

STATE OF NEW JERSEY
PUBLIC EMPLOYMENT RELATIONS COMMISSION

-----X
In the Matter of the Interest Arbitration

between

TOWNSHIP OF NUTLEY

"Township"

-and-

NUTLEY POLICEMEN'S BENEVOLENT ASSOCIATION
LOCAL NO. 33 AND NUTLEY SUPERIOR OFFICERS
ASSOCIATION OF PBA LOCAL NO. 33

"Association"

X

X Re: Docket Nos.
IA-98-65,
IA-98-66

X

X

X

X

X

-----X

APPEARANCES

For the Township

SAVAGE & SERIO, P.A.
Thomas J. Savage, Esq., of Counsel

For the Association

ABRAMSON & LIEBESKIND ASSOCIATES
Arlyne K. Liebeskind, Ed.D., Consultant
Raphael J. Caprio, Ph.D., Consultant

BEFORE: Martin F. Scheinman, Esq., Interest Arbitrator

BACKGROUND

The parties are signatories to a Collective Bargaining Agreement which expired on December 31, 1997. Sometime prior thereto, they entered into negotiations for a successor agreement. Those negotiations proved unsuccessful, whereupon the Associations demanded interest arbitration. Pursuant to the rules and regulations of the State of New Jersey Public Employment Relations Commission, I was designated to hear and adjudicate these disputes. By consent of the parties, both matters were consolidated for purposes of hearing and decision.¹

Initially, I met with the parties at their request in an attempt to mediate a settlement of this dispute. Certain unresolved issues were narrowed during mediation. However, the parties were unable to resolve all of their outstanding issues. Thereafter, formal interest arbitration commenced.

Consolidated hearings were held before me on October 13, 1998, January 4, 1999 and March 1, 1999. At those hearings, the parties were afforded full opportunity to present evidence and argument in support of their respective positions. They did so. Each side introduced extensive evidence relevant to the statutory criteria. This included budgetary and financial information. The parties submitted charts, graphs and data dealing with all of the statutory criteria. Upon my receipt of same, the hearings were declared

¹ Hereinafter, the Police Benevolent Association and the Superior Officers Association shall be referred to as "the Association").

closed. Thereafter, the parties submitted post-hearing briefs in support of their respective positions. Upon my receipt of same, the record was declared closed.

POSITIONS OF THE PARTIES

The Association proposes a three (3) year Agreement with a term of January 1, 1998 through December 31, 2000. It notes that the Township proposes an Agreement with the same term.

The Association has proposed, exclusive of increments, across the board wage increases of four and one-half percent (4.5%) effective January 1, 1998, four and one-half percent (4.5%) effective January 1, 1999, and four and one-half percent (4.5%) effective January 1, 2000.

The Association maintains that its salary proposal is the most reasonable. It contends that this conclusion is compelled by a consideration of all of the relevant statutory criteria specified in N.J.S.A. 34:13a-16(g).

The Association points out that the Township is one (1) of twenty two (22) municipalities in Essex County with its own police force. It notes that the Township is three and four tenths (3.4) square miles in area, has a population of 25,915, and is classified as "urban suburban." (Association Exhibit No. 3:1)

With regard to the first statutory criterion, the Association maintains that the interests and welfare of the public "demands a high caliber of police protection which must be considered in tandem with the needs of its police officers." (Association Brief at pg. 13) It relies upon the following quotation from an interest arbitration award by Interest Arbitrator Lawrence I. Hammer to illustrate the "symbiotic relationship" between the public and its Police Officers.

The interest and welfare of the public demands a high caliber of police protection which must be considered along with the needs of those making up the police department. While members of the department evidence their interest and support for the community it serves by putting forth their best efforts to protect the citizenry, the City and its taxpayers have only a single way of exhibiting its support to and appreciation of its police, namely by granting each and everyone of them an equitable and reasonable salary increase.

City of Long Branch and PBA Local 10, IA-91-176. Id. at 18.

(Association Brief at pg. 13)

The Association asserts that Nutley has sixty three (63) Police Officers to protect a population of 25,915. (Association Exhibit No. 3:3) It further asserts that Orange, a comparable community, has one hundred and nineteen (119) officers to protect a population of 28,877. (Association Exhibit No. 3:5) Thus, the Association argues that Township police personnel must serve a larger number of people than their counterparts in comparable jurisdictions.

The Association also maintains that the Township has a relatively low crime rate when compared to the average crime rate in Essex County and to the crime rate in the contiguous comparable communities of Bloomfield and West Orange. It submits the following data in support of that assertion.

1997 Total Crime Index

Essex County

<u>Municipality</u>	<u>97 TCI</u>	
Newark	29,713	
Irvington	6,233	
East Orange	5,756	
Orange	3,076	
Montclair	1,889	
Bloomfield	1,749	contiguous
West Orange	1,686	
Belleville	1,271	contiguous
Maplewood	1,079	
Milburn	1,077	
Livingston	910	
South Orange	889	
NUTLEY	534	
Fairfield	429	
Glen Ridge	286	
Cedar Grove	285	
Verona	233	
West Caldwell	233	
Caldwell	137	
Roseland	102	
North Caldwell	52	
Essex Fells	28	
Average	2,620	

Relatively low crime rate in relation to the county average is a tribute to the Nutley police given the contiguous stats and the relatively high number of people per officers in Nutley.

Source: 1997 Uniform Crime Report

(Association Exhibit No. 4:1)

The Association further contends that the Township's police personnel have reduced crime in the Township by seventy five percent (75%) over the six (6) year period of 1991 through 1997.

(Association Exhibit No. 4:3)

Thus, the Association argues that the public's interest and welfare has been well served by the Township's police personnel which "have accomplished their mission in the face of high numbers of crimes on [the Township's] borders and with a relatively small police force." (Association Brief at pg. 14) Therefore, it insists that this criterion supports awarding the Association's wage proposals.

The Association maintains that the evidence concerning the criterion regarding a comparison of the wages of other employees performing the same or similar services in public employment in comparable jurisdictions also supports awarding its wage proposals. It relies upon comparisons to other communities in New Jersey and upon comparisons to other communities in Essex County, where Nutley is located. The Association, however, contends that Belleville and Maplewood are particularly comparable to Nutley. It asserts that their population, area and density are similar to Nutley's and that all three (3) communities are classified as "urban suburban". The Association further asserts that all three (3) communities are in similar financial circumstances.

The Association contends that voluntary settlements in New Jersey have resulted in wage increases ranging from three percent (3%) to six percent (6%) in 1998, from three percent (3%) to five percent (5%) in 1999, and from three percent (3%) to four percent

(4%) in 2000.² (Association Exhibit No. 5) It maintains that interest arbitration awards in New Jersey have resulted in wage increases ranging from three and one-quarter percent (3-1/4%) to six percent (6%) in 1998, from three and three-tenths percent (3.3%) to four percent (4%) in 1999, and from three and three-quarters percent (3-3/4%) to four and one-half percent (4-1/2%) in 2000.³ (Association Exhibit No. 5) The Association argues that its final offer of a four and one-half percent (4-1/2%) wage increase in each year of the Agreement, falls within the range of both the voluntary settlements and interest arbitration awards issued for police officers in New Jersey for 1998, 1999 and 2000.

With regard to comparisons to the salaries paid to police officers in Essex County, the Association maintains that the Township's top step patrolmen ranked twenty first (21) out of twenty two (22) communities in 1996, the latest year with complete statistics. It submits the following data in support of that assertion.

² The Association notes that there were only six (6) reported settlements for calendar year 2000. (Association Exhibit No. 5)

³ The Association notes that only two (2) awards for calendar year 2000 are in evidence. (Association Exhibit No. 5)

1996 Top Patrolman Salaries

Essex County

<u>Municipality</u>	<u>96 Salary</u>
West Caldwell	52,708
Irvington	51,781
Fairfield	51,748
West Orange	51,398
Essex Fells	51,210
Livingston	51,089
Cedar Grove	51,032
Roseland	50,990
Milburn	50,479
Caldwell	50,380
South Orange	50,214
North Caldwell	49,582
Glen Ridge	49,405
Orange	49,269
Verona	48,947
Montclair	48,802
Maplewood	48,798
Belleville	48,671
Newark	48,551
Bloomfield	48,287
NUTLEY	47,994
East Orange	47,873
Average	49,964

(Association Exhibit No. 5:27)

The Association also contends that the Township's top step patrolmen ranked last in terms of salary in 1997 when compared to their counterparts in Belleville and Maplewood. (Association Exhibit No. 5:30) It further points out that the average wage increase for police officers in Essex County in 1998 was four and one-half percent (4.5%), with officers in Maplewood receiving four and one-half percent (4.5%) and officers in Belleville receiving

four percent (4%). (Association Exhibit No. 5:35 and 36) Thus, the Association argues that its final offer of a four and one-half percent (4-1/2%) wage increase in each year of the Agreement, if awarded, would not improve the relative status of its members when compared to their counterparts in Essex County, but would only maintain the status quo.

With regard to comparisons with employees in the public sector, the Association maintains that firefighters, like police officers, are a public occupational group entrusted with the safety of a community's residents. It claims that in certain communities, police officers enjoy salary advantages over firefighters. However, it contends that in Nutley, the Township's police personnel have no salary advantages over its firefighters. (Association Exhibit No. 5:21)

With regard to comparisons with employees in the private sector, the Association asserts that in New Jersey the average annual private sector wage increase in 1996 was four and three tenths percent (4.3%). (Association Exhibit No. 5:13) It further asserts that this was almost a full percentage point higher than the average increase in 1995. (Association Exhibit No. 5:10) The Association acknowledges that police salaries are on par with some occupations that require more formal education. However, it insists that only police officers undergo the "vigorous specialized training and take the risks inherent in police work." (Association Brief at pg. 16)

For these reasons, the Association argues that when all of the

relevant comparisons are made, its wage proposal is clearly the more reasonable and ought to be awarded.

As to the criterion regarding overall compensation, the Association maintains that its members enjoy fringe benefits similar to those enjoyed by their counterparts in Essex County. It acknowledges that the Township's police personnel receive holiday pay, vacations, sick leave and bereavement leave which is equal to the average level of benefits received by their counterparts in Essex County. (Association Exhibit No. 6)

However, the Association contends that its members receive longevity benefits which are two thousand dollars (\$2,000) below the Essex County average. (Association Exhibit No. 6:1) It further contends that while police in certain comparable jurisdictions receive prescription and optical benefits, the Township's police personnel do not. (Association Exhibit No. 6:10) The Association claims that "[w]hile it may appear that Nutley police enjoy a greater number of personal leave days, Nutley's benefit is tiered and requires five years of service before an officer is eligible for the full four days." (Association Brief at pg. 20, citing, Association Exhibit Nos. 6:7 and 2 at pg. 14)

As to the criterion regarding stipulations between the parties, the Association points out that the parties stipulated that I would preside over both of these interest arbitration proceedings and issue one (1) award. It further notes that the parties entered into certain procedural stipulations regarding the submission of documents and briefs after the hearing was concluded.

As to the criterion regarding the lawful authority of the Township, the Association relies upon an article by Barry Skokowski, Sr., former Commissioner of the New Jersey Department of Community Affairs and Director of the Division of Local Government Services, which was published in New Jersey Municipalities in February 1991. It asserts that the "legal cap increase limit is 4.5% -- based on a formula detailed in the law and based on the government cost inflation index." (Association Brief at pg. 24) The Association further asserts that a local government unit, such as the Township, may increase its budget by up to one-half of one percent ($\frac{1}{2}\%$) to five percent (5%) by ordinance prior to the introduction of its budget.

The Association concedes that within the framework of New Jersey's Cap Law, the Township's budget-making process is a challenging task. However, it insists that the Township has the budget making flexibility to pay for the wage increases proposed by the Association.

As to the criterion regarding the financial impact on the governing unit, its residents and taxpayers, the Association maintains that the Township has the ability to pay for the wage increases proposed by the Association. It contends that comparisons between Essex County communities in matters such as "property values, tax rates, revenues and expenditures are some of the means by which an assessment can be made of the relative wealth and financial stability of a community." (Association Brief at pg. 25)

The Association asserts that the Township ranked seventh (7), and above average, in terms of equalized property values when compared to other communities in Essex County. It submits the following data in support of that assertion.

1997 State Equalized Value

Essex County

<u>Municipality</u>	<u>97 SEV</u>
Newark	5,104,416,983
Milburn	3,736,114,097
Livingston	3,279,238,863
Montclair	2,858,379,921
West Orange	2,833,243,537
Bloomfield	2,113,280,117
NUTLEY	1,701,375,097
Fairfield	1,499,613,900
Maplewood	1,411,349,745
Belleville	1,380,811,481
East Orange	1,250,074,999
Irvington	1,207,182,923
West Caldwell	1,069,322,757
Verona	1,065,468,727
Cedar Grove	1,036,634,363
South Orange	1,008,608,866
Roseland	763,384,383
North Caldwell	748,564,058
Orange	668,092,450
Glen Ridge	562,830,200
Caldwell	473,096,630
Essex Fells	391,975,652

Average 1,643,775,443

(Association Exhibit No. 9:1)

In terms of revenues from property taxes and state aid, the Association maintains that the Township's total revenue ranked tenth (10) among Essex County communities. It submits the following data in support of that assertion.

1993 Total Revenues

Essex County

<u>Municipality</u>	<u>93TR</u>
Newark	526,861,849
East Orange	110,451,197
Montclair	94,833,322
West Orange	92,478,871
Livingston	86,463,948
Bloomfield	75,976,109
Irvington	71,377,001
Milburn	67,569,633
Belleville	58,544,476
NUTLEY	57,285,894 10th
Maplewood	48,442,050
Orange	40,823,241
South Orange	38,857,130
Fairfield	33,155,076
West Caldwell	31,077,437
Verona	29,182,082
Cedar Grove	23,128,830
Glen Ridge	20,812,757
Roseland	19,355,531
North Caldwell	16,831,649
Caldwell	14,384,573
Essex Fells	7,084,353
Average	71,135,305

(Association Exhibit No. 9:13)

The Association also contends that the Township's revenues are above the County average if Newark's high revenues and Essex Fell's low revenues are not considered. Notwithstanding this fact, the Association asserts that the Township spends less of its budget for municipal functions than the average community in Essex County.

(Association Exhibit No. 9:19 and 20)

In terms of total issued and outstanding debt, the Association maintains that the Township's debt of \$7,265,000 ranked seventeen

(17) out of twenty two (22) Essex County communities and was well below the average municipal debt in the County which was \$31,447,379, or \$23,694,186 if Newark and Essex Fells are excluded from the comparison. It submits the following data in support of that assertion.

1993 Total Issued and Outstanding Debt

Essex County

<u>Municipality</u>	<u>93 Debt</u>
Newark	218,576,686
Irvington	99,434,706
East Orange	79,687,348
Montclair	39,699,123
Verona	34,726,405
Livingston	32,402,543
Caldwell	27,778,645
West Orange	27,686,521
Orange	24,897,000
Maplewood	16,805,270
South Orange	16,051,496
Bloomfield	14,703,655
Cedar Grove	11,267,349
Belleville	10,831,048
Milburn	7,902,000
West Caldwell	7,705,476
NUTLEY	7,265,000
Roseland	6,449,366
Fairfield	3,851,803
Glen Ridge	2,620,000
North Caldwell	2,118,968
Essex Fells	41,920
Average	31,477,379

(Association Exhibit No. 9:21)

The Association also contends that the Township's debt was substantially lower than Maplewood's and Belleville's. (Association Exhibit No. 9:22)

In terms of taxes, the Association maintains that the

Township's equalized property tax rate was average when compared to other communities in Essex County and less than the equalized tax rates in Maplewood and Belleville. It submits the following data in support of that assertion.

1997 Equalized Total Property Tax Rate

Essex County

<u>Municipality</u>	<u>97TTR</u>
Irvington	5.28
East Orange	5.21
Orange	4.38
Glen Ridge	3.75
Belleville	3.69
Newark	3.69
Maplewood	3.67
South Orange	3.67
Bloomfield	3.48
West Orange	3.35
Montclair	3.24
NUTLEY	3.19
Caldwell	2.76
West Caldwell	2.76
Verona	2.73
Livingston	2.53
Roseland	2.41
North Caldwell	2.23
Cedar Grove	2.18
Milburn	2.00
Fairfield	1.92
Essex Fells	1.79
Average	3.18

(Association Exhibit No. 9:3)

The Association also contends that the Township's tax levy per capita is lower than the County average, as well as the rates in Maplewood and Belleville. (Association Exhibit No. 9:24 and 25)

The Association asserts that the Township's tax collection

rate of ninety seven and two-tenths percent (97.2%) is higher than the average tax collection rate in Essex County, which it contends is ninety four and nine-tenths percent (94.9%). (Association Exhibit No. 9:26 and 27) It further asserts that the Township's tax collection rate has remained virtually unchanged for the past six (6) years. (Association Exhibit No. 9:28) Thus, the Association argues that the Township's 1998 budget is suspect because it projects a property tax collection rate of only ninety four and nine-tenths percent (94.9%), which the Association insists is well below historic trends.

The Association contends that Dr. Raphael J. Caprio, its expert in the area of municipal budgeting, finance and fiscal accountability, "utilized a broad base of financial documents for his analysis [and] concluded that Nutley is a well run municipality capable of funding a labor contract consistent with the rates requested by the union." (Association Brief at pg. 26) It maintains that Dr. Caprio's testimony corroborated the Association's findings regarding the Township's "healthy equalized value of ratables, modest tax burden and excellent tax collection rates." (Association Brief at pg. 26)

The Association contends that Dr. Caprio demonstrated that from 1994 to 1998, the Township consistently underestimated its revenues by almost eight percent (8%), which resulted in over fourteen million dollars (\$14,000,000) in excess revenue during that five (5) year period. (Association Exhibit No. 20 at 9) It asserts that this has resulted in the Township having a fairly

stable fund balance of over four and one-half million dollars (\$4,500,000) over this period. (Association Exhibit No. 20 at 9) The Association further asserts that this trend of underestimating revenues should result in excess revenue of one and one-quarter million dollars (\$1,250,000) in 1999. (Association Exhibit No. 20 at 6-7)

The Association also maintains that Dr. Caprio showed that the difference between the Association's final offer and the Township's final offer amounted to approximately \$147,576. It asserts that since the Township has over four million dollars (\$4,000,000) in resources available, it can well afford the Association's wage proposals. The Association further asserts that "funding the contract at a level requested by the [Association] would result in an average cost to the typical homeowner in Nutley of just \$1.15/month -- a negligible amount." (Association Brief at pg. 28, citing, Association Exhibit Nos. 13 and 20)

For all of these reasons, the Association insists that this criterion also supports the awarding of its wage proposals.

As to the criterion concerning the cost of living, the Association maintains that it is not a dispositive factor in this dispute. The Association acknowledges that the cost of living is currently increasing at a relatively low rate. The Association also points out that in the early and mid 1980s, the rates of increase in the Consumer Price Index were in the double digit range. However, it argues that police officers never received double digit wage increases during those years. Instead, during

that period of time, employers protested and downplayed the importance of the cost of living criterion. In the Association's view, the Township cannot now claim that the cost of living is of major importance. Thus, the Association argues that its wage proposals are consistent with the statutory requirement to consider the cost of living.

As to the criterion regarding the continuity and stability of employment, the Association acknowledges that unemployment rates are at their lowest levels in many years. Yet, it contends that it is difficult to compare continuity and stability of employment in private sector employment to continuity and stability of employment in public safety employment. The Association maintains that since the public demands a certain level of police protection, police departments do not close down or downsize like private sector employers. However, it asserts that it is noteworthy that approximately one-third (1/3) of the Township's police personnel, i.e., twenty (20) out of sixty three (63), have five (5) or fewer years on the job. The Association insists that this shows a substantial turnover in personnel which may have resulted due to the lure of higher salaries in neighboring communities. Thus, it argues that this criterion also supports the awarding of the Association's wage proposals.

The Association has proposed that effective January 1, 1998, the differential paid to Township Detectives be increased by one hundred dollars (\$100) from five hundred dollars (\$500) to six hundred dollars (\$600) per year. It maintains that Detectives in

Nutley are poorly compensated in comparison to their counterparts in other Essex County police forces. The Association contends that the current five hundred dollar (\$500) Detective differential is less than half (½) the Essex County average. (Association Exhibit No. 6:2) Thus, it argues that the Association is seeking only a modest increase in the Detective differential. Therefore, the Association insists that its Detective differential proposal is reasonable and ought to be awarded.

The Association has proposed that the time period for which Township Police Officers must work at higher ranks before being eligible for being paid at the wage rates applicable to those higher ranks, be reduced from thirty (30) days to ten (10) days. It maintains that "[t]he diminishing pool of sergeants (being lost by attrition and not replaced) will leave the patrol officers vulnerable to assuming the duties of sergeants with greater frequency." (Association Brief at pg. 21) The Association argues that this exposure makes it reasonable to compensate Police Officers fairly when they are used as Sergeants by the Township. Therefore, it insists that the Association's pay for higher rank proposal is reasonable and ought to be awarded.

The Association has proposed that the current five hundred dollar (\$500) clothing allowance for Township police personnel be increased by one hundred dollars (\$100) effective January 1, 1998, and increased by an additional one hundred dollars (\$100) effective January 1, 1999. It also has proposed that the clothing allowance be changed from a voucher to a cash payment.

The Association asserts that the record demonstrates that average clothing allowance received by police personnel in Essex County in 1997 was seven hundred and thirty eight dollars (\$738). (Association Exhibit No. 6:4) It further asserts that eight (8) out of ten (10) police units in Essex County received cash allowances for clothing. (Association Exhibit No. 6:4) Thus, the Association insists that its clothing allowance proposals are supported by evidence concerning comparability. Therefore, it insists that the Association's clothing allowance proposals are reasonable and ought to be awarded.

The Association has proposed that the current five hundred dollar (\$500) maintenance allowance for Township police personnel be increased by one hundred dollars (\$100) effective January 1, 1998, and increased by an additional one hundred dollars (\$100) effective January 1, 1999. It asserts that the last increase in the maintenance allowance granted to the Township's police personnel was only a twenty five dollar (\$25) increase in 1997. (Association Exhibit No. 2 at pg. 8) Thus, the Association argues that its maintenance allowance proposal is reasonable and ought to be awarded.

The Association has proposed that effective January 1, 1998, the payments made to Township police personnel for replacing watches be increased by fifty dollars (\$50) to one hundred dollars (\$100). It also has proposed that effective January 1, 1998, the payments made to Township police personnel for replacing eyeglasses be increased by one hundred dollars (\$100) to three hundred dollars

(\$300). The Association maintains that its replacement proposals, if awarded, would help defray the rising cost of replacing watches and eyeglasses. Therefore, it argues that the Association's replacement proposals are reasonable and ought to be awarded.

The Association has proposed that its members be compensated for any additional holidays declared by the Township, such as snow days. It argues that since that Township's Police Department must operate on a seven (7) day, twenty four (24) hour basis, compensating police personnel for any additional holidays declared by the Township is only fair.

Currently, Township police personnel are entitled to be paid for a maximum of one hundred and fifty (150) unused sick days upon retirement. The Association has proposed that the number of sick days Township police personnel are permitted to accumulate towards payment upon retirement be increased by ten (10) days. It argues that granting this proposal would reduce the amount of sick time taken by the Township's police personnel, thereby reducing the Township's overtime costs. Therefore, the Association insists that its retirement sick leave proposal is reasonable and ought to be awarded.

The Association has proposed that the Agreement's current retention of benefits provision be modified so that it protects all past practices from being changed. It maintains that "[t]he current retention of benefits article appears to limit benefits outside the contract to Township ordinances or police rules and regulations which may be unilaterally changed (in some instances)

and fails to state explicitly 'past practice.'" (Association Brief at pg. 9) The Association contends that its retention of benefits proposal is supported by evidence concerning the statutory criteria. Therefore, it argues that its retention of benefits proposal is reasonable and ought to be awarded.

The Association has proposed that the time limit to initiate a grievance under the Agreement's grievance procedure be relaxed to permit the filing of a grievance in circumstances where the grievant was unaware of the action being challenged when it first occurred. It asserts that grievance procedures are mandated by the New Jersey Employee-Employer Act to promote harmonious labor relations and to give grievants their day in court. Therefore, the Association argues that its grievance procedure proposal is reasonable and ought to be awarded.

The Association maintains that Township police personnel are currently permitted to accumulate only one hundred (100) hours of compensatory overtime. It has proposed that Township police personnel be permitted to accumulate two hundred (200) hours of compensatory overtime. The Association asserts that the Fair Labor Standards Act permits the accumulation of four hundred and eighty (480) hours of compensatory overtime. It further asserts that the Township's firefighters are currently permitted to accumulate two hundred (200) hours of compensatory overtime. Thus, the Association argues that its accumulation of compensatory time proposal is supported by evidence concerning the statutory criteria. Therefore, it insists that the Association's

accumulation of compensatory time proposal is reasonable and ought to be awarded.

The Association has proposed that the Agreement's shift assignment provisions be modified to provide for annual shift bidding on the basis of seniority. However, it points out that the Association's proposal would still permit the Township to act unilaterally with regard to shifts when doing so is dictated by a business justification. Thus, the Association argues that its shift assignment proposal is reasonable and ought to be awarded.

The Association has proposed modifying the Agreement's duration of agreement provision so that the Agreement remains in full force and effect until a successor agreement is executed. It maintains that "[t]he [current] contract language allowing either party to 'terminate' the terms and conditions of employment contained within the contract is [antithetical] to the policy of labor negotiations which anticipates continuing the 'status quo' until a successor agreement is executed." (Association Brief at pg. 10) Therefore, the Association argues that its duration of agreement proposal is reasonable and ought to be awarded.

The Association has proposed adding language to the Agreement which would codify the parties' practice regarding the distribution of outside employment, would permit the payment of outside employment rates as high as a contractor was willing to offer, and which would provide a minimum guarantee for outside employment. It also has proposed adding language which would protect police personnel engaged in off-duty employment. The Association insists

that its outside employment proposals are reasonable and ought to be awarded.

The Association has proposed that the Township's current insurance policies, such as the dental plan policy and the liability insurance policy, be added to the Agreement. It maintains that notwithstanding prior promises to supply those policies, the Township has failed to do so. Thus, the Association argues that "the Township needs a stronger hand to prod it to comply." (Association Brief at pg. 11) Therefore, it insists that the Association's insurance policy proposal is reasonable and ought to be awarded.

The Association opposes the Township's proposal to reduce the starting salary for new hires to twenty five thousand dollars (\$25,000) retroactive to January 1, 1999. It asserts that in negotiations for the current Agreement, the starting salary for new hires was reduced to twenty eight thousand dollars (\$28,000) in 1996 and frozen at that low rate for 1997. (Association Exhibit No. 2 at pg. 7) The Association further asserts that the Township offered no comparability evidence in support of its new hire rate proposal. It insists that the Township's new hire proposal "is a drastic measure which is unwarranted given Nutley's poor salary standing in general." (Association Brief at pg. 19) For all of these reasons, the Association argues that the Township's new hire proposal should be rejected.

In all, the Association submits that its final offer comports more closely than the Township's with all of the relevant statutory

criteria set forth in N.J.S.A. 34:13A-16 (g). It asks that its final offer be awarded.

The Township, on the other hand, maintains that its final offer is the more reasonable one. Like the Association, the Township has proposed a three (3) year Agreement with a term of January 1, 1998 through December 31, 2000.

The Township has proposed across the board wage increases of three and one-half percent (3.5%) effective January 1, 1998, three percent (3%) effective January 1, 1999, and three percent (3%) effective January 1, 2000. It also has proposed that there be no increase in the rank differential. The Township asserts that its wage proposals, if awarded, will result in the following wage levels for its police personnel.

PBA	1997	1/1/98	1/1/99	1/1/00
		+3.5%	+3.0%	+3.0%
Sergeants	\$56,422	58,397	60,149	61,953
Ptl. 5th yr.	50,153	51,908	53,465	55,069
Ptl. 4th yr.	47,684	49,353	50,834	52,359
Ptl. 3rd yr.	45,214	46,796	48,200	49,646
Ptl. 2nd yr.	42,745	44,241	45,568	46,935
SO				
Captains	71,409	73,908	76,126	78,409
Lieutenants	63,475	65,697	67,668	69,698

(Township Brief at pg. 3)

The Township maintains that its salary proposals are the most reasonable. It contends that this conclusion is compelled by a consideration of all of the relevant statutory criteria specified in N.J.S.A. 34:13A-16(g). The Township insists that the wage and

fringe benefit package it is proposing "places the bargaining unit in a competitive position with truly comparable units while staying within the Employer's ability to pay under the law." (Township Brief at pg. 11)

The Township points out that it has a population of 25,915 which is below the Essex County average of 34,322. It further notes that the Township is three and four tenths (3.4) square miles in area, which also is below the Essex County average of 5.79 square miles. It relies upon the following data in support of those assertions.

Demographics

Essex County

<u>Municipality</u>	<u>96 Population</u>	<u>Area</u>	<u>Density</u>	<u>Character</u>
Belleville	32,890	3.30	9,966.7	Urban Suburb
Bloomfield	43,330	5.40	8,024.1	Urban Suburb
Caldwell	7,295	1.20	6,079.2	Urban Suburb
Cedar Grove	11,731	4.50	2,606.9	Suburban
East Orange	70,534	4.00	17,633.5	Urban Center
Essex Fells	2,013	1.30	1,548.5	Suburban
Fairfield	7,355	10.58	695.2	Suburban
Glen Ridge	6,722	1.30	5,170.8	Urban Suburb
Irvington	58,434	2.80	20,869.3	Urban Suburb
Livingston	26,181	14.00	1,870.1	Suburban
Maplewood	20,765	4.00	5,191.3	Urban Suburb
Milburn	17,885	10.00	1,788.5	Suburban
Montclair	36,313	6.20	5,856.9	Urban Suburb
Newark	268,510	24.14	11,123.0	Urban Center
North Caldwell	6,583	2.90	2,270.0	Suburban
NUTLEY	25,915	3.40	7,622.1	Urban Suburb
Orange	28,877	2.20	13,125.9	Urban Suburb
Roseland	5,220	3.58	1,458.1	Suburban
South Orange	16,229	2.70	6,010.7	Urban Suburb
Verona	13,044	2.80	4,658.6	Urban Suburb
West Caldwell	9,768	5.04	1,938.1	Suburban
West Orange	39,495	12.10	3,264.0	Suburban

Average 34,322 5.79 6,307.8

While Nutley is a smaller than average community by population and area, it is more densely populated than the average community.

(Association Exhibit No. 3:1)

With regard to the first statutory criterion, which concerns the interests and welfare of the public, the Township maintains that interest arbitrators cannot ignore the position taken by a municipality's duly elected representatives concerning the best interest of the community. It contends that this is so especially in light of the fact that an interest arbitration award may have a profound impact on a municipality's policy decisions.

The Township maintains that its "proposal represents an attempt to reach a balance between the public desire to control the ever increasing costs of local government with the obvious necessity of police protection, as well as other municipal services." (Township Brief at pg. 18) It contends that the Township has a very limited ability to add ratables to its tax base. Therefore, the Township argues that the burden of generating additional monies to pay its public employees falls on the Township's taxpayers.

The Township also asserts that it has a total crime index which is significantly lower than the crime index of other Essex County communities. (Association Exhibit No. 4:1) It further contends that the Township's police personnel handle an average of eight and one-half (8-1/2) crimes per year, which is significantly lower than the average number of crimes handled by their

counterparts in other Essex County communities. The Township relies upon the following data in support of those assertions.

1997 Crimes Per Officer

Essex County

<u>Municipality</u>	<u>97 TCI</u>	<u>97 # Off</u>	<u>97 CPO</u>
Irvington	6,233	179	34.8
Orange	3,076	119	25.8
Millburn	1,077	50	21.5
Newark	29,713	1,418	21.0
East Orange	5,756	290	19.8
Maplewood	1,079	57	18.9
South Orange	889	49	18.1
Montclair	1,889	110	17.2
West Orange	1,686	104	16.2
Bloomfield	1,749	119	14.7
Livingston	910	63	14.4
Fairfield	429	35	12.3
Belleville	1,271	105	12.1
Glen Ridge	286	27	10.6
Cedar Grove	285	30	9.5
Verona	233	27	8.6
NUTLEY	534	63	8.5
West Caldwell	233	30	7.8
Caldwell	137	21	6.5
Roseland	102	25	4.1
North Caldwell	52	18	2.9
Essex Fells	28	11	2.5
Average	2,620	134	14.0

From another perspective, there were but 8.5 crimes per officer in Nutley -- well below the average number for the county.

(Association Exhibit No. 4:4)

Finally, the Township maintains that as detailed below, the relative financial position of its police personnel when compared to other Township employees and police personnel in comparable communities, demonstrates that the Township's police personnel are

provided with superior compensation.

For all of these reasons, the Township insists that this criterion supports awarding the Association's wage proposal.

The Township maintains that the evidence concerning the criterion regarding a comparison of the wages of other employees performing the same or similar services in public employment in comparable jurisdictions also supports awarding its wage proposal. It contends that such comparisons demonstrate that the Township's police personnel receive wages which compare favorably to the wages received by their counterparts in comparable jurisdictions.

The Township further maintains that the vast majority of interest arbitration awards in New Jersey since January 1, 1998, awarded wage increases ranging from three percent (3%) to four (4%) percent. (Township Exhibit No. 14) It insists that this is in keeping with the Township's wage proposals of three and one-half percent (3-1/2%) and three (3%) percent. Thus, the Township insists that its wage proposal, if awarded, will leave its police personnel in the same relative position when compared to their counterparts in comparable jurisdictions.

With regard to comparisons with public employees in general, the Township maintains that the evidence demonstrates that its police personnel are paid salaries far in excess of the salaries paid to other Township employees. (Township Exhibit Nos. 4, 5, 6 and 7) It argues that these gaps will be increased even further if the Association's wage proposals are awarded.

Finally, the Township maintains that much of the comparability

evidence relied upon by the Association consists of outdated newspaper articles and information from the Commission covering 1995 and 1996.

For these reasons, the Township argues that when all of the relevant comparisons are made, its wage proposals are clearly the more reasonable and ought to be awarded.

As to the criterion regarding overall compensation, the Township maintains that its police personnel receive a total compensation package which is significantly higher than the base salaries they are paid. It also contends that the Township's police personnel enjoy fringe benefits which are similar to those enjoyed by their counterparts in Essex County.

The Township points out that its police personnel receive the following benefits: i) longevity benefits ranging from two percent (2%) to ten percent (10%) of base salary; ii) clothing and maintenance allowances amounting to nine hundred and seventy dollars (975) per year; iii) fourteen (14) paid holidays; iv) vacations ranging from fifteen (15) days to thirty (30) days per year; v) from one (1) to four (4) personnel days per year; vi) fifteen (15) paid sick days per year which may be accumulated from year to year; vii) payment of up to one hundred and fifty (150) days of accumulated sick leave upon retirement; viii) four (4) days of bereavement leave upon the death of an immediate family member; and ix) comprehensive medical and dental insurance plans.

For these reasons, the Township argues that this criterion also supports the awarding of its wage proposals.

As to the criterion regarding stipulations between the parties, the Township maintains that there were no stipulations which were relevant to the merits of this dispute. Therefore, it argues that this criteria should not be given any weight.

As to the criterion regarding the lawful authority of the employer, the Township points out that this criteria explicitly provides that I must consider the impact of New Jersey's CAP law. It notes that pursuant to the CAP law, the Township's budget must be adopted within certain cost constraints.

As to the criterion regarding the financial impact on the governing unit, its residents and taxpayers, the Township contends that this criterion cannot be understated in terms of relevance to this proceeding. It acknowledges that the Township's police personnel are entitled to wage increases. However, the Township insists that the record shows that its financial position is precarious. It maintains that acceptance of the Association's wage proposals will exacerbate the Township's strained financial situation. However, the Township argues that its wage proposals, if awarded, will minimize the negative impact on the governing unit, its residents and taxpayers.

The Township maintains that it has experienced a significant increase in its tax rates. It also contends that the Township has suffered a concomitant decrease in its assessed valuation. The Township submits the following data in support of those assertions.

Comparative Schedule of Tax Rate Information

	1997	1996	1995
Tax Rate	\$ 11.77	\$ 11.36	\$ 11.07
Apportionment of Tax Rate			
Municipal	3.21	3.02	3.05
County	2.69	2.67	2.62
Local School	5.87	5.67	5.40
Assessed Valuation			
1997	\$488,108,600		
1996	490,409,200		
1995	494,788,200		

(Township Brief at pg. 27, citing, Township Exhibit No. 10)

The Township contends that these increases in its tax rate and decreases in its assessed valuation, negatively impact its ability to raise salaries and benefits for its police personnel. It asserts that the Association's wage proposals, if awarded, will result in further increases in the Township's tax rate. The Township further asserts that awarding the Association's wage proposals will have a negative effect on the Township's senior citizens. However, it maintains that the Township's wage proposals, if awarded, will help keep the Township's tax rate down.

For all of these reasons, the Township insists that this criterion also supports the awarding of its wage proposals.

As to the criterion concerning the cost of living, the

Township maintains that the cost of living increased by one and seven-tenths percent (1.7%) in 1997 and 1998. Thus, it argues that the Township has proposed wage increases which are substantially higher than recent increases in the cost of living. (Township Exhibit No. 25) Therefore, the Township insists that this criterion also supports the awarding of its wage proposals.

As to the criterion concerning the continuity and stability of employment, the Township points out that neither it nor the Association has argued that the Township's police personnel do not enjoy continuity and stability of employment. Thus, it insists that this criterion is of little relevance to this dispute.

The Township has proposed an Academy rate of twenty five thousand dollars (\$25,000) for all new hires until they graduate from the Academy. It also has proposed that this new hire rate be awarded retroactive to January 1, 1999. The Township asserts that of the thirty two (32) interest arbitration awards issued in New Jersey since January 1, 1998, ten (10) interest arbitration awards included either new hire rates or the addition of one (1) or more steps to the existing salary schedules. (Township Exhibit No. 14) Therefore, it argues that the Township's Academy rate proposal is reasonable and ought to be awarded.

The Township opposes the Association's other economic and non-economic proposals. It contends that "[a]bsolutely no testimony nor documentary evidence was presented by the [Association] with regard to these proposals." (Township Brief at pg. 29) The Township asserts that the Association was obligated to present

evidence that its proposals would not negatively impact the interests and welfare of the public. It further asserts that the Association was obligated to present evidence that its proposals would not negatively impact other employees and the governing unit. The Township argues that the Association has failed to satisfy either of these burdens. Therefore, it insists that the all of the Association's economic and non-economic proposals should be rejected.

In all, the Township maintains that its final offer best comports with all of the relevant statutory criteria set forth in N.J.S.A. 34:13A-16(g). It asks that its final offer be awarded.

OPINION

Several introductory comments are appropriate here. In the absence of an agreement to the contrary by the parties, the procedure to be used in this matter is conventional interest arbitration. As Interest Arbitrator, I must adhere as follows to the statutory criteria set forth in N.J.S.A. 34:13A-16(g).

[The Interest Arbitrator must] 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 relevant factor:

(1) The interests and the welfare of the public. Among the items the arbitrator 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) Comparisons of the wages, salaries, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing the same or similar services and with other employees generally:

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

(3) The overall compensation presently received by the employees, inclusive of direct wages, salaries, 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 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.).

(6) The financial impact on the governing unit, its residents and taxpayers. When considering this factor in a dispute in which the public employer is a county or a municipality, the arbitrator 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 local budget year with that required under the award for the current local budget year; the impact of the award for each income sector of the property taxpayers of the local unit; the impact of the award on the ability of the governing body to (a) maintain existing local programs and services, (b) expand existing local programs and services for which public moneys have been designated by the governing body in a proposed local budget, or (c) initiate any new programs and services for which public moneys have been designated by the governing body in a proposed local budget.

(7) The cost of living.

(8) The continuity and stability of employment including seniority rights and such other factors not confined to the foregoing which are ordinarily or traditionally considered in the determination of wages, hours and conditions of employment through collective negotiations and collective bargaining between the parties in the public service and in private employment.

Accordingly, and with these principles in mind, I now turn to the facts of this dispute.

Both the Association and the Township have proposed a three

(3) year Agreement with a term of January 1, 1998 through December 31, 2000. For the following reasons, I agree with the parties' preference for a three (3) year Agreement.

A three (3) year Agreement makes good sense. First, an Award covering a three (3) year period will enable the parties involved in this proceeding to have a sufficient period of time to resume their relationship free from the interruptions of collective bargaining.

Second, it is important to note that an Award of an Agreement of only two (2) years would require that negotiations between the parties for a successor Agreement begin almost immediately. This would be unduly burdensome on both the Township and the Association.

Third, since I have awarded certain changes in the wages and benefits received by Township's police personnel, the parties must have a sufficient period of time to evaluate those changes before entering into collective negotiations during which the parties may seek to alter some or all of those changes. Fewer than six (6) months, which is when a two (2) year Agreement would expire, is not a sufficient period of time in which to evaluate the changes awarded herein.

Thus, I have formulated this Award based upon a contract term of three (3) years, covering the period January 1, 1998 through December 31, 2000.

I now turn to the remaining components of the parties' proposals. The Association has proposed, exclusive of increments,

across the board wage increases of four and one-half percent (4.5%) effective January 1, 1998, four and one-half percent (4.5%) effective January 1, 1999, and four and one-half percent (4.5%) effective January 1, 2000. This amounts to a thirteen and one-half percent (13-1/2%) rate increase over three (3) years.

The Township, on the other hand, has proposed across the board wage increases of three and one-half percent (3.5%) effective January 1, 1998, three percent (3%) effective January 1, 1999, and three percent (3%) effective January 1, 2000. This amounts to a nine and one-half percent (9-1/2%) rate increase over three (3) years, or an average annual increase of 3.16%.

I find both proposals to be unacceptable. Clearly, given the financial circumstances of the Township, there can be no justification for an average annual increase over three (3) years of four and one-half percent (4-1/2%). Under no circumstances can this level of increase be justified in light of the relevant statutory criteria.

On the other hand, the Township's proposal of an average annual increase over three (3) years of 3.16% also is not justified. It would result in the Township's Police Officers unnecessarily falling further behind their counterparts in neighboring comparable communities. As explained below, the financial circumstances of the Township can be taken into account without requiring that the wages of the Township's Police Officers fall significantly behind the wages paid to police officers in surrounding jurisdictions. Thus, the Township's wage proposal

cannot be justified when all of the relevant statutory criteria are taken into account.

Instead, I am persuaded that wage increases between the Association's thirteen and one-half percent (13-1/2%) proposal and the Township's nine and one-half percent (9-1/2%) proposal are appropriate here. In addition, I am equally convinced that the wage increase should be split in the second year of the Agreement. This will provide an immediate cash savings to the Township by limiting the size of the retroactive wage increases awarded herein, while permitting the salaries of the Township's police personnel to keep pace with the salaries paid to officers in comparable communities. It will, of course, also lessen the total financial cost of the awarded increases.

In order to determine with specificity the appropriate economic package, it is necessary to analyze each of the statutory criteria in relation to the positions proffered by the parties.

As to the interests and welfare of the public, I agree with the Township that its citizens are not benefited by salary increases which the Township cannot afford and which result in reductions in other needed services or tax increases for the Township's residents. Therefore, logically, the Township's proposal, which is lower than the Association's, is preferred when evaluating the economic interests and welfare of the public.

However, the public's interests and welfare are also served by a police force that is stable and whose morale is high. This is especially so in a community such as Nutley, which is contiguous to

communities with much higher crime rates, i.e., Bloomfield and Belleville. (Association Exhibit no. 4:1) Thus, I am persuaded that a wage package which resulted in the salaries of the Township's police personnel falling further behind the average salary paid to their counterparts in comparable jurisdictions, would not serve the interests and welfare of the citizens of the Township. After all, the interests and welfare of the public criterion is not limited solely to the public's financial interests and welfare. By necessity, it also must involve the community's interests and welfare in having its police force continue to serve its essential needs and provide essential services.

As discussed below, the record demonstrates that in 1997, the Township's top step Police Officers were paid salaries below the average salary paid top step police officers in Essex County, where Nutley is located. (Association Exhibit No. 5:33) In addition, the record shows that in 1998, the average wage increase for police officers in Essex County was a little more than four and one-half percent (4.5%). (Association Exhibit No. 5:35) Thus, the Township's proposed 1998 wage increase of three and one-half percent (3.5%), if awarded, would result in the wages of the Township's Police Officers falling even further behind the average salary paid to their counterparts in Essex County. Under any reasonable view, such an outcome would invariably cause a decline in police morale. This does not serve the interests and welfare of the public. Moreover, it is not necessitated by the evidence concerning the statutory criteria submitted by the Township.

By splitting and delaying wage increases, police officers can receive a higher salary at the end of a calendar year than they would be receiving if the same amount in annual wages was paid to those officers over the course of the entire year, after a larger increase at the beginning of the year.

For example, a two percent (2%) wage increase granted on January 1 and a two percent (2%) wage increase granted on July 1, results in police officers being paid a weekly salary during the last half of the year approximately equal to the weekly salary they would have been paid had they received a four percent (4%) wage increase on January 1. However, over the course of the entire calendar year, the officers will have received total cash wages equivalent to the amount they would have received had they been granted a three percent (3%) wage increase on January 1.

Thus, splitting and delaying wage increases has two (2) benefits. At the end of the year officers are receiving approximately the same weekly salary as their counterparts in comparable communities who received their entire increase at the beginning of the year. Whatever ground was lost at the beginning of the year has been made up. However, the Township has paid out less in cash for the entire year and has more money available for its other budgetary needs.

Thus, the financial burden on the public of granting wage increases to the Township's police personnel can be taken into account without awarding a wage package which dramatically deviates from the type of salary increases provided to officers in

comparable communities. In addition, as discussed below, the record shows that the Township has the budget flexibility to pay for wage increases for its police personnel which will not undermine morale within the Township's Police Department.

Therefore, I find that the statutory criterion concerning the interest and welfare of the public favors awarding an increase between the increases proposed by the parties, but closer to the increases proposed by the Association.

The second criterion requires a comparison of the wages, salaries, compensation, hours and conditions of employment of Nutley police personnel with those of other employees performing the same or similar services in the public sector in comparable jurisdictions, in comparable private employment and in public and private employment in general.

Both parties have relied upon comparisons between Nutley and other municipalities in Essex County. The record demonstrates that certain Essex County communities are more like Nutley than others. For example, Nutley's demographics are much more similar to Maplewood's demographics than Newark's. (Association Exhibit No. 3:1) Comparability, however, rather than identity of communities, is all that is required by the statute. Differences in degrees of comparability can be taken into account when evaluating evidence drawn from jurisdictions with different degrees of comparability to the Township. Thus, I find that the communities relied upon by both the Township and the Association are appropriate comparable communities for purposes of drawing the comparisons required by the

statute.

The record demonstrates that in 1996, the Township's top step Police Officers were paid an annual salary of \$47,994. (Association Exhibit No. 5:33) This was approximately ninety six percent (96%) of the \$49,964 average salary paid to top step police officers in Essex County in 1996. (Association Exhibit No. 5:33)

The record further demonstrates that in 1997, the annual salary of the Township's top step Police Officers was increased to \$50,153. (Association Exhibit No. 5:33) This was approximately ninety five and eight tenths percent (95.8%) of the \$49,964 average salary paid to top step police officers in Essex County in 1997. (Association Exhibit No. 5:33)

A three and one-half percent (3-1/2%) wage increase in 1998, as proposed by the Township, would result in the Township's top step Police Officers being paid \$51,908 in 1998. This would result in the Township's top step Police Officers being paid an annual salary which was approximately ninety four and eight tenths percent (94.8%) of the \$54,713 average salary paid to top step police officers in Essex County in 1998. (Association Exhibit No. 5:35)

Thus, if the Township's 1998 wage proposal were awarded, the Township's police personnel, who are already paid below average salaries, would fall further behind their counterparts in Essex County.

On the other hand, a four and one-half percent (4-1/2%) wage increase in 1998, as proposed by the Association, would result in the Township's top step Police Officers being paid \$52,410 in 1998.

This would result in the Township's top step Police Officers being paid an annual salary which was approximately ninety five and eight tenths percent (95.8%) of the \$54,713 average salary paid to top step police officers in Essex County in 1998. (Association Exhibit No. 5:35)

Thus, if the Association's 1998 wage proposals were awarded, the Township's police personnel would retain their position relative to their counterparts in Essex County.

However, it is important to note that the 1998 wage figures in the record for police officers in Essex County are incomplete. The data relied upon by the parties does not contain 1998 salary data for police officers working in East Orange, Newark, Bloomfield and Orange. Like Nutley, these communities paid their top step police officers below the average Essex County salary for top step police officers in 1996 and 1997. (Association Exhibit Nos. 5:27 and 33) If any of these communities continue to pay their police officers below average salaries in 1998, then the average Essex County salary for top step police officers would be less than the current average of \$54,713. Under those circumstances, which I find are more likely than not, a 1998 wage increase of less than four and one-half percent (4-1/2%) would permit the Township's police personnel to retain their position relative to their counterparts in Essex County.

The record further demonstrates that most police officers in New Jersey either agreed to or were awarded 1998 wage increases which fell between the three one-half percent (3-1/2%) wage

increase proposed by the Township and the four and one-half percent (4-1/2%) wage increase proposed by the Association. (Association Exhibit Nos. 5:23 - 26)

Thus, when all of the relevant comparisons are made, I find that the record evidence concerning comparability supports awarding wage increases in between the increases proposed by the Township and the Association, but closer to the increases proposed by the Association.

The next criterion deals with the overall compensation received by the Township's police personnel. I agree with the Township that the overall compensation received by its police personnel is very good and includes generous benefits in areas such as vacations, sick leave, holidays and longevity. However, the Association also is correct in pointing out that the benefits received by the Township's police personnel are similar to the benefits received by their counterparts throughout Essex County. Although there are certainly differences in the type and degree of benefits received by police officers in Essex County, when considered as an overall package, I find that the overall compensation received by the Township's police personnel is comparable to the total compensation received by their counterparts in comparable jurisdictions.

Notwithstanding this current comparability, the overall compensation of the Township's police personnel would not fare relatively well with the overall compensation received by other police officers in comparable jurisdictions, if I were to award the

Township's final wage proposal. Under those terms, the Township's police personnel would fall further behind their counterparts in comparable jurisdictions. On the other hand, the economic package being sought by the Association is more generous than is necessary to maintain the relative standing of the Township's police personnel in terms of overall compensation and benefits. Thus, I find that this criterion also demonstrates the appropriateness of awarding an economic package which falls somewhere between the economic packages being sought by the Township and the Association.

As to the criterion concerning the stipulations of the parties, the Township and the Association have agreed that the term of the Agreement shall be for three (3) years, commencing on January 1, 1998 and concluding on December 31, 2000. No other substantive stipulations were agreed to by the parties. Thus, this statutory criterion is not particularly relevant to resolving the parties' disputes.

As to the lawful authority of the employer, I note the existence of New Jersey's Cap Law and the resulting Cap rate set each year. I accept the Township's position that New Jersey's Cap Law places constraints on the Township's budget as well as on its lawful authority to pay for wage increases to its police personnel. However, there is no evidence that the Township cannot lawfully pay for the wage increases proposed by the Association should they be awarded. However, for reasons noted elsewhere in this Opinion, I am awarding an economic package which will cost the Township less than the economic package being sought by the Association. Thus,

there can be no dispute that the Association has established that the Township has the lawful authority to pay for the types of increases awarded, herein.

The statutory criteria concerning the financial impact of the parties' proposals on the governing unit, its residents and taxpayers, essentially asks for an analysis of the Township's ability to pay.

The Township has made a compelling case that it is not flush with money. That is, any substantial increase will necessarily result in either the cost of that increase being shifted to the Township's residential taxpayers or a reduction in other important municipal services. Moreover, the evidence shows that the Township's residential tax rate increased in 1996 and 1997, and that the Township's equalized total property tax rate in 1997 was already above the Essex County average. (Township Exhibit No. 10; Association Exhibit No. 9:3) Thus, the Township's residential taxpayers can ill afford substantial property tax increases. The Township also persuasively argues that from 1995 to 1997 it suffered a slight reduction in its tax collection rate. (Township Exhibit No. 10)

Given the current economic climate in Nutley, this statutory criterion requires that I not award the increases being sought by the Association. Instead, the wage increases awarded must be more modest. Otherwise, there will be an unnecessary burden upon the governing unit and its residents and taxpayers. For this reason, I conclude that while a weighing of all of the relevant statutory

criteria entitles the Township's police personnel to a substantial wage increase, the financial circumstances of the Township necessitate moderating the cost of such an increase to the Township. Thus, primarily because of the financial impact upon the governing unit and its residents and taxpayers, the salary increases awarded below are less than what would be justified if the other statutory criteria were emphasized.

As a result, I have determined that the 1998 wage increase shall be a four percent (4%) increase effective January 1, 1998.

The 1999 wage increase shall be comprised of a two percent (2) increase effective January 1, 1999, and a two percent (2%) increase effective July 1, 1999. As a result of the split and delay in the 1999 increase, the cost to the Township in 1999 is approximately equivalent to a three percent (3%) wage increase.

The 2000 wage increase shall be a three and one-half percent (3-1/2%) increase effective January 1, 2000. With the roll-over cost of one percent (1%) from the 1999 increase, this results in a cost to the Township in 2000 equivalent to a four and one-half percent (4-1/2%) increase.

Thus, over the life of the Agreement I am awarding the Township's Police Officers a eleven and one-half percent (11-1/2%) rate increase in their salaries. This is a rate increase midway between the thirteen and one-half percent (13-1/2%) total rate increase proposed by the Association and the nine and one-half percent (9-1/2%) total rate increase proposed by Township. However, due to the splits and delays in portions of the awarded

wage increase, the cost to the Township of the awarded increases is greatest in the last year of the Agreement. This cushions the financial impact on the Township and its residents and taxpayers, and permits the Township to plan and budget its resources appropriately.

Thus, the financial circumstances of the Township and its residents and taxpayers have been taken into account and the wages of the Township's police personnel have not fallen further behind the wages paid to officers in comparable neighboring communities.

As to the cost of living, the evidence demonstrates that in 1997 and 1998, the cost of living increased by an average of one and seven-tenths percent (1-7/10%) per year. While the cost of living has been exceeded in this Award, I note that even the Township's proposal was above the cost of living. This demonstrates an awareness that the cost of living is but one of many relevant criteria in determining the appropriate wage increase to be awarded.

Moreover, the amounts awarded are significantly less than the increases being sought by the Association. Thus, I have incorporated relevant evidence concerning the cost of living into this Award.

Moreover, I agree with the Association that police officers in the past did not receive wage increases equal to the cost of living when the increases in the cost of living were running in the double digits or close to the double digits. Under those circumstances, common sense required that salary increases be less than the cost

of living.

This is not surprising. It is ordinarily the case that in periods of very high inflation, salary increases tend to lag behind the rate of inflation. Conversely, in times of low inflation, when the cost of living is quite moderate, wage adjustments somewhat exceed the cost of living. Pursuant to historic trends in the cost of living and police officer wage rates, I find the economic package awarded herein to be the appropriate result. The awarded increases exceed the cost of living but reflect the long term historic trends in the cost of living and are far more moderate than the increases received by police officers in prior years.

Stated otherwise, the increases awarded herein reflect and take into account the decline in the cost of living.

The final criterion concerns the continuity and stability in the employment of Nutley's police personnel. The evidence establishes that the present complement of police personnel in Nutley have a high level of continuity and stability in their employment. That is, there is no evidence to suggest that the Township's police personnel face the imminent threat that their positions will be eliminated or that the number of police personnel will be reduced. As a result, this criterion favors a more moderate increase than the one sought by the Association.

Accordingly, for the above reasons, I find that the following statutory criteria support the Association's wage proposal over the Township's wage proposal: the interests and welfare of the public, the wages paid to comparable employees, and overall compensation.

However, I also find that the following statutory criteria support the Township's wage proposal over the Association's wage proposal: the financial impact on the Township and its residents and taxpayers, the cost of living and the continuity and stability of employment.

In summary, in light of all of the statutory criteria, as described in detail above, I award the following wage increases:

January 1, 1998	4% across-the-board
January 1, 1999	2% across-the-board
July 1, 1999	2% across-the-board
January 1, 2000	3-1/2% across-the-board

These increases balance the legitimate right of the Township's police personnel to be compensated appropriately without unduly burdening the residents and taxpayers of Nutley. The method of salary adjustment utilized, herein, intentionally cushions the impact of the awarded increases on the Township's budgetary process by granting split increase in the second year of the Agreement. The impact of the awarded increases on the Township's budgetary process also has been cushioned by the fact that the largest annual increase cost to the Township, has been allocated for 2000, the last year of the Agreement. I turn now to the other economic and non-economic proposals made by the parties.

The Association has proposed that effective January 1, 1998, the differential paid to Township Detectives be increased by one hundred dollars (\$100) from five hundred dollars (\$500) to six hundred dollars (\$600) per year.

The record demonstrates that in 1995 and 1996, the average Detective differential paid by the thirteen (13) Essex County communities which paid such a differential, was in excess of thirteen hundred dollars (\$1300). (Association exhibit No. 6:2) Thus, record evidence concerning comparability clearly supports awarding the Association's Detective differential proposal. However, given the Township's financial circumstances and the other wage and benefit improvements awarded herein, I find that the one hundred dollar (\$100) increase in the differential being sought by the Association should be delayed until the last year of the Agreement. This will permit the Township to budget for the differential increase. Accordingly, effective January 1, 2000, the differential paid to Township Detectives shall be increased by one hundred dollars (\$100) from five hundred dollars (\$500) to six hundred dollars (\$600) per year.

Article VII, Section 4, of the Agreement provides that Township Police Officers will be paid for work at higher ranks under the following circumstances:

4. Pay for Higher Ranks. An employee who is assigned to the duties of his immediate supervisor, and who works in such assignment for thirty (30) consecutive working days (days off not included) shall be paid at the rate of the higher rank beginning with the thirty-first (31st) day. This provision shall not preclude an employee from voluntarily working a higher rank and waiving the additional compensation available under this provision.

(Joint Exhibit No. 1 at pg. 7)

The Association has proposed that the time period for which Township Police Officers must work at higher ranks before being eligible for being paid at the wage rates applicable to those

higher ranks, be reduced from thirty (30) days to ten (10) days.

There is no persuasive evidence in the record concerning comparability or any other statutory criteria supporting this proposal. Nor is there any persuasive evidence in the record that the Township has abused its authority to assign higher ranked work for up to thirty (30) days without paying additional compensation. The Association's belief that this authority may be abused by the Township in the future is too speculative to warrant the awarding of this Association proposal. Therefore, the Association's pay for higher rank proposal shall not be awarded.

The Association has proposed that the current five hundred dollar (\$500) clothing allowance for Township police personnel be increased by one hundred dollars (\$100) effective January 1, 1998, and increased by an additional one hundred dollars (\$100) effective January 1, 1999. It further has proposed that the clothing allowance be changed from a voucher to a cash payment. The Association also has proposed that the current five hundred dollar (\$500) maintenance allowance for Township police personnel be increased by one hundred dollars (\$100) effective January 1, 1998, and increased by an additional one hundred dollars (\$100) effective January 1, 1999.

The record demonstrates that no other community in Essex County provides its police officers with a clothing allowance and a maintenance allowance with a combined total of one thousand dollars (\$1000). (Association Exhibit No. 6:4) Certain comparable communities provide their police officers with a clothing allowance

larger than five hundred dollars (\$500). (Association Exhibit No. 6:4) However, those comparable communities also pay their police officers a much smaller maintenance allowance than Nutley or no maintenance allowance at all. (Association Exhibit No. 6:4) Thus, the Township is the leader in these benefit areas when they are looked at as a combined clothing and maintenance allowance. Given the Township's financial circumstances and the other wage and benefit improvements awarded herein, I find that no increase in the clothing allowance and the maintenance allowance can be justified. Therefore, the Association's clothing allowance and maintenance allowance proposals shall not be awarded.

The Association has proposed that effective January 1, 1998, the payments made to Township police personnel for replacing watches damaged or destroyed during work be increased by fifty dollars (\$50) to one hundred dollars (\$100). It also has proposed that effective January 1, 1998, the payments made to Township police personnel for replacing eyeglasses damaged or destroyed during work be increased by one hundred dollars (\$100) to three hundred dollars (\$300).

Clearly, the cost of replacing watches and prescription eyeglasses that are "damaged or destroyed while employed as a Police Officer" has increased since the parties entered into the current Agreement. (Joint Exhibit No. 1 at pg. 9) However, given the Township's financial circumstances and the other wage and benefit improvements awarded herein, I find that the increases requested by the Association in this benefit area are excessive.

Accordingly, effective January 1, 2000, the payments made to Township police personnel for replacing watches shall be increased by twenty five dollars (\$25) to seventy dollars (\$75) and the payments made to Township police personnel for replacing prescription eyeglasses shall be increased by fifty dollars (\$50) to two hundred and fifty dollars (\$250).

The Association has proposed that its members be compensated for any additional holidays declared by the Township, such as snow days.

Unlike other municipal departments, public safety departments, such as police departments and fire departments, must be manned on a seven (7) day, twenty four (24) hour basis. This is an integral part of police and firefighter work. Police personnel and firefighting personnel, however, are compensated more than other municipal employees because of these and other demands of public safety work. Thus, it is not surprising that police personnel are expected to work during snow emergencies without additional compensation, when other municipal employees are given the day off with pay. The requirement to work on such days is already built into police personnel compensation. Thus, I find that the Association's declared holiday proposal is unreasonable and not supported by the evidence concerning the statutory criteria. Therefore, it shall not be awarded.

Currently, Township police personnel are entitled to be paid for a maximum of one hundred and fifty (150) unused sick days upon retirement. (Joint Exhibit No. 1 at pg. 16) The Association has

proposed that the number of sick days Township police personnel are permitted to accumulate towards payment upon retirement be increased by ten (10) days.

The Association correctly points out that the use of sick days by police personnel often requires the Township to pay other Police Officers overtime at one and one-half (1-1/2) times their regular rate of pay. Thus, permitting police personnel to accumulate ten (10) additional paid sick days for payment upon retirement may save the Township money by reducing its overtime costs. However, given the Township's financial circumstances and the other wage and benefit improvements awarded herein, I find that the improvement in this benefit proposed by the Association should be delayed until the last year of the Agreement. This will permit the Township to budget for this benefit improvement. Therefore, after considering all of the relevant evidence, I find that effective January 1, 2000, the number of sick days Township police personnel are permitted to accumulate towards payment upon retirement shall be increased by ten (10) days.

Article IV of the Agreement, entitled Retention of Benefits, currently reads as follows:

IV. RETENTION OF BENEFITS

1. Except as otherwise provided herein, all rights and benefits which the employees have heretofore enjoyed and are presently enjoying as contained in Township ordinances or police rules and regulations, shall be maintained and continued by the Township during the term of this Agreement at not less than the highest standards in effect at the commencement of these negotiations resulting in this Agreement.

2. The provisions of all applicable State statutes, rules

and regulations of the New Jersey Public Employment Relations Commission, municipal ordinances and resolutions, except as specifically modified herein, shall remain in full force and effect during the term of this Agreement and shall be incorporated in this Agreement as if set forth at length.

(Joint Exhibit No. 1 at pg. 4)

The Association has proposed that the Agreement's current retention of benefits provision be modified so that it protects all past practices from being changed. There is no persuasive evidence in the record concerning the statutory criteria which supports awarding this proposal. Nor is there any evidence in the record that the current language has not adequately protected past practices. Therefore, the Association's retention of benefits proposal shall not be awarded.

Currently, the Agreement's grievance procedure provides that "[a]n aggrieved employee shall institute action under the provisions hereof within twenty (20) calendar days of the occurrence complained of. Failure to act within twenty (20) days shall be deemed to constitute an abandonment of the grievance."

(Joint Exhibit No. 1 at pg. 5)

The Association has proposed that the time limit to initiate a grievance under the Agreement's grievance procedure be relaxed to permit the filing of a grievance in circumstances where the grievant was unaware of the action being challenged when it first occurred.

Clearly, an employee cannot be expected to promptly grieve an action or omission by the Township if that employee did not know about that action or omission or could not have reasonably known

about that action or omission. That is why many grievance procedures require that a grievance be filed within a certain amount of time from the date when an employee knew or should have known about the complained of action. Therefore, effective upon the date of this Opinion and Award, the Agreement's grievance procedure shall be amended to provide that "[a]n aggrieved employee shall institute action under the provisions hereof within twenty (20) calendar days of the day the employee knew or should have known about the occurrence complained of. Failure to act within twenty (20) days of the day the employee knew or should have known about the occurrence complained of shall be deemed to constitute an abandonment of the grievance."

Currently, Township police personnel are permitted to accumulate one hundred (100) hours of compensatory overtime. The Association has proposed that Township police personnel be permitted to accumulate two hundred (200) hours of compensatory overtime.

The record demonstrates that the Township's firefighters are permitted to accumulate one hundred and fifty (150) hours of compensatory overtime. (Township Exhibit No. 3 at pg. 15) Thus, record evidence concerning comparability clearly supports awarding the Township's police personnel the right to accumulate one hundred and fifty (150) hours of compensatory overtime. In addition, there is no persuasive evidence in the record concerning the other statutory criteria which would justify awarding the Township's police personnel a lesser benefit. Therefore, effective as of the

date of this Opinion and Award, the Township's police personnel shall be permitted to accumulate one hundred and fifty (150) hours of compensatory overtime.

Article X, Section 1, of the Agreement, which concerns the assignment of permanent shifts, currently reads as follows:

X. SHIFT ASSIGNMENTS AND MANPOWER ALLOCATION

1. Assignment of Permanent Shifts. All employee shall be assigned to permanent shifts on the basis of eight (8) criteria: seniority, experience, employee's preference, departmental needs, captain's recommendations, school priorities, abilities and special hardships. In weighing these criteria and making assignments based upon them, both parties recognize that seniority is an important factor but it is not the sole factor. In weighing these criteria and making assignments based upon them, the Township shall act reasonably and not in an arbitrary or capricious fashion. The assignment to permanent shift shall be subject to the grievance procedure contained herein.

(Joint Exhibit No. 1 at pg. 11)

The Association has proposed that the Agreement's shift assignment provisions be modified to provide for annual shift bidding on the basis of seniority.

Shift assignments are an important management prerogative. They are one of the ways in which a Police Department's command personnel can best manage their departments. In addition, there is no persuasive evidence in the record concerning the statutory criteria which supports awarding this Association proposal. Therefore, the Association's shift assignment proposal shall not be awarded.

Article XXV of the Agreement, entitled "Duration of Agreement", currently reads as follows:

XXV. DURATION OF AGREEMENT

This Agreement shall remain in full force and effect until December 31, 1997 and thereafter from year to year until terminated. If either party wished to terminate, amend or otherwise modify the terms and conditions set forth herein, at the time of expiration, it must notify the other party in writing. This Agreement shall, however, remain in full force and effect on a day to day basis during collective negotiations between the parties extending beyond the date of expiration set forth herein.

(Joint Exhibit No. 1 at pg. 23)

The Association has proposed modifying the Agreement's duration of agreement provision so that the Agreement remains in full force and effect until a successor agreement is executed.

The rights of public employers and employees upon the expiration of a collectively negotiated agreement are spelled out in the statutory scheme adopted by the New Jersey Legislature, as interpreted by the Commission, as well as in the parties' Agreement. There is no persuasive evidence in the record that this statutory scheme should be altered by modifying the Agreement. Nor is there any evidence in the record that the current language in the Agreement has not served the parties well. Therefore, the Association's duration of agreement proposal shall not be awarded.

The Association has proposed adding language to the Agreement which would codify the parties' practice regarding the distribution of outside employment, would permit the payment of outside employment rates as high as a contractor is willing to offer, and which would provide a minimum guarantee for outside employment. It also has proposed adding language which would protect police personnel engaged in off-duty employment.

The Township administered outside employment by off-duty police personnel benefits both the Township and its police personnel. Since the cost of this employment is paid for by the outside contractor needing to employ off-duty police personnel, Township Police Officers are able to earn additional compensation at no cost to the Township. Moreover, since the Township is able to charge the outside contractor a fee which covers the Township's administrative and other costs, the Township also is able to profit from the off-duty employment of its police personnel. Thus, the parties clearly ought to be able to resolve this issue through negotiations. In addition, protection for Township police personnel engaged in off-duty employment is an important issue which is best resolved through negotiations rather than through interest arbitration.

Therefore, I shall direct that the parties meet and negotiate over the issue of off-duty employment by Township police personnel. I shall retain jurisdiction should the parties be unable to resolve this issue within ninety (90) calendar days of the issuance of this Opinion and Award.

The Association has proposed that the Township's current insurance policies, such as the dental plan policy and the liability insurance policy, be added to the Agreement. It maintains that notwithstanding prior promises to provide copies of those policies to the Association, the Township has failed to do so.

The Association is clearly entitled to a copy of these policies. There is no legitimate reason why they should not be

provided by the Township. Moreover, it is my understanding that copies of these policies will be provided by the Township to the Association. However, attaching these policies to the Agreement might have unforeseen consequences and could result in the Township being prohibited from adopting a somewhat different but better insurance policy which saves the Township money. For these reasons, this Association proposal shall not be awarded.

Article VII, Section 4, of the parties' current Agreement, i.e., their 1996-1997 Agreement, provides as follows concerning the wage rates of new employees: "No increases will be granted to employees in the first year of their employment. Such employees will remain at the starting salary for a one-year period, with increases in salary and benefits to be effective on the anniversary dates of their employment." (Joint Exhibit No. 1 at pg. 7)

The Township, in effect, has proposed that this new hire wage scheme be replaced by an Academy wage rate of twenty five thousand dollars (\$25,000) for all new hires until they graduate from the Academy. It also has proposed that this new hire rate be awarded retroactive to January 1, 1999.

The Township is correct in asserting that Academy wage rates are common in police contracts in New Jersey. Thus, its Academy wage rate proposal is supported by evidence of comparability. I also agree that the Township is entitled to the savings attendant with its proposal. Therefore, the new hire rate proposed by the Township is granted.

However, there is no evidence in the record which would

justify applying any new Academy wage rate retroactively to employees who were hired under the current new hire provision. There can be no basis for reducing the wages of incumbent officers. Therefore, the Academy wage rate awarded shall not be awarded retroactively.

Finally, it is important to point out that the awarding of an Academy wage rate is not intended to elongate the parties' current salary structure. Accordingly, upon graduating from the Academy or upon the penultimate day of a new hire's first year of employment, whichever is earlier, all employees hired at the Academy wage rate shall be advanced to the first step wage rate. Upon completion of their first year of employment, they shall be advanced to the second wage step.

For all of these reasons, I find that effective as of the date of this Opinion and Award, and under the conditions set forth above, an Academy rate of twenty five thousand dollars (\$25,000.00) shall be implemented for new hires.

In summary, I have carefully considered all of the relevant statutory criteria, as well as the type of standards normally evaluated in interest arbitrations of this kind, in reaching my findings above. In my view, they balance the rights of the members of the bargaining unit to fair improvements in their terms and conditions of employment with the legitimate needs of the City to budget its economic resources.

Accordingly, the changes herein are awarded to the extent indicated in this Opinion. Any specific proposal not awarded,

herein, is explicitly rejected.

AWARD

1. TERM

The Agreement shall have a term of January 1, 1998 through December 31, 2000.

2. WAGES

January 1, 1998	4% across-the-board
January 1, 1999	2% across-the-board
July 1, 1999	2% across-the-board
January 1, 2000	3-1/2% across-the-board

3. DETECTIVE DIFFERENTIAL

Effective January 1, 2000, the differential paid to Township Detectives shall be increased by one hundred dollars (\$100) from five hundred dollars (\$500) to six hundred dollars (\$600) per year.

4. REPLACEMENT COSTS

Effective January 1, 2000, the payments made to Township police personnel for replacing watches damaged or destroyed during work shall be increased by twenty five dollars (\$25) to seventy dollars (\$75) and the payments made to Township police personnel for replacing prescription eyeglasses damaged or destroyed during work shall be increased by fifty dollars (\$50) to two hundred and fifty dollars (\$250).

5. PAYMENT FOR ACCUMULATED SICK DAYS UPON RETIREMENT

Effective January 1, 2000, the number of sick days Township police personnel shall be permitted to accumulate towards payment upon retirement shall be increased by ten (10) days.

6. GRIEVANCE PROCEDURE

Effective upon the date of this Opinion and Award, the Agreement's grievance procedure shall be amended to provide that "[a]n aggrieved employee shall institute action under the provisions hereof within twenty (20) calendar days of the day the employee knew or should have known about the occurrence complained of. Failure to act within twenty (20) days of the day the employee knew or should have known about the occurrence complained of shall be deemed to constitute an abandonment of the grievance."

7. COMPENSATORY TIME ACCUMULATION

Effective as of the date of this Opinion and Award, the Township's police personnel shall be permitted to accumulate one hundred and fifty (150) hours of compensatory overtime.

8. OFF-DUTY EMPLOYMENT

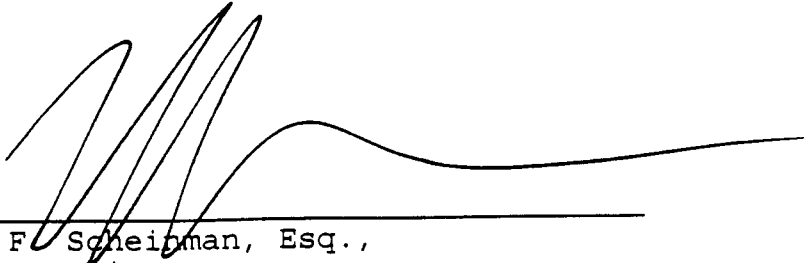
The parties shall meet and negotiate over the issue of off-duty employment by Township police personnel. I shall retain jurisdiction should the parties be unable to resolve this issue within ninety (90) calendar days of the issuance of this Opinion and Award.

9. NEW HIRE ACADEMY WAGE RATE

Effective for new hires after the date of this Opinion and Award, an Academy rate of twenty five thousand dollars (\$25,000.00) shall be implemented for new hires. Upon graduating from the Academy or upon the penultimate day of a new hire's first year of employment, whichever is earlier, all employees hired at the Academy wage rate shall be advanced to the first step wage rate.

Upon completion of their first year of employment, they shall be advanced to the second step wage rate.

August 31, 1999.



Martin F. Scheinman, Esq.,
Interest Arbitrator

On this 31st day of August 1999, before me personally came and appeared MARTIN F. SCHEINMAN, ESQ., to me known and known to me to be the individual described herein and who executed the foregoing instrument and he acknowledged to me that he executed the same.



NOTARY PUBLIC

Diane M. Falzon
Registration No. 01FA5073646
County of Nassau
Expires March 3, 2001