

**STATE OF NEW JERSEY
PUBLIC EMPLOYMENT RELATIONS COMMISSION**

In the Matter of Interest Arbitration Between :

BOROUGH OF ALLENDALE :

“the Borough or Employer” :

and :

ALLENDALE PBA LOCAL 217 :

“the PBA or Union” :

**INTEREST ARBITRATION
DECISION
AND
AWARD**

Docket No: IA-2002-032

Before: Robert M. Glasson, Arbitrator

APPEARANCES

FOR THE EMPLOYER:

Raymond R. Wiss, Esq.

Of Counsel

Thomas K. Bouregy, Esq.

On the Brief

Wiss, Cooke & Santomauro, P.C.

FOR THE PBA:

Richard D. Loccke, Esq.

Of Counsel & On the Brief

Loccke & Correia P.A.

Background & Procedural History

The Borough of Allendale (the “Borough”) and Allendale PBA Local 217 (the “PBA” or “Union”) are parties to a collective bargaining agreement (the “CBA”) which expired on December 31, 2001. Upon expiration of the CBA, the parties engaged in negotiations for a successor agreement. Negotiations reached an impasse, and the parties mutually filed a petition with the New Jersey Public Employment Relations Commission (“PERC”) on January 9, 2002 requesting the initiation of compulsory interest arbitration. The parties followed the arbitrator selection process contained in N.J.A.C. 19:16-5.6 that resulted in my mutual selection by the parties and my subsequent appointment by PERC on January 31, 2002 from its Special Panel of Interest Arbitrators.

I met with the parties in a voluntary mediation session on May 20, 2002. The mediation session did not resolve the issues included in the impasse. Formal interest arbitration proceedings were invoked and a hearing was conducted on July 30, 2002 when the parties presented documentary evidence and testimony in support of their positions. Both parties filed post-hearing briefs. The hearing was declared closed on September 16, 2002 upon receipt of the briefs. The parties agreed to extend the time for the issuance of the award to February 1, 2003.

This proceeding is governed by the Police and Fire Public Interest Arbitration Reform Act, P.L. 1995, c. 425, which was effective January 10, 1996. While that Act, at N.J.S.A. 34:13A-16f(5), calls for the arbitrator to render an opinion and award within 120 days of selection or assignment, the parties are permitted to agree to an extension.

The parties did not agree upon an alternate terminal procedure. Accordingly, the terminal procedure is conventional arbitration. The arbitrator is required by N.J.S.A. 34:13A-16d(2) to “separately determine whether the net annual economic changes for each year of the agreement are reasonable under the eight statutory criteria in subsection g. of this section.”

Statutory Criteria

The statute requires the arbitrator to:

decide the dispute based on a reasonable determination of the issues, giving due weight to those factors listed below that are judged relevant for the resolution of the specific dispute. In the award, the arbitrator or panel of arbitrators shall indicate which of the factors are deemed relevant, satisfactorily explain why the others are not relevant, and provide an analysis of the evidence on each factor.

(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 condition of employment of the employees involved in the arbitration proceedings with the wages, hours and condition of employment of other employees performing the same or similar services 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 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:4-45.1 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 municipality, the arbitrator or panel of arbitrators shall take into account to the extent the 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 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 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.

FINAL OFFERS OF THE PARTIES

ALLENDALE PBA LOCAL 217

1. **Term of Contract:** January 1, 2002 to December 31, 2004.
2. **Wage Increase:** The PBA proposed a 5% across-the-board increase at each rank, step and position to be effective January 1, 2002, January 1, 2003 and January 1, 2004.
3. **Personal Leave:** The PBA proposed one (1) additional personal day to bring the total number of annual personal days to two (2).
4. **Clothing Allowance:** The PBA proposes a codification of the Borough's continuing supply of Body Armor. The PBA specifically referenced the second chance armor "ultimate" with shock plates or equivalent.

5. **Term and Renewal:** The PBA proposes the following new language:

Term and Renewal

This agreement shall have a term of January 1, 2002 through December 31, 2004. If the parties have not executed a successor agreement by December 31, 2004, then this Agreement shall continue in full force and effect until a successor agreement is executed.

Negotiations for a successor agreement shall be in accordance with the rules of the Public Employment Relations Commission.

6. **Preservation of Rights:** The PBA proposed the following new language:

Preservation of Rights

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

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

BOROUGH OF ALLENDALE

1. **Term of Contract:** January 1, 2002 to December 31, 2004.
2. **Wage Increase:** The Borough proposes a 3% annual increase effective January 1, 2002; January 1, 2003 and January 1, 2004 on the Academy, 1st and 2nd steps. The Borough proposes a 3.75% annual increase effective January 1, 2002; January 1, 2003 and January 1, 2004 on all other steps.
3. **Longevity:** The Borough proposes that longevity be eliminated for all new hires effective September 1, 2002.
4. **Uniform Allowance:** The Borough proposes an increase in the current uniform allowance of \$750 to \$775 effective January 1, 2003 and to \$800 effective January 1, 2004.

THE BOROUGH'S POSITION AND ARGUMENT

Wages

The Borough asserts that the comparisons entitled to a greater weight are those which arise from those municipalities located in Bergen County in the general area north of Rt. 4/Rt. 17. The Borough notes that the undisputed testimony of both PBA witness, Detective John Mattice, and Borough witness, Mayor Klomburg, confirmed these similar and comparable characteristics. Included within this group are 35 municipalities. The Borough asserts that the Bergen County Sheriff's Department and the Bergen County police provide further appropriate bases of comparison.

The Borough proposed a 3% increase in compensation (base salary) at the Academy, first year and second year levels for each of the three years of the proposed CBA and a 3.75% increase for all other steps on the salary schedule for 2002, 2003 and 2004. The Borough notes that the PBA proposed a 5% increase in each year of the contract. While Awards are typically fashioned in terms of percentage increases, the Borough contends that the appropriate framework for the analysis required by the statute must be undertaken in terms of "real dollars".

The Borough asserts that its 3.75% salary proposal is supported by two considerations. First, such figure is greater than the current municipal CAP rate of 2.5%. Second, as shown by B-64, the cost of living, as reflected by the New York-Northeastern New Jersey Consumer Price Index, was 1.68% for 2001 and 1.75% during the first four months of 2002.

In addition, the Borough contends that an analysis of the 2001 base pay for police officers in comparable jurisdictions demonstrates the equity of its position. B-65 shows that in 2001 Allendale ranked 11th out of 29 comparable municipalities with respect to

maximum base salary, a position well above the midpoint of the comparison group. Ten departments pay a 2001 base salary more than the base salary paid by the Borough, and eighteen departments paid a 2001 base salary less than that paid by the Borough. The Borough notes that base pay is only one aspect of the overall compensation.

The Borough submits that an analysis of the 2002 base pay for police officers in comparable jurisdictions supports its position. As reflected in Exhibit "B," the Borough's proposed 3.75% increase results in a Top Cop base salary which maintains Allendale's relative position for 2002 (excluding Mahwah and Franklin Lakes). Allendale would rank 13th out of 29 jurisdictions and for 2003, Allendale would rank 9th out of 20 jurisdictions for which data is available.

Addressing its desire to create uniformity and equity between its bargaining units, the Borough refers to the wage provisions agreed to for 2002 with its Blue Collar (DPW/Water) employees and its Borough employees (B-56 and B-80). The DPW/water employees received a 3.5% across the board raise and the Borough employees received a 4% across the board increase. The Borough maintains that its 3.75% increase is entirely consistent with the wage provisions agreed to with all other Borough employees, especially when viewed in comparison with the 5% increase proposed by the PBA.

In further support of its position, the Borough refers to the New Jersey State League of Municipalities 2001 Municipal Salary Report - Statewide Average Data (B-61A). This survey, responded to by 78% of all New Jersey municipalities, reflects a Median Average maximum patrolman salary of \$60,715 for 2001 — a figure \$14,548 less — and almost 20% less — than Allendale's figure.

The Borough also refers to B-61A and B-61B, showing that the average maximum salary of 51 Bergen County municipalities, was \$73,005 for 2001, as compared to Allendale's maximum salary of \$75,263.

The Borough refers to the New Jersey Department of Labor's March 2002 edition of "New Jersey Occupational Wages" (B-63), a survey conducted from the fall of 2000 through August 2001, which reflects that, in the Bergen-Passaic County Area, the mean (average) wage for police patrol officers was \$63,605. The average wage at the 50th percentile was \$67,955. The average wage at the 75th percentile was \$79,465. The Borough submits that its maximum salary of \$75,263 reflects a relative high rank of pay for police officers.

In summary, the Borough asserts that its proposed salary increases are more consistent with increases and wages being paid to employees performing the same or similar service and with other public employees within the Borough.

Elimination of Prospective Longevity

The Borough seeks to eliminate longevity for all police officers hired on or after September 1, 2002. The Borough asserts that for many years, the compensation afforded to police officers, like many other public employees, was not commensurate with that being afforded to those employed in the private sector. To maintain stability of employment, and to afford long-term employees with compensation beyond their base salary, a system of additional compensable elements, such as allowances and stipends, was developed and implemented over many years. The most economically significant aspect of this "hidden" compensation system, and one which now permeates many public sector collective bargaining agreements, is the payment of longevity. The Borough contends that this is a major financial undertaking by municipal employers, and one that is no longer warranted. This conclusion follows from the significant salary increases which have been achieved by public employees over the past few decades. As a result, the net impact of longevity payments is a "compounding effect" by which public employees are now receiving salaries comparable to the private sector, plus additional compensation in the form of longevity.

According to the Borough, longevity is essentially an “add on” to base salary and many CBAs treat longevity the same as base salary for pension purposes.

According to the Borough, public employers have recently begun to seek the elimination of longevity provisions in collective bargaining agreements. These efforts involve a balance between a municipality's need to realistically control future expenditures, while at the same time, assuring that its employees are fairly compensated, and the general welfare is adequately safeguarded. For this reason, the focus of such efforts has been on the elimination of longevity on a prospective basis. By proceeding prospectively, the rights (and compensation level) of existing employees are preserved, while the public employer is permitted to take steps to assure that, on a long term basis, its financial health is not jeopardized. Because the financial impact of longevity benefits is felt year after year on an ongoing basis, the appropriate analysis on this topic cannot be readily limited to merely the present fiscal impact on the public employer.

The Borough notes that Arbitrator James W. Mastriani, in his April 26, 2000 Interest Arbitration and Award in Township of *Saddle Brook* interest arbitration award recognized that Hillsdale, Old Tappan and Rochelle Park had eliminated longevity for new hires. (B-30, at 36-37). The Borough notes that longevity was eliminated prospectively in Hillsdale effective February 9, 1999; Old Tappan effective January 1, 1999; Hackensack effective September 1, 2000; and in Wallington. In addition, the current CBAs for Franklin Lakes and Midland Park show that no provision for longevity for any police officers is made.

The Borough further notes that Closter, Edgewater, Little Ferry, Northvale and Paramus have adopted two-tiered longevity schedules. (B-79 at 21). Therefore, at a minimum, twelve Bergen County communities have eliminated longevity or adopted a two-tier system with their PBA units. The Borough indicates that of the 36 comparable

communities included in B-65, five communities have completely eliminated longevity. Of the 71 Bergen County communities, at least 12 communities have eliminated or modified longevity for new hires. Additionally, as noted by Arbitrator Mastriani in his award in *Saddle Brook*, Hillsdale, Old Tappan and Hackensack have further eliminated prospective longevity benefits for their other bargaining units.

Accordingly, the Borough asserts that the elimination or reduction of longevity benefits for new hires in the County is not an aberration but rather a growing trend by which municipalities comparable to Allendale have successfully stemmed the rising cost of longevity benefits.

Finally, with respect to comparability, the Borough asserts that the municipalities it identified are the most appropriate. As noted by Arbitrator William Weinberg in a recent decision in the Village of Ridgewood case, "police comparisons are strongest when in the local area, such as contiguous towns, a *county*, an obvious geographic area such as the shore or a metropolitan area." (IA-94-141, at 31). (Emphasis by Borough).

The Borough notes that during recent negotiations with its only other employee bargaining unit, the DPW, it sought to take steps to eliminate prospective longevity and to achieve a uniformity of treatment between its various employees whether or not represented by bargaining units. During 1999, negotiations were conducted between the Borough and its Blue Collar (DPW) unit resulting in the elimination of longevity prospectively. In addition, such elimination has been extended to all non-represented employees, and to all department heads. As a result, the members of the PBA unit are the only public employees of the Borough, contractual or non-contractual, who still have prospective longevity benefits.

The Borough cites Mayor Klomburg's testimony that existing longevity benefits for all other contractual and non-contractual employees have been eliminated. The current PBA members are the only Borough employees to retain longevity benefits.

Addressing internal comparability, the Borough asserts that its offer is clearly favored under this sub-criteria since the elimination of longevity benefits for new hires only will leave in place such benefits for existing PBA members — a benefit not enjoyed by any another Borough employees.

The Borough addressed certain issues raised during the cross-examination of Mayor Klomburg. The first issue raised was the fact that the elimination of prospective and existing longevity benefits for non-contractual Borough employees was a unilateral, and not a negotiated, act by the Borough. While this assertion may be accurate, the Borough contends that this is irrelevant to my consideration of the statutory criteria. Under *N.J.S.A.* 34:13A-16 (g) (2), the Arbitrator is required to analyze, if deemed relevant, evidence regarding comparative wages, salary hours and conditions of employment. Nothing in the statute or cases interpreting same distinguishes between wages paid as a result of contractual negotiation versus wages arrived at without any negotiation. Therefore, such difference cannot be relied upon by the Arbitrator when assessing comparability.

The second issue related to questions concerning the impact that the elimination of longevity for new hires may have in the future when police officers who have longevity benefits work side-by-side with those who have no such benefits. The PBA's argument in this respect was that such a situation would not be conducive to harmonious relations among officers. The Borough rejects this argument for several reasons.

First, such argument is purely speculative and without factual basis. Second, it assumes, without any basis, that a police officer would somehow violate his oath of public service because of some perceived economic disparity. Third, it also presumes that an officer hired without longevity benefits, would somehow conduct himself in a negative fashion because of his resentment of the absence of such benefits, despite the fact he would have

been fully aware at the time of his hire of his lack of entitlement to same. Fourth, any such situation would be of a limited duration lasting only until employees with longevity benefits are still on the force. The Borough contends that it is impossible to judge at this point in time the extent, if any, to which such a situation would arise. However, to the extent one can speculate, it would appear that many officers presently on the force will be retired before new, future officers would, under the current system, become eligible for longevity benefits. Fifth, it assumes that in future years, the Borough would be unable to address this issue.

The Borough submitted the following in support of its proposals on the specific statutory criteria.

The Interests and Welfare of the Public.

The Borough asserts that the "interests and welfare" of the public include not only the public's need for a productive police force in all areas of public safety, but also the Borough's interest in limiting the costs of its police force so that all other Borough services may be preserved while at the same time keeping the tax rate as low as possible. The Borough contends that its proposal achieves this desired balance by proposing reasonable base salary increases of 3% annual increases for Academy, 1st and 2nd year steps; and 3.75% annual increases for all other steps and ranks and the elimination of longevity for all officers hired after September 1, 2002.

The Borough is mindful that a well-trained, well-equipped and harmonious police department is a factor when gauging the interests and welfare of the public. In this respect, the Borough cites the testimony of present and former officers that the Allendale police force has been like a "family" and has received from the Borough all of the equipment and training it has requested.

The Borough contends that the elimination of prospective longevity serves the interests and welfare of the public by maintaining a tax rate as low as reasonably possible, but also by coming to grips with a "hidden" compensation system whose historical purposes are no longer in existence, which, in a growing number of comparable municipalities, is being eliminated or reduced in a two-tier system.

Finally, the Borough disputes the argument that such elimination is detrimental to the public's interests and welfare due to any potential for "friction" between PBA members with and without longevity benefits.

Comparison of wages, salaries and other compensation

The Borough asserts that a review of the maximum 2002 and 2003 base salaries for the highest paid officers in comparable municipalities shows that the Borough's salary proposal is within the midrange of such base salaries — a position which maintains Allendale's standing for the years 1999-2001.

In this respect, it bears repeating that the longevity benefits received by existing PBA members remain unaffected by the Borough's proposal and such members would continue to enjoy base pay plus longevity compensation at a rate which places them within the top one-half of comparable municipalities. B-67 to B-70 show that Allendale officers were within the top ten of 30 comparable municipalities for the year 2001 when longevity benefits for 10, 15, 20 and 25 year intervals are examined. In 2002, when maximum pay plus longevity benefits at years 10, 15, 20 and 25 are examined under the Borough's offer, the PBA continues to enjoy a compensation ranking between 10th and 13th place out of 32 municipalities.

The Borough asserts that under its proposal, the PBA continues to enjoy above average compensation (base pay plus longevity). Regarding other economic items, other than base pay and longevity, the PBA has not even raised any other issues, thereby signaling their satisfaction of the status quo regarding these elements.

The Borough contends that the PBA's opposition to the elimination of longevity benefits for new hires is essentially a philosophical objection. Other than their perceived concern about some theoretical "friction" caused by the temporary situation of members with longevity benefits working alongside those without longevity benefits, no basis for objection was, or can be, articulated to such prospective elimination.

The Borough contends that by insisting on the retention of longevity benefits for new hires when the Borough has eliminated prospective and existing longevity benefits for all other Borough employees, the PBA's position will foster the friction created by the PBA's enjoyment of such longevity and the absence of such benefit by all other employees. The Borough submits that its proposal is a middle ground approach since it does not seek the full parity between the PBA and all other Borough employees which would be achieved by elimination of prospective and existing longevity benefits but instead only proposes the elimination of prospective benefits.

The Borough disputes the PBA's contention that the benefits provided to other Borough employees should not and cannot be compared to those paid to police officer because of the differing nature of police work for two reasons. First, such differing work conditions/duties are already accounted for and compensated in the base pay received by the PBA, and no evidence exists to suggest that longevity benefits are or have ever been intended to compensate police for the particular nature of the work performed. If this were the case, non-PBA employees would historically not have received longevity benefits. Second, the Arbitrator can take judicial notice of the fact that the Act (N.J.S.A. 34:13A-16(g)(2)) and many arbitration awards thereunder, specifically call upon the Arbitrator to consider relevant evidence with respect to the compensation afforded police compared with other employees of a municipality.

The Borough asserts that it has shown that elimination of prospective longevity benefits for both police officers and other municipal employees is a growing trend in Bergen County and in those municipalities comparable to Allendale. The Borough acknowledges, as pointed out by the PBA, that no arbitration award has yet eliminated prospective longevity benefits. However, such fact is only reflective of the relatively recent, yet growing, developments on this issue in municipal labor relations. If the PBA's argument in this respect is taken to its logical conclusion, no Arbitrator could ever eliminate prospective longevity benefits because it has never been done before. Such an absolute prohibition is not supported by the provisions of the Act or by principles of equity and fairness inherent in the Act.

Similarly, the Borough disputes the PBA's argument that it must meet or exceed the rate of compensation growth existing in comparable municipalities. The Borough contends that this misconstrues the purpose and intent of the Act. Rather, what the Act requires is for Arbitrator to consider and weigh the eight statutory criteria in N.J.S.A. 34:13A-6(g), among which is a "comparison" of various economic benefits. Nothing in the Act requires, or is intended to require, a municipality to rigidly maintain its relative position among comparable municipalities. Rather the standard is one of relative, not absolute, comparison.

The Borough contends that the issue to be addressed by the Arbitrator is not whether a level of economic benefits maintains a municipality's relative position in an absolute sense, but whether such benefits maintain to a reasonable degree the municipalities' general, relative position. For example, if a proposal resulted in a municipality's position moving from the top 10% to the bottom 10% of comparable municipalities, but the actual difference in real dollars was \$1,000 in economic benefits between the highest and lowest paid any 30 municipalities, it would be unreasonable to decide that such a change rendered the proposal incomparable with other municipalities.

The Borough submits that the Act was not intended to prohibit a municipality from declining to provide benefits other comparable municipalities may offer, as long as such proposal does not render the benefits unreasonably inequitable when compared with comparable municipalities (and is otherwise consistent with the other statutory criteria). In a practical sense, this means that an arbitrator cannot reject an economic proposal simply because it does not provide a benefit afforded by other municipalities, particularly when the elimination of that benefit is on a prospective basis only with no negative economic impact on existing members.

The Borough disputes the PBA's argument that Allendale cannot eliminate prospective longevity for new hires because no arbitrator has ever adopted such a position and because most of the Borough's comparable municipalities have not eliminated longevity. The Borough submits that the logical result of the PBA's position is an indefinite perpetuation of an ever-rising cycle of costs which cannot be broken and a rigid "ranking" of municipalities by their benefits which can never be deviated from. The Borough contends that the Act cannot and should not be so construed.

The Borough submits that if a municipality's economic proposal is deemed economically inferior in relation to its current position compared with other municipalities, the Act does not compel its rejection as long as reasonable comparability is maintained. Nothing in the Act prevents a municipality from choosing to provide economic benefits which are quantitatively less than comparable municipalities. Clearly, there are other municipalities comparable to Allendale that pay more to its officers, i.e., Upper Saddle River. However, the Borough cites the testimony of Mayor Klomburg that, while Allendale does not pay the most money, it still received approximately 150 resumes for the two positions recently filled.

Similarly, even assuming the lack of longevity benefits for new hires reduced the number of applicants for new or open positions, no evidence was produced that the Borough would in any way be hampered in its ability to attract fully qualified and desirable officers.

The Borough notes that comparability of wages is only one of the eight statutory criteria to be considered and it does not mandate that all municipalities provide the same level of compensation. Within comparable communities, there are those municipalities who pay more and those who pay less. If a municipality chooses to be one paying toward the lower end of the spectrum, there is nothing in the Act to prohibit this. The Borough acknowledges that consideration of all relevant statutory criteria in a given instance may preclude such an effort, this arbitration is not such an instance since no relevant evidence supports the PBA's opposition to the elimination of prospective longevity.

The Borough maintains that the elimination of prospective longevity must also be viewed through the lens of the statutory criteria other than comparability and that these other criteria support, or at a minimum, do not mitigate against its longevity proposal.

The overall compensation received by the employees

The Borough points out the only compensation issues raised related to (1) increase in base salary; (2) elimination of prospective longevity benefits; and (3) the request for one additional personal leave day. As to the first two issues, the Borough notes that it already discussed the equity of its proposal to increase the base salary and the fact the elimination of prospective longevity has absolutely no economic (or non-economic) impact on current members. As to the request for one additional personal day, the Borough submits that the PBA offered no evidence to support its request.

The Borough asserts that under its proposal, the PBA would continue to enjoy the above average overall compensation which it currently receives.

Stipulations of the Parties

The only stipulations of the parties were (1) the new CBA would have a term of three years; and (2) with respect to the statutory criteria under N.J.S.A. 34:13A-16(g)(5) and (6), the parties agreed that the CAP law was not implicated or exceeded by either party's proposal and that the Borough was not arguing that it was not able to pay either party's proposal.

Essentially, it was stipulated that while overall economic impact on a municipality is always a factor, neither proposal is affected by ability to pay nor would either proposal have an adverse impact on the Borough's competing budgetary demands.

Cost of Living

The Borough points out that B-64, the Consumer Price Index for 2001 for New York-Northeastern New Jersey, increased 1.68% for 2001 and 1.75% for the first four months of 2002. These modest increases confirm that the Borough's 3.75% annual increases (3% for Academy, 1st year and second year) are reasonable and appropriate. Conversely, the PBA's demand for a 5% annual increase exceeds the 2001 Consumer Price Index by 3.32%. Clearly, such a gap between the CPI and the parties' respective proposals reflects the reasonableness of the Borough's proposal.

The Borough contends that significant weight should be given to this factor. The Borough's proposed increase in base salary obviously is as great as the rise in the cost of living. But it does more than simply offset such rising costs — it provides for an increase more than twice such rising cost. This additional compensation cannot be attributed to seniority pay as such compensation is found in the form of the step increases. Rather, this additional compensation is simply money offered on top of and in addition to that needed to meet the increase in the cost of living.

The Continuity and Stability of Employment

The Borough disputes the PBA's reliance on the testimony of recently departed Allendale police officers, Schwartz and Blondin. The Borough maintains that the reasons the two officers left Allendale did not relate to the issues in this matter. The Borough contends that Schwartz and Blondin both testified that they left Allendale for reasons having almost nothing to do with either (1) compensation or (2) longevity benefits. Rather, both testified that they were very happy and satisfied with their positions but left because of opportunities for advancement in other police departments which were not available in Allendale.

The Borough submits that there is nothing in the PBA's proposal or the Borough's proposal which would have had any relevance or impact whatever on these officers' decision to leave Allendale. Elimination of prospective longevity was irrelevant to them because their rights would have remained unaffected. Similarly, the difference between the PBA's 5% base salary increase and the Borough's 3.75% base salary increase was not a factor because the impetus for them leaving was not primarily monetary.

The Borough asserts that Officer Blondin left for Mahwah because its 65-person force was of a totally different nature than Allendale. Officer Schwartz left for Saddle River because of opportunities present there which were not available in Allendale. Not only are such differences inherent in the nature of differing municipalities, but they are beyond the control of said municipalities (i.e., population, geographic, police department structure, etc.).

In summary, the Borough asserts that the continuity and stability of employment by officers in Allendale is affected by either the Borough's or the PBA's proposal.

Clothing Allowance

The Borough refers to B-76 in support of its proposal regarding a clothing allowance increase. The Borough contends that this increase, when considered with the entirety of its economic proposal, is reasonable under the governing statutory criteria.

Non-Economic Issues Raised by PBA

The Borough contends that the PBA provided no proof of the need to provide body armor. There was no demonstration that body armor could promote the safety of the officers and there was no indication of the cost associated with this proposal. This proposal should be denied for absence of proofs.

The Borough contends that the PBA provided no proof of the need to add "Term and Renewal" language to the CBA. The Borough notes that it stipulated that the term of the successor agreement shall be January 1, 2002 through December 31, 2004. Other than this stipulation, the Borough objects to the language proposed and suggests that it be denied due to a failure of proofs.

The Borough contends that the PBA provided no proof of the need to add "Preservation of Rights" language to the CBA. The Borough points out that the PBA offered no testimonial or documentary evidence in support of its position. The Borough contends that it has implicit management prerogatives which are potentially jeopardized by the PBA's proposal. By way of example, the right of the Borough to make necessary modification to existing insurance programs, as long as the modification was "the substantial equivalent" of those currently in existence, would be hindered under the "highest standards" language suggested by the PBA. Again, this proposal should be denied due to an absence of proofs.

In summary, the Borough asserts that the information it provided at the hearing and put forth in its brief shows that its total compensation package is fair and reasonable, is within the confines of budgetary constraints, and promotes the stability and continuity of employment. The Borough requests that its Final Offer on the outstanding issues be awarded.

THE PBA'S POSITION AND ARGUMENT

The following are the PBA's positions and arguments in relation to the statutory criteria on the outstanding economic and noneconomic issues.

Interests and welfare of the public

The PBA asserts that the residents of the Borough are well served by the highly proficient and productive members of the Police Department which meets the needs of its citizens in a changing time and has increased services to meet the evolving needs of the community. It is a well-managed Police Department and all officers who testified were proud to note a harmonious relationship with a high *esprit de corps*. This was acknowledged by the testimony of Mayor Albert Klomburg who acknowledged the proficiency and productivity of the Police Department.

The PBA asserts that a high level of services are provided to the citizens and points to recent changes which have improved and increased the level of service. PBA testimony established that there is a high level of calls for police activity with 9,773 calls in 2001. The Detective Bureau opened up an additional 218 case jackets and over 1,200 summonses were adjudicated through the Municipal court. Population in recent years has significantly increased, creating a huge expansion in the public school system. The PBA notes the following new activities and services have either been begun or enhanced through the Police Department since the expiration of the last CBA:

- Defibrillator equipment and Defibrillator training for all officers
- School response and resource officer
- Motor vehicle video recorder systems in the patrol cars
- Thermal imagery used for lost children and to locate persons in reduced vision situations
- Blood born pathogen training
- Significant increase in training at Academy and at in house levels
- Child safety program
- Speed suppression surveys
- Child safety seat program

Other changes include:

- Bergen County Terrorist Task Force participation which was described in detail at hearing by PBA witness.
- RDF - Rapid Deployment Force which was deployed, for example, following the September 11 tragedy.
- Bergen County Prosecutor's Fatal Accident Team - This is a county wide network of officers with special expertise and training handling unique police services. The Allendale Police Officers participating work directly with the Bergen Prosecutor's Office during such circumstances and with other similarly trained officers from different parts of the County.
- Bergen County Police Academy Instructors - Approximately one half of the Allendale Police Department are specially trained and Police Training Commission certified as Methods of Instruction (MOI). This certification is by the State Level Agency and permits Allendale Police Officers to certify others following training given by said officers. Several Allendale Police Officers teach on a part time basis at the Bergen County Police Academy. These recruit classes come from all over the State as well as anywhere in the County. These persons are certified in those specialties which are the subject of the referenced instruction.

The many services presently offered to the public by the Department is the subject of a resident mailing and written advisory issued by Allendale Police Chief Robert L. Herndon. Chief Herndon's resident bulletin was introduced into evidence as P-14. Many services are identified for the citizens and specifics are provided as to the unique contributions available through the department. P-14 shows that virtually every Police Officer in the department has a specialty and provides, in addition to their regular duties as a Police Officer, additional duties in the form of these noted specialties to the citizens.

The PBA notes that while population of the town has rapidly expanded the Allendale Police Department has actually shrunk in size. Many comparisons were made with respect to police services since 1988 and the Police Department that has been available to respond to citizen needs since then. PBA testimony specifically addressed the new police obligations and demands for service that the Allendale Police Department has met. Specifically the comparison identified changes from 1988 to the present. The following is a partial list of these new services and facilities:

- Domestic Violence - while this has been a statewide change, Allendale has met the new law, changed requirements, and increased activity with fewer personnel.
- Community Policing
- DARE - This innovative Drug program has resulted in many successes however it does present a significant drain on police service.
- Bike Safety Program
- Child Safety Seat Program
- Emergency Medical Technician (EMT) certification and "First Responder" certification for all officers.
- MDT - Mobile Data Terminal Training and equipment for police vehicles. This provides the responding officers with critical information so that they can plan the most appropriate action.
- Operation Reassurance - This is an elderly person response provision that when a select list of elderly persons in town do not all call in each morning then the department will call them. If the elderly person cannot be contacted an officer is dispatched. Testimony at hearing discussed the value and success of this program. It is a truly unique and proactive service.
- School Child fingerprint program for kids
- New resident info form (P-14)

From 1988 through 2001 the calls for police service increased by over 1400%. Case jackets in the bureau more than tripled. Motor vehicle summonses increased significantly. Between 1988 and 2002 the school population grew from 746 students to 1,140 students, a 52.8% increase. This is a community that has experienced significant growth since 1988.

The PBA points out that during this period of growth the number of police officers has been reduced with fewer opportunities for promotion. There were sixteen police officers in 1988; there are eleven in 2002. The PBA contends that these reductions in staff and reduced promotional opportunities have caused three officers to leave the Department for positions in other police departments. The PBA contends that the Borough policies have resulted in a continuing loss of police officers to other law enforcement agencies. According to the PBA, this is time consuming and expensive (recruitment, screening, applicant's background checking, psychological testing, physical testing, six months of compensation while in the academy along with insurances, etc.) resulting in less police officers and less experienced police officers. The PBA asserts that the Borough can recoup this investment if it retains these officers and gives them a career path to retirement.

The PBA contends that its position is consistent with modern trends in law enforcement compensation and seeks to redress some problems caused by compensation short fall in Allendale. According to the PBA, the Borough seeks to further diminish the competitiveness and attraction of the Allendale police compensation program. by seeking to reduce current compensation.

***Comparison of the wages, salaries,
compensation, hours, and conditions of employment***

The PBA maintains that Allendale is one of the poorest compensated towns in the immediate area. The pay rate and benefits in Allendale lag behind area towns and are significantly below area averages. In addition, the PBA maintains that the current compensation program is not sufficient to retain recently recruited officers. The PBA again notes that in the last six months preceding the hearing, three Police Officers, all young skilled employees with good records, left Allendale for other police departments. The PBA contends that the recent career path in Allendale is for the Police Officer to be trained at Allendale's expense, gain some experience, and move onward to a better paying police job.

The PBA cites the testimony of two of these recently departed officers. Saddle River Police Officer Charles Schwartz testified that he left the Allendale position in August 2001, after three years with the Allendale Police Department for financial reasons. Schwartz had an excellent record in Allendale and only left due to the poor career path and lack of opportunity. Mahwah Police Officer Michael Blondin left the Allendale Police Department in January of 2002. Officer Blondin testified that he worked for approximately three years as an Allendale Police Officer and before that had worked as an Allendale dispatcher. Blondin is a life long resident of Allendale. Blondin was identified as one of the most productive Police Officers at the Allendale Police Department and was a "top DWI man" averaging seventy to eighty arrests per year.

Blondin followed Officer Scott Cherven to Mahwah who left in 1998 after only eighteen months in Allendale. Also leaving in 2002 was Police Officer Paul Miccinilli.

Each of the former Allendale officers who testified at hearing described their positive work environment while in Allendale and their enjoyment of the job. Each was discipline free and each had received many additional training programs after the basic police academy. Basic training was achieved at Allendale's expense. The basic police academy is approximately six months in duration. The two officers who testified described compensation and benefits paid during the training program by Allendale, then followed a post academy adjustment and training period at the work site as well as some additional training programs throughout their careers while in Allendale. Each of course, was the product of extensive screening and testing as a prerequisite to being initially hired by Allendale. The PBA notes that Allendale had a lot of money invested in these officers. Allendale's expenditure, time, effort and energies are all now utilized to the benefit of Mahwah and Saddle River respectively, bordering towns. The PBA submits that this turnover does not serve the interest and welfare of the public. The PBA asserts that the Borough's position of further reducing the compensation program in Allendale is without justification.

The PBA contends that Allendale is the lowest paid town among these municipalities in the immediate geographic area. The immediate area towns were identified by PBA witnesses as Ramsey, Mahwah, Hohokus, Wyckoff, Waldwick, Upper Saddle River, Saddle River and Franklin Lakes. These towns are not only in the immediate geographic area but are within the radius of police interaction. Area towns were identified as having common streets and roads, mutual aid agreements, and common area police issues such as traffic, juvenile, etc. The PBA provided the following maximum salary data in support of its position:

RAMSEY	\$77,337
MAHWAH	81,338
HOHOKUS	74,092
WYCKOFF	78,581
WALDWICK	80,653
UPPER SADDLE RIVER	78,430
SADDLE RIVER	81,526
FRANKLIN LAKES	84,424
AVERAGE	79,548
ALLENDALE	75,263
ALLENDALE COMPARED TO AVERAGE	(\$4,285) (5.7%)

The PBA points out that it would take a 5.7% increase on the 2001 rate before any adjustments for subsequent years just to bring the Allendale Police Officer up to average compensation among the officer's peers in the immediate area.

According to the PBA, there are no offsetting benefits to justify the poor relative pay position of the Allendale officer. The PBA submitted data showing that the average number of annual holidays in twenty Bergen municipalities and the State Police is 13.24 with Allendale officers receiving twelve. The PBA notes that there are only three other contracts in evidence with twelve holidays; all others include more holidays.

The PBA submitted data showing that the average number of vacation days in twenty Bergen municipalities and the State Police is 26.3 with Allendale officers receiving 25.

The PBA submitted data showing that the average clothing allowance in twenty Bergen municipalities and the State Police is \$826 with Allendale officers receiving \$750. The clothing allowance ranges from a high of \$1,200 in Saddle River to a low of \$500 in Rutherford.

The PBA notes that Allendale has no educational incentive plan for employees with degrees. The following chart shows the educational incentive benefits provided in other Bergen communities:

ALPINE	AA-\$800,BA- \$1200, MA - \$1600
CLOSTER	\$1200 per credit, Max \$1000
E. RUTHERFORD	\$10 per credit min., No Max
EMERSON	\$18 Per credit tuition Assoc. AA-\$300, BA - \$700
FRANKLIN LAKES	AA-\$1360, BA - \$1610, MA - \$2110
GLEN ROCK	\$18 Per credit, Max \$2340
MAHWAH	Full Tuition Reimbursement to \$120 Credit, then AA-\$250, BA - \$500
OAKLAND	\$120 per cr. - 2700 per yr. , 90 cr. - 2025 per year., 60 cr., 1350 per year
PARAMUS	\$10 Per credit continuing upon degree
PARK RIDGE	AA-\$500,BA- \$1000
RUTHERFORD	AA-\$1000 per year, BA \$1500 per year
SADDLE BROOK	\$25. per credit
STFA	AA-\$500,BA- \$1000, MA - \$1500
TENAFLY	Any degree - \$1000, plus tuition association
WALDWICK	\$12.50 per credit
WOODCLIFF LKS	\$15 per credit, \$1800 max
WYCKOFF	Tuition Association, \$500 per year for degree
SADDLE RIVER	By Ordinance, \$750 per degree
RAMSEY	40 hours = \$150 per annum, 80 hours = \$300 per annum
HOHOKUS	AA-\$750,BA- \$1000, MA - \$1500
WASH. TWP.	\$15 per credit, \$500 per degree
MONTVALE	AA-\$1300, BA - \$1800, MA - \$1950

The PBA submitted salary data showing negotiated and/or arbitrated salary increases in certain Bergen communities and the New Jersey State Police:

	2002	2003	2004
ALPINE	4	4	4
CLOSTER	4	4	
EAST RUTHERFORD	4	4	5
EMERSON	4	4	
FRANKLIN LAKES	4		
GLEN ROCK		4	
MAHWAH	3.6	4	
MOONACHIE	4	4	4
PARAMUS	3.9	3.9	
PARK RIDGE	4	4	
RIDGEWOOD	4.5	4.5	
RUTHERFORD	4	4	
SADDLE BROOK	4.5	4.5	4.5
STFA	4	4	4
TENAFLY	3.9	3.9	3.9
UP. SADDLE RIVER	3.95	3.95	
WALDWICK	4		
WOODCLIFF LAKE	3.75	4	4
WYCKOFF	4.5		
RAMSEY	5.3		
HOHOKUS	4.5		
WASHINGTON TWP	3.9		
AVERAGES	4.11%	4.05%	4.2%

The PBA contends even if the Allendale Police Officer received the identical annual percentage salary increase shown above, the Allendale officer would still fall further back. Area towns receiving higher rates of pay, when given the same rate of increase, will realize a gain in actual dollars over the Allendale officer. The PBA submits that it would take a slightly higher percentage of increase applied to the Allendale officer just to keep pace in real dollars.

The PBA asserts that its proposal for 5% annual salary increases is supported by the evidence on the record. This evidence shows the need for a 5.7% increase just to catch area average and that 4.11%, 4.05% and 4.2% would be required in each of the three contract years to maintain that average. Therefore, to catch and maintain the average would require 18.06% over three years. This exceeds the PBA's three-year 15% salary proposal. The PBA conceded that it is not likely to achieve such "catch up" in one award. The PBA notes that an award at 5% per year would only reduce the existing gap.

The PBA contends that Mayor Klomburg's testimony did not adequately explain why the relatively poor compensation program in Allendale was targeted by the Borough for reduction. The PBA notes that Mayor Klomburg identified certain towns described as "the Crescent" which he considered comparable to Allendale. Included were the towns of Montvale, Saddle River, Ramsey, Upper Saddle River, Northvale, Waldwick, Demarest and Closter. The PBA submitted the following data on the identified towns:

Comparison of Base Rate Increases

	2002	2003	2004
MONTVALE	4	4	4
SADDLE RIVER	3.25*		
RAMSEY	5.3		
UPPER SADDLE RIVER	3.95	3.95	
NORTHVALE	3.5	3.5	
WALDWICK	4		
DUMONT	4.25	4.25	
CLOSTER	4	4	
MAYOR'S AVERAGES	4.031%	3.94%	3.95%

* Saddle River also negotiated a senior officer differential which pays each officer \$3100 in 2002 with 8 years of service.

The PBA points out that the average of the employer selected towns matches the PBA list of comparable within approximately 2/10ths of a percent each year.

The PBA contends that the Borough was not able to show any justification for the reduction and grandfathering of the longevity program. The PBA submitted the following longevity data from the Borough's own comparable towns.

MONTVALE	1% @ 4 yr., 2% ea. 2, max 9%
SADDLE RIVER	2% @ 5 yrs., 5% @ 10 yrs., 8% at 15 yrs.
RAMSEY	2% ea. 4 yrs., Max 10% @ 20 yrs.
UP. SADDLE RIVER	1% ea. 3 yr., Max 11% @ 24 yrs.
NORTHVALE	2% @ 7, 4% @ 10 yrs., 6% @ 13 yrs., 8% @ 17 yrs., 10% @ 21 yrs.
WALDWICK	1% @ 5yrs., .375% per yr., 10% max @ 23 yrs.
DUMONT	1% each 4 years
CLOSTER	2% @ 6yrs., 1/3 of 1% each year thereafter, no max

The PBA submits that the Borough's own "comparability" list does not support its position on longevity. Th PBA maintains that the Borough has not met the requisite burden of proof under the Interest Arbitration statute for taking away of the longevity program for new hires. There is no supporting evidence to justify such a forfeiture of benefit. The PBA suggests that reducing current benefits will only increase the Borough's retention problems which cannot be consistent with the public interest. According to the PBA, the public is best served by skilled career oriented department of well-trained individuals who work together. High turnover and training young officers for departure to other area Police Departments should not be a goal of Allendale.

The PBA points out that the evidence and testimony in the record confirm that the Borough granted other Borough employees a 4% salary increase for the year 2002. The PBA questions why the Borough is not offering the same 4% increase to police officers and at the same time seeks to reduce a key benefit.

The PBA disputes the testimony of Borough witnesses that various Allendale employees, specifically including the Chief of Police, no longer enjoy longevity. On cross examination the Mayor acknowledged that the Allendale Chief of Police had his longevity merged into his base pay. Subsequent increases were on this merged base pay. The longevity schedule which is in the PBA contract is identical to the longevity program which the Mayor testified was applied to the Police Chief. The Police Chief, by virtue of his years of service, had achieved the maximum 10% longevity step on the guide. The PBA contends that merging the maximum longevity step on the guide into base pay and then adding a 4% increase is not taking longevity from the Police Chief.

The following is the PBA's analysis of the salary data included in the contracts presented by the Borough at the hearing:

	2002	2003	2004
RIDGEFIELD	4.5	4.5	
SADDLE RIVER	3.25*		
TENAFLY	3.9	3.9	
UPPER SADDLE RIVER	3.95	3.95	
WALDWICK	4		
WASHINGTON TWP	3.9		
WESTWOOD	4	4	
WOODCLIFF LAKE	3.75	4	4
WYCKOFF	4.5		
HARRINGTON PARK	4	4	
HAWORTH	4		

HILLSDALE	3.75	3.75	3.75
HOHOKUS	4.5		
BERGENFIELD	4	4	
CRESSKILL	3.95	3.95	
DEMAREST	3.8	3.9	3.9
DUMONT	4.25	4.25	
EMERSON	4	4	
GLEN ROCK		4	
HACKENSACK	4.25	4.5	4
MAHWAH	3.6	4	
MIDLAND PARK		3.75	3.75
NORTHVALE	3.5	3.5	
NORWOOD	4	4	
ORADELL	3.5		
PARK RIDGE	4	4	
OLD TAPPAN	4		
AVERAGES	3.96%	4%	3.88%

*Saddle River negotiated a senior officer differential of \$2,067 @ six years and \$3100 @ 8 years.

The PBA points out that the above Borough salary data closely approximates the PBA salary data. The PBA notes that it used essentially northern tier towns in Bergen County, whereas the Borough used a much broader geographic grouping.

The PBA maintains that notwithstanding these exhibits, the Borough failed to make a case for any reduction in longevity benefits. While the Borough did identify a few towns, three or four, in Bergen County that may not have longevity as a separate benefit, this is far from a meaningful statistic in a county of seventy municipalities and many county agencies such as County Police, County Prosecutor and County Sheriff. The PBA contends that the Borough's modest showing in this area is statistically insignificant. The PBA points out that

the Borough failed to identify when those few towns modified the longevity benefit. The PBA maintains that no trend has been established.

The only other PBA economic proposal is for one more personal day. Currently, officers are permitted one annual personal day. Other Borough employees are provided three annual personal days. The PBA is seeking one more personal day for a total of two. The PBA cites the data on holidays in support of this proposal. The PBA receives more than one less day below average on the holiday comparison.

Private Sector Comparisons

The PBA disputes the weight to be given to private sector comparisons asserting that the best comparison is with employees working in like jobs. The PBA cites the decision of Arbitrator Carl Kurtzman with respect to private sector comparisons:

“As other arbitrators have noted, it is difficult to compare the working conditions of public sector police officers with the working conditions of private sector employees performing the same or similar services because of the lack of specific private sector occupational categories with whom a meaningful comparison may be made. The standards for recruiting public sector police officers, the requisite physical qualifications for public sector police and their training and the unique responsibilities which require public sector police to be available and competent to protect the public in different emergent circumstances sets public sector police officers apart from private sector employees doing somewhat similar work. Accordingly, this comparison merits minimal weight. (**Borough of River Edge and PBA Local 201, PERC IA-97-20, at 30**).

The PBA asserts that private sector comparisons should not be considered controlling here. In the first instance, there is no comparable private sector job to that of a police officer. A police officer has obligations both on and off duty. This is most unusual in the private sector. A police officer must be prepared to act and, under law, may be armed at all times while anywhere in the State of New Jersey. Certainly this is not seen in the private sector. The police officer operates under a statutorily created public franchise of law enforcement with on and off duty law enforcement hours. Again such public franchise and unique

provision of statutory authority is not found in the private sector. There is no portability of pension in the law enforcement community after age thirty-five. Police officers may not take their skills and market them in other states as one may market one's own skills in the private sector. A machinist or an engineer may travel anywhere in the county to relocate and market their skills. This is not possible for a police officer. The certification is only valid locally. The nature of police work is inherently one of hazard and risk. This is not frequently seen in the private sector. The PBA cited many statutory and other precedential laws controlling the relationship of police officers to their employers.

According to the PBA, the greatest difference between police officers and private employees generally is the obligation to act as a law enforcement officer at all times of the day, without regard to whether one is on duty status within the state or not. Police officers are statutorily conferred with specific authority and “. . . have full power of arrest for any crime committed in said officer's presence and committed anywhere within the territorial limits of the State of New Jersey.” **NJS 40A:14-152.1**. A police officer is specially exempted from the fire arms law of the State of New Jersey and may carry a weapon off duty. Such carrying of deadly force and around the clock obligation at all times within the State is not found in the private sector.

Police officers are trained in the basic police academy and regularly retrain in such specialties as fire arms qualifications. This basic and follow up training schedules are a matter of New Jersey Statutory law and are controlled by the Police Training Commission, a New Jersey Statutorily created agency. Such initial and follow up training is not generally found in the private sector. Failure to maintain certain required training can lead to a loss of police officer certification and the police officer's job. This is rarely found in the private sector.

Mobility of private sector employees is certainly a factor in the setting of wages and terms and conditions generally for private sector employees. Where a company may move from one state to another, there is more of a global competition to be considered. The New Jersey private sector employee must consider the possibility that his industrial employer might move that plant to another state or even another country. This creates a depressing factor on wages. This is not possible in the public sector. The employees must work locally and must be available to respond promptly to local emergencies. The residency restriction has been above mentioned. In a private sector labor market one might compare the price of production of an item in New Jersey with the price of production of that item in other states, even in Mexico.

Local comparisons are more relevant with police wages. These types of issues were considered in the recent decision issued by the well known arbitrator William Weinberg in the Village of Ridgewood case.

Second of the comparison factors is comparable private employment. This is troublesome when applied to police. The police function is almost entirely allocated to the public sector whether to the municipality, county, state or to the national armed forces. Some private sector entities may have guards, but they rarely construct a police function. There is a vast difference between guards, private or public, and police. This difference is apparent in standards for recruiting, physical qualifications, training, and in their responsibilities. The difficulties in attempting to construct direct comparisons with the private sector may be seen in the testimony of the Employer's expert witness who used job evaluation techniques to identify engineers and computer programmers as occupations most closely resembling the police. They may be close in some general characteristics and in "Hay Associates points," but in broad daylight they do seem quite different to most observers.

The weight given to the standard of comparable private employment is slight, primarily because of the lack of specific and obvious occupational categories that would enable comparison to be made without forcing the data.

Third, the greatest weight is allocated to the comparison of the employees in this dispute with other employees performing the same or similar services and with other employees generally in public employment in the same or similar comparable jurisdictions (Section g. 2(a) of the mandatory standards.) This is one of the more important factors to be considered. Wage determination does not take place without a major consideration of comparison. In fact, rational setting of wages cannot take

place without comparison with like entities. Therefore, very great weight must be allocated to this factor. For purposes of clarity, the comparison subsection g,(2), (a) of the statute may be divided into (1) comparison within the same jurisdiction, the direct employer, in this case the Village, and (2) comparison with comparable jurisdictions, primarily other municipalities with a major emphasis on other police departments.

Police are a local labor market occupation. Engineers may be recruited nationally; secretaries, in contrast, are generally recruited within a convenient commute. The nearby market looms large in police comparisons. The farther from the locality, the weaker the validity of the comparison. Police comparisons are strongest when in the local area, such a contiguous towns, a county, an obvious geographic area such as the shore or a metropolitan area. Except for border areas, specific comparisons are non-existent between states. (**Ridgewood Arbitration Award, Docket No.: IA-94-141, pp. 29 - 31**).

The PBA contends that any time there is a comparison made between a police officer and a private sector employee generally, the police officer's position must gain weight and be given greater support by such comparisons. The police officer lives and works within a narrowly structured statutorily created environment in a paramilitary setting with little or no mobility. The level of scrutiny, accountability and authority are unparalleled in employment generally. The police officer carries deadly force and is licensed to use said force within a great discretionary area. A police officer is charged with access to the most personal and private information of individuals and citizens generally. His highly specialized and highly trained environment puts great stress and demand on the individual. Private employment generally is a generalized category that includes virtually every type of employment. To be sure in such a wide array of titles as the nearly infinite number covered in the general category of "private employment" there are highly specialized and unique situations. The majority, however, must by definition be more generalized and less demanding. Specialized skills and standards are not generally as high as in police work. A police officer is a career committed twenty-five year statutorily oriented specialist who is given by law the highest authority and most important public franchise. The police officer should be considered on a higher wage plane than private employment generally.

Stipulations of the Parties

The PBA asserts that this case is unique and set apart from most others due to the Borough's specific stipulation it waived the applicability of criteria g (5) and g (6) under the Act. These criteria were specifically stipulated by both counsel as not relevant for determination of this case.

The Cost of Living

The PBA acknowledges that the cost of living in general has not, in recent years, matched the proposal of the PBA in this case. In the first instance, one might say that this is only one of 8 criteria and certainly not a controlling factor. The PBA notes that in recent years police officers have received more than the stated CPI data. E-64 provides information over the several years of contracts that are in evidence for both Allendale and many municipalities in and around the County introduced by both the employer and the PBA. None of these contracts resulted in an increase that matched the CPI in any year noted. The PBA notes that in years past where the CPI was in very high numbers, this was a union issue and the employers' defended non-adherence to the CPI statistics.

The Continuity and Stability of Employment

The PBA contends that this statutory factor requires an evaluation under the traditional labor principles of "area standards" and "going rate". The PBA contends that the application of these concepts supports an award of the entire PBA's proposals. Allendale Police Officers are among the poorest paid in the immediate area among their peers. Their promotional opportunities and career path generally are less attractive than their peers as confirmed by the testimony of officers who have recently left the Allendale Police Department to join neighboring Police Departments. The PBA contends that the poor compensation program and lack of career opportunities in Allendale contributed to their departure.

The Borough has suggested significant reductions in the compensation program. The PBA contends that these reductions or “take aways” amount to no more than forfeitures that are unwarranted and unjustified.

The PBA asserts that the Borough did not submit empirical data to support this position. The PBA notes that the Borough provided salary increases of 4% to its non-contract employees, including the municipal administrator and employees in the other bargaining unit yet proposes a lower salary increase to its police officers.

The PBA disputes the Borough’s contention that longevity is not being removed from other towns’ law enforcement contracts. No trend is shown. No examples are even shown with full explanation as to the circumstances even in those extremely remote municipalities where it occurred. What was the *quid pro quo* in those towns? Was there another form of payment? These questions must be answered to even evaluate the employer’s proposal. The PBA contends that the Borough’s proposal cannot be awarded without such full data for evaluation purposes.

The PBA asks that I rule in favor of its last offer on the outstanding issues and reject the Borough’s proposal to eliminate longevity for new employees. The PBA maintains that this is inconsistent with the interest and welfare of the public and will create severe problems and perpetuate an unacceptable circumstance of employee turnover to the public. The PBA submits that the Borough has not met its burden on the longevity proposal that must be supported by the highest level and standard of proof.

Discussion and Analysis

The arbitrator is required to decide a dispute based on a reasonable determination of the issues, giving due weight to the statutory criteria which are deemed relevant. Each criterion must be considered and those deemed relevant must be explained. The arbitrator is also required to provide an explanation why any criterion is deemed not to be relevant.

I have carefully considered the evidence as well as the arguments of the parties. I have examined the evidence in light of the statutory criteria. Each criterion has been found relevant, although the weight given to different factors varies, as discussed below. I have discussed the weight I have given to each factor. I have also determined the total net economic annual changes for each year of the agreement in concluding that those changes are reasonable under the statutory criteria.

The parties related the evidence and arguments regarding the criteria primarily to its offer and to that of the other party. I shall not do so because, in this conventional proceeding, I have the authority and responsibility to fashion a conventional arbitration award unlike the prior statute which required an arbitrator to select the final offer of one party or the other on all economic issues as a package and then to justify that selection.

A governing principle that is traditionally applied in the consideration of wages, hours and conditions of employment is that a party seeking a change in an existing term or condition of employment bears the burden of demonstrating a need for such change. This principle shall also be applied to new proposals.

The parties agree that the duration of the new three-year agreement shall be January 1, 2002 to December 31, 2004. I accept this agreement as a stipulation to the term of the new agreement and award a three-year agreement. The agreement shall be effective January 1, 2002 to December 31, 2004.

I have determined that the 2001 base salary that the 2002 salary increases will be applied to is \$825,416 for the eleven unit members employed effective January 1, 2002. The Borough hired two other police officers in July of 2002 at the Academy rate of \$33,183 and at the 5th year rate of \$59,999 for an additional \$93,182. The cost to the Borough in 2002 for the two new hires is \$46,591. I shall include the two new hires in the overall costs to simplify comparisons between the Borough and PBA salary proposals. The total base for calculation of the across-the-board annual salary increases is \$918,598.

The following salary calculations are based on the 2001 scattergram and the two additional officers hired in 2002. These calculations do not include step increases and roll up costs nor do they assume any resignations, retirements, promotions or additional new hires. Changes since the close of the hearing are not relevant since the parties' salary proposals are based on the same complement of officers.

The PBA proposed a 5% across-the-board salary increase in 2002, 2003 and 2004. The cost of the PBA's 5% salary proposal in 2002 is \$45,930. The new base in 2002 is \$964,528. The cost of the PBA's 5% salary proposal in 2003 is \$48,226. The new base in 2003 is \$1,012,754. The cost of the PBA's 5% salary proposal in 2004 is \$50,637. The new base in 2004 is \$1,063,392.

The Borough proposed a 3.75% across-the-board salary increase in 2002, 2003 and 2004 to all steps except Academy, 1st year and 2nd year. I shall include the one officer at the Academy rate for comparison purposes in the 3.75% calculations and note the difference at 3%. The cost in 2002 is \$34,447. The new base in 2002 is \$953,045. The cost of the Borough's salary proposal in 2003 is \$35,739. The new base in 2003 is \$988,784. The cost of the Borough's 3.75% salary proposal in 2004 is \$37,079. The new base in 2004 is \$1,025,862.

The application of 5% and 3% across-the-board result in a 2004 Academy salary of \$36,260 under the Borough's proposal and a \$38,413 salary under the PBA's proposal; a 2004 1st year salary of \$40,611 under the Borough's proposal and a \$43,023 salary under the PBA's proposal; and a 2004 2nd year salary of \$45,486 under the Borough's proposal and a \$48,187 salary under the PBA's proposal.

The cost of the Borough's proposed clothing allowance increase of \$25 in both 2003 and 2004 is \$325 in 2003 and an additional \$325 in 2004. The cost of the Borough's proposal to eliminate longevity has no direct impact during the life of the new three-year agreement. The cost of the PBA's proposal for one additional personal day is limited by the current contract language to "not require overtime."

I shall now discuss the evidence and the parties' arguments in relation to the statutory criteria.

The interests and welfare of the public require the arbitrator to balance a number of considerations. These considerations traditionally include the Employer's desire to provide the appropriate level of governmental services and to provide those services in the most cost effective way, taking into account the impact of these costs on the tax rate. On the other hand, the interests and welfare of the public requires fairness to employees to maintain labor harmony and high morale and to provide adequate compensation levels in order to attract and retain the most qualified employees. It is axiomatic that reasonable levels of compensation and good working conditions contribute to a productive and efficient work force and to the absence of labor unrest. The work of a Police Officer is undeniably and inherently dangerous. It is stressful work and is clearly subject to definite risks. Police Officers are certainly aware of this condition of employment. This is a given which is usually balanced by the appropriate level of increases in compensation to be received by a Police Officer from one contract to the next.

I agree with the analysis provided by Arbitrator Jeffrey B. Tener in an interest arbitration award in Cliffside Park. Arbitrator Tener's analysis:

"The arbitrator is required to strike an appropriate balance among these competing interests. This concept has been included in the policy statement of the amended interest arbitration statute. N.J.S.A. 34:13A-14 refers to the 'unique and essential duties which law enforcement officers . . . perform for the benefit and protection of the people of this State' and the life threatening dangers which they confront regularly. The arbitration process is intended to take account of the need for high morale as well as for the efficient operation of the department and the general well-being and benefit of the citizens. The procedure is to give due respect to the interests of the taxpaying public and to promote labor peace and harmony."

(In the Matter of the Borough of Cliffside Park and PBA Local 96, PERC Docket No. IA-98-91-14, page 45.)

The New Jersey Supreme Court in Hillsdale determined that the interests and welfare of the public must always be considered in the rendering of an interest arbitration award and that an award which failed to consider this might be deficient. The Borough and the PBA stipulated that the statutory criteria under N.J.S.A. 34:13A-16(g)(5)(6) are not implicated in this matter. The parties waived the submission of evidence, testimony and argument regarding the CAP Law and statutory factors (g) (5) and (6). The parties stipulated that while overall economic impact on a municipality is always a factor, neither proposal would have an adverse impact on the governing body, its residents or taxpayers. I find that the terms of this Award will not cause an adverse financial impact on the Borough, its residents or taxpayers nor do the terms conflict with the lawful authority of the Borough.

I shall now discuss the open issues with respect to the interests and welfare of the public factor.

There are two issues concerning clothing allowance. The first issue is the PBA's proposal to "codify" the Borough's continuing supply of body armor. The PBA referenced the second chance armor "ultimate" with shock plates or equivalent. The second issue is the

Borough's proposal to increase in the current uniform allowance of \$750 to \$775 effective January 1, 2003 and to \$800 effective January 1, 2004.

The PBA's proposal implies that the Borough is now providing such armor and that its proposal is simply to include (codify) the practice in the CBA. Since there is no specific reference to costs associated with this proposal, I must reject the codification of the practice. The PBA has not met its burden of showing the need for its proposal.

A review of the submitted data shows that the average clothing allowance in twenty Bergen municipalities is \$826 with Allendale officers currently receive \$750. The Borough's proposal will increase the clothing allowance to \$775 effective January 1, 2003 and \$800 effective January 1, 2004. The Borough's proposal is awarded.

The PBA proposed two other noneconomic issues:

Term and Renewal

The PBA proposed the following new language:

This agreement shall have a term of January 1, 2002 through December 31, 2004. If the parties have not executed a successor agreement by December 31, 2004, then this Agreement shall continue in full force and effect until a successor agreement is executed.

Negotiations for a successor agreement shall be in accordance with the rules of the Public Employment Relations Commission.

Preservation of Rights

The current CBA provides the following "Preservation of Rights" language:

"This contract remains in effect and in full force until a new contract is executed by the appropriate PBA representatives and Borough officials."

Th PBA proposed the following new language:

The parties agree that all benefits, rights, duties, obligations and conditions of employment relating to the status of the Police Department which benefits, rights, duties, obligations

and conditions of employment are not specifically set forth in this Agreement, shall be maintained at not less than the highest standards in effect at the time of the commencement of collective bargaining negotiations between the parties leading to the execution of this Agreement.

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

The Borough is opposed to both of the PBA proposals. The Borough contends that there is no proof of the need to add "Term and Renewal" language to the CBA. The Borough notes that it stipulated that the term of the successor agreement shall be January 1, 2002 through December 31, 2004. The Borough contends that the PBA provided no proof of the need to add "Preservation of Rights" language to the CBA. The Borough contends that it has implicit management prerogatives which are potentially jeopardized by the PBA's proposal.

I shall award the "Term and Renewal" language proposed by the PBA. This is a common clause in collective bargaining agreements and simply includes what the parties have either stipulated (term of agreement) or what the parties are required to do under the Act.

I shall deny the PBA's "Preservation of Rights" proposal. The PBA has provided insufficient evidence to support its inclusion in the successor agreement. The PBA has not provided any examples of incidents or grievances that justify the inclusion of this language. The PBA has not met its burden of showing the need for its proposal. Accordingly, it is denied.

The PBA seeks to add an additional personal day to bring the total number of annual personal days to two. The PBA notes that other Borough employees receive three annual personal days. The PBA is seeking one more personal day for a total of two. The PBA cites

the data on holidays in support of this proposal. The PBA receives more than one less day below average on the holiday comparison.

I shall award the PBA's proposal for one additional personal day. This is for two reasons. First, it provides the members of the bargaining unit with two personal days as compared to the three personal days provided in the DPW/Water agreement. Second, and more importantly, the CBA provides financial and operational limits on the use of personal days:

"Officers will be permitted one (1) day of excused time with pay, with this so scheduled as to not interfere with the needs of the Department or require overtime to compensate for the absence of the member taking excused time."

The PBA's proposal for one additional personal day is awarded.

I shall now address the salary and longevity issues. The 2001 wage scale is as follows:

2001 Salary Guide

New Employee (Academy)	\$33,183
Balance of First Year	\$37,165
During the Second Year	\$41,626
During the Third Year	\$47,830
During the Fourth Year	\$53,570
During the Fifth Year	\$59,999
During the Sixth Year	\$67,200
Over Six Years (Maximum)	\$75,263
1 st Year Sergeant	\$79,067
2 nd Year Sergeant	\$80,067
1 st Year Detective Sergeant	\$83,839
Detective Sergeant	\$84,389
Lieutenant	\$82,384
Detective Lieutenant	\$86,731

The major issues in this matter are annual salary increases and the Borough's proposal to eliminate longevity for new hires effective September 1, 2002. I shall first discuss the across-the-board salary proposals. The PBA proposes 5% annual across-the-board salary increases. The Borough proposes 3.75% annual across-the-board salary increases. The Borough proposes to increase the Academy, 1st year and 2nd year steps by 3% annually.

The PBA and the Borough submitted salary data from numerous Bergen County contracts. The PBA and the Borough compiled data from different "clusters" of communities in support of their respective positions. The salary data compiled by the PBA and the Borough produced similar average salary increases in 2002, 2003 and 2004 effectively narrowing the salary differences to one or two tenths of 1% per year.

The PBA submitted salary data from the immediate geographic area (Ramsey, Mahwah, Hohokus, Wyckoff, Waldwick, Upper Saddle River, Saddle River and Franklin Lakes) showing an average maximum salary \$4,285 higher than the \$75,263 maximum 2001 Allendale salary.

The PBA submitted salary data showing negotiated and/or arbitrated salary increases in twenty-one Bergen communities and the New Jersey State Police. The average increases in these jurisdictions in 2002, 2003 and 2004 are 4.11%, 4.05% and 4.2% respectively.

The PBA submitted salary data for certain towns described by the Borough as "the crescent" which the Borough considered comparable to Allendale. Included were the towns of Montvale, Saddle River, Ramsey, Upper Saddle River, Northvale, Waldwick, Demarest and Closter. The average increases in these communities in 2002, 2003 and 2004 are 4.03%, 3.94% and 3.95% respectively.

The PBA provided an analysis of the salary data in the contracts presented by the Borough at the hearing. Some of these communities are included in the above groupings. The average increases in these jurisdictions in 2002, 2003 and 2004 are 3.95%, 4% and 3.88% respectively.

The Borough provided an analysis of the 2001 base pay for police officers in comparable jurisdictions in B-65. This analysis shows that Allendale ranked 11th out of 29 comparable municipalities with respect to a maximum salary in 2001. This placed Allendale in the top half of the grouping. The Borough submits that an analysis of the 2002 base pay for police officers in comparable jurisdictions supports the Borough's position. As reflected in Exhibit "B" of its brief, the Borough's proposed 3.75% increase results in a maximum base salary which maintains Allendale's relative position for 2002 (excluding Mahwah and Franklin Lakes). Allendale would rank 13th highest out of 29 jurisdictions and for 2003, Allendale would rank 9th highest out of 20 jurisdictions for which data is available.

The Borough notes that Allendale DPW/water employees received a 3.5% across-the-board raise and the Borough employees received a 4% across the board increase in 2002. The Borough maintains that its 3.75% increase is consistent with the wage provisions agreed to with all other Borough employees, especially when viewed in comparison to the 5% increase proposed by the PBA.

The Borough also refers to B-61A and B-61B, showing that the average maximum patrol salary of 51 Bergen County municipalities was \$73,005 for 2001, as compared to Allendale's Top Cop salary of \$75,263.

The Borough refers to the New Jersey Department of Labor's March 2002 edition of "New Jersey Occupational Wages" (B-63), a survey conducted from the fall of 2000 through August 2001, which reflects that, in the Bergen-Passaic County Area, the mean (average)

wage for police patrol officers was \$63,605. The average wage at the 50th percentile was \$67,955. The average wage at the 75th percentile was \$79,465.

The salary data submitted by the Borough and the PBA are similar with each party selecting groupings within the County that support their salary proposals. The Borough's salary data shows that the maximum salary in Allendale is in the middle of the pack at \$75,263 in 2001 with Franklin Lakes at \$84,808 and Haworth at \$66,016. B-65 shows that the \$75,263 maximum salary is somewhat above the average maximum salary of \$74,718.

The Borough seeks to limit the across-the-board increases to the Academy, 1st year and 2nd year steps to 3% annually. This proposal will affect only one officer who was hired in July 2002. The Borough seeks to offset its costs for future employees during their first two years of employment. This proposal does not limit such employees to 3% annual salary increases. It simply limits the growth of the salary guide at those steps. Employees moving through these three steps will receive considerably higher percentage increases than the officers at maximum, i.e., an officer hired in 1999 at \$31,279 would move to \$41,626 during the second year of employment. This is more than a \$10,000 increase representing a 33% increase.

I note that Arbitrator Mastriani, in his Allendale interest arbitration award covering 1999, 2000 and 2001, provided for a differentiated increase of 3% at the same steps while awarding higher across-the-board increases at all other steps. This differentiated approach is common and is designed to provide savings for new employees and additional funds for maximum step increases which the less senior officers will receive if they remain with the Borough.

I have carefully reviewed this proposal and award the Borough's proposal to increase the Academy, 1st year and 2nd year steps by 3% effective January 1, 2002, January 1, 2003 and January 1, 2004.

After reviewing all of the arguments and evidence submitted, and after applying the statutory criteria, I have determined that the salary increases for top step Patrol Officers, Sergeants and Lieutenants shall be 4% effective January 1, 2002, 4% effective January 1, 2003 and 4% effective January 1, 2004.

The total economic change over the three years of the agreement is \$114,700 over three years. The difference between the PBA's proposal and the Award is \$9,186 in 2002, \$10,012 in 2003 and \$10,896 in 2004. The difference between the Borough's proposal and the Award is \$2,296 in 2002, \$2,449 in 2003 and \$2,663 in 2004. Over the three year period, the Award is \$7,408 more than the Borough's proposal and \$30,094 less than the PBA's proposal. These calculations do not include step increases and roll up costs nor do they assume any resignations, retirements, promotions or additional new hires. Changes since the close of the hearing are not relevant since the parties' salary proposals are based on the same complement of officers.

The parties waived the submission of evidence, testimony and argument regarding the CAP Law and statutory factors (g) (5) and (6). The parties stipulated that while overall economic impact on a municipality is always a factor, neither proposal would have an adverse impact on the governing body, its residents or taxpayers. The salary increases awarded in this matter are comparable to and within the range of other salary increases within Bergen County and throughout the State. I note that the 4% annual increases are similar to the PERC data on voluntary settlements (in cases at impasse). The PERC data shows a 4.06% average salary increase in voluntary settlements reached in 2002.

As detailed above, the Borough and the PBA have submitted considerable comparability data from communities in Bergen County. This data was the primary evidence

submitted by both the Borough and the PBA. It was given great weight by the parties and I have also given it great weight. With the exception of the data submitted by the Borough for its blue collar bargaining unit, no other non-law enforcement salary data was submitted. Police work is unique and the primary comparisons for terms of conditions of employment must be made with other police officers.

The salary data submitted by both the PBA and the Borough shows that Allendale is in the upper or lower middle of all of the comparisons. Arbitrator Mastriani in his 1999-2001 Award illustrated this by comparing Allendale to communities which have “close geographic and similar community profiles.” These ten communities included Mahwah, Franklin Lakes, Waldwick, Upper Saddle River, Saddle River, Ramsey, Hohokus, Oakland, Ridgewood and Allendale. Arbitrator Mastriani noted that six communities had higher maximum salaries and three had lower maximum salaries. In 1998, Allendale’s maximum salary was \$67,135 with Mahwah on top at \$72,659 and Ridgewood was tenth at \$65,000.

The 2001 salary data shows the following for the same ten communities:

Franklin Lakes	\$84,424
Saddle River	\$81,526
Mahwah	\$81,338
Waldwick	\$80,653
Upper Saddle River	\$78,430
Ramsey	\$77,737
Allendale	\$75,263
Hohokus	\$74,092
Ridgewood	\$74,176
Oakland	\$74,000

Again, Allendale is seventh. The Mastriani Award maintained Allendale's position in relation to the other nine communities. The salary data submitted by both the PBA and the Borough, when averaged, is just above or just below 4% annually. The award of 4% annual increases will maintain Allendale's relative position in the above grouping. There is simply no basis to award the PBA's 5% annual increase to narrow the gap with the highest paid communities nor is there any basis to award the Borough's 3.75% annual increase which will widen the gap.

The final issue is the Borough's proposal to eliminate longevity for employees hired after September 1, 2002. The Borough seeks to eliminate this benefit to maintain internal uniformity with other Borough employees. The evidence in the record does not support the Borough's proposal. The Borough cites the elimination of longevity for prospective employees in the Blue Collar (DPW) bargaining unit. The statute requires that this internal comparability be given weight but it cannot be given as much weight as comparability with other police officers in Bergen County. Its value is also diminished by the apparent cost to the Borough to eliminate it for new hires. A review of the CBA with the Blue Collar/DPW bargaining unit shows that salaries increased by 14.9% in 2000 followed by 3.5% increases in 2001, 2002 and 2003. A significant part of the 14.9% increase can be attributed to the "rolling in" of the employees' longevity at that time but the increase is significant and may have included additional incentives for current employees to eliminate longevity for future employees.

A comparison to other Bergen County communities shows that a small number of communities have modified longevity to provide for two-tier longevity systems or for its elimination. The record does not include evidence as to whether there was an incentive to eliminate or provide two-tier systems. Wallington is one of the towns cited by the Borough.

I served as the arbitrator in Wallington when longevity was first reduced for new hires. The “trade-off” for that reduction in longevity for new hires was to dramatically increase the longevity for the current employees. Many of these jurisdictions that achieved two-tiered systems or eliminated longevity provided financial incentives for such modifications. In other words, there was a “trade-off” or financial incentive by the employees to agree to a modified longevity schedule. No such “trade-off” is being offered by the Borough. Comparability with police officers in other Bergen County communities favors a continuation of the current longevity benefits for current employees and prospective employees.

I note that this issue was also submitted to Arbitrator Mastriani in the last interest arbitration matter which decided the terms of the 1999-2001 CBA. Arbitrator Mastriani denied the Borough’s proposal to eliminate longevity for prospective employees. He stated that “the elimination of longevity for new hires would substantially reduce compensation for new hires after several years of service” and “the small size of the Department would yield little in the way of savings and any savings must be weighed against the adverse effects that a dual compensation system might yield between employees who must work together on behalf of the public’s welfare and safety.”

I agree with Arbitrator Mastriani’s reasoning. There is little to be gained and much to lose. The Borough continues to lose young police officers to neighboring communities. The record is clear on this point. It is not because Allendale is not a great place to work. All the witnesses, PBA and Borough alike (including the departed police officers), agreed that Allendale is a great Police Department in which enjoys high morale and whose police officers are dedicated to providing high quality police services to the citizens of Allendale. Testimony revealed that police officers are leaving Allendale for career advancement (larger

departments) and increased compensation. Reducing long-term compensation by eliminating longevity for newly hired police officers will only contribute to the Borough's retention problems. Eliminating longevity will only make other communities more attractive to newly hired officers thereby creating more turnover. Turnover is expensive. More important, turnover produces a less experienced police officer which jeopardizes the Borough's ability to continue to provide high quality police services. The Borough did not establish that there is a trend in Bergen County to eliminate longevity. No such trend exists.

For all of the above reasons, I deny the Borough's proposal to eliminate longevity for new hires effective September 1, 2002.

I have considered the overall compensation received by police officers in Allendale and find that the terms of my Award will maintain the existing levels of economic benefits. As previously stated, the terms of my Award will allow the police officers in Allendale to maintain their relative position when compared with communities which have "close geographic and similar community profiles." The only change, other than salary, is the \$50 increase in the clothing allowance and the one additional personal day.

The cost of living data shows that increases in the Consumer Price Index ("CPI"), as published by the U.S. Department of Labor, Bureau of Labor Statistics ("BLS"), are well below the salary proposal of both the Borough and the PBA and the terms of my Award in this matter in 2002. If the current trend continues, the awarded salary increases will also exceed the CPI resulting in an increase in real earnings of bargaining unit members for the 2002-2004 duration of the new CBA. The salary increases that I have awarded exceed the above CPI increases in 2002. I have not placed great weight on this factor.

I conclude that the awarded salary increases, while higher than the increases in the cost of living in 2002 (and probably higher in 2003 and 2004), provide for an acceptable

increase in real earnings that must be measured against the continued delivery of quality police services to the residents of Allendale.

Neither party emphasized private sector comparisons. I agree with the analysis of veteran Arbitrator William Weinberg that comparisons to the private sector are difficult because of the unique nature of law enforcement. (See excerpt on pages 35-36 of this Award).

The terms of my Award will maintain the continuity and stability of employment for Allendale police. The salary award in this matter will not jeopardize either employment levels or other governmental services. The salary award will maintain a competitive salary and permit the Borough to continue to recruit and retain qualified Police Officers. This factor influenced my decision to deny the Borough's proposal to eliminate longevity benefits for prospective employees. The terms of this award will maintain the continuity and stability of employment and satisfy the requirements of this factor.

Accordingly, I respectfully issue the following award:

AWARD

1. **Term of Contract:** January 1, 2002 to December 31, 2004.

2. **Salary:**

Salaries shall be increased by 3% effective January 1, 2002; 3% effective January 1, 2003; and 3% effective January 1, 2004 at the Academy, Balance of First Year and Second Year steps. All salary increases shall be fully retroactive.

Salaries shall be increased by 4% effective January 1, 2002; 4% effective January 1, 2003; and 4% effective January 1, 2004 for all other steps on Schedule A. All salary increases shall be fully retroactive.

3. **Clothing Allowance:**

The current \$750 clothing allowance shall be increased to \$775 effective January 1, 2003 and to \$800 effective January 1, 2004.

4. **Personal Day:**

Article V shall be modified to increase the number of days of "excused time" to two (2) effective January 1, 2003.

5. **Term and Renewal:**

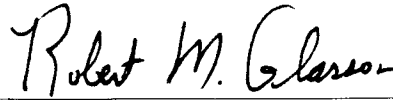
The following language shall be included in the new collective bargaining agreement:

Term and Renewal

This agreement shall have a term of January 1, 2002 through December 31, 2004. If the parties have not executed a successor agreement by December 31, 2004, then this Agreement shall continue in full force and effect until a successor agreement is executed.

Negotiations for a successor agreement shall be in accordance with the rules of the Public Employment Relations Commission.

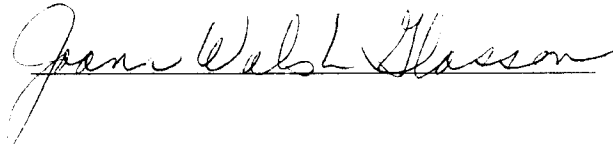
Dated: February 1, 2003
Pennington, NJ



ROBERT M. GLASSON
ARBITRATOR

STATE OF NEW JERSEY) ss.:
COUNTY OF MERCER)

On this 1st day of February 2003, before me personally came and appeared ROBERT M. GLASSON, to me known and known by me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed the same.



Joann Walsh Glasson
Notary Public
State of New Jersey
Commission Expires 12-11-06

LIST OF EXHIBITS

JOINT

- J-1 PBA Local 217 Petition to Initiate Compulsory Interest Arbitration
- J-2 Borough's Response to PBA's Petition to Initiate Compulsory Arbitration
- J-3 Borough's Final Economic Offer
- J-4 PBA's Final Offer
- J-5 CBA between PBA and Borough for January 1, 1999 to December 31, 2001

PBA EXHIBITS

- P-1 Book I - Exhibits A-E
- P-2 Book II - Exhibits F-J
- P-3 Book III - Exhibits M-R
- P-4 Book IV - Exhibits S-U
- P-5 PBA Proposal Sheet
- P-6 Allendale Street Map
- P-7 Table of Bergen County Resident Population of Municipalities - 1980, 1990, 2000
- P-8 New Privately Owned Residential Housing Units Authorized to be Built - Bergen County
- P-9 Bergen Record Newspaper Article re: House Values in Bergen County
- P-10 Photographs of Allendale Homes Selected by PBA
- P-11 Allendale Police Roster for 1988 and 2002
- P-12 Allendale Police Department Activity Statistic Sheet
- P-13 Allendale Alarm File Overview for 2001
- P-14 Allendale Police Department Letter to New Residents
- P-15 Allendale Crescent Publication for Winter 2001
- P-16 Collective Bargaining Agreement between the Borough of Saddle River and PBA Local #348 (January 1, 2000 through December 31, 2002)
- P-17 Agreement between Township of River Vale and PBA Local 206. (Effective January 1, 1995 through December 31, 1997 and renewed through December 31, 2000)
- P-18 Collective Bargaining Agreement between Borough of Ho-Ho-Kus and PBA Local 353 (Effective January 1, 1998 through December 31, 2002)
- P-19 Agreement between Township of Washington and PBA Local 206 (January 1, 1999 through December 31, 2002)
- P-20 Agreement between Borough of Montvale and PBA Local 303 (January 1, 2002 through December 31, 2004)
- P-21 Agreement between Allendale Board of Education and Allendale Education Association for School Years 1999-2000, 2000-2001 and 2001-2002
- P-22 Agreement between Northern Highlands Regional High School Board of Education and Northern Highlands Education Association
- P-23 Borough of Allendale Salaries Resolution - 2002
- P-24 PERC Report Dated September 26, 2001 re: Private Sector Wages
- P-25 PFRS Fiscal Year Employer Contribution

Borough Exhibits

- B-1 Allendale - Collective Bargaining Agreement January 1, 1999 through December 31, 2001
- B-2 Bergen County Police - Collective Bargaining Agreement
- B-3 Bergen County Sheriff - Collective Bargaining Agreement (Article IX only) January 1, 1999 - December 31, 2001
- B-4 Bergenfield - Collective Bargaining Agreement July 1, 2000 - June 30, 2004
- B-5 Appendices from Closter - Collective Bargaining Agreement April 1, 2000 - April 1, 2003
- B-6 Cresskill - Collective Bargaining Agreement January 1, 2000 - December 31, 2003
- B-7 Demarest - Collective Bargaining Agreement January 1, 2001 - December 31, 2004
- B-8 Dumont - Interest Arbitration Decision and Award January 1, 2000 - December 31, 2004
- B-9 Emerson - Collective Bargaining Agreement January 1, 1999 - December 31, 2003
- B-10 Franklin Lakes - Collective Bargaining Agreement January 1, 1999 - December 31, 2003
- B-11 Glen Rock - Collective Bargaining Agreement January 1, 2002 - December 31, 2003
- B-12 Hackensack - Collective Bargaining Agreement January 1, 2000 - December 31, 2003
- B-13 Harrington Park - Collective Bargaining Agreement January 1, 2000 - December 31, 2003
- B-14 Haworth - Collective Bargaining Agreement January 1, 1999 - December 31, 2002
- B-15 Hillsdale - Collective Bargaining Agreement January 1, 2002 - December 31, 2004
- B-16 Ho-Ho-Kus - Collective Bargaining Agreement January 1, 1998 - December 31, 2002
- B-17 Mahwah - Collective Bargaining Agreement January 1, 2001 - December 31, 2003
- B-18 Midland Park - Collective Bargaining Agreement January 1, 2002 - December 31, 2004
- B-19 Montvale - Collective Bargaining Agreement January 1, 2002 - December 31, 2004
- B-20 New Milford - Collective Bargaining Agreement January 1, 1999 - December 31, 2001
- B-21 Northvale - Collective Bargaining Agreement January 1, 2001 - December 31, 2003
- B-22 Norwood - Collective Bargaining Agreement January 1, 2002 - December 31, 2003
- B-23 Oakland - Collective Bargaining Agreement January 1, 1999 - December 31, 2001
- B-24 Old Tappan - Collective Bargaining Agreement January 1, 1999 - December 31, 2002

B-25	Oradell - Collective Bargaining Agreement 1999 - 2002
B-26	Park Ridge - Collective Bargaining Agreement January 1, 1998 - December 31, 2003
B-27	Ramsey - Collective Bargaining Agreement January 1, 1997 - December 31, 2002
B-28	Ridgewood - Collective Bargaining Agreement January 1, 1999 - December 31, 2003
B-29	Rivervale - Collective Bargaining Agreement January 1, 1995 - December 31, 2000
B-30	Saddle Brook - Interest Arbitration Decision and Award January 1, 1998 - December 31, 2002
B-31	Saddle River - Collective Bargaining Agreement January 1, 2000 - December 31, 2002
B-32	Tenafly - Collective Bargaining Agreement January 1, 2002 - December 31, 2004
B-33	Upper Saddle River - Collective Bargaining Agreement January 1, 2000 - December 31, 2003
B-34	Waldwick - Collective Bargaining Agreement January 1, 2000 - December 31, 2002
B-35	Washington Township - Collective Bargaining Agreement January 1, 1999-December 31, 2002
B-36	Westwood - Collective Bargaining Agreement January 1, 2000 - December 31, 2004
B-37	Woodcliff Lake - Collective Bargaining Agreement January 1, 1999 - December 31, 2004
B-38	Wyckoff - Collective Bargaining Agreement January 1, 1999 - December 31, 2002
B-39	Map of Bergen County, New Jersey
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B-53	Anticipated Construction/Rehabilitation Capital Projects
B-54	Allendale Elementary School Referendum - December 14, 1999
B-55a	Northern Highlands Regional High School Referendum as of April 2002 (Newspaper Article on Proposal)
B-55b	Northern Highland Regional High School Referendum as of April 2002 (Newspaper Article on Rejection by Voters)

- B-55c Northern Highlands Regional High School Referendum - Proposal for September 2002
- B-56 Salary Increase Comparison Between PBA, DPW and Other Borough Employees 1999 - 2002
- B-57 Schedule of Elimination of Prospective Longevity for Other Borough Employees
- B-58 Police Department - Present Constitution by Position
- B-59 Police Budgets for Years 1999, 2000, 2001
- B-60 Summary and Projection of Borough Wage Proposal - 2002 - 2004
- B-61a New Jersey State League of Municipalities, 2001 Municipal Salary Report
- B-61b Excerpt from New Jersey State League of Municipalities, 2001 Municipal Salary Report as to Bergen County Average
- B-62 Trends in Employment & Wages in New Jersey - Prepared by New Jersey Department of Labor
- B-63 New Jersey Occupational Wages - Prepared by New Jersey Department of Labor
- B-64 Consumer Price Index - National and NY/Northeast NJ
- B-65 "Top Cop" Base Pay
- B-66 Hiring Salary and Number of Steps on Guide to Maximum
- B-67 "Top Cop" Plus Longevity at 10 Years for 2001
- B-68 "Top Cop" Plus Longevity at 15 Years for 2001
- B-69 "Top Cop" Plus Longevity at 20 Years for 2001
- B-70 "Top Cop" Plus Longevity at 25 Years for 2001
- B-71 "Top Cop" Plus Longevity at 10 Years for 2002
- B-72 "Top Cop" Plus Longevity at 15 Years for 2002
- B-73 "Top Cop" Plus Longevity at 20 Years for 2002
- B-74 "Top Cop" Plus Longevity at 25 Years for 2002
- B-75 Bergen County Municipalities Eliminating Prospective Longevity or Not Providing For Longevity Within the Collective Bargaining Agreement
- B-76 Clothing Allowances
- B-77 Final Proposal of the Borough of Allendale
- B-78 Interest Arbitration Decision and Award - Township of Saddle Brook/Saddle Brook PBA Local 102
- B-79 Interest Arbitration Award - Borough of New Milford/New Milford PBA Local 83
- B-80 Collective Bargaining Agreement Between Borough of Allendale and Teamsters Local 11 (DPW/Water) for January 1, 2000 through December 31, 2003