

D E C I S I O N

The County of Union (the "County" or the "Employer") and the Union County Police P.B.A. Local No. 73 (the "PBA") are parties to a collective bargaining agreement which had a duration through December 31, 2001. Negotiations for a successor agreement reached an impasse and a Petition to Initiate Compulsory Interest Arbitration was filed. Pursuant to the Rules and Regulations of the Public Employment Relations Commission, the undersigned Arbitrator was duly appointed to serve in this matter.

The Arbitrator met with the parties on November 4, 2002 and January 13, 2003, in an effort to assist them in achieving a voluntary resolution to their dispute. The impasse persisted. Evidentiary hearings were scheduled and held on April 1, 2003.

The parties were provided with the opportunity to argue orally, present documentary evidence and examine

and cross-examine witnesses. An extensive record was created at the hearing.

The entire record has been carefully considered. The evidence has been evaluated in light of the eight statutory criteria set forth in *N.J.S.A. 34:13A-16(g)*.

The parties failed to mutually agree to a terminal procedure. Therefore, under *N.J.S.A. 34:13A-(d)(2)* the dispute shall be resolved through a determination by conventional arbitration. This resolution shall be reached through application of all of the relevant statutory criteria, giving due weight as appropriate, to the issues presented by the unsettled elements in dispute.

Statutory Criteria

N.J.S.A. 34:13A-16(g) provides as follows:

g. The arbitrator or panel of arbitrators shall 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 others are not relevant, and provide an analysis of the evidence on each relevant factor:

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

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

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

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

(c) In public employment in the same or similar comparable jurisdictions, as determined in accordance with section 5 of P.L. 1995, c. 425

(C:34:13A-16.2); provided, however, 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, salary, vacations, holidays, excused leaves, insurance and pensions, medical and hospitalization benefits, and all other economic benefits received.

(4) Stipulations of the parties.

(5) The lawful authority of the employer. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by 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 or panel of arbitrators shall take into account, to the extent that evidence is introduced, how the award will affect the municipal or county purposes element, as the case may be, of the local property tax; a comparison of the percentage of the municipal purposes element or, in the case of a county, the county purposes element, required to fund the employees' contract in the preceding local budget year with that required under the award for the current local budget year; the impact of the award for each income sector of the property taxpayers 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 other such factors not confined to the foregoing which are ordinarily or traditionally considered in the determinations of wages, hours, and conditions of employment through collective negotiations and collective bargaining between the parties in the public service and in private employment.

Final Offers

The final offer submitted by the PBA [Exhibit J-2] presents three economic issues which read as follows:

1. Wage Increase - The PBA will propose a three year contract with a 5% across the board wage increase effective each successive January 1st.
2. Comp Time - The PBA proposes that the comp time bank be increased to 100 hours. The 100 hours would be on a "floating basis" permitting an employee to carry up to 100 hours at any one time. Therefore if someone used part of their hours they could then bank more as long as there were not more than 100 hours at any one point.
3. Training Days - The PBA proposes a deletion of the current five training day requirement.

The final offer submitted by the County [Exhibit J-1] presents proposals with respect to numerous issues and reads as follows:

1. Duration: 3 years - January 1, 2002 through December 31, 2004.
2. Wages:
 - a) January 1, 2002 - 1.5%
 - July 1, 2002 - 1.5%
 - January 1, 2003 - 2.5% in guide
 - 4.0% at max
 - January 1, 2004 - 2.5% in guide
 - 4.0% at max

b) Senior Officer Stipend: Effective 1/1/04

10 yr - \$1,365
 15 yr - \$2,365 (\$1365 + \$1,000 as
 currently provided for)
 20 yr - \$2,835 (\$1365 + \$1,500 as
 currently provided for)

3. Health Benefits: Modifications as follows - all to be effective 1/1/03

a) Prescription Co-Pay

Effective January 1, 2003: Co-pay to be adjusted from Mail Order: \$0; Generic: \$3; Single-Source: \$5; Multi-Source: \$10; To: Mail Order: \$3; Generic: \$5; Single-Source: \$15; Multi-Source: \$20 for all active employees.

b) Horizon PPO (Blue Select)

Employees in the Horizon PPO (Blue Select) shall contribute towards the cost of doctor's office visit as follows:

<u>2003</u>	<u>2004</u>
\$5 per visit	\$10 per visit

Out of Network cost share shall be changed from 80/20 to 70/30 (County/employee respectively) for all employees effective upon execution of the Agreement. Deductible for any single benefit period effective January 1, 2003 shall reduced to \$100 for each employee and an additional amount of \$200 for eligible dependents.

c) Contribution:

Effective January 1, 2003, incumbent Employee Health Benefit Contribution shall be as follows:

Employees earning under \$65,000 = \$10.00 per month
 Employees earning over \$65,000 = \$25.00 per month
 Employees earning over \$75,000 as follows:
 2004 = \$40.00 per month

Contributions are made pre-tax.

d) Health Benefit Buyout Option

Any employee with either Family or Husband/Wife coverage in any of the available Health Benefit Plans may voluntarily opt out of that plan providing their spouse has either Family or Husband/Wife coverage either through the County or through another employer. In return for opting out, the County shall pay to the employee the sum of \$2,500.00 annually to be paid in 26 installments over the next year.

Employees opting out shall retain the right to re-enter the County's Health Benefit Plan on a monthly basis. Upon re-entering the plan, payments for opting out shall cease.

The availability of this option is contingent on an annual renewal that is fully insured (premium based) as opposed to self-insured. If the County decides to self-insure, this option will become null and void.

e) New Employee Health Benefit Contribution

Effective prospectively [see Arbitration Hrg. Tr. p. 105], new employees shall receive HealthNet or Blue Choice coverage only. In addition, new employees shall contribute \$15 per month for single coverage and \$25 per month for family coverage. The contribution shall be increased by the proportionate annual increase in the plan cost. Employees may opt for a different plan at their own expense (difference between HealthNet and Blue Choice and chosen plan). In the event these plans are changed during the term of this agreement, new employees shall receive the least expensive of the then available plans.

4. Retiree Health Benefits: Subsidy will be amended as follows:

Single, under 65	-	\$189.67
Single, over 65	-	\$138.39
H/W, under 65 PC Retiree Family, under 65	-	\$540.58
H/W, over 65	-	\$276.77
H/W Retiree, over 65 H/W Spouse, over 65	-	\$276.77
Family, over 65	-	\$442.88
Family Retiree, over 65 Family Spouse, over 65	-	\$477.85
PC Retiree, over 65	-	\$338.69

5. Clothing Allowance:

Effective 1/1/04, increase the total clothing and maintenance allowance by \$75 to \$1075 per year. Then eliminate \$800 of this allowance in order to fund Senior Officer Stipend and fold remaining \$275 into base salary.

6. Compensatory Time:

Employees will be permitted to accumulate up to forty-three hours of compensatory time annually. Any remaining compensatory time may be carried over into the next year but at no point in time may the compensatory time bank exceed forty-three hours.

7. Holidays:

Payment for all holidays will be rolled into base salary.

Positions of the Parties

The PBA contends that the statutory criteria strongly support the final offer it has presented. With respect to the public interest criterion, the PBA stresses the fact that the Union County Police Department has evolved beyond its historic mission as a full service county-wide law enforcement agency. The Department is now engaged in numerous specialized services over and above the standard patrol functions. Of special note, the PBA focuses on support services for municipalities; new anti-terrorism responsibilities; the D-Chip child identification program; truck safety enforcement; and the bomb squad detail. The PBA asserts that the public interest is very well served by this force of well-trained, highly skilled police officers who reflect a hallmark of, "special systems, special equipment, special abilities and most special personnel." It characterizes the productivity and professionalism of the Department as exceptional.

In relation to the comparability criterion, the PBA argues that, "notwithstanding the exceptional level of professionalism and productivity which are hallmarks of the Union County Police Department, the compensation program is significantly below average whether one uses county level law enforcement agencies or the greater law enforcement community within which the county Police Officer works." The PBA emphasizes that unit employees work an extraordinarily long work year in comparison to the norm for police officers. It maintains that the work year is 2,093.1 hours annually for patrol officers and 2,102.6 hours annually for special unit officers. These figures include 40 hours of training time built into the work obligation.

The PBA finds the County's reliance on the claim of a pattern of bargaining to be "troubling." It contends that the County has based its entire case on the allegation of a pattern which the PBA insists does not exist. It argues that "virtually every other bargaining unit at County level law enforcement has fared significantly better through settlement and arbitration than is advanced by the employer in this case." The PBA

draws attention to the receipt of "unique benefits" or "offsets" improving their position relative to the unit at hand.

The PBA presents charts of comparisons in salaries between Union County Police Officers and other law enforcement personnel and it suggests that it would take a 12% increase in 2001 to bring these officers up to the average level of compensation. Further, calculations are presented to argue that the average rate of salary increase among comparable units for 2002 [among jurisdictions for which there is evidence in the record] is computed at 4.094%. Similarly, for 2003 that computation produces an average salary rate increase figure of 4.072%.

The PBA assails the fact that longevity benefits for unit employees ceased for those who were hired after January 1, 1973, severely diminishing the compensation program. It further asserts that the senior officer differential enjoyed by unit members is substantially below all other law enforcement units in the county and

the PBA insists that this belies any assertion of the existence of a pattern of bargaining.

The PBA provides specifics for its contention that there is no pattern and that each law enforcement unit received a package more valuable than that offered in the negotiations at issue herein. The settlement of the Prosecutor's Detectives SOA contract is a primary example of the point. The PBA claims that the first year of that contract involved a salary guide adjustment which provided unit members with an average increase of 6.334% in 2001. It also noted the elimination of certain restrictions on reaching the highest unit salary levels (previously designated as first class).

With respect to the pattern argument, the PBA also identifies elements of the contract negotiated with the HPAAE (representing nurses) as inconsistent with the claim of a pattern of bargaining. Specifically, the PBA claims that nurses received a "retention bonus" that amounted to an additional 2.6% value and also an increase in clothing allowance and a weekend work allowance premium.

The PBA also claims that the Union County Sheriff's Officers rank and file contract contained an adjustment in 2001 at maximum rate of \$1,486 not offered to employees in the unit at issue herein. The PBA claims that the flat rate increase at max referenced above represents about 2.5% of the max pay for a Union County Police Officer. The PBA further maintains that the arbitration award for the Union County Police Supervisors (those who supervise the employees involved in this impasse) provides compensation and benefits above those offered by the County to the police officers rank and file. It notes that some of the differences relate to the health insurance benefit. The PBA insists that there is no pattern of settlement.

The PBA asserts that comparisons with private sector employees should not be controlling in this proceeding. This claim is based upon the observation that, "there is no comparable private sector job compared to that of a police officer." It also notes that police officers are in the unique position of having obligations both on and off duty and that obligation includes being armed while within the State of New Jersey.

The PBA argues that the proofs presented establish that the government employer is under "no fiscal stress" and that the PBA proposal "can easily be accommodated with no perceptible impacts on the taxpayers and residents." It notes that the payroll base for the entire unit is no more than 0.7% of the County appropriations. Therefore a difference of 1.0% of payroll amounts to 0.00007 of the total appropriations. Further, the PBA stresses the fact that the County element of the local property tax levy is only a small percentage of the taxpayer's tax bill. It suggests that the issues then turn on a very small fraction of a relatively small portion of the tax load. The PBA characterizes the impact as "imperceptible."

The PBA contends that the CAP Law presents no impediment to the lawful authority of the County to resolve this dispute consistent with the PBA position. The PBA specifies that the County's CAP calculations for every year in evidence reveal the adoption of budgets within the statutory limitations and with carryover bank to successive years.

The PBA also points out that for five successive years the Union County tax rate has been reduced. These rate reductions, it is argued, have taken place at a time of increased ratable base in terms of net valuation and net valuation taxable.

Additionally, the PBA maintains that the County has failed to establish any financial necessity for the health benefit changes sought. It asserts that the record does not adequately establish the actual value of any savings from health insurance reductions or changes and that there can be no basis in the lawful authority or financial impact criteria to support the changes sought. Indeed, the PBA pleads that a balancing of the equities is needed; any potential benefit to the employer of the health insurance changes is "infinitesimally small" in comparison to the significant impact it would have on the employees and their families.

With respect to the cost of living criterion, the PBA points out that the increases its members experience are no different than any of the other comparison groups

used under the second criterion. Indeed, it characterizes the cost of living as a regional or national factor of no particular local significance.

The PBA raises the concepts of "area standards" and "prevailing rates" with respect to the eighth criterion, the continuity and stability of employment. It asserts that the County Police Officers are compensated below "every law enforcement person at the County level" and that the public employer is seeking "to gain an unjustified forfeiture in benefits."

In conclusion, the PBA seeks a ruling in favor of its last offer position. It describes that position as supported by the evidence and "consistent with the statutory criteria." The PBA maintains that the County's reliance on the claim of a pattern of bargaining is at odds with the facts and the law applicable in the case at hand. The PBA insists that there is no pattern. It requests the Arbitrator to issue an award ruling in favor of the PBA position in this case.

The County contends that its economic package is more reasonable than that proposed by the PBA. It asserts that this contention is founded in an analysis of the statutory criteria applicable under the interest arbitration act.

The County characterizes its position in this dispute as "simple." That position provides wage increases consistent with thirteen other bargaining units (five of which are law enforcement units) and health benefit concessions either agreed to by other units or awarded in interest arbitration. These health insurance concessions are said to be partially offset by an increase in the County's subsidy to retiree health benefits.

The Employer initially presents an argument that its offer is supported by comparisons with similarly situated employees in comparable jurisdictions. It maintains that the selection of comparable jurisdictions is an important element and relies upon the factors used to urge comparisons with Camden, Essex and Morris counties and

several specific municipalities located within Union County.

The County claims that the PBA salary rates are competitive among the eight Union County municipalities used in comparison. Further it argues that the relative ranking of Union County Police Officers salary rates will improve through the application of its offer. The Employer also states that the benefit package enjoyed by unit members is generous and competitive. The County further asserts that the salaries and benefits received by unit members compares well with the comparison group drawn by the PBA and that the County's offer "should be adopted as the most reasonable."

The County urges substantial weight be attributed to its comparisons with contractual agreements arrived at with other Union County employee groups. It characterizes the wage proposal as "based on the pattern of settlements established with its other bargaining units, including law enforcement officers." Specifically, the County stresses that it has achieved voluntary agreements with eight non-law enforcement

units, with three law enforcement units and that it has received interest arbitration awards covering two law enforcement units, all of which "adhered to the County's pattern of settlement." Particular note is taken with respect to the two interest arbitration awards, with added emphasis on the one covering the Superior Officers who supervise the Police Officers at issue herein. The County suggests that both arbitrators recognized that a pattern of settlement had been established.

The County argues that unit members are well paid in comparison with compensation in the private sector. It insists that the 5% salary increases demanded by the PBA far exceed private sector comparisons. The Employer asks the Arbitrator to ignore PBA efforts to discount comparisons with the private sector, noting that consideration of such comparisons is required by the statute.

The Employer addresses the public interest and financial impact criteria together. It initially points out that these criteria demand an analysis greater than that of the "ability to pay." Specifically, the County

draws attention to issues of the tension between providing services and the costs of those services in relation to the employer's ability to maintain other governmental services in the balance.

The County stresses that there is a relationship between the application of the pattern of settlement and the public interest criterion. It maintains that there needs to be a concern for the impact a deviation might have on the morale of other law enforcement units.

The County argues that there are substantial fiscal pressures on the budget that must be considered in resolving the issues at hand. It specifically notes annual drawdowns of the County's fund balance and the negative impact of reliance on the tax levy bank. The Employer points to a downgrading of its bond rating as indicative of the need for fiscal restraint.

The Employer cites recent Consumer Price Index statistics to contend that its proposal is "eminently reasonable" under the cost of living criterion. It specifically notes recent area figures to suggest a 3.6%

rate of increase in the CPI, which is below the salary rate increases offered at the maximum step. The County also claims that its proposal will maintain the continuity and stability of employment in the Department. It contends that the "offer provides well-deserved salary increases but still allows the County to maintain its current level of services." Conversely, the Employer suggests that the selection of the PBA proposal would have a "devastating effect" on the stability of employment in other law enforcement units.

The County places particular emphasis in its presentation on the reasonableness of its health care proposals. It describes them as "an attempt to afford the County some relief from the ever escalating costs associated with health care premiums." Initially, the Employer points out that there is nothing ground breaking about the concept of increasing prescription insurance co-pays. It treats doctor visit co-pays in the same vein. The Employer stresses the fact that health care premium costs have been rising dramatically, 16% in the current year, bringing the total premium cost for this unit to over \$374,000. The County asserts that this

trend is clearly "not an anomaly." It argues that its concession package does not reduce the rise in health care premium costs but merely stems the rate of the increase. The Employer insists that the amount of the individual contributions sought are insignificant in comparison to those experienced in the private sector.

The County reiterates the rationale expressed by two arbitrators who have awarded the County's health care proposals in recent awards. It notes that the two arbitration awards were consistent their reasoning. The County acknowledges that its position contains concessions but it maintains that "these concessions are warranted, are supported by the record evidence, and the statutory criteria weigh in favor of an award which encompasses the County's health care proposals."

The Employer further argues that its positions with respect to the retirement health benefit subsidy and the holiday fold in are most reasonable. It points out that these are improvements in the benefit package and it includes them in its offer for the sake of maintaining

consistency among units. It stresses the overall balance of the various components of the offer presented.

The County concludes that its final offer package "is more reasonable in light of all the statutory factors." It seeks an award establishing the County's proposals as the basis for resolution of the dispute at hand.

Discussion and Analysis

At the outset of this analysis, the Arbitrator finds it important to note agreement with the PBA that the facts of the record at hand do not establish the existence of a true "pattern of bargaining" as claimed by the Employer. There are sufficient variations in substantive terms and some unique elements to the settlements of the different contracts so as to create a realm in which no true or precise pattern can be found. Arbitrator Mastriani reached a similar observation in his Award in Docket No. IA-2001-50, covering the Union County Prosecutor's Detectives, PBA Local 250, unit [Exhibits C-9 & J-4]. However, this record does establish an extensive wealth of evidence relating to internal comparability that must be given substantial weight in evaluating the issues in dispute. There are numerous common elements within this internal comparability and as with the above-noted case, these key components are substantially similar. This body of substantially similar elements provides very powerful evidence in support of a compatible result but that evidence must be

weighed in light of all the statutory criteria and in consideration of whether there are sufficient unique factors at play in the case at hand that might warrant some deviation from the body of similar components.

The *public interest* is always a relevant criterion in resolving an interest arbitration dispute. There are numerous elements to the public interest factor but the Arbitrator believes that this initial criterion is always worthy of substantial weight in determining the most reasonable resolution of the parties' dispute. Consider that the services rendered by the employees at issue are a particularly critical aspect of providing for the public safety. The County's ability to attract, retain and promote highly qualified police officers has a direct impact on the quality of life of the residents of the County. Fiscal responsibility is another component of the public interest that is directly relevant to the considerations in this interest arbitration. The public interest elements of the CAP Law must also be considered. Additionally, the morale of employees and the impact of this contract in the context of the overall labor

relations process in the County are important considerations in relation to the public interest.

The public interest is served through consistency and balance in the collective bargaining process. The proper balance in terms of the relationship among bargaining units and the reasonable expectation for continued balance are clearly in the public interest. Employee morale can be negatively impacted in situations where various units reach negotiated results which create an imbalance in the relative structure of compensation and benefits. Further, reasonable expectations of the inter-relationship among the terms negotiated for various units provides a healthy range of predictability for those engaged in bargaining. While this may not dictate a locked-step approach from unit to unit, it can establish a reasonable range within which expectations can be focused. Those seeking deviation should then be on notice that there is a significant burden to establish a basis to diverge from the reasonable range established.

The Arbitrator finds that the record at hand strongly supports the concept that the health insurance

issues be resolved in a format which is consistent with that set forth in other contracts for County employees. The details of the comparability aspects of this finding will be discussed under that criterion but there are definitely public interest considerations for this determination. This health insurance issue clearly presents the potential that substantive deviation from the internal norm could have a broad negative impact on the public interest. Such a deviation would create an imbalance in collective bargaining among the County units. That inconsistency is very likely to have an immediate detrimental impact on the morale of the employees in units where concessions were negotiated or awarded and a longer term impact that could create a difficult atmosphere for future bargaining in those units.

The changes in health insurance benefits are also warranted by evidence of the increased costs the Employer has experienced with respect to health insurance premiums. For 2000 and 2001 those premiums increased at the rate of 10% annually. In 2002, the County faced a 16% increase in its health insurance premium costs. The

credible testimony of the County Director of Labor/Management Relations projected that there would be a substantial increase for 2003. There is an element of the public interest criterion which requires the consideration of the overall package in the context of costs and revenues. Specific response to a particular factor, such as health insurance premium costs may be appropriate. In the case at hand it proves to be so.

The public interest criterion clearly includes the consideration of the tax impact on residents and the potential inter-relationship between revenue, costs and the delivery of services. The Arbitrator has considered the recent history with respect to the tax rates and the tax levy in Union County.

The issues presented in the case at hand clearly have no potential to adversely affect the public with respect to the tax structure, overall revenue and cost implications or the County's ability to deliver services. The actual cost differences between the parties are relatively narrow to begin with and the ultimate package awarded is an extremely small portion of the expected

2003 total budgetary appropriations of \$340,494,482. In reaching this determination, the Arbitrator has noted that from 1997 through 2000 there was a declining trend in the tax levy which has reversed for the period of 2001 through 2003. This reduction is at least partly in correlation to some steady improvement in the tax base (as measured by increased net valuation taxable) but even more likely a result of increasing reliance on the use of fund balance to reduce the tax levy. Of course, the County portion of the property tax rate also declined parallel to the reduced levy.

The record establishes that the economics of the package awarded herein present no potential pitfalls with respect to the public interest and taxes. Similarly, there is no evidence to suggest that the issues decided herein will have any implications upon the County's CAP Law limitations. The Arbitrator does note that there are some general fiscal elements worthy of concern; among these are the steady decline of the fund balance and the drop in bond ratings but these concerns are not impacted in the least by the resolution of the issues set forth in the Award herein.

The *comparability* criterion involves several different components of comparison. These include comparisons with: employees performing the same or similar functions for the same employer; other employees, generally, having the same employer; other employees performing the same or similar functions in similar or comparable jurisdictions; other employees, generally, in private employment; and other public employees, generally.

The County has collective bargaining agreements with eight units of law enforcement personnel. Of the seven units other than the Union County Police PBA 73 contract at issue herein, five have been resolved for the time period through 2004. Those resolved are the Sheriff's Officers PBA 108; Prosecutor's Detectives and Investigator's PBA 250; Sheriff's Superior Officers FOP 103; Union County Police Superior Officers Association; and the Prosecutor's Superior Officers Association. The Corrections Officers PBA 199 and the Correction Superior Officers Association contracts remain unresolved for the relevant time period.

The Prosecutor's Detectives and Investigators PBA 250 and the Union County Police Superior Officers Association contracts were both resolved through the issuance of interest arbitration awards by Arbitrator's James W. Mastriani and Frank A. Mason, respectively. The Sheriff's Officers rank and file and supervisory contracts were both resolved voluntary as was the Prosecutor's Superior Officers contract. There are numerous common elements to these agreements. They all include the same salary rate increases at maximum rates for the years 2002 through 2004 (the years at issue herein). The contracts all provide a package of health insurance concessions. Another common element is the adjustment of senior officer stipends. Those with steps in the salary guide provide lower rate increases for the steps below maximum than the rates applied at maximum. There is some variation as to this element. Consider the comparison chart below [drawn from Exhibits C-7; C-8; C-9; C-10; C-11; C-12 and C-20]:

unit	2001	2002	2003	2004
Sheriff's Officers	1.5% 1/1/01	4.0% max	4.0% max	4.0% max
PBA 108	1.5% 7/1/01	3.0% in guide	3.0% in guide	3.5% in guide
Prosecutor's Detectives	1.5% 1/1/01	4.0% max	4.0% max	4.0% max
PBA 250	1.5% 7/1/01	3.5% in guide	3.5% in guide	3.5% in guide
Sheriff's Superior Officers	1.5% 1/1/01 1.5% 7/1/01	4.0% max 3.5% in guide	4.0% max 3.5% in guide	4.0% max 3.5% in guide
Prosecutor's Superior Officers	1.5% 1/1/01 1.5% 7/1/01	4.0% max 3.5% in guide	4.0% max 3.5% in guide	4.0% max 3.5% in guide
County Police Superior Officers	1.5% 1/1/01 1.5% 7/1/01	4.0%	4.0%	4.0%

The impasse in the case at hand relates to the contract duration period from 2002 through 2004. The County has proposed 1.5% increases in January and July of the initial contract year yet those increases are reflective of the comparable rates for 2001, not 2002, in other law enforcement units. While 2001 may have been part of the most recent negotiated contract periods in certain other units, it is not at issue herein. The Union County Police PBA 73 unit received a 3.5% increase in 2001 as part of their prior contract. The Arbitrator does not find it appropriate to reach back to 2001 salary

increase rates for other units in order to establish the 2002 increases for this group of employees. The most relevant comparison here is that of the 2002 increases in the other law enforcement units employed by the County. All of those units have contracts providing 4.0% at the maximum salary step. In most instances, the steps in the guide were increased by 3.5%. Two variations exist; the rank and file Sheriff's Officers received 3.0% increases to steps in the guide in 2002 and 2003 while the County Police supervisory unit has no steps so all unit members received the 4.0% salary rate increases.

It is illustrative to note that Arbitrator Mason rejected the County's effort to apply 1.5% increases in January and July of 2002 for the unit of employees which supervises the County Police rank and file. That arbitration award [Exhibit C-8] found that it was unreasonable to apply the 2001 rate increases for other units to the 2002 salaries of County Police supervisors.

The senior officer stipend is a significant element of compensation and improvements in the current round of collective bargaining warrants careful analysis. The PBA

73 unit, in its prior contract, received the senior officer stipend at 15 and 20 years of service in amounts added to base salary of \$1,000 and \$1,500, respectively. Other law enforcement units have achieved significant improvements in recently resolved agreements.

Specifically, the Sheriff's Officers rank and file unit, the Sheriff's supervisory unit and the County Police supervisory unit all established senior officer stipends that provide for: \$1,365 at 10 years; \$2,365 at 15 years; and \$2,865 at 20 years. The Correction Officers received these higher levels of the stipend in a prior contract.

The Prosecutor's Detectives rank and file unit provides for a senior officer stipend of \$2,365 at 15 years and \$2,865 at 20 years. It is worthy of note that Arbitrator Mastriani explained that no 10 year stipend was provided due to the structure of the 10th step on the Detectives salary guide. It is also noteworthy that Arbitrator Mason found (in the County Police supervisory unit arbitration) that there was insufficient evidence to prove that law enforcement units had truly offset the cost of implementing the improved stipend and his award included no offset.

The Arbitrator finds it appropriate to compare the actual salary rates for those rank and file units with information available. The chart below reviews maximum salaries for the units indicated. The County Police figures represent application of 4.0% for each of the three years (2002-2004) of this contract duration [data from Exhibits J-1; C-7; C-9; and C-11].

	2001	2002	2003	2004
Sheriff's Officers PBA 108 (7/1)	60,406	62,822	65,335	67,949
Prosecutor's Detective PBA 250 (7/1)	71,389	74,245	77,215	80,303
County Police PBA 73	59,148	61,515	63,976	66,535

The above salary rates do not reflect the senior officer stipends that might become applicable at 10, 15 and 20 years.

The Arbitrator finds that the application of 4.0% at the maximum rates for unit employees for the three years of the contract is the most reasonable salary increase

under the comparability component relating to other employees performing the same or similar functions with the same employer. The Arbitrator finds that the salary increases are consistent, noting the Employer's stress on consistency as a virtue. Further the salaries themselves are reasonable in comparison with others; indeed, any lesser rates would have to be deemed unreasonable under this measure of comparison. There is no evidence which would support the reasonableness of a result in which the County Police rank and file salaries would fall further behind those of other law enforcement rank and file units of Union County.

Internal comparability with other Union County law enforcement units also requires that the senior officer differential be addressed in this Decision and Award. Indeed, the PBA has emphasizes the shortfall in comparison with other units and the County has proposed increases, albeit with offsets. The Arbitrator finds it most reasonable to provide the established standard structure of senior officer stipends for the County Police rank and file unit at issue herein; specifically:

10 years - \$1,365

15 years - \$2,365

20 years - \$2,865

Consistent with other units, the 10 and 15 year levels are not to be compounded and the 20 year level shall be compounded each year by the maximum salary rate increase. As a partial offset for the implementation of the changes above the Arbitration finds it appropriate that the in-guide salary step increases for 2002 shall be at 3.0%. The salary steps shall be increased by 3.5% in 2003 and 2004. These step increase factors are consistent with the range of rates applied in other units, see prior chart.

This discussion of actual salary rates and senior officer stipends is somewhat merged because the salary structure for County Police is a factor in applying only the partial offset noted above. The lower salary rates for County Police rank and file employees, compared with other Union County law enforcement rank and file rates, is a major basis for determination that only the limited

offset be applied to the implementation of the increased senior officer stipend levels. It is also noted that there is no longevity for employees hired after 1973 and this factor (to be noted again in the external comparability discussion) weighs in favor of the new stipend levels.

The Arbitrator finds it appropriate for the senior officer stipend increase to become effective on January 1, 2003. Four other units recently achieving this improved benefit experienced the improvement beyond the initial year of the contract in which it was improved. Specifically, the County Police supervisory unit received the improvement in 2002 of a contract with a duration from 1999 through 2004. The Sheriff's rank and file and supervisory units received the improvement in 2002 of a contract with a duration of 2001 through 2004. Finally, the final award in the Prosecutor's Detectives rank and file unit applied the improvement in 2003 (as awarded herein) of a contract with a duration of 2001 through 2004.

Internal comparability is an important factor with respect to health insurance benefits. The Arbitrator agrees with Arbitrators Mason and Mastriani that there is a compelling basis in the evidence to be as consistent as possible in providing health insurance benefits. There is especially dramatic evidence concerning internal comparisons (including five law enforcement units) of the health benefit package. The County is not seeking to break new ground with its proposal; indeed it has achieved the changes sought from 13 other bargaining units either through voluntary agreement or interest arbitration awards. The record reveals that 2000 of the 2700 County employees already have the health benefits package proposed by the County herein.

It is important to note that, in addition to the clear element of consistency, the changes in the health insurance program include dollar amounts (rather than percentages) which are quite reasonable. It also provides a meaningful increase in the subsidy of payments toward retiree coverage.

The interest arbitration award relating to the Prosecutor's Detectives and Investigators unit provided for the implementation of the health insurance changes effective January 1, 2004. The implementation date was timed to provide employees with a reasonable period of time to consider various options under the program. The same logic applies to the case at hand. This Arbitrator finds that the internal comparison, with respect to the implementation date, dictates that this unit is most closely aligned that noted above. The implementation date of January 1, 2004 is most reasonable and no element of the health insurance package changes shall be retroactive.

Internal comparisons with other, non-law enforcement, County bargaining units fully supports the findings enunciated in the foregoing comparison with law enforcement units. The record includes evidence with respect to Council No. 8; H.P.A.E.; I.U.O.E., Local 68; Union County Supervisors Association; Teamsters (Social Services Secondary Supervisors); Park Foremen's Association; UE Local 494; and the Assistant Prosecutors. The salary rate increases for these units are consistent

with the range discussed for the law enforcement units. The record does establish certain variations. For example, the Assistant Prosecutors package appears to represent an approximation of average total-package wage improvements, slightly lower than the maximum rate of the law enforcement contracts. Also, there are substantial economic elements of the HPAE (nurses) compensation package that involve an effort to remain competitive in the external environment, providing added monetary value to that contract. Despite the existence of a few variations, the salary rate increase program awarded herein, 4.0% at maximum and 3.5% in the steps (3.0% in 2002), is fully consistent with the range of broad internal comparisons. That salary increase determination is clearly reasonable under the comparison sub-criterion relating to other employees, generally, of the same employer.

The comparison of salary rates among municipal police officers in Union County reveals the following data as to maximum patrolmen salary rates [data from Exhibits J-1; U-12; U-13; U-14; U-15; C-29; C-31; C-32; C-33; and C-34]:

	2001	2002	2003
Elizabeth	59,900	62,296	64,632
Garwood		57,663	59,883
New Providence	58,983	61,366	
Roselle Park	59,064	60,836	
Westfield		63,804	66,552
Cranford		61,570	63,725
Berkeley Hts	59,353	61,430	63,949
Mountainside	66,318	68,971	
Roselle	60,678	62,953	65,471
Union County Police*	59,148*	61,514*	63,974*

*2002 & 2003 at rates awarded herein

The record also includes relevant data for 2004 for Westfield and Cranford. Those maximum patrolmen rates are \$69,734 and \$66,115, respectively. The Union County Police maximum patrolmen rate for 2004 would be \$66,533.

The above evidence reveals that in 2001, as the point of reference, the Union County Police patrolmen maximum salary was within the range of comparison which extended from a low of \$58,983 to a high of \$66,318. It was on the lower end of the range but it is important to note that, with the exception of the Mountainside salary rate, all the maximum salaries fell within a range of

merely \$1,695. That is an extraordinarily tight grouping.

Similarly, in 2002, the initial year in the term of the contract in dispute herein, the County Police maximum patrolmen salary rate (applying the increase awarded herein) is within the range and moderately at the lower end of the scale. The range extends from a low of \$57,663 to a high of \$68,971. Once again if the high (Mountainside) and the low (Garwood) are taken out of the comparison, the grouping is remarkably narrow. The remaining seven maximum salary rates are separated only by \$2,968. The relative standing of the units salary structure is clearly preserved, if not slightly enhanced.

With respect to 2003, the data is similar, except that with no salary rate available for Mountainside that year, the overall range is more tightly grouped, between the low (Garwood) of \$59,883 and the high (Westfield) of \$66,552. If Garwood is dropped out of consideration, the resultant grouping is only \$2,827 wide. The County Police Patrolmen salary rate, as awarded herein, falls within the narrowed range.

The two jurisdictions with data provided for 2004 are Westfield (\$69,734) and Cranford (\$66,115). The awarded rate for this unit of \$66,533 falls within that range as well.

This data establishes that the salary rates awarded in this Decision and Award are clearly reasonable under the comparability criterion, considering comparisons with employees performing the same or similar functions in comparable jurisdictions. Note that both parties have used municipalities in Union County as a comparison group and the Arbitrator has seen it appropriate to combine the comparison groups presented by both parties.

The record at hand also compares the percentage increases achieved in the above municipal police contracts. This is another valid means of comparison for determining the most reasonable result of resolving this dispute. Consider the following data [computed from calculations of data in the same exhibits noted for the previous chart]:

	2002	2003	2004
Elizabeth	4.0	3.75	
Garwood		3.85	
New Providence	4.0(2/2)		
Roselle Park	3		
Westfield		4.3	4.78
Cranford		3.5	3.75
Berkeley Hts	3.5	4.1	
Mountainside	4.0		
Roselle	3.75	4.0	
Union County Police*	4.0*	4.0*	4.0*

*2002 & 2003 at rates awarded herein

The overall average of the increases set forth above is 3.88%. The mode, or most common element of the data, is the 4.0% awarded with respect to the unit at issue herein.

In terms of percentage increases, this sub-component of the comparability criterion reveals that the 4.0% increases applied to the maximum salary rates are clearly the most reasonable. The field of comparison is once again remarkably narrow.

The Arbitrator agrees with the PBA that there is no valid comparison in the private sector with employees performing the same or similar function because, simply, there are no employees in the private sector performing the same or similar functions as the County Police. However, it is reasonable to consider comparisons with employees in the private sector, generally. It is difficult to place a great deal of weight on comparisons with employees in the private sector generally because the data is much less specific and the comparison merely general, rather than directly related. The comparison of most applicable value might be with employees in the private sector located in Union County because it best approximates the local job market. The most recent New Jersey Department of Labor report reveals that for 2002 average private sector annual wages increased by 3.5% in Union County. This is compared to a rate of only 1.6% statewide. Annual average private sector wage rates in Union County were also among the highest of the 21 counties in New Jersey. It can be easily seen that consideration of the private sector comparison sub-criterion only enhances the conclusion that the salary increases awarded herein are reasonable.

The Arbitrator has carefully reviewed the *overall compensation* presently received by County Police rank and file employees. The compensation package is reasonably competitive with respect to salaries, vacation, and other leave time. The work year for patrol officers is 2,053.1 hours, based upon a 4 on/4 off schedule of 11.25 hour days. Specialized unit officers work a 4 on/3 off work chart with 9 hour and 55 minute days. This schedule generates an annual work year of 2,062.7 hours. The unit also works five days of training at 8 hours per day, added to the annual hourly totals above. While the total annual work obligation of 2,093.1 and 2,102.7 are somewhat longer than the norm for police operations, the benefits of the 4/4 and 4/3 work charts must be acknowledged. The 4/4 schedule results in 182.5 work days per year and the 4/3 chart provides for 208 annual work days. The benefits of the charts involved balance the somewhat longer annual hourly obligation.

The health benefit package provided for in this Decision and Award represents some significant concessionary elements designed to address substantial

premium rate increases. Nonetheless, the medical package is a reasonable one, albeit reduced from the benefit levels currently enjoyed.

The absence of longevity benefits, common among police collective bargaining contracts, is addressed in the package awarded. The improvement to senior officer stipends serve to provide balancing compensation for the noted absence.

The overall compensation received by unit employees is a reasonable package. It has no substantial shortfalls therefore it requires no extraordinary adjustments nor is it so unreasonably rich as to dictate a below norm package. The consistency of the package awarded herein is particularly reasonable in light of the evidence of the overall compensation of the bargaining unit.

The *stipulations of the parties* have provided the record with a list of contract items which have been resolved and agreed upon for incorporation into the 2002-2004 contract. These items of mutual agreement are:

1. Sick time buy out
2. EMT Stipend
3. Bomb Squad stipend
4. Vacations
5. Sick time incentive
6. Corporal stipend
7. PBA proposal #24, wording changes
8. Dental benefits

Under consideration of the *lawful authority of the employer* criterion, the total package awarded herein is clearly reasonable. Through the 2002 budget year, the County has been able to maintain a CAP tax levy bank which provided additional flexibility for future years with respect to the limitations of the CAP Law. These CAP Law tax levy credits were the result of not having raised the tax levy in prior years to the extent of the CAP Law restrictions; the differences below the CAP Law limits may be banked. The Arbitrator has given due consideration to the testimony of the County Director of Finance as to the projected need for the County to get CAP Law relief in 2003. Indeed, the Director testified

that such relief was requested. The nature of the full impact of the CAP Law on the County's authority reveals that this individual unit will have negligible effect on that authority. Indeed, the County's own efforts at consistency or "pattern" are evidence that the package awarded herein will not present any negative impact with respect to the CAP Law, measured by the County's own strategy. As specifically analyzed under the financial impact criterion, the costs attributable to the package awarded herein will certainly have no independent effect on the County's tax rate or tax levy. Therefore, the CAP Law and the lawful authority of the employer criterion are not a determinative factor in the dispute at hand.

In order to apply the *financial impact* criterion, the Arbitrator has engaged in calculations as to the total costs attributable to the salary increases awarded. These calculations are based upon the scattergram set forth in Exhibit C-21. The composite percentage cost factors have been calculated, weighting the relevant maximum and step increases for the number of employees in each year at maximum or in the steps. Those composite percentage increases were then applied to the weighted

total salary base in effect on each successive December 31st from 2001 through 2003.

Specifically, the 2002 salary increase produces a cost of \$93,130 calculated on a 12/31/01 base on \$2,537,609 for 46 employees (31 of which are then at maximum). Similarly, the 2003 salary increase produces a cost of \$107,401 calculated on a 12/31/02 base of \$2,789,633 for 49 employees (34 at maximum). Finally, the 2004 salary increase produces a cost of \$117,026 calculated on a 12/31/03 base of \$2,985,347 for 49 employees (41 at maximum). If 31 of the 34 employees at maximum in 2003 qualify for the \$1,365 increase in the senior officer stipend structure, that component of the package will have a cost of \$42,315 in 2003.

The County Director of Finance testified that a County tax point is worth approximately \$4.6 million. This provides a significant context for the impact of the annual cost of the salary rate increases above which range from \$93,130 to \$117,026. Note that the base salary figure established in the 2003 year, \$2,985,347 is

0.88% of the total proposed appropriations for that year of \$340,494,482.

While the impact of this individual unit is remarkably insignificant in terms of a financial impact on the County's total budget, it must be stressed that it is part of a appropriations structure where the totality of County employee salaries and benefits are a most substantial factor in County expenditures. Therefore, the consistency with which the economics of this contract settlement, in relation to other bargaining units, is quite important to the overall financial impact. The predictability of a consistent internal program of salary and benefits leads to effective budgetary planning. It also exhibits the County's own interpretation of a reasonable financial impact. In the case at hand, the package awarded is clearly consistent with that which the County has determined, in its own perspective, to be reasonable under the financial impact criterion.

The PBA has correctly established that for an extended period of time from 1996 through 2001, the tax rate for the County was reduced in each and every year.

That trend is indicative of a pattern of fiscal restraint and a lack of stress on the taxpayers. Additionally, there was a similar pattern of annual increases in the County's net valuation taxable up to 2002. Further, from 1997 through 2000 there was a steady decline in the total tax levy as illustrated below:

1997	\$151.7 million
1998	150.2 million
1999	150.1 million
2000	150.1 million
2001	159.9 million
2002	173.8 million

This decline reversed in 2001 and the increase in the levy continued in 2002. This pattern of decline and then increase in the tax levy appears to be related to the use of fund balance as a revenue source for some time and then the impact of the decline in the fund balance, at least partly requiring the increase in the tax levy. However, even with the substantial tax levy increase in 2002, the increase in the tax levy from 1997 through 2002 amounts to an average annual rate of increase of 2.29%, which is moderate. The evidence strongly suggests that the County financial position is carefully managed and

that there is no immediate threat of fiscal distress. It is also abundantly clear that the package awarded herein will have absolutely no problematic financial impact on the governing unit nor on the taxpayers.

With respect to the *cost of living* criterion, the record includes U.S. Department of Labor, Bureau of Labor Statistics Consumer Price index data. The evidence provides national and regional figures for all urban consumers and all urban wage earners through February of 2003. For the 12 month period ending February 2003, the national index for all urban consumers had a 3.0% increase in the cost of living. The increased rate in the national index for all urban wage earners was 3.2% for the same 12 month period. Of some significance, the annualized measure of the increases in the two indices based on the 3 month period ending February 2003 were 4.3% and 4.6%, respectively. With respect to the New York/Northeastern New Jersey region, the 12 month annual rate of increase for the CPI-U (all urban consumers) was 3.3% and for the CPI-W (all urban wage earners) it was 3.6%.

The Arbitrator finds that the evidence relating to the cost of living suggests very moderate increases which could, possibly turn somewhat higher. The balanced and moderate economics of the package awarded herein are fully consistent with, and clearly reasonable under, the evidence presented concerning the cost of living criterion.

The eighth criterion relates to the continuity and stability of employment and other factors ordinarily and traditionally considered in collective bargaining. The record strongly supports the concept that the salary rate increases applied and the improvements in the senior officer stipends will serve to promote continuity and stability of employment in the bargaining unit. This package will protect the Employer's ability to attract and retain highly qualified employees. Further, the implementation of the County's proposed health insurance changes will serve to maintain the continuity and stability of employment on a broad county-wide scale. This Arbitrator finds it abundantly clear that consistency with respect to health insurance benefits is an ordinary and traditional aspect of collective

bargaining. It must be stressed that the matter of consistency involves more than just one or two units with the changes awarded; there were thirteen units which already implemented the changes sought. Further, the other bargaining units in which the changes had been previously established included five law enforcement units, not only non-law enforcement contracts. This ordinary and traditional component of the eighth criterion weighs very heavily in support of the health insurance changes awarded herein.

The County's proposal to improve the subsidy to retiree health benefits is found to be reasonable. It is included in the package herein and determined to essentially be an element of the overall consistency with respect to the treatment of the health insurance benefit issue.

The County's proposal to increase the annual clothing and maintenance allowance by \$75, effective January 1, 2004 is accepted as reasonable. There is a variation among the units as to the treatment of clothing allowance and this offer appears reasonable in light of

the varied experience. The Arbitrator rejects the County's proposal that \$800 of the annual clothing allowance be eliminated to offset the improved senior officer stipend. As noted earlier the offset applied herein was expressly limited in nature due to other comparative factors. Other than as an offset, there was no basis to grant this \$800 elimination proposed by the County.

The current contract provides for a limit of 24 hours of compensatory time which may be accumulated in a year. The PBA proposes an increase to 100 hours to be available on a floating basis. The County proposes an increase in the current limit to 43 hours per year but opposes the carryover of compensatory time because it would allow the time to be cashed in at a rate higher than the rate it was earned at. The Arbitrator finds insufficient evidence for a major structural change to existing compensatory time system. An increase in the limit to 45 hours (representing the equivalent of four 11.25 hour patrol shifts) shall be awarded but the current system for accrual and use without carryover shall be continued.

The PBA proposes the elimination of the existing five training days in the unit's work year. The PBA argues that the annual work year is unusually long when the training day hours are added to the total work hours from the shift schedule. The Arbitrator rejects this proposal. The supervisory unit contract for the County Police continues to provide the five added work days (eight hour days) as training days. Further the Sheriff's Officers contract recently increased the work week to 41 hours leading to a work year of 2,132 annual hours. The Sheriff's supervisory unit provides for a contractual work week of 42.5 hours. There is insufficient evidence to support the PBA proposal to eliminate the five training days and there is, in point of fact, significant evidence to support the continuation of those work days.

The County has proposed that the Award herein order that holiday payments be rolled into base pay. The record does not include sufficient evidence to support that proposal and the Arbitrator declines to include it in the Award.

In conclusion, this Discussion and Analysis has considered and applied all eight statutory criteria to the evidence. Due weight has been given to various criteria and sub-parts of certain criteria as indicated; indeed, each of the eight criteria has been given some meaningful weight in the construction of the ultimate resolution of the dispute. That resolution provides finality as contemplated by the statute with the construction of the most reasonable total package addressing the issues presented in accordance with the evidence on the record. That total package shall be awarded herein.

A W A R D

For the foregoing reasons IT IS HEREBY ORDERED that all issues in dispute at interest arbitration in Docket No. IA-2002-085 shall be resolved as follows:

- 1.) Duration: The duration of the contract shall be from January 1, 2002 through December 31, 2004.

- 2.) Wage Increases: Salary rates shall be increased in accordance with the following:

Effective 1/1/02 -	4.0% maximum 3.0% steps below maximum
Effective 1/1/03 -	4.0% maximum 3.5% steps below maximum
Effective 1/1/04 -	4.0% maximum 3.5% steps below maximum

Senior Officer Stipend: Effective 1/1/03, the stipends shall be as follows:

10 year -	\$1,365
15 year -	\$2,365 (\$1365 + current \$1000)
20 year -	\$2,865 (\$1365 + current \$1500)

The 20 year stipend shall be increased by maximum salary rate increases in subsequent years.

3. Health Benefits: Modifications as follows - all to be effective 1/1/04:

a) Prescription Co-Pay

Effective January 1, 2004: Co-pay to be adjusted from Mail Order: \$0; Generic: \$3; Single-Source: \$5; Multi-Source: \$10; To: Mail Order: \$3; Generic: \$5; Single-Source: \$15; Multi-Source: \$20 for all active employees.

b) Horizon PPO (Blue Select)

Employees in the Horizon PPO (Blue Select) shall contribute towards the cost of doctor's office visit as follows:

2004
\$10 per visit

Out of Network cost share shall be changed from 80/20 to 70/30 (County/employee respectively) for all employees effective upon execution of the Agreement. Deductible for any single benefit period effective January 1, 2004 shall reduced to \$100 for each employee and an additional amount of \$200 for eligible dependents.

c) Contribution:

Effective January 1, 2004, incumbent Employee Health Benefit Contribution shall be as follows:

Employees earning under \$65,000 = \$10.00 per month
Employees earning over \$65,000 = \$25.00 per month
Employees earning over \$75,000 as follows:
2004 = \$40.00 per month

Contributions are made pre-tax.

d) Health Benefit Buyout Option

Any employee with either Family or Husband/Wife coverage in any of the available Health Benefit Plans may voluntarily opt out of that plan providing their spouse has either Family or Husband/Wife coverage either through the County or through another employer. In return for opting out, the County shall pay to the employee the sum of \$2,500.00 annually to be paid in 26 installments over the next year.

Employees opting out shall retain the right to re-enter the County's Health Benefit Plan on a monthly basis. Upon re-entering the plan, payments for opting out shall cease.

The availability of this option is contingent on an annual renewal that is fully insured (premium based) as opposed to self-insured. If the County decides to self-insure, this option will become null and void.

e) New Employee Health Benefit Contribution

Effective January 1, 2004, new employees shall receive HealthNet or Blue Choice coverage only. In addition, new employees shall contribute \$15 per month for single coverage and \$25 per month for family coverage. The contribution shall be increased by the proportionate annual increase in the plan cost. Employees may opt for a different plan at their own expense (difference between HealthNet and Blue Choice and chosen plan). In the event these plans are changed during the term of this agreement, new employees shall receive the least expensive of the then available plans.

4. Retiree Health Benefits: Subsidy will be amended as follows:

Single, under 65	-	\$189.67
Single, over 65	-	\$138.39
H/W, under 65 PC Retiree Family, under 65	-	\$540.58
H/W, over 65	-	\$276.77
H/W Retiree, over 65 H/W Spouse, over 65	-	\$276.77
Family, over 65	-	\$442.88
Family Retiree, over 65- Family Spouse, over 65 -	-	\$477.85
PC Retiree, over 65	-	\$338.69

5. Clothing Allowance:

Effective 1/1/04, increase the total clothing and maintenance allowance by \$75 to \$1075 per year.

6. Compensatory Time:

Employees will be permitted to accumulate up to forty-five (45) hours of compensatory time annually, under the same system as is currently provided by the contract.

7. The stipulated mutual agreements between the parties involving the following subject areas shall be incorporated into the contract:

1. Sick time buy out
2. EMT Stipend
3. Bomb Squad stipend
4. Vacations
5. Sick time incentive
6. Corporal stipend
7. PBA proposal #24, wording changes
8. Dental benefits

8. The County's proposed change with respect to Holidays and the PBA's proposed change with respect to Training Days are rejected and no contractual change is awarded with respect to those two items.

Dated: October 10, 2003
Skillman, N.J.


Joel M. Weisblatt
Arbitrator

On this 10th day of October, 2003, before me personally came and appeared Joel M. Weisblatt, to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed the same.


Attorney-at-law