

**NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION**

In the Matter of Interest Arbitration Between:

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**SOUTH ORANGE VILLAGE**

"Public Employer"

and

**SOUTH ORANGE PBA LOCAL 12 and  
PBA LOCAL 12A (Superior)**

"Union"

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**INTEREST ARBITRATION  
DECISION AND  
AWARD**

Docket Nos. IA-2008-044 and IA-2008-045

**Before  
James W. Mastriani  
Arbitrator**

Appearances:

**For the Village:**

Steven C. Rother, Esq.  
Post Polak Goodsell

**For the PBA:**

Richard Loccke, Esq.  
Loccke, Correia, Schlager,

The Borough of South Orange Village [the "Village"] and PBA Local 12 [ "PBA Local 12"] reached an impasse in negotiations resulting in the PBA's filing a petition to initiate compulsory interest arbitration. A similar petition was filed by superior officers who are represented by PBA Local 12A ["PBA Local 12A"].<sup>1</sup> I was designated to serve as interest arbitrator in both matters. The petitions before me were not formally consolidated. However, the Village and the PBA units recognized that the goals of economy and efficiency would be met by receiving evidence that was common to each negotiating unit during the course of the hearings without having to independently resubmit documentary or testimonial evidence in duplicate fashion. It was also agreed that a single decision would issue covering both units.

I conducted informal mediation sessions with all parties but, despite their good faith efforts, voluntary agreements could not be reached. Thereafter, formal interest arbitration hearings were held. At the hearings, the parties argued orally, examined and cross-examined witnesses and submitted voluminous documentary evidence into the record. Testimony was received from Noreen P. White, Co-President, Acacia Financial Group, Charles Fay, Professor Human Resource Management, School of Management and Labor Relations, Rutgers University, John Gross, Village Administrator and Chief Financial Officer and Detective Steven Davenport. Transcripts of the proceeding were taken. Post-

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<sup>1</sup> The employee organizations will be referred to collectively as the PBA unless a specific designation is required.

hearing briefs were received and transmitted to the parties on or about May 15, 2009. Absent an agreement to utilize an alternative terminal procedure, the mandatory procedure of conventional arbitration was utilized.

As required by statute, each party submitted a last offer on the disputed issues. The respective offers are as follows:

### **FINAL OFFERS OF THE PARTIES**

#### **PBA Local 12 and PBA Local 12A (Superiors)**

1. Contract Term – Four (4) Years
2. General across-the-board wage increase of five (5%) percent at each rank, step and position covered by the contracts.
3. The PBA proposes a two hundred dollar (\$200.00) increase in the Detective Allowance at each level and to have said amount folded-in to the persons in the Bureau's Base Pay.
4. Field Training Officer – The PBA proposes that persons designated as Field Training Officers be provided with two (2) hours of Compensatory Time for each Field Training Officer Day of Service.
5. Article VI, Hours of Work – The PBA proposes the inclusion of the current work schedule be added to the Contract.
6. Overtime – The Associations propose that Range Days, which are scheduled on time off, shall result in overtime compensation for said duty.
7. Article XLI, Death in Family – The Associations propose a modification in Line 2 so as to provide that the four (4) work days be the “next four (4) consecutive days of work on the work schedule.”

8. Article XV, Vacations – The Associations propose that vacation calculations be converted to hours.
9. Article XVI, Holidays – The PBA proposes two (2) additional holidays be added to the benefit and further be folded-in as are other holidays.
10. Article XVII, Clothing Allowance – The Associations propose a one hundred dollar (\$100.00) increase in the clothing allowance in each contract year. The Associations further propose that said clothing allowance be rolled into base pay.
11. Article XXVII, Sick Leave – The Associations propose the creation of a Sick Leave Non-Use Incentive which would provide one (1) additional personal day for each three (3) months of consecutive service without use of a sick day. The use of the personal days would be the same as those currently in existence.
12. The Associations propose the addition of a “Critical Event Release Time” provision.
13. Article VI, Hours of Work – The Associations request that the following language be added to the contract to cover On-Call Compensation:

No employee shall be required to be on stand-by status unless such employee is compensated during the period of such stand-by status in accordance with the terms and provisions of this section. Police Detectives shall continue to perform weekend stand-by in the past and shall be compensated consistent with the section. Employees on stand-by status shall receive stand-by pay for performance of stand-by duties as follows:

- A. Two hundred ninety dollars (\$290.00) per weekend.
- B. Payment of three (3) day holiday weekends shall be at the rate of four hundred thirty-five dollars (\$435.00).

#### **Township of South Orange Village**

1. Contract Term – Four (4) Years

2. The Township proposes a two and one-half (2.5%) percent increase
3. The Township opposes any increase in the detective allowance.
4. The Township opposes Compensatory Time for Training Officers.
5. The Township opposes inclusion of the Work Schedule in the Contract.
6. The Township opposes overtime compensation for Range Days.
7. The Township opposes modification of the provision for Death in the Family Leave.
8. The Township does not oppose conversion of vacation calculations from days to hours, provided no greater benefit is thereby conferred.
9. The Township opposes the addition of holidays.
10. The Township opposes an increase in the clothing allowance.
11. The Township opposes a Sick Leave Non-Use Incentive.
12. The Township opposes the proposed Critical Event Release Time provision. Such is the present management practice, as administered by the Chief of Police, and is not required for inclusion in the contract.
13. The Township opposes stand-by or on-call compensation.
14. Health Insurance Premiums
- A. Existing Employees

Annual Pensionable Pay Ranges	Employees with Annual Pensionable Pay <\$50,000 Range 1	Employees with Annual Pensionable Pay \$50,000 to \$63,000 Range 2	Employees with Annual Pensionable Pay \$63,000 to \$80,000 Range 3	Employees with Annual Pensionable Pay \$80,000 to \$90,000 Range 4	Employees with Annual Pensionable Pay \$90,000 Range 5
Employee Coverage Co-Insurance	2%	4%	6%	8%	10%
Dependent Coverage Co-Insurance	6%	10%	14%	16%	20%

B. New employee coverage co-insurance (hired after December 31, 2007)

- Employee coverage 15%
- Dependent coverage 25%

### **BACKGROUND**

The Township of South Orange Village is located in Essex County. It is populated by approximately 17,000 residents who live within 2.7 square miles. Within its boundaries are a central business district, a railroad heavily utilized by commuters and Seton Hall University. The bargaining unit consists of thirty-five (35) rank and file Police Officers (represented by PBA Local No. 12), nine (9) Sergeants and seven (7) Lieutenants (represented by PBA Local No. 12A). At time of hearing, the gross base salary for the fifty-one officers amounted to \$4,196,280.

The Village and the PBA each presented testimony providing for a profile of the community and the activities of the police department. This testimony was

received from PBA witness Detective Steven Davenport and Village witness John Gross, Village Administrator and Chief Financial Officer.

PBA testimony offers a view that the police department is exceptionally productive and one that offers comprehensive services to the residents, the many commercial entities, Seton Hall University and its thousands of students and the many people who utilize the mass transit facilities that lay within the Village. Detective Davenport testified to the department having received 24,291 calls for service in 2008 compared to 11,681 calls for service in 1979. Uniform crime report statistics show that, out of twenty-two (22) Essex County municipalities, the Village ranks twelfth in non-violent crimes, tenth in aggravated assault and sixth in the violent crime rate per 1,000 residents. Noting that urban municipalities such as East Orange, Irvington and Newark are within the County, the PBA asserts that the ranking of the Village in these crime rate categories rises significantly when compared to other Essex County municipalities. Detective Davenport testified that the campus security department of Seton Hall University relies heavily on the Village's police department which is located less than one-half mile from the campus. Detective Davenport also testified concerning the impact on the department of having direct rail service to New York City through two rail stations with the Village. Police officers, among other things, regulate traffic flow, the parking lots and handle a variety of calls arising from the mass transit facilities. One transit lot also houses the South Orange

Performing Arts Center which, according to the testimony, results in many calls for service, including accidents and car thefts.

The PBA also submits that the Village has been engaged in fostering new development and redevelopment that will affect the work of the police department. It details this revitalization activity contained in the Village's "Smart Growth Plan." The PBA points to the description of this planned growth in Village documents. One such reference is to a commencement of the revitalization project designated as the "Transit Village" which has received government financing:

The process officially began when the Village received grants from the New Jersey Department of Community Affairs (DCA) and the Association of New Jersey Environmental Commissions (ANJEC) in June of 2005. The Village created an ad-hoc Smart Growth Plan Committee comprised of residents and individuals representing the Village Board of Trustees, Village residents, the Planning Board, the Environmental Commission, and Village staff. The Smart Growth Plan Committee was in charge of directing the Smart Growth Plan process.

The PBA further sets forth the description and purpose of the Plan:

With its compact mixed-use development, its walkable and attractive neighborhoods and town center, the variety of transportation options including excellent mass transit accessibility, and its wide range of housing choice and opportunities. South Orange has been widely identified as an example of Smart Growth. South Orange exhibits all of the above Smart Growth characteristics to one degree or another. In fact, many of these characteristics help define South Orange in many people's minds. The fact that South Orange exhibits these characteristics led the Village to be one of the first communities in New Jersey to be designated a "Transit Village," as well as a "Main Street New



Jersey” community. The Village was one of the original five Transit Villages (designated in 1999), a designation the NJ Department of Transportation grants municipalities that demonstrate a commitment to revitalizing and redeveloping the area around its transit facility into a compact, mixed-use neighborhood with a strong residential component. ...

South Orange has undertaken an aggressive revitalization of its downtown. Such efforts have included significant redevelopment projects, including redevelopment of the train station area, as well as a number of transit-oriented residential projects near the train station. The South Orange Performing Arts Center (which involves a live theatre and five movie theaters next to the train station) opened in November 2006. Several mixed-use projects in the downtown area have obtained approvals and are expected to be developed within the next few years. Accompanying these redevelopment efforts, South Orange has rebuilt and revitalized its town center to make it more pedestrian friendly by providing wider, brick-paved sidewalks, additional crosswalks, better lighting, additional public safety officers and several façade initiatives that make the downtown more aesthetically pleasing. Additional efforts include the preparation of a new Village-wide Bicycle and Pedestrian Circulation Plan, preparation of a new Village-wide Recreation and Open Space Plan, and the planned restoration of the East Branch of the Rahway River. All of these efforts seek to capitalize and/or reinforce the Village’s revitalization efforts.

PBA testimony also outlined changes relating to productivity that have been made within the police department since the beginning of the prior labor agreement. These include the addition of defibrillators and mobile data terminals in patrol cars, a mobile command unit, a traffic control radar trailer, portable radios to improve response time, a bicycle squad, an Active Shooter Program to protect school children, school resource officers, the assignment of a detective to two schools on a full-time basis, and activities relating to homeland security.

The PBA testified proudly to sponsoring a South Orange Junior Police Academy which provides a one week program to junior high school students who are trained in the mission of law enforcement. Testimony also described additional activities that are rendered by the department to the community as a whole reflecting the positive integration of the department in the Village.

According to the PBA, the interests and welfare of the public have been served by the police department which has engaged in increased productivity despite there being the same or less number of police officers that existed some thirty years ago. Testimony and documents reflect the staffing levels and the increasing volume of calls over the years that support the PBA's conclusion. As a result, the PBA submits that the residents and taxpayers of the Village receive an "exceptional bargain for their tax dollar."

The PBA asserts that the evidence it has submitted on salary and benefit comparability supports its proposals over the Village's. The PBA rejects the Village's comparisons that concern non-law enforcement employees or private employees. The PBA stresses that police officers have obligations both on and off duty that they must be prepared to act at all times, even beyond the boundaries of the Village and that they are also authorized to be armed when off duty. It submits that the inherent dangers in performing police work distinguishes law enforcement from non-law enforcement work. In addition to these responsibilities, the PBA points to special skills, training and qualifications

necessary to perform as a police officer in contrast to other public and private employees. These include firearm qualifications, adherence to training schedules set by the Police Training Commission and access to personal and private information.

The PBA offers comparisons of salaries and compensation related benefits between the Village and other municipalities. These comparisons include Roseland, Cedar Grove, Essex Fells, Fairfield, Belleville, East Rutherford, Garfield, Hasbrouck Heights, Lyndhurst, Parsippany, Passaic, Teaneck, Totowa and Wayne. From these, the PBA concludes that a South Orange police officer earns more than \$10,000 less than the average top step base pay in those municipalities. The PBA goes on to compare top step base pay rates within the Village to eight municipalities submitted by the Village. These include Mahwah, Morristown, North Arlington, Point Pleasant Beach, River Edge, Spotswood, Wayne and Bloomfield. While noting that the Village has used a comparison of 2008 figures compared to the 2007 base in South Orange, the PBA nevertheless concludes that the average difference in salary in these municipalities amounts to over \$14,000. The PBA points out that the number of steps to reach maximum pay in the Village is seven (7) compared to an average of 6.4 steps for various municipalities that the PBA submits for comparison purposes. The PBA offers data on base rate increases for law enforcement units in various municipalities based upon contracts it has submitted into evidence that reflect annual increases at levels averaging slightly above 4% for 2008 through

2011. While recognizing that its proposal for 5% annual increases exceeds these claimed comparable increases, the PBA claims that such proposed increases are necessary to rectify gross shortfalls in compensation in South Orange. In further support of its position, the PBA points out that the base rate changes of contracts submitted by the Village also show similar results to what is shown in the PBA comparables.

The PBA urges rejection of the Village's health insurance proposal. It alleges that the current benefit plan in South Orange "is already the worst of all in evidence." It emphasizes that there is no retiree medical provision for police officers employed by the Village. The PBA submits comparisons among twenty municipalities in support of its position. In this respect, the PBA's analysis of the Township's health insurance proposal differs significantly from the analysis offered by the Village. The PBA also rebuts the Village's claims concerning the escalating costs of health insurance. It submits:

Of particular concern is the Employer's attempt to defray the costs of insurance to bargaining unit members. To support this type of assertion all the Employer brings to the table is the fact that costs are going up. The employee organizations have no reason to doubt that costs are going up in many types of insurance globally, however, the proofs in this case do not support the Employer's contention. The documents in evidence do not support the Employer position.

The 2008 Municipal Budget, in evidence, at Sheet 14, the Appropriations page, has a category identified as "Insurance" with a sub-line "Employee Group Benefits." The amount actually expended, paid or charged, in 2007 was Two Million Three Hundred Eighty-Three Thousand Five Hundred Three Dollars (\$2,383,503.00). The amount appropriated for 2008 was Two

Million One Hundred Eighty-Seven Thousand Eight Hundred Ninety-Four Dollars (\$2,187,894.00). This is a Three Hundred Sixty-Four Thousand Six Hundred Nine Dollars (\$364,609.00) reduction in cost anticipation from 2007 to 2008. The insurance cost less. In 2007, the Village had anticipated over \$2.4 million in cost which actually resulted in an amount paid or charged of only 2.383 Million. So in 2007, South Orange spent less than it anticipated. Once again, for 2008 they reduced the anticipation by Three Hundred Sixty-Four Thousand Six Hundred Nine Dollars (\$364,609.00). Where is the cost increase they are complaining of? Further, the Annual Financial Statement for the year 2007 (P-21) at P-20 has a list of "Miscellaneous Revenues Not Anticipated." These are monies that were not calculated to be received when the Budget for 2007 was established. Identified are reimbursements from the Joint Insurance Fund of Fourteen Thousand Three Hundred Ninety-Two Dollars (\$14,392.00). While this is certainly not a large additional reimbursement, it is more money received under the category of Insurance Reimbursements. Where is the justification for an increase?

The PBA contends that all of its proposals can be awarded without adverse financial impact on the Village and within the Village's statutory limitations on its budget or taxing abilities. The PBA paints a strong fiscal picture of the Village. It points out that the Village has an aggregate true value ratable base of over \$2.8 billion, one of the highest in Essex County. While having a substantial ratable base, the PBA asserts that it is matched by a relatively low effective tax rate. The PBA notes that the effective tax rate in 2008 was \$2.49 which it compares favorably to other municipalities, including West Orange (\$2.68), Orange (\$2.99), Irvington (\$3.03), Glen Ridge (\$2.59) and East Orange (\$3.07). In addition, the PBA points out that the Village has a strong history of tax collection rates that exceed 98%. Turning to the 2008 budget, the PBA cites an official calculation showing that the Village was \$319,362 under its cap limitation. The PBA submits an analysis of the Village's budget in several areas

including results of operations, budget revenues, unexpended balance of appropriation reserves, fund balances, tax rates, tax levies, tax collection rates, debt service, cash balances, miscellaneous revenue not anticipated. From this data it concludes that the budgetary health of the Village can support the PBA's wage proposals without causing adverse financial impact on the Village. The PBA also emphasizes that the efforts of the police officers bring in substantial sums of revenue into the Village. It supports this conclusion by citing the figure of \$789,163 in monies received in municipal court in 2008.

For all of the above reasons, the PBA seeks that its final offer be adopted in its entirety.

The position of the Village in this proceeding is based primarily on its own finances and the poor state of the state and national economy and the resulting impacts of the economy on employers, employees and tax revenues, all of which it believes renders the PBA's last offer as "untenable." As a general and overall framework for its position, the Village cites a decision by the Appellate Division of Superior Court that sustained the Civil Service Commission's Emergency Temporary Layoff Rule wherein it concluded that there were "rapidly unfolding circumstances" that placed the State of New Jersey in "imminent peril."<sup>2</sup> According to the Village, the economic declines that preceded the commencement of the interest arbitration hearings and were further eroded by

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<sup>2</sup> Communications Workers of America, AFL-CIO, Council 73 v. New Jersey Civil Service Division, Docket No. A-3626-08T2

the conclusion of the hearings strongly supports the last offer that the Village has made to the PBA. The Village contends that the record on the economy and its finances supports its proposals as evidenced by the testimony of Noreen P. White, Co-President, Acacia Financial Group, Charles Fay, Professor Human Resource Management, School of Management and Labor Relations, Rutgers University and John Gross, Village Administrator and Chief Financial Officer, and the documentary evidence relating to the Village's finances and the state of the economy. While maintaining its position on its finances, the Village, through the testimony of its Village Administrator, commends the positive relationship that exists between the administration/ governing body and the police department as a recognition by the Village of the effectiveness and productivity of its police officers.

Noreen P. White, testified to the decline in the macro-economic environment which she, in large part, attributed to a meltdown in the subprime mortgage market. The main thrust of her testimony is that there is a credit crisis that will impact on the municipal bond market and directly affect the Village's ability to borrow funds and limit its ability to access the capital markets. White gave extensive testimony as to the Village's outstanding loans, the impact that the markets will have on the refinancing of its bond anticipation notes and its future ability to borrow for capital needs. She acknowledged that the Village possessed a positive bond rating of Aa3 which would allow the Village to continue to have access to the markets but she projects this access to come with

higher rates of interest. This, in turn, would have negative potential impact on the budget due to the higher costs necessary to support such financing. On cross-examination, she acknowledged that her analysis was based upon economic projections that might not materialize.

The Village also offered the testimony of Dr. Charles Fay who testified in support of the wage and health insurance proposals of the Village. Dr. Fay offered extensive testimony, as well as a report on public/private sector wage/benefit differentials, health insurance premium sharing trends and the specifics of the Village's health insurance proposal. On cross-examination, the PBA attempted to challenge Dr. Fay's conclusions that public employees are higher paid and have better benefits packages than do private employees and whether any such comparisons to police officers are appropriate. Dr. Fay concluded that the PBA's argument for health care fully paid by the Village is not supported by today's economic reality or by the extensive evidence showing strong trends towards greater employee participation in premium cost sharing and at increasing dollar amounts. With respect to the Village's health insurance proposal, Dr. Fay offered the opinion that the combination of percentage contributions towards premiums that are linked to wage levels is the fairest approach to contributions because the employee and employer share increases in premiums on a split basis, no renegotiations are required and that employees would be more motivated to avoid unnecessary use of health insurance. He acknowledged that under the Village's proposals, higher wage employees would



end up supporting health care for lower wage employees and that wage reductions for those higher wage employees were possible in the future as new premium increases occur in the future.

Through documentation and the testimony of Village Administrator Gross, the Village submits that its wage proposal is far more reasonable than that of the PBA. The Village characterizes the PBA's proposal as excessive and one that would have disastrous financial impact on the Village. Pointing to official budget documents in evidence, Gross offered testimony on the Village's finances to support his conclusions.

The Village decries the cost of the PBA's proposal. It summarizes its cost calculations as showing that the total base salary for PBA Local 12 would increase from \$2,864,108 in 2008 to \$3,547,210 in 2011, a 23.9% increase. Because PBA Local 12A's total salary levels would increase from \$1,501,175 to \$1,824,688 over the same time period, the Village calculates that the total increase over four years would amount to \$1,007,115. Citing the testimony of Administrator Gross and pointing to documentary evidence, the Village concludes that the PBA's proposal would be devastating in light of declining surplus levels, reduced state aid, a significant decrease in the value of new permits for development, increases in municipal tax rates and projections for the budget that would force it to exceed its spending cap and projections for the budget that would force it to exceed the tax cap by more than \$3 million.

In contrast, the Village calculates the cost of its 2.5% offer as \$512,615. This would increase top step patrol officer pay from \$77,003 to \$84,997. The Village acknowledges that if its premium sharing proposal is awarded it would yield savings that would potentially offset the costs of its wage proposals. The Village submits cost out information showing that the net value of the wage increases, when offset by employee contributions, would yield net compensation increases of slightly more than 2% annually. The Village submits that the comparables it has offered were not, as suggested by the PBA, offered for salary comparison but were primarily designed to show the prevalence of premium sharing in New Jersey. These include employees of the State of New Jersey at 1.5% of base salary and flat dollar contributions and percentage of premium costs in other jurisdictions. The Village also argues that the thirty collective bargaining agreements submitted by the PBA were negotiated prior to the current economic crisis and it submits, for that reason, that such comparisons lack any probative value.

The Village also submits a resolution of the Village dated April 27, 2009 that ratified a Memorandum of Agreement with OPEIU, Local 32 entered into on April 7, 2009 for certain non-supervisory employees. Among other things, the MOA provided for no salary increases for 2008 and 2009 and a 2% salary increase effective July 1, 2010. The Agreement included health care premium sharing of between 0.5% to 2% of salary, 12 unpaid temporary layoff days and

the creation of an insurance waiver incentive program to encourage employees with spouses or civil union partners health insurance coverage to opt out of coverage. The opt-out rates are between \$2,315 to \$3,941. In addition, the Village points to an agreement between the Village and its supervisory personnel that includes the premium sharing arrangement that it has proposed to the PBA with only a 2% salary increase in 2008 and a status quo on additional increases in salary until July 1, 2010 when an additional 2% would be implemented. The Village distinguishes between the terms it has negotiated for its non-uniformed employees with the proposals and the comparables submitted by the PBA. It urges that more weight be given to the internal comparisons. According to the Village, its non-uniformed union and non-union employees have recognized the reality of the economic crisis and to render an award supporting the PBA's wage proposals would cause a conclusion to the PBA's terms that are based upon severely out of date circumstances.

The Village also submits that the cost of living data supports its proposal more than the proposal of the PBA. Documents show that between 1997 and 2007, the PBA received increases of 46.5% or 4.22% annually, figures that the Village shows exceed the CPI data during that time frame. The Village points to adjusted CPI data at close of hearing showing an annual rate increase of 2%.

The Village asserts that the continuity and stability of employment factor also favors its position. It points to the fact that there have been no police layoffs

in the Village and that only a few officers have left the department for reasons other than health or retirement. According to its roster, the 52 members of the PBA have a combined 891 years of service, averaging 16.5 years per officer with 20 officers having more than 20 years of service.

Based upon the above, the Village argues that its proposal is reasonable and should be adopted.

### **DISCUSSION**

I am required to make a reasonable determination of the above issues giving due weight to those factors set forth in N.J.S.A. 34:13A-16g(1) through (9) that I find relevant to the resolution of these negotiations. These factors, commonly called the statutory criteria, are as follows:

- (1) The interests and welfare of the public. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by (P.L. 1976, c. 68 (C. 40A:4-45.1 et seq.).
- (2) Comparison of the wages, salaries, hours, and conditions of employment of the employees involved in the arbitration proceedings with the wages, hours, and conditions of employment of other employees performing the same or similar services and with other employees generally:
  - (a) In private employment in general; provided, however, each party shall have the right to submit additional evidence for the arbitrator's consideration.
  - (b) In public employment in general; provided, however, each party shall have the right to submit additional evidence for the arbitrator's consideration.

- (c) In public employment in the same or similar comparable jurisdictions, as determined in accordance with section 5 of P.L. 1995. c. 425 (C.34:13A-16.2) provided, however, each party shall have the right to submit additional evidence concerning the comparability of jurisdictions for the arbitrator's consideration.
- (3) The overall compensation presently received by the employees, inclusive of direct wages, salary, vacations, holidays, excused leaves, insurance and pensions, medical and hospitalization benefits, and all other economic benefits received.
- (4) Stipulations of the parties.
- (5) The lawful authority of the employer. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by the P.L. 1976 c. 68 (C.40A:4-45 et seq ).
- (6) The financial impact on the governing unit, its residents and taxpayers. When considering this factor in a dispute in which the public employer is a county or a municipality, the arbitrator or panel of arbitrators shall take into account to the extent that evidence is introduced, how the award will affect the municipal or county purposes element, as the case may be, of the local property tax; a comparison of the percentage of the municipal purposes element, or in the case of a county, the county purposes element, required to fund the employees' contract in the preceding local budget year with that required under the award for the current local budget year; the impact of the award for each income sector of the property taxpayers on the local unit; the impact of the award on the ability of the governing body to (a) maintain existing local programs and services, (b) expand existing local programs and services for which public moneys have been designated by the governing body in a proposed local budget, or (c) initiate any new programs and services for which public moneys have been designated by the governing body in its proposed local budget.
- (7) The cost of living.

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

I must also separately determine whether the total net annual economic changes for each year of the agreement are reasonable under the statutory criteria. N.J.S.A. 34:13A-16d(2).

My consideration of the parties' proposals is governed by N.J.S.A. 34:13A-16g. In arriving at this award, I conclude that all of the statutory factors are relevant, but not all are entitled to equal weight. In addition, I note that N.J.S.A. 34:13A-16g(8) requires consideration of those factors ordinarily or traditionally considered in the determination of wages, benefits, and employment conditions. One such consideration is that the party proposing a change in terms and conditions of employment bears the burden of justifying its proposed change. Any decision to award or deny any individual issue in dispute, especially those having economic impact, will include consideration as to the reasonableness of that individual issue in relation to the terms of the entire award. This is so because the awarding of any single change can reasonably impact upon the resolution of other issues. Put another way, there may be merit to awarding or denying a single issue if it were to stand alone but a different result may be

required after assessing the merits of any individual issue within the context of an overall award.

### **Duration**

The Village and the PBA have each proposed a contract duration of four years with a December 31, 2011 expiration date. Given their common position on this issue, I award a contract duration commencing January 1, 2008 through December 31, 2011.

### **Article VI – Hours of Work**

The PBA has proposed the inclusion of the current work schedule into the Agreement. The Village opposes the proposal.

The issue of work schedule is set forth in Article VI, Sections 1 and 2 as follows:

1. Work schedule – Members of the Force shall work in accordance with the schedule which shall be posted by the Police Director or the duly appointed designee on a monthly basis, subject to the needs of the Force. The present policy to use seniority in shift assignment shall continue consistent with the efficient operation of the Force.
2. The current work schedule and the vacation selection practice shall continue.

As is evidenced from the above, Section 1 requires the posting of the work schedule on a monthly basis and requires the use of seniority in shift assignment “continue consistent with the efficient operation of the Force.” Section 2 states that the current work schedule “shall continue.” It appears from the existing language that the parties’ existing understanding is to continue the existing work schedule while giving the Police Director the ability to review same “subject to the needs of the force.” The record does not reflect any abuse of the Police Director’s authority in relation to the operation of the work schedule. Further, the language contemplates continuation of the current work schedule subject to the needs of the force. The Village has produced no evidence reflecting a desire or need to alter the present work schedule or any evidence suggesting that the needs of the force are not being met through the existing work schedule. Given the fact that the record does not reflect instability or conflict under the existing language, I decline to award the PBA’s proposal to change the existing language.

#### **Article XVI - Holidays**

The Agreement, at Article XVI, Section 1, provides for thirteen (13) paid holidays at eight (8) hours of straight time. Section 2 requires that the amount of holiday pay, which approximates 5% of annual base pay, be computed and paid as an additional portion of base pay and be considered as part of base pay for pension purposes. The PBA proposes that two (2) additional holidays be added to the existing thirteen (13) paid holidays and that the holiday pay created by the



two additional holidays also be folded into base pay. The Village opposes this proposal.

The PBA supports its proposal through the submission of comparisons of holiday and personal day benefits in South Orange with those in law enforcement agencies that it deems comparable. That analysis reflects that the average of annual holidays received are 13.25 compared to 13 in South Orange. The record reflects that the existing benefit concerning paid holidays, and the fold-in to base pay of those holidays is well within the norm based upon the comparisons. I conclude that the PBA has not justified an expansion of the existing holiday pay benefit. Accordingly, it is denied.

### **Death In Family**

The PBA proposes to change the "Death In Family" benefit currently set forth in Article XII of the Agreement. The Village opposes this proposal. The current benefit is stated as follows:

For the death of a member of their immediate family, leave with pay commencing with the date of death shall run for a period of four (4) calendar days, or to the date of interment or date of cremation, whichever is later provided, however, that it shall not extend beyond four (4) working days. Immediate family shall include spouse, children, parents of employee or spouse, grandparents, brothers, sisters, and domestic partners. In the event of the death of the grandparents, brothers or sisters of the employee's spouse, the employee shall be granted up to two (2) calendar days leave with pay commencing with the day of death of the identified persons.

The record does not reflect that the existing benefit is either unreasonable or has been unreasonably applied to any specific situation that has resulted in an injustice to any employee. Accordingly, I do not award the PBA's proposal.

#### **Article XXVII – Sick Leave Non-Use Incentive**

Pursuant to Article XXVII – Sick Leave, officers are granted up to one year of sick leave. The use of sick leave is accompanied by various guidelines set forth in Article XXVII. The PBA seeks to add language to this Article that would provide for an incentive for the non-use of sick leave. The incentive would be the receipt of one personal day for each three months of consecutive service that an employee does not use a sick day. The Village opposes this proposal. Given the nature of this sick leave provision and the absence of any evidence that the availability of “unlimited sick leave” has been abused or used in excessive fashion, there is an insufficient basis to award a sick leave non-use incentive. The proposal is denied.

#### **Article XV – Vacations**

The PBA proposes that calculations regarding vacations be converted from days per year to hours. The existing vacation, in relevant part, provides for the following:

Vacations shall be as follows:

0 – 1 year	1 day per month plus 1 day for each six months
1 – 3 years	17 days per year

4 – 5 years	20 days per year
6 – 10 years	23 days per year
11 – 15 years	26 days per year
16 – 20 years	29 days per year
21 or more years	32 days per year

For purposes of vacation accrual, a working day shall be considered to be an eight (8) hour day.

The day after Thanksgiving is to be regarded as an additional vacation day. This day shall be received by each employee covered by this agreement through the employee's utilization of a compensatory day off which shall be paid for at said employee's respective straight time rate of pay. Said compensatory day off shall be non-cumulative from year to year.

The Village does not oppose the PBA proposal provided that no greater benefit is conferred from that which exists in Article XV.

As proposed, the change would involve a conversion of vacation calculation from days to hours without conferring additional vacation benefits. Under the existing provision, it specifies the number of days per year and defines a working day as an eight (8) hour day. Thus, an officer at 21 or more years of service who receives thirty-two (32) vacation days per year, receives such time in eight (8) hour days equating to 256 hours of vacation time. Given the Village's lack of opposition to converting the calculations from days to hours, so long as there is no expansion upon the actual amount of vacation time that an officer accrues, I award this proposal.

### **Critical Event Release Time Provision**

The Department, under the administration of the Chief of Police, provides for Critical Event Release Time. The record reflects that terms of this program are pursuant to an existing management practice and that there is no contract language covering this subject. The PBA now proposes that the terms of this program be included into the Agreement. The Village opposes the proposal.

The terms of the program appear to involve a term and condition of employment inasmuch as it involves release time. As such, the terms of the program can be reduced to writing and incorporated into the Agreement. No evidence has been presented to support its non-inclusion except for the prospect that the Chief's authority would be diminished. The principle objection of the Village, namely, that terms operate pursuant to a management practice, can be accommodated by the inclusion of language stating that the terms of the program and provision can be modified by the Chief of Police for operational reasons upon thirty (30) days written notice to the PBA containing the operational basis for any such change. With this modification, the proposal is awarded.

### **Article XVII – Clothing Allowance**

Under Article XVII, a police officer receives an annual clothing allowance in the amount of \$725 and an annual cleaning and maintenance allowance in the amount of \$325. The PBA has proposed to increase the annual clothing allowance in the amount of \$100 annually in each of the four years of the new

agreement. It further proposes to roll clothing allowance into base pay. The Village opposes this proposal. It seeks to maintain the allowance at 2007 levels.

Article XVII provides the existing allowances and also includes statements of purpose indicating that the allowance is meant to provide appropriate replacement for clothing and equipment issued by the Village that may need to be replaced due to age or condition. It is also stated that the police officers are subject to a policy of daily inspection. It is apparent from the language of Article XVII that the allowances are linked to police officers being required to provide appropriate clothing replacements and to maintain their clothing and equipment in a manner that withstands the requirements of daily departmental inspections. The PBA does not challenge these requirements. The obvious intent of the proposal is to ensure that reasonable allowances are provided to meet the contractual conditions and level of appearance required by the Village. Virtually all of the collective bargaining agreements in evidence that contain similar levels of allowances in evidence show some improvements in allowance levels over the duration of their agreements. A modest increase in the allowance in this Agreement will allow the officers to continue to meet the conditions set forth in Article XVII at minimal cost to the Village. Accordingly, I award an increase in the annual clothing allowance of \$25 in each year of the agreement thus modifying the annual clothing allowance from \$725 to \$825 over the course of the Agreement. I do not award the PBA proposal to fold this amount into base pay.

### **Detective Allowance**

The PBA has proposed a \$200 increase in the Detective Allowance and to have the amount folded into base pay. The Village opposes this proposal. The PBA and the SOA agreements, in Article VIII, provide payments to police and superior officers who serve as detectives. In the PBA Agreement, patrol officers who serve as detectives receive a \$1,600 payment paid in four equal quarterly installments. In the SOA Agreement, a Sergeant receives \$1,800 annually and a Lieutenant receives \$2,000 annually also to be paid in four equal quarterly installments. I do not award an increase in the existing levels of payments set forth in Article VIII. However, due to the fact that these allowances are payments rendered for specialized services and skills that police officers perform within their daily responsibilities, the PBA has established that these payments deserve to be considered as part of a detective's base salary. Accordingly, I modify the last sentence in Article VIII, Section 3, by deleting reference to such payments being made in four equal installments and award the inclusion of language stating that such payments shall be folded into base pay for police and superior officers who serve as detectives and be paid simultaneously with scheduled payroll salary payments. This award shall be effective January 1, 2011.

### **Hours of Work – On-Call Compensation**

The PBA has proposed to add language to the contract to provide payments for officers who serve on a standby status. It proposes the following language:

No employee shall be required to be on stand-by status unless such employee is compensated during the period of such stand-by status in accordance with the terms and provisions of this section. Police Detectives shall continue to perform weekend stand-by in the past and shall be compensated consistent with the section. Employees on stand-by status shall receive stand-by pay for performance of stand-by duties as follows:

- A. Two hundred ninety dollars (\$290.00) per weekend.
- B. Payment of three (3) day holiday weekends shall be at the rate of four hundred thirty-five dollars (\$435.00).

The Village opposes the proposal.

The stated purpose of the PBA's proposal is not unreasonable. However, the record does not reflect the amount of standby that is currently required nor the aggregate costs that would be required to fund the proposal. Such cost impact is relevant in order to evaluate the financial impact of the proposal. Accordingly, I deny this proposal without prejudice to the PBA's ability to renew its proposal in future negotiations.

### **Field Training Officer**

The PBA proposes to add language to the Agreement stating that persons designated as Field Training Officers be provided with two (2) hours of Compensatory Time for each Field Training Officer Day of Service. The Village opposes this proposal. Although the PBA stresses that Field Training Officers spend time and effort discharging their responsibilities, I find insufficient record evidence supporting the awarding of two (2) hours of compensatory time for each Field Training Officer day of service. The proposal is denied.

### **Overtime – Range Days**

The PBA proposes that Range Days shall result in overtime compensation for said duty. The Village opposes this proposal. According to the PBA, range duties are scheduled on time off. However, the record does not reflect the actual amount of time spent on Range Days nor the amount of overtime pay that would be paid. Such cost impact is relevant in order to evaluate the financial impact of the proposal. Accordingly, the proposal is denied.

### **Health Insurance Premiums**

The Village has proposed the inclusion of a program requiring employee contributions for its health insurance coverage. Its proposal is as follows:

- A. Existing Employees



Annual Pensionable Pay Ranges	Employees with Annual Pensionable Pay <\$50,000 Range 1	Employees with Annual Pensionable Pay \$50,000 to \$63,000 Range 2	Employees with Annual Pensionable Pay \$63,000 to \$80,000 Range 3	Employees with Annual Pensionable Pay \$80,000 to \$90,000 Range 4	Employees with Annual Pensionable Pay \$90,000 Range 5
Employee Coverage Co-Insurance	2%	4%	6%	8%	10%
Dependent Coverage Co-Insurance	6%	10%	14%	16%	20%

B. New employee coverage co-insurance (hired after December 31, 2007)

- Employee coverage 15%
- Dependent coverage 25%

A summary of the parties' positions on this issue has been previously provided and need not be restated here. The overwhelming evidence on this issue reflects that, at time of hearing, a greater number of bargaining units in public safety have begun to contribute towards the cost of health insurance premiums. Whatever the merits may be of the PBA's position against employee contributions towards health insurance in a historic context, are of less significance during this contract term. The only issue is what shall be the terms of such contribution for law enforcement units.

The Village has negotiated two agreements internally each of which provides for a different structure for employee contributions. For supervisory personnel, the structure is the same as the Village has proposed here and for non-supervisory personnel represented by OPEIU, Local 32, employees would

contribute between 0.5% to 2.0% of salary depending upon salary level. These arrangements were negotiated prior to March 22, 2010 at which time Governor Chris Christie signed P.L. 2010, c.2 into law which, with an effective date of May 21, 2010, provided that public employees contribute 1.5% of base salary towards the cost of health insurance coverage. Specifically, the law provided for the following:

Commencing on the effective date of P.L. 2010, c.2 and upon the expiration of any applicable binding collective negotiations agreement in force on that effective date, the amount of the contribution required pursuant to paragraph (1) of this subsection by State employees and employees of an independent State authority, board, commission, corporation, agency, or organization for whom there is a majority representative for collective negotiations purposes shall be 1.5% of base salary, notwithstanding any other amount that may be required additionally pursuant to this paragraph by means of a binding collective negotiations agreement.

As was stated at the time of passage, the legislation was designed to improve the fiscal strength of the State and local governments, to reduce taxpayer burdens, and to reform the systems to ensure that they remain viable for current and future employees.

The Village's proposal here, as well as the different agreements it achieved with the two other employee organizations, was constructed prior to the legislation. Its proposal here is supported by its theory, as detailed in Dr. Fay's testimony, that a combination of percentage premiums linked to wage levels is the fairest approach towards employee contributions. He opined that this is so

because the employee and employer share increases in premiums on a split basis, no renegotiations are required and that employees would be more motivated to avoid unnecessary use of health insurance. However, despite this positive view, he acknowledged that under the Village's proposals, higher wage employees could end up supporting health care for lower wage employees and that wage reductions for those higher wage employees were possible in the future as new premium increases occur.

I have considered the two internal agreements the Village has negotiated. While relevant to this evaluation, I do not find them to constitute an internal pattern of settlement except to support the proposition that there shall also be employee contributions towards health insurance for law enforcement employees. [See County of Union v. Union County Corrections Officers, PBA Local 999, PERC No. 2003-33].

Under the circumstances present here, at least through the December 31, 2011 termination date of this agreement, I find that a reasonable determination of the health insurance issue is to award a contribution level consistent with the statutory imposition of 1.5% of base salary for both PBA units. Such award need not be regarded as a permanent level of contribution without an ability to engage in future negotiations on the issue. There may indeed be a basis for revision based upon subsequent legislation or an evaluation of what these terms should

be based upon future negotiations among all units within the Village or among external comparable units.

It is sufficient to conclude that the inclusion of the statutory terms meets the statutory criteria that are most relevant here. It will provide cost containment equivalent to approximately \$65,000 annually. It satisfies the need to require these employees, as others, to engage in employee participation. Given the higher wage levels for these unit employees, the percentage of salary structure will promote greater amounts of dollar contribution in relation to earnings and, at minimum, require greater contributions as salary levels rise. This is not to say that other considerations might merit a change in this approach in the future. As is evident from Dr. Fay's thoughtful presentation, there are pros and cons present in the various approaches towards employee contributions and those considerations shall be subject to future negotiations.

The record does not reflect whether the Village has deducted the minimum contribution mandated by statute on the May 21, 2010 effective date. Regardless of whether such contributions have been required, I award the effective date for such contributions to be consistent with the effective date of May 21, 2010 as set forth in P.L. 2010, c.2. I do not base the effective date for contributions upon an interpretation of whether the prior collective negotiations agreement had expired in the absence of a successor agreement being in place but rather upon the record evidence on Village finances that support the Village's

contention that a fair and equitable salary agreement requires cost offsets from employee contributions towards health insurance premiums. To the extent that these contributions have not been made, the Village shall have the right to make such contributions retroactively. Based upon evidence showing the gross salary for 51 officers amounted to approximately \$4,200,000 at time of hearing, the cost offset calculates to approximately \$100,000 between May 21, 2010 through December 31, 2011.

Based upon all of the above, I award the following:

Commencing on May 21, 2010, the effective date of P.L. 2010, c.2., the amount of contributions by unit employees for health insurance coverage shall be 1.5% of base salary. To the extent that these contributions have not been made, the Village shall have the right to make such contributions retroactively. This level of employee contribution shall be inclusive of, rather than in addition to, any statutory obligation towards an employee's requirement to make contributions toward the payment of health insurance.

I next turn to the remaining issue of salary. Here, as stated earlier, the parties emphasize different criteria in support of their respective offers and, even where they rely upon similar criteria, their conclusions differ as to what the result of the salary issue shall be.

I am persuaded that the salary terms in the Village's proposal, with some modifications as to structure, represent a more reasonable determination of the salary issue. For the reasons that follow, I award annual increases of 2% annually for Step 1 through Step 6 for Police Officers and 2.75%, 2.75%, 2.5%

and 2.0% for Police Officers on Step 7 (top step) and for each step of the Sergeant and Lieutenant pay schedules effective and retroactive to January 1 of each contract year.

During the contract years at issue, the record reflects that the Village's proposal is more harmonious with the evidence on the cost of living data as shown in the CPI [N.J.S.A. 34:13A-16g(7)]. The proposed across the board increases of 10% over the four (4) year period prevents the erosion of contractual wages between 2008 and 2011 due to cost of living increases. While the cost of living data is not, and should not be, a controlling criterion, its relevance is unmistakable given the record evidence that during the ten years preceding the negotiations for this Agreement, unit increases have amounted to 46.5% or 4.22% annually, a rate exceeding the CPI during that time period. Thus, the wage proposal maintains the longer term trend to keep wage increases in pace with, or in excess of, the rate of inflation.

The record also reflects that there has been continuity and stability of employment for the Village's police officers. Rosters show that approximately 40% of the members of both units have twenty (20) or more years of service with the average of all being approximately seventeen (17) years. The wage increases awarded herein will continue to promote the continuity and stability of employment [N.J.S.A. 34:13A-16g(8)] under the contract's revised terms.

As is common in many interest arbitration proceedings, the interests and welfare of the public [N.J.S.A. 34:13A-16g(1)] is a criterion that is entitled to substantial weight. This is so because a reasonable determination of the issues must account for what furthers the public's interests and welfare and also because the interests and welfare of the public interrelate with virtually all other statutory criteria. By specific reference, it requires consideration of the statutory budgetary limitations imposed upon the Village [N.J.S.A. 34:13A-16g(5) and N.J.S.A. 34:13A-16g(9)] and inferentially, the financial impact of the terms of the Award on the governing body and the taxpayers [N.J.S.A. 34:13A-16g(6)] and also wage comparisons [N.J.S.A. 34:13A-16g(2)(a), (b), (c)]. On this latter point, comparability is referenced because wage comparisons are an evaluative tool necessary to provide fair compensation to employees who, as here, maintain the protective interests of the Village's residents, the commuters who use rail service, its business interests, as well as the security of the University and its employees and students.

The cost impact of the parties' proposals have been documented in the record. Such costs tend to fluctuate over the term of an Agreement based upon retirements, resignations, promotions, step movement and hiring. Given these minor fluctuations, the cost estimates provided appear to be accurate reflections of payroll costs at time of hearing and any subsequent deviations would be within normal expectations.

An award of 2.5% annually, from 2008 through 2011, is estimated by the Village to add additional costs of \$37,529 in 2008, \$38,468 in 2009, \$39,429 in 2010 and \$40,415 in 2011 for the sixteen members of the SOA, PBA Local 12A and additional costs of \$71,603 in 2008, \$73,392 in 2009, \$123,568 in 2010 and \$88,221 in 2011 for the 38 members of PBA Local 12. The total costs for both units would be \$109,132 in 2008, \$111,860 in 2009, \$162,997 in 2010 and \$128,636 in 2011. The PBA's costs, at 5% would double the costs projected by the Village.

The costs of the salaries awarded would be substantially similar as that calculated by the Village with the higher costs at top step and for superior officers for the 2.75% increases in 2008 and 2009 offset by the lower across the board percentage of 2% for police officers at Step 1 through Step 6. The costs for 2010 will be minimally higher due to the flow through of 2008 and 2009 increases for top step and superior officers but will be largely offset by the continued 2% increase applied to Step 1 through Step 6 for police officers. Any additional costs that may be present in 2008, 2009 and 2010 will be offset by the 2% across the board increase for all steps and ranks in 2011. As applied to the existing salary schedule, the revised schedule shall read as follows:



**Schedule A – Annual Base Wage  
PBA**

	1/1/08	1/1/09	1/1/10	1/1/11
Step 1	\$28,787	\$29,363	\$29,950	\$30,549
Step 2	\$34,906	\$35,605	\$36,317	\$37,043
Step 3	\$42,391	\$43,239	\$44,104	\$44,986
Step 4	\$51,440	\$52,468	\$53,518	\$54,588
Step 5	\$60,465	\$61,674	\$62,907	\$64,165
Step 6	\$69,504	\$70,894	\$72,312	\$73,758
Step 7	\$79,121	\$81,296	\$83,329	\$84,995

**Schedule A – Annual Base Wage  
Sergeant**

	1/1/08	1/1/09	1/1/10	1/1/11
Step 1	\$86,033	\$88,398	\$90,608	\$92,421
Step 2	\$90,987	\$93,489	\$95,827	\$97,743

**Schedule A – Annual Base Wage  
Lieutenant**

	1/1/08	1/1/09	1/1/10	1/1/11
Step 1	\$97,251	\$99,925	\$102,423	\$104,472
Step 2	\$103,368	\$106,210	\$108,865	\$111,043

The terms of the award are more consistent with the evidence presented that concerns financial impact and statutory limitations on spending and taxation. The PBA has presented evidence that shows the Village finances to be positive leading up to the contract years in evidence but such evidence tends to discount or not speak to the financial evidence that has trended downward from 2006 going into 2007 and thereafter through the 2009 budget. By way of example, the Results of Operations dropped from \$1,860,303 in 2006 to \$1,257,069 in 2007. Miscellaneous revenues and appropriation reserves also trended downwards. Budget revenues during this time period also dropped sharply. The amount of budget revenues realized 2007 was \$31,838,510 compared with \$34,526,416 in

2006. The excess revenues between that anticipated and that realized between these two years dropped by \$1,000,000. The Fund Balance also declined by \$1,300,000 between 2005 and 2006 and by another \$700,000 in 2007. The record clearly shows that the Village can no longer survive through the utilization of surplus monies to offset expenditures. These circumstances caused municipal tax rate increases of 7% in 2007 and another 6.5% in 2008.

What the above figures reflect is that the Village began to experience financial decline well before the financial and budgetary events of 2008 and 2009 triggered additional budgetary trauma. The evidence produced at hearing was compelling on this point and serves to offset the well presented documentation of the PBA on law enforcement comparability. The testimony of Administrator Gross concerning the efforts to comply with the maximum allowable funds to be raised by taxation and the amount of funds to be raised for operational appropriations reflects that an award beyond the 10% over the four (4) years could create adverse financial impact on the governing body and residents and sharply conflict with the Village's statutory spending and taxing limitations.

Given all of the above, the terms of the Award represent a reasonable determination of the issues at impasse. Accordingly and based upon all of the above, I respectfully enter the terms of the Award as follows:

## **AWARD**

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

2. **Duration**

There shall be a four-year agreement effective January 1, 2008 through December 31, 2011.

3. **Clothing Allowance**

Article XVII shall be modified to reflect the clothing allowance at the following levels:

2008 -	\$750
2009 -	\$775
2010 -	\$800
2011 -	\$825

4. **Vacations**

Vacations shall be as follows:

0 – 1 year	1 day per month plus 1 day for each six months
1 – 3 years	17 days per year
4 – 5 years	20 days per year
6 – 10 years	23 days per year
11 – 15 years	26 days per year
16 – 20 years	29 days per year
21 or more years	32 days per year

Provided that no greater benefit is conferred, the calculations regarding vacation shall be converted from days per year to hours.

For purposes of vacation accrual, a working day shall be considered to be an eight (8) hour day.

The day after Thanksgiving is to be regarded as an additional vacation day. This day shall be received by each employee covered by this agreement through the employee's utilization of a compensatory day off which shall be paid for at said employee's respective straight time rate of

pay. Said compensatory day off shall be non-cumulative from year to year.

5. **Critical Release Time Provision**

The Critical Event Release Time policy shall be reduced to writing and included in the Agreement that shall also include language stating that the Chief of Police, for operational reasons, can modify its terms upon thirty (30) days written notice to the PBA.

6. **Detective Allowance**

The last sentence in Article VIII, Section 3, shall be modified by deleting reference to such payments being made in four equal installments and instead shall include language stating that such payments shall be folded into base pay for police and superior officers who serve as detectives and be paid simultaneously with scheduled payroll salary payments. This award shall be effective January 1, 2011.

7. **Health Insurance**

Commencing on May 21, 2010, the effective date of P.L. 2010, c.2., the amount of contributions by unit employees for health insurance coverage shall be 1.5% of base salary. To the extent that these contributions have not been made, the Village shall have the right to make such contributions retroactively. This level of employee contribution shall be inclusive of, rather than in addition to, any statutory obligation towards an employee's requirement to make contributions toward the payment of health insurance.

8. **Salary**

- Salary for Step 1 through Step 6 shall be modified by 2% effective and retroactive to January 1 for each contract year.
- Salary for Step 7 and for each step at each rank of Sergeant and Lieutenant shall be modified by 2.75% in 2008 and 2009, by 2.5% in 2010 and by 2.0% in 2011 effective and retroactive to January 1 of each contract year.
- The salary schedules shall be as follows:

Schedule A – Annual Base Wage  
PBA

	1/1/08	1/1/09	1/1/10	1/1/11
Step 1	\$28,787	\$29,363	\$29,950	\$30,549
Step 2	\$34,906	\$35,605	\$36,317	\$37,043
Step 3	\$42,391	\$43,239	\$44,104	\$44,986
Step 4	\$51,440	\$52,468	\$53,518	\$54,588
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Step 6	\$69,504	\$70,894	\$72,312	\$73,758
Step 7	\$79,121	\$81,296	\$83,329	\$84,995

Schedule A – Annual Base Wage  
Sergeant

	1/1/08	1/1/09	1/1/10	1/1/11
Step 1	\$86,033	\$88,398	\$90,608	\$92,421
Step 2	\$90,987	\$93,489	\$95,827	\$97,743

Schedule A – Annual Base Wage  
Lieutenant

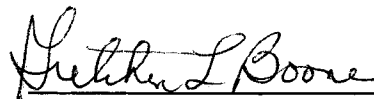
	1/1/08	1/1/09	1/1/10	1/1/11
Step 1	\$97,251	\$99,925	\$102,423	\$104,472
Step 2	\$103,368	\$106,210	\$108,865	\$111,043

Dated: January 20, 2010  
Sea Girt, New Jersey

  
James W. Mastriani

State of New Jersey }  
County of Monmouth } ss:

On this 20<sup>th</sup> day of January, 2011, before me personally came and appeared James W. Mastriani to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed same.

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