enforcement agency is one that enables services, specialization, equipment

and state of the art techniques to be available at the local level without the local municipality having to incur the cost. For a local agency to maintain a dog is an expense in acquisition, training and maintenance. In Camden County a municipality has the ability to call the Sheriff's Department for a dog to be sent, whether it be a narcotics investigation or a missing child. The same is true with many technical services and expertise which are set forth in the proofs (for example See U-5). The County Sheriff's Office enables local economy and avoidance of taxpayer cost for essential services. As noted, they are part of the solution not part of the problem. The County in its position appears to complain of the cost of a service to a municipality when in fact the provision of the service enables local economy and therefore is a positive from the taxpayer standpoint. Efficient delivery of essential services is a hallmark of the County Sheriff's Office.

When considering the law enforcement demands of the County of Camden one would be remiss if the relative positioning of this County were not considered among all twenty-one (21) counties in the State of New Jersey. It is an understatement that the County of Camden presents significant law enforcement challenges. When one considers the relative position of the County of Camden among all twenty-one (21) New Jersey counties on specific areas of reportable crime Camden is noted to be at or near the top in virtually every area of comparison. The employee organization introduced as *Exhibit U-6*

at hearing the Uniform Crime data showing such comparisons. **Chart No. 1**
below reflects the compilation of data set forth in *Exhibit U-6*.

CHART NO. 1

**CAMDEN COUNTY RELATIVE POSITION AMONG ALL TWENTY-ONE (21)
NEW JERSEY COUNTIES BASED ON CRIME STATISTICS (EX. U-6)**

Murder	3
Rape	2
Robbery	2
Aggravated Assault	2
Burglary	2
Larceny-Theft	1
Motor Vehicle Theft	1
Manslaughter	4
Simple Assault	1
Arson	2
Embezzlement	3
Stolen Property (Buying/Possessing)	1
Weapons Offenses	2
Prostitution	2
All Other Offenses (Except Traffic)	1
Juvenile Arrests	1
Total Arrests	2

As noted, major crime presents a challenge in this County jurisdiction. This is the challenge faced by the County Sheriff's Office and its supervisors, the employee organization herein.

When considering Camden County one must keep in mind that, while the County is often associated with one single municipality, the City of Camden, in fact there are thirty-seven (37) separate municipalities within the County. The Sheriff's Office serves all thirty-seven (37) municipalities. These municipalities range from the urban center of Camden to rural communities such as Waterford Township. There is no doubt a great array of law enforcement need and challenge between these two (2) poles and it is the County Sheriff's Office that must serve all. In some cases, such as the Transport Unit, it is the towns out to the eastern part of the County that may be reliant on transportation more than even the City of Camden where the jail is located within the jurisdiction. In any event, this is a County-wide operation with County-wide obligations and County-wide services.

At all times the Office of the County Sheriff is maintained at the highest level of ethics and professionalism. The "Office of the Sheriff Camden County, General Orders" (U-9) illustrate strict standards focused at the highest level of maintenance of professionalism and productivity. The Office of the County

Sheriff in this County must be seen as one of the highest standards and productivity.

One can only wonder what the motivation may be for the County to be considering a "Camden County Police Metro Division". Introduced as *Exhibit U-11* was a document apparently prepared by the County describing a County Police Department the goals of which seem to follow the established ongoing mission of the County Sheriff's Department. Whatever the motivating or political force behind said issue may be, it would certainly seem to be a duplication of those services already being offered by the County Sheriff's Department. There can be no doubt that this is an apparent duplication of services at the taxpayers' expense. The broad range of services offered by the Sheriff's Office is not new and in fact was a specific focus of the last Interest Arbitration proceeding between these parties (*PERC Dkt. No.: IA-2010-003/Interest Arbitrator Barbara Zausner/Hearing Dates of January 5 and January 31, 2011*). The full transcript of said hearing was introduced into evidence in this case as *Exhibit U-13*. In said hearing the testimony clearly indicated the then ongoing service to the towns provided by the Sheriff's Office. On the first day of testimony the following was made part of the record:

Q. Now, more specifically with respect to the Camden Sheriff's Office, this is a full service law enforcement agency, is it not?

A. Yes.

Q. Is it - - is the Camden County Sheriff's Office an integral part of the delivery of law enforcement and public safety in this county?

A. It is.

Q. Does the Camden County Sheriff's Office have an integral role with respect to delivery of public safety and law enforcement services in the county?

A. It does.

Q. As part of the Sheriff's Office, and all my questions now will be focused on the Camden County Sheriff.

A. Okay.

Q. With respect to the Camden County Sheriff's Office, do you from time to time, based on need and assignment, work with all of the towns in the county in law enforcement?

A. We do.

Q. How many towns are there in Camden County?

A. 37 municipalities.

Q. Most frequently associated with Camden is the inner city of Camden, but there are other types of towns as well in this county, are there not?

A. There are.

Q. And do they range to the suburban and in some case rural?

A. They do.

Q. And in these varying types of jurisdictions, rural, suburban and of course, inner city, does the Sheriff's Office play a role and is it available to be called in in case of need?

A. We are.

Q. Now, specifically, and we will get to the City of Camden in a minute, with respect to the various towns in the county, are some of these towns very small police departments?

A. Yes, they are.

Q. Do some of those police departments needs - - strike that.

Do local police departments from time to time call upon the Camden County Sheriff's Office for operational support?

A. On a daily basis.

Q. If a town has a particular problem, and that could be anything from a flood to operational issue of

law enforcement, are there services that the Camden County Prosecutor's Office that can be provided to said town?

A. Pardon me, the Sheriff's Department.

Q. I made a mistake. Sheriff's?

A. There are.

Q. Please correct the record.

Is there an ability to mass force, that is, a particular need in an individual town needs more officers than that town has, is there an ability to call upon the Camden Sheriff's Office to bring in such persons as needed?

A. We have that capability.

Q. Are there also services that are provided on a daily basis to the towns about the county from the Sheriff's Office such as transportation?

A. Yes.

Q. And there are other services as well?

A. Yes. (Tr. 01/05/2011; 16:24 - 19:19).

Apparently the thought of duplication of services already provided by the Sheriff's Office has not escaped the attention of David McPeak, the Chief Financial Officer and Treasurer of the County. His responsibilities include general responsibility for the County Budget, Department Head of Finance, including Treasury Department, Purchasing, Accounts Payable and Payroll and all the accounting functions. *(See Transcript 121:14-18)*. Mr. McPeak made it clear that such initiative as the "Metro Division" is not going to occur without a formal funding arrangement and a formal funding agreement. In essence it is an effort to shift to the County the costs of policing one (1) of the thirty-seven (37) municipalities, the City of Camden. This was set forth on the record at hearing.

Q. I would like to move to a different subject with you, if we may. And that has to do with the new County initiative which is in place, reference metro police. You're familiar with that?

A. I am.

Q. With respect to metro, there is in place a plan which has been implemented to shift certain law enforcement services to the County from the City of Camden; is that correct?

A. That is the plan.

Q. At present?

A. I'm not - - I'm not going to say that it has been implemented because, at this point, we have yet to finalize a formal funding agreement. So from my standpoint, as make it a part of the budget, I'm not going to say anything is being implemented because the money is not there for it yet. There's a plan and there's a process to look toward implementing that. But until the money is in place and we get a funding agreement, nothing is going to be implemented.

Q. I respect that. I don't mean to ask you questions in the hypothetical. I'm only - -

A. Okay.

Q. - - focusing on in-place circumstances, facts. At present, is there a funding mechanism in place to absorb the cost of the metro division police services for the City of Camden?

MR. DiPIERO: I'm going to object.

A. No.

MR. DiPIERO: I think the witness has already said that nothing has been implemented. There isn't a funding arrangement in place. And just as we were with the budget questions, I think we're getting into an area that's not settled, and subject to a lot of speculation.

ARBITRATOR: By the way, the witness answered no.

Q. At present, the Sheriff's costs are in no way impacted by the existing metro division program; is that correct?

A. That's correct. (Tr. 02/20/2013; 153:16 - 155:10).

Interestingly, for some purpose, left undescribed, the County is considering having a County level organization, "Metro", step in and do County level work in one of the jurisdictions at the County expense. The justification would appear from *Exhibit U-11* to be cloaked as a County-wide agency which is already served by the Sheriff's Department. Among the many questions that would appear to arise are inquiry as to why such an enterprise is even being considered when the service is already available through the existing County-wide agency, the County Sheriff's Department. This is an agency that is already in place with an agency with organizational staffing, procedures, manuals, SOPs, rank structure, experience, and an intimate knowledge of the law enforcement community throughout the County and its needs. The second question of course is with respect to who is going to pay for it. The people of the County of Camden should not be burdened with increased County costs representing a duplication of services already rendered and available through the County Sheriff's Department.

Unquestionably the residents and taxpayers of the entire County of Camden are well protected and their interests well advanced by the high level of expertise and diversification of services available at the County level through this office and as supplement and cost saving measures at the municipal level.

COMPARISON OF WAGES AND TERMS AND CONDITIONS OF EMPLOYMENT

The proofs as submitted in this case support the Last Offer of the employee organization over that of the Employer. The SOA has endeavored to present comprehensive data including other Sheriff's Officers and area municipalities in full contract form to illustrate the differences in wage rate which would be required just to maintain relative positioning. The combination of contracts submitted include other Sheriff's Officers, who are subject to the same New Jersey statutory framework and authority, as well as area towns which these Officers serve or work with in close concert.

Chart No. 2 below analyzes the increases in those towns for the year 2013 and 2014 where there is a completed contract.

CHART NO. 2

BASE RATE INCREASES BASED ON SOA EXHIBITS

	2013	2014
Passaic County Sheriff	1.75%	1.75%
Essex County Sheriff	1.65%	
Ocean County Sheriff	1.9%	
Evesham	3%	
Gloucester Township	1.75%	
Cherry Hill	2%	

Florence	3.5% (.5/3)	
Gloucester County Sheriff	2%	
Moorestown	2.5%	
Mount Holly	2%	
Pennsauken	4%	
Westhampton	2.5%	2.75%
AVERAGES	2.379%	2.25%

The averages at the bottom of **Chart No. 2** closely approximate the Last Offer Position of the SOA in this case. The Employer's Position of no wage increase in 2013 and minimal increases thereafter is unsupported by the proofs.

It is important to note that the Employer cannot support its own position. The Employer's proofs in no way support the Last Offer wage package as presented. Some notes on the Employer's Position are appropriate:

C-11 - Agreement with the County of Union that expired December 31, 2009. The only notable part is that the Sheriff's Officers covered by that four (4) year old Agreement receive Senior Officer Differential at twenty (20) years of service (C-11, p.5).

C-12 - Gloucester Sheriff's SOA which provides for a two percent (2%) increase in each of 2013 and 2014.

C-13 - Expired Ocean County Sheriff's Contract which had a term through December 31, 2010. It may be noted that the

SOA in this case introduced the more current information (U-17) which provided for a 1.9% increase covering 2013.

C-14 - Gloucester County Sheriff's Rank and File Contract, once again providing for a two percent (2%) increase using both 2013 and 2014.

C-16 - Cumberland County Sheriff's Contract which expired December 31, 2010. It may be noted that there is longevity with a maximum of One Thousand Two Hundred Fifty Dollars (\$1,250.00) at page 24 of the exhibit.

C-17 and C-18 are long expired Cape May Sheriff's Officers Contracts.

C-19 and C-20 are expired Bergen County Sheriff's Officers Contracts both with a termination date of December 31, 2010. The only notable part is that both of these contracts contain longevity.

C-21 - This is Atlantic County Sheriff's SOA Contract which has a two percent (2%) increase applicable to 2013 and retains longevity as a folded-in provision (at page 36).

C-22 - This is an expired Atlantic County Sheriff's Rank and File Contract which had a termination date of December 31, 2009.

The Employer has cited contracts, some of which are calculated on **Chart No. 2** *supra*. and in most cases provides contracts with longevity programs that are a part of the SOA Position in this case. Not only has the Employer not supported its Offer for 2013 or 2014 in this group of exhibits but in fact has selected a series of examples which more appropriately support the SOA Position. Passaic Sheriff's have a longevity maximum of ten percent (10%) of base. Ocean County Sheriff's have a maximum longevity benefit of six percent (6%) of base and

Gloucester County Sheriff's have a maximum longevity benefit of eight percent (8%) of base. Even in its second book of exhibits the Employer relies upon expired contracts with the exception of the Essex County Sheriff's SOA contract (C-23) which again provides for a two percent (2%) increase in 2013. There is no support on the record for an award of the Employer Position.

Inference was made as to comparisons with non-law enforcement units. It is respectfully submitted that the best comparisons are those placed on the record by the SOA in this case and that is with other law enforcement agencies.

Due to the unique statutory obligation and treatment of Sheriff/Police Officers under New Jersey Law, any comparison of said law as it applies to private sector employees as compared to Sheriff/Police Officers must result in a strong justification for significantly higher compensation to be paid to Sheriff/Police Officers. In a recent decision, well known Interest Arbitrator Carl Kurtzman considered this subject of private sector comparisons and wrote as follows:

As other arbitrators have noted, it is difficult to compare the working conditions of public sector police officers with the working conditions of private sector employees performing the same or similar services because of the lack of specific private sector occupational categories with whom a meaningful comparison may be made. The standards for recruiting public sector police officers, the requisite physical qualifications for public sector

police and their training and the unique responsibilities which require public sector police to be available and competent to protect the public in different emergent circumstances sets public sector police officers apart from private sector employees doing somewhat similar work. Accordingly, this comparison merits minimal weight. (Borough of River Edge and PBA Local 201, PERC IA-97-20, pg. 30)

The SOA respectfully asserts that private sector comparisons should not be considered controlling in this case. In the first instance, there is no comparable private sector job compared to that of a Sheriff/Police Officer. A Sheriff/Police Officer has obligations both on and off duty. This is most unusual in the private sector. A Sheriff/Police Officer must be prepared to act and, under law, may be armed at all times while anywhere in the State of New Jersey. Certainly this is not seen in the private sector. The Sheriff/Police Officer operates under a statutorily created public franchise of law enforcement with on and off duty law enforcement hours. Once again such public franchise and unique provision of statutory authority is not found in the private sector. There is no portability of pension in the law enforcement community after age 35. Sheriff/Police Officers may not take their skills and market them in other states as one may market one's own personal skills in the private sector. A machinist or an engineer may travel anywhere in the county to relocate and market their skills. This is not possible for a police officer. The certification is valid locally only. The nature of police work is inherently one of hazard and risk. This is not frequently seen in the private sector.

The following represents certain statutory and other precedential laws controlling the relationship of Sheriff/Police Officers to their employers. Specifically distinguished is the private sector employee from said employee's employer.

1. The Federal Fair Labor Standards Act, 29 U.S.C.A. §201, *et seq.* applies different standards to private sector employees and police officers. Whereas private sector employees have the protection of the 40 hour work week and the 7 day work cycle, police officers are treated to much less protection. Police officers have only relatively recently been covered by the Act by virtue of the 7k amendment.
2. The New Jersey State Wage & Hour Law, N.J.S.A. 34:11-56a, *et seq.* does not apply to the employment relationship between a police officer and the officer's Public Employer. Private sector employees are covered under New Jersey Wage and Hour Laws. Such protections as are therein available are not available to the police, Perry v. Borough of Swedesboro, 214 N.J. Super. 488 (1986).
3. The very creation of a police department and its regulation is controlled by specific statutory provisions allowing for a strict chain of command and control. Included are statutory provisions for rules and regulations, specifying of powers and duties, specifics for assignments of subordinate personnel, and delegation of authority. N.J.S.A. 40A:14-118. There is no such statute covering private employment in New Jersey.
4. N.J.S.A. 40A:14-122 provides for specific qualifications which are statutorily mandated for police officer employment. Such requirements as U.S. Citizenship, physical health, moral character, a record free of conviction, and numerous other requirements are set

forth therein. No such requirement exists by statute for private employment in this state.

5. If an employee in a police department is absent from duty without just cause or leave of absence for a continuous period of five days said person, by statute, may be deemed to cease to be a member of such police department or force, N.J.S.A. 40A:14-122. No such provision exists as to private employment.
6. Statutorily controlled promotional examinations exist for certain classes of police officers in New Jersey under title 11 and other specific statutory provisions exist under N.J.S.A. 40A:14-122.2. There are no such private sector limitations on promotion.
7. A police officer in New Jersey must be resident of the State of New Jersey, N.J.S.A. 40A:14-122.8. No such restriction exists for private sector employees.
8. Hiring criteria and order of preference is set by statute N.J.S.A. 40A:14-123.1a. No such provision exists for private employees in New Jersey.
9. There are age minimums and age maximums for initial hire as a police officer in New Jersey. No such maximum age requirements exist for private employment in this state. Even if an employee in a police department who has left service seeks to be rehired there are statutory restrictions on such rehire with respect to age, N.J.S.A. 40A:14-127.1. No such provision exists for private employees in this state.
10. As a condition for employment in a police department in the State of New Jersey there must be acceptance into the applicable Police Retirement System, N.J.S.A. 40A:14-127.3. No such requirement exists in private sector. The actual statutorily created minimum salary for policemen in New Jersey is set at below minimum wage N.J.S.A. 40A:14-131. Private employees are protected under the Fair Labor Standards Act. Days of employment and days off, with particular reference to emergency requirements are unique to police work. A police officer's work shall not exceed 6 days in any one

week, "except in cases of emergency". N.J.S.A. 40A:14-133. The Fair Labor Standards Act gives superior protection to private sector employees.

11. N.J.S.A. 40A:14-134 permits extra duty work to be paid not in excess of time and one-half. This prohibits the higher pyramided wage rates which may be negotiated in private sector. There is no such prohibition in the law applying to private sector employees.
12. The maximum age of employment of a police officer is 65 years. No such 65 year maximum applies to private sector employees.
13. Police Officer pensions are not covered by the federal ERISA Pension Protection Act. Private sector employees pensions are covered under ERISA.
14. Police officers are subject to unique statutorily created hearing procedures and complaint procedures regarding departmental charges. Appeals are only available to the court after exhaustion of these unique internal proceedings, N.J.S.A. 40A:14-147 to 40A:14-151. No such restrictions to due process protections for private employees exist. Private employees, through collective bargaining agreements, may also negotiate and enforce broad disciplinary review procedures. The scope is much different with police personnel.

Perhaps the greatest differentiation between Sheriff/Police Officers and private employees generally is the obligation to act as a law enforcement officer at all times of the day, without regard to whether one is on duty status within the state or not. Sheriff/Police Officers are statutorily conferred with specific authority and "...have full power of arrest for any crime committed in said Officer's presence and committed anywhere within the territorial limits of the State of New Jersey." N.J.S.A. 40A:14-152.1. A Sheriff/Police Officer is specially exempted from the fire

arms law of the State of New Jersey and may carry a weapon off duty. Such carrying of deadly force and around the clock obligation at all times within the State is not found in the private sector.

Sheriff/Police Officers are trained in the basic Police Academy and regularly retrain in such specialties as fire arms qualifications. This basic and follow up training schedule is a matter of New Jersey Statutory law and is controlled by the Police Training Commission, a New Jersey Statutorily created agency. Such initial and follow up training is not generally found in the private sector. Failure to maintain certain required training can lead to a loss of police officer certification and the Sheriff/Police Officer's job. This is rarely found in the private sector.

Mobility of private sector employees is certainly a factor in the setting of wages and terms and conditions generally for private sector employees. Where a company may move from one state to another, there is more of a global competition to be considered. The New Jersey private sector employee must consider the possibility that his industrial Employer might move that plant to a another state or even another country. This creates a depressing factor on wages. This is not possible in the public sector. The Employees must work locally and must be available to respond promptly to local emergencies. The residency restriction has been above mentioned. In a private sector labor

market one might compare the price of production of an item in New Jersey with the price of production of that item in other states, even in Mexico.

Local comparisons are more relevant with Sheriff/Police wages. These types of issues were considered in the recent decision issued by the well known Arbitrator William Weinberg in the Village of Ridgewood case.

Second of the comparison factors is comparable private employment. This is troublesome when applied to police. The police function is almost entirely allocated to the public sector whether to the municipality, county, state or to the national armed forces. Some private sector entities may have guards, but they rarely construct a police function. There is a vast difference between guards, private or public, and police. This difference is apparent in standards for recruiting, physical qualifications, training, and in their responsibilities. The difficulties in attempting to construct direct comparisons with the private sector may be seen in the testimony of the Employer's expert witness who used job evaluation techniques to identify engineers and computer programmers as occupations most closely resembling the police. They may be close in some general characteristics and in "Hay Associates points", but in broad daylight they do seem quite different to most observers.

The weight given to the standard of comparable private employment is slight, primarily because of the lack of specific and obvious occupational categories that would enable comparison to be made without forcing the data.

Third, the greatest weight is allocated to the comparison of the employees in this dispute with other employees performing the same or similar services and with other employees generally in public employment

in the same or similar comparable jurisdictions (Section g. 2(a) of the mandatory standards.) This is one of the more important factors to be considered. Wage determination does not take place without a major consideration of comparison. In fact, rational setting of wages cannot take place without comparison with like entitles. Therefore, very great weight must be allocated to this factor. For purposes of clarity, the comparison subsection g.(2), (a) of the statute may be divided into (1) comparison within the same jurisdiction, the direct Employer, in this case the Village, and (2) comparison with comparable jurisdictions, primarily other municipalities with a major emphasis on other police departments.

Police are a local labor market occupation. Engineers may be recruited nationally; secretaries, in contrast, are generally recruited within a convenient commute. The nearby market looms large in police comparisons. The farther from the locality, the weaker the validity of the comparison. Police comparisons are strongest when in the local area, such a contiguous towns, a county, an obvious geographic area such as the shore or a metropolitan area. Except for border areas, specific comparisons are non-existent between states. (Ridgewood Arbitration Award, Docket No.: IA-94-141, pages 29 - 31)

For the reasons noted above it is respectfully argued that any time there is a comparison made between a Sheriff/Police Officer and a private employee generally, Sheriff/Police Officer's position must gain weight and be given greater support by such comparisons. The Sheriff/Police Officer lives and works within a narrowly structured statutorily created environment in a paramilitary setting with little or no mobility. The level of scrutiny, accountability and authority are unparalleled in employment generally. The Sheriff/Police Officer carries deadly

force and is licensed to use said force within a great discretionary area. A Sheriff/Police Officer is charged with access to the most personal and private information of individuals and citizens generally. His highly specialized and highly trained environment puts great stress and demand on the individual. Private employment generally is an overly generalized category that includes virtually every type of employment. To be sure in such a wide array of titles as the nearly infinite number covered in the general category of "private employment" there are highly specialized and unique situations. The majority, however, must by definition be more generalized and less demanding. Specialized skills and standards are not generally as high as in police work. A Sheriff/Police Officer is a career committed twenty-five (25) year statutorily oriented specialist who is given by law the highest authority and most important public franchise. The Sheriff/Police Officer should be considered on a higher wage plane than private employment generally.

STIPULATIONS OF THE PARTIES

The only stipulations between the parties were procedural in nature. As such, it is submitted that a review of this case consistent with criteria g5 will not be influential in the ultimate decision.

**LAWFUL AUTHORITY OF THE EMPLOYER AND IMPACT
ON THE TAXPAYERS AND RESIDENTS**

Consideration of this case consistent with the Appropriation Cap and Tax Levy Cap presents absolutely no impediment to an award of the employee organization's position. The Appropriation Cap is not applicable to County Budgets and the Tax Levy Cap is one calculated in the budget year-to-year. With respect to 2012 Budget (*U-24*) the Levy Cap was met and the budget was balanced consistent with Levy Cap calculations. It was so adopted. With respect to 2013 clearly the applicable law will be applied but one has no reason to believe that all Cap limitations will be met as they have in all previous budgets (*County Exhibits C-4 through C-7*). The County has always presented a balanced budget consistent with law.

The assessment of this case under the so-called "Hard Cap" of two percent (2%) also presents sufficient funding opportunity within the Cap Law.

The public employer has stated its base calculation for the preceding contract year, the last before the commencement of this arbitration matter as Eight Hundred Fifty-Two Thousand Four Hundred Fifty-One Dollars (\$852,451.00). This total number of Eight Hundred Fifty-Two Thousand Four Hundred Fifty-One Dollars (\$852,451.00) is calculated by adding the salary figures in the third column of *Employer Exhibit C-32*. Under the so-called "Hard Cap" law this is the

Employee base upon which two percent (2%) calculations are to be made as far as total "net" cost. Therefore using the Employer's own calculations for the preceding year one notes a total cost in said year of Eight Hundred Fifty-Two Thousand Four Hundred Fifty-One Dollars (\$852,451.00) which results in a two percent (2%) calculation of Seventeen Thousand Forty-Nine Dollars (\$17,049.00).

In this proceeding the limit on spending under the "Hard Cap" calculation is Seventeen Thousand Forty-Nine Dollars (\$17,049.00). An Interest Arbitration Award in this case may not exceed said amount for 2013.

The actual cost of the existing employee bargaining unit is an annual amount of Seven Hundred Forty-Seven Thousand One Hundred Sixteen Dollars (\$747,116.00). Lieutenant Fegley retired February 1, 2013 (Tr. 40:22 - 41:7). While it may be assumed that at some point in the future someone will be promoted, no one has been promoted as of this time (Tr. 41:17-19). The existing bargaining unit is the standard and future potential promotions are excluded by decisional law of the Public Employment Relations Commission (Borough of New Milford Interest Arbitration, Dkt. No.: IA-2012-008, PERC No. 2012-53, April 9, 2012).

If one deletes Lieutenant Fegley who is no longer in the employ of the Sheriff's Office as of the time of the hearing, his retirement being finalized, the total for the bargaining unit, again using the Employer's own calculations at

Exhibit C-32, is Seven Hundred Forty-Seven Thousand One Hundred Sixteen Dollars (\$747,116.00). This is the total figure for the entire bargaining unit covering all Captains and all Lieutenants currently in the employ of the Camden County Sheriff's Office.

The question arises as to what is the impact on the total County Budget, that budget which is supported by the taxpayers, of the entire bargaining unit in this case. These calculations were the subject of specific questions and testimony of County CFO/Treasurer Mr. McPeak.

Q. Now, at issue in this proceeding is the cost attendant to the Sheriff's SOA, seven sworn officers of various ranks who have a total base cost of 747,116 dollars. Can you tell me what percentage of general appropriations is represented by 747,115 (sic) dollars? And I offer you a calculator.

A. It is about two-and-a-half percent. No.

Q. I don't think two-and-a-half percent.

A. It is like less than 1 percent.

Q. Well - - and if you put four zeros in front of that, it would be less than one 10 thousandths of 1 percent, wouldn't it?

A. Right.

Q. Now, if that approximately one 10 thousandths of 1 percent represented by this bargaining unit were to be further considered as what the value of a one-percentage point would be, that would be a little less than one 100 thousandths of 1 percent, wouldn't it?

A. Yes. (Tr. 152:20 - 153:15).

It is respectfully submitted that the concept of the total bargaining unit cost in one 10 thousandth of one percent of the County Budget is more than de

minimis. It is infinitesimal. When one considers that a percentage point is one 100 hundredth of said amount, additional perspective is provided. What happens in this bargaining unit will not have any impact that is perceptible to the overall budget process or the citizens of the County.

One must also consider again at this point the value received by the local municipalities from the services and technical expertise and equipment of the Sheriff's Office in keeping local taxes down. In other words, there is an offset of municipal taxes being depressed as a result of the savings achieved through the services of the Sheriff's Office. Clearly the taxpayers are favored by the services of the Sheriff's Office.

On cross-examination County Treasurer/CFO McPeak was also asked to verify the calculations above used, that the total bargaining unit base wages were precisely Seven Hundred Forty-Seven Thousand One Hundred Sixteen Dollars (\$747,116.00) for the bargaining unit. With said amount being the entire salary cost for the bargaining unit one percent equals Seven Thousand Four Hundred Seventy-One Dollars (\$7,471.00) which would be the cost factor of one percent (1%) in this proceeding. This was verified again by Mr. McPeak.

Q. With respect to the persons - - and back to base wage. With respect to the persons that are in the bargaining unit, and I've done the calculation, but I offer you the opportunity, I have it as 747,116 dollars.

A. Okay.

Q. If you wish to check my addition.

A. No, that's all right.

Q. So the costs of the base wages for this bargaining unit is 747,116 dollars. Okay?

A. Uh-huh. Yes.

Q. You agree?

A. Yes.

Q. You have to say yes or no.

A. Yes, I agree. Looking at the numbers with the exception of Lieutenant Fegley, yes.

Q. Now, 1 percent, that is 1 percent wage increase in base wage in this bargaining unit, as to base wage is 7,471 dollars. Would that be correct?

A. That's 1 percent of 700. That's right. (Tr. 149:6 - 150:1).

One must keep in mind that the total appropriations in the Camden Budget were established on the cross-examination of Mr. McPeak and a specific reference to the actual 2012 Budget (*U-24, Sheet 2*) to be just under Three Hundred Forty Million Dollars (\$340,000,000.00), an amount which must be augmented by other grants which Mr. McPeak estimated in the Forty-Eight Million Dollar (\$48,000,000.00) range (Tr. 152:17-19). Simply stated, there is no perceptible impact on the taxpayers.

This Arbitrator can allocate Seventeen Thousand Forty-Nine Dollars (\$17,049.00) for the year 2013 to this bargaining unit of seven (7) persons. The amount of Seventeen Thousand Forty-Nine Dollars (\$17,049.00) when compared to the current bargaining costs represents an increase of 2.28%. An actual dollar value increase can be given to these bargaining unit Employees while keeping

within the net increase from the preceding year of two percent (2%). Interestingly, the Employer provides absolutely no argument, support or rationale for zero (0) for 2013.

Notably there are no personnel changes or salary changes for 2013. The Senior Differential which was referenced by the Employer does not impact anybody in 2013. It is not until December of 2014 that one bargaining unit member has access to said benefit. The impact of the single change to Captain Curcio is on current values Seven Thousand Three Hundred Seventy-Four Dollars (\$7,374.00) (See *Exhibit U-3*, p.13, Section 1A). If this amount is divided among the seven (7) bargaining unit members to get an average impact the result is One Thousand Fifty-Three Dollars and Forty-Two Cents (\$1,053.42). If that is divided over the three (3) year period of the contract the amount is Three Hundred Fifty-One Dollars and Fourteen Cents (\$351.14). If said amount is again divided by the total cost of the bargaining unit base Seven Hundred Forty-Seven Thousand One Hundred Sixteen Dollars (\$747,116.00) the impact is .0004%. These are minuscule impacts.

In considering the "Hard Cap" limitations one must also take into account the cost of step movement. Here that factor is zero (0). There are no steps. There is no step movement cost. There is a singular rate for each step.

Some notes must be made with respect to the 2012 Budget and its flexibility which appears to carry forward into 2013 which will be of course subject to planning which would take place in the future. Noted in the Budget of 2012 (*Exhibit U-24*) are reserved monies under the Salary and Wage Account of One Hundred Seven Thousand Five Hundred Sixty-Eight Dollars (\$107,568.00). This is apparently a practice typically seen where amounts are carried forward for future expenditure. The same is true with respect to Budget Sheets 10 through 21 which reflect Annual Salary Appropriation Reserve Balances of One Million Five Hundred Eighty-Seven Thousand Five Hundred Fourteen Dollars (\$1,587,514.00) which are unspent Budget Salary Appropriations. While one does not have the privilege of having the 2013 Budget at this time, considering the extremely small impact of this bargaining unit and any wage adjustments provided therein, it should not be any problem whatsoever.

The citizens and taxpayers of the County receive a substantial benefit from the service of the Sheriff's Office. The actual local savings are difficult if at all possible to quantify in the municipal level. Suffice it to say they are significant. There is no Cap prohibition here.

COST OF LIVING

The Association introduced cost of living statistics issued by the Bureau of Labor Statistics, U.S. Department of Labor, dated January 16, 2013. The increase was noted as 1.7% before seasonal adjustment. In sub-categories the document submitted (U-22) at page 3 indicates that the Index for the food rose 1.8%, the index for food away from home rose 2.5%. The power index increased 1.8%. Airline fares increased 2.1%, the shelter index accelerated in 2012 2.2%. The index for rent increased 2.7%. Clearly it would take an increase of reasonable proportions just to keep even and not lose ground to the rate of inflation.

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

Consideration under criteria g8 of the Act would lend support to an award of the SOA Position in this case. Key factors in the statute include comparisons using those private sector considerations in setting wages. Here the concept of area standards comes to the fore. These Employees are not paid as highly as other supervisors in the area, even the municipal supervisors

they work with frequently. The rate of increase is important for consideration in private sector and the rate of change is clearly established in this case at **Chart No. 2** *supra.*. It supports an award of the SOA Position. Consumer Price Index calculations also provide SOA support. The Employer seeks to argue, with due respect in its somewhat ill-defined direction, against wage increase yet its own charts and exhibits support an award of the SOA Position. Many of the Employer's own charts are flawed, such as those contained in *Exhibit C-36* which include reimbursements for costs incurred as compensation, specifically clothing allowance. The costs incurred in maintenance of the uniform, a reference to the amount paid, was set forth in the testimony of Lieutenant Brandley in the transcript (Tr. 48:2-20).

The issue of increased clothing allowance was clearly established and made necessary by the testimony of Lieutenant Brandley at hearing. Notably the issues of clothing allowance is not includable in the net base pay calculation earlier referenced under the "Hard Cap". This is a reimbursement for increased cost which are beyond that which is presently provided. It is not base pay and does not affect base pay.

The issue of longevity (*Paragraph 2 on U-1*) is relevant to an analysis of this proceeding in that any comparisons made between this bargaining unit and any other must include comparisons of longevity. Many Sheriff's Offices and

Local Police Departments, as was set forth in the proofs, provide longevity benefits for members. Here there is no longevity. Any comparison on base wage alone would omit this key consideration which further supports an award of the SOA Position in this case.

The holiday proposal (*U-1, Paragraph 3*) provides mutual benefit. An award of this proposal would provide that all of the currently straight time paid holidays would be folded-into base pay and used for all calculation purposes. The benefit to the Employee is of course clear; more dollars in pay. It is important in low paying jobs such as this that as many dollars as can be communicated across the table be accomplished. The benefit to the Employer and the public is that there are more straight time days of service available. These could be used for training or special assignments as need be. It would also reduce the need for backfill overtime in certain circumstances as there would be reserve personnel for Employer discretionary use.

The last issue submitted for the Arbitrator's consideration is a non-economic language change in the Agreement. The SOA is seeking to establish clearly that the provisions of medical premium co-payment be as mandated by the recently passed New Jersey Statute, Chapter 78, *P.L. 2011*. There is a great deal of language in the contract which now would appear to be rendered moot by virtue of two (2) factors; first, the passage of the noted statute which

provides legal mandates with respect to co-payment of premium. Secondly, there have been changes in the provision of health care benefits to Employees which include an application of the State Health Benefits Plan and Chapter 78. This was clearly established in the testimony of County Treasurer/CFO Mr. McPeak and he so testified:

A. Chapter 78 would have applied whether we changed State health benefits or not.

Q. Correct. But it happens to be that Chapter 78 is now applicable, and we do go to State health benefits as a matter of course that's occurred; correct?

A. Correct.

Q. So proposal number six on the proposal sheet - - this is our proposal sheet, U-1. You probably have a copy there?

A. Yes.

Q. The associations propose that the provisions of the Chapter 78 be applicable.

A. Yes, correct.

Q. In fact, that is the case, is it not?

A. Yes. (Tr. 141:6 - 21).

The testimony of the County Treasurer/CFO supports the clarification sought by the SOA in this case. Conflicting language and existing rates of contribution must come out of the contract and in its place a statement that the statutory mandates and provisions of Chapter 78 be applied and made effective for the parties. This is exactly the goal of the SOA, clarification. This is exactly what is occurring and has no negative impact on the Employer.

In conclusion one must again wonder at where this public employer is coming from when notwithstanding the existence of a top quality law enforcement agency, the Camden County Sheriff's Office, one would even consider a new type of County law enforcement agency called "Metro Division". This Employer in this proceeding is seeking not to change the base pay rate in 2013 for these bargaining unit members while at the same time Camden County has a website which is offering higher rates of compensation to new Employees who will be doing County level law enforcement. *Exhibit U-12* in evidence is a copy of the website from the County of Camden captioned "CCPD 'Metro Division' Fact Sheet and Application". At the bottom of the page the salary range for a Lieutenant is One Hundred Six Thousand Four Hundred Seventy Dollars to One Hundred Sixteen Thousand Six Hundred Thirty Dollars (\$106,470.00 to \$116,630.00). The base pay of Lieutenant in this bargaining unit has of the end of 2012 was Ninety-Eight Thousand Eight Hundred Seventy Dollars (\$98,870.00), Seven Thousand Six Hundred Sixty-Three Dollars (\$7,663.00) less than the lowest range for a new employee who would be a Lieutenant in this yet to be created agency. The rate of pay for the existing Lieutenant would be Seventeen Thousand Eight Hundred Twenty-Three Dollars (\$17,823.00) less than what ostensibly is being offered at the top of the range for the yet to be hired Lieutenant for this new Metro Agency. It would take over and eighteen percent (18%) increase for the current incumbent just to make as much as is provided to the new guy who has not even been hired yet and is being solicited at the

higher rate. With respect to Captain, the bottom of the salary range for the new Captain is Thirteen Thousand Three Hundred Twenty-One Dollars (\$13,321.00) more than the current incumbent in this bargaining unit. It would take a 12.6% increase for the incumbent Captain the existing Sheriff's SOA just to reach the bottom of the range for the new person who has not even been hired yet. The top of the range represents a difference of Twenty-Four Thousand Six Hundred Ninety-Seven Dollars (\$24,697.00) for the yet to be hired Captain over the incumbent in this bargaining unit, the Sheriff's SOA in the rank of Captain and would require an increase of 23.4% in the incumbent SOA member in this case just to reach the rate of pay that the new person is being offered. What is going on here? There is a stated intent by the County of Camden to bring in people, although they haven't hired anyone yet apparently, at rates of pay significantly higher than existing County level law enforcement supervisors are making. Perhaps one day all of this will be explained.

Based upon the testimony and evidence introduced at hearing as well as the arguments set forth in this Brief, it is respectfully requested that the Arbitrator rule in favor of the Last Offer Position (*U-1*) and its several sub-parts in its entirety.

The County's Position²

I. THE COUNTY'S PROPOSAL SHOULD BE ADOPTED IN LIGHT OF: (A) THE COUNTY'S FISCAL RESTRAINTS; (B) THE COMPARATIVE IMPACT OF THE PARTIES' PROPOSALS; AND (C) AN APPLICATION OF THE RELEVANT FACTORS UNDER N.J.S.A. § 34:13A-16(g).

As set forth below, the County's proposal should be adopted in light of: (A) the County's fiscal constraints; (B) the comparative impact of the parties' proposals; and (C) an application of the relevant factors under N.J.S.A. 34:13A-16g. Each of these considerations is discussed in-depth below.

A. THE COUNTY'S FISCAL RESTRAINTS

From a national and local standpoint, the governmental sector is facing a negative economic outlook, brought on primarily by personnel-related expenses and increasing budgetary pressures. (Testimony of Vijay Kapoor at 189:15-25) And the County's economic realities are no exception. Relative to other New Jersey counties, the County ranks poorly in terms of key economic factors, such as per capita income, median household income, median home value, and unemployment rate.³ (C-36 at pp.21-25; Testimony of Vijay Kapoor at 194:22 to 195:11) Unlike the national economy, which has recently experienced some job

² The County's position was taken from pages 6-35 of its Brief. The footnotes extracted from the County's Brief are misnumbered in this Award because I was unable to renumber the footnotes after I performed the "cut and paste" function in Word format. Footnotes 3-6 in this Award are actually numbered 5-8 in the County's Brief.

³ During the February 20, 2013 arbitration hearing, the County submitted evidence establishing that its unemployment rate has more than doubled between December 2007 and December 2012, going from 4.9% to 9.6%. (C-36 at p.9) The County further demonstrated that its per capita income ranks 13th among the State's 21 counties, its median home value ranks 19th, and its per capita income ranks 17th. (C-36 at pp.21-25; Testimony of Vijay Kapoor at 203:2 to 204:25)

growth, the unemployment rate of the County's residents has been stagnant and far below the national standard. (C-36 at p.8; Testimony of Vijay Kapoor at 192:20-23) The impact of the County's extended and elevated unemployment rate falls squarely on the County's taxpayers. (Id. at 192:23-25) As testified by the County's Financial Expert, "[i]f you don't have a job or if your pay is being decreased, it is hard to pay taxes or to absorb any additional increases which the County has increased over the past two years." (Id. at 193:1-4)

Here, the costs afforded by the Expired CBA have increased well beyond the national and local rates of inflation, and consequently, the County's proposal in this arbitration is the maximum that the County can afford. During the February 20, 2013 arbitration hearing, the County demonstrated that its ability to pay the Superiors and Rank-and-File has deteriorated significantly since the Expired CBA's January 1, 2008 commencement date. (C-36) These cost pressures have caused the County to draw from its reserve funds, which have decreased from \$19.15 Million to \$7.75 Million since 2009. (C-36 at p.17)

Moreover, in 2012, Moody's Investors Services issued a Aa2 bond rating for the County's outstanding long-term debt. (C-36 at p.16; Testimony of Vijay Kapoor at 197:20-23) Moody's also identified the County's property tax revenue-raising constraints, a narrow current fund balance, and a rising debt burden as challenges facing the County. (C-36 at p.16) Moody's further

highlighted the County's declining fund balance as a challenge, recognizing that:

The County is faced with several challenges, including recessionary declines in economically sensitive revenues, the State's imposition of a more restrictive 2% cap on property taxes, and growing expenditure costs associated with salaries and employee benefits.

(C-36 at p.16; Testimony of Vijay Kapoor at 190:25 to 191:5)

Like other local and national governments, the County's fiscal challenges – including long term expenditure issues such as rising healthcare costs and growing retiree benefit liabilities – represents the “new normal.” (C-36 at p.6; Testimony of Vijay Kapoor at 191:1-5) As a result, the County's proposal is simply all that it can afford in light of its current and ongoing fiscal constraints. This Section explores the primary causes of the County's fiscal constraints, including: (1) the County's budget, revenue, and the statutorily mandated 2% property tax cap; (2) the County Sheriff's Department budget; (3) the County's rising labor costs; and (4) the costs associated with the Camden County Health Services Center.

1. County Budget, Revenue, and the Statutorily Mandated 2% Property Tax Cap.

The County's budget currently stands at approximately \$330 Million and is comprised by approximately 80% in property tax revenue. (C-4; Testimony of David McPeak at 122:1-6) From 2008-2012, the County's taxes appropriated as a percentage of assessed value increased by 22.7%. (C-4; C-5; C-6; C-7; C-36 at p.18) Absent those increases, the County's actual revenue would have been \$228.9 Million, or 18.5% less than current revenues and \$222.7 Million, or 20.1% less than current revenues. (C-36 at p.18) Previously, non-tax revenues represented a much higher percentage of the County's budget, but over the last four years, the County has experienced a significant decline in its registered fees revenue from \$11 Million to \$3 Million and its interest on investments, which have declined from \$5 Million to \$100,000 annually. (Id. at 122:21 to 123:2; Testimony of Vijay Kapoor at 198:24-25)

From 2008 to 2012, the County's total revenue from property taxes has increased significantly from 65.8% to 82.4%, representing a real dollar increase of nearly \$40 Million. (C-36 at p.19; Testimony of Vijay Kapoor at 200:15-24) **The increase in revenue, however, is solely attributed to the County's raise in property taxes; not the growth of the County's economy.** (C-36 at p.18; Testimony of Vijay Kapoor at 200:3-9) Compounding the problem, the State has instituted a statutorily mandated 2% property tax cap, which has created additional constraints on the County's ability to generate revenue. (C-36 at p.19; see also P.L. 2010, c.44)

As a result of the 2% property tax cap, the County has been forced to cut its expenses and to draw down from its fund balance. (Testimony of David McPeak at 126:15-23) Specifically, the County has relied on its fund balance reserves to meet expenditure pressures, including salary and operations costs. (C-4; C-36 at p.17; Testimony of Vijay Kapoor at 198:11-17) Since FY2009, the County's total fund balance has decreased from \$19.1 Million to \$7.57 Million. (C-7; C-8; C-9; C-10; C-36 at p.17; Testimony of Vijay Kapoor at 198:11-17) And as the County's Financial Expert recognized, "if your fund balance declines, you're less able to deal with unanticipated expenditures...**so that is a serious concern....**" (Testimony of Vijay Kapoor at 199:11-13)

As set forth throughout this brief, the County's budgetary pressures, its declining revenue, and the statutorily mandated 2% property tax cap have placed significant financial constraints on the County and have placed added burdens on the County's residents.

2. The County Sheriff's Department Budget.

The Sheriff's Department budget is approximately \$15.5 Million, which is comprised mainly of salary and wages. (C-12; Testimony of David McPeak at 125:1-6) That amount would increase to \$21 Million if fringe benefits – such as health, pension, and other centrally-budgeted costs – were factored into the

analysis. (Id. at 125:3-6) And of that \$21 Million, only \$600,000 does **not** include salary, wage, and other fringe costs that are labor-related. (C-12; Id. at 125:22 to 126:2) Indeed, since 2000, over 95% of the Sheriff's Department's budget expenditures were attributed to personnel costs. (C-12; Testimony of Vijay Kapoor at 201:12-15)

3. County Rising Labor Costs.

The County's reduced revenue has been accompanied by a drastic increase in its labor-related expenses. Over the last several years, the County's labor costs have increased beyond 2%, which as stated, is the maximum percentage allowed for property tax increases under P.L. 2010, c.44. (Testimony of David McPeak at 133:17-20) For example, since 2003, the Superiors' across-the-board wage increases have totaled 37.2%, not including the 7% salary increase for each member with 22 or more years of PERS-recognized experience. (C-36 at p.31; Testimony of Vijay Kapoor at 207:15 to 209:9) Contrasted against the Consumer Price Index (CPI) in the Philadelphia-Wilmington-Atlantic City Metropolitan Area, the Superiors' wage increases since 2003 have **outpaced the rate of growth of regional consumer prices by 7.7%**. (C-36 at p.33; Testimony of Vijay Kapoor at 207:15 to 209:9) Focusing solely on the period of the Expired CBA, the Superiors received compounded wage increases

of 12.5%, **outpacing the rate of growth of regional consumer prices by over 3%**.
(C-36 at p.34; Testimony of Vijay Kapoor at 207:15 to 209:9)

In addition, over the past decade, the cost of national health insurance premiums has increased at a rate that is more than three times faster than workers' earnings or consumer prices. (C-36 at p.12; Testimony of Vijay Kapoor at 196:5-7) While the Superiors have converted from the County's self-funded health insurance plan to the State health benefits plan on September 1, 2012, in accordance with Ch. 78, P.L. 2011, the conversion did not should not "save" revenue for the County. (Testimony of David McPeak at 128:14-21) Indeed, the conversion merely reduced the County's escalating health care costs, which increased 9% on January 1 of this year alone. (Id. at 128:18 to 129:2) Although County employees have also been contributing toward their health insurance benefits over the last several years, those contributions **have not** offset the health insurance premium cost increases to the County. (Id. at 129:15-23) Moreover, the County still faces payment obligations arising from its prior self-funded plan, as claims incurring prior to September 1, 2012 – under the self-insured plan – are still being processed. (Id. at 129:3-11) In addition to the County's expenditures, it should further be noted that the rising cost of healthcare is detrimental to the County's **taxpayers**. It is axiomatic that as healthcare costs escalate, the County's taxpayers must dedicate more of their

own income toward their respective employer healthcare plans. (Testimony of Vijay Kapoor at 196:4-12)

The County has also been impacted by its rapidly escalating retiree benefit and pension contribution obligations. (C-36 at p.13; Testimony of Vijay Kapoor at 196:17-21) Over the last year, the County's mandated contributions to its police department pensions have increased by \$300,000. (Testimony of David McPeak at 130:17-23) Relative to other states, New Jersey faces one of the most significant challenges when it comes to pension funding, which directly impacts the County and its residents. (Testimony of Vijay Kapoor at 196:22 to 197:16)

4. The Camden County Health Services Center.

As testified by the County's Financial Expert, the County is facing significant budgetary challenges going forward. The County, however, is bracing for an immediate drain on the 2013 budget through the sale of the Camden County Health Services Center (Health Services Center). During 2013, the County will be forced to sell the Health Services Center (Health Services Center), a semi-autonomous entity not included in the County's tax base. (Testimony of David McPeak at 137:4-25) Currently, the County operates and oversees the Health Services Center; a 300 bed long-term care facility and 150

bed psychiatric behavioral health facility. (Testimony of David McPeak at 134:4-13) The County subsidizes the Health Services Center, which costs approximately \$6.5 Million on a per year basis. (Id. at 134:17-20) Over the last several years, the Health Services Center has experienced "severe cash flow issues." (Id. at 134:5-8) The Health Services Center further operates at a structural deficit and, consequently, the County assisted the Center with increased cash flow. (Id. at 135:17-20) For example, the County "floats" the Hospital by permitting it to make its health care, lease, and debt service payments at the end of the calendar year. (Id. at 135:17 to 136:3) In total, the County budgets over \$6.5 Million toward the operation of the Hospital. (Id. at 136:12-15)

At present, the County has taken steps to sell its interest in the Health Services Center. (Id. at 137:4-15) When the proposed sale becomes final, most if not all of the Hospital's employees will be laid off. (Id. at 137:21-25) The layoffs, however, will only marginally reduce the County's labor-related obligations and liabilities, as the Health Services Center employee's salary and benefits are primarily funded by State Medicare and Medicaid, which will cease upon the sale of the Center. (Id. at 135:1-16; 160:19 to 161:2) Moreover, the County will face continued expenses after the sale of the Center. For instance, the County will be responsible for benefits paid to existing employee retirees, as well as **\$15 Million** in outstanding pension obligations. (Id. at 139:9-13) With respect to the aforementioned 2% property tax cap, none of these expenses related to the

Health Services Center are exempt from the cap and would likely be funded from available fund balances. (Id. at 139:14-19)

In sum, the County faces tremendous budgetary and revenue constraints caused by an increased reliance on property taxes, the statutorily mandated 2% property tax cap, a rapidly decreasing fund balance, and escalating labor costs. (C-36; Testimony of Vijay Kapoor at 201:21 to 202:3) As a result, the County's proposal – which would maintain the Superiors' status as one of the highest paid County police units within Southern New Jersey – represents the maximum proposal that the County can afford.

B. THE COMPARATIVE IMPACT OF THE PARTIES' PROPOSALS

During the February 20, 2013 arbitration hearing, the County's proposal and the Superiors' proposal were submitted as Exhibit C-1 and Exhibit U-1, respectively. Through the testimony of the County Sheriff, Human Resources Director, Chief Financial Officer, and the County's Financial Expert Director, the County demonstrated that its proposal strikes a necessary balance between the County's economic realities and maintaining the Superiors' status as one of the highest paid county police units in the region. (Exhibit C-56 at pp.47-50) The County further demonstrated that the Superiors' proposal – which seeks 2.5% base salary increases in violation of N.J.S.A. 34:13A-16.7 – is simply unaffordable.

This section sets forth the comparative impact of the parties' proposals with respect to: (1) the term of the Agreement; (2) base salary; (3) overtime compensation; (4) holiday pay; (5) senior status increases; (6) proposed buybacks of sick days; (7) uniform allowance; (8) health benefits contributions; (9) personal days; (10) shift differential; (11) grievances, operations, and management rights; (12) and seniority.

1. Term of the Agreement. The County has proposed a 4-year term for the new Agreement, while the Superiors have proposed a 3-year term. The past pattern between the parties with respect to the term of the Agreement has been **4 years**. Specifically, the past two collective bargaining agreements between the County and the Superiors have been 4 years. (C-9; C-10) Moreover, a 4-year term will provide the County with more stability, which is particularly relevant in light of the County's budgetary pressures and declining revenue. As such the County's proposed term should be awarded.

2. Base Salary. Under the County's proposal, the Superiors' base salary would remain the same in 2013, and would then increase by 1%, 2%, and 2% in 2014, 2015, and 2016, respectively. (C-1) Cumulatively, with respect to base salary increases alone, the 8 member Superiors' bargaining unit would receive \$42,644 over the life of the proposed agreement. (C-1; C-33) The Superiors would also realize compensation increases in the form of overtime and shift

differential. (C-36 at p.74) If adopted, these increases **would maintain the Superiors' status as one of the highest paid county police units in the region.** (C-36 at p.38; Testimony of Vijay Kapoor at 210:16-25)

In contrast, the Superiors' proposal seeks a 2.5% base salary increase in 2013, 2014, and 2015. (U-1; Testimony of Lt. Brandley at 43:4-6) First, the Superiors' proposal is a blatant disregard of N.J.S.A. 34:13A-16.7, as it seeks base salary increases in excess of the statutorily mandated 2% cap. Under the statute, "base salary" is defined as "the salary provided pursuant to a salary guide or table and any amount provided pursuant to a salary increment, including any amount provided for longevity or length of service." N.J.S.A. 34:13A-16.7(a). The statute further mandates that "[a]n arbitrator shall not render any award...which, on an annual basis, increases base salary items by more than 2.0 percent of the aggregate amount expended by the public employer...in the twelve months immediately preceding the expiration of the collective negotiation agreement...." N.J.S.A. 34:13A-16.7(b). Thus, the Superiors' proposal for across-the-board base salary increases of 2.5% during the proposed term of the new agreement is a patent violation of N.J.S.A. 34:13A-16.7(a) and (b).

Under the Expired CBA and as set forth in the County's Exhibit C-32, "Camden County Sheriff's Superiors 2012 Salary Data Spreadsheet," the Superiors' collective "base salary" in 2012 was \$852,451. (C-32) Based upon that

figure, the Superiors' proposed 2.5% base salary increase would result in a **\$38,360 difference between the County's proposal and the Superiors' proposal over a 3-year contract term and a \$42,622 difference over a 4-year contract term.** (C-1; C-32; U-1) When considering ancillary compensation such as shift differential, sick day buybacks, overtime, and holiday pay, the cost impact of the Superiors' proposal is **\$222,314** higher than the County's proposal, or **\$266,936** higher when base salary and ancillary compensation are combined. (C-32; C-36 at p.70; Testimony of Vijay Kapoor at 217:20 to 218:22) **This represents over \$33,000 in increased compensation costs per member of the Superiors' bargaining unit.** (Id.)

As the County's Financial Expert testified, if the Superiors' proposal were implemented and applied as a pattern to the Rank-and-File bargaining unit in the context of base salary, the County would pay an additional **\$3.48 Million** above and beyond its proposal. (C-36 at p.73; Testimony of Vijay Kapoor at 222:9 to 223:13) Therefore, the County's proposed base salary increases should be awarded.

3. Overtime. The County seeks to eliminate the provisions in the Expired CBA that provide the Superiors with excessive overtime compensation. (C-1) The Superiors' proposal does not address the current provisions in the Expired CBA regarding overtime, nor did the Superiors present any viable arguments against

the County's proposal during the February 20, 2013 arbitration hearing. Therefore, the County's proposal should be adopted.

4. Holiday Pay. Under the Expired CBA, the Superiors receive 13 paid holidays. (C-10) The Superiors' proposal seeks to "fold" their holiday pay into their base salary, so that a higher value will be used for "all computation purposes." (U-1; Testimony of Lt. Brandley at 46:7-15, 58:11-19) If adopted, the Superiors' proposal would increase the Superiors' biweekly pay, overtime compensation senior status increases. (C-10; Testimony of Lt. Brandley at 46:7-15) It must be emphasized that the paid holidays are **already** included in the Superiors' compensation under the Expired CBA. (C-10) Consequently, the Superiors' proposal qualifies as a salary item that was not included in Expired CBA, and is thus beyond the scope of this arbitration pursuant to N.J.S.A. 34:13A-16.7(b).

In addition, it must be emphasized that there are currently 67 Sheriff's Officers assigned to the Hall of Justice Courthouse and other County court facilities. (Testimony of Lt. Brandley at 18:1-9) As acknowledged by Lieutenant Brandley, an overwhelming majority of Sheriff's Officers are assigned to and work in the County's court facilities. (Testimony of Lt. Brandley at 60:13-18; Testimony of Sheriff Charles Billingham at 102:2-4, 106:7-10) Those court facilities are closed on State holidays, and all of those holidays are the holidays that are

included in the Expired CBA. (Testimony of Lt. Brandley at 61:19-25; Testimony of Sheriff Billingham at 106:18-21) Further, the Lieutenant confirmed that the majority of Sheriff's Officers that work security for the County's court facilities are not needed on days when those facilities are closed. (Id. at 61:1-4)

As testified by Sheriff Charles Billingham, who oversees the Sheriff's Department's daily operations, there is no operational need to deploy the Sheriff's Officers who work in the Hall of Justice to other locations on paid holidays. (Testimony of Sheriff Billingham at 106:22 to 107:4) With respect to the Superiors, the Sheriff testified it would be unusual to require a Sheriff's Officer to work on a paid holiday. (Id. at 107:16-21) Indeed, Sheriff Billingham observed that "[t]he rest of the world goes on without us on holidays....There's no real need to do that." (Id. at 107:23-24) Last, the Sheriff stated there would be no operational benefit to paying the Sheriff's Officers an additional 13 days pay, through rolling holiday pay into the officers' base salary. (Id. at 107:25 to 108:8) Therefore, the Superiors' proposal regarding holiday pay should be rejected by the Arbitrator.

5. Senior Status Increases. Under the Expired CBA, the Superiors receive a 7-percent base salary increase after 22 years of completed service. (C-10; Testimony of Lt. Brandley at 37:19-24) The Superiors, however, have proposed to reduce the "access point" for senior status from the present 22 years to 15 years.

(U-1; Testimony of Lt. Brandley at 43:18-21) The impact of that proposal, if adopted, would cause at least two of the Superiors to receive their senior status during the term of this agreement and could potentially allow for additional increases if members of the Rank-and-File are promoted to Lieutenant due to other promotions or retirements. (Testimony of Lt. Brandley at 43:18 to 44:7) For instance, where 5 out of the 7 Superiors are eligible for retirement within the next three to four years, all Rank-and-File officers with 15 years of experience who replace the retired Superiors will be eligible for the senior status increase. (Id. at 69:16-22)

During the parties' arbitration hearing, the Superiors failed to articulate any viable reason why such a change to the senior status access point is necessary. Moreover, in light of the County's fiscal constraints, the Superiors' proposal is unwarranted and should be rejected by the Arbitrator accordingly.

6. Sick Leave Buyback. The Superiors have proposed that when an employee has accumulated at least 100 sick days in his or her accumulated sick leave bank, the employee "may sell up to 10 sick days per year at the then current rate of compensation." (U-1; Testimony of Lt. Brandley at 49:23 to 50:1) Like the Superiors' proposal regarding Holiday Pay, this proposal qualifies as a salary item that was not included in Expired CBA, and is thus beyond the scope of this arbitration pursuant to N.J.S.A. 34:13A-16.7(b).

In addition, the County would be unable to fund such an increase as an exception to the 2% property tax cap. (Testimony of David McPeak at 131:21 to 132:4) Thus, as the County's labor costs have exceeded the 2% property tax cap, adopting the Superiors' proposal with respect to sick leave buyback would place additional and unnecessary strain on the County's limited budget. (Id. at 132:5-11) Indeed, the County's Chief Financial Officer testified that the County already relies upon its fund balance and other sources of non-tax revenue to pay its increased labor costs. (Id. at 133:21 to 134:1) Moreover, this new economic provision will do nothing to provide relief from the cost of accumulated leave payouts, since those payouts are already capped. Therefore, the Superiors' proposal regarding sick leave buybacks should be rejected by the Arbitrator.

7. Uniform Allowance. Under the Expired CBA, the Superiors receive an annual reimbursement of \$850 for the purpose of "uniform allowance." (C-10) Lt. Brandley testified that the \$850 allotment covers dry-cleaning expenses in an amount of \$20 per week, or approximately \$1,000 per year. (Testimony of Lt. Lawrence Brandley at 48:6-20) Those expenses, however, are deducted by the Sheriff's Officers on their annual tax statements. (Testimony of Lt. Brandley at 61:12-16) Moreover, the current uniform allowance received by the Superiors is competitive with other New Jersey county police units, particularly in

comparison to the Southern New Jersey Counties. (C-36 at p.45) Therefore, the Superiors' proposal regarding uniform allowance should be rejected.

8. Healthcare Benefits Contributions. Pursuant to Chapter 78, P.L. 2011, the Superiors have converted from the County's self-funded health insurance plan to a State health benefits plan on September 1, 2012, in accordance with Ch. 78, P.L. 2011. (Testimony of Lt. Brandley at 42:4-14) Thus, the parties have stipulated that the Superiors' healthcare benefits contributions shall be made in accordance with Ch. 78, P.L. 2011. (Transcript at 182:10 to 183:9) The Superiors, however, have argued that the statutory language in Ch. 78, P.L. 2011 should not be included in the parties' new collective bargaining agreement. (Comments of Richard Loccke, Esq. at 183:10-13) Indeed, the County's proposal sets forth the statutory language in Ch. 78, P.L. 2011. (C-1) Despite their objections, the Superiors failed to articulate any viable reason – through testimony or exhibits – as to why the language in Ch. 78, P.L. 2011 should not be included in the parties' new collective bargaining agreement.

In addition, the County's proposal to incorporate the language of the State health benefits plan memorializes the current practice between the parties. As directed in Arbitrator Zausner's June 10, 2011 Award, the County's insurance proposal "shall replace Articles XII and XXV in the 2003-2007 contracts." (C-8 at p.38; C-10; C-33; U-4) There is no dispute that, consistent with

Arbitrator Zausner's Award, the County's proposed language memorializes what is currently offered under the Expired CBA. Therefore, the County's proposal with regard to healthcare benefits and statutory contributions should be adopted.

9. Personal Days. The County's proposal seeks to reduce the number of personal days afforded to the Superiors from six to three. (C-1) Put simply, no other County bargaining unit receives six days, and the Superiors have not offered any viable argument as to why they should be the exception. (Testimony of Brian Eisen at 162:23 to 163:4) In fact, the majority of the County's bargaining units are afforded **three** personal days, with few exceptions. (Id. at 163:4-6) Moreover, **none of the other county police bargaining units provide their respective sheriff's officers with six personal days.** (C-36 at p.48; Testimony of Vijay Kapoor at 213:10-19) This amount of personal days is excessive and not warranted, given the number of days each officer receives. (C-10) Therefore, in accordance with other County bargaining units and the county police bargaining units throughout the State, the Arbitrator should adopt the County's proposal with regard to personal days.

10. Shift Differential. The County has further proposed a reduction of shift differential from 6% to 3% for second shift and 8% to 6% for third shift. (C-1) As presented by the County's Financial Expert, **the majority of New Jersey County Sheriff's Departments do not offer shift differential to their respective sheriff's**

officers. (C-36 at p.49; Testimony of Vijay Kapoor at 213:20-22) During the parties' arbitration hearing, the Superiors failed to articulate any viable reason – through testimony or exhibits – as to why their excessive shift differential compensation should not be modestly reduced. This reduction is consistent with the pattern of settlement of the only other current County contract and only has a modest impact on the Superiors. (C-30; C-34) Thus, the County's proposal regarding shift differential should be adopted.

11. Grievances, Operations, and Workers' Compensation. With respect to grievances, the County has proposed moderate changes that will ensure the effectiveness of the Superiors' grievance procedure. (C-1; Testimony of Brian Eisen at 165:18 to 166:6) Indeed, the current practice of skipping the County step of the process – which the County seeks to implement – bypasses a crucial step of the process where County counsel has the opportunity to provide legal analysis and support in attempting to resolve the matter before grievance arbitration costs are incurred by both parties. Further, this step is limited in duration, so there is no detriment to the grieving party. (C-1) As confirmed by the County's Human Resources Director, the County's proposal will prevent additional and unnecessary grievance-related expenses. (Testimony of Brian Eisen at 184:11-15)

The County's proposal seeks to eliminate the Expired CBA's limitation on the number of times the Sheriff can alter an officer's schedule during any given year. (C-1) Reviewing this proposal, Sheriff Billingham agreed that such limitations should be removed. Specifically, the Sheriff testified that "when you're talking about public safety and those issues, it is extremely too restrictive....to not be able to change staffing for safety issues or public safety issues is absurd to me...." (Testimony of Sheriff Billingham at 112:2-8) Thus, the proposal curbs the potential for abuse while recognizing the dangers of the job.

The County's proposal further modifies the manner in which workers compensation benefits are paid to the Superiors. (C-1) Specifically, the County proposes a 90-day period for full benefits pay with a discretionary six-month extension. (C-1; Testimony of Brian Eisen at 163:24 to 164:4) This proposal balances the need to discourage abuse against the recognition of the potential hazards of the job.

Last, and as stipulated during the arbitration hearing, the County withdraws its proposal on page 10, section 6, paragraph D, regarding leave time for Executive Board duties. In light of the foregoing, the Arbitrator should adopt the County's proposals with regard to grievances, operations, and management rights.

12. Seniority. The County has proposed to eliminate the requirement that seniority be a “major” factor with respect to determining promotions, job applications, and shift assignments. (C-1) While the County’s proposal offers a continued recognition that seniority is in-fact a factor in making the aforementioned determinations, reducing the emphasis on seniority fixes a fundamental problem in the Expired CBA. Indeed, Sheriff Billingham testified that for him to have to promote an officer based upon “how long they’ve been around” is a “foolish, foolish thing for any organization.” (Testimony of Sheriff Billingham at 110:12 to 111:1) The Sheriff expressed confusion regarding the practice and indicated that the language is unclear as written. (Id. at 110:4-22) The Sheriff, however, acknowledged that under the County’s proposal, seniority would “absolutely” remain a determinative factor.⁴ (Id. at 111:2-12)

In sum, the County’s proposal strikes a necessary balance between the County’s fiscal constraints and maintaining the Superiors’ competitive status as one of the highest paid County police units within Southern New Jersey. Conversely, the Superiors’ proposal is beyond the scope of what is permissible under New Jersey law and, in any event, is unaffordable. In light of the aforementioned fiscal constraints and the below application of N.J.S.A. 34:13A-16(g), the County’s proposal should be adopted in its entirety.

⁴ The Superiors’ proposal also seeks to eliminate language in the Expired CBA regarding the grandfathering of Longevity. (U-1) This language has no substantive impact on this arbitration, but was instead included for the purpose of memorializing the negotiation of Longevity. (C-10)

C. EACH OF THE RELEVANT STATUTORY FACTORS UNDER N.J.S.A. § 34:13A-16(g) WEIGH HEAVILY IN SUPPORT OF THE COUNTY'S PROPOSAL.

The relevant statutory factors under N.J.S.A. § 34:13A-16(g) clearly weigh in favor of the County's proposal. Those factors are: (1) the interests and welfare of the public; (2) the lawful authority of the employer and statutory restrictions imposed on the employer; (3) the financial impact on the governing unit, its residents, and taxpayers; (4) stipulations of the parties; (5) the cost of living; (6) a comparison of the terms and conditions of employment; (7) the overall compensation presently received by the bargaining unit; and (8) the continuity and stability of employment. See N.J.S.A. § 34:13A-16(g). Applied here, each of these factors favors adoption of the County's proposal.

1. Interest and Welfare of the Public.

During the February 20, 2013 arbitration hearing, the County demonstrated that its rising cost obligations and its declining revenue. Particularly, the County demonstrated how those fiscal constraints have placed added pressure on the County's residents. For example, the impact of the County's extended and elevated unemployment rate falls squarely on the County's taxpayers. (Testimony of Vijay Kapoor at 192:23-25) As testified by the County's Financial Expert, "[i]f you don't have a job or if your pay is being decreased, it is hard to pay taxes or to absorb any additional increases which

the County has increased over the past two years." (Id. at 193:1-4) As presented by the County's Financial Expert, since 2000, over 95% of the Sheriff's Department's budget expenditures were attributed to personnel costs. (C-4; Id. at 201:12-15) With costs per employee rising and revenues declining, the State and the County face significant challenges when it comes to pension funding, which directly impacts the County and its residents. (Id. at 196:22 to 197:16) In the context of rising healthcare costs, those rising costs have been detrimental to the County's residents. Indeed, as healthcare costs escalate, the County's taxpayers must dedicate more of their own income toward their respective healthcare plans. (Id. at 196:4-12)

Most significant is the County's increasing reliance on property tax revenue which, inherently, has impacted its resident taxpayers. From 2008 to 2012, the County's total revenue from property taxes has increased significantly from 65.8% to 82.4%, representing a real dollar increase of nearly \$40 Million. (C-36 at p.19; Testimony of Vijay Kapoor at 200:15-24) **The increase in revenue, however, is solely attributed to the County's raise in property taxes; not the growth of the County's economy.** (C-36 at p.18; Testimony of Vijay Kapoor at 200:3-9) Compounding the problem, the State has instituted a statutorily mandated 2% property tax levy cap, which has created additional constraints on the County's ability to generate revenue. (C-36 at p.19; see also P.L. 2010, c.44) As a result of the 2% property tax cap, the County has been forced to cut

its expenses and to draw down from its fund balance. (Testimony of David McPeak at 126:15-23)

The County's rising labor costs and its declining revenue are particularly problematic in this arbitration, where the Superiors have proposed excessive compensation increases, in violation of N.J.S.A. 34:13A-16.7 and its cap of 2% on base salary increases. Specifically, the Superiors propose salary increases of 2.5% in 2013, 2014, and 2015. If adopted, these base salary increases would result in a **\$38,360 difference between the County's proposal and the Superiors' proposal over a 3-year contract term and a \$42,622 difference over a 4-year contract term.** (C-1; C-32; U-1) When considering ancillary compensation such as shift differential, sick day buybacks, overtime, and holiday pay, the cost impact of the Superiors' proposal is **\$222,314** higher than the County's proposal, or **\$266,936** higher when base salary and ancillary compensation are combined. (C-32; C-36 at p.70; Testimony of Vijay Kapoor at 217:20 to 218:22) **This represents over \$33,000 in increased compensation costs per member of the Superiors' bargaining unit.** (Id.)

As the County's Financial Expert testified, if the Superiors' proposal were implemented and applied as a pattern to the Rank-and-File bargaining unit in the context of base salary, the County would pay an additional **\$3.48 Million** above and beyond its proposal. (C-36 at p.73; Testimony of Vijay Kapoor at

222:9 to 223:13) When factoring in ancillary compensation to the Rank-and-File such as shift differential, sick day buybacks, overtime, and holiday pay the cost impact of the Superiors' proposal is **\$5.66 Million** higher than the County's proposal. (C-36 at p.70; Testimony of Vijay Kapoor at 222:9 to 223:13) Cumulatively, the effect of the Superiors' proposal on the County's payment liability would be approximately **\$5.93 Million** higher than the County's proposal. (C-32; C-34; C-36 at p.75; Testimony of Vijay Kapoor at 219:13 to 220:20) As set forth during the arbitration hearing and throughout this brief, such cost obligations are unwarranted and would result in further cost pressures for the County and its residents.

Furthermore, the Superiors' proposals regarding holiday pay and sick leave buybacks qualify as new economic items that were not included in Expired CBA, and are thus beyond the scope of this arbitration pursuant to N.J.S.A. 34:13A-16.7(b). Therefore, those provisions of the Superiors' proposal, as well as any proposed base salary increases over the mandatory 2% cap, should be stricken from the Arbitrator's consideration.

Last, the Superiors have not presented any evidence indicating a link between their proposal and the safety of the County's residents. The County's Sheriff's Department operates efficiently with 159 sworn officers. (Testimony of Sheriff Billingham at 100:18-22) The Sheriff's Officers have even had the luxury of

increasing their numbers at the County's court facilities from 47 to 67, since 2011. (Testimony of Lt. Brandley at 18:1-9) In no way, however, have the Superiors indicated that if their proposal is rejected, the Sheriff's Department will run less efficiently and/or the number of Sheriff's Officers will decrease. Conversely, and from a broader standpoint, the safety of the County's residents may be impacted if the County is continuously forced to draw down from its fund reserves. As the County's Financial Expert recognized, "if your fund balance declines, you're less able to deal with unanticipated expenditures...**so that is a serious concern....**" (Testimony of Vijay Kapoor at 199:11-13)

Therefore, the impact of the County's proposal on the welfare and safety of the County's residents is clearly more favorable than the impact of the Superiors' proposal. The Arbitrator should adopt the County's proposal accordingly.

2. Lawful Authority and Statutory Restrictions on the Employer.

In the context of these negotiations, the County's revenue and ability to pay the Superiors is limited by the statutory mandate of the 2% cap on property tax increases. Moreover, the Superiors' contention that the County has "saved" money pursuant to Ch. 78, P.L. 2011 is entirely misguided and does not warrant

adopting the Superiors' proposal. The impact of each of these statutory provisions is set forth below.

a. The mandated 2% property tax levy cap.

From 2008 to 2012, the County's total revenue from property taxes has increased significantly from 65.8% to 82.4%, representing a real dollar increase of nearly \$40 Million. (C-36 at p.19; Testimony of Vijay Kapoor at 200:15-24) The increase in revenue, however, is solely attributed to the County's raise in property taxes; not the growth of the County's economy. (C-36 at p.18; Testimony of Vijay Kapoor at 200:3-9) Compounding the problem, **the State has instituted a statutorily mandated 2% property tax cap**, which has created additional constraints on the County's ability to generate revenue. (C-36 at p.19; see also P.L. 2010, c.44)

As a result of the 2% property tax cap, the County has been forced to cut its expenses and to draw down from its fund balance. (Testimony of David McPeak at 126:15-23) Specifically, the County has relied on its fund balance reserves to meet expenditure pressures, including salary and operations costs. (C-36 at p.17; Testimony of Vijay Kapoor at 198:11-17) The 2% property tax cap has placed substantial financial constraints upon the County which, if adopted, would be exacerbated by the Superiors' proposal.

b. Ch. 78, P.L. 2011.

Over the past decade, the cost of national health insurance premiums has increased at a rate that is more than three times faster than workers' earnings or consumer prices. (C-36 at p.12; Testimony of Vijay Kapoor at 196:5-7) While the Superiors have converted from the County's self-funded health insurance plan to the State health benefits plan on September 1, 2012, in accordance with Ch. 78, P.L. 2011, the conversion did not reduce costs for the County. (Testimony of David McPeak at 128:14-21) Indeed, the conversion merely mitigated the County's escalating health care costs, which increased 9% on January 1 of this year alone. (Id. at 128:18 to 129:2) Although County employees have also been contributing toward their health insurance benefits over the last several years, those contributions **have not** offset the annual health insurance premium cost increases to the County. (Id. at 129:15-23) Moreover, the County still faces payment obligations arising from its prior self-funded plan, as claims incurring prior to September 1, 2012 – under the self-insured plan – are still being processed. (Id. at 129:3-11) Thus, any argument by the Superiors that Ch. 78, P.L. 2011 has increased the County's ability to pay salary increases would be misguided.

In addition, **the Superiors have already received salary increases pursuant to the perceived savings brought on by the County's premium sharing obligation**

that was in excess of Ch. 78, P.L. 2011. Indeed, on June 10, 2011, Arbitrator Barbara Zausner awarded the Superiors and the Rank-and-File salary increases **to offset their increased healthcare contributions.** (C-8) In her Award, Arbitrator Zausner stated:

The award of the County's insurance proposals is closely tied to the wage increases awarded. The County will achieve significant savings through the adoption of its insurance proposals. The amounts thus generated will go toward funding the wage increases.

(C-8)

Furthermore, these premium sharing rates awarded by Arbitrator Zausner are reduced in the short term under the County's comprehensive proposal. (C-8) The undeniable conclusion is that the Superiors have already received salary increases pursuant to the **perceived** savings from their switch to the State health benefits plan and/or the premium sharing requirements of both the Zausner Award and Ch. 78, P.L. 2011. Therefore, any argument by the Superiors' that they should be awarded additional increases based upon their conversion to State health benefits plan is misguided and if adopted, would result in an unwarranted financial windfall.

In sum, an analysis of the aforementioned statutory mandates reveals that: (a) the Superiors' proposal is a patent violation of N.J.S.A. 34:13A-16.7; and

(b) the County's ability to pay salary increases to the Superiors is limited to the terms within the County's proposal. Therefore, this factor clearly weighs in favor of the County's proposal.

3. The Financial Impact of the Parties' Proposals on the County.

Under the County's proposal, the Superiors' base salary would remain the same in 2013, and would then increase by 1%, 2%, and 2% in 2014, 2015, and 2016, respectively. (C-1) Cumulatively, with respect to base salary increases alone, the 8-member Superiors' bargaining unit would receive \$42,644 over the life of the proposed agreement. The Superiors would also realize compensation increases in the form of overtime and shift differential. If adopted, these increases **would maintain the Superiors' status as one of the highest paid county police units in the region.** (C-36 at p.38; Testimony of Vijay Kapoor at 210:16-25)

In contrast, the Superiors' proposal seeks a 2.5% wage increase in 2013, 2014, and 2015. (U-1; Testimony of Lt. Brandley at 43:4-6) First, the Superiors' proposal is a blatant disregard of N.J.S.A. 34:13A-16.7, as it seeks base salary increases in excess of the statutorily mandated 2% cap. Furthermore, the Superiors' proposals regarding holiday pay and sick leave buybacks qualify as new economic items that were not included in Expired CBA, and are thus beyond the scope of this arbitration pursuant to N.J.S.A. 34:13A-16.7(b).

Moreover, the Superiors' proposed base salary increase of 2.5%, if adopted, equates to a **\$38,360 difference between the County's proposal and the Superiors' proposal over a 3-year contract term and a \$42,622 difference over a 4-year contract term.** (C-1; C-32; U-1) When considering ancillary compensation such as shift differential, sick day buybacks, overtime, and holiday pay, the cost impact of the Superiors' proposal is **\$222,314** higher than the County's proposal, or **\$266,936** higher when base salary and ancillary compensation are combined. (C-32; C-36 at p.70; Testimony of Vijay Kapoor at 217:20 to 218:22) **This represents over \$33,000 in increased compensation costs per member of the Superiors' bargaining unit.** (Id.)

As the County's Financial Expert testified, if the Superiors' proposal were implemented and applied as a pattern to the Rank-and-File bargaining unit in the context of base salary, the County would pay an additional **\$3.48 Million** above and beyond its proposal. (C-36 at p.73; Testimony of Vijay Kapoor at 222:9 to 223:13) When factoring in ancillary compensation to the Rank-and-File such as shift differential, sick day buybacks, overtime, and holiday pay the cost impact of the Superiors' proposal is **\$5.66 Million** higher than the County's proposal. (C-36 at p.70; Testimony of Vijay Kapoor at 222:9 to 223:13) Cumulatively, the effect of the Superiors' proposal on the County's payment liability would be approximately **\$5.93 Million** higher than the County's proposal.

(C-32; C-34; C-36 at p.75; Testimony of Vijay Kapoor at 219:13 to 220:20)
Therefore, the County's proposed base salary increases should be awarded.

With regard to the Superiors' proposed "sick leave buy back" provisions, the County would be **unable** to fund such an increase as an exception to the 2% property tax cap. (Testimony of David McPeak at 131:21 to 132:4) Thus, as the County's labor costs have exceeded the 2% property tax cap, adopting the Superiors' proposal with respect to sick leave buyback would place additional and unnecessary strain on the County's labor-related payment obligations. (*Id.* at 132:5-11) Indeed, the County's Chief Financial Officer testified that the County already relies upon its fund balance and other sources of non-tax revenue to pay its increased labor costs.⁵ (*Id.* at 133:21 to 134:1) In addition, with respect to the Superiors' proposal to reduce the "senior status access point" from 22 years to 15 years, the impact would cause at least two of the Superiors to receive their 7% senior status increase during the term of this agreement. (Testimony of Lt. Brandley at 43:18 to 44:7) For instance, where 5 out of the 7 Superiors are eligible for retirement within the next three to four years, all Rank-and-File officers with 15 years of experience who replace the retired Superiors will be eligible for the senior status increase. (*Id.* at 69:16-22) Therefore, the potential impact of this longevity provision must be considered as part of the costing analysis of the Award.

⁵ This proposal is also a new economic provision that should not be awarded, in accordance with the Arbitration Reform Act. See N.J.S.A. 34:13A-16.7(b).

In sum, the Superiors' proposal, if adopted, would require the County to further rely upon its declining fund balance and non-tax revenue, which is simply unwarranted in light of the County's financial constraints. (Testimony of David McPeak at 133:21 to 134:1) By contrast, the County's proposal strikes a necessary balance between the County's fiscal constraints and maintaining the Superiors' competitive status as one of the highest paid County police units within Southern New Jersey. This factor, therefore, plainly favors the County's proposal.

4. Stipulations of the parties.

The Superiors have agreed to enroll in the State Health Benefits Program. See U-1. In addition, the County withdraws its proposal on page 10, section 6, paragraph D, regarding leave time for Executive Board duties.

5. Cost of Living.

The Consumer Price Index ("CPI"), as reported by the Bureau of Labor Statistics, demonstrates that the Superiors have been paid well-above the rate inflation throughout the CBA period. (Exhibit C-36 at p.32-34) For example, since 2003, the Superiors' across-the-board wage increases have totaled 37.2%, not including the 7% raise for each member with 22 or more years of PERS-

recognized experience. (C-36 at p.31; Testimony of Vijay Kapoor at 207:15 to 209:9) Contrasted against the Consumer Price Index (CPI) in the Philadelphia-Wilmington-Atlantic City Metropolitan Area, the Superiors received compounded wage increases totaling 37.2% for the January 2003 to December 2012 time period, **outpacing the rate of growth of regional consumer prices by 7.7%.** (C-36 at p.33; Testimony of Vijay Kapoor at 207:15 to 209:9) Focusing solely on the period of the Expired CBA, the Superiors received compounded wage increases of 12.5%, **outpacing the rate of growth of regional consumer prices by over 3%.** (C-36 at p.34; Testimony of Vijay Kapoor at 207:15 to 209:9)

Therefore, the cost of living factor clearly supports the implementation of the proposal of the County.

6. Overall Compensation Presently Received by the Superiors.

Under the terms of the Expired CBA, the Superiors receive a highly competitive base salary, overtime, call-in pay, shift differential, and leave time in the form of paid holidays, vacation days, personal days, and sick days. Each of these elements of compensation is discussed in detail below.

a. Base Salary, Uniform Allowance, and Overtime.

Under the Expired CBA, the Superiors receive the following base salaries, with an additional \$850 uniform allowance: (a) Sheriff's Lieutenant - \$99,657; and (b) Sheriff's Captain – \$106, 185. (Exhibit C-36 at p.30) The Superiors are also eligible for overtime compensation at a rate of 1.5 times the hourly rate of pay, as well as other supplements to their income, such as an annual clothing allowance of \$850, call-in pay, and shift differential. (Exhibit C-10; Exhibit C-36 at pp.27-31; Testimony of Vijay Kapoor at 205:12 to 207:14)

In addition, under the Expired CBA, the Superiors receive a 7-percent salary increase after 22 years of completed service. (C-10; Testimony of Vijay Kapoor at 207:2-14) The Superiors also receive a generous education incentive of \$250 per year for the pursuit of an Associate's Degree, \$500 per year toward a Bachelor's Degree; and \$1,000 per year for a Master's Degree. (C-10; C-36 at p.40; Testimony of Vijay Kapoor at 212:18-24) Pursuant to the County's proposal, employees that attain the aforementioned degrees will receive a one-time educational "bonus" in the amount of \$250, \$500, and \$1,000, respectively. (C-1) Under the Expired CBA, the Superiors receive an annual \$850 reimbursement as a "uniform allowance." (C-10; C-36 at p.45; Testimony of Vijay Kapoor at 213:1-3)

b. Leave Time (holidays, vacation days, personal days, and sick days).

The Superiors receive generous leave for vacation time, sick time, personal time, and holidays. (C-10); Exhibit C-36 at p.28) Specifically, the Superiors receive 13 paid holidays, 6 paid personal days, 15 paid sick days, and paid vacation days. (C-10; C-36 at p.28; Testimony of Vijay Kapoor at 205:12 to 207:14)

c. Call-in Pay and Shift differential.

The Superiors receive call-in pay at the prevailing rate plus shift differential. (C-10; C-36 at p.43; Testimony of Vijay Kapoor at 212:22-23) With respect to shift differential, the Superiors receive 6% for second shift and 8% for third shift. (C-36 at p.49) Significantly, most of the Counties in New Jersey do not offer shift differential to their respective Sheriff's Departments. (Testimony of Vijay Kapoor at 213:20-22) Thus, while the County's proposal seeks a reduction in shift differential rates to 3% for second shift and 6% for third shift, the proposal still places the Superiors at a significant advantage in comparison to other New Jersey counties. (C-1; Testimony of Vijay Kapoor at 213:20-22)

In sum, the Superiors receive a highly competitive base salary, overtime, call-in pay, shift differential, and leave time in the form of paid holidays,

vacation days, personal days, and sick days.) As set forth in the following Section, these figures place the Superiors among the highest compensated county police units in Southern New Jersey and throughout the State.

7. Comparison of the Superiors' Wages, Hours, and Conditions of Employment.

The best sources for comparing the Superiors' compensation and conditions of employment can be found in other New Jersey counties, with particular emphasis on the seven Southern New Jersey counties (Neighboring Counties).⁶ Despite the County's relatively weak economic and demographic factors, the Superiors enjoy highly competitive wages and conditions of employment as compared to other departments in the seven Neighboring Counties. (C-36 at p.38; Testimony of Vijay Kapoor at 210:16-25) With respect to cash compensation, the Sheriff's Lieutenants rank **second** out of the seven Neighboring Counties. (C-36 at p.39; Testimony of Vijay Kapoor at 210:16-25) Similarly, the Sheriff's Captains rank **first** out of the Neighboring Counties with respect to cash compensation. (C-36 at p.54; Testimony of Vijay Kapoor at 210:16 to 212:10) And from a Statewide perspective, the Superiors' compensation remains very competitive. (C-36 at pp. at 209:10 to 215:9)

⁶ The comparable neighboring counties include Gloucester County, Salem County, Atlantic County, Cape May County, Cumberland County, and Burlington County. (C-36 at p.39) During the arbitration hearing, the County submitted collective bargaining agreements from various New Jersey Sheriff's Departments in support of all of the comparisons within the County's presentation. (C-11 thru C-31)

In addition, the Superiors receive a generous education incentive of \$250 per year for the pursuit of an Associate's Degree, \$500 per year toward a Bachelor's Degree; and \$1,000 per year for a Master's Degree. (C-10; C-36 at p.40; Testimony of Vijay Kapoor at 212:18-24) Significantly, only 8 out of 19 New Jersey counties offer education incentives to their respective Sheriff's Officers. (Testimony of Vijay Kapoor at 212:18-24) Moreover, the current uniform allowance received by the Superiors is competitive with other New Jersey county police units, particularly in comparison to the Southern New Jersey Counties. (C-36 at p.45)

As stated, the County's proposal seeks to reduce the number of personal days afforded to the Superiors from six to three. (C-1) Put simply, no other county bargaining unit receives six days, and the Superiors have not offered any viable argument as to why they should be the exception. (Testimony of Brian Eisen at 162:23 to 163:4) In fact, the majority of the County's bargaining units are afforded three sick days, with few exceptions. (Id. at 163:4-6) Moreover, **none of the other county police bargaining units provide their respective sheriff's officers with six personal days.** (C-36 at p.48; Testimony of Vijay Kapoor at 213:10-19)

The County has further proposed an elimination of step increases and a reduction of shift differential from 6% to 3% for second shift and 8% to 6% for third shift. (C-1) As presented by the County's Financial Expert, **the majority of New**

Jersey counties do not offer shift differential to their respective sheriff's officers.

(C-36 at p.49; Testimony of Vijay Kapoor at 213:20-22) During the parties' arbitration hearing, the Superiors failed to articulate any viable reason – through testimony or exhibits – as to why their excessive shift differential compensation should not be modestly reduced.

Therefore, the County's proposal, if adopted, **would maintain the Superiors' status as one of the highest paid county police units in the region.** (C-36 at p.38; Testimony of Vijay Kapoor at 210:16 to 211:18) In light of the Police Superiors' highly competitive wages and conditions of employment, this factor clearly favors adoption of the County's proposal.

8. Continuity and Stability of Employment.

During the February 10, 2013 arbitration hearing, the Superiors did not present any exhibits or testimony indicating that their continuity and stability of employment is in jeopardy or would be in jeopardy if their proposal were not adopted. In fact, The Sheriff's Officers have even had the luxury of increasing their numbers at the County's court facilities from 47 to 67, since 2011. (Testimony of Lt. Brandley at 18:1-9) The Superiors have also had two recent promotions within their unit. (Id. at 57:3 to 58:1) In fact, the testimony and evidence shows that the Sheriff's Department has a number of officers employed by the

Department for over 10 years. (Id. at 67:9-19; C-32) This factor, therefore, plainly favors the County's proposal.

CONCLUSION

Based upon the foregoing, the County has demonstrated that its proposal should be adopted in light of: (A) the County's fiscal constraints; (B) the comparative impact of the parties' proposals; and (C) an application of the relevant factors under N.J.S.A. 34:13A-16g. Accordingly, it is respectfully submitted that the Arbitrator should adopt the County's proposal in its entirety.

DISCUSSION

I am required to make a reasonable determination of the issues, giving due weight to the statutory criteria set forth in N.J.S.A. 34:13A-16(g). The statutory criteria 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 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, 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, the limitations imposed upon the local unit's property tax levy pursuant to section 10 of P.L. 2007, c.62 (C.40A:4-45.45), 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 a 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).

All of the statutory factors are relevant, but they are not necessarily entitled to equal weight. As discussed below, I conclude that the interests and welfare of the public is entitled to the most weight. The party seeking a change to an existing term or condition of employment bears the burden of justifying the proposed change. I considered my decision to award or deny the individual issues in dispute as part of a total package for the terms of the entire award.

Base Salary & Base Salary Cap Calculation

This Award is subject to the 2% base salary cap ["Hard Cap"] imposed by P.L. 2010, c. 105. In Borough of New Milford and PBA Local 83, P.E.R.C. No. 2012-53, 38 NJPER 380 (¶ 116 2012), PERC cited standards as they relate to interest arbitration awards having to meet the 2% base salary cap requirements of N.J.S.A. 34:13A-16.7:

P.L. 2010, c. 105 amended the interest arbitration law N.J.S.A. 34:13a-16.7 provides:

- a. As used in this section:

"Base salary" means the salary provided pursuant to a salary guide or table and any amount provided pursuant to a salary increment, including any amount provided for longevity or length of service. It also shall include any other item agreed to by the parties, or any other item that was included in the base salary as understood by the parties in the prior contract. Base salary shall not include non-salary economic issues, pension and health and medical insurance costs.

"Non-salary economic issues" means any economic issue that is not included in the definition of base salary.

- b. An arbitrator shall not render any award pursuant to section 3 of P.L. 1977, c. 85 (C.34:13A-16) which, on an annual basis, increases base salary items by more than 2.0 percent of the aggregate amount expended by the public employer on base salary items for the members of the affected employee organization in the twelve months immediately preceding the expiration of the collective negotiation agreement subject to arbitration; provided, however, the parties may agree, or the arbitrator may decide, to distribute the aggregate monetary value of the award over the term of the collective negotiation agreement in unequal annual percentages. An award of an arbitrator shall not include base salary items and non-salary economic issues which were not included in the prior collective negotiations agreement.

This is the first interest arbitration award that we review under the new 2% limitation on adjustments to base salary. Accordingly, we modify our review standard to include that we must determine whether the arbitrator established that the award will not increase base salary by more than 2% per contract year or 6% in the aggregate for a three-year contract award. In order for us to make that determination, the arbitrator must state what the total base salary was for the last year of the expired contract and show the methodology as to how base salary was calculated. We understand that the parties may dispute the actual base salary amount and the arbitrator must make the determination and explain what was included based on the evidence submitted by the parties. Next, the arbitrator must

calculate the costs of the award to establish that the award will not increase the employer's base salary costs in excess of 6% in the aggregate. The statutory definition of base salary includes the costs of the salary increments of unit members as they move through the steps of the salary guide. Accordingly, the arbitrator must review the scattergram of the employees' placement on the guide to determine the incremental costs in addition to the across-the-board raises awarded. The arbitrator must then determine the costs of any other economic benefit to the employees that was included in base salary, but at a minimum this calculation must include a determination of the employer's cost of longevity. Once these calculations are made, the arbitrator must make a final calculation that the total economic award does not increase the employer's costs for base salary by more than 2% per contract year or 6% in the aggregate.

PERC continued its discussion of base salary:

Since an arbitrator, under the new law, is required to project costs for the entirety of the duration of the award, calculation of purported savings resulting from anticipated retirements, and for that matter added costs due to replacement by hiring new staff or promoting existing staff are all too speculative to be calculated at the time of the award. The Commission believes that the better model to achieve compliance with P.L. 2010 c. 105 is to utilize the scattergram demonstrating the placement on the guide of all of the employees in the bargaining unit as of the end of the year preceding the initiation of the new contract, and to simply move those employees forward through the newly awarded salary scales and longevity entitlements. Thus, both reductions in costs resulting from retirements or otherwise, as well as any increases in costs stemming from promotions or additional new hires would not effect the costing out of the award required by the new amendments to the Interest Arbitration Reform Act.

* * *

....We note that the cap on salary awards in the new legislation does not provide for the PBA to be credited with savings that the Borough receives from retirements or any other legislation that may reduce the employer's costs.

In the consolidated case of Point Pleasant Borough & PBA Local 158/SOA, PERC Dkt. Nos. IA-2012-018 & IA-2012-019 (December 2012), the Arbitrator concluded that he was compelled to apply PERC's standards to the facts of that case. I reach the same conclusion with respect to this matter.

The County indicates that the base salary for 2012 consisted of salary and senior pay. [See Ex. C-32, County Brief, p. 4]. The County calculated base salary in 2012 for its 5 Lieutenants and 3 Captains to be \$852,451 and the annual 2% Hard Cap under the statute to be \$17,049. [See Ex. C-32, County Brief, p. 4]. The SOA used the County's Hard Cap calculations to demonstrate how its salary proposal fits within the statutory cap. Using the figures above, and applying PERC's standards, the annual cap amount costs that can be awarded for this bargaining unit over a period of four (4) years as applied to the expired salary schedule as of December 31, 2012 is \$869,500 in 2013, \$886,549 in 2014, \$903,598 in 2015, and \$920,647 in 2016.

Interests and Welfare of the Public

As I expressed in an recent interest arbitration award, Arbitrators have recognized that "[t]he interests and welfare of the public [N.J.S.A. N.J.S.A. 34:13A-16g(1)] is paramount because it is a criterion that embraces many of the other factors and recognizes their relationships." Ocean Cty. Sheriff & PBA Local 379A (Superiors), IA-2013-002 (2012) citing Washington Tp. & PBA Local 301, IA-2009-053 (Mastriani 2012); see Borough of Roselle Park & PBA Local 27/(SOA), IA-2012-024, IA-2012-026 (Osborn 2012). Having considered the entire record, I am persuaded that the interests and welfare of the public criterion is entitled to the most weight in this matter. I review this criterion through the other statutory factors addressed below.

Lawful Authority of the Employer/Financial Impact on the Governing Unit, Its Residents and Taxpayers/Statutory Restrictions Imposed on the Employer

N.J.S.A. 34:12A-16g(1), (5) and (9) refer to the lawful authority of the employer. The County indicates that its "revenue and ability to pay the Superiors is limited by the statutory mandate of the 2% cap on property tax increases." The cost of the awarded base salary, including the senior pay for Captain Curcio that commences on December 29, 2014, is \$8,521 in 2013,

\$10,849 in 2014 and \$18,444 in 2015. The total cost of the awarded salary increases over the three (3) year term of the contract is \$37,814.

As to the tax levy cap, the County did not provide a tax levy cap calculation sheet for 2013 because its budget for 2013 was not finalized as of the date of the interest arbitration hearing. The County's tax levy cap calculations for budget years 2010, 2011, and 2012 show the following:

	2010	2011	2012
Maximum Allowable Amount To be Raised by Taxation -			
County Purpose Tax	\$262,555,382	\$273,305,214	\$288,121,588
Amount to be Raised by			
Taxation – County Purpose Tax	\$256,277,245	\$271,577,245	\$288,121,500 *

* The 1977 CAP and 2010 CAP
were equal. The County
Selected the 1977 CAP

[See Exs. C-4 through C-6].

N.J.S.A. 34:12A-16g(6) refers to the Award's financial impact. The County's total budgetary appropriations in 2012 were \$339,993,362. The cost impact of the entire annual base salary of \$852,451 is approximately one-quarter of one percent (.0025%) of total appropriations. The impact of the awarded salary increases, when considered with the other terms of the award, shows that the financial impact is minimal.

The County's surplus balance grew from \$14,223,571 in 2008 to \$19,150,945 in 2009. From there it dropped to \$15,039,035 in 2010 and to \$7,308,759 in 2011. In 2012, the surplus balance increased over \$400,000 to \$7,757,823. [Ex. C-36, p. 17]. Moody's has identified the decrease in surplus balance as one of the challenges the County faces. However, the \$7,757,823 surplus balance will not be impacted by the cost of the awarded salary increases of \$8,521 in 2013, \$10,849 in 2014 and \$18,444 in 2015.

In sum, the figures above demonstrate that the County has a continuing need to be prudent in its budgeting practices in order to meet its fiscal challenges. Having considered the entire record, I conclude that the financial impact of this Award as outlined above will not adversely affect the governing unit, its residents and its taxpayers, and it will not prohibit the County from meeting its statutory obligations or cause it to exceed its lawful authority. Further, this Award serves the interests and welfare of the public by striking a balance of all of the statutory criteria.

Comparability

Private Employment

Given the unique nature of law enforcement jobs, the comparison to private employment has not been allotted significant weight in previous interest arbitration awards. I find no evidence to support a deviation from giving greater weight to public sector and internal comparisons.

Public Employment in General/In the Same or Similar Jurisdictions

With respect to public employment, the parties' comparisons in the public sector provided greater focus to the law enforcement units in other jurisdictions within the State rather than internal comparability and public employment in general. As of the date of the interest arbitration hearing, the only County bargaining unit to have a contract in place for 2013, 2014 and 2015 was the Corrections Superiors represented by the FOP. That contract has a term of January 1, 2009 through December 31, 2015. [Ex. C-30]. Under the circumstances, I have given more weight to the comparison of the law enforcement units, including the Corrections Superiors, than to public employment in general. I emphasize, however, that unlike this case the Hard Cap does not appear to be a required factor in the contracts presented for purposes of comparison.

The most recent salary increase analysis for interest arbitration on PERC's website shows that the average increase for awards was 2.88% from January 1,

2010 through December 31, 2010, 2.05% from January 1, 2011 through December 31, 2011, and 1.86% from January 1, 2012 through December 31, 2012. Over the same time periods, reported voluntary settlements averaged 2.65%, 1.87% and 1.77%. PERC indicates that the average 2012 settlement for post-2011 filings is 1.81%, and the average 2012 award for post-2011 filings is 1.40%. This data shows that there is a downward trend in salary increases received through voluntary settlement or an award. I give greater weight to the increases received through the post-2011 filings than I do to the ones under the other settlements and awards.

As to internal comparison to the only bargaining unit with a contract effective through December 31, 2015, the bargaining unit members in the Corrections Superiors unit received the following increases to their 2008 base salaries: 2009 – 2.75%; 2010 – 2.75%; 2011 – 2.75%; 2012 – 2.5%; 2013 – 1%, 2014 – 1%, and 2015 – 1.25%. In comparison, Arbitrator Zausner's Award included the following increases to the 2008 base salaries for the Sheriff's Superiors: 2009 – 2.5%; 2010 – 2.8%; 2011 – 2.8%; 2012 – 2.8%.⁷ [See Ex. C-8]. The cumulative percentage increases from 2009 through 2012 for the Corrections Superiors was 10.75% and 10.9% for the Sheriff's Superiors.

⁷ Arbitrator Zausner's Award also included an increase of one percent for 2008.

As to the comparison of this bargaining unit to law enforcement officers in similar jurisdictions, the parties presented comparisons of the County's Sheriff's Superiors to other law enforcement units (and one firefighter unit) in the State. The SOA's universal comparison consists of law enforcement units in Cherry Hill, Evesham, Florence, Gloucester County (Sheriff's Officers and Sheriff's Sergeants), Moorestown, Mount Holly, Pennsauken, Westhampton, Passaic County (Sheriff's Superiors), Essex County (Sheriff's Officers), Ocean County (Sheriff's Superiors), Camden City (Firefighters), Gloucester Township, Waterford, and Winslow. [See Exs. U-14, Tabs 2 through 9, U-15 through U-21]. The County presented an economic and compensation comparability analysis report from Vijay Kapoor, Public Financial Management, Inc., that compares the bargaining unit to similar titles in all of the other counties. [Ex. C-36].

I have reviewed the parties' comparisons and conclude that this bargaining unit enjoys a host of economic benefits that fall within the range of those received in other law enforcement units. The modifications contained in this Award are supported by the evidence above and will keep the bargaining unit competitive with respect to an overall comparison of wages and benefits for similarly situated employees.

The County also presented a comparison of the economic benefits of the bargaining unit to those of similar titles in all other counties. [Ex. C-36]. I

reviewed the County's presentation and conclude that the modifications I award herein will not significantly alter the bargaining unit's benefits in comparison to those received elsewhere.

Overall Compensation

The evidence in this matter, as demonstrated by the parties' exhibits and the comparisons outlined above, shows that the overall compensation received by the Sheriff's Superiors is fair, reasonable and competitive. The modifications I award herein will create neither a competitive advantage nor disadvantage for the bargaining unit.

Stipulations of the Parties

The parties made two (2) factual stipulations during the arbitration proceedings. First, "it's a rarity that a supervisor in the SOA is re-deployed out of the hall". [T:98]. Second, members of the rank and file unit represented by the PBA who are promoted to the SOA unit lose the longevity benefits for which they were eligible in the PBA unit. [T:99]. I considered these factual stipulations as part of my overall review of the evidence.

The Cost of Living

The most recent statistics from the U.S. Bureau of Labor Statistics' website show the following CPI for All Urban Consumers:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2003	2.6	3.0	3.0	2.2	2.1	2.1	2.1	2.2	2.3	2.0	1.8	1.9	2.3	2.5	2.0
2004	1.9	1.7	1.7	2.3	3.1	3.3	3.0	2.7	2.5	3.2	3.5	3.3	2.7	2.3	3.0
2005	3.0	3.0	3.1	3.5	2.8	2.5	3.2	3.6	4.7	4.3	3.5	3.4	3.4	3.0	3.8
2006	4.0	3.6	3.4	3.5	4.2	4.3	4.1	3.8	2.1	1.3	2.0	2.5	3.2	3.8	2.6
2007	2.1	2.4	2.8	2.6	2.7	2.7	2.4	2.0	2.8	3.5	4.3	4.1	2.8	2.5	3.1
2008	4.3	4.0	4.0	3.9	4.2	5.0	5.6	5.4	4.9	3.7	1.1	0.1	3.8	4.2	3.4
2009	0.0	0.2	-0.4	-0.7	-1.3	-1.4	-2.1	-1.5	-1.3	-0.2	1.8	2.7	-0.4	-0.6	-0.1
2010	2.6	2.1	2.3	2.2	2.0	1.1	1.2	1.1	1.1	1.2	1.1	1.5	1.6	2.1	1.2
2011	1.6	2.1	2.7	3.2	3.6	3.6	3.6	3.8	3.9	3.5	3.4	3.0	3.2	2.8	3.5
2012	2.9	2.9	2.7	2.3	1.7	1.7	1.4	1.7	2.0	2.2	1.8	1.7	2.1	2.3	1.8
2013	1.6														

I conclude that the increases awarded herein are not disproportionate to the most recent CPI statistics.

Having addressed all of the statutory criteria I now turn to the modifications/proposals that I award.

Awarded Modifications/Proposals

Term of Agreement

I award a term of three (3) years – January 1, 2013 through December 31, 2015. A three (3) year term will permit the County to negotiate contemporaneously with this bargaining unit and, at a minimum, the Corrections Superiors whose contract expires December 31, 2015. I conclude that having the contracts for these units expire at the same time best serves the interests and welfare of the public.

Salary Increases & Cost Analysis

The bargaining unit in 2012 consisted of 8 bargaining unit members – 5 Lieutenants and 3 Captains. The parties agree that the County's total base salary for 2012 as including salary and senior pay was \$852,451:

Base Year	2012			Sr Pay		Total	
		<u>Rank</u>	<u>Salary</u>	<u>7%</u>		<u>Base Salary</u>	
		Curcio	Captain	\$105,335	No	\$ -	\$105,335
		Gorman	Captain	\$105,335	Yes	\$7,374	\$112,709
		Mogck	Captain	\$105,335	Yes	\$7,374	\$112,709
		Brandley	Lieutenant	\$ 98,806	No	\$ -	\$ 98,806
		Fegley	Lieutenant	\$ 98,806	Yes	\$6,917	\$105,723
		Fetzer	Lieutenant	\$ 98,806	Yes	\$6,917	\$105,723

McCarthy	Lieutenant	\$ 98,806	Yes	\$6,917	\$105,723
Reed	Lieutenant	\$ 98,806	Yes	\$6,917	\$105,723
					\$852,451

There are no steps contained in the Agreement and, therefore, there is no incremental movement. Captain Curcio is the only additional superior officer out of the 2012 complement who will earn senior pay during the term of the new contract. His senior pay commences on December 29, 2014 and, therefore, I estimate for the purposes of my calculations that his base salary for 2014 will be adjusted upwardly by 3/260th (assuming 260 work days/2080 hours in a work year), and fully adjusted for 2015.

I award increases of 1.0% for January 1, 2013 through December 31, 2013, 1.25% for January 1, 2014 through December 31, 2014, and 1.25% for January 1, 2015 through December 31, 2015. I place some significance on the fact that these terms will sufficiently maintain wage relationships in between the Sheriff's Superiors and the Corrections Superiors.

In accordance with PERC's standards, by utilizing the same complement of superior officers over a term of three (3) years, and assuming for the purposes of comparison there are no resignations, retirements, promotions or additional

hires, the increases to base salary awarded herein increase the total base salary including salary and senior pay as follows:

		<u>Total</u> <u>Base Salary</u>	<u>Increase</u> <u>from</u> <u>Prior Year</u>
Base Year	2012	\$ 852,451	
	2013	\$ 860,972	\$ 8,521
	2014	\$ 871,821	\$10,849
	2015	\$ 890,265	<u>\$18,444</u>
Total Increase			\$37,814

I find that the terms awarded can be funded by the County without adverse impact and are within its statutory taxing limitations. The County's surplus balance dropped from 2008, but it has stabilized between 2011 and 2012. The \$7.76 million surplus will not be adversely impacted by the cost of the awarded salary increases of \$8,521 in 2013, \$10,849 in 2014 and \$18,444 in 2015.

Shift Differential

The County indicates that it successfully reduced the shift differential in the only contract applicable through December 31, 2015, but it does not take effect until December 30, 2015. [See Ex. C-30]. This in and of itself does not constitute a pattern of settlement, but I do find that the economic benefits of

the Corrections' Superiors and the Sheriff's Superiors, though not identical, are similar and comparable. Accordingly, I conclude that the record supports awarding the following modification to Article VIII:

There will be a shift differential of six percent (6%) for those employees working the second shift and an eight percent (8%) differential for those employees working the third shift. Effective December 30, 2015, there will be a shift differential of three percent (3%) for those employees working the second shift and a six percent (6%) differential for those employees working the third shift.

Health Insurance Benefits

The parties acknowledge that "pursuant to Chapter 78, P.L. 2011, the Superiors have converted from the County's self-funded health insurance plan to a State health benefits plan on September 1, 2012, in accordance with Ch. 78, P.L. 2011." [County Brief, p. 18]. The County's proposal on this subject requires the inclusion of the statutory language in the contract. The PBA proposes that rather than including all of the statutory language, the contract include a reference that "the provisions of Medical Premium Co-Payment be as mandated by Chapter 78, P.L. 2011". Having considered the parties' positions I award the following language that leaves open the possibility that the law as it stands today may be amended during the term of the contract:

Health care contributions shall be consistent with that required by P.L. 2011, Chapter 78 or any subsequent legislation that modifies these requirements.

Sick Leave

The County proposes several modifications to Article XII – Sick Leave with Pay. I conclude that the following modifications are not unreasonable and shall be awarded:

Article XII, Section 2. “Immediate family member” as defined in Article XII, Section 2 shall be amended to include “civil union and domestic partner”.

New Section. All leave taken under this article shall run concurrent with any qualifying leaves authorized under the Family Medical Leave Act or the New Jersey Family Leave Act where applicable.

I do not find sufficient justification for any of the other County proposals regarding sick leave.

Leave of Absence

The County proposes several modifications to Article XIII – Leave of Absence. I conclude that the following modification is not unreasonable and shall be awarded:

New Section. All leaves taken under this article shall run concurrent with any qualifying leaves authorized under the Family Medical Leave Act or the New Jersey Family Leave Act where applicable.

Funeral Leave

The County proposes to modify Article XIV, Section 1(a). There is sufficient justification to award the County's proposal as written. I award the following modification to Article XIV, Section 1(a):

(a) Seven (7) days in case of death of a spouse, domestic partner, civil union partner, child, step child, foster-child, mother, father, or step parent.

Modifications/Proposals not Awarded

As to the remainder of the parties' modifications and proposals I thoroughly reviewed and considered their respective positions. Having examined these items in conjunction with the supporting evidentiary submissions I do not find sufficient justification to award them in whole or in part at this time. The remaining modifications and proposals are therefore rejected.

CONCLUSION

I conclude that the terms of this Award represent a reasonable determination of the issues after applying the statutory criteria. I have given greater weight to the interests and welfare of the public. I have also considered all of the other factors and conclude there is nothing in the record that compels a different result than I have determined in this proceeding.

AWARD

1. Term. Three (3) years – Effective January 1, 2013 through December 31, 2015.
2. Salary. 1.0% effective January 1, 2013; 1.25% effective January 1, 2014; 1.25% effective January 1, 2015.
3. Shift Differential. Amend Article VIII as follows:

There will be a shift differential of six percent (6%) for those employees working the second shift and an eight percent (8%) differential for those employees working the third shift. Effective December 30, 2015, there will be a shift differential of three percent (3%) for those employees working the second shift and a six percent (6%) differential for those employees working the third shift.

4. Health Insurance. The following language shall be incorporated into the contract:

Health care contributions shall be consistent with that required by P.L. 2011, Chapter 78 or any subsequent legislation that modifies these requirements.

5. Sick Leave. Article XII shall include the following modifications/additions:

Article XII, Section 2. "Immediate family member" as defined in Article XII, Section 2 shall be amended to include "civil union and domestic partner".

New Section. All leave taken under this article shall run concurrent with any qualifying leaves authorized under the Family Medical Leave Act or the New Jersey Family Leave Act where applicable.

6. Leave of Absence. The following language shall be added to Article XIII:

New Section. All leaves taken under this article shall run concurrent with any qualifying leaves authorized under the Family Medical Leave Act or the New Jersey Family Leave Act where applicable.

7. Funeral Leave. Article XIV, Section 1(a) shall be amended as follows:

(a) Seven (7) days in case of death of a spouse, domestic partner, civil union partner, child, step child, foster-child, mother, father, or step parent.

8. All other proposals of the County and the Union are denied.

Pursuant to N.J.S.A. 34:13A-16(f), I certify that I have taken "the statutory limitation imposed on the local tax levy cap into account in making the award." My Award also explains how the statutory criteria factored into my final determination.

Dated:

Sea Girt, New Jersey

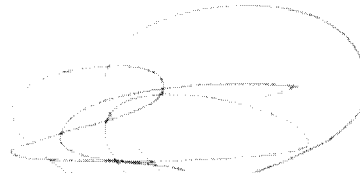
Robert C. Gifford

State of New Jersey }
County of Monmouth }ss:

On this day of , 2013, before me personally came and appeared Robert C. Gifford 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.

Pursuant to N.J.S.A. 34:13A-16(f), I certify that I have taken "the statutory limitation imposed on the local tax levy cap into account in making the award." My Award also explains how the statutory criteria factored into my final determination.

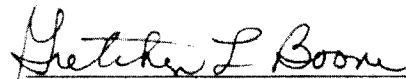
Dated: March 18, 2013
Sea Girt, New Jersey



Robert C. Gifford

State of New Jersey }
County of Monmouth }ss:

On this 18th day of March, 2013, before me personally came and appeared Robert C. Gifford 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 4/30/2014

FINAL OFFERS OF THE PARTIES

SEE ATTACHED

**CAMDEN COUNTY SHERIFF'S OFFICERS
SUPERIOR OFFICERS ASSOCIATION**

DOCKET NO.: IA-2013-010

1 WAGE INCREASE -

- A. The Association proposes a 2.5% per year across-the-board increase in each year of a three (3) contract. Each increase is to be effective on each successive January 1 (January 1, 2013, 2014 and 2015).
- B. The Association proposes a reduction in the access point for senior status from twenty-two (22) years to fifteen (15) years.

2. LONGEVITY - The Associations propose the deletion of the longevity grandfather provision.

3. HOLIDAYS - The Associations propose a modification of the method of payment of the current holiday benefit so as to fold it in and pay it along with regular payroll and for said values to be used for all computation purposes.

4. UNIFORM ALLOWANCE - The Associations propose a One Hundred Dollar (\$100.00) per contract year increase in the uniform allowance.

5. SICK LEAVE - The Associations propose that when an Employee has accumulated not less than one hundred (100) sick days in the accumulated sick leave time bank then thereafter said Employee may sell back up to ten (10) sick days per year at the then current rate of compensation.

6. MEDICAL PREMIUM CO-PAYMENT - The Associations that the provisions of Medical Premium Co-Payment be as mandated by Chapter 78, P.L. 2011.

**CAMDEN COUNTY SHERIFF'S FINAL OFFER
PRESENTED TO THE CAMDEN COUNTY SHERIFF'S DEPARTMENT SUPERIOR
OFFICERS
FEBRUARY 13, 2012**

[ADDED LANGUAGE]

[DELETED LANGUAGE]

1. **Term of Agreement** – 4 years (January 1, 2013 through December 31, 2016).

2. **Article III - Seniority** – Revise the Article with the following:

SECTION 1. Seniority will be based first on the length of time in grade with permanent status and second by length of service with permanent status. Temporary and provisional time will not be included in any calculation of seniority with the exception of longevity pay. With regard to all incidents of employment, seniority shall be one of the ~~major factors~~factors considered, ~~provided the employees involved have the ability to perform the work involved.~~ When ~~bidding~~applying for promotion and/or job, or shift assignment, seniority shall be one of the ~~major factors with regard to this procedure, provided the employee has ability to perform the work involved~~factors considered.

SECTION 5. When the Sheriff intends to fill vacant positions, (other than Civil Service regulated permanent appointments) seniority in the department shall be one of the ~~major factors considered with regard to filling such positions, so long as the employee has the ability to perform the job.~~

3. **Article V – Overtime**- Revise the Article with the following:

SECTION 1. Overtime refers to any time worked beyond the regularly scheduled hours of duty as authorized by a supervisor.

SECTION 2. Employees shall have the option to taking compensatory time or cash payment for overtime. If any employee chooses compensatory time in any instance, the amount of such time will be computed on the basis as set forth below:

SECTION 3. Time and one-half (1-1/2) the employee's hourly rate of pay shall be paid for work under the following conditions, ~~including shift differential, if any:~~

(a) All work performed in excess of the employee's regular hours of duty in any one day.

(b) All work performed in excess of the employee's regular hours of duty in any one week and shall be based upon shift differential, if any applicable, for which time and one-half (1-1/2) ~~or double (2) time~~ are paid shall not be included in the base weekly hours.

(c) Those employees whose regularly scheduled shift requires them to work a holiday shall receive regular pay ~~time and one-half (1-1/2)~~ for the hours worked on that holiday in addition to the regular holiday ~~day's~~ pay.

SECTION 4. ~~Double time the employee's regular rate of pay (including shift differential, if any) shall be paid for work performed beyond the sixteenth (16th) consecutive hour, and such overtime payment shall include shift differential, if any be applicable.~~

SECTION 5. Overtime shall be paid currently or not later than the second pay period after the overtime is performed.

SECTION 6. Sheriff's Officers assigned to process serving will work a forty (40) hour week, which will include night and weekend hours to fulfill their job functions. Sheriff's Officers assigned as process servers who work more than forty (40) hours per week must be approved by a supervisor and may include special assignments. Article V, Section 9 applies to Sheriff's Officers assigned as process servers.

SECTION 7. Any employee who is required to work during periods other than his regularly scheduled shift shall be paid at the overtime rate. ~~including shift differential, if any.~~

SECTION 8. Overtime shall be distributed as equitably as possible ~~according to seniority.~~ Seniority is one factor to be considered when assigning overtime and it shall be the basis for the rotational list. Acceptance or rejection of overtime will cause the employee's name to be placed at the bottom of the list. Assignment of overtime shall be on a rotation basis. The lists shall be available to the officers and the PBA. For purposes of assigning overtime the Sheriff may deny overtime to officers that have excessive absence or other documented disciplinary issues.

~~SECTION 9. No employee shall have his work schedule or regular day off schedule changed at any time for the purpose of avoiding payment of overtime; except that the Sheriff shall be entitled to alter work schedules up to a total of six (6) times in each calendar year, for no more than four (4) hours each time, for the purpose of conducting tactical operations, including raids, without having to pay overtime for that four (4) hour period.~~

4. **Article VII – Rates of Pay** – Revise the Article with the following:

SECTION 1. Wage Increases

[Increase current wages by the following amounts

0% 2013, 1.0% 2014, 2.0% 2015, 2.0% 2016.

Freeze all senior increases for the term of the contract. Eliminate the senior increase for all officers hired or promoted after 1/1/13]

SECTION 2. Any Superior Officer who performs work in a higher paid classification than his own shall be certified by the Sheriff of Camden County and shall receive pay for such work after he has performed this work for three (3) consecutive weeks spending more than 50% of his time on the new job. Superior Officers undergoing on-the-job training will not be considered as performing work on a higher paid classification. Such on-the-job training will not exceed twelve (12) consecutive weeks. Any Superior Officer undergoing on-the-job training will not be paid at the rate of his own classification.

SECTION 3. An employee shall be paid at the rate of pay for his own classification when performing work in a lower-paid classification.

~~SECTION 4. During the term of this Agreement, the pay scales will not be reduced unless by mutual consent of the parties of this Agreement.~~

SECTION 5. Hazardous duty pay is eliminated effective pay period one of 1997.

5. Article VIII – Differential – Revise the Article with the following:

There will be a shift differential of ~~threesix~~ percent (36%) for those employees working the second shift and an ~~sixeight~~ percent (68%) differential for those employees working the third shift for all hours worked during those shifts. ~~Employees who regularly work such shifts shall receive the differential for paid time off for compensatory time.~~

6. **Article X – Holidays** -- Revise the Article with the following:

SECTION 1. The following holidays are recognized as paid holidays:

New Years Day, Martin Luther King's Birthday, President's Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Employee's Birthday, Columbus Day, General Election Day, Veteran's Day, Thanksgiving Day, Christmas Day.

~~SECTION 2. Holidays which fall within an employee's vacation period shall be celebrated at the employee's option on a day other than the actual day of paid holiday, either prior to or immediately following his vacation.~~

SECTION 3. It is expressly understood that there shall be only one day of celebration in the event the holidays are celebrated on a day other than the actual day of said holiday, and no additional day shall be received as a result of the adjustment of the day of celebration.

SECTION 4. Holidays which fall on Saturday shall be celebrated on the preceding Friday; holidays which fall on Sunday shall be celebrated on the following Monday; except those officers who are assigned to twenty four (24) hour units, such as K-9, foot patrol, transportation, I.D., and any others who work on the actual holiday (the Saturday or Sunday), will receive holiday pay for the actual holiday worked. If that officer's normal work week would also include a Friday or Monday on which the holiday is celebrated, the officer will not receive holiday pay for that Friday or Monday.

~~SECTION 5. When the Board of Chosen Freeholders declares, by~~

~~formal action, a day off for all County employees, those employees who are required to work such day shall be given a compensatory day off within a reasonable time after such formal action. This provision has no applicability when holidays are declared or granted to contracts with other representatives, associations or unions.~~

SECTION 6. In addition to the above, each employee covered by this Agreement will receive ~~six (6)~~ three (3) personal days annually. Personal days may be requested provided such request does not unreasonably interfere with the operation of the Department and such request is subject to the approval and authorization of the Sheriff or his designated representative in charge of the Department. If such days are not used during any given year, due to the demands of work, said employee will ~~will be compensated for the days not taken at his or her prevailing hourly rate of pay~~ be permitted to carry the affected day into the next calendar year at the County's sole discretion. Authorization for personal days requires the approval of the Sheriff or his designated representative in charge of the Department, and such authorization must be based upon the needs of the Department so that personal days do not unreasonably interfere with the operations of the Department. Days not taken in the calendar year following accrual shall be forfeited.

SECTION 7. ~~Employees will have the option of taking compensatory time in lieu of cash payment for holiday pay.~~

SECTION 8. ~~When an employee's birthday falls on another paid holiday (e.g. Christmas, Thanksgiving), the employee will celebrate his birthday, for payroll purposes, the following day.~~

SECTION 9. ~~Effective January 1, 1997, all employees will be~~

~~required to take their birthday as a day off, except when specifically authorized by the Sheriff or designee based upon the operational needs of the Department. If the officer is not authorized to work he/she will receive only the officer's regular day's pay for the birthday; however if the officer is authorized to work on his/her birthday the officer will receive time and one half (1 1/2) for work on that holiday in addition to the regular day's pay, as provided by the overtime Article.~~

7. **Article XII – Fringe Benefits** – Revise the Article with the following:

SECTION 2. If an employee is incapacitated and unable to work because of any injury or diseases sustained in the performance of his duty, he shall be entitled to injury leave in accordance with Workers Compensation Coverage with full pay up to ninety (90) days ~~six (6) months~~ from the date of disability, during the period in which he is unable to perform his duties. Additionally, the Sheriff may extend that period to a maximum of six (6) months at his/her discretion. The County will continue to pay any employee covered by this Section by regular paycheck: on the other hand, the insurance carrier will reimburse the County directly for the same. Injury-on-duty leave shall not be arbitrarily or unreasonably withheld. During this time, the employee's sick and vacation time shall continue to accumulate. Any officer who shall suffer from a serious communicable disease related to HIV, Hepatitis B or other blood born disease, shall be treated as though the disease were contracted on the job pending verification using police incidence reports.

~~SECTION 3. Payment by voucher for college credits earned in job related subjects will be made upon satisfactory completion of the course(s) and official documentation thereof. The County will pay Ten~~

~~Dollars (\$10.00) per credit hour as specified. The definition of a job related subject is to be determined by the Sheriff, in addition.~~

Effective January 1, 2013 ~~1997~~, employees with that attain the following degrees will receive ~~an annual~~ A one-time educational incentive added to their annual base pay a one-time incentive added to their annual base pay Bonus as follows: Two Hundred Fifty Dollars (\$250.00) for an Associate's Degree; Five Hundred Dollars (\$500.00) for a Bachelor's Degree; One Thousand Dollars (\$1,000.00) for a Master's Degree. This one time bonus shall be payable upon the first pay period following receipt of proper documentation.

~~SECTION 6. Any employees on injury leave, resulting from injury on duty, shall continue to accrue sick leave and vacation credits while his name remains on the payroll.~~

SECTION 7. ~~Each employee has the option to sell accumulated compensatory time to the County at the end of each quarter in any given year, provided such employee furnished the County with written notice exercising said option not less than two (2) weeks prior to the end of such quarter.~~

SECTION 8. Effective January 1, ~~2013~~1999, the County shall pay to PBA Local 277 Superior Officers ~~\$775~~246 per employee for the Health and Welfare plan of the PBA each year of this agreement. Effective January 1, 2001, the County shall pay to P.B.A. Local 277 Superior Officers \$395 per employee per year for the purpose of a Health and Welfare plan to be established and administered by the P.B.A. The P.B.A. will furnish an audited report by June 30th of each year of this agreement. Effective January 1, 2002, said amount shall increase by \$150.00 to \$545.00; and shall be increased to \$650 as of January 1, 2004 and shall be

~~increased to \$775 as of January 1, 2005.~~

8. 8. Article XII – Sick Leave with Pay – Revise the Article with the following:

SECTION 1. Sheriff's Officers shall be entitled to the following sick leave of absence with pay.

(a) One (1) working day sick leave with pay for each month of service from the date of permanent appointment up to and including December 31st following such date of appointment and fifteen (15) days sick leave with pay for each calendar year thereafter. Part-time permanent employees shall be entitled to sick leave on a pro-rated basis. If any employee does not use all of his/her allowable sick leave in any calendar year, the unused portion of sick leave time will accumulate. Sick leave for purposes herein is defined to mean the absence of any employee from duty because of personal illness by reason of which such employee is unable to perform the usual duties of his position, or exposure to a contagious disease, or a short period of emergency attendance, not to exceed five (5) working days with a seriously ill member of his/her immediate family requiring the presence of the employee. Any emergency attendance with an ill family member, in excess of five (5) working days, will be considered on an individual basis by the Sheriff or his designee. (Immediate family is defined in Section 2 hereafter.)

SECTION 2. Immediate family member is defined as:

- (a) Mother and Father
- (b) Mother-in-Law and Father-in-Law
- (c) Brother and Sister
- (d) Spouse, civil union and domestic partner

- (e) Children, Foster Children or Grandchildren of the Employee
- (f) Grandmother and Grandfather

SECTION 5.

All leave taken under this article shall run concurrent with any qualifying leaves authorized under the Family Medical Leave Act or the New Jersey Family Leave Act where applicable.

9. Article XIII – Leave of Absence – Revise the Article with the following:

SECTION 1. **Civil Service** - Leave of Absence for permanent employees shall be granted as provided in Civil Service, State Health Benefits Plan, and the New Jersey Police and Fire Retirement System Statutes, Rules and Regulations where applicable.

SECTION 6. **Official Duties** - Officers of PBA will be given leaves of absence with pay to perform official duties of PBA subject to the following:

- (a) Provided such activities relate to employment.
- (b) Provided the Sheriff is given not less than five (5) days notice of such intended leave, if possible. If less than five (5) days notice is given, it shall be necessary for PBA to show that five (5) days notice could not be given.
- (c) Provided the names of shop stewards are contained on the list furnished by PBA to the Sheriff.
- (d) Excused PBA Officers not to exceed three (3) in number, except that this limitation shall not apply to Executive Board meetings, provided the leave requested for Executive Board Meetings does not

exceed one (1) hour, and general membership meetings, and other extraordinary circumstances.

- (e) Provided such leave does not unreasonably interfere with the work performance and efficiency of the Department.

Section 8. All leaves taken under this article shall run concurrent with any qualifying leaves authorized by the Family Medical Leave Act or the New Jersey Family Leave Act.

10. Article XIV – Funeral Leave – Revise the Article with the Following:

SECTION 1. In the event of death in the employee's immediate family, the employee shall be granted time off without loss of pay but in no event to exceed the number of consecutive working days noted below, one of which shall be the day of death or day of funeral:

- (a) Seven (7) days in case of death of a spouse, domestic partner, civil union partner, child, step child, foster-child, mother, father, or step parent.
- (b) Four (4) days in case of death of brother or sister, including step siblings.
- (c) Three (3) days in case of death of grandfather, grandmother, grandchild, mother-in-law, or father-in-law.
- (d) Two (2) days in case of death of brother-in-law or sister-in-law.

11. Article XV – Vacations – Revise the Article with the following:

SECTION 1. Permanent full-time employees in the County Sheriff's Department will be entitled to the following annual vacation with pay:

(a) During the employee's first year of employment, he/she will receive one (1) working day per month of service. From the commencement of the sixth (6th) year, to the completion of the twelfth (12th) year, fifteen (15) working days, from the commencement of the thirteenth (13th) year, to the completion of the twentieth (20th) year, twenty (20) working days. From the commencement of the twenty-first (21st) year to the completion of the twenty-fifth (25th) year, twenty-five (25) working days. From the commencement of the twenty-sixth (26th) year and thereafter, twenty-six (26) working days. The commencement of any year will be the anniversary hire date of the individual employee for computation purposes. Temporary full-time employees in the County service shall be entitled to vacation leave to the same extent such leave is provided for permanent employees. Permanent part-time employees shall receive vacation leave on a pro-rated basis in accordance with the above schedule; employees on a daily or seasonal basis are not eligible for vacation leave.

(b) For employees hired or promoted after January 1, 2013, during the employee's first year of employment, he/she will receive one (1) working day per month of service, From the commencement of the sixth (6th) year, to the completion of the twelfth (12th) year, fifteen (15) working days, from the commencement of the thirteenth (13th) year, to the completion of the twentieth (20th) year, eighteen (18) working days. From the commencement of the twenty-first (21st) year to the completion of the twenty-fifth (25th) year, twenty (20) working days. The commencement of any year will be the anniversary hire date of the individual employee for computation purposes. Temporary full-time employees in the County service shall be entitled to vacation leave to the same extent such leave is provided for permanent employees. Permanent part-time employees shall receive vacation leave on a pro-rated basis in accordance with the above schedule; employees on a daily or seasonal basis are not eligible for vacation leave.

SECTION 2. Vacation leave should be taken during the current calendar year, and reasonable efforts will be made to give the employee the time of his choosing unless the Sheriff, at his sole discretion, determines that the vacation cannot be taken in the second

year because of the pressure of work, as determined by the Sheriff, the employee will be paid for his vacation at his then current rate of pay.

~~SECTION 3 ————— Vacation time cannot be used for sick time without the express written consent of the employee.~~

SECTION 6. (a) Vacation requests based on seniority shall be submitted between March 1 and March 15 of each year for the time period from April 1 to March 31 of the subsequent year, but commencing March 16 of each year seniority does not apply to any additional vacation requests made after March 16 of each year. The only reasons to deny a vacation request would be because (1) a Sheriff Officer would not have enough seniority to obtain the vacation he or she wanted, (2) because a more senior officer has already selected that time, or (3) because of minimum ~~written~~ manpower requirements based on the operational needs of the Department.

(c) After vacation time has been approved and scheduled, it shall not be revoked for any reason, except in emergencies when other officers are not available; an emergency does not include requiring the use of Sheriff's Officers or Sergeants to work overtime.

12. Article XVII – Grievances – Revise the Article with the following:

SECTION 6. STEP THREE - CAMDEN COUNTY

a. The Sheriff or Sheriff's representative shall respond in writing within fourteen (14) calendar days as to each grievance received, and the written response shall be received within the fourteen (14) calendar days by the PBA and grievant (if the grievant files the grievance without

PBA representation). If an aggrieved party is not satisfied with the written response of the Sheriff or Sheriff's representative, then the aggrieved party may submit the grievance to the Camden County Labor Relations Committee or the hearing officer appointed by the County to hear the grievances. Whether the grievance goes to the Camden County Labor Relations Committee or the hearing officer, is a decision to be made by the County. If there is no response received from the Sheriff or the Sheriff's representative within fourteen (14) calendar days after receipt of the written grievance by the Sheriff in **STEP TWO**, then the aggrieved party may submit the grievance to the Camden County Labor Relations Committee, when applicable, or to the hearing officer, appointed by the County to hear grievances ~~or resort to other legal rights available to the aggrieved party~~ within ten (10) calendar days.

b. The Camden County Labor Relations Committee, when applicable, or the hearing officer appointed by the County; shall, upon request of the aggrieved party, hear the grievance within thirty (30) calendar days of the grievance being submitted to the Camden County Labor Relations Committee, when applicable, or the hearing officer. The Camden County Labor Relations Committee, when applicable, or the hearing officer appointed by the County, shall deliver to the Sheriff and the PBA and the grievant within fourteen (14) calendar days from the date of the hearing, a written decision setting forth the County's position.

SECTION 7 - STEP FOUR – ARBITRATION

a. If the aggrieved party or the Sheriff or the County is not satisfied with the decision of the County pursuant to **STEP THREE** in Section 6, or if no written decision is received by the PBA within forty-four (44) calendar days of the grievance being submitted to the County

in **STEP THREE**, then the PBA or the County or the Sheriff may request the appointment of an arbitrator through the Public Employment Relations Commission ("PERC"), with such request to be made known to the Sheriff no later than twenty (20) calendar days after the County's decision has been received by the PBA, as set forth in **STEP THREE** above, or twenty (20) calendar days after the due date of the decision that was due in **STEP THREE** above.

SECTION 8

(a) The failure at any stage of the aforesaid procedures to communicate the decision on a grievance within the specified time limits shall permit the aggrieved employee to proceed to the next stage.

(b) The failure at any stage of the aforesaid procedures to appeal a grievance to the next stage within the specified time limits shall be deemed to be an acceptance of the decision rendered at that stage. Grievances not filed in a timely manner or following the proper procedure as set forth herein shall be deemed waived.

(b) Employees will, during and notwithstanding the pendency of any grievance, continue to observe all assignments and applicable rules and regulations of the County until such grievance shall have been fully determined.

(c) Any aggrieved party may be represented at all formal steps of the grievance procedure by himself/herself and/or, a representative of the PBA, and/or an attorney.

SECTION 9. The sworn law enforcement employees of the Camden County Sheriff's Department shall be subject to the New

Jersey Attorney General's Guidelines as they relate to internal affairs investigations, except any major discipline violations of internal affairs guidelines are not subject to binding arbitration.

13. Article XXI – Miscellaneous – Revise the Article with the following changes:

~~SECTION 4. All Sections of this Agreement, except those Sections specifically with an effective date inserted in a particular Section, shall be retroactive to the beginning of the contract term of January 1, 2008, for all retirees, all Officers and Sergeants who were promoted, retired, current employees and those employees who were terminated. All provisions of this Agreement shall be for the benefit of all employees who at any time were covered by this contract, including any and all employees who are promoted, retired, or terminated for any reason. For example, if an Officer or Sergeant was employed any time on or after January 1, 2008 and if any Officer or Sergeant who was employed any time after January 1, 2008, retires, resigns, is terminated, or is promoted any time on or after January 1, 2008, then that Officer or Sergeant will receive the retroactive benefits from January 1, 2008 through his termination date, retirement date, transfer date, promotion date, etc..~~

~~SECTION 6. In the event that the Camden County Sheriff's Department would absorb or merge with any other law enforcement agency, those non-Sheriff's Department officers who become employed by the Sheriff's Department will not bring with them any seniority for job bidding purposes.~~

14. Article XXVI – Insurance - Replace the current Article with the following:

HEALTH BENEFITS

1. Subject to the employee premium sharing schedule detailed below, the Employer shall provide the benefits through the New Jersey State Health Benefit Program or substantially similar plans for full-time employees for medical and prescription drug benefits. The Parties agree to be bound by the requirements and terms of the New Jersey State Health Benefits Program and the New Jersey State Health Benefits Commission.

PREMIUM CONTRIBUTION

1. Effective May 22, 2010, the cost of health insurance benefits shall be shared by employees through the withholding of a contribution in an amount equal to 1.5 percent of base salary.

2. Effective June 28, 2011, the amount of contribution to be paid by an employee for medical and prescription drug benefits for the employee and any eligible dependent shall be either 1.5 percent of the employee's base salary or according to the contribution schedule below, whichever contribution amount is greater.

3. for family coverage or its equivalent, -

an employee who earns less than \$25,000 shall pay 3 percent of the cost of coverage;

an employee who earns \$25,000 or more but less than \$30,000 shall pay 4 percent of the cost of coverage;

an employee who earns \$30,000 or more but less than \$35,000 shall pay 5 percent of the cost of coverage;

an employee who earns \$35,000 or more but less than \$40,000 shall pay 6 percent of the cost of coverage;

an employee who earns \$40,000 or more but less than \$45,000 shall pay 7 percent of the cost of coverage;

an employee who earns \$45,000 or more but less than \$50,000 shall pay 9 percent of the cost of coverage;

an employee who earns \$50,000 or more but less than \$55,000 shall pay 12 percent of the cost of coverage;

an employee who earns \$55,000 or more but less than \$60,000 shall pay 14 percent of the cost of coverage;

an employee who earns \$60,000 or more but less than \$65,000 shall pay 17 percent of the cost of coverage;

an employee who earns \$65,000 or more but less than \$70,000 shall pay 19 percent of the cost of coverage;

an employee who earns \$70,000 or more but less than \$75,000 shall pay 22 percent of the cost of coverage;

an employee who earns \$75,000 or more but less than \$80,000 shall pay 23 percent of the cost of coverage;

an employee who earns \$80,000 or more but less than \$85,000 shall pay 24 percent of the cost of coverage;

an employee who earns \$85,000 or more but less than \$90,000 shall pay 26 percent of the cost of coverage;

an employee who earns \$90,000 or more but less than \$95,000 shall pay 28 percent of the cost of coverage;

an employee who earns \$95,000 or more or but less than \$100,000 shall pay 29 percent of the cost of coverage;

an employee who earns \$100,000 or more or but less than \$110,000 shall pay 32 percent of the cost of coverage;

an employee who earns \$110,000 or more shall pay 35 percent of the cost of coverage

4. for individual coverage or its equivalent -

an employee who earns less than \$20,000 shall pay 4.5 percent of the cost of coverage;

an employee who earns \$20,000 or more but less than \$25,000 shall pay 5.5 percent of the cost of coverage;

an employee who earns \$25,000 or more but less than \$30,000 shall pay 7.5 percent of the cost of coverage;

an employee who earns \$30,000 or more but less than \$35,000 shall pay 10 percent of the cost of coverage;

an employee who earns \$35,000 or more but less than \$40,000 shall pay 11 percent of the cost of coverage;

an employee who earns \$40,000 or more but less than \$45,000 shall pay 12 percent of the cost of coverage;

an employee who earns \$45,000 or more but less than \$50,000 shall pay 14 percent of the cost of coverage;

an employee who earns \$50,000 or more but less than \$55,000 shall pay 20 percent of the cost of coverage;

an employee who earns \$55,000 or more but less than \$60,000 shall pay 23 percent of the cost of coverage;

an employee who earns \$60,000 or more but less than \$65,000 shall pay 27 percent of the cost of coverage;

an employee who earns \$65,000 or more but less than \$70,000 shall pay 29 percent of the cost of coverage;

an employee who earns \$70,000 or more but less than \$75,000 shall pay 32 percent of the cost of coverage;

an employee who earns \$75,000 or more but less than \$80,000 shall pay 33 percent of the cost of coverage;

an employee who earns \$80,000 or more but less than \$95,000 shall pay 34 percent of the cost of coverage;

an employee who earns \$95,000 or more shall pay 35 percent of the cost of coverage;

5. for member with child or spouse coverage or its equivalent -

an employee who earns less than \$25,000 shall pay 3.5 percent of the cost of coverage;

an employee who earns \$25,000 or more but less than \$30,000 shall pay 4.5 percent of the cost of coverage;

an employee who earns \$30,000 or more but less than \$35,000 shall pay 6 percent of the cost of coverage;

an employee who earns \$35,000 or more but less than \$40,000 shall pay 7 percent of the cost of coverage;

an employee who earns \$40,000 or more but less than \$45,000 shall pay 8 percent of the cost of coverage;

an employee who earns \$45,000 or more but less than \$50,000 shall pay 10 percent of the cost of coverage;

an employee who earns \$50,000 or more but less than \$55,000 shall pay 15 percent of the cost of coverage;

an employee who earns \$55,000 or more but less than \$60,000 shall pay 17 percent of the cost of coverage;

an employee who earns \$60,000 or more but less than \$65,000 shall pay 21 percent of the cost of coverage;

an employee who earns \$65,000 or more but less than \$70,000 shall pay 23 percent of the cost of coverage;

an employee who earns \$70,000 or more but less than \$75,000 shall pay 26 percent of the cost of coverage;

an employee who earns \$75,000 or more but less than \$80,000 shall pay 27 percent of the cost of coverage;

an employee who earns \$80,000 or more but less than \$85,000 shall pay 28 percent of the cost of coverage;

an employee who earns \$85,000 or more but less than \$100,000 shall pay 30 percent of the cost of coverage.

an employee who earns \$100,000 or more shall pay 35 percent of the cost of coverage.

6. Base salary shall be used to determine what an employee earns for the purposes of this provision and shall mean pensionable salary.

7. As used in this section, "cost of coverage" means the premium or periodic charges for health care and prescription benefits, provided pursuant to N.J.S.A. 40A:10-16 et seq., or any other law, by the Camden County Sheriff. If the Employer is required by law to provide dental, vision or other healthcare benefits not otherwise heretofore provided, the "cost of coverage" shall include the premium or periodic charges for those additional mandated benefits as well.

8. Employees employed on or before June 27, 2011, shall pay:

i. during the first year in which the contribution is effective, one-fourth of the amount of the applicable contribution reflected under Subsections 3. through 5. above;

ii. during the second year in which the contribution is effective, one-half of the amount of the applicable contribution reflected under Subsections 3. through 5. above;

iii. during the third year in which the contribution is effective, three-fourths of the amount of the applicable contribution reflected under Subsections 3. through 5. above;

iv. during the fourth year in which the contribution is effective, the full amount of the applicable contribution reflected under Subsections 3. through 5. above.

9. Employees employed on June 28, 2011 or thereafter shall pay the full amount (100%) of the applicable contribution reflected in Subsections 3. through 5. above.

10. "Healthcare plan" or "health benefits" mean the healthcare plans for medical and prescription drug benefits. If the Employer is required by law to provide dental, vision or other healthcare benefits not otherwise heretofore provided, the definition of "healthcare plan" or "health benefits" shall also include the additional mandated benefits.

11. Employee contributions shall be made by way of withholding of the contribution from the employee's pay, salary, or other compensation. Withholdings shall be made by way of twenty-four (24) equal payroll deductions in a calendar year, to the extent possible, in accordance with the Employer's customary payroll practices unless otherwise required by law.

12. The amount payable by any employee under this Article shall not under any circumstance be less than 1.5 per cent of base salary. An employee who pays the contribution required in Subsections 3. through 5. above shall not also be required to pay the contribution of 1.5 percent of base salary.

CO-PAYMENTS

1. Effective September 1, 2012, prescription co-payments shall be consistent with the rates set forth in the in the plans offered by the New Jersey State Health Benefit Program or a substantially similar plan as determined by the County.

2. Effective September 1, 2012, employees shall be subject to all dollar co-payment requirements as set forth in the plans offered by the New Jersey State Health Benefit Program or a substantially similar plan as determined by the County.

DEPENDENT COVERAGE

1. Coverage for dependents shall be included in all health and prescription plans for full-time employees.

2. Effective January 1, 2009 through December 31, 2010, coverage shall end for the children of eligible employees at age 19 if the child is not a full-time student and at age 23 if the child is a full-time student.

3. Effective January 1, 2011, the Employer shall make dependent coverage in the County's Medical and Prescription Drug Plans available for an adult child until the child turns 26 years of age in accordance with Section 2714 of the federal Patient Protection and Affordable Care Act. Student status is not required. Coverage will terminate at the end of the month in which the child turns 26 years of age, subject to the right to elect continued coverage until age 31, pursuant to P.L. 2005, Chapter 375, as set forth below.

4. Subject to the provisions and requirements of P.L. 2005, Chapter 375, employees who are enrolled through any County Medical or Prescription Drug Plan may elect to enroll their dependent in Dependent to age 31 coverage for an additional premium which shall be billed directly to the employee by the insurance carrier. These provisions shall be subject to any requirements mandated by federal law and conform to the Patient Protection and Affordable Care Act and regulations promulgated thereunder. Dependents that are permanently disabled will remain covered during the life of the employee.

5. "Civil union partners" and "domestic partners" under New Jersey law shall be considered as dependents eligible for insurance benefits.

RETIREE BENEFITS

1. Former negotiations unit employees who retired before January 1, 2009 shall be subject to the premium cost-sharing provisions in effect when they retired as applicable to retirees.

2. Former negotiations unit employees who retired between January 1, 2009 and June 27, 2011 shall be subject to the premium cost-sharing provisions in effect under the parties' previous collective negotiations agreement as applicable to retirees.

3. Former negotiations unit employees who retire on or after June 28, 2011 shall contribute toward the cost of health care benefits coverage for the employee in retirement and any eligible dependent. Such contributions shall be made through the withholding of the contribution from the monthly retirement allowance, and shall be determined in accordance with Section 39 of P.L. 2011, chapter 78, by using the percentage applicable to the range within which the annual retirement allowance, and any future cost of living adjustments thereto, fall.

4. Any employee with 20 or more years of creditable service in one or more State administered retirement system as of June 28, 2011 and who subsequently retires with twenty-five (25) or more years of service with the Camden County Sheriff's Department and/or affiliated Camden County organizations and twenty-five (25) or more years of service credit in a state administered retirement system shall contribute 1.5 percent of the retiree's monthly retirement allowance, including any future cost of living adjustments.

5. Any employee who retires with twenty-five (25) or more years of service with with the Camden County Sheriff's Department and/or affiliated Camden County affiliated organizations and twenty-five (25) or more years of service credit in a state administered retirement system shall contribute 1.5 per cent of the retiree's monthly pension allowance or the amount determined in accordance with Section 39 of P.L. 2011, chapter 78, including any future cost of living adjustments, whichever is greater.

6. Current employees retiring at age 62 or older, and who have at least fifteen (15) years of service with the Camden County Sheriff's Department and/or affiliated Camden County affiliated organizations, or twenty-five (25) or more years of service credit with the Camden County Sheriff's Department and/or affiliated Camden County organizations; or current employees retiring on an ordinary disability pension, shall receive health and prescription benefits subject to the following percentage of premium contributions:

<u>YEARS WITH THE EMPLOYER</u>	<u>PERCENT OF PREMIUM</u>
<u>10 years through 14 years (for Ordinary Disability Retirement only)</u>	<u>30%</u>
<u>15 years up to 19 years</u>	<u>25%</u>
<u>20 years up to 24 years</u>	<u>15%</u>
<u>25 years or more</u>	<u>1.5 % of pensionable income (if retired prior to 12/31/2012)</u>
<u>25 years or more</u>	<u>Amount determined in accordance with Section 39 of P.L. 2011, chapter 78 (if retiring effective 1/1/2013 or thereafter)</u>

7. Prior years of employment with the Camden County Sheriff's Department and/or affiliated Camden County organizations shall count as "Years With the Employer" for the purpose of determining the appropriate premium contribution as set forth above.

8. Employees who retire after December 31 2012 shall pay the identical medical and prescription co-payments, and deductibles paid by active employees in the same plan.

9. Retirees 65 or older who are eligible for Medicare shall pay the percentage of premium contribution in accordance with the above and the amount of the health and prescription drug programs applicable to Medicare eligible retirees in which they are enrolled.

10. Retirees are required to submit annual verification to the County of the amount of their monthly retirement allowance in a form and from a source acceptable to the County at the time of the County's annual open enrollment period for healthcare benefits. Failure to do so in any given year may subject the employee to a contribution payment of twenty-five (25%) per cent of the cost of coverage for the plans available to and selected by the employee for that year.

11. The amount payable by a retiree under this subsection shall not under any circumstance be less than the 1.5 percent of the monthly retirement allowance, including any future cost of living adjustments thereto, that is provided for such a retiree, if applicable to that retiree, under subsection b. of N.J.S.A. 40A:10-23. A retiree who pays the contribution required under this subsection shall not also be required to pay the contribution of 1.5 percent of the monthly retirement allowance under subsection b. of N.J.S.A. 40A:10-23.

12. All retirees and eligible spouses of retirees, age sixty-five (65) or older, who are receiving benefits through the Camden County Sheriff's Department are required to enroll in Medicare Parts A & B within three months of becoming eligible for Medicare.

Waiver of Coverage

1. Eligible employees covered by this agreement may choose, in writing, to waive insurance coverage. Participation in this program is voluntary and is intended for those eligible employees who are covered by health insurance through another source. Employees who hold elective office and are receiving health insurance benefits as a result of their elected office and employees who are receiving health insurance benefits as a result of their retirement or the retirement of their spouse or domestic/civil union partner from another public entity in New Jersey are not eligible for opt out. Waiver as described in this section shall be subject to the rules of the New Jersey State Health Benefit Plan where applicable.

2. If two employees are married or qualify as domestic partners/civil union partners and one of them receives health insurance coverage from Camden County or any other New Jersey State Health Benefits Plan, the other may not participate. Additionally, in the event that the County is no longer in the New Jersey State Health Benefits Plan, then the limitations set forth herein shall apply to married, or domestic partners/civil union partners from the following related agencies:

- Camden County Row Office
- Camden County Mosquito Commission
- Camden County Superintendent of Schools
- Camden County Prosecutor's Office
- Camden County Library System
- Camden County Municipal Utilities Authority
- Camden County Improvement Authority
- Camden County Pollution Control Authority
- Camden County Board of Elections
- Camden County Superintendent of Elections
- Camden County Health Services Center
- Camden County College

3. If two employees are married or qualify as domestic partners/civil union partners, they may be covered individually as an employee or as a dependent under his or her spouse's/partner's New Jersey State Health Benefits Plan or County plan, as set forth in Section 2, but not both. Dependent children must be covered under one plan only.

4. If an employee chooses to participate and drops coverage, the employee shall receive a monetary incentive as outlined below. Waiver payments shall not be available to employees that have an opportunity for alternate coverage through another New Jersey State Health Benefits Plan member.

An employee shall receive an incentive which shall not exceed twenty-five (25%) per cent of the amount saved by the employer because of the waiver or \$5,000 annually, whichever is less, in accordance with State law.

5. Eligible employees who waive coverage must do so for a minimum of one (1) year at a time unless there is a change of life event. However, if an eligible employee chooses to participate and then the spouse's/partner's benefits are terminated (not voluntarily dropped), the employee and his/her dependents may enroll in any of the available plans upon proper verification of termination. Applications must be made within thirty (30) days after the loss of coverage. Eligible employees shall be permitted to waive either medical coverage or prescription coverage or both, subject to the limitations of the New Jersey State Health Benefits Plan where applicable

6. The incentive payments provided shall be paid in equal monthly payments and appropriate deductions shall be made from the gross incentive amount.

7. The waiver of coverage shall be available to all new benefit-eligible employees on their benefit effective date and shall be available to all eligible current and prospective retirees under the same terms and conditions applicable to active employees. Subject to the limitations set forth in Section 4.

8. The incentive shall begin to be paid to the eligible employee no later than one month after the effective date of the option.

9. In order to enroll in a waiver of coverage, an employee must complete the enrollment form and provide proof of dependent status and current health insurance coverage within the appropriate timeframe as required by the plan.

10. Annual re-enrollment is required.

11. Employees on non-paid leaves do not receive Opt Out payments.

MISCELLANEOUS

1. The County will reimburse an employee on active pay status for his

premium charges under Part B of the Federal Medicare Program covering the employee alone when the employee reaches age 65, but only for a maximum of a six (6) month period prior to retirement. The parties agree to reopen negotiations with respect to this provision if the laws governing Medicare should change during the term of this Agreement.

2. The County will provide each employee with short-term disability coverage provided by the State of New Jersey.

3. Effective January 1, 2013, employees shall be responsible for extra costs incurred by the County if there is a change in an employee's life status (divorce, death of spouse, etc.) which would affect his or her health and prescription benefits and the employee does not report it to the County Insurance Division within 60 days of the event.

4. The County shall continue to maintain a Section 125 Plan which will permit the payment of certain employee contributions in pre-tax dollars. Pre-tax payroll deductions shall be made equally over 24 pay periods of each calendar year in accordance with the Employer's customary payroll practices unless otherwise required by law.