

**NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION**

In the Matter of Interest Arbitration Between the

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**TOWNSHIP OF SPRINGFIELD,**

**"Public Employer,"**

**and**

**PBA LOCAL 76,**

**"Union."**

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**INTEREST  
ARBITRATION  
DECISION & AWARD**

Docket No. IA-2012-003

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

**Appearances:**

**For the Employer:**

Matthew Giacobbe, Esq.  
Adam S. Abramson, Esq.  
Cleary Giacobbe Alfieri & Jacobs

**For the Union:**

James M. Mets, Esq.  
Mets Shiro & McGovern

On September 29, 2011, the Union filed a Petition to Initiate Compulsory Interest Arbitration. On October 6, 2011, I was randomly selected from PERC's Special Panel of Interest Arbitrators to serve as interest arbitrator. I am required to render a decision on or before November 21, 2011.

On October 7, 2011, I notified the parties by letter that an interest arbitration hearing was scheduled for October 26, 2011. The parties submitted their final offers to me in accordance with my request, the last of which was received on October 14, 2011.

An interest arbitration hearing was held at Town Hall in Springfield, New Jersey on October 26, 2011 at which time the parties argued orally, examined and cross-examined witnesses and submitted substantial documentary evidence into the record. Testimony was received from Erik Knudsen – Patrolman and Local PBA President. The parties provided post-hearing briefs on or before November 2, 2011, whereupon the record was declared closed.

Prior to the commencement of the hearing on October 26, 2011, I met with the parties' representatives in an effort to resolve the parties' impasse. That meeting, however, did not produce a voluntary resolution.

## **FINAL OFFERS OF THE PARTIES**

### **The PBA's proposals:**

#### **1. Article IV, Salaries (and Schedule A)**

##### **Section 1 and Schedule A:**

Effective and retroactive to 7/1/2011	2.0% to base pay
Effective 3/1/ 2012	2.0% to base pay
Effective 1/1/2013	2.0% to base pay
Effective 1/1/2014	2.0% to base pay

Modify the salary guide in Schedule A effective July 1, 2011 to lower the Academy Step to \$25,000, Graduate Step to \$30,000 and Completion of 1 year Step to \$37,000. Any officer who is hired as an Academy graduate shall be placed at Step 1.

Effective and retroactive to January 1, 2011, increase all base pay by \$2500 for First Responder duties.

##### **Section 2:**

Increase the number of Corporals from the three most senior patrol officers who have completed twenty-two (22) years of service to the six most senior patrol officers without regard to years of service. However, to be designated Corporal, the patrol officer must be at top pay. Delete all language that applies to years of service and the limit of three Corporals. The rate of compensation shall continue to be \$1000 per year.

#### **2. Article X, Professional Growth of Police**

##### **Section 4:**

Eliminate the cap on tuition and book expenses effective January 1, 2012.

#### **3. Article XI, Insurance (and related Articles)**

##### **Sections 1 and 5:**

Modify to incorporate the Township's change to the New Jersey State Health Benefits Plan ("SHBP"), Direct 10 and the prescription plan which has been described as part of the Direct 10 Plan and eliminate the reimbursement

program that was ordered by PERC in CO-2011-155, IR-2011-21 (10/29/10). In return, incorporate the following language into the contract:

The Township must maintain the level of health benefits and prescription plan and the cost of out-of-pocket payments incurred by members of the bargaining unit that were in effect as of January 1, 2011. This clause is enforceable regardless of who makes such changes (i.e., the Legislature, the State Health Benefits Commission, or any other entity). If such changes are made, the Township shall have the option of making bargaining members whole for any additional costs for increases in out-of-pockets and/or reductions in benefits or obtaining alternate benefit plans that provide equal to or better than benefit levels and out-of-pocket payments to the plan provided to unit members as of January 1, 2011. If the Township wishes to change health insurance carries and/or plans, the new plan(s) must be equal to or better than the plan provided to unit members as of January 1, 2011. When referring to benefits, it shall include prescription and dental coverage.

In addition, increase the annual dental benefit by \$1000.00.

4. **Article XIII, Clothing Issuance**

**Section 3:**

Delete

**Section 4 (New):**

The Township shall provide at its expense all protective clothing and equipment required by officers to perform their duties.

5. **Article XXVIII, Outside Employment**

Change all rates to \$60.00 per hour.

6. **Article XXXII, Duration**

January 1, 2011 through December 31, 2014.

**The Township's proposals:**

**1. Article IV Salaries and Schedule A**

Institute a new salary guide for all officers hired on or after January 1, 2011. The new salary guide shall include an additional five (5) steps and be equalized.

Section 2 shall no longer apply to new hires as of January 1, 2011.

Wages shall be increased by the following amounts:

2011 - 0%  
2012 - 1.75%  
2013 - 1.75%

**2. Article V Longevity**

Longevity shall be suspended for three (3) years.

**3. Article X Professional Growth of Police**

Article X shall be suspended for three (3) years for all current employees.

All new hires as of January 1, 2011 shall no longer be eligible for professional growth.

**4. Article XI Insurance**

Delete and revise Section 1 to provide State Health Benefits Plan ("SHBP") for major medical and prescription coverage in accordance with the SHBP regulations. All officers participating in any of the plans will be required to contribute to the cost in accordance with state law.

Section 1 (a) - The State Health Benefits Plan shall cover the officer's spouse, family and/or civil union partner. All officers will be subject to the rules and regulations as determined by the State Health Benefits Plan.

All current officers agree not to participate in or seek money from the current reserve fund. Moreover, the reserve fund will be terminated effective the date of the interest arbitration award.

Section 1 (b) - All officers may participate in the dental plan and vision plan established by the Township for themselves, family, spouses or civil union partners. However, officers shall be subject to co-pays and/or co-insurance requirements.

Section 2 (a) - Eligible retirees shall be entitled to medical insurance coverage for life subject to all the rules and regulations established by the State Health Benefits Plan. Eligible retirees must adhere to the rules and regulations, co-pays, co-insurance and deductibles as dictated by the Township ordinances. All qualifying retirees and spouse must enroll in Medicare when eligible as primary insurance coverage and the Township will reimburse the retiree and spouse for Medicare Part B. Further an annual certification of their marital or family status every year. Eligible retirees shall be defined as employees in good standing with twenty-five (25) consecutive years or more of service with the Township.

Section 2 (a) - Eligible retirees who elect medical coverage will be required to contribute towards health coverage in accordance with the law.

Section 4 shall be revised as follows, "Employees shall be entitled to up to one (1) year's paid leave due to an on the job injury in accordance with state law."

**5. Article XIII Sick Leave**

Section 8 shall be revised to reflect that the one (1) year paid disability leave shall be for on the job injuries only.

**6. Article XIV Overtime**

Section 8, remove and delete 1946 hours and replace with 2080 hours. Compensation per day shall be equal to pensionable annual base pay divided by 2080 hours.

**7. Article XV Workweek**

Shifts shall be changed from 10.75 hours to 12 hours.

**8. Article XXIII PBA Activity**

Section 1 shall be reduced from three (3) representatives to two (2) representatives. Any and all time off shall be without pay unless such officer utilizes their accrued paid time off.

**9. Article XXIV Military Leave**

Article should be deleted and replaced with the following, "The Township shall follow all state and federal regulations regarding Military Leave".

**10. Article XXVII Terminal Leave**

Terminal leave shall no longer be applicable to all new hires as of January 1, 2011.

**11. Article XXVIII Outside Employment**

The minimum hourly rate for outside employment shall be \$25.00 per hour for all businesses and/or charities which are tax exempt pursuant to 501 (c)(3).

**12. Term of Agreement**

January 1, 2011 – December 31, 2013

## **BACKGROUND**

The Township is located in Union County. It is comprised of approximately 5.2 square miles and has a population of over 15,000 residents. It has a median household income of \$86,458, and a median family income of \$111,154. PBA Local 76 represents all Patrolmen, Corporals and Detectives. The Township also maintains a paid fire department.

The Department's Superior Officers and Chief are excluded from the bargaining unit. At the time of the interest arbitration hearing, there were 28 bargaining unit members – 26 Patrolmen and 2 Detectives. In addition, there were 10 Sergeants, 3 Lieutenants, and the Chief.<sup>1</sup> Two (2) officers are currently in the Police Academy. As of 2010, employees hired prior to January 1, 2004 were subject to the following wage guide: Detective - \$98,263; Corporal - \$96,468; Patrolman 1<sup>st</sup> Class - \$91,639.<sup>2</sup> Employees hired after January 1, 2004 were subject to the following wage guide: Detective - \$98,500; Corporal - \$96,700; Patrolman 1<sup>st</sup> Class - \$95,534; Patrolman 2<sup>nd</sup> Class - \$85,678; Patrolman 3<sup>rd</sup> Class - \$75,826; Patrolman 4<sup>th</sup> Class - \$65,976; Patrolman 5<sup>th</sup> Class - \$56,123; Patrolman 6<sup>th</sup> Class - \$46,272; and Patrolman Probation - \$36,422. The current staffing level represents an increase of 5 officers since the beginning of 2010 – five (5) hired on

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<sup>1</sup> Sergeants and Lieutenants are represented by the Springfield SOA. The Chief is excluded.

<sup>2</sup> The salary schedule for officers hired prior to January 1, 2004 also includes a Patrolman Probation step and steps ranging from Patrolman Probation to Patrolman 2<sup>nd</sup> Class. However, the PBA no longer has officers hired prior to January 1, 2004 on those steps.



December 31, 2010, one (1) of which separated from service on May 31, 2011, and one (1) hired on June 1, 2011. [See Certification of Joseph Petrucelli, see PBA Ex. K-23]. The parties' prior Agreement was effective from January 1, 2007 through December 31, 2010.<sup>3</sup>

The parties submitted substantial evidence in support of their respective positions. I thoroughly reviewed that information and now provide a general summary herein.

### **Summary of the PBA's Position**

In addressing the interest and welfare of the public, the PBA begins its analysis with a review of the Township's finances. The PBA contends that the Township can legally afford the PBA's Final Offer. The PBA relies upon a certification from its financial expert Joseph Petrucelli who indicated that the Township has strong revenue growth and tax collections. [See PBA Ex. K]. The PBA makes several points:<sup>4</sup>

- From January 1, 2005 through December 31, 2010, the Township increased its revenues from by an average of 9.968% each year.

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<sup>3</sup> This Award is not subject to the 2% base salary cap imposed by P.L. 2010, c. 105 because the contract expired on December 31, 2010.

<sup>4</sup> See PBA Brief pp. 48-52; See PBA Ex. K.

- From 2009 to 2010, the Municipal portion of the average residential property tax bill decreased by \$88.55.
- The Municipal portion of the average residential property tax bill allocated to the annual cost of police decreased by \$26.12 from 2009 to 2010.
- None of the total average residential property tax bill increase from 2009 to 2010 was attributable to the cost of police.
- Since 2005, the Township has spent less than budgeted for police salary and wages.
- In 2010, the Township paid \$93,998.80 less than budgeted for police salary, wages and other expenses. In that same year, the police department generated revenue of \$229,184.14 in outside service fees.
- The cash balance as of December 31, 2010 was \$8,867,248.95. The "Free Cash" balance as of that date was \$3,885,140.14. This is consistent with the Township's history of maintaining high fund balances:

<b>Year</b>	<b>Current Fund Cash Balances</b>	<b>Current Liabilities</b>	<b>"Free" Cash Balances</b>
2010	\$ 8,867,248.95	\$ 4,982,108.71	\$ 3,885,140.24
2009	\$ 9,189,326.77	\$ 5,417,077.55	\$ 3,772,249.22
2008	\$ 9,035,821.47	\$ 5,391,847.51	\$ 3,643,973.96
2007	\$ 7,089,225.51	\$ 2,265,002.13	\$ 4,824,223.38
2006	\$ 5,986,868.12	\$ 2,114,728.01	\$ 3,872,140.11
2005	\$ 4,670,881.34	\$ 1,757,821.54	\$ 2,913,059.80

**Document Supports: 2006 through 2009 Audited Financial Statements,  
2010 Unaudited Annual Financial Statements**

- The Township has historically maintained a sizeable surplus. After utilizing \$3,000,000 of surplus revenue in the 2011 budget the Township had a remaining surplus balance of \$1,691,438.22 - the highest remaining January 1 fund balance since 2007.

- Through the years, the Township has consistently regenerated the surplus allocated to the budget.
- The Township realized \$481,257.61 worth of unanticipated miscellaneous revenue in the 2010 budget. In 2009, the Township had \$698,141.15 of additional unanticipated miscellaneous revenue.
- Since 2005, the Township has realized fund balances and generated excess results from operations which left it with surplus revenue. As a result, the Township has been able to keep taxes low. The Township's excess results from operations in 2010 amounted to \$1,280,169.37, and is the highest amount of excess results of operations in the six year period from 2005 to 2010.
- The Township currently carries a low 0.60% net debt. This debt is well below the statutory debt which indicates that the Township is not financially extended and that it has borrowing power if it is necessary.
- The Township will reduce expenses from the implementation of P.L. 2010 c. 2 and P.L. 2011 c. 78. In 2011, the legally mandated health care contribution rate is estimated to result in an annual savings of \$33,794.11 just from PBA unit members. This contribution reduces the cost of healthcare paid for by the Township and consequently reduces the pay of each PBA member. The amount contributed will increase as the premium sharing percentages increase pursuant to P.L. 2011 c. 78.
- The Township has consistently received grants and other revenues that are available to offset the costs of certain program expenses provided for by the Police Department. The Township's police grants have been relatively unchanged over the past five (5) years.
- The Township has also grown at a rate that has outpaced Union County. It has added New Ratable Assessments of \$66,299.00 in the 2011 calendar year budget and \$176,271.00 in the 2010 calendar year. The Township's ratable value has grown 109.53% since December 31, 1999.

The PBA contends that the information above refutes the Township's claim that it is "struggling financially".

The PBA maintains that its offer serves the public's best interest. It submits that the raises it seeks are reasonable, particularly in light of the delayed implementation dates it proposes, the increased contributions required for health benefits and pensions, and its proposal to add steps to the salary guide for new hires. The PBA points out that the Township argues that there should be parity between the PBA and the FMBA. If the Township's theory holds then the PBA's proposal to include EMT and First Responder stipends must be awarded.

With respect health insurance, the PBA provides the following support for its position:

The PBA recognizes that the Township had to take steps to save money on the ever increasing cost of health insurance. That is why the PBA's Final Offer proposes to accept the SHBP and eliminate the reimbursement procedure that was ordered by the Public Employment Relations Commission. See Township of Springfield and PBA Local No. 76, P.E.R.C. Docket No. CO-2011-155, I.R. No. 2011-21 (2010). All that the PBA asks in return for accepting this significant reduction in health benefits is for the Township to be ordered to implement language to ensure the minimum level of benefits. The Township's proposal on the other hand seeks to leave PBA members at the whim of the State Health Benefits Commission, over which it has no control.

Protection of benefit levels is paramount and at this juncture is a no cost item for the Township. Given the vast

amounts contributed by PBA unit members to insurance since 2011 and the reduction in the level of benefits in 2010, it will be a big boost to the morale of the unit to have these benefit levels protected. As such, the PBA's proposal is in the best interest and welfare of the public. [PBA Brief, pp. 64-65].

The PBA indicates that the Township's offer "is a mere sham that leaves officers with less money and longer work hours than under the previous contract." [PBA Brief, p. 55]. The PBA contends the Township's offer does not improve morale and "could dangerously impair the continuity and stability of employment." [PBA Brief, p. 58]. Further, the Township's proposals are "punitive" and wholly unsupported by the evidence. The PBA emphasizes that the several of the Township's proposals were not presented to the PBA until the interest arbitration hearing: suspending longevity for the life of the agreement, reducing the overtime rate, reducing the hourly rate for outside employment; changing the work schedule, altering the number of PBA members permitted to attend PBA conventions, eliminating Article X – Professional Growth for Police, and eliminating Article XXIV – Military Leave. The PBA indicates that the only interest arbitration award in 2011 that included "draconian cuts" such as those proposed by the Township was Spotswood Boro & PBA Local 225, IA-2011-0048 (2011). But the arbitrator in that case concluded that there were "special fiscal conditions" that warranted the changes he awarded. Those conditions do not exist in the instant matter.

The PBA next addresses the comparison of wages, salaries, hours and conditions of employment. With respect to the private sector, the PBA presented statistics to show that "there is no significant difference between the compensation costs between private and public sector employees in New Jersey." [PBA Brief, p. 74]. As to a comparison of similarly situated public employees, the PBA indicates that "unit members historically had lower starting salaries with competitive top salaries." [PBA Brief, p. 76]. The PBA presents a comparison of other law enforcement units in other municipalities within Union County. [PBA Brief, pp. 74-75, PBA Ex. 1-3]. The PBA submits that its proposal will keep the bargaining unit within the historical trend while the Township's proposal will cause the unit to lag behind.

The PBA disputes the Township claim that a pattern of settlement exists between the PBA and the FMBA:

The Township will most likely argue that FMBA 57/57A accepted wage increases of 0.0% in 2011 and 1.75% in 2012, 2013 and 2014 and that a "pattern of settlement" has emerged. (Exh. J-24). This argument is both factually and legally insufficient. Initially, it must be noted that the alleged "pattern" is not a pattern at all. The Township seeks to bootstrap the PBA's salary increases to the salary increases agreed to by the Springfield FMBA Local 57/57A. However, this argument is disingenuous.

The PBA's previous contract was nearly expired at the time the FMBA entered into a memorandum of agreement for its successor contract. The FMBA's contract runs from January 1, 2007 through December 31, 2014. (Exh. J-24). The

FMBA accepted fully retroactive pay increases of 3.9% in 2007, 3.9% in 2008, 3.85% in 2009 and 3.85% in 2010. Id. The FMBA then accepted the same raises proposed by the Township here for 2011, 2012, and 2013. The Township's argument that this is a "pattern of settlement" is disingenuous as it sent each FMBA member home with a sizeable retroactive paycheck immediately preceeding the low salary increases for 2011, 2012, 2013, and 2014. Thus, the "pattern of settlement" argument cannot be proven, as the Township cannot show that the FMBA would have agreed to its low proposals without being paid for nearly four years of retroactive pay.

The Township's argument also fails under the legal standards regarding patterns of settlement. While a pattern of settlement may be considered in light of the comparability factors, it is not controlling. Essex County Sheriff -and- Essex County Sheriff's Officers PBA Local 183, IA-2003-37 (Glasson, R. 2004). This concept is especially true when the financial data does not support the Final Offer. Id. As set forth above, the Township is certainly able to afford the salary increases sought by the PBA. Moreover, the Township's Final Offer does not comport with recent Interest Arbitration Awards or voluntary settlements. These factors are all relevant when considering a pattern of settlement argument. Id. [PBA Brief, pp. 76-77].

The PBA indicates the Township's "pattern of settlement" argument is also meritless because the FMBA contract will expire December 31, 2014 as opposed to the Township's proposal to have the PBA's expire on December 31, 2013. Further, the Township's proposes wage increases are well below the recent settlements posted on PERC's website:

YEAR	NUMBER OF AWARDS	AVERAGE SALARY INCREASE OF AWARDS	VOLUNTARY SETTLEMENTS	AVERAGE SALARY INCREASE OF SETTLEMENTS
1/1/11- 10/12/2011	23	2.29%	28	1.96%
1/1/2010- 12/31/2010	16	2.88%	45	2.65%

The PBA's brief also provides a summary of the wage increases provided in recently issued interest arbitration awards. [See PBA Brief, pp. 79-80]. The PBA reiterates that in the event the arbitrator concludes a pattern does exist that the PBA's proposals to create EMT and First Responder stipends must be awarded.

Turning to the proposals on salary guide, outside employment, professional growth, and longevity, the PBA contends that its proposals are more comparable to other bargaining units in Union County. In its brief and exhibits, the PBA summarizes the benefits provided to the other bargaining units. [See PBA Brief, pp. 81-87, see PBA Ex. I].

With respect to the Township's request to change the work schedule, the PBA opposes this proposal:



The Township's proposed increase in the work schedule without a corresponding salary increase is unconscionable. As set forth above, the Township has provided no evidence to support this proposal and why an increase in the number of hours worked per shift is required for any reason. As the Township has failed to carry its burden in this regard, this proposal must be dismissed out of hand. Moreover, the Township's proposal with regard to work hours is not comparable to similarly situated municipalities within Union County. In each instance in which a municipality utilizes a 4/4 schedule with a 12 hour day, the officers receive compensatory time or additional pay in return. Here, the Township offers no such payment. Accordingly, the Township's work schedule proposal must be denied. [PBA Brief, p. 83].

The PBA next addresses the overall compensation presently received by bargaining unit members. The PBA indicates that recent legislation addressing health benefits and pensions has effectively reduced the overall compensation for bargaining unit members. The PBA submits that the Township's proposals will further decrease the overall compensation. On the other hand, the PBA's proposals "serve to maintain the current compensation at a reasonable level". [PBA Brief, p. 87].

As to the stipulation of the parties, there were none.

With respect to the lawful authority of the employer, the PBA maintains that its proposals will not violate the Township's lawful authority:

The Arbitrator is required to consider the parties' proposals in light of the Local Government Cap Law, N.J.S.A. 40A:4-45.1 et. seq. As set forth above, the evidence establishes that the Township is financially capable of funding the PBA's proposals, and the Cap Law is not implicated. The Township will likely not need to raise taxes to pay for the PBA's Final Offer. Indeed, the Town has sufficient flexibility within appropriations without exceeding the CAP.

In July 2010, P.L. 2010 c. 44 imposed new restrictions on the amount by which taxation can be raised, reducing the tax levy cap from 4.0% to 2.0%. However, the 2.0% revised cap allows for health care and pension increases above 2.0% to be excluded from the 2.0% levy cap limitations and will be directly added to the tax increase. Id.

The Township can satisfy the PBA's wage proposal without violating its lawful authority. It has generally kept taxes low and has kept a large surplus of funds available to finance increases. The Township currently has a fund balance that can support the PBA's proposed increases. (Exh. K, p. 31). The Township is currently below the CAP Levy and could have increased spending appropriations by an additional \$464,190.40. Id. at 27.

As the PBA's financial expert established, the Town has ample spending room to increase PBA member salaries by the amount proposed by the PBA. Thus, the Town would not exceed its spending limits or need to raise taxes above the cap to pay the PBA's Final Offer.

Conversely, the Town's Final Offer is clearly an attempt to bootstrap its finances to those of the State and Country as a whole. To now claim an inability to afford pay raises in 2011, 2012, 2013 and 2014, when many experts have predicted an end to the recession is dubious at best. The Town's disingenuous arguments must be dismissed, and the Arbitrator must award the PBA's Final Offer. [PBA Brief, pp. 88-89].

As to the financial impact on the governing unit, its residents and taxpayers, the PBA indicates that the Township has not presented evidence to show that it has an inability to pay. The PBA submits that its proposals will have little or no impact on the taxpayers:

P.L. 2010 c. 44 caps the amount of any Township tax increase at 2.0%. Data obtained from the New Jersey Department of Community Affairs website ([www.nj.gov/dca/lgs/taxes](http://www.nj.gov/dca/lgs/taxes)) has provided the following information regarding the Township of Springfield, New Jersey.

Total Assessed Value-2010	\$1,100,810,619.00
Average Valued Residential Property in the Township	\$ 159,959.00

Total Assessed Value-2010	\$1,100,810,619.00
Divided by 10,000	/ 10,000
Value of one Tax Point (\$.01)	<u>\$110,081.06</u>
<b>Documentation Sources:</b>	
<a href="http://www.nj.gov/dca/lgs/taxes/taxmenu.shtml">http://www.nj.gov/dca/lgs/taxes/taxmenu.shtml</a>	

The above chart indicates that the value of one tax point or \$.01 to the municipal tax rate would raise an additional **\$110,081.00**. (See Exhibit K, Addendum).

Average Valued Residential Property in the Township	\$159,959.00
Times the Value of one Tax Point	x .01
	<u>\$1,599.59</u>
	/ 100
Average Additional Annual Residential Property Tax Cost	<u>\$16.00</u>
<b>Documentation Sources:</b>	
<a href="http://www.nj.gov/dca/lgs/taxes/taxmenu.shtml">http://www.nj.gov/dca/lgs/taxes/taxmenu.shtml</a>	

The above chart indicates that the average annual residential property tax bill would **increase by \$16.00 in order to raise an additional \$110,081.06 (one tax point) by taxation.** Id.

The Cumulative difference between the cost proposals	\$ 447,921.80
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As indicated in the PBA's financial report (Exh. K), the cumulative difference between PBA Local No. 76's final offer and the Township's final offer is estimated to be **\$447,921.80.** Id.

Cumulative Difference	\$447,921.80
Divided by the value of One Tax Point	/ 110,081.06
Total Tax Points required to pay for cumulative difference	4.07
Average Residential Property cost of One Tax Point	X \$ 16.00
Total Estimated Cost to pay for cumulative difference	<b>\$ 65.10</b>
Divided by the contract period (3 years-2011, 2012 and 2013)	/ 3
Annual Estimated Cost to pay for cumulative difference	<b>\$ 21.70</b>

The above schedule indicates that the average estimated cost to residential property owners for the cumulative difference between final offers would be **\$65.10 for the entire proposed contract period or \$21.70 per year.** Id.

Accordingly, the impact of awarding the PBA's Final Offer as opposed to the Township's Final Offer would have minimal if any impact on the taxpayer. Therefore, the Arbitrator may award the PBA's Final Offer in its entirety. [PBA Brief, pp. 90-91].

Turning to the cost of living, the PBA indicates that in 2010 the cost of living in the Township was 40.4% higher than the U.S. average. The PBA presented cost of living figures for 2011. [See PBA Ex. C]. The PBA contends that the Township's

economic proposal with “substantially decrease the purchasing power of PBA unit members.” [PBA Brief, p. 92].

The PBA then addresses the continuity and stability of employment. To simply summarize, the PBA submits that its proposals, in particular its request to increase the number of corporals in the department, will encourage officers to continue their employment with the Township. The Township’s proposals, however, do not.

Lastly, the PBA addresses the statutory restrictions imposed upon the Township. The PBA contends that its proposals can be awarded within the statutory framework:

The Town has sufficient flexibility within its budget to pay the wage increases sought by the PBA with minimal impact on the taxpayer. The PBA’s Offer does not infringe upon the 2.0% tax levy cap. The Township boasts a large budget surplus and an ability to continue amassing a large surplus. In addition, its unanticipated revenues and other financial data support the contention that the Township is not likely to raise taxes to meet its obligation to the police department if the PBA’s Final Offer is awarded. Accordingly, this element of the analysis falls in favor of the PBA, and the Arbitrator must award the PBA’s Final Offer in its entirety. [PBA Brief, pp. 94-95].

Based upon the foregoing, the PBA requests that its offer be awarded and that the Township’s offer be rejected in its entirety.

### **Summary of the Township's Position**

The Township contends that its final offer is more reasonable under the statutory criteria. The Township first addresses the comparison of wages, salaries, hours and conditions of employment. With respect to public employment, the Township indicates that its officers "are extremely well-compensated". It maintains that it is not uncommon for interest arbitration awards and public sector settlements to contain wage freezes. At a minimum, given the current state of the economy, and recent legislative changes to health care and pensions, awards are trending below 3% per year. The PBA's offer of 8% over 4 years plus a \$2,500 base pay payment to each officer does not fit within the current climate. The Township calculates the additional base pay payment to be "approximately equivalent to an additional 8% increase for all probationary and 6<sup>th</sup> class officers as well as an approximate additional 2.2% increase for all maximum step officers." [Tp. Brief, p. 21]. To summarize, the PBA seeks monetary benefits without providing any relief to the taxpayers in return.

Keeping its focus on the PBA's proposal for a \$2,500 stipend, the Township points out that the amount of money sought by the PBA is significantly more than the cumulative amount of \$500 the FMBA receives for EMT and First Responder duties. The Township emphasizes that in order for the PBA to receive a stipend equivalent to that provided to the FMBA "the PBA must relinquish their

use of the health benefits reserve fund and be afforded the same salary increases as the firefighters (0% in 2011, 1.75% 2012, 1.75% 2013)". [Tp. Brief, pp. 21-22]. Further, it must be noted that police officers, unlike the Township's firefighters, are not certified first responders nor do they perform first responder duties.

Turning to public employment in the same or similar jurisdictions, the Township submits that all of the benefits received by the PBA compare favorably (*i.e.* vacation, call in time, starting salary maximum salary) or are similar to (*i.e.* personal days) the Union County average. [See Tp. Brief, pp. 24-27; see also Tp. Exs. 92-119]. As to step movement, the Township indicates that "in 2010, without any salary increases, the average patrol officer who was not at the maximum step received an average step increase of 11.3% in salary, which cost the Township \$157,164 in step movement alone." [Tp. Brief, pp. 26-27]. Even under the Township's proposal, the cost of step movement will increase to \$192,642 in 2011. Further, according to Township CFO Michael Quick, police overtime was \$260,000 in 2010 and is projected to be \$220,000 in 2011. To summarize, the Township submits that its proposals are reasonable when the taxpayer burden and the comparisons are considered.

Remaining on the subject of comparisons, the Township contends "a continued long standing practice of parity" exists between the PBA and the

FMBA. The Township presents a comparison of the percentage increases these units have received from 1997 to the present:

<b>Year</b>	<b>PBA Local No. 97</b>	<b>FMBA Local No. 57</b>
1997	3.0%	3.0%
1998	3.25%	3.25%
1999	3.25%	3.25%
2000	3.5%	3.5%
2001	3.5%	3.5%
2002	3.7%	3.7%
2003	3.9%	3.9%
2004	4.0%	4.0%
2005	3.75%	3.75%
2006	3.75%	3.75%
2007	3.75%	3.9%
2008	4.0%	3.9%
2009	3.75%	3.85%
2010	4.0%	3.85%
2011	---	0%
2012	---	1.75%
2013	---	1.75%

The Township indicates that the parity between the bargaining units was acknowledged by the interest arbitrator in his awards for the PBA and the FMBA in 2003. [See Tp. Exs. 13 & 14]. The existence of parity, therefore, weighs in favor of awarding the Township's proposals. This holds true for the Township's proposal to eliminate the PBA's use of the reserve fund for out-of-pocket expenses associated with health insurance. The Township emphasizes that its police officers are the only employees who continue to have access to the reserve fund:



All non-union employees, the FMBA and AFSCME employees have agreed to no longer utilize the fund. **Thus, by affording the PBA the continued use of the reimbursement fund, the PBA is continuing to enjoy a benefit not afforded to any other Township employee, including the FMBA.** Therefore, to maintain equality among all the employees within the Township and continue the practice of parity between the FMBA and the PBA; the PBA should no longer be able to utilize the fund. However, if the interest arbitration award should provide the continued use of such fund for the PBA members, then the Township's final offer salary increases should be reduced as the PBA will be afforded a benefit which no other Township employee receives and would deviate them from the long tradition of parity with the FMBA. [Tp. Brief, pp. 30-31].

In addition to having a desire to keep the reserve fund, the PBA also seeks to "lock in" the current level of health benefits. The Township indicates that the PBA's proposal is not permitted by statute. The Township refers to N.J.S.A. 34:13A-18:

The arbitrator shall not issue any finding, opinion or order regarding the issue of whether or not a public employer shall remain as a participant in the New Jersey State Health Benefits Program or any governmental retirement system or pension fund, or statutory retirement or pension plan; **nor, in the case of a participating public employer, shall the arbitrator issue any finding, opinion or order regarding any aspect of the rights, duties, obligations in or associated with the New Jersey State Health Benefits Program or any governmental retirement system or pension fund, or statutory retirement system or pension plan;** nor shall the arbitrator issue any finding, opinion or order reducing, eliminating or otherwise modifying retiree benefits which exist as a result of a negotiated agreement, ordinance or resolution because of the enactment of legislation providing such benefits for those who do not already receive them. [See Tp. Brief, p. 32].

Based upon the above, the reserve fund should be eliminated and the PBA's proposal to lock in health care coverage must be rejected.

Moving to the financial impact on the governing unit, its residents and taxpayers, the Township emphasizes that this criterion does not equate with the ability to pay. The Township contends that given the current economic climate, the drop in the tax cap levy, and the parity between the PBA and the FMBA that its offer must be awarded. The Township maintains that its "offer represents a fair balance between reasonable salary increases in the face of an unstable economy in the State, the ever increasing health benefits and pension costs, decrease in State aid, equivalent to the salary increases provided to and agreed upon with the Township's FMBA, and ensures the financial stability of the Township without overwhelming already strapped taxpayers or laying off employees." [Tp. Brief, p. 35]. The Township indicates that it is facing a number of "difficult fiscal problems and financial challenges". Referencing the exhibits submitting into evidence, and the certification of Michael Quick, the Township points out the following:<sup>5</sup>

- Since 2007, the Township's State aid has been reduced by \$464,976. In 2007, the State Aid was \$2,218,333 and in 2010 the State aid was \$1,753,357.
- Since 2007, the Township's interest income has dropped by nearly \$280,185 or -155.24%.

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<sup>5</sup> See Township's Brief pp. 35-38, Certification of Michael Quick, and Township Exhibits 53 & 54.

- From 2007 to 2011, the Township's pension contributions for PFRS have increased from \$843,424 in 2007 to \$1,477,860, an increase of \$634,436.
- The Township deferred a portion of the pension liability equal to \$630,346. This deferral accrues at a very high interest rate of 8.25% or \$52,004 per annum. Thus, due to the high carrying costs and interest rate, the Township CFO is recommending payment of the deferral cost in 2012. This cost is \$786,358 in deferral not including the 2012 PFRS contribution owed.
- The cost of health care for the Township's active police officers increased 20% between 2009 and 2010. The Union's contribution is minimal when compared to the overall cost of health insurance benefits. The Union contributed \$35,000 in 2010 compared to the overall health insurance cost of \$3,332,807. The Township must pay the increased cost in retiree health benefits. Lastly, the New Jersey State Health Benefits Plan has a mandated increase in 2011 of 12.2% for active PBA members and 13.3% for retired PBA members.
- Unemployment in the New Jersey has reached all-time new highs. In July 2000 the unemployment rate was 3.6%. In March 2010 it was 9.8%.
- The taxpayers of the Township have been forced to pay a continual increase in taxes since 2007 – taxes increased 3.37% in 2007, 4.90% in 2008, 3.47% in 2009, and 4.11% in 2010.
- The decrease in State Aid forces the Township to use more and more of its surplus to offset the budget rather than to continually raise taxes. The Township utilized \$2,463,000 in 2008, \$2,556,000 in 2009 and \$3,000,000 in 2010 of surplus in the budget in order to offset the already increased tax rate.

The Township next addresses the cost of living. Simply put, the Township contends that the CPI "shows a minor increase in the costs of goods and

services". [Tp. Brief, p. 41]. The Township's offer, therefore, will not diminish the purchasing power of the highly compensated bargaining unit members.

Turning to the interests and welfare of the public, the Township maintains that this criterion weighs heavily in its favor. Unlike the PBA's final offer, the Township's final offer will (1) enable the Township to maintain its fiscal stability, while managing the risk and volatility of the current economy, (2) provide the opportunity for the Township to continue to offer insurance coverage to its employees while confronting the ever-increasing costs for such insurance coverage, (3) will ensure that the Township's police officers, who are statutorily entitled to the interest arbitration process, do not receive far superior wages and benefits than civilian employees, who do not enjoy such benefits, and (4) provide the continued long standing practice of parity between the PBA and FMBA within the Township. [Tp. Brief, pp. 43-44].

As to the employer's lawful authority and the statutory restrictions imposed upon the Township, criteria (g)(5) and (9), the Township contends that it "will have a very difficult time generating the necessary money without taking drastic measures to comply with the 2.0% hard tax levy if the Union's final offer is accepted." [Tp. Brief, p. 47].

Shifting focus to the overall compensation of its officers, the Township indicates that its officers receive a full array of benefits that, when viewed as a package, exceed those provided to the majority of public and private sector employees in New Jersey. The Township's offer will enable its officers to maintain its competitive standing.

Lastly, in addressing the continuity and stability of employment, the Township emphasizes that unlike private sector and other public sector employees that its officers have never been laid off or furloughed. This holds true notwithstanding that New Jersey has the 17<sup>th</sup> highest employment rate in the nation:

Simply put, Springfield Township police officers are secure in their employment without any concern for layoffs or downsizing even during such dire economic times. As such, the Springfield Township police officers remain and will continue to enjoy continuity and stability of employment. Thus, the Township's offer is more reasonable. [Tp. Brief, p. 51].

For all of the reasons above, the Township requests that its final offer be awarded in its entirety.

## **DISCUSSION**

I am required to make a reasonable determination of the issues, giving due weight to the statutory criteria set forth in N.J.S.A. 34:13A-16(g). The statutory criteria are as follows:

1. The interests and welfare of the public. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by P.L. 1976, c. 68 (C. 40A:4-45.1 et seq.).
2. Comparison of the wages, salaries, hours, and conditions of employment of the employees involved in the arbitration proceedings with the wages, hours, and conditions of employment of other employees performing the same or similar services and with other employees generally:
  - a. In private employment in general; provided, however, each party shall have the right to submit additional evidence for the arbitrator's consideration.
  - b. In public employment in general; provided, however, each party shall have the right to submit additional evidence for the arbitrator's consideration.
  - c. In public employment in the same or similar comparable jurisdictions, as determined in accordance with section 5 of P.L. 1995., c. 425 (C. 34:13A-16.2); provided, however that each party shall have the right to submit additional evidence concerning the comparability of jurisdictions for the arbitrator's consideration.
3. The overall compensation presently received by the employees, inclusive of direct wages, salary, vacations,

holidays, excused leaves, insurance and pensions, medical and hospitalization benefits, and all other economic benefits received.

4. Stipulations of the parties.
5. The lawful authority of the employer. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by the P.L. 1976 c. 68 (C.40A:4-45 et seq.).
6. The financial impact on the governing unit, its residents, the limitations imposed upon the local unit's property tax levy pursuant to section 10 of P.L. 2007, c.62 (C.40A:4-45.45), and taxpayers. When considering this factor in a dispute in which the public employer is a county or a municipality, the arbitrator or panel of arbitrators shall take into account, to the extent that evidence is introduced, how the award will affect the municipal or county purposes element, as the case may be, of the local property tax; a comparison of the percentage of the municipal purposes element, or in the case of a county, the county purposes element, required to fund the employees' contract in the preceding local budget year with that required under the award for the current local budget year; the impact of the award for each income sector of the property taxpayers on the local unit; the impact of the award on the ability of the governing body to (a) maintain existing local programs and services, (b) expand existing local programs and services for which public moneys have been designated by the governing body in a proposed local budget, or (c) initiate any new programs and services for which public moneys have been designated by the governing body in a proposed local budget.
7. The cost of living.
8. The continuity and stability of employment including seniority rights and such other factors not confined to the foregoing which are ordinarily or traditionally considered in the determination of wages, hours and conditions of employment through collective negotiations and

collective bargaining between the parties in the public service and in private employment.

9. Statutory restrictions imposed on the employer. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by section 10 of P.L.2007, c.62 (C.40A:4-45.45).

All of the statutory factors are relevant, but they are not necessarily entitled to equal weight. In this case, I conclude that the interests and welfare of the public and the internal comparability within the Township between the PBA and the FMBA must be given greater weight than the other factors. The party proposing a change in an employment condition bears the burden of justifying the proposed change. I considered my decision to award or deny the individual issues in dispute as part of a total package for the terms of the entire award.

**1. Duration.**

The parties could not agree to the duration of the agreement. The PBA proposes a term of four (4) years beginning on January 1, 2011 and expiring on December 31, 2014. The Township proposes a three (3) year term.

I conclude that a four (4) year agreement beginning January 1, 2011 and expiring on December 31, 2014 is a contract duration that is appropriate under



the circumstances. The longer duration will provide the Township with greater certainty as to its personnel costs for the bargaining unit for the next three (3) full years (2012, 2013, and 2014) and the record evidence shows that the Township's finances, notwithstanding the decrease in State aid, have been sufficiently stable so as to support the budgetary needs of the department into the foreseeable future. I also note that the FMBA agreement extends through December 31, 2014. Thus, the expiration of the PBA Agreement will now coincide with the FMBA's 2007-2014 contract.

## **2. Salaries & Schedule A.**

The parties presented an abundance of evidence on these issues. In this case, the Township relies significantly upon the argument that there is internal comparability between the PBA and the FMBA. The PBA placed greater emphasis upon external comparability and the Township's alleged ability to afford the PBA's proposals. The Township's comparison of the salary wages increase percentages received by the PBA and the FMBA from 1997 through 2010 demonstrates that they have been and are closely and consistently aligned:

<b>Year</b>	<b>PBA Local No. 97</b>	<b>FMBA Local No. 57</b>
1997	3.0%	3.0%
1998	3.25%	3.25%
1999	3.25%	3.25%
2000	3.5%	3.5%
2001	3.5%	3.5%
2002	3.7%	3.7%
2003	3.9%	3.9%
2004	4.0%	4.0%
2005	3.75%	3.75%
2006	3.75%	3.75%
2007	3.75%	3.9%
2008	4.0%	3.9%
2009	3.75%	3.85%
2010	4.0%	3.85%

The average annual increase for each unit from 1997-2010 is exactly 3.65%. Further, the most recent collective bargaining agreements for these units demonstrate that over time they receive substantially similar, and often identical, economic benefits. [See PBA Ex. A-1, Tp. Exs. 10 & 11]. This pattern has been shown to be entitled to significant weight. It undermines the awarding of the PBA's wage proposal notwithstanding the fact that other law enforcement units in Union County may have received higher percentage increases over the same time period and that the Township could legally afford to provide more. I conclude that the Union has not demonstrated a need to deviate from the long established pattern of settlements the PBA and the FMBA have had with the Township. To do otherwise would foster instability in the collective bargaining relationships and potentially affect the continuity and stability of employment between the two (2) units, all of which would not be in the public interest.

My award will not have a negative financial impact on the Township, its residents and taxpayers. As to the tax levy cap law, which limits the amount the Township can raise through taxation, the Township submitted its tax levy cap calculation sheet that shows the Township is under the tax levy cap in 2011. [See Tp. Ex. 121]. Further, the evidence shows that the Township has been able to regenerate surplus since 2005. The mere fact that the PBA has demonstrated that some additional salary costs could be borne by the Township without interfering with its legal obligations and without serious adverse financial impact does not alter my conclusion with respect to the weight to be given to internal comparability.

Having considered all of the above, I conclude that the salary increases discussed below represent a reasonable determination of the salary issue after weighing all of the competing interests between the parties. The award of these items will enable the Township to provide reasonable increases that it can fund without adverse financial impact. Both parties' proposals fall within a reasonable range of the cost of living data which I do not find to be a significant factor in this proceeding.

Based upon my review of the entire record, I award no increases to the salary schedule for 2011, and across-the-board increases at each step of the salary schedule of 1.75% effective January 1, 2012, 1.75% effective January 1,

2013 and 1.75% effective January 1, 2014. These figures are the percentage increases the Township will provide to the FMBA over the same time period.

I now turn to the proposals to add salary steps. The PBA's expired contract includes two (2) salary schedules. Both schedules include stipends for Corporal and Detective in the salary schedules. The Corporal stipend is provided to "the three (3) most senior Patrolmen who have completed twenty-two (22) years of service". [PBA Ex. A-1]. It is a \$1,000 stipend that is added and folded into base pay. The first salary schedule is for employees hired prior to January 1, 2004. It includes a Patrolman Probation step, and then ranges from Patrolman 5<sup>th</sup> Class to Patrolman 1<sup>st</sup> Class.<sup>6</sup> The second salary schedule is for employees hired after January 1, 2004. A Patrolman 6<sup>th</sup> Class was added.

Turning to the FMBA's expired 2001-2006 contract, it too has two (2) salary schedules. Similar to the PBA contract, the first schedule is for employees hired prior to January 1, 2004, and includes a Probationary step, and then ranges from 5<sup>th</sup> Class to 1<sup>st</sup> Class.<sup>7</sup> Similar to the PBA contract, the FMBA's expired contract also has a salary schedule for employees hired after January 1, 2004. And just like the PBA contract a 6<sup>th</sup> Class was added.

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<sup>6</sup> The PBA no longer has officers hired prior to January 1, 2004 on the steps ranging from Patrolman Probation to Patrolman 2<sup>nd</sup> Class.

<sup>7</sup> As of that contract, the FMBA no longer had firefighters hired prior to January 1, 2004 on the Probationary step.

The FMBA is now subject to a Memorandum of Agreement ["MOA"] for January 1, 2007 through December 31, 2014. [Tp. Ex. 10]. The steps did not change. However, a Senior Firefighter stipend was included in the MOA. It entitles the four (4) most senior firefighters (not Captains) to additional base pay of \$1,000 effective January 1, 2011. Unlike the Corporal stipend for police officers, the Senior Firefighter stipend does not require 22 years of service. But similar to the Corporal and Detective stipends for police officers contained in the PBA contract, the Senior Firefighter stipend will not extend the period of time it takes firefighters to reach the top step of the guide.

Removing all of the stipends from the equation, the number of steps on the salary schedules for the PBA and the FMBA are the same. Based upon the foregoing, I do not award the adding of additional steps to the PBA's salary schedule.

### **3. Corporal Stipend.**

The Corporal stipend has been discussed above. Based upon my review of the PBA and FMBA contracts, I conclude that the Senior Firefighter stipend added in the MOA between the Township and the FMBA is similar to the Corporal stipend and serves to provide additional compensation to employees who choose to continue their employment with the Township. Based upon the

foregoing, and given the parity between the PBA and the FMBA, effective and retroactive to January 1, 2011, I award one (1) additional Corporal stipend and substitute the 22 years of service requirement with the requirement that a patrol officer must be at top pay in order to be eligible for the Corporal stipend. I conclude that the Township can afford this added benefit, it will improve morale, it is consistent with internal comparability, it will not infringe upon the Township's lawful authority, and it serves the interests and welfare of the public.

#### **4. Insurance.**

As to this issue, the PBA's proposal to "lock-in" insurance benefits at the levels provided by the Township as of January 1, 2012 is not supported by the evidence because no other employees in the Township, regardless of whether they belong to a bargaining unit, enjoy the lock-in benefit proposed by the PBA. Shifting the focus to the reimbursement fund, the evidence demonstrates that the Township's police officers are the only Township employees that continue to have access to the reimbursement fund that was established at or near the time the Township switched to the SHBP. The PBA's continued use of the fund, when other Township employees no longer have access to it, could have a deleterious effect upon the morale of the other Township employees. Based upon all of the foregoing, this Award shall eliminate the PBA's access to the reimbursement

fund effective July 1, 2013. I reject and do not award all other proposals on insurance.

**5. EMT/First Responder Stipends.**

The Township emphasized in this case that in order for the PBA to receive a stipend equivalent to that provided to the FMBA "the PBA must relinquish their use of the health benefits reserve fund and be afforded the same salary increases as the firefighters (0% in 2011, 1.75% 2012, 1.75% 2013)". [Tp. Brief, pp. 21-22]. This award has done exactly that. It is appropriate, therefore, to award an annual stipend of \$500 to all bargaining unit members effective and retroactive to January 1, 2011. The stipend shall be added to base salary before the percentage adjustments are added thereto. The stipend will improve the morale of the bargaining unit without having a negative impact on the Township's ability to pay.

**6. Longevity, Overtime Rate, Hourly Rate of Outside Employment, Work Schedule, PBA Attendance at Conventions, Professional Growth for Police, Military Leave.**

The PBA indicated that the Township did not submit proposals on these issues until the presentation of its Final Offer and that the issues were not raised during the parties' negotiations. The Township did not challenge the PBA's

claim. The PBA presented proposals seeking to improve the benefits for professional growth and outside employment. Given the items awarded above, and having considered all of the statutory criteria, I conclude that there is insufficient evidence in the record to support a modification to longevity, the overtime rate, the hourly rate for outside employment, the work schedule, PBA attendance at conventions, professional growth for police, or military leave. Thus, I award none of the parties' proposals on these benefits.

### **CONCLUSION**

I conclude that the terms of this Award represent a reasonable determination of the issues after applying the statutory criteria. I have given greater weight to the interests and welfare of the public, the internal comparison between the PBA and the FMBA, the lawful authority of the employer, and the financial impact on the governing unit, its residents, the limitations imposed by the tax levy cap, and taxpayers. I considered all of the other factors, including the comparison of wages, salaries, hours, and conditions of employment for law enforcement employees in comparable jurisdictions, but find that they weigh less in my determination. The terms of this Award are within a reasonable range of the CPI, and will provide for the continuity and stability of employment for the Township's police officers. I have also examined the overall levels of compensation-related items in the existing contract and do not find



any benefits therein that would compel a different result than I have determined in this proceeding.

### **AWARD**

1. **Duration:** Four (4) years – January 1, 2011 through December 31, 2014.

2. **Salaries & Schedule A:**

No increase to the salary schedule for 2011.

Effective January 1, 2012 – an across-the-board increase to each step of 1.75%;

Effective January 1, 2013 – an across-the-board increase to each step of 1.75%;

Effective January 1, 2014 – an across-the-board increase to each step of 1.75%.

3. **Corporal Stipend:**

Effective and retroactive to January 1, 2011, I award one (1) additional Corporal stipend and substitute the 22 years of service requirement with the requirement that a patrol officer must be at top pay in order to be eligible for the Corporal stipend.

**4. Insurance:**

The PBA's access to the reimbursement fund shall be eliminated effective July 1, 2013.

**5. EMT/First Responder Stipends.**

Effective and retroactive to January 1, 2011, all bargaining unit members shall receive an annual stipend of \$500. The stipend shall be added to base salary before the percentage adjustments are added thereto.

**6. Longevity, Overtime Rate, Hourly Rate of Outside Employment, Work Schedule, PBA Attendance at Conventions, Professional Growth for Police, Military Leave:**

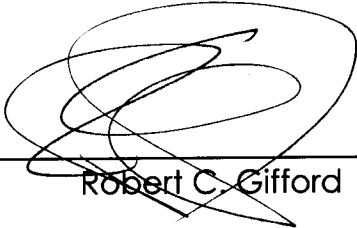
All proposals on these issues are rejected and not awarded.

**7. All other Proposals:**

All other proposals not specifically addressed above are rejected and not awarded.

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

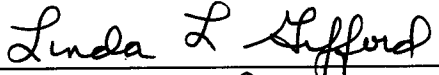
Dated: November 21, 2011  
Sea Girt, New Jersey



Robert C. Gifford

State of New Jersey     }  
County of Monmouth    }ss:

On this 21<sup>st</sup> day of November, 2011, before me personally came and appeared Robert C. Gifford to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed same.



Linda L. Gifford  
Notary Public  
1-10-16