

NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of Interest Arbitration Between:

TOWNSHIP OF NEPTUNE

"Public Employer"

and

PBA LOCAL 74

"Union"

**INTEREST ARBITRATION
DECISION AND
AWARD**

Docket No. **IA-2009-048**

**Before
James W. Mastriani
Arbitrator**

Appearances:

For the Township:

James L. Plosia, Jr., Esq.
Apruzzese, McDermott, Mastro & Murphy, PC

For the PBA:

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

I was appointed interest arbitrator by the New Jersey Public Employment Relations Commission in accordance with P.L. 1995, c. 425, in this impasse involving the Township of Neptune [the “Township”] and Neptune Township PBA, Local 74 [the “PBA”]. Despite the good faith efforts of the parties, the impasse was not resolved during two pre-interest arbitration mediation sessions resulting in the convening of formal interest arbitration hearings. The hearings were held on January 11 and 12, 2010. Substantial documentary evidence was submitted by both parties at the hearings. In addition, testimony was received from Louis Cuevas, Police Officer and President of PBA Local 74, Kenneth McClellan, State Trooper (Retired), Police Chief Howard O’Neil, and Chief Financial Officer Michael Bascom. Post-hearing briefs were filed and transmitted to each party on or about April 1, 2010 and reply briefs were filed on or about May 1, 2010. In addition, post-hearing submissions were filed by each party seeking to supplement the record received at hearing.

After the hearing, the Township asserted that it had reached agreements with AFSCME representing its blue and white collar employees and the FOP, representing its Superior Officers. The Township sought to include written memorandum of agreements into the record. The PBA objected. On April 23, 2010, the Township submitted a letter seeking permission to introduce this information into the record and supporting its request on the basis that the evidence was not available during the pendency of the hearing. The PBA objected to this submission and on May 3, 2010, filed an unfair practice charge

and a petition for interim relief with the Public Employment Relations Commission asserting that the agreement with the FOP includes an illegal parity clause that would adversely impact the PBA during the negotiations process. On May 26, 2010, Commission Designee Arnold H. Zudick denied the PBA's application for interim relief finding that the decision to accept the FOP agreement including an allegedly illegal parity clause rests initially with the arbitrator. I admit the Township's agreements with the FOP and AFSCME into the record because they are potentially relevant when considering the internal comparability criterion. It is noted that the record contains voluminous evidence and argument on comparability and to exclude this evidence would foreclose consideration of comparability evidence that is potentially relevant to the record as developed at hearing. I reserve on whether any weight should be given to the documents.

As required by statute, each party submitted a last, or final offer, prior to the conduct of the hearing as follows:

FINAL OFFERS OF THE PARTIES

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.

The PBA

1. Wage Increase

- A. The PBA proposes an across-the-board wage increase. (4.5% per year in each of five (5) years, effective each successive January 1).

- B. The PBA proposes a modification of the Detective Stipend from the current One Thousand Seven Hundred Fifty Dollars (\$1,750.00) to a five percent (5%) calculation. This requires a modification of Article XIV, Paragraph C.

2. Article VIII, Hours and Overtime

- A. The PBA proposes a modification of the Work Schedule.
- B. The PBA proposes that a Shift Bid Procedure be provided in the contract.

Shift Bidding Procedure

Section 1. Shift assignments shall be made, where all qualifications are equal, pursuant to a seniority based bid system. Standard slips shall be developed and distributed to all affected personnel in the second week of November of each year. The employee shall list his/her shift choices giving a first, second and third preference. Assignments shall then be made based on seniority and posted no later than the first week of December. This process is to be repeated annually. These assignments shall take effect as of January 1st and remain in effect until the procedure is repeated the following year.

Section 2. This shall not be interpreted to mean that duty assignments, such as Detective Bureau, Traffic Safety Services, etc., are to be put to bid. Those assignments remain the prerogative of the Chief of Police, which shall be in accordance with all controlling statutes, judicial decisions, and this Agreement. Further, in order to meet the needs of training and/or specialized qualifications, shift assignments may need to be altered in order to meet the bona-fide safety needs of the citizens of the Township. In these cases, the change shall be made with timely notice and written explanation. The change shall last until such time as the specific needs have been met, at which time the said Employee shall be returned to his/her bid shift. This Section cannot be used as subterfuge to avoid overtime.

Section 3. This Article shall not preclude Employees from voluntarily switching or swapping with one another, prior to

the re-bid date. However, as is the current practice, such switches must occur with the approval of the Chief of Police or his designee. Such approval shall not be arbitrarily or capriciously denied.

- C. The PBA proposes a modification of the Detective Schedule so as to provide the following:

The PBA proposes to compensate each Detective (or Patrol Officer) assigned to the Detective Bureau in 2009, twelve (12) hours of compensatory time for each week (seven (7) day period) assigned to On-Call duty. In 2010, fourteen (14) hours of compensatory time for each week (seven (7) day period) assigned to On-Call duty. In 2011, sixteen (16) hours of compensatory time for each week (seven (7) day period) assigned to On-Call duty.

- 3. Article XV, Uniform Allowance

- A. The PBA proposes a One Hundred Dollars (\$100.00) increase in the annual uniform allowance per contract year.
- B. The PBA proposes a modification in the method of payment of the uniform allowance.

- 4. Article XXII, Longevity

The PBA proposes the addition of One Thousand Dollars (\$1,000.00) at each longevity plateau level.

- 5. The PBA proposes that the following new Articles be added to the contract.

- A. Personnel Files

A personnel file shall be established and maintained for each employee covered by this Agreement. Such files are confidential records and shall be maintained in the office of the Chief of Police, and may be used for evaluation purposes.

Upon advance notice and at reasonable times, any member of the Department may at any time review his/her personnel file. However, this appointment for

review must be made through the Chief of Police or his designated representative.

Whenever a written complaint concerning an officer of his/her actions is to be placed in his/her personnel file, a copy shall be made available to him/her and he/she shall be given the opportunity to rebut it in his/her file. When the Employee is given a copy of the complaint, the identification of the complainant shall be excised. However, if any disciplinary action is taken based on any complaint, then the Employee shall be furnished with all details of the complaint, including the identity of the complainant.

All personnel files will be carefully maintained and safeguarded permanently, and nothing placed in any file shall be removed therefrom. Removal of any material from a personnel file by any member of the force shall subject that member to appropriate disciplinary action.

B. Preservation of Rights

The parties agree that all benefits, rights, duties, obligations and conditions of employment relating to the status of the Police Department which benefits, rights, duties, obligations terms and conditions of employment are not specifically set forth in this Agreement, shall be maintained in not less than the highest standards in effect at the time of the commencement of collective bargaining negotiations between the parties leading to the execution of this Agreement.

Unless a contrary intent is expressed in this Agreement, all existing benefits, rights, duties, obligations and conditions of employment applicable to any officer pursuant to any rules, regulations, instruction, directive, memorandum, statute or otherwise shall not be limited, restricted, impaired, removed or abolished.

C. The PBA proposes to set the hourly rate with respect to approved off-duty employment in uniform. The party contracting for this service shall make the request through procedures established by the Chief

of Police and shall make payment to the Township of Neptune through a means established by the Township Council (i.e. escrow or billing). Officers shall receive payment for work during the next payroll processing cycle after the Township's receipt of the funds from the contracting party. The Township shall be entitled to set a reasonable fee for its administration of this program.

Security Assignment	\$40.00 per hour
Day Traffic (0700 to 1800)	\$53.00 per hour
Night Traffic (1800 to 0700)	\$63.00 per hour
Board of Education, Non-Profit	\$40.00 per hour

The Employer shall be permitted to charge a Twelve Dollar (\$12.00) Administrative Fee per hour above the stated amounts. All assignments of such work on weekends or holidays (holidays as defined by the Township's holiday schedule) shall be paid at the time and one-half (1 ½) rate to the Officer performing the service. The Administrative Fee, Board of Education Rate and Non-Profit Rate are not affected by this time and one-half (1 ½) provision.

The Township

1. Wage Increase:
 - A. 2009 – 0
 - B. 2010 – 0
 - C. 2011 – 2% (1/1/11) 2% (7/1/11)
 - D. 2012 – 2% (1/1/12) 2% (7/1/12)
 - E. Implementation of a new wage scale for employees hired on or after January 1, 2010 as follows:

Employees hired on or after January 1, 2010

0-12 months:	\$40,000.00
13-24 months:	\$45,000.00
25-36 months:	\$50,000.00

37-48 months:	\$55,000.00
49-60 months:	\$60,000.00
61-72 months:	\$65,000.00
73-84 months:	\$70,000.00
85-96 months:	\$75,000.00
97 months:	\$80,000.00

This schedule shall remain in effect throughout the term of the successor agreement.

2. Article VI – Hours and Overtime:

The Township will agree that 50% of police officers may select their shifts through a seniority bidding process (once positions have been filled by specially qualified staff, such as traffic experts, etc.)

3. Article XIII – Health and Welfare Benefits:

A. Effective January 1, 2010, implement a Health Benefits Insurance contribution from each employee pursuant to the following schedule.

(1) Effective January 1, 2010, each employee will contribute to the Township 5% of the total cost of medical, dental and prescription drug coverage provided to that employee.

(2) Effective January 1, 2011, each employee will contribute to the Township 7.5% of the total cost of medical, dental, and prescription drug coverage provided to that employee.

(3) Effective January 1, 2012, each employee will contribute to the Township 7.5% of the total cost of medical, dental, and prescription drug coverage provided to that employee.

B. Effective with the date of the Arbitrator's decision, increase the prescription co-pay for name brand medication from \$10.00 to \$20.00 and impose a deductible of \$100.00 for prescription insurance.

C. Effective with the date of the Arbitrator's decision, increase the co-payment for Emergency Room visits from \$25.00 to \$100.00.

4. Article XIX – Retirement

The Township proposes the creation of Article XIX(C)(2) as follows:

Employees hired after January 1, 2009 who shall have accumulated sick leave upon retirement shall have, pursuant to state statute, a cap of \$15,000 on any reimbursement for accumulated sick leave as calculated under paragraph (C)(1) above.

5. Article X – Holidays and Personal Days:

A. The Township proposes the elimination of Lincoln's Birthday as a paid holiday.

B. The Township proposes the elimination of Easter Sunday/Birthday as a paid holiday and replacing same with an additional Personal Day, thereby increasing the total number of personal days permitted per year to five (5).

6. Article XX(B) – Court Time: The Township proposes changing the minimum time for all Court appearances to two (2) hours at time and one half (from four (4) hours at time and one half).

BACKGROUND & POSITIONS OF THE PARTIES

Neptune Township comprises 8.2 square miles in southeastern Monmouth County. Several major roads including State Routes 33, 34, 66, 71 and 18 cross through the Township. It is a diverse community including Ocean Grove, an oceanfront national historic site known for its Victorian architecture and beaches, as well as Shark River Hills and Sea View Island providing sports fishing and other recreational water related activities, and the more modest sections of Midtown, Bradley Park, The Gables and West Neptune. The Township is home

to the Jersey Shore Medical Center, which has recently experienced a significant expansion and serves as a regional trauma center. The Township is also home to two golf courses, many shopping areas and has a general proximity to the central Jersey Shore and Asbury Park in particular. In 2008 the Township's estimated population was 27,527. The median family income was \$56,922 with a per capita income of \$30,636. Based upon the 1999 census over 11% of the population was below the poverty level. Its socio-economic profile is diverse as it is adjacent to low income areas such as Neptune City and Asbury Park as well as suburban communities of Tinton Falls and Wall Township.

In 2009 the Township employed 71 rank and file police officers. The Township has had a hiring freeze in place and it has not replaced police officers as they have retired. It has not laid off any police officers despite reductions in force in the AFSCME unit. In 2010, approximately eight Police Officers either had retired or planned to retire within the coming months. PBA President Louis Cuevas and Chief O'Neil testified about an increasing number of retirements and the need for more police officers. The portion of the budget devoted to police salaries and benefits is the largest expense in the municipal budget and has increased by more than \$5 million since 2002 and by 7.5% from 2008 to 2009. The Township is served by seven fire companies, four first aid squads and a Municipal Office of Emergency Management. Its school district is an Abbot district.

From 2000-2008 the crime rate has been high but stable. The Township maintains that the public interest is maintained by the avoidance of reductions in force of police officers. The law enforcement efforts of the Police Department have generated over a half million dollars in Municipal court fines. The PBA cites this revenue as a budget enhancer but the Township submits that the cost of maintaining the court exceeds the revenue it produces.

As a result of the recessionary economy, the Township has experienced recent fiscal difficulties. Indeed, this is one of the main focuses of this proceeding. The recession has manifested in a local unemployment rate that increased to 12.5% in 2009, a rate that is among the highest in Monmouth County. State aid has been reduced as well as other revenues. Local circumstances have also exacerbated the Township's financial woes and include the infamous Dwek bankruptcy, which has impacted over 30 properties. These properties, including office complexes, retail and residential developments, had not been sold and are not on the tax rolls. Further, a cessation movement from the residents of the subdivision of Seaview Island was accompanied by successful property tax appeals for over 200 properties.

The Township's financial difficulties led the Township to lay off 26 non-police employees in 2009. After close of hearing, the Township reached agreement with AFSCME representing its blue and white collar employees and, on February 3, 2010, reached a similar agreement with the FOP representing

superior officers. These agreements did not provide for salary increases in 2009 and 2010 but called for a 2.0% increase on January 1, 2011, a 2.0% increase effective July 1, 2011, 2.0% effective January 1, 2012 and 2.0% effective July 1, 2012. These terms parallel the Township's final offer in these proceedings. The Township has argued that employees have not received wage increases in 2009 and 2010 except for step up increases implemented for police officers and that these agreements reflect this. There is no contradictory evidence. The Township submits that its offer is not punitive but is reflective of a general desire to minimize reductions in force in law enforcement that it claims would be necessary increases to the salary schedule were to be awarded to the PBA in 2009 and 2010. It has proposed split 4% increases for 2011 and 2012, asserting that the offer is an attempt to provide fairness despite uncertainty over how they will be paid.

Additionally, the Township did not participate in the sharp valuation growth that many other municipalities experienced between 2004 and 2009. The five-year ratable valuation growth rate was 34% in Neptune between 2004 and 2009 compared to 82% in Wall, 131% in Long Branch and 172% in Tinton Falls. At the same time, the municipal share of the total tax levy increased by 55% since 2003. The Township asserts that it has minimal ability to expand its revenue because it is almost fully developed and there is little space to for ratable growth. Property taxes have increased by approximately 40% for the average Township homeowner from 2003 to 2009 (with a decrease in 2004 to reflect a revaluation).

As a result of that revaluation, some homeowners experienced a 100% tax increase. The total funds raised through municipal taxes increased from \$13,000,000.00 in 2003 to \$22,000,000.00 or 59%. The Township spent most of its tax levy cap in 2009, lost \$1.3 million in state aid in 2010 and had a revenue shortfall of \$6.7 million in 2010. It increased appropriations by \$1.6 million causing total budgetary shortfall of \$8.2 million. It adopted a 3.5 % appropriations cap in 2009 allowing it to increase appropriations by \$500,000 more than allowed by the 2.5% cap. The municipal tax rate increased by 8.7% in 2010 despite no wage increase. The PBA responds that the Township has been and continues to be in excellent financial health and can support the award of its proposal for 4.5% wage increases over each of five years. It devotes much effort in its post-hearing brief detailing financial evidence from official budget documents.

The PBA does not agree with the Township's assessment of its finances and submits a contrary analysis. Turning to the lawful authority of the Employer, the PBA points out that the 2009 budget was adopted within the statutory Appropriation Cap formula and included a Cap "Balance Available" of \$243,967.00. In other words, the PBA asserts that the 2009 budget was approximately one quarter of a million dollars below cap and that the 2009 cap flexibility is available for 2010. According to the PBA, a review of Appropriation Caps in prior Neptune budgets shows that there is a history of Cap banking and the Appropriation Cap has not presented a prohibition against budget funding or

adoption. The Township responds that the PBA gives no attention to the interplay between the Appropriations Cap and the tax levy cap. This omission is said to ignore that Cap flexibility on appropriations is meaningless if the Township, as here, can only raise revenues that do not exceed the tax levy cap. On this point, it points out that the loss of State aid that was announced for 2010 would virtually offset the tax Cap levy which was set by law at 4% for that year.¹

The Levy Cap in the 2008 budget reflects that the budget was adopted at \$1,588,646.00 under Levy Cap but only \$50,460 under Levy Cap in the 2009. The PBA stresses that the pattern of budget adoption well within the Levy Cap guidelines has allowed the Township to continue to operate well without fiscal crisis. The Township responds that the 2008 figure is of little relevance to the budget problems in 2009 and that the PBA's final offer or any wage increase to its employees would force it to exceed the levy cap. Addressing the Township's concern that the Levy Cap may present problems in future years, the PBA acknowledges that fiscal concerns and changes in Trenton may lend credence to this statement, but that changes could occur in the appropriate direction that could actually operate to favor the development of municipal budgets. As a result, the PBA asserts that it is difficult to make accurate projections based upon possible future events and thus, it emphasizes the Township's past proven ability to adopt a budget and operate within the existing Appropriations and Levy Caps

¹ The arbitrator observes that subsequent to the completion of the record, the tax cap levy was reduced from 4% to 2%.

are entitled to greater weight than the hypothetical future situations raised by the Township.

The Township argues that the PBA's final offer would have a significant negative financial impact on the governing unit, its residents and taxpayers. It contends that if the PBA's final offer is awarded, it would be required to seek a levy cap waiver from the Local finance Board of the Division of Local Government Services. The Township explains that its levy cap was \$824,784 for 2009 and an increase of 4% comes to \$857,775 growth in the local levy cap for 2010. When that amount is considered in light of the over \$8 million in lost revenues in 2010, the Township asserts that its budget problems are exacerbated because it simply cannot legally or practically tax up to anywhere near the level of lost revenues. The Township calculates that the PBA's proposal would, without calculating cumulative costs, cost more than \$600,000 in salary increases over four years in addition to the approximately \$360,000 in guide movement the Township has already spent in 2009 and 2010 for a total of almost \$1,000,000. The Township points out that this is more than the growth in its levy cap for 2010. The Township contends that there is no "extraordinary cost" exception in the Cap Waiver Law that would permit a waiver of the 4% levy cap in order to pay salaries for police officers.

The PBA emphasizes that the citizens of Neptune are well served by its police department as demonstrated by its ability to meet an increased workload

and increased measurable productivity with an actual reduction in the number of personnel. The PBA contends that the cost of providing police services is a bargain to the citizens and taxpayers as demonstrated by the Township's ratables and tax rates. Citing the Monmouth County Board of Taxation County Equalization Table Tax Year 2009-Final (P-7), the PBA points out that Neptune is calculated to have an aggregate assessed value of \$2,925,471,800.00, or the tenth highest of the 53 municipalities in the County. Based upon the "true value" percentage reflected in the same document, the PBA points out that this is only 70% of its real value and calculates that its "true value" is actually \$4,120,963,240.00. The PBA points out that this high tax aggregate true value base is matched with a low tax rate of \$2.15 for the prior year. Once the tax rate is adjusted by the equalization ratio of 70%, the PBA maintains that the effective tax rate is \$1.53 which ranks among the lowest in Monmouth County. The Township acknowledges the excellence of its police department but does not agree with the PBA that the department has little cost impact on the taxpayers or the tax rate. It points out that the department cost \$5 million more in 2009 than in 2002 and that there has been as much as an 11% increase in a given year and a 7.8% increase from 2008 to 2009. The Township notes that it used \$3.9 million in fund balance in 2009 to offset the tax rate. This represents a 67% reduction in surplus despite the fact that it collected \$1.4 million in taxes in excess of the amount that was budgeted. The Township also believes that a more accurate measure of its property values is the property value per person which at \$240,820 in 2009 ranked Neptune 47 out of 53 municipalities in Monmouth

County. The Township further disputes that its equalized tax rate is one of the lowest, pointing out that its equalized tax rate is the 27th highest out of 53 municipalities.

The PBA points out that the tax collection rate in Neptune has been over 98% for the past several years, at 98.68% in 2006, 98.14% in 2007, 98.05% in 2008 and 98.15% in 2009. The PBA argues that the tax collection rate has been higher than anticipated in budgets since 2006 allowing the Township extra flexibility and has resulted in reserves that the Township has banked for each following year. The PBA explains that in 2009 the actual collection rate was 2.05% higher than anticipated. At \$68,677,072.00, the value of the Reserve Cap is 2.05% of that amount or \$1,407,879.00. The PBA argues that this refutes the Township's assertion that it lacks flexibility as a result of 2009 operations. The Township does not disagree that it realizes operating income in excess of the amount anticipated as a result of anticipating a lower tax collection rate. Bascom testified that the tax collection rate has dropped below 98%. In any event, the Township submits that it is not a source of surplus because the record shows that it has used the amount every year to balance the budget. In support of its position, the Township points to falling more than \$400,000 short of regenerating surplus in 2009 for the 2010 municipal budget despite using the almost \$1.4 million that the PBA claims is revenue flexibility.

The PBA would place the above amounts in perspective suggesting that the amounts be compared to the cost of a 1.0% increase in salary for this bargaining unit which it calculates at \$48,000. The PBA compares its proposal for an annual 4.5% increase totaling \$216,000 against the \$1,407,879 value of the Reserve Cap. The PBA also points to several retirements which reduces the line item for salary and benefits. Six police officers had separated at the time of hearings and two more, including the PBA President, are planning to retire. The base pay alone for each of these officers is near \$100,000. Thus, the PBA asserts that the breakage from these retirements provides enough flexibility for the Township to pay for the entire PBA package over the term of the agreement. The PBA notes that the Township has not indicated that it plans to hire or promote other officers to replace those who have retired or are planning to retire. The Township disagrees that these retirements will cause the substantial savings claimed by the PBA. According to the Township, the average separation payout to each of the retiring officers is \$116,000 and also that it is obligated to provide health benefits to the retirees under the terms of the contract.

The PBA emphasizes that the productivity of the police force has contributed to the financial well being of the Township. From 2006 forward, the Police Department has accounted for over \$500,000.00 per year in Municipal Court fines and costs. The PBA also cites other sources of revenue including the Secure Our Schools program, which provides \$52,100.00 and the division of funds from the County Prosecutor's Office in appropriate circumstances. In

2009, the Township received \$100,000.00 from the Neptune Township Board of Education for "Cops in Schools" and \$24,000 for Securer Schools. The 2009 budget also reflects \$113,363 in cell tower rent under "Schedule of Miscellaneous Revenues Not Anticipated". The PBA acknowledges that not all of these funds are available for base wage increases, but suggests that these assets deserve consideration because these funds are used in the budget in place of expenditures by the taxpayers.

The PBA responds to the Township's concerns regarding its fiscal situation by pointing out that in 2008, the Township continued to earn over \$407,000.00 in "interest, investments and deposits." The Township asserts that the PBA disregards the fact that the \$407,000 figure decreased to \$75,000 in 2009 thereby contributing to the Township's revenue decline. The PBA also points to inter-fund transfers, representing monies moved between accounts, as a source of funding. The PBA cites the over \$300,000.00 in inter-fund transfers used in the 2009 budget as providing additional flexibility. The PBA praises the Township's management and characterizes Neptune as a "well run" municipality that has managed to operate in a fiscally conservative manner while maintaining the budgeting flexibility to permit significant renovations to the Municipal Complex.

The Township asserts that the public interest would not be served by the awarding of salary increases to Neptune Police Officers for 2009 and 2010 when

all other Township employees, unionized and non-union, had their wages frozen for those years. The Township argues that even with a wage freeze, the police will realize an increase in their total compensation by virtue of step movements on the salary schedule that amount to 3.6% or \$180,000 per year and pension contribution increases. The Township asserts that the 4.5% salary increase sought by the Police in addition to the costs of step increases on the salary schedule would place an undue burden on local taxpayers and compel the Township to seek a tax levy cap waiver because it is close to the cap limit.

The PBA points out that the Township has ignored evidence concerning comparability among law enforcement agencies. While acknowledging that Neptune police officers receive average or above salaries within the County, it contends that a comparison of total compensation shows significant shortfalls in many benefit areas. Based upon the PBA's salary comparison with other communities in Monmouth, Middlesex and Ocean Counties, the top step police officer salary in Neptune in 2007 was \$87,422 compared with the average in comparable communities of \$87,445. The Township responds that the PBA ignores the 2008 negotiated increase that raised the maximum pay from \$87,442 to \$91,356 without including longevity pay and holiday pay. The PBA cites the base salary increases in various jurisdictions for the relevant contract years and deems the Township's final offer is as grossly inadequate.

Base Rate Increases

	2009	2010	2011	2012
Bradley Beach	4.5			
Holmdel	4.5			
Lakewood				
Manasquan	4.25			
Aberdeen	4.5	4.5	4.5	
Highland Park	3.8	3.9	3.9	
Milltown	4			
Monroe	4.25	4.25		
Neptune City	4			
Point Pleasant Borough	4			
Point Pleasant Beach	4.25			
Seaside Park	3.9	4	4	
Spotswood	4	4		
Woodbridge	3.9	3.25	3.5	
Ewing	4	4	4	4
Sea Girt	3.9			
Spring Lake				
Spring Lake Heights	3.9	3.9		
Brick Township				
Howell	3.95			
Long Branch	4.25	4.25	4.25	4.25
Averages	4.092%	3.93%	3.95%	4.125%

In addition, the PBA asserts that the longevity benefit in Neptune Township is not comparable. The PBA's comparison of maximum longevity benefits shows the following for 2008:

Comparison of 2008 Maximum Longevity Value Based on PBA Exhibits

	2008 Value	
Bradley Beach	\$10,054	12% @ 21 years
Woodbridge	\$8,505	9.5% @ 23 years
Point Pleasant Borough	\$9,069	10% @ 24 years
Point Pleasant Beach	\$10,384	12% @ 25 years
Seaside Park	\$2,514	3% @ 24 years
Spotswood	\$8,709	10% @ 28 years

South Amboy	\$9,898	12% @ 24 years
Monroe	\$9,415	11% @ 24 years
Neptune City	\$5,824	7% @ 24 years
Highland Park	\$6,310	7% @ 25 years
Holmdel	\$4,000	Flat Dollar Amount @ 15 years
Lakewood	\$7,125	8% @ 20 years
Manasquan	\$7,770	9% @ 24 years
Milltown	\$6,200	8% @ 21 years
Average	\$6,951	Average Maximum Longevity Patrol Officer in 2008
Neptune Township	\$4,000	Flat Dollar Value @ 24 years
Neptune Township Maximum Compared to Average	(\$2,951) (73.8%)	

The PBA emphasizes that most of the cited municipalities pay longevity based upon a percentage of salary while only Neptune and Holmdel have flat dollar longevity plans. The PBA suggests that its proposal to add a \$1,000 increase at each longevity level would improve the benefit but yet will still result in a below average longevity benefit.

The Township takes issue with these comparisons. It alleges that the PBA is cherry picking municipalities who have the highest longevity benefits while ignoring others and omitting references to benefits that exceed others such as 21 days of holiday pay added to base salary. The Township also points out that Holmdel, which capped its independent health coverage at the 1992 premium level for employees hired after January 1, 1996, is not used as a salary comparable. Further the Township takes issue with the list of PBA comparables

asserting that there is no evidence that these municipalities are experiencing the same level of fiscal distress as Neptune, nor can be deemed comparable based upon other standards such as, but not limited to, poverty rates, unemployment, loss of State aid and income levels.

The PBA asserts that its proposal for salary increases comes within ½ % of the average increases in comparable communities. PBA calculates the average increases in these communities to be 3.93% in 2010, 3.95% in 2011 and, based upon agreements in Ewing and Long Branch, 4.125% in 2012. The PBA points out that Chief O'Neil had written agreements with the Township for 2009 and 2010 for increases of 4.0% per year, plus longevity totaling \$4,800.00. The Township responds that his contract was negotiated in 2006. Deputy Chief Adams' agreement is acknowledged to include the same wages increases as set forth in the Township's final offer, but notes that it includes a substantial salary increase upon Chief O'Neil's retirement, followed by 2.0% increases on July 20, 2011 and in January and July of 2012, as well as an incidental comp time benefit and longevity totaling \$4,800.00. Similarly, the PBA points out that CFO Michael Bascom, certain tax and financial officers, and the Departmental Secretary to the Chief of Police all receive \$4,800 in longevity payments while the PBA max is \$4,000.

The PBA proposes a change in the work schedule. It asserts that its proposed "Pitman Schedule" with an equal number of days on and off on a

twelve-hour sequence would be cost effective and enhance productivity of staff and should be awarded as it would further the interests and welfare of the public. The PBA cites former Chief O'Neil's testimony that he was willing to entertain a trial period. Citing testimony from PBA President Cuevas, retired State Trooper Kenneth McClellan and Chief O'Neil, the PBA asserts that the Pitman Schedule would improve morale, the use of manpower, reduce overtime and sick leave and increase the ability of the department to respond to emergencies. McClellan is of the belief that cost savings would be realized by the change due to the coverage of longer shifts at straight time. The PBA points out that many area towns are moving to twelve-hour shifts from eight-hour shifts. Nearby municipalities including Ocean Township and Tinton Falls have a Pitman Schedule or a modified Pitman Schedule. For these reasons, the PBA maintains that implementation of the Pitman Schedule would improve morale and productivity without increasing staffing levels and promote effective and efficient policing.

The Township responds that any savings that might result from the Pitman schedule are speculative. It also submits contracts showing that many other municipalities do not operate in the Pitman Schedule, including Asbury Park, Freehold Township, Holmdel, Long Branch, Manalapan, Marlboro and Neptune City. Further the Township raises concerns that 12 hour shifts could lead to increased problems with fatigue. It submits articles relating to the schedule that depicts faults that stem from its implementation.

The PBA dismisses the Township's attempt to engage in private sector comparisons suggesting that the best comparisons are those individuals working in the same or similar positions. It thus asserts that comparisons with other police officers are deserving of greater weight due to the unique statutory authority granted to police officers as well as the hazard and risk of policing, all of which render private sector comparisons of limited value.

Turning to comparisons in terms and conditions of employment, the Township compares the estimated median household income in Neptune of \$60,000 to the approximate \$100,000 annual salary including longevity and holiday pay earned by Neptune Police Officers after eight years of service. The Township notes that the health insurance benefit package with a cost of \$26,000 for family coverage, annual pension contributions of approximately \$22,000, retiree health insurance and excellent job security are additional benefits on top of a police officer's base salary. Addressing the argument that police work is inherently more dangerous than other employment, the Township acknowledges that there is stress inherent in policing but that a position as a Neptune Township Police Officer remains a desirable job and that no one has left the department except for retirement and that hundreds of prospective police officers are willing to take their place as evidenced by applications the Township receives.

Looking to public employment generally, the Township points out that over the last ten years, its Police Officers have received cumulative salary increases

that are at least 10% higher than State and local government median increases. Given that the salaries of Neptune Police Officers are significantly higher than the median salary for State and municipal employees, the Township maintains the effects of these increases are compounded when percentage increases are translated into dollars. The Township also emphasizes internal comparisons and points out that all of its employees except the police officers have been subject to or agreed to a wage freeze for 2009 and 2010. It also cites the AFSCME contract as not containing step increases while the PBA receives step increases worth 3.6% annually. Given that police officers earn substantially more than other Township employees, and are thus in a better financial position, the Township argues that there is no justification for deviating by awarding a significant increase to Police Officers. Citing the total compensation package for its Police Officers, the Township asserts that they enjoy an economic package superior to that enjoyed by its other employees. The Township emphasizes that it is not seeking to roll back salaries, but to provide police with the same pattern of settlement adopted by the remainder of the Township's employees and consistent with its objective to maintain same levels of employment in order to continue to provide the same levels of services. It questions whether it can, in fact, afford the 4% increases it has offered in 2011 and 2012.

The Township also asserts that the total compensation package provided to its police officers is excellent. It offers a summary of the total compensation

package of a Neptune Police Officer with ten years of service shows the various elements considered by the Township to be part of the compensation package:

**Total Compensation
Neptune Township Police Officer**

10 Year Officer (Rev. 1/14/10)

Base Salary	\$91,356.00
Longevity	1,900.00
Holiday Pay	7,532.22
Overtime	9,812.31
Vacation Days (15 days)	5,814.70
Personal Days	1,550.59
Uniform Allowance	1,550.00
Medical	17,916.12
Prescription	7,736.88
Dental	743.18
False Arrest Insurance	511.75
Life Insurance	54.00
Catastrophic Illness Assessment	1.50
Employer Pension Contribution	23,284.27
Total	\$169,763.52

In contrast, the Township argues its overall proposal, including the 4% increases that it proposed for 2011 and 2012, is the more reasonable one. The Township suggests that even though it has proposed these increases, it will have difficulties paying for the 2% per year on January 1 and the 2% per year on July 1 in each year without additional layoffs to its workforce. The Township suggests

that there is no rationale for any greater increase than 8% over four years given the existing overall compensation package now being received and its deteriorating financial condition. The Township urges that greater weight be placed upon the internal pattern of settlement in Neptune than the PBA's desire for lockstep increases received by police officers in other municipalities that were negotiated during years that were before the onset of the recession.

Addressing the Township's concern with the costs of Police pensions, the PBA points to the great advantage taken by the Township from the holidays from pension payments the Township enjoyed in past years. The PBA points out that the charts submitted by the Township showing the increases in pension costs omit the fact that they are catching up from the years where they made no payments. The PBA also suggests that as the number of Township employees decreases, its pension costs will also decrease. The Township disagrees with these arguments. It points out that pension contributions have doubled since 2001. It acknowledges that they are higher now as a result of the deferrals but that money has not been banked and has been spent in part on the ever increasing portion of the police department budget including substantial raises to the PBA since 2011. It also notes that it paid its full share in 2009 despite the opportunity to defer that amount.

The PBA suggest that the cost of living factor is only one of many reference points and should not be controlling. The PBA acknowledges that

salary increases received over the past years have exceeded the cost of living by an average of over 2% but explains that all of the other contracts in evidence have followed the same trend and have the same type of relationship to the CPI.

The Township asserts that the cost of living criterion favors the Township's final offer. The Township compares salary increases for Police Officers from 1998 to 2008, which totaled 45.2% with the increase in the CPI-U for the same ten-year period which totaled 29.8%. The Township asserts that Police Officers' salaries have increase over 15% more than the CPI-U, and when overall compensation is considered, the difference is exacerbated. The Township points out that it has already increased total compensation for the bargaining unit by \$180,00 in both 2009 and 2010 by moving officers through the salary guide. Additional costs have resulted from increased health insurance and pension costs. The Township calculates that the guide costs equal \$4.0% for both 2009 and 2010 and when compounded, the total two year cost is 12%, which is far in excess of CPI increases for those two years even without an across the board wage adjustment. The Township argues that the continuity and stability of employment supports its final offer because the employment record shows that its police officers leave Neptune only when they retire. The Township suggests that two years of financial exigency will not diminish the continuity and stability of employment enjoyed by its Police Officers.

The PBA contends that the remaining issues included in its final offer are supported by credible evidence and should be awarded. It points to the issue of Personnel Files, which it contends, is merely a codification of a longstanding practice and a small increase in the fully reimbursed Off Duty Work Proposal.

The PBA notes that its proposal for an increase in the Uniform Allowance would increase the cost of the package by \$100.00 per employee for an annual total of \$5,100.00. The PBA asserts that this is an equity adjustment in response to increasing expenses without major economic impact. The Township responds that the PBA's proposal to increase the uniform allowance by \$100 is not justified. The Township points out that the current combined annual clothing and maintenance allowance benefit of more than \$1,550 is at the top of comparable municipalities.

The PBA also seeks an increase the rate paid for Off Duty Work, noting that there is no cost to the Township. The PBA explains that the Township assesses the cost of off duty work to the contractor who utilizes the off-duty police services. The Township asserts that it has recently exercised its managerial prerogative to eliminate the Off Duty Work program and therefore, this proposal is moot.

Addressing its remaining proposals, the Township asserts that a four-year agreement is appropriate given the economic uncertainties. Given that the cost

of health benefits and pension contributions are likely to continue to rise, and the state of the local, State and national economies are uncertain, an award beyond 2012 is not justified.

The Township contends that in order to avoid additional layoffs or the need to seek a levy cap waiver, the Township has proposed that effective January 1, 2010, all Police Officers contribute 5.0% of the total cost of the health insurance package, with the percentage increasing to 7.5% in 2011 and beyond. The Township further proposes to increase the prescription co-payment from \$10 to \$20, to enact a \$100.00 deductible for prescription drug costs and to increase the emergency room co-payment to \$100.00. The Township asserts that this new co-payment will cover only 25% of a single year's increase in health insurance premiums from 2010. The Township emphasizes that all of its other employees have already begun to make contributions. The PBA responds that the Township's wage proposal cannot be sustained particularly when considered in light of its proposal for contributions to health insurance premiums. The post hearing briefs acknowledge that legislation has now required a minimum level of contributions.

The Township further proposes to reduce the number of holidays from 14 to 13. The Township maintains that this is reasonable in light of the fact that Police Officers are paid for holidays at the rate of time and one half, whether or

not they work on the holiday and that the equivalent of 21 days of pay are now added to a police officer's base pay.

The Township asserts that its counterproposal to the PBA's shift bidding proposal is a more reasonable option. The Township points out that the PBA did not offer evidence on this issue and that it has not met its burden of proof.

DISCUSSION

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 (9) that 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.

- (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).

My consideration of the parties' proposals is governed by N.J.S.A. 34:13A-16g. In arriving at this award, I conclude that all of the statutory factors are relevant, but not all are entitled to equal weight. In addition, I note that N.J.S.A. 34:13A-16g(8) requires consideration of those factors ordinarily or traditionally considered in the determination of wages, benefits, and employment conditions. One such consideration is that the party proposing a change in an employment condition bears the burden of justifying it. The award must be supported by substantial credible record evidence.

Any decision to award or deny any individual issue in dispute, especially those having economic impact, will include consideration as to the reasonableness of that individual issue in relation to the terms of the entire award. This is so because the awarding of any single change can reasonably impact upon the resolution of other issues. Put another way, there may be merit to awarding or denying a single issue if it were to stand alone but a different result may be required after assessing the merits of any individual issue within the context of an overall award. As has been recognized on judicial review,

judgment and discretion must be exercised when weighing record evidence and applying the statutory criteria. I must also separately determine whether the total net annual economic changes for each year of the agreement are reasonable under the statutory criteria. N.J.S.A. 34:13A-16d(2).

Duration

The duration of the contract is in dispute. The PBA requests a five (5) year contract term beginning on January 1, 2009 and expiring on December 31, 2013 while the Township proposes a four year (4) year contract term beginning January 1, 2009 and expiring on December 31, 2012. The current agreements with AFSCME and the FOP also commence on January 1, 2009 and are for four years. The Township claims that the four year proposal is an attempt to minimize the uncertainties associated with its fragile fiscal situation.

I am not persuaded that a contract that extends through December 31, 2013 would run afoul of the Township's concerns on financial uncertainty. The Township has projected its costs through December 31, 2012 and an additional year, if reasonably constructed based upon an overall five year approach, would relieve the Township and the PBA of uncertainty. It must also be noted that the record in this proceeding did not close until well into the second year of the contract and an award through December 31, 2013 would only represent an additional three years beyond close of record. The contract duration of December 31, 2013 also provides the flexibility that allows for weight to be given

to the Township's financial condition in 2009 and 2010 with the ability to provide an equitable balance based upon other statutory criteria over a longer contract term. Accordingly, I award a contract duration that extends through December 31, 2013.

Article VIII, Hours and Overtime

The PBA proposes to modify the present work schedule, which is now eight hours per day, five days per week to a Pitman Schedule with twelve-hour shifts. Police officers currently work steady shifts. In support of this proposal, the PBA cites the testimony of retired State Trooper and scheduling expert Kenneth McClellan. He testified to the benefits of a twelve-hour shift including enhanced coverage, decreased use of sick leave and overtime, and the potential for cost savings. The PBA asserts that the Pitman Schedule would also minimize the need for new equipment, improve command flexibility to respond to emergencies, and improved morale. Although Chief O'Neil testified that he would be willing to explore a shift change trial, the Township raises concerns that 12-hour shifts could lead to problems with fatigue. It cites concerns raised in articles that reviewed experience with police schedules and notes that many Monmouth County departments do not operate on a Pitman Schedule.

The PBA also proposes to include a shift bidding procedure in the Agreement. The PBA's proposal for a seniority based shift bidding procedure would establish annual shift bidding excluding those assignments that are within

the discretion of the Chief of Police. The PBA's proposal would permit swaps with the Chief's permission and also would grant a tiered system of compensatory time for detectives who are on call. The Township has made a counter proposal that would permit 50% of police officers to select their shifts through a seniority bidding process once other positions have been filled at the discretion of the Chief.

The PBA's proposal for a shift bidding procedure is reasonable and balances employee rights with managerial rights. It allows the Police Chief to retain the necessary discretion to assign officers with specialized training to the Detective Bureau, or Traffic Safety Services, etc. The proposal also recognizes the right of the Chief to alter shift assignments and grant exceptions to meet the needs of training and/or specialized qualifications. For those shifts that would allow for bidding, seniority would prevail only where qualifications are equal. The Township's proposal does not actually establish a procedure and includes an arbitrary cutoff to include only half of the police officers. Accordingly, the PBA's shift bidding procedure proposal with certain modifications to Section 3² is awarded as follows:

Shift Bidding Procedure

Section 1. Shift assignments shall be made, where all qualifications are equal, pursuant to a seniority based bid system. Standard slips shall be developed and distributed to all affected personnel in the second week of November of each year. The employee shall list his/her shift choices giving a first, second and third preference. Assignments

² Article XIV now contains language that addresses shift swaps.

shall then be made based on seniority and posted no later than the first week of December. This process is to be repeated annually. These assignments shall take effect as of January 1st and remain in effect until the procedure is repeated the following year.

Section 2. This shall not be interpreted to mean that duty assignments, such as Detective Bureau, Traffic Safety Services, etc., are to be put to bid. Those assignments remain the prerogative of the Chief of Police, which shall be in accordance with all controlling statutes, judicial decisions, and this Agreement. Further, in order to meet the needs of training and/or specialized qualifications, shift assignments may need to be altered in order to meet the bona-fide safety needs of the citizens of the Township. In these cases, the change shall be made with timely notice and written explanation. The change shall last until such time as the specific needs have been met, at which time the said Employee shall be returned to his/her bid shift. This Section cannot be used as subterfuge to avoid overtime.

Section 3. This Article shall not preclude Employees from voluntarily switching or swapping with one another, prior to the re-bid date. Such process shall be consistent with the provisions of Article XIV that addresses the exchange of hours, duties or the exchange of days off.

The PBA also seeks to modify the hours of work for detectives to provide compensation in the form of compensatory time for each seven days that a detective is on call. Under the PBA's proposal, Detectives would receive 12 hours of compensatory time for each week in 2009, 14 hours for each week in 2010 and 16 hours for each week in 2011. The Township objects to this proposal as unjustified and unsupported and would cause several hundreds of hours of paid time off to each detective. I note that the Agreement presently provides compensation for detectives which has been revised and enhanced by the terms of this Award. I do not award this proposal.

I next evaluate the merits of the PBA's work schedule proposal. Trooper McClellan's testimony in support of the Pitman Schedule was credible. Chief O'Neill testified that he was willing to examine the opportunity to provide an experimental or trial period for purpose of evaluating its impact on departmental operations. Chief O'Neill has retired and the Township has offered objections to implementing a new work schedule. I am persuaded after reviewing the parties' positions on the work schedule issue that an imposition of change from an eight to a twelve hour shift by award would not, on this record, be an appropriate exercise of arbitral authority. I am convinced that serious discussions as to the nature of all of the changes that would be required did not occur on this issue. I believe that the Township and the PBA would benefit by maintaining the existing terms regarding work schedule and to engage in continued bilateral discussion that could form the basis for a mutually agreeable change to the work schedule. The information and evidence required to determine the merits of any revision to the existing work schedule and the attendant changes that would need to be made simply do not exist in this record. The change that the PBA has proposed would require revisions to the existing agreement in many areas that now include, but are not limited to, the average hours per week, what would constitute a normal workweek, when officers would qualify for overtime and the hourly rates of pay for the purposes of ascertaining overtime pay. This is not to suggest that the Pitman Schedule cannot operate effectively in the Township, but there are operational issues that require more in depth discussion prior to implementing it

by agreement or award. A joint committee could also evaluate the benchmarks required for examining changes to sick leave, overtime, vacation scheduling and the conversion of paid leave time accrual. The joint committee can recommend a change to the work schedule at any time during the term of this agreement or, at minimum, provide a greater base of data upon which a work schedule change can be evaluated during a future interest arbitration proceeding. The record evidence on these and other significant impacts on operations is not sufficient to support a work schedule change at this time and the proposal is not awarded.

Article X – Holidays and Personal Days

The Township proposes to eliminate Lincoln's Birthday as a paid holiday. The Township further proposes to eliminate the Easter Sunday/Birthday paid holiday and replace it with an additional personal day. At present, Township Police Officers receive 14 paid holidays and they receive compensation for those days as base pay at a rate of time and one-half. The Township's proposal would therefore reduce overall base pay by twelve hours. A review of paid holidays in the Monmouth County agreements in evidence reflects an average of 14 holidays. Without sufficient credible evidence in support of the elimination of the holiday, it is not awarded. In the absence of objection from the PBA, the Easter Sunday/Birthday holiday is converted to a personal day effective January 1, 2013.

Article XIII Health and Welfare Benefits

The Township seeks to make several changes to the Health Benefits provisions. First, the Township proposes to require each employee to contribute 5.0% of the total cost of the medical, dental and prescription drug coverage premiums provided to that employee. Under the Township's proposal that contribution would rise to 7.5% for 2011 and 2012. The Township also seeks to increase the prescription co-pay for name brand medication from \$10.00 to \$20.00 and to impose a \$100.00 deductible for prescription insurance coverage. Finally, the Township proposes to increase the co-payment for emergency room visits from \$25.00 to \$100.00. The Township seeks these modifications for the purpose of reigning in the cost of rapidly increasing health insurance premiums. According to the Township the costs of medical, dental and prescription premiums has increased to the point where it is now 10% of the municipal budget. In 2010, the Township paid \$26,000.00 for family coverage for medical, dental, and prescription insurance, 288% more than it paid in 1997. The PBA maintains that premium contributions and other give backs in health insurance are not supported by the record and are not sustainable. The PBA contends that virtually none of the comparable municipalities requires premium contributions for health care.

Notwithstanding the specifics of the Township's proposal, the record reflects that unit members were required to contribute 1.5% of base salary towards health care benefits as required by law on May 21, 2010 pursuant to P.L.

2010, Chapter 2. As the Township points out, this contribution was a result of legislative action and was legally mandated. Subsequent to that legal development, there was additional legislative action addressing the issue of health insurance contributions. The Governor signed P.L. 2011, Chapter 78 into law on June 2011 pursuant to that legislation.

This award must be consistent with law because N.J.S.A. 34:13A-16g(5) and (9) requires the arbitrator to consider the Township's lawful authority and statutory restrictions. Accordingly, the Award will reflect that health care contributions shall be consistent with that required by P.L. 2010, Chapter 2 and P.L. 2011, Chapter 78. Although other Township employees were required to contribute towards health insurance premiums prior to May 21, 2010, I award no retroactive contributions towards insurance prior to that date.

The Township also seeks increases in the existing level of co-payments. Currently there is a \$5 co-pay for generic medications and a \$10 co-pay for brand name medications. The Township proposes to increase the co-payments to \$10 and \$20 respectively. The Agreement at Article XIII, Section C provides a paid-up drug prescription program in the State Health Benefits Program with the employee contributing towards the co-payments. Given the revised overall responsibilities of the employees towards health insurance contributions as now required by law, I do not award a change in the existing co-payments for prescription drugs during this contract term. For similar reasons, I also do not

award the Township's proposal to increase the co-payment for emergency room visits.

Article XV, Uniform Allowance

The PBA seeks to add \$100.00 annually to the present uniform allowance. The PBA points out that its proposal would increase the cost of the package by \$100.00 per employee or by an annual total of \$5,100.00. The PBA responds that this is an equity adjustment without major impact. The Township asserts that the PBA's proposal to increase the uniform allowance by \$100 is not justified. The Township points out that the current clothing and maintenance allowances totaling \$1,550 are at the top of comparable municipalities. There is insufficient support to award an increase to the Uniform Allowance during this contract term.

Article XX(B) – Court Time

The Township proposes to change the minimum time for Court appearances from four (4) hours at time and one half to two (2) hours at time and one half. The Township has not provided justification for this proposal and has not met its burden to establish a change in this provision. It is not awarded.

Article XXII, Longevity

The PBA seeks to add \$1000.00 to each longevity level. At present the longevity schedule provides Police officers with the following longevity benefit:

1.	Five (5) years of service	\$1,600.00
2.	Ten (10) years of service	\$1,900.00
3.	Fifteen (15) years of service	\$3,000.00
4.	Twenty (20) years of service	\$3,500.00
5.	Twenty-four (24) or more years of service	\$4,000.00

The PBA emphasizes that most municipalities pay longevity based upon a percentage of salary and only Neptune and Holmdel have flat dollar longevity plans. The PBA suggests that its proposal to add a \$1,000 increase at each longevity level, would improve the benefit but still result in a below average longevity benefit. The PBA points out that it has not proposed to change the years at which longevity is paid or increases that would contribute to a greater gap in the amount of longevity compensation. The PBA asserts it seeks an improved longevity benefit to provide the same longevity as some other Township employees who receive \$4,800. It emphasizes that the current program is a flat dollar amount rather than a percentage and thus a base wage increase will not result in a longevity increase. The Township argues that there is no basis for increasing longevity especially during a period where the Township has demonstrated serious budgetary problems. I am not persuaded that the

additional costs of this proposal cannot be justified during this contract term. Accordingly, the proposal is not awarded.

Article XIX – Retirement

The Township proposes to add a new provision that would cap the payment of accumulated sick leave at \$15,000.00 for employees hired after January 1, 2009. The Township points out that this cap has been imposed on other public employees by legislative fiat and is more reasonable than the current six month pay benefit provided to Police Officers. The PBA has not raised a specific objection to this proposal. I take official notice of an act by the New Jersey Legislature effective June 29, 2011 providing a \$15,000.00 cap on accrued sick leave to be paid out at retirement for local employees effective May 21, 2010. P.L. 2010 c.3. Accordingly, I award the following provision with the effective date modified to reflect those employees who were hired after May 21, 2010:

Pursuant to P.L. 2010, c.3., employees hired after May 21, 2010 who shall have accumulated sick leave upon retirement shall have, pursuant to state statute, a cap of \$15,000 on any reimbursement for accumulated sick leave as calculated under paragraph (C)(1) above.

Personnel Files

The PBA proposes to add a new section to the Agreement that would establish a procedure for the maintenance of personnel files. The PBA maintains

that this proposal would simply codify the existing procedure. The Township asserts that the PBA has not provided evidence supporting this proposal.

The PBA's proposal establishes reasonable procedural rights without significant interference with the Township's or the Chief's managerial prerogatives. I award the proposal with certain modifications. The proposal, as phrased, would prohibit the removal of any document that had been previously placed in an officer's personnel file. Such prohibition is overly broad and would preclude the removal of documents which would ordinarily be removed during the ordinary course of business. I add the following language at the end of the first sentence of the fourth paragraph.

All personnel files will be carefully maintained and safeguarded permanently, and nothing placed in any file shall be removed therefrom except upon notice to the officer who shall be afforded the opportunity to copy the document upon its removal.

I do not award the last sentence of paragraph 4 which would subject an employee to disciplinary action for removal of the document. The absence of such language would not preclude disciplinary action being taken by the Chief for the improper removal of a document pursuant to his or her authority. Accordingly, I award the following:

A personnel file shall be established and maintained for each employee covered by this Agreement. Such files are confidential records and shall be maintained in the office of the Chief of Police, and may be used for evaluation purposes.

Upon advance notice and at reasonable times, any member of the Department may at any time review his/her personnel file. However, this appointment for review must be made through the Chief of Police or his designated representative.

Whenever a written complaint concerning an officer of his/her actions is to be placed in his/her personnel file, a copy shall be made available to him/her and he/she shall be given the opportunity to rebut it in his/her file. When the Employee is given a copy of the complaint, the identification of the complainant shall be excised. However, if any disciplinary action is taken based on any complaint, then the Employee shall be furnished with all details of the complaint, including the identity of the complainant.

All personnel files will be carefully maintained and safeguarded permanently, and nothing placed in any file shall be removed therefrom except upon notice to the officer who shall be afforded the opportunity to copy the document upon its removal.

Preservation of Rights

The PBA proposes to add a new section to the Agreement that would add a preservation of rights clause. The Township asserts that the PBA has not provided evidence supporting this proposal. An examination of the Agreement reflects that the definition of a grievance is broad and includes the interpretation, application or violation of policy, agreements and administrative decisions affecting the terms and conditions of employment covered under the Agreement. (See Article III(B)). There is no evidence in the record that reflects any inability of the PBA to enforce the terms of the agreement or disputes that fall within the definition of a grievance so long as an arbitrator, as is prohibited by the current language, does not have authority to modify or amend any of the provisions of the Agreement. Accordingly, the proposal is not awarded.

Off-Duty Compensation

The PBA proposes to increase the hourly rates for off-duty work in uniform. The PBA asserts that this proposal is at no cost to the Township because the hourly rate is paid by the contractor employing the police officers to perform the off duty work. The Township maintains that Police Officers earned over \$215,000.00 in off duty employment in 2009, an increase of approximately \$50,000.00 from 2008. The Township also asserts that it has exercised its managerial prerogative to eliminate this program. Notwithstanding the elimination of the program, assuming that this is the actual current status of the program, it is not unreasonable to provide a structure for compensation in the event that the program has been reinstated or will be reinstated during this contract term. The record reflects that officers have been paid at a rate of \$35 per hour with time and one-half pay on weekends and holidays. Such rate is substantially below the rate for off duty jobs as shown by virtually all of the collective negotiations agreements in evidence. Accordingly, in the event that the program is reinstated or has been reinstated, the schedule as proposed by the PBA is awarded with the exception of the last paragraph. Accordingly, I award the following:

The PBA proposes to set the hourly rate with respect to approved off-duty employment in uniform. The party contracting for this service shall make the request through procedures established by the Chief of Police and shall make payment to the Township of Neptune through a means established by the Township Council (i.e. escrow or billing). Officers shall receive payment for work during the next payroll processing cycle after the Township's receipt of the funds from the contracting party. The Township shall

be entitled to set a reasonable fee for its administration of this program.

Security Assignment	\$40.00 per hour
Day Traffic (0700 to 1800)	\$53.00 per hour
Night Traffic (1800 to 0700)	\$63.00 per hour
Board of Education, Non-Profit	\$40.00 per hour

Article XXI Salaries

I turn to the parties proposals concerning the across the board increases. They have, on this issue, submitted voluminous and comprehensive evidence, which, while thoroughly reviewed and considered, has not been fully summarized within the confines of this analysis. The evidence includes, but is not limited to, workload, crime statistics, budget testimony from Chief Financial Officer Michael Bascom, testimony from PBA President Cuevas extensive documentary evidence concerning internal and external salary comparisons, overall compensation and benefits currently being received, the statutory limitations on increases in appropriations and revenues, the Township's demographics and socio-economic profile, the Township's official budgets and other budget documents including revenues, fund balances, debt, tax collection rates, tax rates, state aid and funding, financial impact, certain Township expenditures including pensions and the general economic climate within the Township and beyond.

I first address the PBA's proposal concerning a modification of the detective stipend. That amount is currently set at \$1,750.00. The PBA proposes

to increase the stipend to "a 5% calculation" which is assumed to be a figure which is to be calculated off of base pay. The record reflects that the last adjustment to the detective stipend occurred on January 1, 2006. The record also reflects that detectives are obligated to assume on call responsibilities. The PBA's proposal that provides a schedule for compensatory time for those on call responsibilities has not been awarded. However, in light of all of the foregoing, an enhancement to the existing detective stipend has been justified but not to the level sought by the PBA. Effective January 1, 2011 the stipend shall be \$2,000 and effective January 1, 2012, the stipend shall be \$2,250.

I next address the Township's proposal to implement a new wage scale for new hires. Its proposal would reduce the salary maximum by more than \$10,000 and extend the time in which it takes to reach the salary maximum by six months. The existing salary schedule was changed on June 1, 2006 to extend the time in which to receive the salary maximum by 24 months, or a fully two years. Because there is no evidentiary support for the Township's proposal, it is not awarded.

The entire record of this proceeding on the salary issue must be evaluated in the context of my application of the overall statutory criteria. As indicated previously, I find all of the criteria to be relevant, though some are entitled to greater weight than others. It must also be understood that rarely is there a line of demarcation that isolates the evidence concerning a single criterion from the

others. This is so because there are interrelationships and, in some instances, contradictions between one or more of the criteria. The interests and welfare of the public is entitled to the most weight in this proceeding because it is a criterion that embraces many of the other factors and recognizes their interrelationships. The interests and welfare of the public is implicated in the financial impact of an award on the governing body and taxpayers [N.J.S.A. 34:13A-16g(6)], as well as the Township's statutory budgetary limitations set forth in N.J.S.A. 34:13A-16g(5) and N.J.S.A. 34:13A-16g(9). The interests and welfare of the public also obligates the arbitrator to evaluate various types of wage and benefit comparisons [N.J.S.A. 34:13A-16g(2)(a), (b), (c)] as a measure to evaluate the reasonableness of the parties' proposals. It is also implicated in the evaluation of overall existing contract terms and their reasonableness and whether such terms contribute to or adversely impact on the continuity and stability of the Township's police officers. The cost of living criterion also implicates the interests and welfare of the public because it is one of many indicators that measures how contract terms affect a police officer's standard of living, not only during a contract term, but also over the length of a career.

The Township places great emphasis on the general economic conditions in the nation, the state and in the Township that impacted negatively on its budget. The record reflects that these financial conditions underwent major transition towards the end of the parties' last contract year and into the first two years of the parties' proposals for new contract terms. The evidence shows

budget health in the past but worsening budget conditions for the Township going into the first two contract years of 2009 and 2010, the time in which this record was closed. The parties' respective final offers and their submissions for change must be considered within that factual context. Law enforcement comparability evidence for these contract years must also be evaluated based upon the contract years that the parties were negotiating for changes going forward. The PBA evidence showing a range of three to four percent increases for 2009 and 2010 in other jurisdictions primarily reflect multi-year contracts that were negotiated prior to the cataclysmic financial events that surfaced in late 2008. In contrast, the comparability evidence reflects sharply diminished wage increases, including some wage freezes, in years 2009 and 2010 for contracts that were newly negotiated for contract years going forward into 2009 and 2010 as opposed to contracts that were negotiated prior to those contract years during a robust economy. While not in the record, published data shows sharply diminished wage increases in arbitration awards between 2009 and 2011. These transitions create some oddities when evaluating the respective offers and comparability evidence in this case. The PBA's proposal for 4.5% increases for each of five years commencing in 2009 is reflective of an objective to continue or exceed the rate of increases in existence prior to the onset of the recession in 2008. The terms of that proposal are clearly not responsive to the changed circumstances the Township has shown were present during the parties' direct negotiations and continued through the close of this record. The Township's proposal, when viewed in the context of pre-recession negotiated results,

appears grossly inadequate and, to the PBA, somewhat earthshaking in light of having experienced 45.2% increases to the salary schedule between 1998 and 2008. Clearly, in the abstract, and without regard to the changed financial circumstances, the Township's proposal could be viewed as unreasonable and inequitable. But the Township has asserted, with record support, that its proposal correctly mirrored its changed financial circumstances and legal requirements and that the intent of its proposal was not to punish its police force, but instead maintain excellent terms and conditions of employment during a stressful budgetary period and avoid a reduction in force in the police department that could reduce the level of services the department renders to the public.

The Township's salary proposal to the PBA, under all of the evidence present for 2009 and beyond, must be viewed as an overall effort to provide balance to wage adjustments over a broad period of time by advancing heavily back-loaded terms to avoid the inequities that would result if it were to seek a short term agreement that was solely reflective of its budget in 2009 and 2010 or less favorable terms throughout the contract duration due to future budget uncertainties. As the PBA points out, the Township's proposals for a salary schedule freeze for 2009 and 2010 are below the external comparability data for those years despite the Township's reference to having to pay the estimated 3.5% to 4.0% in step increases in both 2009 and 2010. Notwithstanding 2009 and 2010, the Township's approach yields proposed wage increases for 2011 and 2012 that, for those years, well exceed the comparability evidence for

contracts that were negotiated after the onset of the recession that impacted on public finance at all levels and on the Township of Neptune in particular. The Township's proposal must be viewed in its totality. The Township's proposal averages 2% per year over four years, in addition to step movement estimated at an additional 3.5% to 4% per year and, when viewed in their totality, are more reflective of comparable increases that were negotiated or awarded after the onset of the recession than the wage increases that have been proposed by the PBA. More importantly, the Township has established that the overall wage increases are consistent with its financial abilities and statutory limitations.

The back-loading reflected in the Township's proposal does in fact yield a cumulative payout of dollars that are far less than any front-loaded approach that would also yield a 2% average increase. Yet, the financial evidence linked to the Township's proposal clearly supports a back-loaded approach that achieves an average across the board increase measuring an 8% increase to the salary schedule over four years and, when compared to the PBA's proposal, provides reasonable consistency with comparability figures for contracts that were negotiated subsequent to 2008 and 2009 covering the same contract years.

Law enforcement comparability is a relevant but is not a controlling factor in the analysis of what constitutes a reasonable determination of the salary issue under law and on this record. Comparability is a broad term and extends beyond wage adjustments in percentage terms that have been negotiated elsewhere. A

comparability analysis must also examine relative compensation levels among communities that share comparable financial characteristics. Such analysis normally reflects whether a particular unit is receiving equitable levels of compensation at a level that a governing body can support. For this reason, the comparability data must take into consideration overall levels of compensation and benefits currently being received in addition to an analysis of whether all other relevant criteria are in relative balance between the other communities and the Township of Neptune.

The criterion of overall compensation and benefits presently received by the Township's police officers is a measure by which to judge justifications for a party's proposal to make changes to existing contract terms. This criterion prevents an employer or an employee organization from focusing solely upon any individual contract term and condition of employment while omitting reference to an entire wage and benefit package. Here, the Township's proposal maintains and improves those terms which, on balance, have been shown to be favorable in relation to those that exist in surrounding communities. In the Township of Neptune, police officers receive maximum pay after seven and one-half years. Such pay in 2008 was set at \$91,356. In addition, maximum longevity is an additional \$4,000 and supplements the aforementioned base pay for pension purposes. Twenty-one (21) days of holiday pay are received that are also added to base pay (14 paid holidays at time and one-half) that increases base pay for a police officer at top step by an additional \$7,702. In addition,

police officers receive fully paid retiree health insurance, 28 vacation days after 20 years of service, 15 paid sick days after the first year of employment with the ability to accumulate unused sick days without limit accompanied by the reimbursement of 50% of the value of those days (for employees hired prior to 2006), an attendance program providing 3.5 compensatory days off if no sick days are used in a calendar year, a clothing and maintenance allowance of \$1,550, four paid personal days per year, and an educational stipend of \$1,000 for a Bachelor's degree. A comparison analysis of salary, longevity, holiday pay and clothing/maintenance shows that in 2008, Neptune Township ranks below Eatontown, Marlboro, Wall Township and Manalapan but exceeds Freehold Township, Tinton Falls, Ocean Township, Holmdel, Long Branch and Red Bank. Overall compensation and benefit levels far exceed that in the adjacent communities of Neptune City, and Asbury Park.

The budgetary circumstances of the Township in 2009 and 2010 are a strong consideration when considering the reasonableness of a proposal and its relationship to external comparables. The Township's financial condition and its lawful spending and taxing authorities are clearly set forth in the record. Its ability to fund increases beyond step increases in 2009 and 2010 is supported by substantial credible evidence, especially in light of its obligation to fund split 4% increases in 2011 and 2012. The Township of Neptune has been shown to have above normal unemployment rates, high rates of recent municipal tax increases, sharp increases in its appropriations, net debt at an all time high, substantial

losses in state aid, a dwindling surplus, substantial losses in revenues, layoffs among the civilian work force, expenditures that fall very close to the tax levy cap and budget transfers to pay for unanticipated expenditures in 2009. Bascom's testimony that the loss of state aid offset most of the tax cap levy 2009 and that a cap waiver would be required for a 2009 increase even if zero were awarded in 2010 is credible and supported by the financial evidence. The PBA's reliance upon the discretion available to the Township in the appropriation cap must give way to the sharply diminished discretion available to the Township in its levy cap. When the Township's proposal for an 8% increase over four years is evaluated in that context, its proposal maintains external comparability relationships in a manner that is consistent with its financial abilities. An award in excess of this sum would adversely impact on the governing body and residents and create difficulty with the Township's ability to comply with the tax levy cap while meeting the remainder of its budgetary obligations.

As previously stated, I have awarded a contract duration extending through December 31, 2013. This requires the setting of wage terms for year 2013 as well as for the four prior years. The Township's proposal for 2009, 2010, 2011 and 2012 represents a reasonable determination of the salary issue but only when coupled by an additional year at the same average increase of 2% as in the first four years. This is so in order to provide an overall reasonable balance to the PBA's compensation level over the five year period, especially in the absence of adjustments to the wage schedule in 2009 and 2010. The net

result is an increase in base pay at top step from \$91,356 to \$100,864 over the contract period. The additional cost over the Township's proposal is realized only for 2013 and, assuming police officers at top step pay, the increase would cost approximately \$117,500 in addition to the roll up cost of increased holiday pay and step movement. Step movement is appropriate for 2013 when viewed in the overall context of the terms of the five year agreement. Accordingly, the salary award will require annual step movement in all contract years, no adjustment to the schedule in 2009 and 2010, across the board increases of 2% January 1, 2011, 2% July 1, 2011, 2% January 1, 2012, 2% July 1, 2012 and 2% January 1, 2013. The increases are retroactive to each effective date and applicable to all unit members and those who have separated from employment through normal and/or disability retirement. The wage schedule shall read as follows:

	1/1/09- 12/31/10	1/1/2011 2%	7/1/2011 2%	1/1/2012 2%	7/1/2012 2%	1/1/2013 2%
0 to 6 months	\$33,279	\$33,945	\$34,623	\$35,316	\$36,022	\$36,743
7 to 18 months	\$41,907	\$42,745	\$43,600	\$44,472	\$45,361	\$46,269
19 to 30 months	\$49,755	\$50,750	\$51,765	\$52,800	\$53,856	\$54,934
31 to 42 months	\$56,386	\$57,514	\$58,664	\$59,837	\$61,034	\$62,255
43 to 54 months	\$66,341	\$67,668	\$69,021	\$70,402	\$71,810	\$73,246
55 to 66 months	\$72,668	\$74,121	\$75,604	\$77,116	\$78,658	\$80,231
67 to 78 months	\$78,997	\$80,577	\$82,188	\$83,832	\$85,509	\$87,219
79 to 90 months	\$85,177	\$86,881	\$88,618	\$90,391	\$92,198	\$94,042
91 or more months	\$91,356	\$93,183	\$95,047	\$96,948	\$98,887	\$100,864

All of the above terms represent a reasonable determination of the disputed issues based upon the record of this proceeding. In addition to all of the aforementioned statutory criteria, I find that the terms of the award are supported

by the remaining criteria. The continuity and stability of employment, which has been excellent in the past will be maintained by the overall compensation and benefit package. The average terms of the increase are reasonably consistent with the cost of living data, especially in light of the preceding ten year history prior to 2009 wherein the salary increases were well in excess of the CPI. They are also, on balance, consistent with wage data for public employment in general and in private employment. Testimony at hearing by Bascom was uncontradicted that Neptune Township employees did not receive wage increases for 2009 and 2010 which is consistent with the Township's proposal in this proceeding. There is no evidence reflecting that the terms of the Award are inconsistent with any terms that have been granted unilaterally by the Township to any of its employees during 2009 or 2010 or to employees represented by other employee organizations through the collective negotiations process³. In the absence of such evidence, I need not give weight to the labor agreements submitted by the Township subsequent to the close of hearing and objected to by the PBA.

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

³ The only exception to this conclusion is the salary increase granted to the former Chief of Police pursuant to a contract entered into with him in 2006.

AWARD

1. All proposals by the City 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 modified by the terms of this Award.

2. **Duration**

There shall be a five-year agreement effective January 1, 2009 through December 31, 2013.

3. **Shift Bidding**

Shift Bidding Procedure

Section 1. Shift assignments shall be made, where all qualifications are equal, pursuant to a seniority based bid system. Standard slips shall be developed and distributed to all affected personnel in the second week of November of each year. The employee shall list his/her shift choices giving a first, second and third preference. Assignments shall then be made based on seniority and posted no later than the first week of December. This process is to be repeated annually. These assignments shall take effect as of January 1st and remain in effect until the procedure is repeated the following year.

Section 2. This shall not be interpreted to mean that duty assignments, such as Detective Bureau, Traffic Safety Services, etc., are to be put to bid. Those assignments remain the prerogative of the Chief of Police, which shall be in accordance with all controlling statutes, judicial decisions, and this Agreement. Further, in order to meet the needs of training and/or specialized qualifications, shift assignments may need to be altered in order to meet the bona-fide safety needs of the citizens of the Township. In these cases, the change shall be made with timely notice and written explanation. The change shall last until such time as the specific needs have been met, at which time the said Employee shall be returned to his/her bid shift. This Section cannot be used as subterfuge to avoid overtime.

Section 3. This Article shall not preclude Employees from voluntarily switching or swapping with one another, prior to the re-bid date. Such process shall be consistent with the provisions of

Article XIV that addresses the exchange of hours, duties or the exchange of days off.

4. Joint Committee – Work Schedule

There shall be a joint Township-PBA scheduling committee who shall meet as soon as possible but no later than July 1, 2012 and, at least, on a quarterly basis thereafter to discuss work schedule issues including, but not limited to, hours and days of work, the calculation of hours worked to be credited toward overtime, the hourly wage rate as a result of a change and the conversion of paid time off.

5. Article X – Holidays and Personal Days

The Easter Sunday/Birthday holiday is converted to a personal day effective January 1, 2013.

6. Article XIX - Retirement

Pursuant to P.L. 2010, c.3., employees hired after May 21, 2010 who shall have accumulated sick leave upon retirement shall have, pursuant to state statute, a cap of \$15,000 on any reimbursement for accumulated sick leave as calculated under paragraph (C)(1) above.

7. Health & Welfare Benefits

Health care contributions shall be consistent with that required by P.L. 2010, Chapter 2 and P.L. 2011, Chapter 78. No retroactive health insurance contributions are awarded prior to the effective date of these provisions.

8. Personnel Files

A personnel file shall be established and maintained for each employee covered by this Agreement. Such files are confidential records and shall be maintained in the office of the Chief of Police, and may be used for evaluation purposes.

Upon advance notice and at reasonable times, any member of the Department may at any time review his/her personnel file. However, this appointment for review must be made through the Chief of Police or his designated representative.

Whenever a written complaint concerning an officer of his/her actions is to be placed in his/her personnel file, a copy shall be made available to him/her and he/she shall be given the opportunity to rebut it in his/her file. When the Employee is given a copy of the complaint, the identification of the complainant shall be excised. However, if any disciplinary action is taken based on any complaint, then the Employee shall be furnished with all details of the complaint, including the identity of the complainant.

All personnel files will be carefully maintained and safeguarded permanently, and nothing placed in any file shall be removed therefrom except upon notice to the officer who shall be afforded the opportunity to copy the document upon its removal.

8. Off Duty Compensation (New Provision)

This provision shall be effective if the off duty program has been or will be reinstated.

The PBA proposes to set the hourly rate with respect to approved off-duty employment in uniform. The party contracting for this service shall make the request through procedures established by the Chief of Police and shall make payment to the Township of Neptune through a means established by the Township Council (i.e. escrow or billing). Officers shall receive payment for work during the next payroll processing cycle after the Township's receipt of the funds from the contracting party. The Township shall be entitled to set a reasonable fee for its administration of this program.

Security Assignment	\$40.00 per hour
Day Traffic (0700 to 1800)	\$53.00 per hour
Night Traffic (1800 to 0700)	\$63.00 per hour
Board of Education, Non-Profit	\$40.00 per hour

9. Detective Stipend

Effective January 1, 2011 the detective stipend shall be increased to \$2,000 and effective January 1, 2012, the stipend shall be \$2,250.

10. Salary

The salary schedule shall be modified by increases of 2% at each step effective January 1, 2011, July 1, 2011, January 1, 2012, July 1, 2012 and January 1, 2013. Eligible employees shall receive annual step movement in each year of the agreement, 2009, 2010,

2011, 2012 and 2013. All increases shall be retroactive to their effective dates and applicable to all active employees and those who have retired on normal or disability pensions. The salary schedule shall be as follows:


	1/1/09- 12/31/10	1/1/2011 2%	7/1/2011 2%	1/1/2012 2%	7/1/2012 2%	1/1/2013 2%
0 to 6 months	\$33,279	\$33,945	\$34,623	\$35,316	\$36,022	\$36,743
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79 to 90 months	\$85,177	\$86,881	\$88,618	\$90,391	\$92,198	\$94,042
91 or more months	\$91,356	\$93,183	\$95,047	\$96,948	\$98,887	\$100,864

Dated: April 14, 2012
Sea Girt, New Jersey


James W. Mastriani

State of New Jersey }
County of Monmouth } ss:

On this 14th day of April, 2012, before me personally came and appeared James W. Mastriani to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed same.


Gretchen L. Boone
Notary Public of New Jersey
Commission Expires 4/30/2014