

NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of Interest Arbitration Between:

BOROUGH OF CLIFFSIDE PARK

"Borough,"

- and -

P.B.A. LOCAL 96

"Union."

**INTEREST ARBITRATION
DECISION AND
AWARD**

Docket No. IA-2007-052

**Before
James W. Mastriani
Arbitrator**

Appearances:

For the Borough:

Christos J. Diktas, Esq.
Diktas Schandler Gillen

For the Union:

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

This decision arises from an interest arbitration proceeding involving the Borough of Cliffside Park [the "Borough"] and the Cliffside Park PBA Local No. 96 [the "PBA" or "Union"]. The terms of their collective bargaining agreement [the "Agreement"] expired on December 31, 2006 and has remained in full force and effect. Direct negotiations between the parties towards reaching a new agreement resulted in an impasse. A petition seeking the invocation of interest arbitration was filed by the PBA and I was appointed arbitrator by the New Jersey Public Employment Relations Commission in accordance with P.L. 1995, c. 425.

I conducted a pre-interest arbitration mediation session on June 20, 2007. The impasse remained despite the good faith efforts of the parties. This required the scheduling of interest arbitration proceedings on October 25 and 26, 2007. The hearings concluded on October 25, 2007. At the interest arbitration hearing, each party argued orally, examined and cross-examined witnesses and submitted extensive documentary evidence into the record. Testimony was received from Sergeant Nicholas Vicchio, Dieter P. Lerch, Auditor and CPA, and Chief of Police Donald Keane, Jr.. At the request of the parties, post-hearing mediation was conducted on October 31, 2008 resulting in a Memorandum of Agreement [the "MOA"] covering contract years 2007, 2008, 2009 and 2010. The terms of the MOA were required to be recommended for ratification by the respective negotiations committees. The Borough prepared an Ordinance to implement the salary and compensation to be paid pursuant to the MOA. However, prior to adoption, the MOA was not ratified by the PBA. This resulted

in the setting of a post-hearing briefing schedule. Each party filed post-hearing briefs, the last of which was received on or about April 23, 2008.

As required by law, the Borough and the PBA submitted last offers on the disputed issues for consideration by the arbitrator. They are as follows:

PBA'S FINAL OFFER

1. Salary – Four year contract with a 5% increase across the board on each January 1 of those four years.
2. Holidays – Presently there are 12 holidays designated which may be taken as time off or submitted for pay. We're asking for plus two holidays for a total of 14. Of those 14, we're asking that eight of them be paid in cash which will be folded in and paid along with regular payroll and used for all calculation purposes. Therefore, the remaining holidays, the other six of the 14 proposed holidays, for use as either time or money.

THE BOROUGH'S FINAL OFFER

1. Work Schedule

Department members whose work schedule is currently established at 4/2, 4/2, 4/3 (or 1,752 hours per year) will be increased to a 5/2, 5/2, 5/3 work schedule (or 1,992 hours per year) effective January 1, 2009. Department members presently working a forty (40) hour week with one (1) floating day per month will continue to work the same schedule (1,992 hours per year).

2. Holiday Pay

All twelve (12) contractual holidays will be rolled into the employee's base salary effective January 1, 2008.

3. Clothing Allowance

Clothing allowance will be increased from \$550.00 to \$750.00 effective January 1, 2007 with the entire stipend rolled into the base salary effective January 1, 2008.

4. Terms of Contract

- a. The Borough seeks to enter into a three (3) year contract with the PBA for the period of January 1, 2007 through December 31, 2009.
- b. Subject to and conditioned upon all members of the Bargaining Unit accepting the Work Schedule defined in section IV.A. above, the Borough offers the following salary increases:
- January 1, 2007- December 31, 2007 -- 4.0% increase in base salary and \$200 increase in clothing allowance;
 - January 1, 2008- December 31, 2008 -- 4.0% increase in base salary, roll-in holiday pay and clothing allowance;
 - January 1, 2009- December 31, 2009 -- 9.6% increase in base salary which gives effect to the additional requirement that officers currently working 1,752 hours will be required to work 1,992 hours. Lieutenants, Captains, and Deputy Chiefs will receive a 9.0% increase in base salary as per the settlement agreement;
- c. the following salary guide summarizes the Borough's final offer:

Rank	2006 Existing	Effective 1/1/07	Effective 1/1/08	Effective 1/1/09
Deputy Chief	95,089	98,893	108,346	118,097
Captain	89,879	93,474	102,450	111,671
Lieutenant	85,924	89,361	97,975	106,793
Sergeant	81,965	85,244	93,495	102,471
Senior Officer	77,296	80,388	88,212	96,680
Patrolman Step 7	68,616	71,361	78,391	85,917
Patrolman Step 6	63,295	65,827	72,370	79,318
Patrolman Step 5	55,952	58,190	64,061	70,211
Patrolman Step 4	49,492	51,472	56,752	62,200
Patrolman Step 3	43,798	45,550	50,308	55,138
Patrolman Step 2	38,769	40,320	44,618	48,901
Academy Step	34,309	35,681	39,571	43,370

5. Longevity

- a. Longevity would be eliminated for all individuals hired after January 1, 2008.
- b. Longevity payments to all eligible persons, shall be adjusted on a semi-annual basis. i.e., January 1st and July 1st.

6. Payroll Distribution

Payroll would be distributed 26 weeks of the year in lieu of a 52 week schedule.

ALTERNATIVE PROPOSAL

The Borough respectfully submits this alternative proposal if the work hours for all employees are not equitably increased to 1,992 hours per employee per year.

1. Terms of Contract

The Borough seeks to enter into a three (3) year contract with the PBA for a period of January 1, 2007 through December 31, 2009.

- a. January 1, 2007 - December 31, 2007 -- 3.0% increase in base salary and \$200 increase in clothing allowance;
- b. January 1, 2008 - December 31, 2008 -- 3.0% increase in base salary, roll-in holiday pay and clothing allowance;
- c. January 1, 2009 - December 31, 2009 -- 3.0% increase in base salary;

The following salary guide summarizes the Borough's alternate offer:

Rank	2006 Existing	Effective 1/1/07	Effective 1/1/08	Effective 1/1/09
Deputy Chief	95,089	97,942	106,286	109,475
Captain	89,879	92,575	100,503	103,518
Lieutenant	85,924	88,502	96,114	98,997
Sergeant	81,965	84,424	91,720	94,472
Senior Officer	77,296	79,615	86,538	89,134
Patrolman Step 7	68,616	70,674	76,904	79,211
Patrolman Step 6	63,295	65,194	70,999	73,129
Patrolman Step 5	55,952	57,631	62,850	64,736

Patrolman Step 4	49,492	50,977	55,680	57,350
Patrolman Step 3	43,798	45,112	49,360	50,841
Patrolman Step 2	38,769	39,932	43,778	45,091
Academy Step	34,309	35,338	38,828	39,993

2. Holiday Pay

All twelve (12) holidays will be rolled into the employees base salary effective January 1, 2008.

3. Clothing Allowance

Clothing allowance will be increased from \$550.00 to \$750.00 effective January 1, 2007 with the entire stipend rolled into the base pay effective January 1, 2008.

4. Longevity

- a. Longevity would be eliminated for all individuals hired after January 1, 2008.
- b. Longevity payments to all eligible persons shall be adjusted, on a semi-annual bases. i.e., January 1st and July 1st.

5. Payroll Distribution

Payroll would be distributed 26 weeks of the year in lieu of a 52 weeks schedule.

BACKGROUND

Cliffside Park is situated in southeastern Bergen County between Edgewater, Fairview, Ft. Lee, Ridgefield and municipalities in northern Hudson County. Because of its proximity to the George Washington Bridge, Lincoln Tunnel and major roadways, the Borough is subject to a significant amount of vehicular traffic. Though small, at approximately 1.0 square mile, it is densely populated with approximately 23,000 residents. At the time of hearing, there

were forty-seven (47) sworn personnel in the Department, including one (1) Chief, one (1) Captain, six (6) Lieutenants, thirteen (13) Sergeants and twenty-six (26) Patrolmen/Detectives. One employee retired during the proceeding reducing that number to forty-six (46). PBA Local No. 96 represents all regular members of the department excluding the Chief of Police and the Deputy Chief of Police. The rank of Deputy Chief was vacant at time of hearing. Based upon actual people in rank, the total bargaining unit base pay (assuming all patrolmen at top step), was \$3,680,664.

The Agreement does not specify a work schedule but states that "the current work schedule shall continue." Bargaining unit members currently work two different work schedules. Thirty (30) officers work on a "patrol chart" totaling 1,752 hours per work year and sixteen (16) officers work on an "administrative chart" totaling 1,992 hours per work year. Work performed beyond eight (8) hours in a day or on any scheduled time off is compensated at the time and one-half rate. Overtime is calculated on an employee's hourly rate. The hourly rate is based upon an officer's annual salary plus longevity divided by 2,080 hours.

Testimony was received from Sergeant Vicchio and Chief Keane concerning the operations of the Department. The operations were supplemented by the Department Annual Reports. Chief Keane's report emphasizes that the Borough encourages a strong community policing function. Sgt. Vicchio confirms this philosophy in his testimony:

We have a community policing unit, we have a community policing philosophy, but the unit will actually -- we have one officer in the unit who will actually go out and speak to Mrs. Jones about a problem she's having with a neighbor or whoever it may be. We have a block watch, captain's neighborhood watch programs where the community police officer actually brings all these captains in once a month and has a meeting at headquarters and informs them on what's going on and encourages them to encourage their people if you see a problem, don't wait, don't hesitate, call right away and let us look at it. It is great. They come down to the window, they say hello to you. It is more interaction. It is all positive.

In 2006, the Department generated 25,157 computer-aided dispatch calls, an upward volume from 23,844 in 2004 and 22,667 in 2007. Although calls were up, summons issued were 20,679 in 2006 as compared to 26,243 in 2004, and 21,965 in 2005. The Chief attributes the down numbers to good policing, the increase in calls for service that occupy time and the amount of mandated training that officers must attend that takes time away from regular duties. Staffing has been somewhat reduced. It stood at a level of 48 at the end of 2006 and this figure reached a high at 50 in prior years.

The Department has strong technological capability. It maintains a live scan fingerprint system, an evidence tracking system, mobile video recorders, up-to-date firearms, laptops, upgraded radar units, new breath testing instruments, a portable/towable light tower, automated external defibrillators and computers connected to the National Crime Information Center, the Bergen County Municipal Arrest Recording System, and the Automated Traffic System.

Financial support for these systems includes the utilization of money from confiscated funds, drunk driving enforcement funds and grants.

The Chief was described by Sergeant Vicchio as being "pro training." Officers receive Critical Incident School Training and receive mandated training in areas such as:

1. Firearms, Use of Force & Pursuits – twice a year, all armed personnel
2. "Racial Profiling"
3. ICS/NIMS (Incident Command)
4. WMD & HAZMAT – (Weapons of Mass Destruction & Hazardous Materials)
5. Terrorism Awareness
6. Domestic Violence
7. Bloodborne Pathogens
8. Right to Know
9. 911 Call Taker/Dispatcher
10. Alzheimer's Awareness
11. Active Shooter/School Shooter Training

The parties have different views of the Borough's financial abilities. The Borough points out that the income of Borough residents falls below the County and State averages and is less capable of paying salaries at the highest levels that exist within the County. It submits the following chart in support of this contention:

Money Income as of 1999

	Median Household Income	Median Family Income	Per Capita Income
Borough of Cliffside Park	\$46,288	\$54,915	\$28,516
County of Bergen	65,241	78,079	33,638
State of New Jersey	55,146	65,270	27,006

The Borough also addresses its unemployment rate showing that it is typically higher than the rate in Bergen County. It notes that its unemployment rate was 4.6% in 2004, 4.1% in 2005 and 4.5% in 2006 compared with the average in Bergen County of 4.2% in 2004, 3.7% in 2005 and 3.9% in 2006. The Borough also notes that its total tax levy has increased by 6.9%, 6.5% and 3% for the years 2005, 2006, 2007 respectively, with an increase in the municipal portion of the tax rate rising from 0.72 to 0.81 between 2004 and 2007. The Borough offers the testimony of its financial expert Dieter Lurch who testified to the respective costs of the parties' proposals and also the Borough's requirements to meet the appropriations and tax levy caps set forth in N.J.S.A.40A:4-45.3 and P.L. 2007, c.62.

The Borough seeks to preclude the PBA from presenting any financial data because it did not offer any testimony regarding the Borough's finances. However, based upon the official budget documents that are in evidence, the PBA presents the Borough as being stable and healthy. The PBA refers to the Borough's ratable base of \$2,431,374,603 in 2006 while having a relatively modest tax rate. This sum has increased from \$2,404,769,448 in 2005 and \$2,416,716,438. The PBA notes that the Borough has a tax collection rate slightly below 98%, a regeneration of surplus exceeding \$5 million, a decreasing portion of the total tax levy (34.4% to 31.6%), increasing property values, a low debt service and a large cash balance. Pointing to the 2006 budget, the PBA

observes that the amount of police salaries that were paid or charged in preceding years was \$484,825 less than the amount appropriated, as well as a \$170,000 amount reserved from prior year's operations. The PBA further contends that the budget cap and the tax levy cap should not come into play in this proceeding based upon the Borough's final offer which it computes as exceeding the cost of the PBA's proposals over the three year contract period that the Borough has proposed.

Based upon this general backdrop and overview, the parties offer the following arguments which I will present in summary rather than comprehensive fashion.

In support of its position, the PBA's main emphasis is that bargaining unit members are poorly compensated based upon compensation with comparable bargaining units elsewhere in the County. It submits the following chart based upon 2007 data.

**Bergen County Base Wage Compensation
of Top Step Personnel
Based on Evidence in Record**

Municipality	2007
Bergenfield	\$101,361
Bergen Prosecutor's Office Detectives	\$113,104
East Rutherford	\$96,744
Edgewater	\$92,970
Fairview	\$85,684
Garfield	\$93,466

Glen Rock	\$97,119
Hackensack	\$97,128
Hasbrouck Heights	\$99,480
Leonia	\$98,120
Lodi	\$97,060
Lyndhurst	\$94,994
Mahwah	\$102,521
Oakland	\$95,627
Ridgefield	\$100,313
Rutherford	\$99,639
Saddle Brook	\$98,283
South Hackensack	\$99,779
Teaneck	\$90,308
Wallington	\$94,173
Averages	\$93,080
Cliffside Park – 2006 Maximum	\$77,296
Cliffside Park 2006 maximum Compared to Average	(\$15,784) (20.4%)

In light of the above, and its assertion that the Borough is in excellent financial condition, the PBA contends that its proposal for 5% wage increases is reasonable and is also supported by average increases reached in the jurisdictions that it deems comparable as shown in the following chart:

Average Base Rate Changes Based on PBA Exhibits

	2007	2008	2009	2010
Bergenfield	4.75 (2.75/2)	4.75 (2.75/2)		
Bergen County Prosecutor's Office	4.78			
East Rutherford	5 (2/3)	5 (3/2)	5 (3/2)	
Edgewater	4	4		

Fairview	4	4	4	4
Garfield	4.2			
Glen Rock	4	4	4	4
Hackensack	4	4	4	
Leonia	4			
Lodi	4	4	4	
Lyndhurst	3.95	3.9		
Mahwah	5.54	5.6	5.92	4
Oakland	5.25	5.25	4.25	4.25
Ridgefield	3.95	3.95		
Rutherford	4.25 (2/2.25)			
Saddle Brook	4.5			
South Hackensack	4	4	4	
Teaneck	4			
Wallington	4	4		
Averages	4.296%	4.318%	4.352%	4.063%

The PBA seeks rejection of the Borough's proposal to create a single work schedule of 5-2, 5-2 followed by 5-3 resulting in 1,992 hours of work per year for all employees. This would require those who work a 1,752 hour work schedule to work the 1,992 hour work schedule. In its opposition to the Borough's proposal, the PBA raises the following questions and arguments:

How would they be used? How would they be deployed? What will be the impact on the public and specifically the level of services provided by such changes? What is the impact on the employee? What about the family's impact, child care, elder care, personal arrangements with spouses, etc.? These are fundamental considerations which, it is respectfully submitted, must be addressed as a condition precedent to any serious consideration of this type of change. The Employer offers no information with respect to how time off would be evaluated, holidays, accumulated

sick days, vacation days, furlough days, etc. These questions must be answered. An award of the Employer's position in this case would undoubtedly create chaos among the ranks. For example, vacations are usually picked early in the year. How would all these changes affect all of those pre-arrangements? Training schedules and other commitments for service must be accommodated. Would the schedules rotate or would they be fixed? Would the days of the week shift or would they be fixed? Would employees pick in some form of seniority or be ordered to work at certain points in time? What about overtime? How would it be allocated with respect to off duty and on duty overtime opportunities? What about deductions, payrolls, stipends and differentials? Each of these sub issues, and many more must be answered before one can seriously consider a Work Schedule.

The arbitrator is presented with little more than the Employer "taking a shot" at a benefit long enjoyed and long earned by these employees. There is no basis for an award and certainly too many questions left open for such a change as the Employer asserts.

On the subject of having earned a preferred work schedule, one must consider the history of the relationship between the parties in this case. As was established at hearing, this Work Schedule has been in place for many years. As was established by an analysis earlier in this Brief under the comparability criteria, the Cliffside Park Police Officers are not well paid and their benefits lag far behind all others. The offset has always been the Work Schedule. If one wants them to work forty-five (45) days more then forty-five (45) days is the number to bring them up to base salary equivalency with their peers. The evidence is in the record. If one seeks to overlook the advantageous work schedule and switch to a chart that has a significantly more time then benefits should also be brought up to the level of these Officers' peers. The shortfall in these many benefit programs have also been established in the record through evidentiary showings and in this Brief previously. Simply stated, the Employer wants both ends of the deal. The work schedule of many years duration and which has been protected in contract language over many years is the *quid pro quo* for the substandard pay and benefits. One cannot sell another his car and then after cashing the check go and ask for the car back. In order to even consider a shifting of work schedule such as the Employer is seeking then one would have to readjust the entire compensation program to bring said entire program up to equivalency, or at least competitive basis with the peer group established. Notably it was only the PBA in this case that established by testimony a creditable universe of comparison. The Employer effectively relied upon the

client base of its auditor. With due respect again, the PBA's selection of area and Bergen County towns should prevail in a comparison evaluation. The greater weight of evidence is entitled to the PBA.

In addition to the alleged salary disparity, the PBA presents additional data from which it argues that overall benefits currently being received fare poorly as well. These are alleged to include the absence of an educational incentive program, a low Detective differential, a low clothing allowance provision, the absence of a recall minimum, the absence of a senior officer differential, the absence of personal leave days and an annual holiday benefit of twelve (12) days compared to 13, 14 or 15 such days in the majority of municipal labor agreements in the County. The PBA also points out that the annual vacation benefit of 21 days at maximum falls below the average of 24.3 such days, in 22 municipal jurisdictions that it asserts are comparable to the Borough of Cliffside Park. These unfavorable comparisons are alleged to be an offset to the existing work schedule and annual work year that is currently in effect. For all of these reasons, the PBA urges the acceptance of 5% salary increases over four years to improve its comparability standing and the addition of two (2) paid holidays to the twelve (12) it currently receives. It then seeks that eight (8) of the fourteen (14) holidays be placed in base pay for all calculation purposes.

The Borough urges rejection of the PBA's proposals as being too costly and well above County averages. It notes that the offer calls for a 20% increase over five years, the fold-in of eight (8) of the twelve (12) holidays that are

currently designated and the addition of two (2) paid holidays and the maintenance of a hybrid work schedule. According to the Borough, an adoption of this proposal would be inconsistent with its budget requirements, the budget cap and the more recently enacted tax levy cap. It does not claim that the PBA proposal would compel it to exceed its lawful budget requirements but negatively impact on the remainder of its budgetary requirements. The Borough also notes that the PBA has rejected the Borough's proposal to equalize work schedules and work hours at 1,992 hours and demands a continuation of what the Borough calls a "dichotomous" work schedule that allows more than one third of the department to work only 1,752 hours. On this point, the Borough seeks to credit the testimony of Chief Keane that the move to a uniform work schedule would result in the Department running more efficiently and providing more services as a result of gaining approximately 4 officers in man hours. The Borough seeks to credit Chief Keane's testimony over that of Sgt. Vicchio who could not respond "yes" or "no" to a question as to whether the Department would run better or more efficiently if the Chief had another four or five officers to deploy.

The Borough acknowledges that its final offer contains alternative approaches. That is, its main proposal seeks to place all officers on the same work schedule while proposing substantial increases in pay due to the increase in hours from 1,752 per year to 1,992 per year for thirty (30) of the forty-seven (47) officers. This proposal would provide a 17.6% increase over three years to all officers including those whose work hours would not increase. Lieutenants,

Captains and Deputy Chiefs would receive 17.0%, a figure that had been arrived at through the rejected MOA. The Borough proposes an alternative final offer in the event that its proposal to equalize the work schedule is rejected. Its reasoning for the alternative is that because there would be no need for a major increase or adjustment to salaries without an increase in work hours. Under the alternative final offer, there would be a 9% increase over the three years. Under both final offers, the Borough proposes to roll in all twelve (12) holidays into base pay and to increase clothing allowance by \$200 effective January 1, 2007.

The Borough acknowledges that the base pay of its police officers does not compare favorably within the County or with most neighboring communities (with the exception of North Bergen) but attributes this to a work schedule which, for a majority of officers, falls 328 hours below a "normal" 2,080 work year. The Borough submits an analysis of top step police salaries that reflects that there would be a vast improvement in salary comparables between Cliffside Park and nearby municipalities resulting from the adoption of its salary proposal connected to the equalization of the work schedule. The Borough points to the testimony of Dieter Lurch, the Borough's financial expert, who undertook a cost analysis of the basis for the Borough's salary proposal that equalizes the work schedule. Lurch testified that the existing salary schedule is the same regardless of the number of hours that an officer works. Lurch testified that the Borough's offer of 9.6% to accompany the work schedule change was premised upon providing the reasonable equivalent of twenty-five (25) additional days of compensation for the

additional 240 hours of work that roughly two thirds of the Department would perform. The increase would be provided to everyone (except Lieutenants and Captains) who would receive 9%. As in the past, the revised salary schedule would apply to everyone but all would perform the same hours of work. Lurch testified that the comparability of the Borough's salaries within the County and surrounding communities would improve dramatically as a result of the change. He offered those calculations into the record. He also calculated the impact of including holiday pay into base salary and the substantial increase in longevity that a police officer would receive as a result of the significant salary increase and the roll-ins. For example, Lurch calculated that a police officer with twenty (20) years service who is at 15% longevity would receive an additional \$1,471 in longevity alone in addition to a higher overtime rate as a result of the substantial boost in base pay and the roll-ins.

The Borough submits that the PBA's salary proposals exceed the cost of living data and, without the hours adjustments the Borough proposes, these increases are unreasonable. It points out that the cumulative total of the CPI for New York-Northeastern area was 14.4% between 2004 and 2007 (2004 – 3.8%, 2005 – 2.6%, 2006 – 2.2% and 2007 – 3.7%) while the PBA has proposed 20%. The Borough points out that it has had to limit other municipal salary increases to 3.5% as a result of having to make a substantial salary offer to the PBA to unify the workforce.

The Borough contends that its last offer, along with the overall compensation and benefits that are currently being received by unit members has resulted in the continuity and stability in employment for its police officers. This stability would be furthered by a finding in favor of its last offer. In respect to overall compensation, the Borough notes that officers receive top step longevity of 15% after twenty (20) years, employer-paid medical, dental and eye care insurance, hospitalization insurance for retired officers and dependents, twenty-one (21) or thirty-one (31) paid vacation days, depending on whether the officer is a superior officer, full tuition reimbursement (at any state or county school), and twelve (12) paid holidays which the Borough has proposed to fold into base pay.

Additional issues that the Borough has proposed include the ability to make adjustments to longevity on a semi-annual basis, January 1st and July 1st, the elimination of longevity for new hires, and the right to distribute payroll during 26 weeks of the year instead of on a 52 week basis. The Borough contends that longevity is a benefit that is no longer necessary for new hires given the attractive salaries and benefits that it is willing to provide. The Borough relies upon Lurch's testimony that the adjustments of longevity payments on a semi-annual basis is simply designed for internal recordkeeping and is not designed to take away any monetary remuneration from any officer. He explained that the current system is to adjust longevity on the anniversary date of an officer. Referring to a hypothetical officer with a March 1 anniversary date, that officer would currently

get adjusted on March 1 but under the Borough's proposal the adjustment would actually take place on January 1, prior to the anniversary date. An officer with a hypothetical October anniversary date would have his longevity adjusted on the preceding July. Lurch also noted that the Borough is one of the few jurisdictions that make payroll payments on a weekly basis. Lurch testified that recordkeeping in the County office would be streamlined and more efficient by moving to a bi-weekly system which could more efficiently account for vacations, sickness, and other days that required accounting. In short, the Borough contends that it has proposed "an extremely attractive offer" that is fair and reasonable and should be adopted in this proceeding.

DISCUSSION

The Borough and the PBA have submitted substantial documentary evidence, testimony and oral and written argument in support of their last offers. The statute requires that I render an award that represents a reasonable determination of the disputed issues giving due weight to those factors set forth in N.J.S.A. 34:13A-16g(1) through (9) that I find relevant to the resolution of these negotiations. These factors, commonly called the statutory criteria, are as follows:

- (1) The interests and welfare of the public. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by (P.L. 1976, c. 68 (C. 40A:4-45.1 et seq.)).

(2) Comparison of the wages, salaries, hours, and conditions of employment of the employees involved in the arbitration proceedings with the wages, hours, and conditions of employment of other employees performing the same or similar services and with other employees generally:

(a) In private employment in general; provided, however, each party shall have the right to submit additional evidence for the arbitrator's consideration.

(b) In public employment in general; provided, however, each party shall have the right to submit additional evidence for the arbitrator's consideration.

(c) In public employment in the same or similar comparable jurisdictions, as determined in accordance with section 5 of P.L. 1995. c. 425 (C.34:13A-16.2) provided, however, each party shall have the right to submit additional evidence concerning the comparability of jurisdictions for the arbitrator's consideration.

(3) The overall compensation presently received by the employees, inclusive of direct wages, salary, vacations, holidays, excused leaves, insurance and pensions, medical and hospitalization benefits, and all other economic benefits received.

(4) Stipulations of the parties.

(5) The lawful authority of the employer. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by the P.L. 1976 c. 68 (C.40A:4-45 et seq).

(6) The financial impact on the governing unit, its residents and taxpayers. When considering this factor in a dispute in which the public employer is a county or a municipality, the arbitrator or panel of arbitrators shall take into account to the extent that evidence is introduced, how the award will affect the municipal or county purposes element, as the case may be, of the local property tax; a comparison of the percentage of the municipal purposes

element, or in the case of a county, the county purposes element, required to fund the employees' contract in the preceding local budget year with that required under the award for the current local budget year; the impact of the award for each income sector of the property taxpayers on the local unit; the impact of the award on the ability of the governing body to (a) maintain existing local programs and services, (b) expand existing local programs and services for which public moneys have been designated by the governing body in a proposed local budget, or (c) initiate any new programs and services for which public moneys have been designated by the governing body in its proposed local budget.

- (7) The cost of living.
- (8) The continuity and stability of employment including seniority rights and such other factors not confined to the foregoing which are ordinarily or traditionally considered in the determination of wages, hours and conditions of employment through collective negotiations and collective bargaining between the parties in the public service and in private employment.
- (9) Statutory restrictions imposed on the employer. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by section 10 of P.L. 2007, c 62 (C.40A:4-45.45).

In interest arbitration proceedings, the party seeking to modify existing terms and conditions of employment has a burden to prove that there is basis for its proposed change. I will apply that principle as part of my analysis to the issues in dispute. The burden to be met must be at a level beyond merely seeking change without demonstrated need or sufficient evidentiary support. Any decision to award or deny any individual issue in dispute will include consideration as to the reasonableness of that individual issue in relation to the

terms of the entire award. For this reason, there may be merit to awarding or denying a single issue if it were to stand alone, but a different result may be reached after assessing the merits of that issue within the context of the terms of an overall award.

The Borough and the PBA have taken different positions on the duration of the Agreement. The Borough proposes a three (3) year contract while the PBA proposes one that is four (4) years in length. The issues present in this case clearly require a contract of longer duration for the purpose of easing in their implementation including salary, work schedule and compensation adjustments as a result of fold-ins. Under all of the circumstances of this case, the contract duration proposed by the PBA is more reasonable and is awarded.

The central issue that must be decided in this proceeding is the Borough's proposal to unify the work schedule to one that is 5-2, 5-2 followed by 5-3 representing 1,992 hours of work for all employees. This would represent a change for two thirds of the department who currently work a 4-2, 4-2 followed by 4-3 representing 1,752 hours. This issue is significant and must be decided first for four main reasons. Any work schedule necessarily impacts upon the effectiveness, efficiency and operations of the police department. Any proposed change must be evaluated in that context. Secondly, the proposed change in the work schedule would directly and intimately impact upon the working conditions of two-thirds of this bargaining unit that would be affected by the change. It must

also be evaluated in that context. Third, an award that either modifies or maintains the existing work schedule would necessarily impact upon the levels of compensation and benefits to be awarded to unit employees. Those impacts involve costs and affect the Borough's finances. Fourth, I am required to consider the financial impact of the terms that would accompany either a maintenance of the status quo or one that awards a work schedule change that increases the hours of work.

The Borough and the PBA have each made forceful submissions on this complex issue. I have evaluated this issue in the context of governmental policy, departmental operations, work hour impacts on employees and financial impact on the Borough. I have also taken into consideration the PBA's contentions that present salary levels compare unfavorably with many municipal police officers employed in other jurisdictions, especially within the County. When these considerations are weighed and balanced in their totality, I am compelled to conclude that the Borough has met its burden to establish that its work schedule proposal represents a reasonable determination of that issue after applying the statutory criteria that I deem most relevant to the resolution of the dispute. I reach this conclusion for the following reasons.

The PBA has shown that top step maximum pay for the Borough's police officers is low when compared with most other municipal police departments that represent reasonable comparables to Cliffside Park. Any comparative analysis

must also take into consideration the number of hours presently being worked and the overall compensation and benefit levels beyond salary the existing Agreement provides for. While salaries may be comparatively low, other levels of attractiveness exist. For example, work hours are comparatively low, longevity pay tops out at 15% after twenty (20) years, retiree health benefits are provided as well as comprehensive medical, prescription and dental benefits without any employee contributions towards premiums.

It can be presumed that existing salary levels represent adjustments that have occurred over many years based upon certain built in considerations. In other words, Cliffside Park salary levels have been in relative balance with others over the course of time. There is no evidence that the level of comparability has undergone significant change because of a recent agreement or two. A reasonable inference can be drawn that one such consideration in the setting of salary levels has been the number of annual hours worked over the course of earning annual compensation. In Cliffside Park, the number of hours worked during a work year are low in comparison with others and especially with labor agreements that show higher levels of compensation. The PBA emphasizes the unfavorable comparisons on salary but, while seeking above average salary adjustments, it also seeks to maintain a status quo on the number of hours that two-thirds of the unit work annually. At 1,752, these hours are also comparatively low.

The simple fact is that the higher than average annual increase of 5%, even if found to be justified for the sake of argument, cannot satisfy the PBA's claim on the comparison issue. If unsuccessful, it would, more than likely, return to the bargaining table saddled with the same argument that its salary levels continue to be comparatively low. For example, a five (5%) percent increase in 2007, would leave the Borough \$15,583 below East Rutherford, \$11,809 below Edgewater, \$4,523 below Fairview and \$13,833 below Lyndhurst. It is apparent that a status quo in the low number of annual hours worked would also maintain a status quo on the relative levels of compensation received by unit members. This fact, standing alone, would not be a sufficient basis for awarding an increase in number of annual work hours. However, the desirability of boosting annual base pay does provide a foundation for review of the Borough's work schedule proposal because if there is merit to such a change, the revisions that would be needed to be made to the salary schedule to accommodate the increase in work hours would provide for greater balance in the comparability relationships that link annual compensation and annual hours worked, thereby raising the comparability of base pay. Without such change in annual hours of work, there is no merit to the PBA's claim for 5% increases because it is based primarily upon its comparability argument and minimizes the significance of the remaining statutory criteria.

The record reflects that the effectiveness, efficiency and operations of the police department would be enhanced by the adoption of a unified work schedule

that conforms to the one currently worked by seventeen (17) of the existing complement of forty-seven (47) officers. As previously stated, the department operates on a hybrid work schedule wherein approximately two-thirds of the department works 1,752 hours while the other third works 1,992. The record testimony describes the one schedule as 4-2, 4-3, 4-3 totaling 1,752 hours while the other is 5-2, 5-2, 5-3 representing 1,992 hours. The latter schedule also includes providing each officer with one furlough day per month.¹ Under the Borough's proposal, all officers would work the latter work schedule that includes the furlough days. Currently, all officers receive the same salary and are paid on one salary schedule regardless of the fact that one-third of the department works a greater number of hours. The Borough's salary proposal would continue the one salary schedule system but all would work the same number of hours. Chief Keane testified that the unified schedule would provide approximately four officers in man hours and that the department could run more efficiently and provide more services. PBA testimony does not rebut the Chief's testimony. Instead, the PBA focuses mainly upon either the potential negative impact that the new schedule would have upon officers currently working fewer hours and/or the inadequacy of the salary adjustments the Borough has proposed to accompany the work schedule.

After weighing and balancing the governmental policy implications of the proposed change with its impact upon officers affected by the change, I am

¹ This term of furlough should not be confused with the term associated with an intermittent layoff. Here, it is the return of a day as paid time off.

persuaded that the interests and the welfare of the public would be served by the implementation of the unified work schedule proposed by the Borough effective January 1, 2010. The proposal is awarded and shall be accompanied by the following economic terms which I deem to represent equitable adjustments that substantially increase each bargaining unit member's base pay.

It is obvious that the implementation of the unified work schedule will have an impact upon salary and other forms of compensation. The Borough's proposal recognizes that hours in relation to earnings is an economic issue. The levels of compensation and benefits to be awarded to unit employees must necessarily be substantially higher than if the existing work schedule were maintained. A single salary schedule must also be maintained. The salary issue must be decided in the context of the unified work schedule and the simple fact that the financial impact of the economic portions of the award will be significantly higher because of the increases in the hours of work. There is, of course, an offset of an undetermined amount due to the fact that the increase in hours could include hours that the Borough could have been required to assign to officers on an overtime basis in the absence of a work schedule change. Such alternative is not feasible and would also deny officers the significant increase in pensionable base pay achieved by a unified work schedule.

In the absence of the work schedule change, the Borough has offered 3% annual increases in comparison to the PBA's final offer of 5% increases. The

Borough has proposed 4% annual increases during the contract years not impacted by the work schedule change if the work schedule change were to be awarded. Notwithstanding the PBA's proposal for higher annual increases, I find the Borough's proposal to award 4% increases during the non-change years to be fair, reasonable and in harmony with all of the relevant statutory criteria. These increases are above the cost of living, the budget cap, consistent with the tax levy cap and reasonably consistent with adjustments to salary that have been made in a substantial number of Bergen County communities. Although the PBA contends that higher wage increases are necessary due to comparability, I find little merit in that argument during these years where the level of annual work hours remain below those that are worked in most of the municipalities that have been offered as comparables. Accordingly, I award increases of 4% effective and retroactive to January 1, 2007, January 1, 2008 and January 1, 2009. This will result in the following salary schedule for those years:

Rank	2007	2008	2009
Deputy Chief	\$98,893	\$102,848	\$106,962
Captain	\$93,474	\$97,213	\$101,102
Lieutenant	\$89,361	\$92,935	\$96,653
Sergeant	\$85,244	\$88,653	\$92,199
Senior Officer	\$80,388	\$83,603	\$86,947
Patrolman Step 7	\$71,361	\$74,215	\$77,184
Patrolman Step 6	\$65,827	\$68,460	\$71,198
Patrolman Step 5	\$58,190	\$60,518	\$62,938
Patrolman Step 4	\$51,472	\$53,531	\$55,672
Patrolman Step 3	\$45,550	\$47,372	\$49,267
Patrolman Step 2	\$40,320	\$41,933	\$43,610
Academy Step	\$35,681	\$37,109	\$38,593

The Borough recognizes that levels of base pay must be substantially adjusted at the time that a work schedule change is implemented. The PBA,

while urging rejection of the proposal, does not disagree with this concept or its methodology. But in its cross-examination of the Borough's financial witness, the PBA strongly implies that the Borough's proposals for salary adjustments to accompany the work schedule change are inadequate. Most of that questioning appears to be based upon the fact that the Borough's proposal does not provide for a dollar for dollar increase in the "salary to additional hours worked equation" for those officers whose hours have been increased from 1,752 to 1,992. The PBA's rationale would have more appeal if this were a case where an employer sought an increase in work hours for all unit members or if those working less hours also received less pay than those working more. However, there was one salary schedule under the hybrid work schedule and there must continue to be one salary schedule after the implementation of the unified work schedule. Under the hybrid work schedule, officers working the 1,752 hour work schedule were compensated on the same salary schedule as those officers working the 1,992 hour work schedule. When, in the past, the salary schedule was adjusted under the hybrid work schedule, the increases were across-the-board regardless of which work schedule an officer worked. This did not reflect an inequity to those working more hours but instead reflected the reality that there should be common treatment for all police officers in the department irrespective of their work schedule. Thus, affected officers will participate in the furlough day program that exists for those officers working the 1,992 hour work schedule. The adjustments that must be made to compensation under the unified work schedule must also reflect the same common treatment and the same recognition of pay

comparability within the department. That treatment involves a lifting of the compensation levels for all police officers as a result of the increase in work hours for some despite the fact that there will be no increase in work hours for others. This cannot be said to constitute an inequity for those officers whose work hours have been increased because they are entitled to a substantial wage adjustment for the increase in work hours so long as the final result maintains a single salary schedule for all. In more clear terms, the cost to the Borough must be spread over the entire department and not just to those whose work schedules have been changed and the adjustment must be both equitable and reasonable in light of budgetary impact. All officers will also participate in the enhancements to base pay that I have awarded beyond the wage adjustments that will provide for substantially improved base pay that will raise base pay for all officers to a significantly higher level in relation to the departments that are comparable to Cliffside Park. This result would not be otherwise justifiable absent the awarding of the unified work schedule. Accordingly, I award the following terms concerning salary and benefits that will accompany the January 1, 2010 effective date of the work schedule change.

As previously set forth, the PBA's comparability arguments and the requirement that equitable adjustments be made to base pay to accompany the work schedule change support the awarding of significant increases in base pay. One such change shall be to adjust pay on January 1, 2010 by the dollars currently paid officers for uniforms in the amount of \$750. The record supports

this enhancement at the cost of removing the uniform allowance benefit going forward. In simple terms, this compensation amount will more effectively be spent towards the goal of base pay improvement.

The Borough's proposal to fold in all twelve contractual holidays into each employee's base salary will also assist in the reaching of this goal. I award this change effective January 1, 2010. I deny the PBA's request for an additional two paid holidays given the cost impacts associated with the roll-in of the holidays. These include additional pension payments incurred by the Borough. In addition, there are roll-up costs linked to the increase in base salary including an increase in the hourly rate for overtime purposes and increased longevity.

Under the existing system in Article VIII, the twelve (12) holidays were either to be taken in time or in non-base compensation if not used. The calculation was not directly tied to the number of hours that were actually worked on the work schedule. The amount of holiday pay was determined by taking an officer's base pay plus his longevity, dividing by 2,080 hours, multiplying by eight (8) hours in order to reach a per diem.² If, by way of example, six (6) days were taken in time, the officer would receive, in non-base pay, an annual check for the six unused days times the per diem. Because all twelve (12) days will be folded into base pay and the salary schedule for all calculation purposes including longevity, and within the same salary schedule effective January 1, 2010, the

² The parties have expressly, in Article IV(B), agreed to compute an employee's hourly rate of pay on the basis of 2,080 hours.

value of the fold-in for the holidays shall be calculated based upon the officer's base pay as determined by the salary schedule in existence as of January 1, 2010 prior to the across-the-board adjustments to the salary schedule and after the \$750 adjustment to base pay referenced above. In sum, the value of each holiday shall be determined by taking an officer's base pay at the end of the contract year 2009, adding \$750, dividing by 2,080 hours and multiplying by eight (8). The salary increase for January 1, 2010 shall be calculated off of this new base. The longevity component of the holiday will continue to be honored by the impact of the overall increase in the base pay resulting from the fold-ins and the across-the-board increase in the salary schedule.

After these adjustments to base pay, I award an across-the-board increase of 9.81% to each step of the salary schedule, applicable to rank and file and superior officers, effective January 1, 2010. This increase shall be inclusive of all of the considerations that are relevant when arriving at an overall salary schedule inclusive of a normal annual wage adjustment as well as equitable increases associated with the change of additional hours in relation to annual earnings. As mentioned above, I have eschewed a simple cents on the dollar formula for that change in favor of a substantial and equitable distribution of additional compensation to be received by all unit employees in order to maintain a single salary schedule for all unit employees. Under the terms awarded, the top step patrol officer's salary shall increase from \$77,296 in 2006 to \$100,744 in

2010. For the purpose of showing the calculations used in constructing the new salary schedule, I have included the methodology as follows:

Rank	2007 4.0%	2008 4.0%	2009 4.0%	+ \$750	+ H.P. Amount	New Base	2010 9.81%
Deputy Chief	\$98,893	\$102,848	\$106,962	\$107,712	\$4,971	\$112,629	\$123,678
Captain	\$93,474	\$97,213	\$101,102	\$101,852	\$4,700	\$106,552	\$117,004
Lieutenant	\$89,361	\$92,935	\$96,653	\$97,403	\$4,495	\$101,898	\$111,894
Sergeant	\$85,244	\$88,653	\$92,199	\$92,949	\$4,289	\$97,238	\$106,777
Senior Officer	\$80,368	\$83,603	\$86,947	\$87,697	\$4,047	\$91,744	\$100,744
Patrolman Step 7	\$71,381	\$74,215	\$77,184	\$77,934	\$3,572	\$81,506	\$89,502
Patrolman Step 6	\$65,827	\$68,460	\$71,198	\$71,948	\$3,320	\$75,268	\$82,662
Patrolman Step 5	\$58,190	\$60,518	\$62,938	\$63,688	\$2,939	\$66,627	\$73,163
Patrolman Step 4	\$51,472	\$53,531	\$55,672	\$56,422	\$2,804	\$59,026	\$64,816
Patrolman Step 3	\$45,550	\$47,372	\$49,267	\$50,017	\$2,308	\$52,325	\$57,458
Patrolman Step 2	\$40,320	\$41,933	\$43,610	\$44,360	\$2,047	\$46,407	\$50,980
Academy Step	\$35,681	\$37,109	\$38,593	\$39,343	\$1,815	\$41,158	\$45,196

I next turn to the remaining issues in dispute. The Borough has proposed two changes to the existing longevity program set forth in Section XI of the Agreement. The first is to adjust the timing of longevity payments to a semi-annual basis rather than on an eligible officer's anniversary date. Instead of adjusting the amount of longevity received on the officer's anniversary date, the adjustment would occur on either the January 1 or July 1 date that would precede the anniversary date. I rely on Lurch's testimony that internal recordkeeping would be more convenient and that the proposed change is not designed to take away any monetary remuneration from any officer as evidenced by the hypotheticals offered in his testimony.

The second element of the Township's longevity proposal is to eliminate longevity for new hires. I have thoroughly reviewed the arguments offered in favor of this proposal as well as those offered in support of its rejection. While the Borough has offered persuasive support for some modification of this benefit, the removal of the longevity benefit for new hires is not warranted at this time given a comparison of overall compensation and benefit levels that currently exist with the majority of appropriate comparisons contained in the record of this proceeding. A modification that stretches the existing longevity schedule over the course of an officer's career over a period of twenty-five (25) years rather than twenty (20) years for new hires will maintain the existing schedule but will provide some cost relief to the Borough as evidence by the following comparison:

Existing		New Hires After July 14, 2009	
Completion of 4 years	3%	Completion of 5 years	3%
Completion of 8 years	6%	Completion of 10 years	6%
Completion of 12 years	9%	Completion of 15 years	9%
Completion of 16 years	12%	Completion of 20 years	12%
Completion of 20 years	15%	Completion of 25 years	15%

Accordingly, I award the longevity payments for all eligible officers to be adjusted on January 1 and July 1 of each year commencing on January 1, 2010. I also award the modified longevity schedule as described above, for new hires, effective on the date of this award.

The Borough has proposed to distribute payroll during twenty-six (26) weeks of the year instead of the current practice where such payroll is distributed during each week of the fifty-two (52) week year. The Borough provides

convincing support for its argument that the change it proposes is commonplace among the vast majority of governmental jurisdictions. Lurch's testimony that this modification to twenty-six (26) pay periods for all Borough employees will provide administrative convenience and cost effectiveness without any evidence of detrimental impact whatsoever on bargaining unit employees. This proposal is awarded during any future pay period that is administratively feasible for the Borough but with at least thirty (30) days formal notice to the PBA.

The terms of the award as set forth above, represent, in my judgment, a reasonable determination of the issues. The interests and welfare of the public will be served by the implementation of a unified work schedule and the wage adjustments that will provide consistency and uniformity in the amount of compensation received for the amount of annual hours that are worked. The wage adjustments are substantial but are justifiable given the significant increase in work hours that the department will receive on a straight time basis without the costs incurred by overtime or by additional staffing. The wage adjustments will also significantly enhance the police department's wage structure in comparison with surrounding communities and within Bergen County as a whole.

The record clearly reflects that the total net economic costs fall within the Borough's lawful authority with respect to statutory spending and taxing limitations and can be borne without adverse financial impact to the governing body, its residents and taxpayers. In this regard I rely upon the Borough's

estimated costs of wage increases under its proposal, its alternative proposal and the PBA's proposal. The costs of the award, as understood by the Borough, while substantially above its alternative offer without a unified work schedule, are generally consistent with the impact caused by the increase in work hours. The financial evidence including the level and increases in the Results of Operations, increased fund balances, tax collection rates and reserve balances in the police salary and wage line items support the finding that an award can be funded within the financial criteria required by the relevant statutes.

The record does not reflect instability in employment within the department. The more attractive compensation scheme that has been awarded will maintain the continuity and stability of employment within the department. Given the increase in annual work hours accompanied by the base pay enhancements and salary adjustments to the salary schedule, the overall level of compensation and benefits has been addressed in a commensurate manner. The cost of living is a less relevant factor due to the restructuring of the annual work hours and the necessary wage adjustments that must accompany an increase in earnings in relation to hours.

Based upon all of the above, I respectfully enter the following terms of the award.

AWARD

1. All proposals by the Borough and the PBA not awarded herein are denied and dismissed. All provisions of the existing agreement shall be carried forward except for those modified by the terms of this Award.

2. **Duration**

There shall be a four-year agreement effective January 1, 2007 through December 31, 2010.

3. **Work Schedule**

Department members whose work schedule is currently established at 4/2, 4/2, 4/3 (or 1,752 hours per year) will be increased to a 5/2, 5/2, 5/3 work schedule (or 1,992 hours per year) effective January 1, 2010. Department members presently working a forty (40) hour week with one (1) floating day per month will continue to work the same schedule (1,992 hours per year).

4. **Uniform Allowance**

Effective January 1, 2007, the clothing allowance shall be increased from \$550 to \$750. Effective January 1, 2010, Section VII.A shall be deleted. Effective January 1, 2010, Section VII.B shall remain with the exception of the second sentence of this section which shall be deleted.

5. **Holiday Pay**

All twelve (12) contractual holidays shall be folded into the employee's base salary effective January 1, 2010 after the inclusion of the \$750 to each step of the salary schedule and prior to the January 1, 2010 salary increase. Section VIII shall eliminate reference to Section A and Section B and be replaced by language indicating that holiday pay in the amount of twelve (12) days has been incorporated into the salary schedule for all calculation purposes effective January 1, 2010 to accompany the unified work schedule.

6. **Longevity**

A. Longevity payments to all eligible persons, shall be adjusted on a semi-annual basis, i.e., January 1st and July 1st, effective January 1, 2010.

- B. Article XI – the existing language in Article XI shall be carried forward. Additional language shall be added stating that:

All members of the Police Department hired after July 14, 2009 shall receive (3%) percent of their base salary as a longevity payment upon the completion of a five year period, until they reach a maximum percentage of fifteen (15%) of their base salary which shall become due upon completion of twenty-five (25) years continuous service.

7. Payroll Distribution

Effective during any future pay period that is administratively feasible for the Borough, the payroll shall be distributed 26 weeks of the year in lieu of a 52 week schedule. Any such change must be with at least thirty (30) days formal notice to the PBA.

8. Salary

All increases shall be effective and retroactive to their effective dates and shall be applicable to those presently employed and those who were employed or on payroll on each effective date or who have retired on ordinary or disability pension prior to the date of the Award

Effective and retroactive to January 1, 2007, January 1, 2008, and January 1, 2009, each step of the salary schedule shall be adjusted by a 4.0% salary increase. During these years, the salary schedule shall be as follows:

Rank	2007	2008	2009
Deputy Chief	\$98,893	\$102,848	\$106,962
Captain	\$93,474	\$97,213	\$101,102
Lieutenant	\$89,361	\$92,935	\$96,653
Sergeant	\$85,244	\$88,653	\$92,199
Senior Officer	\$80,388	\$83,603	\$86,947
Patrolman Step 7	\$71,361	\$74,215	\$77,184
Patrolman Step 6	\$65,827	\$68,460	\$71,198
Patrolman Step 5	\$58,190	\$60,518	\$62,938
Patrolman Step 4	\$51,472	\$53,531	\$55,672
Patrolman Step 3	\$45,550	\$47,372	\$49,267
Patrolman Step 2	\$40,320	\$41,933	\$43,610
Academy Step	\$35,681	\$37,109	\$38,593

Effective January 1, 2010, each step of the salary schedule shall be adjusted by a 9.81% increase as a result of the fold-ins and unified salary schedule:

Rank	2010
Deputy Chief	\$123,678
Captain	\$117,004
Lieutenant	\$111,894
Sergeant	\$106,777
Senior Officer	\$100,744
Patrolman Step 7	\$89,502
Patrolman Step 6	\$82,652
Patrolman Step 5	\$73,163
Patrolman Step 4	\$64,816
Patrolman Step 3	\$57,468
Patrolman Step 2	\$50,980
Academy Step	\$45,196

Dated: July 14, 2009
Sea Girt, New Jersey

/S/
James W. Mastriani

State of New Jersey }
County of Monmouth }ss:

On this 14th day of July, 2009, before me personally came and appeared James W. Mastriani to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed same.

/S/
Gretchen L. Boone
Notary Public of New Jersey
Commission Expires 4/30/2013