

# NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of Interest Arbitration Between the

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**TOWNSHIP OF STAFFORD,**

**“Public Employer,”**

**and**

**POLICEMEN’S BENEVOLENT ASSOCIATION  
LOCAL 297 AND 297 (SOA),**

**“Union.”**

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**INTEREST  
ARBITRATION  
DECISION & AWARD**

Docket Nos. IA-2021-013 & IA-2021-014

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

## **Appearances:**

### **For the Employer:**

Jodi S. Howlett, Esq. – Of Counsel and On the Brief  
Danielle A. Panizzi, Esq. – On the Brief  
Cleary Jacobbe Alfieri Jacobs

### **For the Unions:**

Christopher A. Gray, Esq. – Of Counsel and On the Brief  
Frank C. Cioffi, Esq. – Of Counsel and On the Brief  
Sciarra & Catrambone

On January 14, 2021, PBA Local 297 and PBA Local 297 (Superiors) [collectively referred to as the “Union”] filed Petitions to Initiate Compulsory Interest Arbitration with the New Jersey Public Employment Relations Commission. On January 20, 2021, I was appointed through random selection from PERC’s Special Panel of Interest Arbitrators to serve as interest arbitrator.<sup>1</sup> The law requires that I issue an Award within 90 days of my appointment, but due to delays related to COVID-19, PERC granted an extension of time to issue the Award.

On February 1, 2021, I conducted a mediation session with the parties via videoconference during which the parties agreed that the only remaining issues pertained to salaries and health benefits.

Final Offers on the remaining items were submitted on or before February 17, 2021.<sup>2</sup> Interest arbitration proceedings were held via videoconference on March 10, 2021. A stenographic record of the proceedings was taken. During the proceedings, the parties were afforded the opportunity to argue orally, examine and cross-examine witnesses and submit documentary evidence into the record. Testifying on behalf of the Union were Dominick Fanuele – Independent Health Benefits Consultant, Raphael Caprio, Ph.D – Municipal

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<sup>1</sup> The matters were consolidated for hearing before me “due to a shortage of arbitrators and increase in filings....”

<sup>2</sup> The PBA/SOA amended its final offer on salary subsequent to additional negotiations with the Township that were held after the submission of the final offers. The Township did not object to the amendment.

Finance Expert. The parties provided post-hearing briefs on March 29, 2021, whereupon the record was declared closed.

**FINAL OFFERS OF THE PARTIES**

**Final Offers of the PBA/SOA**

**OFFER 1**

1. Change to Direct 20/30 healthcare as the base plan. Members can buy up to higher plans and are responsible for the full cost of the upgrade.
2. Healthcare contributions reduce to Tier 2 under Chapter 78, effective the change in base plan.
3. Adjust step one to 50,000 and equalize the steps, maintaining 13 steps. After equalization, increase 2% across the board for four years.

**OFFER 2**

1. Agree to maintain Direct 15 as base plan. Increase healthcare contributions for those hired after 1/1/2021 to Tier 4 of Chapter 78.

Salary guide as follows:

|                            |    | 2%          | 2.50%       | 2.50%       | 2.50%       |
|----------------------------|----|-------------|-------------|-------------|-------------|
| Eqv. Step in 13-step guide |    | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
| 1 & 2 -->                  | 1  | \$50,212    | \$51,467    | \$52,754    | \$54,073    |
| 3 -->                      | 2  | \$58,339    | \$59,797    | \$61,292    | \$62,824    |
| 4 -->                      | 3  | \$66,315    | \$67,973    | \$69,672    | \$71,414    |
| 5 -->                      | 4  | \$74,141    | \$75,994    | \$77,894    | \$79,841    |
| 6 & 7 -->                  | 5  | \$81,816    | \$83,861    | \$85,958    | \$88,107    |
| 8 -->                      | 6  | \$89,416    | \$91,651    | \$93,942    | \$96,291    |
| 9 -->                      | 7  | \$96,865    | \$99,287    | \$101,769   | \$104,313   |
| 10 -->                     | 8  | \$104,239   | \$106,845   | \$109,516   | \$112,254   |
| 11 -->                     | 9  | \$111,463   | \$114,250   | \$117,106   | \$120,034   |
| 12 -->                     | 10 | \$118,536   | \$121,500   | \$124,537   | \$127,651   |
| 13 -->                     | 11 | \$125,459   | \$128,595   | \$131,810   | \$135,106   |



The amended guides include the following rules:

- Step 1 goes to new Step 1
- Step 2 goes step 1 for 6 months then step 2 @ \$58,339 on 7/1/21
- Step 3 goes step 2 @ \$58,339 for all of 2021
- Step 4 goes to Step 3 @ \$66,315 for all of 2021.
- Step 5 to step 3 @ 66,315 for 6 months then step 4 @ \$74,141 on 7/1/21.
- Step 6 to Step 4 @ \$74,141 for 6 months then step 5 @ \$81,816 on 7/1/21.
- Step 7 goes to Step 5 @ \$81,816 for 6 months then Step 6 @ \$89,416 on 7/1/21.
- Step 8 goes to Step 6 @ \$89,416 for 6 months then Step 7 @ \$96,865 on 7/1/21.
- Step 9 goes to step 7 @ \$96,865 for 6 months then Step 8 @ \$104,239 on 7/1/21.
- Step 10 goes to Step 8 @ \$104,239 for 6 months then Step 9 @ \$111,463 on 7/1/21.
- Step 11 goes to Step 9 @ \$111,463 for 6 months then Step 10 @ \$118,536 on 7/1/21.
- Step 12 and 13 with no Longevity - no one applies.
- Step 13 plus longevity: all move to Step 11 with same longevity on 7/1/21.
  
- Legacy Step 8 Base (no longevity base salary) merges with new guide Step 11 on 1/1/2024.

The Union indicates that the SOA's salary guide would be reflected as follows:

|                              | 21-Jan        | 21-Jul        | Jan-22        | Jan-23       | Jan-24       |
|------------------------------|---------------|---------------|---------------|--------------|--------------|
| PBA top                      | \$ 122,999    | \$ 125,459    | \$ 127,341    | \$ 129,251   | \$ 131,190   |
| Promoted before January 2010 |               |               |               |              |              |
| 12% SGT                      | \$ 137,758.88 | \$ 140,514.06 | \$ 142,621.77 | \$144,761.09 | \$146,932.51 |
| 4% Sgt 2                     | \$ 143,269.24 | \$ 146,134.62 | \$ 148,326.64 | \$150,551.54 | \$152,809.81 |
| 4% Sgt 3                     | \$ 149,000.00 | \$ 151,980.00 | \$ 154,259.70 | \$156,573.60 | \$158,922.20 |
| 12% Lt.                      | \$ 166,880.01 | \$ 170,217.61 | \$ 172,770.87 | \$175,362.43 | \$177,992.87 |
| 12% Capt.                    | \$ 186,905.61 | \$ 190,643.72 | \$ 193,503.37 | \$196,405.92 | \$199,352.01 |
| Promoted after January 2010  |               |               |               |              |              |
| 8% SGT                       | \$ 132,838.92 | \$ 135,495.70 | \$ 137,528.13 | \$139,591.06 | \$141,684.92 |
| 4% Sgt 2                     | \$ 138,152.48 | \$ 140,915.53 | \$ 143,029.26 | \$145,174.70 | \$147,352.32 |
| 4% Sgt 3                     | \$ 143,678.58 | \$ 146,552.15 | \$ 148,750.43 | \$150,981.69 | \$153,246.41 |
| 12% Lt.                      | \$ 160,920.00 | \$ 164,138.41 | \$ 166,600.48 | \$169,099.49 | \$171,635.98 |
| 12% Capt.                    | \$ 180,230.41 | \$ 183,835.01 | \$ 186,592.54 | \$189,391.43 | \$192,232.30 |

## The Township's Final Offer

### Article XIV: Hospital and Medical Insurance

1. Section A – Add the following language:

Employees hired on or after January 1, 2021 shall contribute the cost of coverage in accordance with the Tier IV contribution rate.

2. Section G – Add the following language:

Employees hired on or after January 1, 2021, and who are eligible for medical benefits upon retirement in Section F above, shall contribute to the cost of those benefits in accordance with Tier IV.

### Article XVIII: Pay Increases/Salaries

Salary increases as follows (and reflected in table below):

- a. 2021 – 2.0% (retroactive to January 1, 2021)
- b. 2022 – 2.0%
- c. 2023 – 2.0%
- d. 2024 – 2.0%

| <b>All Officers Hired Before January 1, 2014 (Badge 111)</b> |             |             |             |             |
|--|-------------|-------------|-------------|-------------|
| <b>Year</b>  | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
| <b>Wage</b>  | \$121,826   | \$124,262   | \$126,747   | \$129,282   |

| <b>All Officers Hired After January 1, 2014 (Badge 111)</b> |              |              |              |              |
|---|--------------|--------------|--------------|--------------|
| <b>Year</b>   | <b>2021</b>  | <b>2022</b>  | <b>2023</b>  | <b>2024</b>  |
| <b>1</b>  | \$44,488.32  | \$45,378.09  | \$46,285.65  | \$47,211.36  |
| <b>2</b>  | \$50,211.54  | \$51,215.77  | \$52,240.09  | \$53,284.89  |
| <b>3</b>  | \$55,918.44  | \$57,036.81  | \$58,177.54  | \$59,341.10  |
| <b>4</b>  | \$61,671.24  | \$62,904.66  | \$64,162.76  | \$65,446.01  |
| <b>5</b>  | \$66,803.88  | \$68,139.96  | \$69,502.76  | \$70,892.81  |
| <b>6</b>  | \$73,679.70  | \$75,153.29  | \$76,656.36  | \$78,189.49  |
| <b>7</b>  | \$80,554.50  | \$82,165.59  | \$83,808.90  | \$85,485.08  |
| <b>8</b>  | \$87,430.32  | \$89,178.93  | \$90,962.50  | \$92,781.76  |
| <b>9</b>  | \$94,305.12  | \$96,191.22  | \$98,115.05  | \$100,077.35 |
| <b>10</b>   | \$101,179.92 | \$103,203.52 | \$105,267.59 | \$107,372.94 |
| <b>11</b>   | \$108,055.74 | \$110,216.85 | \$112,421.19 | \$114,669.62 |
| <b>12</b>   | \$114,930.54 | \$117,229.15 | \$119,573.73 | \$121,965.21 |
| <b>13</b>   | \$125,458.98 | \$127,968.16 | \$130,527.52 | \$133,138.07 |

**Article XXII: Duration**

Revise to read:

This Agreement shall be in effect as of and applied retroactively to the first day of January, 2021 to and including the 31st day of December, 2024. In the event that a new written contract has not been entered into between the Employer and the PBA on or before the 1st day of January, 2025, then all of the terms and conditions of this Contract shall be in full force and effect unless and until a Contract has been entered into subsequent to January 1, 2025.

## **BACKGROUND**

Stafford Township is located in Ocean County. Recent statistics indicate that the Township has a population of 26,535 residents, 10,785 households, a median household income of \$81,548, and a per capita income of \$40,400. PBA Local 297 represents the Township's regular full-time officers in the title of Patrolman and Detective. PBA Local 297 (Superiors) represents the Township's full-time Superior Officers including Sergeants, Lieutenants and Captains. The duration of the parties' most recent Agreements are from January 1, 2017 through December 31, 2020. The parties stipulated that as of December 31, 2020 there were 42 bargaining unit members in the PBA, and 12 bargaining unit members in the SOA – 1 Captain, 3 Lieutenants, 3 Year-3 Sergeants, and 5 Year-1 Sergeants.

The parties presented a vast amount of evidence during the proceedings. They also submitted detailed, comprehensive briefs to support their respective positions and to rebut those of the opposing party. The parties urge the acceptance of their respective proposals. As the arbitrator noted in *W Windsor Tp & PBA Local 271*, IA-2009-014 (Mastriani 2019), the strict and limited time constraints under the law do not permit the arbitrator to provide an exhaustive summary of the evidence presented. However, these submissions have been thoroughly reviewed and considered in rendering a final Award on the parties' proposals.

## 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, 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).

All of the statutory factors are relevant, but they are not necessarily entitled to equal weight. I am required to make a reasonable determination of the issues with a reasoned explanation for the award. I must also indicate which statutory factors are deemed relevant, the due weight that was given to each factor, and which factors, if any, are deemed to be irrelevant. The criteria also provide me with the authority to consider other such factors not confined to those specifically stated which are ordinarily or traditionally considered in the determination of wages, hours and conditions of employment. [N.J.S.A. 34:13A-16(g)(8)]. In this case, I conclude that the interests and welfare of the public, the public sector comparisons (internal and external), and the financial impact on the governing unit must be given greater weight than such other factors as the cost of living and private sector comparisons. I have also given due weight to the fact that this Award will not require the Township to exceed its lawful authority or any statutory restrictions. The party seeking a change to an existing term or condition of employment bears the burden of justifying the proposed change. I have considered my decision to award or deny any individual issue in dispute as part

of the overall terms that I have awarded, along with the continuation of contract terms and benefits that are not in dispute.

### **Interests and Welfare of the Public**

Interest Arbitrators in New Jersey have widely recognized that “[t]he interests and welfare of the public [N.J.S.A. N.J.S.A. 34:13A-16g(1)] is paramount because it is a criterion that embraces many of the other factors and recognizes their relationships.” *Washington Tp & PBA Local 301*, IA-2009-053 (Mastriani 2012); see *Irvington Tp & Irvington Police Superior Officers Association*, IA-2019-010 (Osborn 2019); *W Windsor Tp & PBA Local 271*, IA-2009-014 (Mastriani 2019); *Boonton & PBA Local 212*, IA-2019-021 (Kronick 2019); *Ocean Cty & PBA (Corrections)*, IA-2020-005 (Gifford 2020); *Rutgers University & FOP Lodge 164 (Superiors)*, IA-2020-010 (Gifford 2020). I now review the interests and welfare criterion through the other statutory factors addressed below.

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

N.J.S.A. 34:12A-16g(1), (5), (6) and (9) refer to the lawful authority of the employer, the financial impact of the award, and the statutory restrictions imposed on the employer. The Union submits that the lawful authority of the

Township “is not at issue in this arbitration as the Township does not have any taxing or appropriations limits that come into play.” [Union Brief, p. 44]. The Union indicates that the Township has not implemented the statutory maximum property tax levy in four (4) of the past five (5) years. The Union points out that the Township’s fund balance at the end of 2020 was 26.16% of total operating appropriations. The Union emphasizes that the total difference in the parties’ proposals over four (4) years is only \$105,058. The Union submits that this amount represents about \$7 per taxpayer over four (4) years assuming that the total difference would be funded entirely by the taxpayers. The Union points out that the Township’s proposal to have new hires contribute at Year 4 Chapter 78 levels “cannot be calculated without knowing how [many] new members are being hired and what their salaries are.” [*Id.* at 23].

The Township does not contend that the Union’s proposals will require it to exceed its lawful authority, but it notes that its offer is more reasonable than the Union’s. The Township emphasizes the following:

Section 10 of P.L. 2007, c. 62 originally established a tax levy cap of four percent (4.0%) above the previous year’s tax levy. However, on July 13, 2010, Governor Christie signed into law P.L. 2010, c. 44 in order to cut the allowable tax levy increase to two percent (2.0%). The 2020 tax levy cap for Stafford Township is \$37,198,051.35. See Township Exhibit 22. However, many expenses come out of that budget, including but not limited to the salaries and wages for all municipal

employee and health benefits. Thus, the money raised by the Township's tax levy cap is to cover numerous expenses, not to simply fund the cost of the PBA's exorbitant final offer. The Township will have a difficult time generating the necessary money without taking measures to comply with the two percent (2.0%) hard tax levy cap if the Township's Final Offer is not accepted.

In sum, the PBA's offer is neither fair, equitable nor realistic under the statutory restrictions imposed by the Local Budget Law, and must be rejected in favor of the Township's proposal. [Township Brief, pp. 40-41].

The Township discusses the fiscal challenges that it currently faces beyond "the uncertainty of a post-COVID-19 economy". [*Id.* at 25]. For instance, State Aid of approximately \$2.6 million has not changed since 2017. Moreover, as a percentage of total operating revenue, State Aid has declined from 5.7% in 2017 to 5.3% in 2020. The Township indicates that despite the low per capita income of its residents that it has increased taxes in two (2) out the past three (3) years. The Township also notes that from 2017 to 2020 that police salaries and wages have increased by an average of 4.9% per year and have "outpaced all other Township employees' salary increases by over three percent (3.2%)". [*Id.* at 28].

As to the Township's substantial fund balance, the Township emphasizes that "the Union has provided no documentary or testimonial evidence as to why it is entitled to greater than a two percent (2.0%) salary increase, the elimination

of two (2) entire steps in the salary guide, or a drastic change in the current health care plan – to which they agreed to only four (4) years ago.” [Id. at 27-28].

The Township's cost-out of the parties' salary proposals is substantially similar to the Union's:

|   |                       |
|---|-----------------------|
| <u>Total Salary Cost for 2020</u>                           | <u>\$4,148,142.61</u> |
| Total Cost of Township's Proposal                           | \$4,942,112.44        |
| Net Increase of Township's Proposal                         | \$793,969.83          |
| Total Cost of Union's Proposal                              | \$5,047,171.00        |
| Net Increase of Union's Proposal                            | \$899,028.39          |
| Difference Between Union's Proposal and Township's Proposal | \$106,058.56          |

[Id. at 31].

Having considered the parties' positions, I conclude that the evidentiary record developed during this proceeding does not require the awarding of either party's proposals in their entirety. This Award will not have an adverse impact upon the Township, nor will it prohibit the Township from meeting its statutory obligations or cause it to exceed its lawful authority. Further, this Award serves the interests and welfare of the public through a thorough weighing of all of the statutory criteria.

## Comparability

### **Private Employment**

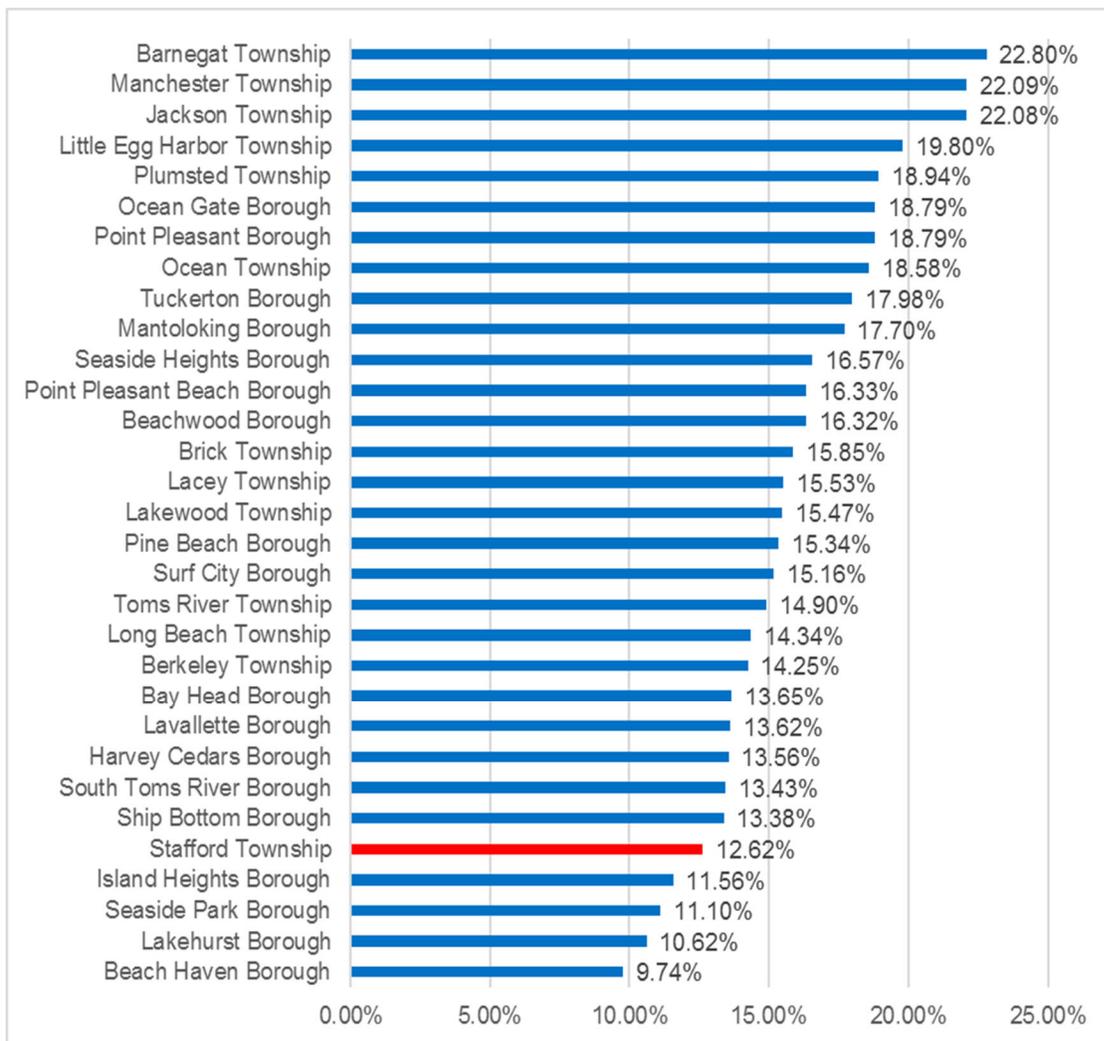
Given the unique nature of public safety positions, the comparison to private employment has not been allotted significant weight in previous interest arbitration awards. There continues to be an absence of evidence to support a deviation from giving greater weight to public sector comparisons.

### **Public Employment in General/In the Same or Similar Jurisdictions**

With respect to public employment, the Union compares itself to Toms River, Barnegat and Jackson Township which are municipalities located within Ocean County. The Union presents a comparison of starting salaries and steps in the salary guide:

| Department   | Starting Salaries (2020) | Steps in Salary Guide |
|--------------|--------------------------|-----------------------|
| Toms River   | \$53,516.84              | 11                    |
| Jackson Twp. | \$54,105.05              | 8                     |
| Barnegat     | \$49,000 (Est.)          | 6                     |
| Stafford     | \$43,616.00              | 13                    |

[Union Brief, p. 41]. The Union submits that its proposals on starting salaries and salary guides is consistent with the benefits provided within the neighboring towns above. The Union also notes that the Township spends less of its budget on wages and salary for its police than most Ocean County municipalities:



[Union Brief, p. 41].

With respect to health care contribution rates for new hires, the Union presents a comparison to police officers in Berkeley Township, Lacey Township and Harvey Cedars:

| Township          | New Hires  | Chapter 78 Contributions   |
|-------------------|--|--|
| Berkeley Township | <ul style="list-style-type: none"> <li>• First 10 years of employment, employees shall enroll in 20/30 plan.</li> <li>• Can choose plan with greater premium but must pay difference.</li> <li>• After 10 years, not required to pay difference in premiums</li> </ul> | <ul style="list-style-type: none"> <li>• Year 4 until 12/31/20</li> <li>• Effective 1/1/2021 Year 4 but contributions capped at 300K/year</li> <li>• 1/1/2022 – Year 3 with same 300K/year cap.</li> </ul> |
| Lacey Township    | <ul style="list-style-type: none"> <li>• Coverage no less that equivalent to Horizon Direct 10</li> </ul>  | <ul style="list-style-type: none"> <li>• Beginning in 2016 all current active employees contributed to their healthcare at Year 3 under Chapter 78.</li> </ul>   |
| Harvey Cedars     | <ul style="list-style-type: none"> <li>• Any plan with the State Health Benefits Plan</li> </ul>   | <ul style="list-style-type: none"> <li>• Year 3 beginning in 2017</li> </ul>   |

[*Id.* at 21]. The Union notes the following:

In Lacey Township, and the Township of Harvey Cedars do not require their officers to contribute at a level higher than Year 3

under Chapter 78. [Footnote omitted]. In Berkeley Township, officer contributions at Year 4 are capped when they reach \$300,000.00. [Footnote omitted]. Additionally in Harvey Cedars, PBA members are allowed to choose any plan within the SHBP and are not restricted to one plan with the same carrier. [Id. at 22].

With respect to internal comparisons, the Union supports its position as follows:

As illustrated in the “Issues in Dispute” section supra, the PBA's proposal removes two steps from the salary guide and adjusts the starting salaries for new hires. The PBA's proposal provides lower annual percentages than the Township's proposal and consolidates salary guides back to a single guide. The Township insisted that in the new agreements with other Township unions, the unions agreed to have new hires contribute to healthcare at the Year 4 level under Chapter 78. However, this is not exactly the case.

In the Township's new contract with the Township's local American Federation of State, County, and Municipal Employees (“AFSCME”), new hires after January 1, 2021 are to contribute to their health benefits at Year 4 under chapter 78. In return, the Township agreed to reduce the number of steps in the AFSCME salary guide from ten steps to six steps. A 40% decrease. AFSCME also received 2% across the board salary increases from the Township. Between 2017-2020, when newly hired AFSCME employees were not required to contribute at Year 4 under chapter 78, and AFSCME employees were in a salary guide that consisted of ten steps. With the implementation of Year 4 contributions for new hires, the Township and AFSCME agreed to a new salary guide that reduced the number of steps from ten to six. [Footnote omitted].

The Township's position that the Year 4 requirement is line with the AFSCME is misguided as AFSCME employees have the opportunity to be provided with a different contribution rate. The Township all agreed with AFSCME to provide AFSCME with the same health benefit contributions if health benefit contribution other Year 4 of Chapter 78 were approved for those hired on or after January 1, 2021. Specifically the Township and AFSCME agreed as follows:

In the event that the Township approves any health benefits contribution other than Year IV of P.L. 2011, e. 78 for those employees hired on or after January 1, 2021, for any bargaining unit identified in Paragraph 2 below, that same health benefits contribution shall be provided to the members of this Union hired on or after January 1, 2021. [Footnote omitted].

The Township's failure to offer the PBA the same step reduction that was provided to AFSCME shows the Township is not concerned with a pattern of settlement. The Township never offered the PBA a single step reduction throughout the course of these negotiations. Lowering the AFSCME contract steps 40% is something that should have carried over to the PBA. Instead the Township has balked at the PBA offer to reduce the number of steps by 15%. [Union Brief, pp. 32-34].

Keeping its focus on internal comparability, the Union's brief outlines the concessions it made during the negotiations of the previous contracts:

Drew Smith ("Smith") who has served as a law enforcement officer for the Township for over 19 years testified about the concessions the PBA has made over the years during contract negotiations with the Township.

Prior to, I guess you would call it, the 2008 recession, the PBA was contributing, roughly, \$30 per pay for health benefits. And it was for Direct 10 benefits not

at the time. As the recession hit, we understood that there may be a need for change. The town -- if you couldn't afford to pay it, we were more than willing to work out something that was reasonable. Chapter 78 changed all that for the PBA and other unions with the -- having us switch to the different tiered payments for our health benefits from paying \$30 over five steps, we extended our step process to eight steps, and contributions went up all the way to Tier 4. Topping out on eight steps, it spread out the burden that the town had to pay. We suffered six layoffs, and through attrition we went from 60 officers down to, roughly, 42. And we still to this day have not gotten back to 60 officers. And that was due to the hard economic times that were hit back then. So as far as 2008 goes, guys went from paying \$30 for regular medical, \$2.50 for vision, and \$6.50 for dental coverage, to nearly \$1,000 as we hit our fourth year in Tier 4 of Chapter 78, especially those guys who had -- were at the top of the salary guide. Transcript at 41:17-42:17.

Similar to this matter, Smith testified that about previous contract negotiations in which the PBA proposed to go from Direct 10 to Direct 15 under the SHBP as well as reduce the contribution rate from Year 4 to Year 3 under Chapter 78. Id. at 43:7-13. Smith testified that PBA was paramount in having all of the other Township locals agree to switch to Direct 15. Although Smith did not have the exact number, Smith testified that this switch saved the Township a lot of money. Id. at 43:14-18. The Township's former Business Administrator, John Moran ("Moran"), testified that the switch to Direct 15 and Year 3 in healthcare contributions saved the Township approximately \$300,000.00. Id. at 74:6-10.

Despite the savings to the Township, the PBA was negotiated to make additional concessions to help the Township in tough times. Smith testified that new hires were no longer eligible to receive an educational stipend.

Another concession that was made at the time to do that was to give up a stipend for college incentive. It

was a \$1,500 stipend for an Associate's Degree and a \$2,500 stipend for a Bachelor's Degree for new hires. Transcript at 43:19-23.

Smith also testified that new hires were required to have a bachelor's degree upon being hired. *Id.* at 44:2-6. Smith testified that over the years, the number of steps in the salary guide increased from eight to thirteen steps. *Id.* at 44:13-14.

Moran, who served as Business Administrator for ten years, confirmed the concessions Smith testified about.

Q How about with compensation and vacation time? Were there any concessions made there?

A On comp time we reduced the number of hours that you could hold. And I think vacation time we also limited it to a couple of weeks that you could carry over. I know we did let people run out excess time in that first year. But other than that, I think that was -- once it was done, it was done.

Q And were there any additional steps added?

A Yeah, twice. I went -- when I was initially there we had a step guide of five. I believe we went to a step guide of seven, and, I think, ultimately, we went to a step guide of, I think it was, 13. We also added steps to the SOA contract as well.

Q And anything with sick time? Do you remember any concessions made with sick time?

A I believe we eliminated the payment for sick time so you couldn't -- you couldn't sell back sick time to the town. I know that was something I -- I always put into every negotiations because I'm a believer it shouldn't exist in the first place. *Id.* at 82:1-22.

The individuals covered under the AFSCME contract, specifically dispatchers or tele communicators, are paid higher wages than newly hired police officers. Further, dispatchers received stipends for associate degrees and bachelor degrees. [Footnote omitted]. Even with the Township requiring new hires under AFSCME contract to make health care contributions at Year 4 under Chapter 78, the Township reduced their salary guide from ten steps to six steps. The

Township provided benefits of lower steps to new AFSCME hires that new PBA hires are not eligible to receive.

The Township has failed to demonstrate why only PBA hires deserve increased health care contributions without higher starting salaries or reduce steps. Further, the Township has failed to show why new salary guides with lesser steps were implemented for locals who agreed to the increase health care contributions for new hires. Yet, the PBA's request for a new eleven-step salary guide has been denied by the Township.

The internal comparisons support an increase in starting salary for new PBA hires as well as the implementation of a salary guide with lesser steps. The PBA's proposal is reasonable and in accordance with the pattern of settlement throughout the Township. It cannot be restated enough, the cost difference between the PBA proposal and Stafford Township's proposal is \$105,058.00 out of an \$18 million agreement. [Union Brief, pp. 34-37].

The Union also contends that its salary proposals are consistent with public employment in general. [See *generally*, Union Brief, pp. 38-39].

With respect to public employment in similar jurisdictions, the Township submits that its offer is "more reasonable when compared to the current pattern within the Township and recent settlements with the non-police units and non-aligned employees." [Tp. Brief, p. 15]. The Township maintains that its "offer will achieve economic and fiscal stability for the Township, in light of the two percent (2%) hard tax cap levy, increases to the costs of medical benefits, increases to pensions contributions, increases to salaries and wages, stagnation in State Aid,

and decreases in other miscellaneous revenues. See, e.g., Township Exhibit 70.”  
[*Id.*].

With respect to external comparability, the Township indicates that “the base salaries for patrol officers in Stafford Township is not the highest in the County”, but “it must be recognized that the Stafford Township Police receive a two percent (2%) yearly increase and an additional compensation for increase in rank on the salary guide.” [*Id.* at 15-16]. The Township emphasizes that its officers receive a very competitive benefits package. The Township points out that despite the Union's claim of a low starting salary that “the minimum base salary for Stafford officers actually **exceeds** those of its counterparts of Harvey Cedars and Berkeley Township, Brick Township, Lacey Township and Toms River.” [*Id.* at 16, see Union Exhibits 15, 16, 19 & 20]. The Township also emphasizes that “the maximum base salary of \$122,999 generally exceeds all other Ocean County municipalities, including Lacey Township, Manchester Township, and Toms River.” [*Id.* at 16, see Union Exhibits 83, 89, and 102]. As for fringe benefits, the Township's brief provides:

In comparing all fringe benefits, Stafford Township affords benefits which exceed and/or are comparable to the Ocean County average.

Additionally, PBA members are also afforded health benefits under the State Health Benefits Plan (“SHBP”) at the

Direct 15 level of coverage. Stafford Township provides such coverage to both active and retired PBA members; requiring active employee contributions at the Chapter 78 Tier IV rates. The Township's PBA retirees receive employer-paid retiree health benefits for both the member and his/her family, at a contribution level of Tier III, Tier II, or at no cost, depending on the individual member's years of service with the Township. See Union Exhibit 12.

The retiree health benefits afforded under the PBA Agreement **substantially exceed** that of other Ocean County municipalities. For example, in Toms River, only retirees that reach a requisite amount of years of service credit are afforded retiree health benefits. See Union Exhibit 20. Additionally, the Borough of Surf City provides retiree health benefits in accordance with "present practices." See Union Exhibit 14. **Most notably, however, the Borough of Harvey Cedars, Jackson Township, and Lakewood do not offer its police officers with any employer-paid retiree health benefits.** See Union Exhibits 15, 18, and 19.

Furthermore, Township police officers hired before January 1, 2014 also receive longevity based on years of service with the Township. See Union Exhibit 1. **Nine (9) of its Ocean County counterparts do not offer longevity at all.** Stafford Township PBA members hired after July 1, 2002 receive one thousand two hundred and fifty dollars (\$1,250) on the first day of their fifth year of employment, increasing two thousand dollars (\$2,000) every five years. See Township Exhibit 118. For example, this far exceeds the Longevity Payments in the Township of Berkeley Township, which adds two thousand six hundred fifty dollars (\$2,650) to the PBA member's base salary upon completion of fifteen (15) years of service. See Union Exhibit 16.

Moreover, the uniform allowance received by the PBA members, in the amount of one thousand three hundred dollars (\$1,300.00) per year, **far exceeds** the Ocean County average of one thousand seventy-five dollars (\$1,075) per year. See Township Exhibit 111. Stafford Township police officers also receive education incentives of one thousand five hundred dollars (\$1,500), two thousand five hundred dollars

(\$2,500) and three thousand (\$3,000) for Associate, Bachelor's, and Master's degrees, respectively, which well exceeds the Ocean County average of municipalities who offer education incentives by degree. See Township Exhibit 115.

PBA members also receive sick leave and personal days each year comparable to or in excess of all other Ocean County municipalities. See Township Exhibits 112 and 104.

Based on a review of the above, Stafford Township provides its officers with an overall compensation package more generous than most municipalities within Ocean County. By applying the Township's Final Offer, the overall compensation packages will continue to stay comparable and competitive with the County averages. To the contrary, the PBA provides no basis in which it is entitled to a greater compensation package than its similarly-situated counterparts. [*Id.* at 17-19].

With respect to internal comparability, the Township contends that an internal pattern of settlement exists:

The Township has an established pattern of settlements in its negotiations with other Township unions, as well as non-union employees, which should be maintained in the instant matter.

**(a) Salaries**

First, the salary increase for other union agreements has been consistent with that offered to the Union in this Interest Arbitration. Specifically, each of the five (5) non-police units were all afforded increases of two percent (2.0%) in each of the four (4) years of their respective successor agreements.

At the Interest Arbitration hearing, the Union compared its salaries to those of the American Federation of State,

County, and Municipal Employees (hereinafter referred to as "AFSCME"), complaining that those employees are better compensated in terms of base salary. However, in doing so, the Union ignores the countless additional compensatory benefits they receive, including holiday pay, substantial overtime, uniform allowances, and compensatory time, which makes the PBA members' salaries far exceed those of AFSCME. As stated herein, merely comparing the base salary of PBA members to other Township of Stafford employees skews the reality of how much Union members are actually compensated.

### **(b) Fringe Benefits**

The Township also has an established pattern of settlements in its negotiations with other Township units, as well as non-union employees with regards to the fringe benefits provided.

Specifically, PBA members are afforded no less – and in some instances, much more – fringe benefits than the other non-police units. For example, each of the non-police units provide a maximum of twenty-six (26) paid vacation days. See, e.g., Union Exhibit 21. PBA members, however, may accrue up to thirty (30) days of vacation. See Township Exhibit 15. Further, PBA members hired prior to May 21, 2010, may accrue up to two (2) years of vacation leave and sell back up to fifty-percent (50%) of their extra days until exhausted. See Township Exhibit 15. All members of the non-police unions are only eligible to sell up to five (5) vacation days per year, while the Township's non-aligned employees may not sell back any of their accrued vacation leave. See, e.g., Union Exhibit 21. Moreover, the remaining sick, personal, and bereavement leave provisions in the PBA agreement are all nearly identical to that provided to the non-police units.

With respect to health benefits, existing members of the five (5) non-police units are maintained at Direct 15 with a Tier III contribution level, while all new hires contribute at Tier IV. Additionally, all newly-hired non-aligned employees also pay at the Tier IV contribution level. Here, should the Arbitrator not

grant the Township's Final Offer, **the PBA will represent the only new hires that will not contribute at Tier IV.** [Footnote omitted].

Therefore, the PBA is being treated equally with (if not, better than) the internal pattern of settlement with the other Township bargaining units and non-aligned employees. As explained by Arbitrator Mastriani in Township of West Windsor, Docket No. IA-2019-014, June 20, 2019:

It is well accepted amongst interest arbitrators that a pattern of settlement among other employees of the same jurisdiction is strong justification for an arbitrator to follow that pattern. County of Union, PERC No. 2003-87, 29 NJPER 250/253 (No. 75, 2003). An internal pattern of settlement properly focuses on the terms of economic improvement offered in a given round of negotiations. See Somerset County Sheriff's Officer, FOP Lodge 39, Docket No. A-18199-06T3, 34 NJPER 8, App. Div. 2008, County of Passaic, PERC No. 2010; County of Essex and PBA Local 175, Docket No. IA-87-45, pg. 17-18 (1989). In particular in Somerset County, the Appellate Division upheld an interest arbitration award rejecting the employer's contention that the award gave too much weight to internal settlements with law enforcement units. The court noted N.J.S.A. 34:13A-16.G.2.c mandates an interest arbitrator consider evidence of those settlements between the employer and others in its negotiating unit as well as evidence of those settlements constitute a pattern quoting Union County Correction Officers, PBA Local 999 v. County of Union, 30 NJPER 2004. The court further recognized pattern as an "important labor relations concept as relied upon both labor and management." Arbitrator Susan Osborn in her award in Hopewell cited to the identical language in recognizing the significance of comparability. See page 74-75. Therefore, the arbitrator should give tremendous weight to internal settlement in rendering his award.

Accordingly, here, the Arbitrator should grant the Township's Final Offer to maintain the established internal

pattern among the Township's employees, to ensure fiscal stability and to promote harmonious labor relations between the Township, its employees, and their respective unions, by keeping all benefits uniform and salary increases consistent. No one should be treated differently, including PBA members. [Tp. Brief, pp. 20-23].

The Township indicates that “[t]hree (3) successor agreements are fully-executed – (i) AFSCME, Local 3304A; (2) Teamsters 469 Supervisory Employees of the Public Works and Water and Sewer Utility Department; and (iii) UWUA, Local 503. The remaining two (2) units – (i) Teamsters 97 and (ii) Teamsters 469 Management and Support are currently at impasse.” [Tp. Brief, p. 22, footnote 4].

The Township contends that the Union's health care proposal is not supported by the evidence and should not be awarded:

First and foremost, the PBA relies upon the testimony and submission of Dominick Fanuele to support its proposal to change the members' health insurance benefits program from Direct 15 to 20/30. See Transcript, March 10, 2021 (“T1”), 6:17-20. In particular, Mr. Fanuele testified that switching to 20/30 and rolling back employees from Tier III to Tier II would save each PBA member an average of \$2,064.52. See T1 11:15-18; Union Exhibit 6. According to Fanuele, the annual premium amount from the switch would be reduced from \$1,008,828 to \$921,614. See T1 11:1-2; Exhibit 6. He states that, “even with the reduction in Chapter 78 contributions to be rolling back to that second tier, the net cost to the Township only goes up \$1,560 per year.” See T1 11-9-12.

The entire basis of Mr. Fanuele's testimony, however, is based upon the false premise that the entire Township would switch from Direct 15 to 20/30. See T1 13:18-23. Specifically, Mr. Fanuele testified as follows:

Q: So, just to be clear, Dom, that's assuming the rest of the town goes to the PBA proposal, correct?

A: That is correct. So both the plan and the Chapter 78 tier.

See T1 14:18-22.

Additionally, Mr. Fanuele never reviewed any of the Township's contract with the five (5) non-police unions. See T1 18:24-25, 19:1. Specifically, Fanuele did not consider that each of the other unions, as well as the Township's non-aligned employees, are all committed to Direct 15 at a Tier III contribution level. Similarly, Mr. Fanuele failed to consider the cost savings to the Township of bumping all new hires into Tier IV. See T1 18:14-17; 19:6-12.

Likewise, Dr. Caprio also failed to take into account any of the provisions of the Township's contracts with any other employees outside of the PBA:

Q: Okay. So when you did your analysis, did you review the collective negotiations agreements for the other units in the township?

A: No, I did not.

Q: Okay. Or any of the agreements that the Township has with their other individual employees that are not aligned?

A: I focused entirely on the PBA.

Q: Okay. So with respect to your report, it's just the ability to pay with respect to the PBA, but it doesn't take any of the other departments into account?

A: Oh, it does not, yeah.

As such, while both Fanuele and Dr. Caprio both concluded that the Union's proposal would result in net savings to the Township, **neither reviewed the provisions of any other agreement or contract**. Neither of the Union's experts took into account that all existing Township employees already contribute at a Tier III level with all new hires at Tier IV, and that the Township already negotiated with the five (5) other non-police bargaining units to maintain coverage under Direct 15.

Moreover, the Union's experts casually rely upon the fact that the Township could simply "raise taxes" solely to provide greater compensation to PBA members. See e.g., T1 33:2-20. The Union alleges that merely taking more money from the taxpayers of Stafford would not result in any "negative impacts that one would have to consider in an arbitration decision." See T1 33:18-20. In fact, the Union's ambivalence to charging resident taxpayers simply so the Township's officers can "make more money" is inexplicable. As such, the Arbitrator should not give any weight to either Mr. Fanuele's or Dr. Caprio's testimony with respect to the statutory criteria or alleged "savings" to the Township. [Tp. Brief, pp. 32-34].

PERC's website includes the most recent salary increase analysis for interest arbitration awards for calendar years 2012 through 2019. The average increase for all awards in 2018 was 2.01%, and 3.36% in 2019. The average increase for interest arbitration voluntary settlements in 2018 was 1.75% and 1.64% in 2019. I note that the salary increase analysis on PERC's website does not include summary data for awards and settlements for calendar year 2020.

PERC's website also includes five (5) non-2% cap interest arbitration awards that were issued in 2019. For those awards, the average annual salary increase was 3.62%. There were no non-2% cap interest arbitration awards issued in 2018. In each award, the arbitrator reviewed the evidence considered to be the most unique and relevant to the parties.

All of the internal and external comparisons were considered and weighed along with all of the other statutory factors. Between the two, the internal comparisons were given greater weight than the external ones. In sum, the comparables show that bargaining unit members of the Union have a competitive salary and benefits package that does not require significant improvement or diminution at this time. This said, I am awarding salary increases and benefits modifications that are aligned with the emerging internal pattern within the Township but also keep members of the bargaining units competitive with the external comparison groups.

### **Overall Compensation**

The Union contends that “[t]he overall compensation presently received by Stafford Township Police Officers as compared to what the Township is able to afford is low in comparison to other municipalities within Ocean County.” [Union

Brief, p. 43]. The Union maintains that “[t]he Township’s offer of 2.0% is comparable to similar situated municipalities in Ocean County but the Township’s offer falls well short of what the Township is capable of doing” and “fails to take into account the savings the Township will receive if the agree to the PBA’s proposal to switch to Direct 20/30 under the SHBP.” [Id. at 48]. The Township contends that its offer is consistent with public and private sector salary increases, recent interest arbitration awards, and keeps the salaries and benefits of bargaining unit members in line with police officers within and outside of Ocean County.

The evidence in this matter, as demonstrated by the parties’ exhibits and the comparisons outlined above, shows that the overall compensation received by members of this bargaining unit is competitive. I conclude that the evidence does not require full implementation of either party’s final offer. This Award will serve the interests and welfare of the public by striking a balance between maintaining the Township’s fiscal stability and providing bargaining unit members with measured economic improvements to base salary. This Award takes into consideration that the Township established the existence of an emerging pattern for Tier 4 contributions for new hires that it has imposed upon non-aligned employees and resulted from settlements that the Township reached with other bargaining units. Local law enforcement settlements were considered but given lesser weight than the internal comparison groups as each municipality has its

own unique bargaining history, socio-economic profile and tax rate structure. This Award provides improvement to the starting salary and the salary guide for those who will be required to contribute towards health insurance at the higher rates.

### **Stipulations of the Parties**

The parties resolved the following issues prior to the interest arbitration hearing:

#### **PBA (Rank and File)**

- (1) **Article VI (E)(2) Sick Leave** - In order to receive payment for accumulated sick time during the year of actual retirement, an employee shall notify the Township, in writing, on or before November 1<sup>st</sup> of the preceding calendar year of his/her intention to retire. **Failure to provide notice on or before November 1<sup>st</sup> of the year preceding retirement may result in payment being delayed until following calendar year.**
- (2) **Article VI (G)(5) Sick Leave** - Employees hired between May 21, 2010 and December 31, 2013 shall only be eligible for sick leave sell back upon retirement.
- (3) **Article XII (B) (3) Vacations** - Any employee having more than twenty-three (23) vacation days and wishing to sell days back to the Township must by November 1<sup>st</sup> of the preceding year notify the Township of the number of days he/she intends to sell-back. Said employee has the right to rescind his/her request at any time prior to actual payment, which will be at his/her present rate of pay. Said payment will be made no later than December 31<sup>st</sup> of each calendar year.

- (4) Add the State Health Benefits Contribution Chart as Appendix A to the Collective Bargaining Agreement.

### **Superior Officers Association**

- (1) **Length of Contract** – The contract will go from January 1, 2021 – December 31, 2024.
- (2) **Article V (E)(1)** – The parties agreed that this provision does not apply to individuals hired after May 21, 2010.
- (3) **Article VII Leaves of Absence - MILITARY DUTY** - When a full-time employee (either permanent or temporary) who is a member of the reserve component of any United States armed force or the National Guard of any state including the Naval Militia and Air National Guard is required to engage in field training or is called for active duty, the employee will be granted a military leave of absence for the duration of the service. Military leave shall be granted pursuant to N.J.S.A. 38:23-1 and N.J.S.A. 38A:4-4. When a full time regular or part-time regular employee, not on probation has been called to active duty or inducted into the military or naval forces of the United States, they shall automatically be granted an indefinite leave of absence without pay for the duration of such active military service, provided they do not voluntarily extend such service. Such employee shall be reinstated without loss of privileges or seniority, provided they report for duty with the Township within ninety (90) days following their discharge from military service and shall have taken and passed the required physical examination by the physician designated by the Township.
- (4) the State Health Benefits Contribution Chart as Appendix A to the Collective Bargaining Agreement.

## The Cost of Living

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

| <b>Year</b> | <b>Jan</b> | <b>Feb</b> | <b>Mar</b> | <b>Apr</b> | <b>May</b> | <b>Jun</b> | <b>Jul</b> | <b>Aug</b> | <b>Sep</b> | <b>Oct</b> | <b>Nov</b> | <b>Dec</b> | <b>HALF1</b> | <b>HALF2</b> |
|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|
| <b>2011</b> | 1.6        | 2.1        | 2.7        | 3.2        | 3.6        | 3.6        | 3.6        | 3.8        | 3.9        | 3.5        | 3.4        | 3.0        | 2.8          | 3.5          |
| <b>2012</b> | 2.9        | 2.9        | 2.7        | 2.3        | 1.7        | 1.7        | 1.4        | 1.7        | 2.0        | 2.2        | 1.8        | 1.7        | 2.3          | 1.8          |
| <b>2013</b> | 1.6        | 2.0        | 1.5        | 1.1        | 1.4        | 1.8        | 2.0        | 1.5        | 1.2        | 1.0        | 1.2        | 1.5        | 1.5          | 1.4          |
| <b>2014</b> | 1.6        | 1.1        | 1.5        | 2.0        | 2.1        | 2.1        | 2.0        | 1.7        | 1.7        | 1.7        | 1.3        | 0.8        | 1.7          | 1.5          |
| <b>2015</b> | -0.1       | 0.0        | -0.1       | -0.2       | 0.0        | 0.1        | 0.2        | 0.2        | 0.0        | 0.2        | 0.5        | 0.7        | -0.1         | 0.3          |
| <b>2016</b> | 1.4        | 1.0        | 0.9        | 1.1        | 1.0        | 1.0        | 0.8        | 1.1        | 1.5        | 1.6        | 1.7        | 2.1        | 1.1          | 1.5          |
| <b>2017</b> | 2.5        | 2.7        | 2.4        | 2.2        | 1.9        | 1.6        | 1.7        | 1.9        | 2.2        | 2.0        | 2.2        | 2.1        | 2.2          | 2.0          |
| <b>2018</b> | 2.1        | 2.2        | 2.4        | 2.5        | 2.8        | 2.9        | 2.9        | 2.7        | 2.3        | 2.5        | 2.2        | 1.9        | 2.5          | 2.4          |
| <b>2019</b> | 1.6        | 1.5        | 1.9        | 2.0        | 1.8        | 1.6        | 1.8        | 1.7        | 1.7        | 1.8        | 2.1        | 2.3        | 1.7          | 1.9          |
| <b>2020</b> | 2.5        | 2.3        | 1.5        | 0.3        | 0.1        | 0.6        | 1.0        | 1.3        | 1.4        | 1.2        | 1.2        | 1.4        | 1.2          | 1.2          |
| <b>2021</b> | 1.4        | 1.7        | 2.6        |            |            |            |            |            |            |            |            |            |              |              |

I considered this criterion but give it lesser weight than such factors as the Township's ability to pay, the lack of adverse financial impact, the interests and welfare of the public, and public sector comparability (internal and external).

## Continuity and Stability of Employment

The Union submits that its proposal will "spread the wage increases and benefits of the contract to all of the covered employees" and "attract and retain

new officers with competitive salaries and benefits". [Union Brief, p. 50]. The Union contends that "[t]he Township's proposal, to keep salaries at status quo but to require new hires to contribute to healthcare at Year 4 under Chapter 78 directly hurts all new hires as well as hurts the department's ability to staff an understaffed agency." [Id.]. The Union emphasizes that "the Year 3 benefits were negotiated in exchange for Direct 15 in the last contract" and "[t]he Township did not seek to put new hire[s] back into Direct 10 either." [Id. at 22]. With respect to superior officers, the Union emphasizes that "the salaries of the SOA member will be determined by the salary and wages awarded to the Rank and File members." [Id. at 51].

The Township indicates that its "police officers have not been subject to recent layoff or furloughs." [Id. at 44]. The Township points out that the Union has not shown the existence of a turnover issue in the department. The Township emphasizes that it hired eight (8) officers in 2020 and has 26 officers at the top step of the guide as of December 31, 2020. The Township also points out that PBA members received \$559,045.18 in overtime pay in 2020.

This criterion was considered in my review of the evidence. The evidence does not show the existence of a turnover issue within the Department, but as recognized by the parties, there is a desire to increase the starting salary for new

hires. I conclude that the modifications awarded herein are reasonable under the circumstances presented and will help maintain the continuity and stability of employment.

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

### **Awarded Modifications/Proposals**

#### **Salary, Salary Guide and Salary Related Items**

For 2020, there are two (2) salary scales contained in Article XVIII of the PBA Agreement. For all officers hired before January 1, 2014 (Badge 111), there are eight (8) steps. The salary scale ranges from \$40,808 at Step 1 to \$119,437 at Step 8. All officers hired before January 1, 2014 (Badge 111) are now at the Step 8 Legacy Step (\$119,437). For all officers hired after January 1, 2014 (Badge 111), there are thirteen (13) steps. The salary scale ranges from \$43,616 at Step 1 to \$122,999 at Step 13. As for the SOA, Article XV includes two (2) salary scales for First Year Sergeant, Second Year Sergeant, Third Year Sergeant, Lieutenant, and Captain:

Salary Schedule Existing SOA  
Prior to January 1, 2013

2020

Sgt. Year 1 \$133,770

Sgt. Year 2 \$139,186

Sgt. Year 3 \$144,685

Lieutenant \$162,048

Captain \$181,494

Salary Schedule SOA  
After January 2010

2020

Sgt. Year 1 \$128,992

Sgt. Year 2 \$134,151

Sgt. Year 3 \$139,518

Lieutenant \$156,259

Captain \$175,011

In addition, Article XV provides for rank differential percentages:

- B. For current SOA members the employer agrees that the following rank differentials shall be established and maintained between the following ranks:
  - 1. At least twelve (12%) percent differential between Patrolman or any other rank below the First Year

Sergeant. The differential for new officers promoted into the SOA after 1/1/10 shall be eight percent (8%).

2. At least four (4%) percent differential between the First Year Sergeant and the Second Year Sergeant.
3. At least four (4%) percent differential between the Second Year Sergeant and the Third Year Sergeant.
4. At least twelve (12%) percent differential between the Third Year Sergeant and Lieutenant.
5. At least a twelve (12%) percent differential between Lieutenant and Captain.

In addition to salary, PBA and SOA members hired before January 1, 2014 are entitled to longevity. For those hired before July 1, 2002, longevity is based upon a percentage of salary and years of service. For those hired before January 1, 2014, longevity is a flat dollar amount based upon years of service. For those hired after January 1, 2014, there is no longevity.

Having considered all of the statutory criteria, I conclude that neither party's salary proposals must be awarded and that this award represents a reasonable determination of the disputed issues. I award salary items that are reasonably consistent with internal and external comparisons. As noted by the Union, with respect to superior officers, "the salaries of the SOA member will be determined by the salary and wages awarded to the Rank and File members." [Union Brief at 51]. I award the following for the PBA:

**January 1, 2021 – December 31, 2021**

Effective and retroactive to January 1, 2021, across-the-board increases of 2.0%. Effective January 1, 2021, Step 1 from 2020 shall be eliminated thus making Step 2 the new Step 1 in 2021. Step advancement in accordance with the step chart. By way of example, officers at Step 1 in 2020 will advance to new Step 1 (old Step 2) on January 1, 2021. Officers at Step 13 in 2020 remain at top Step 12 (old Step 13).

**January 1, 2022 – December 31, 2022**

Effective January 1, 2022, step advancement plus across-the-board increases of 2.0%.

**January 1, 2023 – December 31, 2023**

Effective January 1, 2023, step advancement plus across-the-board increases of 2.0%.

**January 1, 2024 – December 31, 2024**

Effective January 1, 2024, step advancement plus across-the-board increases of 2.0%.

As indicated above, the first step from 2020 shall be eliminated from the PBA salary scale effective January 1, 2021. This will bolster the starting salary for new hires (those hired on or after January 1, 2021) who will be responsible for contributing towards health insurance at the Tier 4 (Year 4) level that the Township successfully negotiated for new hires in the collective negotiations agreements for other unionized employees and imposed upon the non-aligned new hires. The PBA's salary scales will be as follows:



Step advancement for this salary scale will occur as follows:

| <u>2020</u> | <u>Old Step</u> | <b>NEW</b>  |             |             |             |
|-------------|-----------------|-------------|-------------|-------------|-------------|
|             |                 | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
| 1           |                 |             |             |             |             |
| 2           | 2               | <b>1</b>    | 1           | 1           | 1           |
| 3           | 3               | 2           | <b>2</b>    | 2           | 2           |
| 4           | 4               | 3           | 3           | <b>3</b>    | 3           |
| 5           | 5               | 4           | 4           | 4           | <b>4</b>    |
| 6           | 6               | 5           | 5           | 5           | 5           |
| 7           | 7               | 6           | 6           | 6           | 6           |
| 8           | 8               | 7           | 7           | 7           | 7           |
| 9           | 9               | 8           | 8           | 8           | 8           |
| 10          | 10              | 9           | 9           | 9           | 9           |
| 11          | 11              | 10          | 10          | 10          | 10          |
| 12          | 12              | 11          | 11          | 11          | 11          |
| 13          | 13              | 12          | 12          | 12          | 12          |

Based upon the awarded increases, total base salary for the PBA will increase from \$4,148,143 in 2020 to \$4,324,981 in 2021, to \$4,551,419 in 2022, to \$4,743,950 in 2023, to \$4,942,112 in 2024.

As for the SOA, the collective negotiations agreement will continue to maintain the rank differentials. The salary schedule for the existing SOA prior to January 1, 2013 shall be as follows:

|             | <u>2021</u>  | <u>2022</u>  | <u>2023</u>  | <u>2024</u>  |
|-------------|--------------|--------------|--------------|--------------|
| Sgt. Year 1 | \$136,445.40 | \$139,174.31 | \$141,957.79 | \$144,796.95 |
| Sgt. Year 2 | \$141,969.72 | \$144,809.11 | \$147,705.30 | \$150,659.40 |
| Sgt. Year 3 | \$147,578.70 | \$150,530.27 | \$153,540.88 | \$156,611.70 |
| Lieutenant  | \$165,288.96 | \$168,594.74 | \$171,966.63 | \$175,405.97 |
| Captain     | \$185,123.88 | \$188,826.36 | \$192,602.88 | \$196,454.94 |

The salary schedule for SOA after January 2010 shall be as follows:

|             | <u>2021</u>  | <u>2022</u>  | <u>2023</u>  | <u>2024</u>  |
|-------------|--------------|--------------|--------------|--------------|
| Sgt. Year 1 | \$131,571.84 | \$134,203.28 | \$136,887.34 | \$139,625.09 |
| Sgt. Year 2 | \$136,834.02 | \$139,570.70 | \$142,362.11 | \$145,209.36 |
| Sgt. Year 3 | \$142,308.36 | \$145,154.53 | \$148,057.62 | \$151,018.77 |
| Lieutenant  | \$159,384.18 | \$162,571.86 | \$165,823.30 | \$169,139.77 |
| Captain     | \$178,511.22 | \$182,081.44 | \$185,723.07 | \$189,437.53 |

## **Hospital and Medical Insurance**

The evidence shows that the Township successfully negotiated Tier IV contribution rates for employees hired on or after January 1, 2021 with AFSCME Local 3304A, Teamsters 469 Supervisory Employees of the Public Works and Water and Sewer Department, and UWUA Local 503. Each of these contracts has expiration date of December 31, 2024. In addition, the Township imposed Tier IV contribution rates for new hires for non-aligned employees. Although the Union has demonstrated that the Township and its employees could potentially save money if the Direct 20/30 healthcare plan was to serve as the base plan for all Township employees, the Union's proposal has not been shown to be feasible at this time given the terms that have already been negotiated with the other bargaining units. Moreover, given the internal pattern of settlement within the Township, there is support for awarding the same modification for new hires for the Union that the Township negotiated with the other bargaining units:

### **PBA Contract**

#### **Article XIV: Hospital and Medical Insurance**

1. Section A – Add the following language:

Employees hired on or after January 1, 2021 shall contribute the cost of coverage in accordance with the Tier IV contribution rate.

2. Section G – Add the following language:

Employees hired on or after January 1, 2021, and who are eligible for medical benefits upon retirement in Section F above, shall contribute to the cost of those benefits in accordance with Tier IV.

## **SOA Contract**

### **Article XI: Medical Benefits**

1. Section A – Add the following language:

Employees hired on or after January 1, 2021 shall contribute the cost of coverage in accordance with the Tier IV contribution rate.

2. Section G – Add the following language:

Employees hired on or after January 1, 2021, and who are eligible for medical benefits upon retirement in Section F above, shall contribute to the cost of those benefits in accordance with Tier IV.

### **Other Modifications/Proposals on Issues not Awarded**

As to the remainder of the parties' modifications and proposals on the issues, I thoroughly reviewed and considered their respective positions. Having examined these items in conjunction with the supporting evidentiary submissions I do not find sufficient justification to award them in whole or in part at this time. I find that the improved economic changes that I have awarded are reasonable and inclusive of what the financial impact of the award should be while also

taking into consideration that the Township's overall financial obligations include having to fund the economic terms of all of its bargaining units and non-aligned employees. The remaining modifications and proposals on the issues are therefore rejected.

### **CONCLUSION**

I conclude that the terms of this Award represent a reasonable determination of the issues after applying the statutory criteria. I have weighed the statutory factors as more fully discussed above and conclude there is nothing in the record that compels a different result than I have determined in this proceeding.

### **AWARD**

1. Term. For the PBA and SOA - four (4) years – Effective January 1, 2021 through December 31, 2024.
2. Salary/Salary Scale

### **PBA (Article XVIII)**

#### **January 1, 2021 – December 31, 2021**

Effective and retroactive to January 1, 2021, across-the-board increases of 2.0%. Effective January 1, 2021, Step 1 from 2020

shall be eliminated thus making Step 2 the new Step 1 in 2021. Step advancement in accordance with the step chart. By way of example, officers at Step 1 in 2020 will advance to new Step 1 (old Step 2) on January 1, 2021. Officers at Step 13 in 2020 remain at top Step 12 (old Step 13).

**January 1, 2022 – December 31, 2022**

Effective January 1, 2022, step advancement plus across-the-board increases of 2.0%.

**January 1, 2023 – December 31, 2023**

Effective January 1, 2023, step advancement plus across-the-board increases of 2.0%.

**January 1, 2024 – December 31, 2024**

Effective January 1, 2024, step advancement plus across-the-board increases of 2.0%.

The salary scale for all officers hired before January 1, 2014 (Badge 111) shall be as follows:

|             |             |             |             |
|-------------|-------------|-------------|-------------|
| <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
| \$ 121,826  | \$ 124,262  | \$ 126,747  | \$ 129,282  |

The salary scale for all officers hired after January 1, 2014 (Badge 111) shall be as follows:

|           | <u>2020</u> |     | <u>2021</u> |           | <u>2022</u> |           | <u>2023</u> |           | <u>2024</u> |           |
|-----------|-------------|-----|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|
| <b>1</b>  | \$ 43,616   | Old | <b>New</b>  |           |             |           |             |           |             |           |
| <b>2</b>  | \$ 49,227   | 2   | <b>1</b>    | \$ 50,212 | <b>1</b>    | \$ 51,216 | <b>1</b>    | \$ 52,240 | <b>1</b>    | \$ 53,285 |
| <b>3</b>  | \$ 54,822   | 3   | <b>2</b>    | \$ 55,918 | <b>2</b>    | \$ 57,037 | <b>2</b>    | \$ 58,178 | <b>2</b>    | \$ 59,341 |
| <b>4</b>  | \$ 60,462   | 4   | <b>3</b>    | \$ 61,671 | <b>3</b>    | \$ 62,905 | <b>3</b>    | \$ 64,163 | <b>3</b>    | \$ 65,446 |
| <b>5</b>  | \$ 65,494   | 5   | <b>4</b>    | \$ 66,804 | <b>4</b>    | \$ 68,140 | <b>4</b>    | \$ 69,503 | <b>4</b>    | \$ 70,893 |
| <b>6</b>  | \$ 72,235   | 6   | <b>5</b>    | \$ 73,680 | <b>5</b>    | \$ 75,153 | <b>5</b>    | \$ 76,656 | <b>5</b>    | \$ 78,189 |
| <b>7</b>  | \$ 78,975   | 7   | <b>6</b>    | \$ 80,555 | <b>6</b>    | \$ 82,166 | <b>6</b>    | \$ 83,809 | <b>6</b>    | \$ 85,485 |
| <b>8</b>  | \$ 85,716   | 8   | <b>7</b>    | \$ 87,430 | <b>7</b>    | \$ 89,179 | <b>7</b>    | \$ 90,963 | <b>7</b>    | \$ 92,782 |
| <b>9</b>  | \$ 92,456   | 9   | <b>8</b>    | \$ 94,305 | <b>8</b>    | \$ 96,191 | <b>8</b>    | \$ 98,115 | <b>8</b>    | \$100,077 |
| <b>10</b> | \$ 99,196   | 10  | <b>9</b>    | \$101,180 | <b>9</b>    | \$103,204 | <b>9</b>    | \$105,268 | <b>9</b>    | \$107,373 |
| <b>11</b> | \$105,937   | 11  | <b>10</b>   | \$108,056 | <b>10</b>   | \$110,217 | <b>10</b>   | \$112,421 | <b>10</b>   | \$114,670 |
| <b>12</b> | \$112,677   | 12  | <b>11</b>   | \$114,931 | <b>11</b>   | \$117,229 | <b>11</b>   | \$119,574 | <b>11</b>   | \$121,965 |
| <b>13</b> | \$122,999   | 13  | <b>12</b>   | \$125,459 | <b>12</b>   | \$127,968 | <b>12</b>   | \$130,528 | <b>12</b>   | \$133,138 |

Step advancement for this salary scale will occur as follows:

|           | <u>2020</u> | <u>Old Step</u> | <u>NEW</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|-----------|-------------|-----------------|------------|-------------|-------------|-------------|-------------|
| <b>1</b>  |             |                 |            |             |             |             |             |
| <b>2</b>  |             | 2               | <b>1</b>   | 1           | 1           | 1           | 1           |
| <b>3</b>  |             | 3               | 2          | <b>2</b>    | 2           | 2           | 2           |
| <b>4</b>  |             | 4               | 3          | 3           | <b>3</b>    | 3           | 3           |
| <b>5</b>  |             | 5               | 4          | 4           | 4           | <b>4</b>    | 4           |
| <b>6</b>  |             | 6               | 5          | 5           | 5           | 5           | 5           |
| <b>7</b>  |             | 7               | 6          | 6           | 6           | 6           | 6           |
| <b>8</b>  |             | 8               | 7          | 7           | 7           | 7           | 7           |
| <b>9</b>  |             | 9               | 8          | 8           | 8           | 8           | 8           |
| <b>10</b> |             | 10              | 9          | 9           | 9           | 9           | 9           |
| <b>11</b> |             | 11              | 10         | 10          | 10          | 10          | 10          |
| <b>12</b> |             | 12              | 11         | 11          | 11          | 11          | 11          |
| <b>13</b> |             | 13              | 12         | 12          | 12          | 12          | 12          |

**SOA (Article XV)**

Salary Schedule Existing SOA  
Prior to January 1, 2013

|             | <u>2021</u>  | <u>2022</u>  | <u>2023</u>  | <u>2024</u>  |
|-------------|--------------|--------------|--------------|--------------|
| Sgt. Year 1 | \$136,445.40 | \$139,174.31 | \$141,957.79 | \$144,796.95 |
| Sgt. Year 2 | \$141,969.72 | \$144,809.11 | \$147,705.30 | \$150,659.40 |
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| Lieutenant  | \$165,288.96 | \$168,594.74 | \$171,966.63 | \$175,405.97 |
| Captain     | \$185,123.88 | \$188,826.36 | \$192,602.88 | \$196,454.94 |

Salary Schedule SOA  
After January 2010

|             | <u>2021</u>  | <u>2022</u>  | <u>2023</u>  | <u>2024</u>  |
|-------------|--------------|--------------|--------------|--------------|
| Sgt. Year 1 | \$131,571.84 | \$134,203.28 | \$136,887.34 | \$139,625.09 |
| Sgt. Year 2 | \$136,834.02 | \$139,570.70 | \$142,362.11 | \$145,209.36 |
| Sgt. Year 3 | \$142,308.36 | \$145,154.53 | \$148,057.62 | \$151,018.77 |
| Lieutenant  | \$159,384.18 | \$162,571.86 | \$165,823.30 | \$169,139.77 |
| Captain     | \$178,511.22 | \$182,081.44 | \$185,723.07 | \$189,437.53 |

3. Hospital and Medical Insurance

**PBA Contract**

**Article XIV: Hospital and Medical Insurance**

3. Section A – Add the following language:

Employees hired on or after January 1, 2021 shall contribute the cost of coverage in accordance with the Tier IV contribution rate.

4. Section G – Add the following language:

Employees hired on or after January 1, 2021, and who are eligible for medical benefits upon retirement in Section F above, shall contribute to the cost of those benefits in accordance with Tier IV.

**SOA Contract**

**Article XI: Medical Benefits**

3. Section A – Add the following language:

Employees hired on or after January 1, 2021 shall contribute the cost of coverage in accordance with the Tier IV contribution rate.

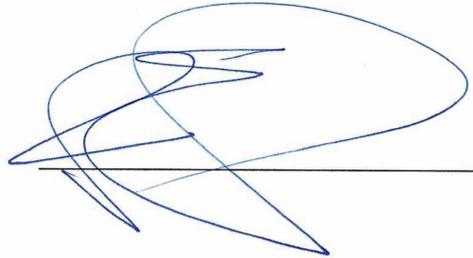
4. Section G – Add the following language:

Employees hired on or after January 1, 2021, and who are eligible for medical benefits upon retirement in Section F above, shall contribute to the cost of those benefits in accordance with Tier IV.

4. All other modifications/proposals on economic and non-economic issues are not awarded. All provisions of the existing agreement shall be carried forward except for those which have sunset or have been modified by the terms of this Award.

4. All other modifications/proposals on economic and non-economic issues are not awarded. All provisions of the existing agreement shall be carried forward except for those which have sunset or have been modified by the terms of this Award.

Dated: May 7, 2021  
Sea Girt, New Jersey



State of New Jersey     }  
County of Monmouth    }ss:

On this 7<sup>th</sup> day of May, 2021, 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  
Expires 1-10-26