

NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of Interest Arbitration Between:

TOWNSHIP OF EAST BRUNSWICK

"Employer,"

- and -

PBA LOCAL 145

"Union."

**INTEREST ARBITRATION
DECISION AND
AWARD**

Docket No. IA-2003-036

**Before
James W. Mastriani
Arbitrator**

Appearances:

For the Township:
Brian W. Kronick, Esq.
Genova, Burns & Vernoia

For the PBA:
Richard D. Loccke, Esq.
Loccke & Correia

I was appointed to serve as interest arbitrator by the New Jersey Public Employment Relations Commission in accordance with P.L. 1995, c. 425, pursuant to a petition filed by the East Brunswick PBA Local 145 [the "PBA"] and the Township of East Brunswick. The Township and the PBA are parties to a collective negotiations agreement [the "Agreement"] covering police officers. This Agreement covered the period January 1, 2000 through December 31, 2002. An impasse developed between the Township and the PBA resulting in the submission of the dispute to interest arbitration pursuant to the rules of the New Jersey Public Relations Employment Commission. I conducted pre-arbitration mediation sessions on August 11, August 26 and December 5, 2003 between the Township and the PBA. Because the impasse remained, the dispute proceeded to formal interest arbitration.

A formal interest arbitration hearing was held on February 23, 2004, at which the parties examined and cross-examined witnesses and introduced documentary evidence into the record. Testimony was received from David Boehm, Patrolman and State Delegate, James White, Township Administrator, and L. Mason Neely, Township Certified Financial Officer.

The terminal procedure was conventional arbitration because the parties did not mutually agree to an alternative terminal procedure. Under this process the arbitrator has broad authority to fashion the terms of an award based upon the evidence without being constrained to select any aspect of a final offer

submitted by either party. Post hearing briefs and replies were submitted by both parties and transmitted by the arbitrator to each party on or about July 15, 2004.

The statute requires each party to submit a last or final offer. I have set forth below the last or final offer of each party.

Final Offer of PBA Local 145

- A. **Wage Increase:** The PBA proposes a four (4) calendar year contract (January 1, 2003 through December 31, 2006) with a 4.5% across the board increase in each calendar year effective on each January 1st.
- B. **Clothing Allowance:** The PBA proposes a clothing allowance increase of \$100.00.
- C. **Call-In:** The PBA proposes a three (3) hour minimum for call-ins.
- D. **Holidays:** The PBA proposes an increase in the number of days off an officer may be entitled to if he or she works during a scheduled holiday from nine (9) days to twelve (12) days.
- E. **Compensatory Time:** The PBA proposes an additional sixteen (16) hours of compensatory time for roll call.

Final Offer of the Township

1. Term of Agreement

Four (4) year term effective January 1, 2003 through December 31, 2006.

2. **Salary**

- A. Effective January 1, 2003, 3.25% across the board wage increase.
- B. Effective January 1, 2004, 3.25% across the board wage increase.
- C. Effective January 1, 2005, 3.25% across the board wage increase.
- D. Effective January 1, 2006, 3.25% across the board wage increase.
- E. Additional step on guide between 2nd and 3rd steps.
- F. Township discretion on guide placement for officers hired from other jurisdictions.

3. **Health Benefits**

Increase deductibles to \$500.00 and \$1000.00. Increase Prescription Co-Pays to \$10.00 generic, \$15.00 brand and \$25.00 premium.

4. **Uniform Allowance**

Leave Uniform Allowance at \$950.00 for each year of the contract.

5. **Holidays**

The Township is seeking to decrease the number of paid holidays to 15

6. **Preparation Time**

The Township is seeking to delete the current five (5) compensatory days for preparation time.

7. **Longevity**

Amend the Longevity scale as follows: "All employees hired after July 1, 2004, shall receive the following longevity: 2% at the end of the 7th year; 4% at the end of the 11th year; 6%

at the end of the 16th year and 8% at the end of the 21st year."

8. **Retiree Benefits**

Amend Article XIV, Health Benefits, Section E by deleting the following: "It is understood that should the statute be amended during the term of the contract to permit payment for said benefits with less than 25 years of service, the contract shall be so amended provided the minimum years of service shall not be less than 20 years."

BACKGROUND

East Brunswick Township is one of 25 municipalities within Middlesex County. 47,000 of the County's 760,000 residents live in the Township. Due to its geographical location, there is substantial daily activity within the Township's borders. The New Jersey Turnpike interchange 9 intersects with Route 18, creating substantial daily vehicle activity. Although the Township is primarily residential in nature, there is substantial commercial activity including major shopping malls, several hotels and conference facilities. The Township is experiencing growth. Its residential population has increased by 35% since 1970 and there has been a similar increase in the pupil population in its public schools.

As of 2000, the per capital income in the Township was \$33,286, a rank of 4th out of 25 Middlesex County municipalities where the average was \$26,535. In 2003, the annual tax rate for real property in the Township was 6.22 per \$100 of assessed value. The municipal portion of this rate was 1.10 or approximately 18% of the total rate. The Township's equalized valuation in 2003 was

\$4,840,064,058. This statistic has shown a consistent increase as evidenced by this valuation being calculated at \$3,701,324,547 for the year 2000. When the assessed value is broken down by classification of real property in percentage terms, it reflects 72.6% residential, 19% commercial, 5.6% industrial and 1.6% apartment and 1.2% vacant land. The Township consistently collects over 98% of its tax levy.

The Township's police budget was approximately \$11 million in 2003, representing approximately 30.1% of the total municipal budget. In 1998, this figure was 28.1%. There are 91 sworn law enforcement officials in the police department. This includes 1 Deputy Chief, 4 Captains, 10 Lieutenants, 11 Sergeants and 65 Patrol officers as of February 23, 2004. The total figure of 91 has not increased since 1991. A roster introduced at hearing shows a bargaining unit consisting of 67 police officers receiving total compensation of \$4,878,131, including base salary, longevity and holiday pay. The average base pay of police officers is calculated at \$64,708, \$68,328 when longevity is included and \$72,807 when holiday pay is included. Top step base pay in 2002 is \$70,018 and will be adjusted by this award effective January 1, 2003. The police department is busy having received over 43,000 calls for service in 2003, compared with 21,115 in 2000. The department responded to 3,267 traffic accidents and issued over 16,000 summonses in 2003. There were 492 DWI arrests in 2003, the highest number in the state. The department received a \$69,750 grant for this purpose. The Township has had a total crime rate of 23.3 per 1,000 population in 2002, a

rank of 8th within the County. The department offers a multitude of functions including a swat team, underwater search and recovery team, a youth services counseling program, an outreach program entitled the Project 18 Unit, a school resource officer program and a DARE unit. The department's Chief Operating Officer is the Police Director who also serves as a Deputy Chief. The department operates without a Chief of Police.

The Township maintains a firearms training facility and receives revenues from outside users. Overall police expenditures have risen as a percentage of the municipal budget but the Township has been successful in reducing overtime expenses by \$76,732 in 2003 and has used forfeiture funds in the amount of \$200,000 to purchase mobile computer terminals in all patrol cars as well as mobile video recorders. All police officers were trained as first responders in 2004.

Against this general backdrop, the Township and the PBA offer the following arguments in support of their respective positions. Because these arguments are broad in scope, I will review them in summary fashion.

POSITIONS OF THE PARTIES

PBA LOCAL 145

The PBA describes the Police Department as a "highly efficient proactive law enforcement agency" whose efforts further the interest and welfare of the public. The PBA indicates there is a huge daily influx of traffic into the Township due to Turnpike Interchange 9 and Route 18. The area includes a number of hotels, food establishments and retail facilities. This has caused an increase in workload for the police officers. According to the PBA, the number of service calls from 1991 to 2003 more than doubled (21,115 to over 43,000). Moreover, the Department has adapted to the needs of its residents as it has implemented a number of new services as well as maintaining some of its other special services including School Resource Officers, Project 18, DWI unit, and First Responder training. The PBA points out that the Department is currently run by a designated Police Director doubling as Deputy Chief rather than by a Police Chief and thus promotional opportunities have been reduced.

Addressing the comparison of wages and benefits, the PBA contends its members are among the most poorly paid in its comparison group consisting of the following departments: Middlesex County Prosecutors, Piscataway, Ewing, Freehold Township, Edison, Hamilton, State Troopers, Princeton Borough, Princeton Township, Woodbridge, Manville, and Paramus. The PBA compares top step base wages for these jurisdictions as of 2002:

Chart No. 1
Base Wage Comparison Based
on PBA Proofs (2002 Base)

	2002 Base Rate at Top Step
Middlesex Pros.	\$78,123
Piscataway	\$73,436
Ewing	\$72,723
Freehold Township	\$74,720
Edison	\$69,739
Hamilton	\$72,895
STFA	\$72,659
Princeton Borough	\$70,549
Princeton Township	\$70,575
Woodbridge	\$70,755
Manville	\$72,376
Paramus	\$90,413
<i>Average</i>	<i>\$74,080</i>
East Brunswick	\$70,018
East Brunswick compared to Avg	(\$4,062) (5.8%)

The PBA maintains it would take an increase of 5.8% just to reach the average of these comparables. The PBA presents its analysis of base rate changes which have been made for 2003 through 2005:

Chart No. 2
Base Wage Increases Based on PBA Proofs

	2003	2004	2005
Middlesex Pros. Office	4.75	4.75	
Freehold Township	4.		
Freehold SOA	4.		
Hamilton	4.		
Hamilton SOA	4.		
Edison	3.9	4.	
Piscataway		3.9	3.9
Ewing	5.	5.	
STFA	4.	4.	
Princeton Boro	5. (2.5/2.5)		
Princeton Twp	5.		
Woodbridge	4.	4.	
Sayreville		4.	4.
New Brunswick	3.75	3.75	
Monroe	4.25	4.5	
Milltown	5.8	5.7	5.6
Somerville		4.	4.9
North Plainfield		4.	4.
Manville	4.	4.	
South Amboy	4.	4.5	
Paramus	3.9		
Average	4.315%	4.293%	\$4.48%

The PBA calculates the average increases as 4.315% for 2003, 4.293% for 2004, and 4.48% for 2005. According to the PBA, the Township's evidence on wages also supports the PBA's proposal. Although the PBA disputes the Township's claim that the Township's comparison group is comparable, the PBA indicates

that even if the Township's comparables were accepted, the comparables would average 4.064% for 2003, 4.19% for 2004, 4.31% for 2005, and 4.172% for 2006.

As for the PBA's proposal to improve the minimum for recall from two (2) hours to three (3) hours, the PBA presents its comparable group. The PBA points out that the average benefit exceeds its proposal to add one (1) hour to the present two (2) hour recall.

Chart No. 3
Recall Minimum Based on PBA Proofs

Middlesex Pros. Office	4
Freehold Twp	3
STFA	3
Edison	4
Ewing	2
Hamilton	4
Princeton Boro	4
Princeton Twp	4
Sayreville	2
New Brunswick	4
Milltown	4
Somerville	2
North Plainfield	2
Manville	2
South Amboy	4
Paramus	3
<i>Averages</i>	<i>3.188</i>
East Brunswick PBA Minimum on Recall	2 hours

The PBA seeks to improve its holiday benefit from nine (9) days to twelve (12) days. These days reflect the maximum number of days that an officer can receive if that officer works on a holiday. The PBA maintains it's simply proposing the benefit that the Township's superior officers currently receive.

As for private sector comparisons, the PBA asserts that limited weight should be placed upon private sector comparisons based upon the distinctions between police officers and private sector employees described in the Borough of River Edge, IA-97-20 by Interest Arbitrator Carl Kurtzman. The PBA points to the hazards and risks associated with police work and their obligations to engage in law enforcement activity at all times whether on or off duty. As shown in the Township's annual report, police responded to 27,099 calls for service in 2004 and engaged in 1,125 criminal arrests, 16,045 motor vehicle stops, 4,914 hazardous violations, 553 speeding violations and 4,823 alarms.

With respect to stipulations, the PBA points out that while there were no formal stipulations other than that each party seeks a four (4) year agreement.

Addressing the lawful authority of the employer, the PBA maintains that the Cap Law will not act as a restriction upon the Township's ability to fund the PBA's proposals. The PBA indicates that the Township has essentially waived 4% (\$1,326,440) of its cap flexibility. Even so, the Township did not utilize the budgeted amount. According to the PBA, the Township budgeted \$35,447,550

but only utilized \$35,278,661, leaving over \$168,000 unused. The PBA maintains that the cost associated with increasing the bargaining unit's salaries by one (1) percentage point is \$43,354. According to the PBA, the following chart represents the base pay of unit members:

Chart No. 4
Bargaining Unit Base Wage – Based On
Employer Scattergram (Employer Exhibit Tab 2)

(A) Step	(B) Base Rate	(C) Census	(D) Column (B) X Column (C)
1	\$34,392	3	\$103,176
2	\$40,318	4	\$161,272
3	\$52,183	2	\$104,366
4	\$59,084	4	\$236,336
5	\$63,683	8	\$509,464
6	\$70,018	46	\$3,220,828
Total		67	\$4,335,442 1% = \$43,354

Addressing the financial impact on the Township, its residents and taxpayers, the PBA asserts that its proposals "will be extremely small or almost imperceptible." The PBA emphasizes that the Department's table of organization has reduced promotional opportunities. The PBA describes the evidence as reflecting that the Township is a wealthy county municipality with "an extremely high ratable base." According to the PBA, the Township ranks among the highest in the County with respect to net taxable value of land and improvements. Even so, the Township maintains a relatively low effective tax rate among large County municipalities:

Chart No. 5
Comparison of Effective Tax Rates in
Large Middlesex County Municipalities
(Based on Employer Exhibit Tab 16)

Highland Park	3.091
Carteret	2.998
Dunellen	2.828
New Brunswick	2.821
North Brunswick	2.737
Woodbridge	2.599
Old Bridge	2.593
East Brunswick	2.581

The PBA estimates that the cost of the bargaining unit for a resident paying an annual tax bill of \$6,000 will 16 cents per percentage point increase. The PBA emphasizes that the municipal tax rate has increased well below the rate of inflation over the past seven (7) years and further, that the Township has not made pension contributions for approximately five (5) years but nevertheless budgets those amounts as a cost.

The PBA makes some general observations with respect to the Township's financial documents submitted at hearing:

- The results of operation indicate that East Brunswick has averaged over 3 million dollars per year. The results of operation is an important concept as it clearly indicates the ability to regenerate surplus. (Source: AFS, Sheet 19)
- The unexpended balance of appropriation reserves are unexpended budget appropriations that are lapsed to surplus by

statute. They average almost \$200,000 per year over the last 3 years. (Source: AFS, Sheet 19).

- The current real property tax collection experience has been excellent in this municipality. In every year for the last decade, the percentage of current tax collections has well exceeded 98%.
- The Moody's Credit Rating for East Brunswick is "AAA" (Source: 2003 Municipal Data Book).
- The current fund cash balance as of December 31, was \$11,290,336.00. The capital fund cash balance as of the same date was \$9,675,852.00. (Source: AFS, Sheet 9).

Addressing the continuity and stability of employment, the PBA indicates the concepts of "area standards" and "going rate" support its proposals. With respect to internal comparability, the PBA points out its superior officers, municipal employees' association and the Township's executive staff have 14% longevity maximum compared to its own maximum of 12%. The PBA also indicates it receives five (5) less compensatory days than the superior officers (10 days compared to 5). The PBA further points out that it receives lesser benefits than its superior officers in short term disability (monthly benefit of \$4,000 compared to \$2,000).

Based upon all of the above, the PBA urges that its proposals be accepted in their totality.

TOWNSHIP OF EAST BRUNSWICK

The Township contends that the Union's proposals are excessive and, if awarded, would have adverse financial impact on the Township over the life of the proposed Agreement. The Township points out that the total current annual compensation for the unit is a little less than \$4.88 million. The Union's wage proposal will cost the Township an additional \$17,749,880 over the term of the new contract compared to the Township's proposal which will cost an additional \$17,034,358 for the unit – a difference of \$715,522 or 19.9% more than the Township's proposal. With respect to other benefits, the Township indicates that the Union's proposals for increasing uniform allowance, increasing the number of compensatory days, increasing the amount of compensatory time for roll call would cost the Township an additional \$2,572,437. For these reasons, the Township contends the Union's proposals are "excessive and unwarranted".

Comparing the compensation packages of its officers to other Township employees, the Township contends that its officers receive a package that is 22.05% higher than that received by its unrepresented civilian employees, and 86.3% higher than that of the represented civilian employees. In support of its view, the Township presents the following comparison charts reflecting that the PBA's proposed 4.5% increases are well in excess of increases granted to other Township employees:

Agreement between Township of East Brunswick and Professional Managers Association, 2000-2002 [T. Ex. #31]

2000	3.5%
2001	3.0%
2002	2.75%

Agreement between Township of East Brunswick and Municipal Employees Association, 2001-2004 [T. Ex. #32]

1/1/2001	3.0%
7/1/2001	1.0%
1/1/2002	3.5%
1/1/2003	3.0%
7/1/2003	0.75%
1/1/2004	3.65%

Agreement between Township of East Brunswick and School Crossing Guards Association, 2003-2005 [T. Ex. #33]

2003	3.6%
2004	3.6%
2005	3.6%

Agreement Between Township of East Brunswick and New Jersey Law Enforcement Officers Association, Local 9, 2000-2003 [T. Ex. #34]

2000	\$14.00/hr.
2001	\$15.50/hr.
2002	\$16.50/hr.

Citing the above, the Township refers to a settlement with the Professional Manager's Association for a three (3) year contract with increases of 3.5%, 3.0%, and 2.75% for years 2000-2002 (T. Ex. #31). The average salary for that unit is \$59,653 compared with \$72,808 in the PBA unit. The Municipal Employees Association received split increases of 3.0% and 1% for 2001, 3.5% in 2002, 3.0% and 0.75% in 2003, and 3.65% in 2004. The average salary for that unit is \$39,062. The School Crossing Guards Association received increases of 3.6%

for each year of a three (3) year contract from 2003-2005. The average salary for that unit is \$11,175. Based upon the figures above, the Township asserts that the Union's proposal, which it calculates as 19.25% over four (4) years, will greatly increase the gap between the Township's police officers and civilian employees. The Township cites the testimony of Township Administrator James White that the Union's proposal disrupts the current internal pattern in which the average increases have been between 3.6% and 3.75%.

The Township does not completely agree with the Union's workload arguments pointing out that the increased number of service calls from 1991 to 2003 has only resulted in an average of five (5) calls per hour. Further, the Township states that the number of summonses over the past year decreased by 23% and the number of arrests decreased 12%. The Township also asserts that the officers working the 4/2 schedule work 17 days less in a calendar year than most Township employees who work a 5/2 schedule.

The Township maintains that regardless whether the Union's wage and benefits are compared to other Township employees or officers in other comparable jurisdictions, its 3.25% proposal is more reasonable than the Union's. The Township contends that its officers were the highest paid in the County in 2002. The Township points out that its proposal will keep its officers in the top five (5) out of twenty-five (25) in the County. The Township discounts the Union's list of comparable jurisdictions because eight (8) of the fourteen (14)

municipalities are not within the County nor compare in size or socio-economic status.

The Township indicates its officers compare well in the County when the average PBA salary increase in the County is considered. According to the Township, the increases averaged 3.84% for 2003, 4.0% for 2004, 3.86% for 2005, and 3.9% for 2006. The Township maintains its proposal is "extremely reasonable" given its officers have the highest number of holidays and potential vacation days in the County and rank high in personal and sick days. The Township provides the following charts reflecting comparables which it believes reflect favorably on benefits its police officers now receive.

**Middlesex County
Maximum Vacation Days**

Municipality	Max Days	When Acquired (# of years)
East Brunswick	35	25
So River	35	25
New Brunswick	35	20
Edison	32	21
Middlesex	32	25
Plainsboro	30	16
Dunnellen	30	20
So. Amboy	6 weeks	21
Carteret	6 Weeks	20
Metuchen	30	25
Milltown	30	31
Spottswood	30	
So Plainfield	29	25
No Brunswick	28	25
Sayreville	28	11
Woodbridge	27	20
Jamesburg	27	26

Monroe	26	21
So Brunswick	26	26
Helmetta	25	20
Cranbury	24	15
Piscataway	20	25
Old Bridge	20	4
Highland Park	20	15

Middlesex County
Sick Days

Municipality	Sick Days (per year)
Sayreville	16 (4 as personal)
Old Bridge	16 (1 as personal)
East Brunswick	15
So Brunswick	15
So Amboy	15
So River	15
Highland Park	15
Milltown	15
Metuchen	15
No Brunswick	15
New Brunswick	15
Edison	15
So Plainfield	15
Woodbridge	15
Plainsboro	13
Jamesburg	12
Monroe	12
Cranbury	12
Helmetta	12
Piscataway	12
Middlesex	Up to a year at time of hire

**Middlesex County
Holidays Comparison**

Municipality	Holidays
East Brunswick	18 (1 additional day for each day worked up to 9)
New Brunswick	16
Middlesex	16 (3 are "floating" holidays)
Carteret	15 (if work, receive time and a half with a day off or twice and a half with no off day)
Edison	15 (if work, 2 hrs. pay at time and a half)
Monroe	15 (if work, time and a half)
Old Bridge	15 (1 "floating" holiday)
Plainsboro	15
Woodbridge	15
So Brunswick	14 (receive 1 comp day for every holiday worked after working at least 7 holidays)
So Amboy	14 (if work, twice and a half)
Milltown	14 (if work certain holidays, paid at time and a half)
Piscataway	14
Highland Park	14
Metuchen	14
No Brunswick	13 (if work, receive 14 hours pay)
So River	13
So Plainfield	13
Cranbury	13
Dunellen	13
Spottswood	13
Jamesburg	12
Sayreville	6

Based upon its comparison, only five (5) municipalities are said to provide more vacation time at 11 years of service, and no municipality provides more vacation time at the maximum level. Moreover, the Township contends that it provides above average bereavement leave benefit, as well as five (5) days compensatory time for preparation time – a benefit no other County municipality offers. The

Township points to White's testimony that it experiences little or no turnover in the Department supporting its view that the officers receive a generous and competitive salary and benefits package.

The Township maintains that the Union has failed to support its wage proposal. The Township refers to many interest arbitration awards in support of its position that the wage proposal of the Union is excessive. The Township also contends the Union's list of comparisons, unlike its own selection of comparables, are not similar to the Township. The Township further contends that the Union failed to present any financial or demographic data supporting its list of comparables.

Citing private sector, the Township indicates that its officers "have fared far better" than private sector employees. The Township points out that some private sector settlements have included wage freezes for a portion of the contract along with increases in the 2%-3% range.

Addressing the financial impact criterion, the Township summarizes "a number of difficult fiscal problems and financial challenges" it faces:

- Increased Property Tax Rates: The tax rates increased nearly 100 percent from 1988-2003 (T-15)(Transcript, p. 130-131).
- Employee Health Care Benefits: The costs related to employee health care continue to rise at a dramatic rate. Medical claims

paid in East Brunswick have increased from \$1,377,367 in 1997 to \$2,788,006 in 2003. (T-21).

- State Extraordinary Aid: Although the Township had never reached such aid in the past, the Township was able to obtain \$600,000.00 in extraordinary aid. (T-19). This amount, one of the highest in New Jersey, clearly indicates the financial strain placed upon the Township.
- Employee Pension System: While there has been an abatement on municipal contributions to pension funds, it is important to consider that these payments still must be made. This is simply a deferred liability and will add to the financial strain placed upon the Township of East Brunswick.
- Fund Balance: East Brunswick's Chief Financial Officer, L. Mason Neely, testified at the arbitration hearing that the fund balance as of December 31, 2003 was approximately \$540,000.00 (T-17). This figure was considerably lower than the fund balance of \$7,000,000.00 in 1997. (T-17). Mr. Neely testified that the dwindling fund balance resulted from the fund being used to stabilize the tax rate and pay for the cost of governmental service. (Transcript, p. 133-134). Mr. Neely also testified that when the Township appropriated the balance from 2002 in the budget of 2003 they appropriated \$3,500,000.00 carrying forward approximately \$500,000.00 of fund balance. The lowered fund balance would be a factor considered by Moody's investment service in reviewing the Township's fiscal situation, and would result in a bond rating lower than the Township's present bond rating of Double A.
- Per Capita Cost of Police Functions: The per capita cost of police functions has increased dramatically from comprising 28.140% of the budget in 1998 to 30.106% in 2003. This increase equates to an additional cost of \$1,718,262.00. (T-20).

The Township points out that the municipal tax rate has increased by 36% since 1998, that it has used surplus funds for some of its current expenses, and it has eliminated funding for five (5) positions in the 2004 budget without eliminating a single police officer position. According to the Township, the average annual

officer's salary is \$72,808 compared to the 1999 median earning of a male, full-time, year round worker in the Township of \$60,790.

The Township points out that property taxes account for the vast majority of its revenues and that awarding the PBA's proposal would compel a larger tax increase. The Township anticipates that any increase in expenditures would result in an increase in property tax. The Township maintains the Union failed to present evidence revealing how the Township would raise the revenue necessary to fund increased expenditures. Coupled with the fact that the Township will once again begin to fund police pension contributions which could amount to over \$886,000 annually, any additional unforeseen cost in salary will place considerable financial pressure upon the Township.

Addressing its own proposal to increase prescription co-pays and medical deductibles, the Township maintains that it seeks to balance its financial burden while providing reasonable contribution levels for its employees. According to the Township, the cost of health coverage continues to escalate with no relief in sight. As of 2001, the average cost per employee increased by 11.2% from the previous year. Medical claims paid by the Township have risen from \$1,377,367 in 1997 to \$2,788,006 in 2003. The Township cites several interest arbitration awards in support of its proposal on this issue.

Addressing the cost of living, the Township indicates its police officers have received wage increases that have greatly outpaced the Consumer Price Index. The Township points out that its wage proposal, if implemented, would be well above the twelve month unadjusted rate of change for the December 2003 CPI of 1.9%.

Addressing the interests and welfare of the public, the Township contends that its proposal provides a reasonable balance between providing its employees with a competitive salary and benefits package while controlling its costs and the municipal tax rate. The Township points out that only 10 of its 65 officers live in town. The Township maintains that the Union's reference to the growing population in the municipality must not be given significant weight as it is a fact common to many municipalities throughout the State. The Township notes that while the Union provides data on the increased number of service calls since 1991 it fails to reveal that all calls, including those for fire response, are included in the statistics. The Township also points out that the Union does not mention the fact that even though the Turnpike intersection is actively patrolled by the Township it is not exclusively patrolled because of the jurisdiction of the State Police.

Addressing the Township's lawful authority, the Township indicates there is reason for a four year Agreement:

In light of the financial challenges currently facing the Township, as well as dwindling state and county aid grants, a four-year contract is a sensible and well-reasoned measure that will allow the parties to re-address contract issues when economic conditions have stabilized.

Addressing the overall compensation of its officers, the Township indicates its officers are well compensated and receive a generous benefits package. The Township indicates the average base salary for a patrol officer is \$64,708.09. When compared to the per capita income for Township residents of \$33,286, the average patrol officer salary is 94% higher.

Addressing the stability and continuity of employment criterion, the Township points out that the average seniority is 10.64 years of service, and six (6) officers have over 20 years of service. The Township emphasizes that none of its officers in the past 20 years has been laid off.

With respect to its longevity proposal, the Township indicates that it seeks to place its officers "more in-line" with other municipalities in Middlesex County. The Township emphasizes that the two-tier structure it proposes would not change the current structure for those currently employed by the Township.

With respect to its holiday proposal, the Township points out that its officers receive 18 holidays – the most in the County. The Township indicates that its proposal to reduce this to 15 will place its officers in line with the comparables.

With respect to its proposal to eliminate five (5) compensatory days for preparation time, the Township contends its officers already receive a generous package of holiday time, vacation time, and compensatory time on top of a "4 and 2" work schedule. The Township maintains that the Union comparison to the supervisors' ten (10) days of compensatory time must be evaluated in the context of the fact that the supervisors are not entitled to paid overtime.

For all of the above reasons, Township urges that its proposals be accepted in their totality.

DISCUSSION

I am required to issue an award based upon a reasonable determination of all issues in dispute after giving due weight to the statutory criteria which I judge relevant. The Township and the PBA have forcefully articulated their positions on the issues and have offered testimony and considerable documentary evidence and argument on each statutory criterion in support of their respective positions. I have carefully reviewed, considered and weighed all of the evidence and arguments.

As stated, I am required to make a reasonable determination of the above issues giving due weight to those factors set forth in N.J.S.A. 34:13A-16g(1)

through (8) which I find relevant to the resolution of these negotiations. These factors, commonly called 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, each party shall have the right to submit additional evidence concerning the comparability of jurisdictions for the arbitrator's consideration.
- (3) The overall compensation presently received by the employees, inclusive of direct wages, salary, vacations, holidays, excused leaves, insurance and pensions, medical and hospitalization benefits, and all other economic benefits received.
- (4) Stipulations of the parties.
- (5) The lawful authority of the employer. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by the P.L. 1976 c. 68 (C.40A:4-45 et seq.).
- (6) The financial impact on the governing unit, its residents and taxpayers. When considering this factor in a dispute in which the

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

(7) The cost of living.

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

Initially, I observe that all of the issues in dispute are economic in nature. These include wages, clothing allowance, call-in pay, health benefits, paid holidays, preparation time in the form of compensatory days, longevity and retiree benefits. I also note that all of the enumerated criteria are relevant although not all are entitled to equal weight. In other words, some are entitled to more substantial weight than others.

While I must assess the merits of the disputed proposals individually, I refer to criterion N.J.S.A. 34:13A-16g(8), a criterion that directs the consideration of factors ordinarily or traditionally considered in the determination of wages and

benefits. One such element requires that consideration be given to the totality of the changes to be made to an existing agreement. This consideration is consistent with the statutory requirement that the arbitrator determine whether the total net annual economic changes for each year of the agreement are reasonable under all of the criteria. Thus, any decision herein to award or to deny any individual issue in dispute will include consideration as to the reasonableness of that individual decision in relation to the reasonableness of the totality of the terms of the entire award.

Salary

The issue of salary is the first issue that should be decided. There are many economic issues in dispute. Because the financial impact of the salary issue on the Township and the PBA is more substantial than the remaining economic issues, a decision on salary provides a framework for considering the remaining economic proposals. Based upon the employee scattergram constructed by the Township as of February 4, 2004, the bargaining unit base wage total is calculated at \$4,335,442 rendering 1% of that total as \$43,354. The Township's proposal at 3.25% represents a cost of an additional \$140,900 while the PBA's proposal of 4.5% represents a cost of an additional \$195,095. The annual difference between these proposals is \$54,195. These costs do not include "roll-up" costs caused by increases in base salary alone.

The parties' proposals each seek to revise the existing salary schedules set forth in Article XVI. These schedules provide for the following salaries:

For Employees hired prior to January 31, 1998:

	2002
Police Officer (1 st Year)	34,392
Police Officer (2 nd Year)	52,183
Police Officer (3 rd Year)	59,084
Police Officer (4 th Year)	63,683
Police Officer (5 th Year)	70,018

For Employees Hired on or After January 31, 1998:

	2002
Police Officer (1 st Year)	34,392
Police Officer (2 nd Year)	40,318
Police Officer (3 rd Year)	52,183
Police Officer (4 th Year)	59,084
Police Officer (5 th Year)	63,683
Police Officer (6 th Year)	70,018

The Township and the PBA have both introduced substantial evidence concerning wage comparability among police departments as well as on the financial impact of a salary award. Each has proposed a broad set of external comparables. Within these broad sets of comparables are some municipalities that I have deemed to be the most relevant for comparison purposes with the Township of East Brunswick. These are Edison, Piscataway and Old Bridge Township. These communities are all within the County of Middlesex. All are in very close geographic proximity to the Township of East Brunswick. All have common characteristics including major roadways and high commercial ratables, yet each community is predominantly residential. All have strikingly similar effective tax rates:

2003 Effective Tax Rates

East Brunswick	2.581
Edison	2.422
Old Bridge Township	2.593
Piscataway	2.506

All, as of 2000, had similar average property taxes:

Average 2002 Property Taxes

East Brunswick	4,751
Edison	4,425
Old Bridge Township	3,960
Piscataway	3,960

All, as of 2000, had similar median household income:

2000 Median Household Income

East Brunswick	87,589
Edison	74,887
Old Bridge Township	79,599
Piscataway	75,449

All, as of 2000, had similar populations in relation to their geographic areas:

2000 Population

East Brunswick	46,756
Edison	97,687
Old Bridge Township	60,456
Piscataway	50,482

The crime rates among these municipalities are very similar:

2002 Crime Rate

	Total Crime Rate	Violent Crime Rate
East Brunswick	23.9	1.0
Edison	26.5	2.3
Old Bridge Township	17.0	1.0
Piscataway	22.3	1.5

The record also reflects that each municipality provides similar salaries for police officers at the top step base pay rate.

Top Step Base Pay

	2002	2003	2004	2005	2006
East Brunswick	70,018				
Edison	69,739	72,770	75,680		
Old Bridge Township	67,446	70,077			
Piscataway		72,318	75,138	78,068	81,113

Recent salary adjustments among these municipalities have been within a very narrow range:

Percentage Increases

	2003	2004	2005	2006
East Brunswick				
Edison	3.9	4.0		
Old Bridge Township	3.9			
Piscataway	3.9**	3.9	3.9	3.9

This data suggests that a salary adjustment be provided within the range of these comparables when applying N.J.S.A. 34:13A-16g(2)(c). However, any

* In addition, the Township of Piscataway has senior officer pay above First Class Police Officer after 15 years of service at base pay of \$75,933 in 2003, \$78,894 in 2004, \$81,971 in 2005 and \$85,168 in 2006.

** Includes a 0.5% six month increase prior to the commencement of the 2003 agreement.

final determination must be subject to a review and application of the remaining criteria as well as to how the remaining economic issues in dispute are resolved. On this latter point, the salary that might represent a reasonable determination of the salary issue standing alone, might not be appropriate after considering the economic impact of an award on other economic proposals impacting on the total net economic value of the award. These, for example, include, but are not limited to, the PBA's proposals seeking three (3) additional days off for working holidays or an additional sixteen (16) hours of compensatory time or the Township's proposals seeking to reduce the number of paid holidays from eighteen (18) to fifteen (15) or to delete the current five (5) days of compensatory days the PBA now receives for preparation time. An award of these ancillary proposals could affect total economic change by an additional 1% to 2% above or below a salary increase.

When all of the criteria are applied to the salary issue, the evidence clearly points to a determination above that proposed by the Township but below that proposed by the PBA. After considering all of the criteria as well as to the disposition of the remaining economic issues which impact upon total annual net economic change, I award salary increases of 3.9% effective on January 1, 2003, January 1, 2004, January 1, 2005 and January 1, 2006.

As stated above, increases at this level are compatible with recent salary adjustments in the municipalities of Edison, Old Bridge and Piscataway. These

increases are also consistent with the average PBA salary increases in the County which the Township has calculated as 3.84% for 2003, 4.0% for 2004, 3.86% for 2005 and 3.9% for 2006. I have examined the evidence with respect to internal comparability. Data for 2003 and 2004 are more relevant and there is no evidence of negotiated increases beyond 2004. During this time, the Township and the Municipal Employees Association reached an agreement averaging 3.7%. Although this salary award is higher, there is nothing in the record which supports identical treatment for all Township employees. The Township has put forth a pattern of settlement argument but within that argument the Township acknowledges that reasonable deviations may exist while not compromising pattern of settlement. Further, the Township acknowledges that an award of its final offer would place its police department in a more unfavorable comparison group within the County, a result which I conclude would be unreasonable after considering the totality of the relevant evidence.

The terms of this Award will not compel the Township to exceed its statutory spending limitation, commonly referred to as the Cap Law, N.J.S.A. 34:13A-16g(5). The Township used a very low Cap formula of 1%, waiving the additional 4% which it could have expended if it had decided to use the maximum of 5%. This policy decision was consistent with the Township's intent to be prudent in its financial management. The difference is an amount of \$1,362,440. Using the 1% figure, the Township nevertheless appropriated less with the lowest flexibility it decided to adopt. The difference between the Cap amount available

(\$35,447,550) and the amount appropriated within Cap (\$35,278,661) is \$168,889. The salary award represents additional costs above the Township's proposal in the amount of \$28,181 in 2003, \$58,379 in 2004, \$90,378 in 2005 and \$125,249 in 2006. These figures are calculated based on the annual difference between an award of 3.9% and an award of the Township's proposal of 3.25% in each of the four years. The Award represents a difference in costs below the PBA's proposal in the amount of \$26,012 in 2003, \$54,210 in 2004, \$84,730 in 2005 and \$117,720 in 2006. These figures are calculated based on the annual difference between an award of 3.9% and an award of the PBA's proposal of 4.5% in each of the four years. Clearly, the salary terms of the Award are within the Township's lawful spending authority. Subsequent to the close of the record, the Township requested that the arbitrator consider legislation amending N.J.S.A. 40A:4-45.2. This legislation limited the Cap amount from that previously allowed. The PBA opposed to the Township's motion to reopen the record for consideration of this legislation. Because the amendment is now law and does cover some of the time period of the Award I have considered the legislation. Clearly, the Township's Cap flexibility has been reduced by the legislation. But the terms of the Award nevertheless can be expended without compelling the Township to exceed its Cap. The Township has prudently administered its finances in the past by voluntarily adopting Cap levels well below the reduced maximum of 2.5% provided by the recent legislation.

The Township has demonstrated that an award at the levels proposed by the PBA could have adverse financial impact on the Township. An award of 4.5% could exacerbate the tax burden of taxpayers who have seen a municipal tax rate increase of 35% since 1998. The Township may also have to begin funding its PFRS contributions after having received a "pass" over the last several years. I have also considered the fact that the Township's annual fund balances are considerably lower in 2003 than in previous years. Also weighing against an award of the PBA proposal is the cost of living data and the absence of any interruptions in the continuity and stability of the Township's police officers.

The budgetary evidence in the record also reflects that the salary terms of the Award can be funded without adverse impact on the governing body, its residents and taxpayers. The Township has administered its finances in a responsible manner as evidenced by its Moody's credit rating of "AAA". The Township's fund cash balance as of December 31 was over \$11 million and its capital fund cash balance was over \$9 million. The Township's real property tax collection rate has consistently been between 98% and 99%. The Township's ability to regenerate surplus is evidenced by the fact that its results of operations have averaged over \$3 million per year. The Township has also experienced an unexpended balance of appropriation reserves of almost \$230,000 per year during the last three years. The difference between the amount of the award and

the amount proposed by the Township can be expended without adverse financial impact to the Township.

The terms of the salary award, coupled with minimal additional net annual economic change is also consistent with the interests and welfare of the public. Clearly, the Township and the PBA each view this criteria differently based upon the respective views that the result should be either more or less than what I have awarded. However, the interests and welfare of the public are furthered by an award reconciling the parties sharp differences on the salary issue after due consideration of the Township's budgetary plans, internal and external comparability, cost of living and the continuity and stability of employment of employees in the police department.

Based upon all of the above, I award annual increases of 3.9% effective and retroactive to January 1, 2003, January 1, 2004, January 1, 2005 and January 1, 2006.

Call-In

The PBA has proposed that there be a three (3) hour minimum for call-ins. The Township opposes this demand. The existing benefit regarding call-ins is referenced in Article X – Overtime Pay, Section D which states that "The current policy concerning hire back shall be maintained." Patrolman Boehm testified that the current policy entitles an officer to a minimum of two (2) hours. This may

occur if an officer is off duty and is issued a subpoena for court at 9 a.m., the call-in would go from 9 to 11 providing a minimum of three hours pay. Other examples of call-ins are for Detectives. If, for example, there is an armed robbery or other serious call during the night, or any other emergency situation requiring the call-in of a police officer.

The PBA cites labor agreements in evidence providing for a greater number of minimum recall hours, some that are at three and some that are at four hours. The Township asserts that the proposal is expensive, unreasonable and unnecessarily adds to already generous take home pay. Although the PBA has shown that call-in provisions in other jurisdictions may be higher than East Brunswick (minimum of four hours in Edison, four hours in New Brunswick, four hours in Old Bridge and a split of two hours or five hours in Piscataway, depending upon the purpose of the call-in) I nevertheless do not award the proposal. The economic impact of the proposal is a consideration and the record does not adequately reflect the cost impact of awarding the proposal. In addition, the fact that an ancillary issue such as this may be more favorable in other jurisdictions is not a sufficient basis to award the proposal given the fact that the existing agreement provides more favorable terms on individual items when compared to other jurisdictions.

Health Insurance

The Township has proposed changes to Article XIV – Health Benefits. The first proposal is to increase the insurance deductible from \$150 for single coverage to \$500, and \$300 for family coverage to \$1,000. The second portion of the proposal is to increase prescription co-pay on all generic prescription drugs from \$3.00 to \$10.00, and to increase prescription co-pay on all brand name prescription drugs from \$5.00 to \$15.00. The Township also proposes a new category defined as “premium” drugs at a co-pay of \$25.00. The PBA urges rejection of these proposals.

The Township contends that its present health insurance program is generous and has become increasingly expensive. Medical claims paid by the Township have risen from \$1,377,367 in 1997 to \$2,788,006 in 2003. The present plan contains no co-pays for health insurance premiums and the Township is not proposing any co-pays for premiums despite its assertion that there is mounting evidence that employee contributions have become more prevalent in the private and public sectors generally. The Township also points to the fact that it maintains a no cost mail-in 30 day prescription benefit and that the existing co-pay for prescription drugs at \$3.00 for generic and \$5.00 for brand names is one of the lowest in Middlesex County. The Township further argues that its health insurance proposals are reasonable when considering the attractive salaries and level of benefits it offers to its police officers.

I am persuaded that the Township has sustained its burden to modify these portions of its health insurance plan, although not to the extent that it has proposed. Modifications are warranted given the substantial increases in claims the Township has paid for providing medical, dental and prescription benefits. A prescription drug co-payment program of \$5.00 for generic drugs and \$10.00 for name brand drugs is a reasonable increase in these co-payments and is generally consistent with the vast majority of labor agreements in evidence. The Township has also established that it has borne the burden of significant cost increases in this program and the interest and welfare of the public will be served by having the Township's police officers participating in this reasonable modification. Similar reasoning persuades me to modify health insurance deductibles from \$150 for individuals and \$300 for family to \$250 and \$500 respectively. These modifications are not harsh given the overall wage and benefit package currently provided by the Township. These modifications shall be effective as soon as is practicable but no earlier than January 1, 2005.

Clothing Allowance

The PBA has proposed an increase of \$100 in clothing allowance. Presently, Article VIII – Uniform Reimbursement provides for the payment of \$950 per year. The PBA contends that the existing level of payment is low in comparison to other municipalities in the County. The PBA also asserts, in addition to its request for an increase, that the record establishes a basis for the inclusion of this sum as an adjustment in salary as an offset for any removal of

the allowance itself. The Township, while recognizing that the existing benefit is \$75 below the median and \$70 below the average in Middlesex County, contends that the PBA has not established entitlement to additional payments or shown that the existing allowance is insufficient.

I have reviewed the totality of evidence on this issue, including the Township's chart on allowances in 19 Middlesex County communities as well as the benefit levels in the municipalities of Edison, Old Bridge, and Piscataway. With respect to these latter communities, the record reflects the following benefits:

Uniform/Clothing Allowance

	2002	2003	2004	2005	2006
East Brunswick	950				
Edison	*	*	*		
Old Bridge Township	950	1000			
Piscataway (Cleaning)	100	150	200	250	300
Piscataway (Maintenance)	1050	1050	1050	1050	1050

*In base pay

The Piscataway benefit includes both the cleaning and maintenance allowance which raises the allowance to \$400 above that currently received in East Brunswick. The Old Bridge allowance was increased to \$1,000 in 2003, the last year of the existing agreement. The allowance in Edison has been removed in favor of its inclusion in base pay. The agreement in Woodbridge has apparently adopted this modification. A reasonable determination of this issue is to deny the PBA's proposal for an increase in the allowance and to remove this

payment as presently constituted in the Agreement in favor of its inclusion into the base pay for police officers. This will cause a small cost to be borne by the Township due to roll up costs but at a level within the costs it would have borne if the clothing allowance had been increased in 2003 and 2004 as suggested by the evidence. This inclusion shall occur prior to calculating the across-the-board increase for 2005 and shall be effective January 1, 2005. The Agreement shall be modified to reflect this change including the inclusion of language stating that "each police officer shall continue his or her responsibility to maintain uniforms and equipment in accordance with the standards of the department."

Longevity Pay

The Township proposes to amend the longevity schedule for employees hired after July 1, 2004 to provide as follows:

2% at the end of the 7th year
4% at the end of the 11th year
6% at the end of the 16th year
8% at the end of the 21st year."

The Section A of Article VI – Longevity Pay, currently provides as follows:

Section A. All employees shall be entitled to the additional compensation based upon completed full years of service as of January 1st of each year as follows:

Additional Compensation Percentage of Gross Salary

4% at the end of the 5th year and start of the 6th year
6% at the end of the 9th year and start of the 10th year
8% at the end of the 14th year and start of the 15th year

10% at the end of the 19th year and start of the 20th year
12% at the end of the 24th year and start of the 25th year

The Township contends that it is reasonable to award a two tier longevity structure, pointing out that its proposed schedule would not affect current members of the department. The Township also contends that its proposed schedule is more in line with more longevity schedules provided by other municipalities in the County. The PBA urges rejection of this proposal pointing out that the PBA receives a 12% maximum after 24 years of service while the Superior Officer Association, the Municipal Employees Association and the Township's managerial personnel all have a 14% maximum in the longevity program.

I am not persuaded that the Township has presented sufficient justification to award its two tier longevity proposal. A review of the comparable communities reflects that the PBA longevity schedule is not out of line. Piscataway does have a 10% maximum step but also provides a senior step of 5% above top step patrolman base pay after 15 years of service. Edison has a 10% maximum but also provides an additional 6.25% longevity adjustment after 22 years of service, and Old Bridge has a 15.0% maximum after 29 years of service and a 12.5% payment after 24 years of service. Although the Township has accurately pointed out that there are longevity schedules below that which exists in East Brunswick within Middlesex County, I place more weight on the comparables set forth above and accordingly, I deny the Township's proposal.

Holidays

I next consider the issues involving holidays. The Township and the PBA each have a proposal concerning paid holidays. The existing provision involving holidays is set forth in Article IV of the Agreement as follows:

Article IV

Section A. The following holidays with pay shall be granted to all employees covered by this Agreement:

New Year's Day	Columbus Day
Martin Luther King Day	General Election Monday*
Lincoln's Birthday	General Election Day
Washington's Birthday	Veterans Day
Good Friday	Thanksgiving Day
Easter Sunday	Thanksgiving Friday
Memorial Day	Christmas Eve*
Independence Day	Christmas Day
Labor Day	New Years Eve*

*effective January 1, 2001

Section B. If a holiday falls on a Sunday it shall be observed on the following Monday, and if it falls on Saturday, it shall be observed on the preceding Friday. If, however, Christmas Eve or New Years Eve fall on a Sunday, they will be celebrated on the preceding Friday, and if Christmas or New Years Day fall on a Saturday, they will be celebrated on the following Monday. Employees assigned to the Patrol Division shall observe holidays on the actual day of occurrence.

Section C. Effective January 1, 2001, all PBA members shall receive 18 additional days of straight time pay added to their base salary, which shall be paid with, and become a part of, the regular bi-weekly salary for all purposes. Additionally, members shall receive one additional day off for each holiday

actually worked, to a maximum of nine (9) days. The additional days actually worked shall be posted as vacation at the time they are earned.

~~The Township seeks to decrease the number of paid holidays from 18 to~~
15. The Township contends that the reduction in the number of holidays to 15 would place the Township's police officers more in line with the number of holidays received in other municipalities in the County including Carteret, Edison, Monroe, Old Bridge, Plainsboro and Woodbridge. The Township refers to a chart reflecting that East Brunswick ranked number 1 in the County in the number of holidays received. The Township also contends that its proposal is reasonable when other paid time off provisions in the Agreement are considered including vacation days and sick days. The Township also points out that the four and two work schedule yields an additional 17 days off compared to employees on a five and two work schedule. The PBA urges rejection of the Township's proposal to reduce the number of holidays.

The PBA proposes to increase the number of days that a police officer can receive off in the event that an officer works on one of the eighteen holidays. The Agreement, at Article IV, Section C, limits the number of such days off to nine. The PBA points to a provision in the Superior Officers Association ["SOA"] agreement which provides for a maximum of twelve days rather than nine days. According to the PBA, it merely seeks to receive the same benefit now provided to the SOA. According to Patrolman Boehm, the number of officers who would benefit by this change vary depending upon whether a police officer is assigned

to a specialized section or a particular squad. The Township urges rejection of this proposal citing the fact that each police officer now is paid for eighteen holidays, that pay for these holidays are rolled into base pay and, if police officers work up to nine of these days, they receive up to an additional nine days off. The Township also points out that no other municipality in Middlesex enjoys a benefit of up to nine days off when working holidays while also receiving 18 paid holidays. The Township also argues that when the number of personal days (four) are considered, as well as five compensatory days and a vacation schedule which provides a progressive number up to 35 days, the amount of paid time off is already generous requiring the denial of the PBA proposal.

After due consideration of the parties' respective positions on this issue, I conclude that neither party has met its burden to change the existing provision in the Agreement concerning holidays. I have given substantial weight to comparisons among law enforcement jurisdictions as well as the overall economic benefits presently received including holidays and other paid leave time. The existing provisions concerning the number of paid holidays, the rolling of holiday pay into base pay as well as the number of days that can be taken off if an officer works a holiday all amount to an excellent existing benefit concerning holidays. Neither the PBA nor the Township has established sufficient justification to add to or diminish from the terms that are presently agreed upon. I also reference a companion decision issued today in the Superior Officers unit which modifies the holiday provision in that agreement to provide a limit of nine

rather than twelve days off, thus paralleling the existing provision in the PBA unit. Accordingly, both proposals are denied.

Preparation (Compensatory) Time

The PBA has proposed to increase the amount of compensatory time received by an additional 16 hours. Currently, the PBA receives five compensatory days in recognition of preparation time pursuant to Article V, Section B which states:

Article V – Personal Days

Section B. Effective January 1, 2001, in recognition of preparation time required, each officer shall receive five (5) compensatory days. It is understood that these days are non-cumulative, and therefore, cannot be carried over from one calendar year to another. These days shall be scheduled in the same manner as vacation leave is currently scheduled.

The Township has proposed to delete the current five compensatory days now set forth in Section B. The Township urges denial of the PBA proposal and the PBA urges denial of the Township's proposal.

According to Patrolman Boehm, an officer now works 8 hours and 15 minutes a day. The 15 minutes is for roll call. The most recent collective negotiations agreement that expired on December 31, 2002 provided this benefit of five compensatory days for this preparation time. Citing Patrolman Boehm's

testimony, the PBA asserts that the additional 15 minutes per day equates in time to a little over 11 days and that, even if its proposal for an additional two days is granted, the amount of compensatory time would still be less than the time actually worked. The PBA also points to the SOA agreement which provides for 10 compensatory days rather than the 5 received by the PBA. The Township contends that the 5 additional days now received for preparation time is unreasonable pointing to agreements in the other municipalities in the County that reflect that East Brunswick is the only Township to provide additional days off for this purpose. The Township again references the 4 and 2 work schedule showing three less weeks of work per year than employees on a 5 and 2 work schedule and also the number of paid days off currently received for vacation and sick leave. The Township points to a chart reflecting that the average number of days off received during 2003 amounted to 51.25 days for police officers. The Township also distinguishes between police officers who receive paid overtime and the Township's superior officers who do not and who receive a greater number of compensatory days (10) as consideration for performing overtime.

After due consideration of the parties' respective positions on this issue, I conclude that neither party has met its burden to change the existing provision in the Agreement concerning compensatory time. The inclusion of 5 such days was made in the last agreement which expired on December 31, 2002. The record reflects that the inclusion of the provision was based upon providing

consideration for time spent in roll call. No greater or lesser requirements have been placed on police officers since that time. There is insufficient evidence that the status quo on this issue should be altered. The PBA correctly notes a distinction between the number of days in the PBA agreement versus the SOA agreement. However, I am not persuaded that this distinction should be removed, or that the number of days now received should be increased, based upon the differences that exist between patrolmen and superior officers with respect to how overtime compensation and call-in pay is received in their respective units. The fact that this distinction exists weighs heavily against the PBA's internal comparability argument. Accordingly, both proposals are denied.

Retiree Health Benefits

The Township has proposed to amend Article XIV – Health Benefits, Section E, by deleting the following paragraph contained within Section E:

It is understood that should the statute be amended during the term of the contract to permit payment for said benefits with less than 25 years service, the contract shall be so amended provided that the minimum years of service shall not be less than 20 years.

The record does not reflect any basis for the removal of this paragraph. In the absence of evidence that this paragraph has become inoperative or that it has been implemented pursuant to its own terms, I deny the Township's proposal.

Based upon all of the above, I respectfully issue the terms of this Award.

AWARD

1. All proposals by the Township and the PBA not awarded herein are denied and dismissed. All provisions of the existing agreement shall be carried forward except for those which have been voluntarily agreed to and/or modified by the terms of this Award.

2. **Duration**

There shall be a four-year agreement effective January 1, 2003 through December 31, 2006.

3. **Uniform Allowance**

The current uniform allowance of \$950 shall be eliminated effective January 1, 2005. The Agreement shall be modified to reflect this change along with the inclusion of language stating that "each police officer shall continue his or her responsibility to maintain uniforms and equipment in accordance with the standards of the department."

4. **Health Insurance**

The prescription drug co-payment program shall be increased to \$5.00 for generic drugs and \$10.00 for name brand drugs. The health insurance deductibles shall be increased from \$150 for individuals and \$300 for family to \$250 and \$500 respectively. These modifications shall be effective as soon as is practicable but no earlier than January 1, 2005.

5. Salary

Annual salary increases of 3.9% shall be made to each step of the salary schedules effective and retroactive to each January 1 for contract years 2003, 2004, 2005 and 2006. Prior to the calculation of the January 1, 2005 adjustment, a sum of \$950 shall be added to each step of the salary schedule. The salary schedule shall read:

For Employees hired prior to January 31, 1998:

	2003	2004	2005	2006
Police Officer (1 st Year)	\$35,733	\$37,127	\$39,562	\$41,105
Police Officer (2 nd Year)	\$54,218	\$56,333	\$59,517	\$61,383
Police Officer (3 rd Year)	\$61,388	\$63,782	\$67,256	\$69,879
Police Officer (4 th Year)	\$66,167	\$68,747	\$72,415	\$75,239
Police Officer (5 th Year)	\$72,749	\$75,586	\$79,520	\$82,622

For Employees Hired on or After January 31, 1998:

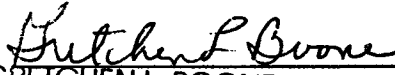
	2003	2004	2005	2006
Police Officer (1 st Year)	\$35,733	\$37,127	\$39,562	\$41,105
Police Officer (2 nd Year)	\$41,890	\$43,524	\$46,208	\$48,010
Police Officer (3 rd Year)	\$54,218	\$56,333	\$59,517	\$61,383
Police Officer (4 th Year)	\$61,388	\$63,782	\$67,256	\$69,879
Police Officer (5 th Year)	\$66,167	\$68,747	\$72,415	\$75,239
Police Officer (6 th Year)	\$72,749	\$75,586	\$79,520	\$82,622

Dated: December 15, 2004
Sea Girt, New Jersey

State of New Jersey }
County of Monmouth }ss:


James W. Mastriani

On this 15th day of December, 2004, before me personally came and appeared James W. Mastriani to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed same.


GRETCHEN L. BOONE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 8/13/2008