

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

In the Matter of the Interest Arbitration Between

County of Monmouth

-and-

PBA Local 314

:
:
:
:
**Decision
and
Award**

Before: Thomas D. Hartigan, Arbitrator

PERC Docket No. IA 2009 - 073

Appearances:

For the County: Parthenopy Bardis, Esq. – Of Counsel
Steven W. Kleinman, Esq. – On the Brief

For the PBA: James M. Mets, Jr., Esq. – Of Counsel and on the Brief
Mets, Schiro & McGovern, LLP

BACKGROUND

The County of Monmouth (hereinafter, the County or the Employer) and PBA Local 314 (PBA or Union) are parties to a Collective Bargaining Agreement (CBA) covering the period from January 1, 2005 to December 31, 2008. In the CBA the County recognizes the PBA “as the sole and exclusive majority representative...for collective negotiations concerning salaries, hours of work and other terms and conditions of employment for all Employees employed in the title of Sheriff’s Officer.” At the time of the

hearing the bargaining unit consisted of approximately ninety-two (92) sworn law enforcement officers. These officers work in the Law Enforcement Division of the Sheriff's Office which also has Corrections Division and a Communications Division.

The parties commenced negotiations for a new CBA in November 2008. Negotiations continued without success and a Petition to Initiate Compulsory Interest Arbitration was made to the New Jersey Public Employment Relations Commission (PERC) on March 13, 2009 pursuant to N.J.S.A. 34:13A-14 et seq. The parties followed the selection process contained in N.J.A.C. 19:16-5.6, resulting in the mutual selection of the undersigned and my subsequent appointment as Interest Arbitrator by PERC from its Special Panel of Interest Arbitrators on June 24, 2009. A pre-hearing mediation session was held on October 21, 2009 in an effort to achieve a voluntary resolution but to no avail. Formal hearings were held on January 26, 2010 and February 1, 2010 at which time each side was given full opportunity to present all evidence, testimony and argument in support of their positions on the issues. Officers Michael Deroian, David Wentworth, Kurt Kroeper, James Fay, and Jose Rivera testified for the PBA. County Finance Director Craig Marshall provided testimony for the County.

The parties requested the opportunity to supplement the record with March 1, 2010 set as the submission date. The County requested and was granted an extension until March 22, 2010 to provide supplemental items. On March 22, 2010 the County submitted supplemental exhibits, noted as Exhibits 36a and 39. On March 26, 2010 the Union provided supplemental documents listed as Exhibits D-11, G1-14, M23-43, N-11 and T1-5. The parties agreed to submit briefs on the issues presented and July 30, 2010 was set as the briefing date. The County requested and was granted an extension until September 3, 2010. The Union's Brief, dated September 3, 2010, was received on September 7 and the County's Brief, dated September 3, 2010, was received on September 8, 2010. The record was deemed closed as of September 8, 2010.

N.J.S.A. 34:13A-16f(5), calls for the arbitrator to render an opinion and award within 120 days of selection or assignment, the parties are permitted to agree to an extension. Pursuant to this latter provision, the County and the PBA have agreed to extend the time for issuing an award to June 13, 2011.

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

STATUTORY CRITERIA

The statute requires the arbitrator to:

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

- (1) The interests and welfare of the public. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by P.L. 1976, c 68 (C.40A:4-45.1 et seq.).
- (2) Comparison of the wages, salaries, hours, and condition of employment of the employees involved in the arbitration proceedings with the wages, hours and condition of employment of other employees performing the same or similar services with other employees generally:
 - (a) In private employment in general; provided, however, each party shall have the right to submit additional evidence for the arbitrator’s consideration.
 - (b) In public employment in general; provided, however, each party shall have the right to submit additional evidence for the arbitrator’s consideration.
 - (c) In public employment in the same or similar jurisdictions, as determined in accordance with section 5 of P.L. 1995, c 425 c. 34:13A-16 (2); provided, however, each party shall

have the right to submit additional evidence concerning the comparability of jurisdictions for the arbitrator's consideration.

- (3) The overall compensation presently received by the employees, inclusive of direct wages, salary, vacations, holidays, excused leaves, insurance and pensions, medical and hospitalization benefits, and all other economic benefits received.
- (4) Stipulations of the parties.
- (5) The lawful authority of the employer. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by the P.L. 1976, c.68 (C.40A:4-45.1 et seq.).
- (6) The financial impact on the governing unit, its residents and taxpayers. When considering this factor in a dispute in which the public employer is a county or municipality, the arbitrator or panel of arbitrators shall take into account to the extent the evidence is introduced, how the award will affect the municipal or county purposes element, as the case may be, of the local property tax; a comparison of the percentage of the municipal purposes element, or in the case of a county, the county purposes element, required to fund the employees' contract in the preceding budget year with that required under the award for the current local budget year; the impact of the award for each income sector of the property taxpayers on the local unit; the impact of the award on the ability of the governing body to (a) maintain existing local programs and services, (b) expand existing local programs and services for which public moneys have been designated by the governing body in a proposed local budget, or (c) initiate any new programs and services for which public moneys have been designated by the governing body in its proposed local budget.
- (7) The cost of living.
- (8) The continuity and stability of employment including seniority rights and such factors not confined to the foregoing which are

ordinarily or traditionally considered in the determination of wages, hours and conditions of employment through collective negotiations and collective bargaining between the parties in the public service and in private employment.

- (9) Statutory restrictions imposed on the employer. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations upon the employer by Section 10 of P.L. 2007, c. 62 C. 40A:4-45.45).

PARTIES FINAL OFFERS

FINAL OFFER OF THE PBA

Preamble

This Agreement, effective as of the first day of January 1, ~~2005~~ 2009, by and between the Monmouth County Sheriff [hereinafter Freeholders [hereinafter referred to as the County or the Employer-Funding Agent] and PBA Local No. 314 [hereinafter referred to as the Association], is designed to maintain and promote a harmonious relationship between the Sheriff, the County and those Employees within the bargaining unit herein defined in order that more efficient and progressive public service maybe rendered.

2. **ARTICLE 3, ASSOCIATION RIGHTS**

Section 1. The PBA shall be allocated 150 ~~seventy-five (75)~~ days of paid leave per year for attendance at PBA meetings and conventions, and New Jersey law enforcement funerals, and other PBA business. Leave pursuant to this provision shall be granted upon a written authorization submitted by the PBA President to the Sheriff, or the individual designated by the Sheriff, indicating the name or names of the individuals and the date or dates on which their absence will be required. For each year that the PBA is actively in negotiations or interest arbitration with the County. ~~In the terminal year of this contract,~~ ten (10) additional days per year will be made available for the purposes of negotiations.

Section 5. The Sheriff/Designee shall grant the PBA Delegate requested leave for attendance at State or County meetings, seminars and ceremonial activities provided they are requested at least five (5) working days in advance; emergencies excepted. These days off shall be in addition to not increase the total PBA day amount set forth in Section 1 above and shall not be counted against said days set forth in Section 1 above. If the PBA Delegate is requested for assignment by the State PBA, he shall be given full release time with pay, if and only if, the County is reimbursed for his base salary by the State PBA.

3. **ARTICLE 6, HANDBOOK AND WORK RULES**

Section 2. The Employer shall establish reasonable and necessary rules of work and conduct for Employees. All such rules shall be equitably applied and enforced. Except under emergent circumstances, new rules or changes to existing rules shall not be implemented until the PBA has had 14 days to review them.

4. **ARTICLE 9, SALARY**

Section 2. ~~Commencing January 1, 2005,~~ †The effective date for all employee step movements on the salary guide in Appendix A shall be January 1 of each year.

Section 2. Commencing January 1, 2005, the effective date for all employee step movements on the salary guide in “Appendix A shall be January 1 of each year.

Section 3 (New). An officer shall receive 4 hours of overtime pay for every shift that he is assigned to train a new officer. The officer so assigned shall receive such pay without having to work additional time beyond his regular shift.

5. **ARTICLE 10, UNIFORM AND EQUIPMENT MAINTENANCE ALLOWANCE**

Section 1. New officers shall receive a full compliment of necessary clothing to satisfy Police Academy training requirements as set forth by the Employer's rules and regulations. Commencing in the first calendar year of employment after graduation from the academy, or if already academy certified, upon hire, each officer shall receive a \$750.00 weapon and equipment maintenance allowance. Said allowance shall commence for incumbent officers on January 1, 2009 and shall be payable in a lump sum in the first pay period of December of each calendar year.

6. **ARTICLE 11, COLLEGE INCENTIVE**

Section 1. Since the Sheriff and the County of Monmouth recognize the value of trained Sheriff's Officers, they hereby agree to pay any officer covered by this Agreement \$50.00 per year per college credit that is obtained by any Officer prior to or while employed by the Sheriff or the County. Effective January 1, 2010, the \$50.00 payment shall increase to \$75.00. The credit must be from an approved college and in a course that will be of value to the person in the performance of work for the Employer, which the Sheriff shall approve. Training paid for by the County shall not qualify for this college incentive payment. This final sentence shall not be retroactively applied to employees already receiving such college incentive payments.

7. **ARTICLE 12, LONGEVITY PAY**

Section 1. ~~If during the term of this Agreement, the Board of Chosen Freeholders grants longevity pay benefits to any bargaining unit which it has direct and final authority as the employer, the parties shall reopen negotiations on the issue of longevity.~~ In addition to his salary set forth in Appendix A, each officer shall have added to his base pay for all purposes, the following longevity payments:

<u>YEARS OF SERVICE</u>	<u>LONGEVITY INCREMENT</u>
<u>4 through 6 years PFRS/PERS service</u>	<u>2.0% of base pay</u>

<u>7 through 10 years of PFRS/PERS service</u>	<u>4.0% of base pay</u>
<u>11 through 15 years of PFRS/PERS service</u>	<u>6.0% of base pay</u>
<u>16 through 19 years of PFRS/PERS service</u>	<u>8.0% of base pay</u>
<u>20 plus years of PFRS/PERS service</u>	<u>10.0% of base pay</u>

8. ARTICLE 14, OVERTIME, CALL-IN AND COURT TIME

The OIC shall be compensated for those duties at one additional hour at the overtime rate for each ~~four hours~~ hour or part thereof assigned as OIC; each hour worked shall be rounded up ~~pro-rated~~.

9. ARTICLE 15, INSURANCE

Section 4. Bargaining unit members, and those Employees receiving disability benefits under the County temporary disability program, shall be provided with the prescription insurance plan established by the County with a \$3.00 co-pay for prescription drugs and a \$1.00 co-pay for those who use generic drugs. It is understood that the co-pay mentioned herein may be changed no sooner than January 1, 2004, but it is agreed that the change shall not exceed \$15 for prescription drugs and \$10 for generic drugs.

Section 5. Disability insurance shall be provided through the State of New Jersey Temporary Disability Insurance Fund. ~~The statutory compensation provided in N.J.S.A. 34:16-12(a) and applicable law is recognized as controlling the issue of access to payment for Employees on temporary disability leave.~~ Reimbursement for temporary disability leave of one year or less than one year for work-related injury or illness shall be calculated to insure that Employees on such workers' compensation temporary disability leave will be paid at the same amount of take home pay (net pay) as they were receiving prior to their disability leave, payments continuing for not longer than the first year. Thereafter, the provisions of N.J.S.A. 34:15-12(a) shall apply. The Employee shall in no way suffer a reduction of net pay as a result of the injury or disability during the first year.

Section 7 (new). Upon retirement, PBA bargaining unit members and their eligible dependents, including surviving spouses, are entitled to continue to receive full coverage, at no cost to them, under

the County's Health Benefits Program (including hospitalization, major medical, dental, prescriptions, and vision benefits, that was in effect at the time of their retirement, provided the employee has retired from the N.J. Police and Fireman's Retirement System (PFRS), or another state or locally administered retirement system, excepting those employees who elected deferred retirement, but including those employees who retired on disability pensions based on fewer years credited in such retirement system. This coverage shall be provided at no cost to the retiree and his/her dependents, and shall remain in full force and effect until the retiree's death, his/her spouse's death an, in the case of dependent children, until said children are no longer eligible for coverage (up to age (19), or up to age twenty three (23) if the child is enrolled in school). All co-pay rates in effect at the time of the employee's retirement shall be fixed, and no future increases in co-pay rates shall be borne by the retiree or his/her dependents, including surviving spouses. The County shall further reimburse such retired employees for their premium charges under Part B of the Federal Medicare Program covering the retirees and their spouses.

10. ARTICLE 17, PERSONAL, SICK AND MATERNITY LEAVE

Section 3. Pregnancy leave. An Employee who requests leave with or without pay by reason of disability due to pregnancy shall be granted such leave under the same terms and conditions of those applicable for sick leave or leave without pay. Sick or vacation leave may be used for pregnancy disability leave. An Employee must exhaust all accrued sick leave to be eligible for ~~the County~~ Temporary Disability Compensation Plan.

11. ARTICLE 27, SENIORITY BIDDING OF ASSIGNMENTS (NEW)

Section 1. For the purposes of this Article, seniority shall be determined by badge number.

Section 2. Probationary Officers shall not be eligible to bid until the November following the completion of their working test period and all mandatory field training.

Section 3. Each calendar year, on the first Monday of November, the Sheriff/designee shall post a list of positions available for the following year. Assignments shall be for the following full calendar year.

Section 4. Starting the second Monday of November, each eligible Officer shall submit (on an Office devised form) his/her four choices, in order, to the Sheriff/designee.

Section 5. The available positions shall be filled based on seniority amongst the qualified bidders. Any Officer not submitting a form by the end of the first week of December shall have waived his right to bid.

Section 6. The awards shall be posted on all unit bulletin boards.

Section 7. The following positions shall be filled by the Sheriff/designee and shall not be bid upon: Training Officers; Internal Affairs Officers; and/or any other administrative position.

Section 8. Any newly created position shall be filled by the Sheriff/designee until the following November bidding process. Additionally, the probationary Sheriff's Officers shall be placed in any unit based upon Office needs.

12. **ARTICLE 29, OFFICER'S RIGHTS (NEW)**

Section 1. Departmental Investigations

In an effort to insure that departmental investigations are conducted in a manner which is conducive to good order and discipline, and in conformance with the Attorney General Guidelines on Internal Affairs, the following rules are hereby adopted:

- a. The interrogation of an officer shall be at a reasonable hour, preferably when the officer is on duty, unless the exigencies of the investigation dictate otherwise.
- b. The officer will be informed of the nature of the investigation before any interrogation commences. Sufficient information to reasonably apprise the officer of the allegations shall be provided prior to questioning. The

- officer shall be advised prior to the interview, in writing, if he is a target or a witness.
- c. If the officer is a target of the investigation, he shall be entitled to delay the interview for a period not to exceed 48 hours to obtain the services of an attorney.
 - d. The questioning will be reasonable in length. 15 minutes time will be provided for personal necessities, telephone calls and rest periods at the end of every two (2) hours. If the interview extends beyond 4 hours, at the 4th hour, the officer shall be permitted a 1 hour meal break.
 - e. The officer will not be subject to any offensive language, or threatened with transfer, dismissal or other disciplinary punishment. No promise of reward will be made as an inducement to answering questions.
 - f. If the officer is only a witness, he will be afforded, if requested, the opportunity to consult with a PBA representative of his choosing, prior to being questioned. However, such request will not delay the interrogation beyond four (4) hours. The PBA representative shall have the right to participate in the interrogation if the officers elects to have him present.
 - g. In cases other than departmental investigations, if an officer is under arrest or if he is a suspect or the target of a criminal investigation, he shall be given his rights pursuant to the current law.
 - h. Nothing herein shall be construed to deprive the Department of its officers the ability to conduct the routine and daily operations of the Department.
 - i. Under no circumstances shall the County or Department offer or direct the taking of a polygraph or voice print examination for any employee covered by this Agreement.
 - j. A targeted Officer shall be notified of the findings and the results of the investigation in writing within fifteen (15) days of the conclusion of the Internal Affairs investigation.
 - k. Alleged violations of these procedures, the Department's Internal Affairs Policy and/or the Attorney General Guidelines relating to minor discipline, may be addressed by the PBA through the contractual grievance and arbitration procedure. If an arbitrator finds a violation, any

disciplinary charges filed against the officer shall be dismissed.

Section 2. Critical Incidents

- a. When an officer is involved in a critical incident defined as any use of force by an Officer, involving death or serious bodily injury to a person, or where deadly force is employed with no injury or where any injury to a person results from the use of a firearm by a law enforcement officer the Officer has the right to immediate medical treatment and/or psychological treatment and the right to consult with legal counsel prior to providing any written and/or oral statement. The Officer shall be required to provide a written and/or oral statement as soon as possible upon being released from medical/psychological evaluation if deemed mentally and/or physically able to do so. In any event, an Officer shall not be required to provide a written and/or oral statement until at least 48 hours has elapsed from the time the Officer was removed from the scene of the critical incident.
- b. The Officer shall have the right to have legal counsel present when he gives his written and oral statements. Prior to giving any statement, an Officer shall be advised if he is ordered to do so, and if he is being questioned as the target of an internal administrative investigation, the target of a criminal investigation, or a witness. Nothing herein shall be deemed a waiver of an officer's legal rights, including but not limited to the right to remain silent and to request and receive immunity.
- c. Nothing in this section is intended to hamper or interfere with the investigation into an incident.

13. ARTICLE 2730, TERM AND EXTENT OF AGREEMENT

This Agreement shall be effective January 1, ~~2005~~2009 and shall continue in full force until December 31, ~~2008~~2013 or until a new Agreement is executed.

FINAL OFFER OF THE COUNTY

1. Article 9 (Salary):

2009: 0%

2010 through 2013: Existing steps frozen; create 3 new steps, with 3% on top step only.

Increase (beginning 2010) applies to those employees employed by the County on the last pay period of 2009.

The proposed new salary guide is as follows:

<u>Step#</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Entry	35,242.00	35,242.00	35,242.00	35,242.00	35,242.00
Step#1	42,410.00	42,410.00	42,410.00	42,410.00	42,410.00
Step#2	49,579.00	49,579.00	49,579.00	49,579.00	49,579.00
Step#3	56,753.00	56,753.00	56,753.00	56,753.00	56,753.00
Step#4	63,918.00	63,918.00	63,918.00	63,918.00	63,918.00
Step#5	71,087.00	71,087.00	71,087.00	71,087.00	71,087.00
Step#6(new)		74,286.00	74,286.00	74,286.00	74,286.00
Step#7	78,256.00	78,256.00	78,256.00	78,256.00	78,256.00
Step#8(new)		81,778.00	81,778.00	81,778.00	81,778.00
Step#9	85,431.00	85,431.00	85,431.00	85,431.00	85,431.00
Step#10(new)		87,994.00	90,634.00	93,353.00	96,154.00

2. Article 11 (College Incentive)

Revised as follows (additions are underlined):

Section 1. Since the Sheriff and the County of Monmouth recognize the value of trained Sheriff's Officers, they hereby agree to pay any officer covered by this Agreement \$50.00 per year per college credit, not to exceed a total of \$1,800.00 per year, that is obtained by any Officer while employed by the Sheriff or the County. Payment is contingent upon the Officer's successful completion of the course with a grade of B or higher. The credit must be from an approved college and in a course that will be of value to the person in the performance of work for the Employer,

which the Sheriff shall approve. Training paid for by the County shall not qualify for this college incentive payment. This final sentence shall not be retroactively applied to employees already receiving such college incentive payments.

Section 2. A committee consisting of representatives of the Sheriff's Office and the Association, shall review and approve courses taken by an Employee in advance of registration. Payment of courses shall not be made without prior approval. Said approval shall not be unreasonably withheld.

3. **Article 12 (Longevity Pay):**

Revised as follows (deletions are shown by strikethrough):

~~Section 1. If during the term of this Agreement the Board of Chosen Freeholders grants longevity pay benefits to any bargaining unit which is has direct and final authority as the employer the parties shall reopen negotiations on the issue of longevity.~~

4. **Article 15 (Insurance):**

Revised as follows (additions are shown by underline, deletions by strikethrough):

Section 1. It is agreed that the County will provide a medical Point of Service (POS) insurance plan. ~~Whereas it is the County's intention to encourage Employee in such POS program, Employee participation in said plan shall be at no premium cost to the Employee with all premims being borne by the County.~~

Effective July 1, 2010, and continuing through the term of the Agreement, employees will pay 1.5% of their annual base salary as a tax-deferred contribution to be used for the express purpose of sharing the cost of health benefits provided by the County.

The parties agree that should an employee voluntarily waive all coverage under the County's health plan, and provide proof of coverage from a source other than the County, the County will waive that 1.5% contribution for the employee.

Section 4. Bargaining unit members, and those employees receiving benefits under the County temporary disability program, shall be provided with the prescription insurance plan established by the County with the following co-pays effective July 1, 2010:

<u>Non-Mail Order</u>	
Retail (brand)	\$25.00 (up from \$15)
Generics	\$10.00 (up from \$5)
<u>90 days Mail Order</u>	
Retail (brand)	\$15.00 (up from \$10)
Generics	\$5.00 (up from \$0)

5. Article 17 (Personal, Sick and Maternity Leave):

Revised as follows (additions are shown by underline, deletions by strikethrough):

Employees may be entitled to leave under the federal Family and Medical Leave Act (FMLA) and/or the New Jersey Family Leave Act (FLA). Employees agree to be bound by the provisions contained in the County's family/medical leave policy and shall be required to use earned or accrued leave time if the County's policy so requires.

~~Section 3. Pregnancy leave. An Employee who requests leave with or without pay by reason of disability due to pregnancy shall be granted such leave under the same terms and conditions of those applicable for sick leave or leave without pay. Sick or vacation leave may be used for pregnancy disability leave. An Employee must exhaust all accrued sick leave to be eligible for the County Temporary Disability Compensation Plan.~~

~~Section 4. Child care may be granted to Employees under the same terms and conditions as provided under Family leave which provides for a maximum leave of 12 weeks in any 24 month period.~~

6. Article 18 (Holidays):

Revised as follows (deletions are shown by strikethrough):

~~Section 4. Any other holidays granted generally to County Employees by resolution of the Board of Chosen Freeholders shall also be granted to all persons covered by this Agreement.~~

7. Article 27 (Term and Extent of Agreement):

Revised as follows (additions are shown by underline, deletions by strikethrough):

This Agreement shall be effective January 1, ~~2005~~2009 and shall continue in full force until December 31, ~~2008~~ 2013 or until a new Agreement is executed.

STIPULATIONS OF THE PARTIES

At the mediation session held on October 21, 2009 the parties agreed to the following items:

Preamble

This Agreement, effective as of the first day of January 1, ~~2005~~ 2009, by and between the Monmouth County Sheriff [hereinafter referred to as the Employer], the Monmouth County Board of Chosen Freeholders [hereinafter referred to as the County or the Employer-Funding Agent] and PBA Local No. 314 [hereinafter referred to as the Association], is designed to maintain and promote a harmonious relationship between the Sheriff, the County and those Employees within the bargaining unit herein defined in order that more efficient and progressive public service maybe rendered.

Term and Extent of Agreement

This Agreement shall be effective January 1, ~~2005~~2009 and shall continue in full force until December 31, ~~2008~~2013 or until a new Agreement is executed.

Day after Thanksgiving

On July 26, 2010 the parties entered into a Settlement Agreement on the issue of Holidays which had been scheduled for arbitration before Arbitrator Joyce Klein. Part of the agreement was to incorporate the terms of that agreement into this proceeding and award. Therefore, I have incorporated the appropriate sections of the Settlement Agreement below:

1. To avoid any future grievances or disputes relating to the Day after Thanksgiving, and in consideration for the relief set forth in Paragraph 2, below, the parties agree that from this date forward, if non-unionized County employees receive the Day after Thanksgiving off in exchange for having to work on one of the other thirteen (13) holidays currently recognized by the County (including, but not limited to, Lincoln's Birthday), neither PBA 314 nor any of its members may file any grievances or challenge claiming entitlement to the Day after Thanksgiving as a paid day off from work, unless PBA 314 voluntarily agrees to swap another holiday for the Day after Thanksgiving. However, if the County grants non-unionized employees the Day after Thanksgiving as an extra day off, and also grants those employees all of the thirteen (13) recognized holidays, PBA 314 members shall also receive the extra day off.
2. In consideration for the foregoing, each PBA 314 member who worked the full Day after Thanksgiving in 2008 (November 28, 2008) shall receive twelve (12) hours of compensatory time. Those PBA 314 members who worked a partial Day after Thanksgiving 2008 shall receive between eight (8) and twelve (12) hours of compensatory time, pro-rata. Those PBA 314 members who did not work at all that day shall receive eight (8) hours of compensatory time.
3. PBA 314 agrees that the use of compensatory time set forth in paragraph 2 shall not result in overtime for the Department and that the Sheriff has discretion to approve or deny such request to ensure that is not the case. Requests for use of this compensatory time shall be made pursuant to Department policy with approval by the Sheriff or his designee. This compensatory time shall be maintained in a separate bank and shall not be eligible to be cashed in upon separation from the Department. Accordingly, no former PBA 314 member who has separated from service as of the date of this

Agreement shall be eligible to receive any compensation as a result of the Agreement. This compensatory time shall be used as soon as possible but in any event no later than December 31, 2011.

4. This Agreement shall resolve any and all issues between the parties relating to the Day after Thanksgiving from the date of this Agreement back to the beginning of time.
5. This Agreement shall be incorporated into the decision of the Interest Arbitration in the matter captioned IA 2009-073 and thereafter into any successor collective negotiations agreement until such time as the parties mutually agree to modify it or it is modified by an interest arbitration.

POSITIONS OF THE PARTIES

Arguments of the PBA

The PBA argues that its Final Offer is consistent with the statutory criteria and should be awarded in its entirety. The County's argument of financial hardship is belied by the facts as presented by the Union. In 2009 the County proposed that the Union agree to a 0% wage increase or face layoffs. The PBA rejected the proposal and the County proceeded to layoff fourteen (14) officers; thereby saving their salaries and benefit costs but continues to propose a 0% increase. As this took place the County has been and continues to accrue a budget surplus in excess of \$80 million with the proven ability to regenerate surplus each year.

The public interest is served by having a highly trained corps of Sheriff's Officers whose many duties add to the safe environment of the County which helps to attract and retain the high earning citizens and high property values of Monmouth County. The PBA's offer will serve to retain the well trained law enforcement officers of the Sheriff's department and to attract the best recruits. The offer seeks only to have the Sheriff's officers compensated in a manner similar to other law enforcement officers within the County.

Background Information

The County's Strategic Plan, May 2009, (Union Exhibit D-6), shows that the County is comprised of 659,353 residents spread over 472 square miles of rural, suburban and urban communities along the Atlantic shore. There are 53 municipalities within the County: 2 cities, 15 townships, 35 boroughs and 1 village. The County is not only an attractive vacation destination with its shoreline but a desirable place for people to live and has seen its population grow 7.2% from 2000 to 2009 with an estimated population of 664,561 in 2010.

The N.J. Department of Labor and Workforce Development's Monmouth County Fact Book, July 2009, (UE-D3), indicates that the County is the fourth (4th) most populous in the State. Its growth rate (39.8%) from 1970 has far outpaced the rest of the state which has grown by 21.1% over this time period. The people of the County are well educated with 7% holding an Associate's Degree, 23% with a Bachelor's Degree and 14% a Master's Degree. The median household income is \$78,274 and the median age of its residents is 40.2 years. While the median housing value is \$445,000, the median new housing value is \$752,000.

The County government is comprised of sixty (60) Departments with a budget in 2009 of \$490,216,000, up from 2008's figure of \$481,000,000. It employs 3,664 full and part-time employees who provide a myriad of services within the County's 844 miles of County roads. The County also operates a ferry service under contract with New York Waterways, Inc. which serves 1,100 riders a day. This service has brought the County over \$100,000 as it receives \$.25 per rider and 1% of all concessions. The County's park system is well known and extensive, covering 38 parks and recreation areas including 6 golf courses, a marina and 2 environmental centers among others. Its circulating Library is the largest in the state with 9 branches and 16 member locations. Educationally, the County provides an advanced vocational school system and one of the finest Community College's in the country, Brookdale Community College.

The services provided by the County have led to a very satisfied population with 93% of residents surveyed reporting a satisfactory experience when dealing with County government. In fact 68% of those surveyed indicated that they were very satisfied. In contrast a similar poll

indicated only a 29% satisfaction rating among New Jersey residents when dealing with the State government.

Per capita personal income in the County was \$54,801 in 2007. This was 11% above the state average of \$49,511 and placed the County fifth in the state in this category and 50th among the 3,111 counties in the country. In 2008 it ranked second in the state among the counties for building permits for single family residences. The Counties economic strengths have kept its unemployment rate below the state average from 2003 to 2008. In 2008 its unemployment rate of 4.9% was below the state's 5.5%. 6.1% of county residents fall below the poverty line in 2007 in comparison to the state average of 8.5%, according to U.S. Census Bureau figures. (UE-D4)

County Finances

The County's Finances have done well despite the downturn in the general economy as it has continued to receive grants and stimulus funding. In 2009 it received \$2.1 million from federal housing programs, \$1.2 million in federal stimulus funds for the homeless, \$4.2 million in federal energy funding, \$11.7 million in federal stimulus money for roads and bridges. (UE-D7)

In an October 22, 2009 press release (UE-D8), the County noted that it had received a AAA bond rating from all three rating services, Fitch, Moody's and Standard and Poors. Monmouth County is the only county in the state to receive AAA ratings from all three services and one of only twenty-two (22) in the country to achieve this rating. The rating in the midst of the economic slump is an indication of the County's strong financial situation, stable growth and low debt burden. Moody's noted that the AAA rating reflects the County's "strong financial operation with healthy reserve levels, a substantial tax base with slow but still healthy growth and favorable debt position. The stable outlook reflects our expectation that the County's substantial tax base will continue to grow, albeit at more moderate rates; wealth levels will remain above state and national norms; the reserve levels will remain healthy despite near-term projected declines; and the debt burden will remain nominal."

The County's AAA bond rating is a plus not only for itself but also the 53 municipalities who borrow through the County's Improvement Authority

as the loans “carry a lower interest rate due to the AAA rating.” County Finance Officer Craig Marshall noted, “The savings achieved by our AAA rating cannot be overstated.” He also noted, “Monmouth County passed with the highest rating possible, which is especially rewarding given these difficult economic times.”

At the February 1, 2010 hearing, Mr. Marshall testified that the County’s surplus was \$83.6 million in 2008 (Transcript at 31) and in 2008 it realized \$18 million more in revenue than anticipated. (Tr. 54-55) Mr. Marshall explained that the County typically receives unanticipated revenues from grants throughout the fiscal year that are added to the budget. (Tr. 55) He also noted that the County did not raise taxes in 2008. (Tr. 61)

The Union had CPA Vincent Foti review the County’s finances and he found the County to be on strong financial footings. He reviewed the Adopted Budgets for 2007 and 2008, the 2009 Introduced Budget, the Annual Financial Statement unaudited for 2007 and 2008, the Annual Debt statement of 12/31/08, the Tax Rate Certification for 2006, 2007, and 2008, the Preliminary Official statement dated September 1, 2008, and the Abstract of Ratables for 2007 and 2008 as well as the Sheriff’s Department Monthly Report 2008 and 2006 and the Sheriff’s Budget for 2007 and 2008 and proposed budget for 2009. (UE-G)

The 2008 Audited Financial Statement (AFS) establishes the County’s Results of Operations which is a very important document as it indicates the Employer’s ability to regenerate surplus. AFS sheet 19 shows the following:

Results of Operation

Year	Amount
2008	\$44,845,471
2007	\$49,930,640

Budget revenues for 2007 and 2008 which are a part of the Results of Operations establish that the County has the ability to generate surplus from year to year as shown below:

Budget Revenues (AFS sheet 17)

Year	Anticipated	Realized	Excess (Deficit)
2008	\$498,823,289	\$502,220,523	\$3,397,234
2007	491,497,123	505,539,152	14,042,028

Unexpended Balance of Appropriation Reserves (AFS sheet 19)

Year Cancelled	From/Year	Amount
2008	2007	\$14,544,597
2007	2006	14,160,639

The County has maintained a substantial "Current Fund" balance from 2003 to 2008, using only approximately 50% per year to reduce the County tax levy.

Current Fund Balance (POS Dated 9/1/08)

Year	Balance on 12/31	Utilized	Percent
2008	\$83,648,839	\$48,500,000	57.9
2007	87,303,368	48,500,000	55.5
2006	85,872,728	48,000,000	55.9
2005	85,201,842	42,000,000	49.3
2004	78,692,063	41,000,000	52.1
2003	75,661,587	37,500,000	49.6

In the years 2004 to 2008 the County's tax rate has decreased by 11 tax points while the equalized property values have increased by almost \$50 billion.

Tax Rate (POS dated 9/1/08)

Year	County Rate
2008	0.225
2007	0.241
2006	0.266
2005	0.300
2004	0.334

Equalized Property Values (POS dated 9/1/08)

Year	Amount
2008	127,408,793,979
2007	119,359,170,505
2006	105,034,059,265
2005	90,137,099,466
2004	78,153,701,666

As noted above the County's debt limit does not burden the its financial position as noted below:

Debt Service (2008 Annual Debt Statement)

Equalize Valuation Basis	December 31	\$123,766,688,201
Equalized Value	2%	2,475,333,764
Net Debt	.3360%	415,888,408
Remaining Borrowing Power		3,059,445,356

The County has not incurred any statutory CAP Problems and the 2009 Budget Sheet indicates almost \$5million under the CAR Levy.

Cash Balances (AFS sheet 9)

Fund	Balance as of 12/31
Current Fund	\$10,627,959
Capital Fund	4,295,700
Trust Fund	N/A

As noted earlier the County received a significant amount of money from revenues that are not anticipated as shown below. Many of these revenues could be anticipated in the budget further reducing the Tax Levy.

Miscellaneous Revenue Not Anticipated (AFS sheet 20)

2008	\$26,436,980.56
2007	21,588,882.78

The 2009 Budget in Sheet 17 shows that the County transferred \$355,000 from the Correctional Institutions, Salary and Wage Appropriations and shows a reserve balance of \$122,064. This indicates that \$477,060 was

available in the Salary account. The County also laid off fourteen officers when the PBA rejected the 0% increase in 2009. The resulting layoffs added additional monies to the County but it continues to offer a 0% increase to the remaining officers.

Office of the Monmouth County Sheriff

The Sheriff's Office comprises three divisions: Law Enforcement, Corrections, and Communications. It is the first law enforcement agency in the country to be nationally accredited in all five areas of operation. (UE-E1) The areas of operation are Law Enforcement Division, Correctional Facility, Correctional Health Care, 911 Emergency Dispatch Center, and the Detention Center.

PBA 314 represents the Sheriff's Officers in the Law Enforcement Division of which there were 124 law enforcement personnel, 24 civilian employees and a budget of over \$11 million under the command of Chief Michael Donovan. Officer Michael Doroian testified that a Sheriff's Officer has wide ranging law enforcement powers with certain unique powers that municipal officers do not possess. Sheriff's Officers can serve civil process and execute writs and levies, seize bank accounts and assets and have them auctioned off.

The Law Enforcement Division consists of a Warrants Division and Fugitive Task Force, a Criminal Investigations Bureau, a Court Security Unit, a Civil Process Unit and an Identification Bureau. (UE-E1) Within these sections the Civil Process Unit contains four areas: Summons and Complaints, Foreclosures, General Writs (Levies) and Bookkeeping.

The Court Security Unit is the largest section providing security for criminal and civil courts, all corridors, the prisoner holding facility, and the grounds outside the building. This includes operating x-ray machines, closed circuit television systems, alarms and communications. Officer Doroian, a member of this section, testified that officers have confiscated knives, pepper spray, narcotics and other contraband. He also noted that Sheriff's Officers as part of the Transportation Unit transport prisoners from the jail to the courthouse and to and from the courtrooms. The types of prisoners run the gamut and included death row inmate Ambrose Harris.

The Transportation Unit also takes prisoners to medical and drug treatment facilities, exposing themselves to a wide range of infectious diseases.

Officer Doroian, who had been a Corrections Officer, explained that he had to take a ten week Police Training Commission Academy course to become a Corrections Officer. He later took the Civil Service exam for Sheriff's Officer and then had to take an 18 week Police Training Commission Academy course to be certified as a Police Officer. This course is now 26 weeks in duration. Additionally, other courses specific to Sheriff's Officer training were required. He noted that every Corrections Officer who transfers to the Sheriff's Officer position receives a 3% raise in salary as the transfer is considered a promotion.

The Investigation Section is comprised of the Criminal Investigations Bureau (CIB) and the Records/Id Bureau. Detective Rivera explained at the hearing that the CIB is the investigative arm of the Sheriff's Office and contains 3 Detectives, 1 Detective Sergeant and 1 Detective Lieutenant. He noted that he is on call 24/7 without additional compensation and often interacts with outside law enforcement agencies, including County Prosecutor's Detectives. The CIB does all pre-employment background investigations as well as investigating all threats to judges or other County employees. The ID Bureau processes more than 11,000 prisoners in the Correctional system each year.

In addition to the units noted above the County has a K-9 Unit consisting of 7 dogs: 5 explosive detection teams, 1 narcotic detection team, and 1 tracking team. (UE-E10) Two of the explosive teams works closely with the Port Authority Police to check bridges and tunnels after the World Trade Center attack.

The Warrants Division is a 24/7/365 operation, serving criminal and civil warrants. 3,000 non-support arrests are made each year and over a \$1 million in back child support has been received as a result of this division's work. More than 60 people a year are arrested on attorney warrants for failing to obey civil court orders and approximately 1,600 restraining orders are received each year. Officer Wentworth testified to the criminal fugitive warrants aspect of the division's work and noted that he has been assigned to the U.S. Marshalls NY/NJ Regional Fugitive Task Force for the past six years where he works out of the Trenton Federal Courthouse. Officer Kroeper also of the Warrants Squad testified that he averages 50

warrants or more per week. As a member of the Squad he interacts with other law enforcement agencies throughout the County. He explained that the Sheriff's Office has a fully functioning booking room and no longer process arrests at local police departments.

The Communications Division is located in Freehold and answers 911 emergency calls for 45 local jurisdictions and military facilities in the County. It also provides backup service to 14 law enforcement agencies.

As well as their normal assignments, Sheriff Officers also serve in specialty areas such as Emergency Response Team, comparable to SWAT, and the County's Dive Team. Many officers also provide instruction in various areas. Officer Fay testified that he is a Certified Firearms Instructor, Assault Rifle and Submachine Gun Instructor, Handcuffing Instructor, and Unarmed Self Defense Instructor.

Private Sector Employment Comparison and Cost of Living

From 2007 to 2008 the net change in annual income for the private sector was \$1,338 or an increase of 2.5% as compiled by the NJ Department of Labor. The median net change was \$1,552 or an increase of 3%. (UE-H1) This followed an increase of \$2,213 or 4.3% from 2006 to 2007 with a median change of \$2,073 or 4%. (UE-H2) According to the statistics compiled by the American Community Surveys, New Jersey had the second highest median income in the Nation (\$70,378). (UE-H9) Of the state's 21 counties only five had median incomes over \$100,000: Hunterdon, Somerset, Morris, Monmouth and Bergen. Monmouth County ranked 4th in median household income in 2008 at \$82,736. (UE-H9)

The Economic Policy Institute in a July 30, 2010 paper (UE-H12) compared wages of private and public sector employees and determined that public employees are not overpaid. Allotting for education, experience, hours of work, organizational size, gender, race, ethnicity, and disability, comparisons show no significant difference between private and public sectors in level of employee compensation costs on a per hour basis. The paper found that public sector employees with higher education levels fared worse than those with less education in the comparison. These full time state and local governmental employees were undercompensated by 5.88% in New Jersey in comparison with similar private sector employees.

While 57% of full time public sector workers have at least a four year degree compared to 40% in the private sector, college educated employees in the public sector make on average 10% less than their private sector comparables.

Sheriff Officer Training

As noted earlier Sheriff Officer Training requires a 26 week law enforcement training course. Correction Officer training last 10 weeks. In addition Sheriff Officer's must take a basic firearms course which sets forth four objectives: firearm safety, handgun and shotgun performance, shooting principles, and range exercises.

Dangers of Law Enforcement Employment

Most collective bargaining agreements contain Bereavement Leave clause that provide for time off to attend the funerals of relatives. Few contain a clause for attendance at a colleague's funeral but those in law enforcement do which points to the danger inherent in the job. In 2008 41 law enforcement officers were killed in the line of duty and 68 died as a result of accidents while in the line of duty. (UE-L1) On September 4, 2009 four officers were shot in Lakewood while executing a no-knock narcotics warrant.

From January 2007 through June 2008 the crime rate in the County rose 5%. It was one of 14 counties in the state to see an increase in crimes over that period.

As well as on-the-job dangers, law enforcement officers have a 30% higher suicide rate than similarly aged males. (UE-O) Their exposure to certain diseases makes them more prone than the general public to the risk of premature death.

PBA Local 314

There are 108 members in the local. (UE-E21) Two of the members serve in other functions in the state PBA. Officer Deroian testified that he is also

a State Delegate with a responsibility in the area of technology. As a Delegate he interacts with all levels of the Department including the Sheriff, the Chief and Captain. Officer Kroeper is President of the Local and intimately involved in the operations of the department from a labor relations perspective.

Comparability

There are five other law enforcement bargaining units in the County: Sheriff’s Office Superior Officers, Corrections Officers – both rank and file, and superior officers, Prosecutors Detectives – both rank and file, and superior officers. A comparison of overall benefits finds uniformity among the units. However, a comparison of salaries finds wide disparities.

Sergeants in the Sheriff’s Office are the closest to the members of Local 314. In 2009 a top Sergeant made \$119,152 per year (UE-B, M15) while a top Sheriff Officer made \$85,431. This is a difference of \$33,722 or a rank differential of approximately 40%.

A top paid Detective in the Prosecutor Office in the rank and file unit made \$117,328 in 2009 or \$31,897 more than a top paid member of Local 314.

Only rank and file Corrections Officers make an equivalent amount to the members of Local 314. A top paid Corrections Officer makes \$85,001 or \$430 less than a top paid Sheriff’s Officer. It must be remembered that Sheriff’s Officers require a 26 week training course as well as additional courses while a Correction Officers training is completed in 10 weeks.

A comparison with other County Sheriff units shows the following:

County	Top Base Pay in 2008	# of steps to top
Bergen	\$98,096	8
Monmouth	85,431	8
Ocean	84,824	9
Middlesex	79,972	7
Mercer	79,425	8
Morris	79,235	10
Union	78,240	10
Camden	75,863	6

Salem	73,000	8
Atlantic	72,341	9
Hudson	67,000	9
Cape May	66,210	11
Warren	62,738	8
Burlington	62,000	7
Hunterdon	56,000	No guide

The other counties do not have current agreements available for comparison.

The average top salary for municipal police officers within Monmouth County in 2008 was \$95,111 (inclusive of holiday pay and longevity). (UE-N) In 2009 this same figure rises to \$99,047. It must be noted that Sheriff's Officers in the County do not receive holiday pay or longevity payments).

As well as salary differences, the majority of Monmouth County Sheriff Officers do not receive health benefits upon retirement. While officers hired prior to July 1994 do receive this benefit, those hired after this date do not. Monmouth County is one of only four counties in the state (Cumberland, Somerset, Salem and Monmouth) that does not provide this benefit to its sheriff's officers.

Cost of Living

The Consumer Price Index (CPI) is a measure of the average change over time of prices paid by consumers for certain market items including consumer goods and services. The U.S. Bureau of Labor Statistics measures the change on a monthly basis. In December 2009 the CPI for all Urban Consumers rose 0.1% and in the twelve months prior to December 2009, the index rose 2.7%.

The PBA believes that the above stated facts when applied to the statutory criteria show that its offer should be awarded in its entirety. The criteria and relevant information are reviewed below.

Interest and Welfare of the Public

As noted in the background information provided, Monmouth County is one of the wealthiest counties in the State and in the country. The per capita income of its residents is 11% above the state average and 42% above the national average. (UE-D3) The County's per capita average ranked 50th of the 3,111 counties in the country and it ranked 42nd for the overall highest average income. (UE-D2)

The County ranks 4th in the state in population and continues to grow. Its unemployment rate has been below the state average from 2003 to 2008.

The financial health of the County is above par. In 2008 it had a surplus of \$83.6 million and as CFO Marshall testified consistently receives unanticipated revenues from grants and other sources throughout the year. It is one of only twenty-two counties in the country to receive a AAA bond rating from all three bond rating agencies. This rating has allowed the County and many of its municipalities to borrow at a lower interest rate, placing less strain on its budget.

The PBA's financial expert has shown that the County can easily afford the Union's proposed economic package. The County's Results of Operation shows its ability to generate surplus from year to year. It keeps a substantial Current Fund Balance and utilizes only 50% of this fund to reduce the tax levy each year. The tax rate has decreased by 11 tax points while its equalized property values have risen by \$50 billion. Its debt balance is low and its capital fund has more than \$4,295,700 and it ended 2009 with \$477,060 in the salary account.

The County has been fiscally responsible and this has resulted in a strong financial situation even in the economic downturn. In 2009 the County told the Union that if it took a 0% increase it could avoid layoffs of its members. The PBA did not agree to the wage freeze, fourteen sheriff's officers were laid off, the County saved the costs of their salaries and benefits, but continues to propose a 0% increase. While the PBA believes that the layoffs were unnecessary given the County's strong financial situation, it is faced with a dilemma. The County said, agree to a zero increase or face layoffs. The PBA declined the offer and saw its manpower reduced but the County continues to insist upon a 0% increase while the

sheriff's officers work undermanned. The PBA does not believe that this is in the public interest.

The Public Interest involves both the fiscal situation of the employer and the compensation package of its employees as this weighs heavily on the morale of its employees. The County's offer of a wage freeze is especially damaging to the morale of PBA 314 members as it comes on the heels of the County's offer to avoid the layoff of some members of the local if it agreed to the freeze. Having not seen an increase in salary since 2008, salaries were further eroded by the enactment of P.L. 2010 c.2 and the reduction of salaries by 1.5% pursuant to this legislation.

PBA 314 as the Law Enforcement component of the Sheriff's Office provides some of the most important services offered by the Sheriff and the County. The Sheriff's Office has responsibility for the safety and welfare of the citizens of the County and it has provided them with a safe environment in which to work and live and which has attracted the growing population of the County. This safe environment is in no small part a result of the work done by the members of PBA 314. In 2009 the Sheriff's Office received the Pro Patria Award from the U.S. Department of Defense and it was the first in the country in to win accreditation in all five areas of operation.

It is in the best interest of the public to keep and attract the best employees to the important work done in the Sheriff's department. The Union has shown that its members are severally underpaid in comparison with the municipal officers with whom they work on a regular basis as noted above. While Sheriff's Officers require extensive training beyond their municipal counterparts, their compensation and benefit levels trail them considerably. This places the County in the position of losing officers to the better pay and benefits of the municipalities with an additional costs of training new officers in the extensive training program for sheriff's officer.

A reasonably compensated workforce which allows the employer to retain its highly skilled personnel is in the best interest of the public and the PBA's offer is best suited to accomplishing this goal.

Comparison of Wages, Salaries, Hours and Conditions of Employment with Similarly Situated Employees in Comparable Jurisdictions

The Union has shown that public employees are not paid to the same extent as their private sector colleagues. The paper by the Economic Policy Institute in 2010 shows that state and local employees are undercompensated by 5.88% in comparison to similar private sector workers and that this is especially true as the educational level increases. The N.J. Department of Labor shows the median change in annual income for the private sector was 4% from 2006 to 2007 and 3% from 2007 to 2008 and for local government employees it was 3.5% and 3.4% respectively.

While the County chooses to compare this unit to Corrections Officers, a more accurate comparison is with municipal police officers. As noted Corrections Officers receive 10 weeks of training while Sheriff's Officers take the same 26 week course as municipal officers. Many Sheriff's Officers work directly in the community and also work on the many task forces and joint operations with municipal officers as noted above. In Rutgers and FOP Lodge 62A, 24 NJPER (¶29195 1998) the arbitrator ruled and the Commission affirmed that it was appropriate to compare Rutgers Police Officers to those who worked in Middlesex County municipalities as the Rutgers officers were comparable to municipal police officers. In like manner the County's Sheriff's Officers should most appropriately be compared to County municipal officers as they serve the same communities and have similar training.

In comparing Sheriff's Officers to their municipal colleagues in the County, it is readily apparent that they suffer in the comparison. The average top salary of a municipal officer in the County in 2008 was \$91,126 (UE-N), while a top Sheriff's Officer receives \$85,431. When longevity and holiday pay are factored into the equation, the municipal average rises to \$95,111. Monmouth County Sheriff's Officers do not receive longevity or holiday pay. In 2009 the municipal averages were \$91,930 and \$99,047 with longevity and holiday pay. The PBA's offer for 2009 would bring a top Sheriff's Officer to \$87,140, still far short of their municipal counterparts. This same pattern continues in 2010 and 2011 as municipal averages far exceed the Union's proposed increases. Under the County's offer the gap widens as the County seeks to restrain wages in 2009.

Recent Interest Arbitration awards also favor the PBA's final offer over that of the County. In City of Asbury Park and PBA Local 6, IA 2008-047 (Mastriani, 2010), the arbitrator awarded increases of 2.5% in 2008, 2009, and 2010. Arbitrator Hundley in Freehold Tp. and PBA Local 209, IA 2009-058 (Hundley, 2009) granted increases of 3.75% in 2008, 3.75% in 2009, 3.5% in 2010 and 2011. The County's proposed addition of steps further dilutes its offer and runs counter to the parties last arbitration award in which Arbitrator Mastriani noted, "The record reflects that there has been turnover in the sheriff's office and the interests and welfare of the public are served by a stable and well trained work force and the continuity and stability of employee will be enhanced as a result of the salary guide compression and increases in salary maximums." (Monmouth County Sheriff and PBA Local 314, IA 2002-061, Mastriani 2003)

A comparison with sheriff's officers in other counties clearly shows that PBA 314's offer is the more reasonable. Sheriff's Officers in neighboring Ocean County would exceed those in Monmouth if the County's offer were accepted. Additionally, officers in Ocean County receive longevity payments up to 8%. (UE-M2) Bergen County like Monmouth is one of the wealthiest counties in the state and its sheriff's officers receive a top pay of \$102,146 in 2009 which rises to \$106,385 in 2010. Bergen officers also receive longevity of up to \$1,750.

An internal comparison with other law enforcement groups within the County reveals that Prosecutor's Detectives earned \$117,328 at the top step in 2008. (UE-M30) This is an almost \$32,000 gap for officers doing very similar work. Prosecutor's Detectives do investigative and detective work as do members of the Sheriff's Investigation Service. As noted earlier, Detective Rivera testified that he has worked with the Prosecutor's Detectives on cases. Corrections Officers are another internal unit whose members receive \$430 less than Sheriff's Officers at top salary. However, Corrections Officers also receive a muster compensation which when added to the more available overtime finds many of them exceeding the annual pay of a Sheriff's Officer. Within the Sheriff's Office itself, Sergeants earned \$119,152 in 2009 (UE-M23) or \$33,722 more than a top officer's pay. The PBA's salary proposal will do little to reduce this differential but the County's would worsen the situation.

The current agreement between the parties provides for a reopening of the negotiations on the issue of longevity should another County bargaining group secure such payments. While the County seeks to remove this language, the PBA believes that it is important to add a longevity provision to the agreement. As noted above municipal base salaries exceed those of the Sheriff's Officers but when longevity and holiday pay are added, the gap becomes substantial. Thirty-seven County municipal police departments provide longevity pay and the Union seeks comparability in this area. (UE-N)

As well as a favorable wage comparison and the existence of longevity payments, County municipal officers receive an average of \$960.48 in clothing and maintenance allowance (\$750.83 in uniform allowance and \$208.64 in maintenance). (UE-N) Sheriff's Officers receive a uniform but no monetary maintenance allowance. The PBA seeks \$750 to maintain their weapons, a critical factor for any officer.

Sixteen of the twenty-one counties in the state provide fully paid health coverage upon retirement to their sheriff's officers. This is a significant gap in the economic package when one compares Monmouth with other county's sheriff's departments.

Thirty-one municipal departments in the County provide this benefit. (UE-N) This gap should be addressed and coverage awarded to PBA 314 members as well.

A well trained police force is aided when that force is well educated. This has been accepted by thirty-seven municipal departments in the County who provide their officers with college incentives. Sheriff's Officers do receive \$50 per credit earned while a member of the department but nothing for previously earned credits. The PBA seeks to rectify that situation by providing compensation for all education credits. It also seeks an increase to \$75 per credit while the County seeks to limit the amount of compensation. Other County law enforcement groups such as Corrections Officers, Prosecutor's Detectives and Superior Officers (UE-M23, 24, 30) do not have a cap on their educational credits. The County's cap would only serve to limit the educational attainment of its officers. Clearly, the PBA's proposal is in the best interest of the public.

The Union has requested a fourteen (14) day period for review of changes to the employee handbook and work rules. The County currently provides

Corrections Officers with thirty (30) days of notice. The PBA believes that fourteen days is sufficient and therefore has not sought comparability with the other unit but simply a short period of time for review of changes that may affect its members.

Twenty-three (23) municipal departments in the County (UE-N) as well as the Prosecutor's Detectives agreement (UE-M30) contain language on "Officer's Rights". PBA 314 seeks a similar protection that departmental investigations follow the N.J. Attorney General's Guidelines. Additionally, the Superior Officers agreement (UE-M23) with the Sheriff's Office contains an abridged version of this language. This non-economic protection should be afforded the Sheriff's Officers as well.

A common practice throughout the County both internally and externally is provide time attendance at PBA meetings and conventions. Indeed, PBA 314 currently receives seventy-five (75) days for such attendance but this number is insufficient as members of the local as discussed earlier hold positions within the State PBA requiring more time in this area. Corrections Officers in the County receive one hundred (100) days.

The PBA has shown that in comparison with municipal departments as well as internal comparisons its offer is the more reasonable in both economic and non-economic items. In the economic area it has shown that municipal officers in the County doing similar work are more highly paid in base salary, receive longevity, holiday pay uniform maintenance funds in most departments, as well as paid health insurance at retirement. Prosecutor's Detectives receive salaries well beyond those of the Sheriff's Officers while Sheriff's Sergeants receive an almost 40% rank differential.

Overall Compensation of Bargaining Unit Members

Overall compensation of PBA 314 members is insufficient. Top salaries fall far below those paid to the next highest rank, Sergeants, and to Prosecutor's Detectives. Sheriff's Officers do not receive longevity, holiday pay, uniform maintenance compensation or paid health insurance on retirement. The educational incentive provided is lacking and provides no recognition of an officer's earlier educational attainments.

Sheriff's Officers provide a wide range of law enforcement protections for the citizens of the County. They should be compensated in the same way as other law enforcement groups within the County. There is nothing in the record to indicate that the PBA offer would adversely affect the County or its citizens. Quite the opposite in fact as a better compensated officer is more likely to stay and a better educated officer is a benefit to all.

Lawful Authority of the Employer

The evidence shown above in the discussion of the County's financial situation is clear proof that the County can afford to meet the Union's demands. In 2008 it had a surplus of \$84 million with a history of regularly receiving revenues that were unanticipated in the budget. The Results of Operations clearly shows that the County has the ability to regenerate surplus from year to year. The County's AAA bond rating is indicative of its strong financial situation as well.

The County as shown earlier has reduced the tax rate 11 points over the last five years while its equalized property values have increased \$50 billion. The County chose to layoff fourteen (14) officers in 2009 leaving a surplus of \$477,060 in the Salary Account. (UE-G) The County can absorb the PBA's offer without cap problems or a need to raise taxes.

Financial Impact on the Governing Unit, Its Residents and Taxpayers

The financial information related above clearly shows that the County can afford the proposals made by the Union. Additionally, the County is below the statutory debt limit and not experienced any statutory CAP problems. Its decision to reduce the workforce in the Sheriff's department further lessens the financial impact of any wage and benefit increases awarded.

As noted the financial health of the County is strong. It has the ability to meet the demands of the PBA without burdening the residents and taxpayers. When viewed over time and the 11 tax point reduction that the County has provided its taxpayers, there is no adverse financial impact.

Cost of Living

As noted earlier, the Consumer Price Index in the twelve months prior to December 2009 rose 2.7%. When combined with the poor comparability of the Sheriff's Officers vis-à-vis their municipal counterparts and other related County law enforcement personnel, the PBA's offer in 2009 is within the cost of living criteria. In 2010 the Cost of Living as a factor is less important as both offers exceed the CPI.

Continuity and Stability of Employment

The PBA's offer is designed to maintain the continuity of its members and to provide a stable workforce for the Sheriff's Department. As noted municipal police department pay exceeds that of a Sheriff's Officer and provides an enticement to officers to move to those departments. Sheriff's Officers having received training similar to that of a municipal officer are well positioned to make such moves. Given the extra benefits provided in the municipalities of longevity, uniform allowance and especially paid health care at retirement, Sheriff's Officers are prime candidates for those departments. Having seen a financially strong employer layoff fourteen (14) of the colleagues and continue to propose no increase in 2009, the appeal of these municipal departments becomes stronger.

The PBA's salary proposal provides increases to all steps including those of the junior officers while the County's does not. Additionally, the incentive of longevity is directly meant to appeal to younger officers to remain with the County. These younger officers are the lynchpin of the department's continuity and stability. It is vital to the Office that these officers be provide incentives that will keep them in the department.

Statutory Restrictions

P.L. 2010 c. 44 as recently enacted imposes a 2.0% cap on the tax levy and becomes effective for the 2011 tax year. For the first two years of this agreement the tax levy was at the then enacted 4% cap.

The tax levy cap is not an obstacle here given the County's large surplus and other favorable financial positions. The levy cap also excludes health

care and pension costs as well as debt service, although the County has little debt as noted earlier. Add to this the salary account savings that accrued to the County when it laid off the sheriff's officers noted above and the cap is not an obstacle to the County's ability to afford the PBA's offer.

Arguments of the County

The County and PBA 314 are parties to a Collective Bargaining Agreement that expired on December 31, 2008. The parties engaged in negotiations for a successor agreement but were unable to reach an agreement. On April 29, 2009 the County petitioned PERC for a scope of negotiations determination that certain proposals made by the PBA and certain language that existed in the current agreement were not mandatorily negotiable and could not be submitted to interest arbitration. A decision from the Commission on October 29, 2009 (PERC Docket No. SN-2009-073) agreed with the County that a number of the PBA's proposals were not mandatorily negotiable. (County Exhibit 3) The dispute proceeded to Interest Arbitration where the County presented some ninety-five (95) exhibits into the record, representing thousands of pages of documents. Based upon these exhibits and testimony at the hearing, the County believes that it has shown that its proposal should be awarded in full.

The N.J. Supreme Court has held that each of the nine criteria in N.J.S.A. 34:13:A-16(g) must be addressed in every interest arbitration proceeding. Of the nine criteria the first, the interests and welfare of the general public, is the most important. (PBA Local 207 v. Borough of Hillsdale, 263 N.J. Super. 163, 189 (App. Div. 1993, aff'd in part and reversed in part on other grounds, 137 N.J. 71, 1994)

Background Information

As of July 1, 2008 the County had a population of 643,448 placing it fourth among the states twenty-one (21) counties in population. (CE-14) In land area the County ranks fifth and contains fifty-three (53) municipalities. (CE-13, 29) It is estimated that thirteen percent (13%) of the population are senior citizens. (CE-15) The N.J. Uniform Crime Reporting data

shows the County to be a safe place to reside as it ranked ninth in overall violent crime and eleventh in murders. (CE-21)

While the County is a safe place to live, it has not escaped the economic downturn afflicting the country. From June 2008 to June 2009 employment in the County dropped 4.6% and the average weekly wage only increased a paltry 0.1%. (CE-19) The number of foreclosures and sheriff's sales rose from 317 in 2007 to 487 in 2008 and 452 in 2009. (CE-27) Likewise, the unemployment rate in the County rose from 6.6% in January 2009 to 9.5% in November. (CE-17)

The County is governed by a five member Board of Chosen Freeholders and within the government several constitutional officers, separately elected or appointed, oversee specific functions: County Clerk, Surrogate, Sheriff, and Prosecutor. At the end of 2009 the County employed approximately 3,000 people of whom 2,300 are unionized in twenty-six (26) bargaining units. (CE-50) The County's adopted budget for 2009 was \$487,500,152 of which \$294,784,152 was raised by taxes. (CE-28)

The Sheriff as noted is one of the constitutional officers and oversees 642 officers in three divisions: law enforcement, corrections and communications. These officers are empowered for the detection and apprehension, arrest and conviction of offenders of the law pursuant to N.J.S.A. 2A:154-3. As of January 19, 2009 there were eighty-nine (89) individuals holding the title of Sheriff's Officer of whom seventeen (17) were Superior Officers holding the rank of Sergeant, Lieutenant or Captain. (CE-38)

As stated earlier, when weighing the competing proposals within the statutory criteria the County's proposal in its entirety must be adopted. The County will review its proposal in relation to each criteria to show that its proposal must be awarded.

Interests and Welfare of the Public

The N.J. Supreme Court in Hillsdale, cited earlier, stated, "Compulsory interest arbitration of police and fire fighters' salaries affects the public in many ways, most notably in the cost and adequacy of police and fire-

protection services.” In essence there must be a balancing between the cost to the taxpayers and the public need for safety services.

The PBA has proposed salary increases of 24% over five years, plus the addition of longevity steps of up to 10%, the addition of post-retirement health benefits to officers and their dependents, new uniform maintenance allowances, increased college incentives, and enhanced overtime pay. In contrast the County’s offer is fair and balanced, providing salary increases that fit within the economic climate in which it finds itself.

This criterion is broad but must be a factor in other discussions to come on the County’s financial limitations, including appropriations and tax levy caps. The interest and welfare of the public is immersed in each of the following criteria as well.

Comparison of Wages, Salaries, Hours and Conditions of Employment

The most relevant and immediate comparison within the County’s law enforcement community is with the Corrections Officers. These officers are represented by PBA Local 240 with agreements that also expired in December 2008. A comparison of salaries shows the close relationship of the two groups:

2008 Salary Guide Comparison – PBA 314 and PBA 240

Step #	PBA 314	PBA 240
Entry	\$35,242	\$33,503
1	42,410	42,480
2	49,579	49,432
3	56,753	56,384
4	63,918	63,336
5	71,087	70,288
6	78,256	77,240
7	85,431	85,001

The above table shows the relative comparability of two groups. PBA 314’s wage proposal would create an unnecessary gap between the groups. Additionally, a review of the two agreements shows PBA 240 with a

uniform allowance but no other law enforcement unit receives an equipment allowance, longevity or retiree health insurance different from that of PBA 314 as proposed by the Union. (CE-49) While other units receive a college incentive, none is more generous than that currently received by PBA 314 and only PBA 240 receives more union leave time than PBA 314.

Beyond the internal comparison of law enforcement groups within County government, the next most relevant group for comparison are the Sheriff's Officers employed in other counties to do the same work. The chart below shows the comparison over the past three years:

County	2006	2007	2008	No. of Steps
Atlantic	60,528	62,949	65,467	9
Bergen	90,677	94,304	98,076	Academy+8
Burlington	54,888	58,676	62,000	7
Camden	70,296	73,107		6(top step is 22 years +
Cape May	63,210	63,210	66,210	11(eff.1/1/09)
Cumberland	48,000	49,920		Recruit+10
Essex	71,382	74,238		Entry+6
Gloucester	56,765	58,185	65,539	Recruit+8
Hudson	61,367	63,208	67,000	9
Hunterdon	56,535	58,796		10 as of 2005
Mercer	73,081	76,187	79,425	Train+8
Middlesex	73,910	76,896	79,972	Train+9
Monmouth	79,367	82,343	85,431	8
Morris	73,279	76,210	79,259	Entry+9
Ocean	78,538	81,620	84,824	Probation+8
Passaic	79,568	82,750*	86,060*	7 *on appeal
Salem	60,000	65,000	71,000	Recruit+7+corp.
Somerset	71,219	74,068		11
Sussex	60,979	64,523	68,227	8
Union	73,532	73,532	78,240	11
Warren	58,284	60,470	62,738	Recruit+7
Average	67400	69372	74227	
Monmouth % over average	17.75	18.7	15.1	

Of the twenty-one counties, only Bergen and perhaps Passaic have higher top salaries than Monmouth. PBA 314 members in 2008 were 15% ahead of the average pay for sheriff's officers in the state and reach maximum salary faster than many of their colleagues. Morris County, a wealthier county (CE-20), has an agreement with its sheriff's officers extending until December 2010. Top pay in Morris at the end of the contract in 2010 will be \$85,726. The County's offer will raise top salaries here to \$87,994 at that time. Additionally, Morris County has long required health insurance co-pays, offers less generous college incentives and has eliminated longevity for all but its most senior officers. Hudson County, similar in population but with a higher average private wage, has a top salary in 2010 of \$75,281, well below the County's offer of \$87,994. While Hudson offers longevity, it totals \$1,300 and if added to base salary, it still falls far short of the County's offer. Likewise, Salem County, similar in private sector wages, has a maximum in 2010 of \$78,351, again well below the County's offer.

The County also employs civilian workers and their salaries and benefits do not compare with those received by PBA 314 members. In 2009 the County imposed a wage freeze on its non-union employees. It requested that union groups join in the wage freeze, a request rejected by the Union herein. If PBA 314 is granted a wage increase in 2009, it will further skew the relationship between its members and those receiving no increase for that year. The County also suspended its tuition reimbursement plan for non-represented employees.

While the County recognizes that it is difficult to make a direct comparison between Sheriff's Officers and the private sector, given the unique law enforcement function performed by public sector law enforcement personnel, there is a general relationship that should be reflected. From 2007 to 2008 private sector wages in N.J. rose by 2.5%. However, wages in Monmouth County grew at a slower pace of 2.1%. (CE-20) Private sector wages in the County rank twelfth in the state at \$46,673. In Somerset County the rate was \$77,011 and in Morris \$67,307, while in Hudson the average was \$66,899. The Sheriff's Officer's top salary of \$85,431 was equivalent to those in the professional/technical services sector and far above the construction, education, real estate and manufacturing sectors.

Sheriff's Officers receive far more than salary for their work. Their benefits include vacation, holidays, health insurance and pensions. Additionally, they receive college incentives, on-call pay, workers compensation benefits far above the statutory requirements and temporary disability benefits. PBA 314 has not shown that these benefits are not far and above those enjoyed by other County employees.

Lawful Authority of the Employer and Statutory Restrictions

The Local Government Cap Law, N.J.S.A. 40A:4-45.1 et seq., provides that local government entities are limited in increasing their final appropriations by more than 2.5% or the cost of living adjustment whichever is less. The law also contains a clause unique to counties limiting increases in the tax levy to 2.5% or the cost of living adjustment whichever is less, subject to certain exceptions.

A second tax levy cap was established by section 10 of P.L. 2007, c. 62. This second cap requires that a county calculate both caps but apply whichever is more restrictive. This second cap established a 4% tax levy cap but has been followed by P.L. 2010 c. 44 which cut that rate in half (2%).

In his testimony CFO Marshall noted that the 2.5% cap has normally been the more restrictive of the two caps, prior to P.L. 2010 c. 44. He stated that the County could not pay the increases proposed by the PBA and described it as unreasonable. Despite, the County's financial difficulties it has offered salary increases that exceed both the appropriations and tax levy caps but which the County believes are manageable and fair to all. The Union's offer must be calculated with its proposed addition of longevity and the resulting increases of 9.84% in 2009, 8.14% in 2010, 7.79% in 2011, 7.2% in 2012 and 6.76% in 2013. These increases are neither sustainable nor fair.

Between 2010 and 2013 the County is offering salary increases of \$1,254,196 while the PBA is requesting \$2,670,927 in increases. While the PBA might argue that this difference is attainable within the County's finances, it fails to consider the other units and other employees in County service and the impact that its proposal would have on the County's wage costs in total. The Union's proposal and its ripple effect would require the

County to find additional non-tax funds, since tax funds are limited by caps as noted, in an economy in a severe downturn.

The County has calculated the cost of both proposals and notes it here:

PBA's Final Offer (Without Longevity or College Incentive)

Year	Total Salary	\$ Increase	% Increase
2008	7,278,226		
2009	7,613,960	335,734	4.16
2010	8,202,496	588,535	7.73
2011	8,808,265	605,770	7.39
2012	9,412,943	604,678	6.86
2013	10,003,175	590,232	6.27

PBA's Final Offer (With Longevity alone)

Year	Total Salary	\$ Increase	% Increase
2008	7,278,226		
2009	7,994,155	715,929	9.84
2010	8,645,115	650,960	8.14
2011	9,318,560	673,445	7.79
2012	9,989,675	671,115	7.2
2013	10,665,082	605,407	6.76

County's Final Offer

Year	Total Salary	\$ Increase	% Increase
2008*	7,192,795		
2009**			
2010	7,521,845	329,050	4.57
2011	7,838,972	317,127	4.22
2012	8,157,060	318,088	4.06
2013	8,446,991	289,931	3.55

*One PBA member was promoted to Sergeant and therefore left the bargaining unit. His salary is included in the PBA's numbers but not in the County numbers.

**The County's 2009 cost-out does not include any step increases, although its offer did not bar step movement and step increases were paid to qualifying Sheriff Officers. Therefore, if the County's final offer was accepted the actual dollar increases would be higher.

A comparison of the above charts shows how much more expensive the PBA's offer would be. In 2009 longevity payments alone would cost \$380,195.

The impact on the overall budget may be attainable if the County had only the Sheriff's Officers on its payroll but such is not reality. Additionally, the County financial situation does not support increases like those proposed by the PBA. Between 2008 and 2009 the County Clerk's office lost \$4.3 million in revenue and \$1.3 million was lost on investments and deposits. This is reflective of the poor housing market which the Clerk depends upon and the poor state of the deposit interest. These losses of revenue resulted in the County having to raise taxes by 2.9% in 2009 even with the cutbacks and cost saving measures that in enacted.

The PBA's financial analysis report deals almost exclusively with the time between 2007 and 2008. In fact the Results of Operations Report went down almost \$5 million between those years. The County utilized the same amount of surplus in 2007 and 2008, \$48.5 million, to fund the budget causing its overall fund balance to decline by \$3.65 million. CFO Marshall testified that the surplus is something that must be managed for if it can't regenerate then there is nothing there to use again. Indeed, the County's budget revenues declined \$3 million between 2007 and 2008.

Mr. Marshall also explained that the County needs to maintain a sufficient fund balance which he described as one month's worth of bills or approximately \$40 million. This has enabled the County to achieve its AAA bond rating which saves in interest on the bonds that it sells. If the County expends too much in salary increases in a declining revenue period, the surplus will suffer and the County's bond rating may suffer as well. The County has taken extraordinary steps to manage its finances and acceptance of the PBA's offer would place those steps in jeopardy as seen by the expenditures called for in the above charts.

Beyond the salary increases discussed above, the County has seen increases in such areas as health insurance. For employees hired prior to June 30, 1994, it continues to provide a traditional indemnity plan. This plan increased by 22.3% between 2008 and 2009 and is projected to increase upwards of 17% in 2010. (CE-31) The County also offers a Qualcare program which increased 20% in 2009 and is projected to increase another

10% in 2010. The largest plan offered by the County, Aetna/Horizon, increased 17% in 2009 and is projected to increase further in 2010.

The County has 2,314 employees in the PERS pension fund and 509 in the PFRS fund, including the Sheriff's Officers. Between 2005 and 2010 (projected) PERS contributions have risen from \$660,000 to \$9.8 million. The PFRS payment in this period increased from \$1.5 million to \$11 million. While some of the increased cost is due to the expiration of the State authorized pension holiday, the fact is that the costs are increasing at a time of revenue decreases placing more burden on the Employer's budget.

The increased cost of pensions and health insurance are outside the control of the County. There is nothing that indicates that these costs will come down in the future. The County is aware of these costs and has made its proposal in recognition of the financial restraints and economic times. The PBA has simply put together a wish list of increases in salaries and benefits, wholly outside the realm of possibility.

Cost of Living

The Consumer Price Index is a measure of the cost of goods and services. It currently uses the period from 1982 to 1984 as the base year to determine what \$100 would buy. Using these base year figures it has determined that in 2009 to buy the same goods and services it would cost \$214.50. What is most remarkable about 2009 is that the cost actually declined for the first time in recent memory. After increases of 3.2% in 2006, 2.8% in 2007, 3.8% in 2008, the CPI decreased by 0.4% in 2009. (CE-16) For the New York/Northern New Jersey/Long Island area the CPI did increase by a slight 0.4%, the smallest increase since 1990.

With these CPI figures in mind, it is clear that the employees will not suffer a loss in their living standards under the County's proposal. Therefore, arguing for adoption of the County's wage proposal.

Continuity and Stability of Employment

This criterion is designed to recognize such areas as seniority, longevity, layoffs, give-backs and salary freezes. In reviewing this area unemployment levels must be considered, especially the low rate of turnover in law enforcement, and “the virtual absence of unemployment among police.” Fox v. Morris County Policemen’s Assn, 266 N.J. Super. 501, 517(App. Div.1993)

While the County had to layoff fourteen (14) sheriff’s officers, overall employment in the County dropped by 4.6% from 2008 to 2009. The seasonally adjusted unemployment rate in November 2009 was 9.5%, up from 6.6% in January. (CE-17)

It is important to review and direct attention to the other issues that separate the parties both economic and non-economic.

The County has made a limited proposal in the area of health insurance. First, it seeks to incorporate the 1.5% contribution to premiums put into effect by the state legislature. Next, it proposes, effective July 1, 2010, increases in the prescription co-pays. Earlier the County reviewed the increasing costs of health insurance and the various medical plans offered to its employees, including the continuance of a traditional plan through the County’s self-funded indemnity plan, referred to as the IAA plan. While Sheriff’s Officers pay a nominal portion of the premium costs in the IAA plan, the rising cost of this plan argues for the more expansive contribution of 1.5% of salary as well as the now legal requirement to do so.

As the 1.5% has already been instituted per P.L. 2010, c. 2, the arbitrator is only asked to place the appropriate language in the CBA. Therefore, the only real cost saving item requested by the County to help defray the rising cost of insurance are the co-pay increases noted in its proposal. Such changes are not only within the confines of a reasonable contract settlement but are commonplace in interest arbitrations as well. Arbitrator Glasson in IA 2009-049 noted 77 arbitral settlements in which prescription drug modifications were included. (CE-47)

While the County’s proposals seek only to add the current contribution to premiums to the CBA and a small increase in prescription co-pays, the Union seeks to turn the clock back to 1994. In 1994 the County ended the

practice of providing paid health insurance at retirement for all future employees due to the prohibitive cost associated with the practice. The PBA now seeks in this time of economic hardship to reinstitute this costly benefit. Not only does the Union seek this expensive benefit but it offers no concession as an attempt to accrue the benefit. This costly benefit must be rejected as it makes no economic sense, especially in the current climate.

In the area of college incentives the County seeks two common sense changes. It proposes that employees must receive a "B" or better to gain the incentive and that a cap of \$1,800 per year be placed on it. If the County is to provide an incentive, it has a right to expect the recipient to work hard in the course and to show that he/she has mastered the material, requiring a grade of "B" or better would do this. The cap is a basic cost factor given the current financial situation. The Union's proposal to increase the rate from \$50 per credit to \$75 is without support in the record. Only a few units in the County receive a college incentive and none receive more than \$50.

The current CBA contains a clause on "Longevity Pay" which is unnecessary as no County employees receive longevity pay. The clause allows for a re-opening of the negotiations if another group achieves this benefit but as the County is firmly opposed to adding this benefit the clause is pointless.

In Article 17 the County proposes to add an employee's right to benefits under the "Family and Medical Leave Act". The change is needed simply to avoid conflicts with law, regulation or standard County policy.

Article 18 on Holidays contains a clause granting PBA 314 members additional holidays if they are granted to other County employees at the discretion of the Board of Freeholders.

While the Union has made several requests beyond the areas of salary and insurance, it has not met its burden on any of these proposals. It seeks additional paid days for "PBA business". Currently, the PBA receives 75 days which the Union proposes to double. Only one unit, PBA 240, receives more time in this area but it represents 300 Corrections Officers in comparison to the less than 100 officers in PBA 314.

The Union also seeks a fourteen (14) period to review changes to existing rules or new rules before implementation. It has shown no arbitrary implementation of work rules on the part of the Sheriff but wishes to limit his ability to promulgate or change rules.

In seeking the addition of language in Article 9 to provide four (4) hours of overtime pay per shift for an officer assigned to train a new officer, the Union has provided no rationale or evidence to support its proposal. The concept of paying an officer four hours of overtime during their regular work period makes no sense that the County can fathom.

Only PBA 240 members receive a uniform allowance in the County and that allowance comes with restrictions unique to Local 240. While PBA 314 seeks to add this new cost item, it has not provided a clear need for the allowance.

The County provides a self-insured disability plan, yet the PBA has proposed coverage under the N.J. Temporary Disability Benefits Law. The County's plan is available to all employees. To carve out the member so PBA 314 is impractical and an administrative burden which the Union has not justified.

The Union's proposal for "Shift Bidding" interferes with the employer's managerial right to determine which employees are best suited to work specific positions. The PERC Scope decision (CE-3) alluded to earlier found this issue to be not mandatorily negotiable as it would compromise managerial prerogatives so it should not be considered here.

The Attorney General has set Guidelines on Internal Affairs Investigations which detail procedures and policies to be followed in ensure department investigations and discipline are conducted fairly, balancing the officer's rights with the rights of the public in be sure that officers are not violating their job responsibilities, oath of office or the public trust. The Union has proposed a new article on "Officer's Rights" dealing with internal investigations and discipline charges but it has not shown a problem in the Sheriff's Office with its handling of such matters. The Sheriff's Office has followed the Attorney General's guidelines and no problem exists in this area that requires a new article in the CBA. Especially troubling is the PBA's section "k" which would allow an officer to escape discipline if the misconduct was nothing more than a de minimus violation of the new

guidelines. Also, worrying is section 2's limitation of the Sheriff's ability to speak to an officer until 48 hours after a critical incident. When a critical incident takes place the public interest requires that the employer be able to determine as soon as possible what happened and why. As the Union has shown no problem in this area such a restrictive clause is not needed.

DISCUSSION AND ANALYSIS

N.J.S.A. 34:13A-16d (2) requires the arbitrator to "separately determine whether the total net annual economic changes for each year of the agreement are reasonable under the eight statutory criteria..." listed earlier. Each criteria must be considered and "due weight" must be given to each criteria found to be relevant by the arbitrator. Additionally, the arbitrator must explain any criteria found not to be relevant.

The County submitted ninety-five exhibits at the hearing and supplemented these with additional exhibits as noted earlier. The County's exhibits were contained in two Fast Filer boxes. The first box contained forty-two exhibits, numbered 1 through 42, on the statutory criteria. Box 2 contained fifty-two exhibits, numbered 1 through 52, containing contracts from other county's sheriff's officers as well as other agreements between the County and its other bargaining units. While there may appear to be a redundancy in referenced exhibits of the County, it comes about because of the duplication of numbers from Box 1 or 2. The PBA presented seventy-four exhibits at the hearing as well as two CD's, one containing the Monmouth County labor contracts and one covering the contracts for County Sheriff's groups in other counties. These were supplemented as outlined above. Combined these exhibits numbered in the thousands of pages. This information as well as the parties' arguments and testimony have been carefully considered and examined in light of the statutory criteria. However, it is impossible to replicate all of the information and documentation in this decision. I will relate the material found most relevant to each of the criteria and review that information in support of the award made herein. Each of the criteria has been considered and deemed relevant, although the weight given to each varies. The weight given to each criterion has been noted and discussed. The total net annual economic change for each year has been determined in concluding that those changes

are reasonable under the criteria. Additionally, I note that N.J.S.A. 34:13A-16g (8) requires consideration of those factors ordinarily or traditionally considered in the determination of wages, benefits, and employment conditions. Accordingly, I have been guided by the decision making principles typically used in deciding interest arbitration disputes. One such principle is that the party proposing a change in an existing term or condition of employment bears the burden of justifying the proposed change. I have applied that principle to the issues herein.

The County and the PBA have each made several proposals to modify the current agreement. However, the bulk of the presentation, documentation and argument in the briefs have been on the issue of salaries. I will, therefore, devote the majority of this analysis to that issue. While each proposed change has been reviewed on its merits, it has also been considered within the context of the overall award and its potential impact on the parties.

Each party related their evidence and argument to their last offer in light of the statutory criteria as noted above. Each party found their last offer to be reasonable and the offer of the other side to be wanting. Under conventional arbitration, it is the arbitrator who fashions the terms of the award rather than the final offer of one party or the other. Therefore, in this conventional award, it is the terms of the award rather than the final offer of one party or the other which must be reasonable. In light of this I will set forth the award at this time so the terms of the award will be the reference point for discussing the evidence and applying the statutory criteria.

As noted and outlined earlier the parties have stipulated agreement to several issues: Preamble, Term and Extent of Agreement, and the Settlement Agreement on Holidays. These stipulations are hereby included in this award.

I shall award the following:

Article 3 – Association Rights

Add the following sentence at the end of Section 1: “If negotiations or interest arbitration proceedings continue beyond the terminal year of the agreement, five (5) additional days will be made available for the purposes of negotiations/arbitration in the first year of the new agreement.”

Article 6 – Handbook and Work Rules

Add the following sentence at the end of Section 2: “Except under emergent circumstances, the PBA will be provided fourteen (14) calendar days advanced written notification of any changes to the employee handbook or employee rules, or any new employee rules.”

Article 11 – College Incentive

Add the following sentence to Section 1: “Payment is contingent upon the Officer’s successful completion of the course with a grade of ‘C’ or higher.”

Article 15 – Insurance

Section 1 – delete the last sentence of the first paragraph that begins, “Whereas it is the County’s intention....”

Add the following sentences: “Effective July 1, 2010, and continuing through the term of the Agreement, employees will pay 1.5% of their annual base salary as a tax-deferred contribution toward health care. Should an employee voluntarily waive all coverage under the County’s health plan, and provide proof of other coverage, the 1.5% contribution will be waived.”

Section 4: change the prescription co-pays as follows:

Effective January 1, 2012:

Non-mail order – Brand Name - \$20.00

Generics - \$10.00

Mail Order – Brand Name - \$15.00

Generics - \$5.00

Appendix A – Salary Guide

Step	Base	2009	2010	2011	2012	2013
Entry	35,242	35,770	35,770	35,770	35,770	35,770
1	42,410	43,046	43,046	43,046	43,046	43,046
2	49,579	50,323	50,323	50,323	50,323	50,323
3	56,753	57,604	57,604	57,604	57,604	57,604
4	63,918	64,877	64,877	64,877	64,877	64,877
5	71,087	72,153	72,153	72,153	72,153	72,153
6	78,256	79,430	79,430*	79,430	79,430	79,430
7	85,431	86,712	89,313*	86,712	86,712	86,712
8				91,992	94,752	97,594

*Officers on Step 6 in 2010 will move to Step 7 (86,712) in 2011 and Step 8 (94,752) in 2012; Officers on Step 7 in 2010 will move to Step 8 (91,992) in 2011.

This is an annual step movement system which is intended to survive the contract.

Costing of the Award

N.J.S.A. 34:13A-16g requires the costing out of the award. The base year for salaries was 2008 and using County Exhibit 37 as the basis, compensation for the bargaining unit was \$7,192,795. The bargaining unit consisted of 92 Officers as presented in the Exhibit of whom 66 were at top step. The parties have assumed no resignations, retirements, or new hires in their calculations and I have followed the same concept. Both parties assumed incremental movement in each year and I have followed suit. The cost for the PBA's proposal, the County's offer, and that of the award is charted below and is inclusive of the incremental movement mentioned above.

Year	PBA	County	Award
2009	7,526,820	7,379,209	7,489,865
2010	8,110,562	7,685,550	7,839,841
2011	8,711,276	7,792,889	8,179,676
2012	9,310,620	8,274,387	8,517,260
2013	9,895,224	8,547,233	8,862,464

Cost of the PBA's proposal comes from County Exhibit 36 with a reduction for Officer Vizzi who had been promoted to Sergeant but was calculated in the PBA cost in Exhibit 36 but not in the County's cost in Exhibit 37 as noted in the County's brief on page 36. County Exhibit 37 did not calculate the cost of step increases in 2009 in the County's offer but it is noted in their brief on page 36, "the County's final offer did not seek to bar step movement for that year and step increases were paid to qualifying Sheriff's Officer. The net result of this omission is that the actual dollar cost amount to the County if its final offer were to be awarded would be substantially higher, reflecting the additional year of step increases." The County offered to supplement their document "to include the 2009 step increases" but were not required to do so. However, I calculated the actual cost of the County's proposal for 2009 and subsequent years based upon its proposed salary guide as noted in its Final Offer earlier and it is reflected above.

The quantifiable, significant economic changes are the salary increases. Over the five years of the agreement, salaries under the PBA proposal increase the base from \$7,192,795 to \$9,895,224 or increases totaling \$2,702,429. The County has offered increases of \$1,354,438. The award provides \$1,669,669. Therefore, the award over the five years of the contract is \$315,231 more than the Employer's offer and \$1,032,760 less than that proposed by the Union.

An additional consideration in reviewing the cost of the award is that beginning in July 2010, employees assumed by operation of law a contribution toward their health insurance costs in the amount of 1.5% of their base salary. As salary costs in July 2010 were \$7,536,949, the employee contribution amounted to \$56,527. This represents \$56,527 in premium contributions that would otherwise have been absorbed by the County. For the first full year of contributions in 2011 the employee contributions will be \$122,695, assuming all employees take health insurance coverage. These contributions will continue to increase as salaries increase providing additional revenues to the Employer.

Of the other items awarded only the increase in Prescription co-pays has a tangible affect on the cost of the award. However, the record does not contain cost figures or usage figures which allow compilation of the impact of the increased co-pays and the additional savings to the Employer.

Considering the general increases in health insurance premiums, the impact of the co-pay changes on the overall health insurance costs will be small.

Pursuant to N.J.S.A. 34:13A-16d(2), I conclude that the total net annual economic changes for each year are reasonable under the criteria listed in N.J.S.A. 34:13A-16g. I will discuss these costs in relation to the statutory criteria in the following sections and indicate why I have determined that they are reasonable under the criteria.

Interests and Welfare of the Public

The statute in N.J.S.A. 34:13A-14b clearly states that the public policy of the State is “to ensure that the procedure so established fairly and adequately recognizes and gives all due consideration to the interest and welfare of the taxpaying public....” The New Jersey Supreme Court in PBA Local 207 and Borough of Hillsdale 137 N.J. 71 (1994) has emphasized the importance of the public interest in interest arbitration decisions. The legislature has stated that the policy requires that “arbitrators fully recognize and consider the public interest and the impact that their decisions have on the public welfare, and fairly and reasonably perform their statutory responsibilities to the end that labor peace between the public employer and its employees will be stabilized and promoted....” (N.J.S.A. 34:13A-14c)

This is a broad criterion that requires consideration of fiscal responsibility as well as the compensation package needed to attract and retain a highly productive law enforcement department with high morale and dedication to their important tasks. While labor stability is implicit in this criterion, the fiscal limitations placed on the employer by the Cap law must also be part of the balance. The public needs and requires an adequate level of services, especially law enforcement services. As noted by Arbitrator Hundley in South Hackensack and PBA 102, IA 2010-078, “There is a compelling public interest in ensuring that the Township’s residents and business owners continue to be served by a highly skilled, efficient and dedicated police force.” A police force that is reasonably compensated provides for high morale which leads to stability, efficiency and effectiveness. It also reduces turnover which is costly as noted by the necessity for new recruits to undergo a twenty-six week training program

as well as other specialized training courses. The arbitrator must balance the Employer's desire to provide these services in the most cost effective way for the taxpayers with the employee's interest in receiving salaries and benefits commensurate with their service to the community which service is inherently stressful and dangerous. Therefore, I have given considerable weight to this criterion.

It is axiomatic that the best settlement between disputing parties is the one that they reach on their own. The best opportunity for agreement comes from their ability to sit across the bargaining table from each other and discuss the issues in dispute. The current contract provides ten days for the "purposes of negotiations". However, those days are confined to the terminal year of the agreement. It is not uncommon, particularly in the public sector, for negotiations to continue beyond the contract's expiration date. The award of five days in the year following the terminal year of the contract is designed to allow representatives to continue their negotiations in efforts to reach a voluntary settlement. It is limited to the first year after the terminal year to encourage resolution of a new agreement while still placing a limitation on the amount of time provided for negotiations purposes. As these additional days are provided only if the parties are not successful in settling their new agreement in the terminal year and as the parties have a record of multi-year settlements, there is little economic impact from the additional time and the public interest is far outweighed by the possibility of bringing a quicker resolution of any future contract negotiations.

The award of a fourteen day notice for work rule changes is designed to allow time for the PBA to review new changes and address them if necessary. The aim is promote discussion before the implementation or change of a rule that might otherwise lead to litigation or grievances. It is in the public interest to avoid these types of disputes if possible. The language allows the Sheriff to make changes in an emergent situation without the notice requirement but in a non-emergency allows the employees the opportunity for review. It does not place any limitation on the Employer's ability to make work rule changes but only a notification requirement to the union. The current agreement with the Corrections Officers Association provides for "30-days advance written notice" and there is nothing in the record to indicate that this has caused difficulty for the Employer.

The County currently provides a College Incentive recognizing the importance of training and educating officers. The clause contains no requirement for the employee's attaining a certain level of achievement. Similar provisions in County agreements with CWA Local 1034, Branch 4 (Police Radio Unit) and AFSCME Local 2284 (Care Center) call for the employee to achieve a "C" or higher to qualify for the incentive. While a highly trained and educated workforce is in the interest of the public, a requirement that the employee successfully complete the course and attain a set level of achievement is also in the public interest.

Health insurance was not as contentious an issue in bargaining in this case as in many others. The County sought to incorporate the 1.5% contribution mandated by law and to raise prescription co-pays. County Exhibit 31 shows that prescription drug coverage has risen over the past five years by an annual amount of between 6% and 17%. In 2004 co-pays under the County's Pharmacy Benefit Program were changed to \$15 for Brand Name (\$10 mail order) and \$5 for Generic (\$0 for mail order). The County did save premium costs when it switched carriers in October 2009. Freeholder Deputy Director D'Amico in a press announcement noted that the County would save "more than 2 million when factoring in estimated costs for health care in 2010 and beyond." (UE-D9) It is unrealistic to expect prescription costs to remain stagnant; therefore, the increase in co-pays in 2012 are warranted as they come after the savings from the change in carriers. Maintaining a healthy workforce is certainly within the public interest and increasing the co-pays to offset some of the rising costs also meets the public interest.

Sheriff's Officers in Monmouth County provide public safety services in a number of different capacities. The Law Enforcement Division of the Sheriff's Office has its member serving a variety of official positions. The Sheriff's Office notes its objectives as "to provide an efficient and effective court security system...to detect criminal activities and arrest violators; to educate the residents...on child safety, crime and terrorism prevention; disaster preparedness and senior citizen related issues; provide complete and current criminal history information and identification records to all law enforcement agencies, serve all Civil Process...." (UE-D32) To accomplish this broad mission the Law Enforcement Division has operations units including "Administration, Community Relations, Court Security/Transportation, Special Investigations, K-9, Civil Process, Criminal Identification Bureau, Security Services Bureau, Training

Unit....” (UE-D32) It is certainly in the public interest to see that these officers are well trained and motivated. As noted earlier general training includes a twenty-six week course and specialized training in the various units noted are required. It is in the public interest to see that employee turnover does not increase as the time and effort to retrain individuals is both time consuming and costly. Proper compensation is a factor in maintaining a motivated workforce that retains and attracts the best employees.

While there is a need to maintain a properly compensated workforce to retain the highly trained and skilled officers of the Sheriff’s Department, there is also a need to do so in an efficient and cost effective manner. As noted the legislature and the courts have both impressed upon arbitrators the need to keep fiscal stability in mind. The Commission in Borough of Lodi, P.E.R.C. No. 99-28, 24 NJPER 466 (29214 1998) has recognized that arriving at an economic award is not a “precise mathematical process” given the statutory criteria but involves judgment and discretion that prevents there being only one “correct” award. The salary award made herein is designed to both maintain the competitive wage position of the Employer and to do so within the economic and statutory limitations placed on the County.

In 2009 the County has proposed a 0% increase. The County sought a wage freeze from all of its employee organizations in lieu of layoffs. It was successful with some and not so with others. County Exhibits 24 through 45 were presented as the most recent agreements between the County and its various bargaining units. The exhibits show eight Memorandums of Agreement (MOA) to modify contracts to accept the wage freeze. (CWA 1032 Youth Detention Center, Process Servers, UFCW Local 152, PBA 256 Prosecutor’s Detectives, Prosecutors’ Detectives SOA, National Association of Government Employees, Social Services Management Association and AFSCME Local 2284) Six of the eight MOAs provide for a contract extension of one year. The MOA with CWA 1032 contains a clause that if anyone were laid off, the County would be obligated to provide a wage increase of 3.75%. The MOA’s with the Prosecutor’s Detectives, PBA 256 and SOA, provide for no increase to the salary guides but advancement on the steps of the respective salary guides. UFCW Local 152 agreed in April 2009 to the wage freeze but its members who had received a 3.75% increase in January were not required to return the increased monies earned between January and April, approximately

.94%. Members of the NAGE local and AFSCME local waived their 3.75% increase due in 2009 and had an extra year added to their contract, 2011, with a 3.75% wage increase in that year. The Management Association's MOA provides for employees who received a 3.75% increase on January 1, 2009 to retain the monies earned prior to the April 4, 2009 MOA and the extension of their of their contract through 2011 with a 3.75% increase provided in the extension year.

The County also offered the no layoff provision to PBA 314 if it would accept the wage freeze. The PBA declined the offer and suffered the loss of fourteen officers. Union Exhibit D23 shows a seniority listing of 105 officers as of March 23, 2009, while its exhibit D21 shows a listing of 92 Sheriff's Officers on January 19, 2010. The loss of the wages and benefits of the fourteen employees far exceeds the increase provided in the award for the employees at the top of the guide.

Over the five years of the agreement, the Union has proposed increases of 24% on all steps of the salary guide. The County has proposed increases of 12% over the five year period but applied only to the top step of the guide. The County's proposal includes the addition of three steps in 2010. The award provides increases of 13.5% over the five years at the top step of the salary guide; the remaining steps are increased by 1.5% in 2009 and then frozen from 2010 through 2013. Additionally, I have added one step to the salary guide. The addition of the step in 2011 reduces the cumulative earnings cost of the salary guide without extending the time to reach maximum too far into an officer's career. If the fifteen officers affected by the insertion of the extra step had been allowed to proceed to maximum at step seven, it would have resulted in an additional \$118,168 in salary cost to the County. The savings created by the additional step help to offset the increases to the officers at maximum and will do so in the future as well.

The Union's proposal does not add any steps over the life of the agreement. It argues that extending the length of time before an officer reaches his/her maximum salary discourages the retention of officers. The PBA points to the Interest Arbitration decision between the parties, IA 2002-061, in which the arbitrator reduced the number of steps. (UE-C) However, both parties proposed a reduction of steps in that dispute. As noted by Arbitrator Mastriani, "The proposal of the County in this proceeding is, in many respects, responsive to the many key points raised by Local 314...the desire to compress the steps on the salary schedule...." The County noted

in its Final Offer on salaries, “The wage agreement and step reduction agreement shall be....” The PBA’s Final Offer notes, “in year 2003, steps 8 and 9 go to \$62,500 (step 7)....” In the instant matter there is no unanimity on this issue.

The freezing of the salary guides at all steps except the top in the last four years of the agreement may in past years have raised a concern with the Sheriff’s ability to recruit. However, given the current economic climate and unemployment statistics the Sheriff should be able to recruit employees at the awarded wage rates. Certainly, the Employer believes that they will be able to do so as its offer contains a freeze on these steps as well in all five years of its proposal. Additionally, there is nothing in the record to indicate that recruitment has been a problem for the Sheriff. The increases at the top of the salary guide are in line with the County’s proposal and designed to maintain the current staff members.

As part of the examination of the compensation facet of the public interest, Sheriff’s Officers in Monmouth County are in a favorable position when compared to other counties and in a less favorable position in comparison with local municipal police officers. Using 2008 as the base year and the top salary for comparisons and including longevity payments in those counties that provide it, the following represents the comparison with other Sheriff’s Officers:

County	2008 Base Salary	Longevity	Total
Atlantic	65,467	2,500	67,967
Bergen	98,076	1,750	99,826
Cape May	66,210		66,210
Essex*	76,353		76,353
Gloucester	63,359	8% @ 20 years	68,622
Hudson	67,000		67,000
Mercer	79,425		79,425
Middlesex	79,972	2,400 @ 21 years	82,372
Monmouth	85,431		85,431
Morris	79,259		79,259
Ocean	84,824	5.7% @ 17 years	89,659
Passaic*	86,060		86,060
Salem	71,000		71,000

Sussex	68,227		68,227
Union	78,240		78,240
Warren	62,738		62,738

*On appeal

When factoring in longevity, Monmouth County in 2008 ranked fourth of the eighteen counties for whom 2008 salaries and longevity statistics were provided. On the municipal police officer side, Union Exhibit N shows an average base salary for the forty-one listed departments of \$88,333 in 2008; additionally, thirty-seven of the units provide longevity with an average of \$3,496, bringing the average of total salaries to \$91,829. In 2009 the average municipal base salary will rise to \$91,930 for the thirty-four departments settled for that year and with longevity averaging \$3,556 the total compensation will be \$95,486. While the awarded top salary for 2009 of \$86,712 will widen the gap between Sheriff's Officers and the average municipals officers in the county, the salary will continue the officers in a strong position among the other county sheriff's officers. Internally, the Prosecutor's Detectives top salary in 2008 was \$117,328 or \$31,879 above that of a top Sheriff's Officer. As the PBA 256 has accepted the 0% wage increase in 2009, the raise provided for the top of the PBA 314's guide will narrow the large gap between the two law enforcement groups.

Fiscal responsibility is also an element of the public interest. The County's fiscal picture remains strong and it has been able to retain its AAA bond rating. While its Results of Operation are strong, \$44,845,471 in 2008, the County did see a reduction of \$5,000,000 from 2007 to 2008. Also, while budget revenues exceeded the anticipated revenues in 2008, the realized amount was \$3,318,629 less than the preceding year. In 2009 the County increased taxes by "2.9% of the overall tax levy...." (Employer's brief, page 37) The tax levy cap for 2009 was 4%. Also noted by the County in its brief on pages 31/32, "While section 10 of P.L. 2007, c.62 originally established a tax levy cap of 4% above the previous year's tax levy; on July 13, 2010, Governor Christopher Christie signed into law P.L. 2010, c.44, amending N.J.S.A. 40A:4-45.4 in order to cut the allowable tax levy increase in half to just 2% per year." However, these changes do not imperil the County's strong fiscal outlook but are a cautionary note. They speak to an award more in line with the County's proposal than that of the PBA which is what has been awarded. As noted earlier the award provides an increase in 2009 of 1.5% rather than the County's proposed 0% increase but the savings from the loss of the fourteen laidoff officers more than

covers this amount of increased salaries. In the remaining years the award tracks the Employer's offer with the exception of the addition of one step rather than three. The County's proposed increases may as noted in its brief, "require sacrifice" but "the County believes they are manageable...." (Brief, pg.32) The difference between the County's manageable proposal and the award is also manageable in the light of the County's continued strong fiscal situation. Therefore, the public interest is served by the award as it maintains the employees in a competitive position with other law enforcement personnel at a cost that is manageable for the County and its taxpayers. It accomplishes the balancing required by this criterion.

Comparison of Wages and Terms of Employment

This criterion, N.J.S.A. 34:13A-16g(2), calls for comparison of wages, hours and conditions of employment of "other employees performing the same or similar services with other employees generally". It specifically calls for a comparison with (1) private employment in general, (2) public employment in general and (3) public employment in the same or similar jurisdictions. I have reviewed the information provided by both parties and carefully considered the various documents and arguments presented and give this criterion considerable weight.

In considering the first part of the criteria on private sector comparisons, it must be understood that police officers perform an inherently public sector task. The duties and responsibilities of a police officer are prescribed by law and there is no private sector position with which to make a direct comparison. Arbitrator Weinberg described it best in the Village of Ridgewood matter in which he wrote, "The police function is almost entirely allocated to the public sector whether to the municipality, county, state or the national armed forces. Some private sector entities may have guards, but they rarely construct a police function. There is a vast difference between guards, private or public, and police. The difference is apparent in standards for recruiting, physical qualifications, training, and in their responsibilities." The parties have provided no data on this comparison and I give this sub-factor little weight.

In the area of comparison with the private sector in general the most commonly used comparison comes from the New Jersey Average Annual

Wage Survey. PERC by statute (N.J.S.A. 34 13A-16.6) is required to conduct a survey of private sector wage increases. This report is compiled by the NJ Department of Labor and Workforce Development (NJDLWD). The report dated September 29, 2009 (UE-H1) shows "Total Private Sector" increases of 2.5% from 2007 to 2008. The latest survey, dated August 27, 2010, and taken from the PERC website, shows a decrease in "Total Private Sector" wages from 2008 to 2009 of -.7%. The survey also reports the "Average Annual Wages" by County. Monmouth County wages increased from 2007 to 2008 by 2.1% and decreased from 2008 to 2009 by -.6%. When compared to the September 15, 2008 increase of 4.3% in the state and 3.8% in the County, a downward trend is clear and speaks to the reasonableness of the award made herein which freezes salaries for all but the top step in the last four years of the agreement.

In 2009 under the awarded changes, the average salary of a Sheriff's Officer in the County will be \$81,411. The "Total Private Sector" average wage in 2009 is listed as \$54,542. Of the private sector industries listed in the August 27, 2010 survey, the Officers average is exceeded in 2009 by the average wage in the Utilities sector, in Information, in Finance/Insurance, in Professional/Technical Services and in Management of Companies/Enterprises.

The N.J. Average Annual Wage survey also reports on the "Total Government" changes. From 2006 to 2007 there was an increase of 4.1% (UE-H2), from 2007 to 2008 the increase was 3.4% and from 2008 to 2009 there was an increase of 2.2%. The downward trend noted in the private sector is also reflected in the general numbers of the public sector.

P.E.R.C. also provides a "Salary Increase Analysis" for Interest Arbitration. The most recent "Analysis" from the PERC website shows that in 2009 the "Average of Salary Increase All Awards" was 3.75% and the "Average Salary Increase of Reported Voluntary Settlements" was 3.6%. For 2010 the respective percentages trended down to 2.88% for awards and 2.65% for voluntary settlements. These downward changes are reflective of the economic climate in the state as well as the effect of the CAP laws.

As noted earlier, in comparison with other similar jurisdictions the County in 2008 ranked fourth of the eighteen counties for whom 2008 salaries and longevity statistics were provided. On the municipal police officer side,

the average base salary was \$88,333 in 2008; with an average of \$3,496 in longevity the average salary rises to \$91,829. In 2009 the average municipal base salary will rise to \$91,930 and with longevity averaging \$3,556 the total compensation will be \$95,486. While the awarded top salary for 2009 of \$86,712 will widen the gap between Sheriff's Officers and the average municipals officers in the county, the salary will continue the officers in a strong position among the other county sheriff's officers. While comparisons with other law enforcement personnel warrant consideration, the comparison with other Sheriff's Officers merits the greater consideration and weight in this criterion.

A comparison of the wages paid to Monmouth County Sheriff's Officers with those of the surrounding counties shows the following:

County	2008 Base Salary – Top Step	Longevity	Total
Mercer	79,425		79,425
Middlesex	79,972	2,400 @ 21 years	82,372
Monmouth	85,431		85,431
Ocean	84,824	5.7% @ 17 years	89,659

As can be seen from the chart, the County officers at the top step exceeded the surrounding counties in base salary but trail Ocean's officers in terms of total salary. Most important is that the salaries of the County's officers are competitive within the marketplace for recruitment and retention and not out of line with personnel in the most similar jurisdiction.

Within the law enforcement ranks of the County, there are three groups for comparison purposes: Correction's Officers, Prosecutor's Detectives, and Sheriff's Officers. A review of their top salaries in 2008 reveals the following, the top salary for Correction's Officers was \$85,001 at Step 7; for Prosecutor's Detectives the top salary was \$117,328 at Step 8; and for Sheriff's Officers it was \$85,431. The difference between salaries appears to be an historic one. As noted earlier, the record shows that the Prosecutor's Detectives accepted a 0% increase for 2009 in lieu of layoffs and with employees continuing to advance on the salary guide. The last agreement with the Correction's Officers ended in 2008.

The County has agreements with fifteen civilian bargaining units that extend beyond 2008. One of the fifteen has a start date of 2006, eight started in 2007 and the others began in 2008. Twelve of the units have contracts running through 2010 and three have agreements that reach into 2011. (CE- 28, 29, 33-45) Only three of the agreements (CWA 1034, CWA 1087 Clerical and Supervisors) have step systems and both CWA 1087 agreements contain language freezing employees at their 2007 salary step. Three of the units agreed to a wage freeze in 2009 while the other units were slated for increases of 3.75%. In 2010 increases of 3.75% were called for in all but the two CWA 1087 contracts where the increase was 4% in lieu of the step movement. As noted there are three contracts that carry into 2011 and each provides for increases of 3.75%.

Many of the agreements noted above were negotiated in 2006 and 2007 under a different economic climate. The information on more recent settlements as noted in the N.J. Average Annual Wage survey and the Commission's "Salary Increase Analysis" show that settlement trends have been downward in the years since these other contracts were settled. As the majority of these contracts are now in negotiations in a very different economic environment, it is unlikely that the 3.75% increases called for in the three agreements reaching into 2011 will become the pattern. The wage increases awarded follow a different path than those outlined above and as noted earlier provide reasonable increases for the Sheriff's Officers within a cost range that is manageable for the County.

Overall Compensation

The criterion in N.J.S.A. 34:13A-16g(3) requires that an arbitrator consider all of the economic benefits received by the employees involved in the matter at hand. This includes such items as vacation, holidays, sick leave, health insurance, longevity, and similar benefits.

County Exhibit 49 provides a comparison of many of the benefits within the bargaining units in the County. Corrections Officers receive a uniform allowance but they are the only group in the County that does. Seven groups receive College Incentive and six receive the same benefit of \$50 per credit as the Sheriff's Officers receive; CWA Local 1032 receives reimbursement for 6 credits per year. All three law enforcement units

receive the same vacation, personal leave, sick leave, holidays, bereavement leave, and health insurance.

The salary guide which currently has seven steps and will be increased to eight under the award is within the parameters of the other county sheriff officer contracts. In 2008 the number of steps to maximum ranged from six in Camden to eleven Cape May. Of the surrounding counties Middlesex contains seven steps while Mercer has eight and Ocean nine.

As reviewed above the overall compensation of the Sheriff's Officers present no glaring deficiencies or excesses. While the officers do not enjoy longevity as many of the municipal departments do, their base salary is among the highest of the county sheriff offices even with consideration of those sheriff units that receive longevity. Although I place some weight to the overall compensation criterion, there is nothing in the overall compensation which would compel me to modify the salary award.

Stipulations

The stipulations of the parties are noted earlier. They deal mainly with the dates and length of the agreement. The arbitrator was requested by the parties to note in this award their "Settlement Agreement" on the Day after Thanksgiving.

Lawful Authority and Statutory Restrictions of the Employer

The lawful authority of the Employer comprises three of the statutory criteria, N.J.S.A. 34:13A-16g(1), (5) and (9). These factors were included to have the arbitrator consider the limitations imposed upon the Employer by the CAP laws which control the amount appropriations can be increased from one year to the next. The limitations apply to the total appropriations and not to any single line item in the appropriations budget. Section g(1) refers to the 1976 CAP law while g(5) references the 1976 law in relation to the lawful authority of the employer and g(9) refers to the Tax Levy CAP of 2007. The emphasis is on the limitations imposed on the employer and the need to recognize the statutory limits of the employer. It is clear

that, whether referring to a specific statute or the more general “lawful authority”, arbitrators must recognize and respect the statutory limitations placed on public employers and give substantial weight to these criteria.

As noted by the County P.L. 1976, c. 68, commonly known as the “Local Government Cap Law” limits increases in final appropriations to 2.5% or the cost-of-living adjustment, whichever is less. The law also provides in the case of a county that it may not increase its tax levy in excess of 2.5% or the cost-of-living adjustment whichever is less, with certain stated exceptions. Another tax levy cap was established by P.L. 2007, c. 62 which established a tax levy cap of 4% above the previous year’s tax levy.

The award will not place the County in a position to exceed its cap. The tax levy cap for 2009 and 2010 was 4% and the awarded increases were 1.5% in 2009 and 3% in 2010 but only on the top step of the salary guide. While the 2009 award is more than the 0% increase proposed by the County, the Employer laidoff fourteen sheriff’s officers in 2009 when the PBA rejected the 0% increase. The 2010 increase awarded is in line with the County’s proposal of three percent at the top step; additionally, the County receives added revenue from the implementation of the 1.5% employee contribution to health insurance premiums of \$56,527. In 2011 it is again only the top step that receives an increase and with the addition of a new step between the last and next to last steps the overall cost of the 2011 increase is further reduced. 2011 will also be the first year for the County to receive the full revenues of the employee contribution in the amount of \$122,695. 2012 and 2013 are again in line with the County’s proposal that only employees at the top step of the salary guide will receive increases. As noted earlier the County has proposed increases of 12% over the life of the agreement and has declared that these increases are manageable. The awarded increases total 13.5% with the difference coming in 2009 when the award provides a 1.5% increase but as noted the County had reduced the workforce by fourteen employees in that year. The County spent considerable time arguing that the Union’s proposals were not sustainable within the budget but the Union’s proposals called for a 24% increase, substantially beyond the 13.5% awarded.

The County noted in its brief that P.L. 2010 c. 44 further reduced the tax levy increase to 2%. It also noted in its brief that “although it will require sacrifice” its proposed increases to the top of the guide are manageable. As the award follows the pattern set out by the County in the last four years of

the agreement, save the number of extra steps introduced, the award is likewise manageable. Based on the record provided, the award provided herein poses no conflict with the employer's lawful authority.

Financial Impact

This criterion, N.J.S.A. 34:13A-16g(6), requires that the arbitrator consider the financial impact of the award on the governing unit, its residents and taxpayers. There is a good deal of overlap between this criterion and that involving the Interests and Welfare of the Public as well as the Lawful Authority of the Employer.

The financial impact of the award can be measured in the increased cost of the salaries of the officers involved. As noted earlier there is little to no financial impact from the other items awarded, other than in the area of health insurance where the implementation of the 1.5% employee contribution will generate additional revenue for the County and in the prescription co-pay changes which though hard to quantify will have a beneficial impact on the County's finances. The awarded increases will raise the salary base from 2008's \$7,192,795 to \$8,862,464 or an increase of \$1,669,669 in 2013. The County's proposal would raise the base in 2013 to \$8,547,233 for an increase of \$1,354,438. The awarded sums have been found to be in the public interest and within the lawful authority of the employer. They are also reduced by the revenue generated by the 1.5% contribution and the overall insurance costs will be reduced by the increased prescription co-pays.

The County's financial standing has been found to be strong and its AAA bond rating is not jeopardized by the award; thereby, allowing the County and many of the municipalities within the County to save on interest costs. While the County's finances are strong, there have been indications that like all governmental agencies in the state there are some downward trends. The Results of Operations shows the County's ability to regenerate surplus is strong but it was reduced some \$5 million from 2007 to 2008. Additionally, the County's fund balance declined and revenues declined between those years. This does not place the County in serious financial difficulty but, combined with the slow response in the economy as a whole,

raised concern that led to an award more closely aligned to the County's own proposal.

The County's Total Appropriations for 2009 were \$490,216,000. It anticipated revenues of \$192,716,000 and a County Purpose Tax to raise \$297,500,000. Salaries and Wages budgeted in 2009 were \$179,054,641. While the increases discussed herein may seem minor in comparison, they have their place within the overall County picture. It may seem possible to award much larger increases when the base salary increases are viewed against the full County budget and while a small part of the overall budget the salaries must also be viewed in line with the financial trends and economic trends both within the County and outside. The award made herein is cognizant of these trends and provides a resolution that is manageable for the County and reasonable for the employees involved.

The financial indicators show a well run county which can afford the increases awarded without undue strain on the governing unit or its residents and taxpayers. I have given considerable weight to this criterion and found that the evidence in the record indicates that the award is reasonable and will not have a detrimental effect on the governing unit, its residents or taxpayers.

Cost of Living

This criterion presents an important factor in consideration of wages and is judged as requiring considerable weight. Review of this criterion generally involves a consideration of the Consumer Price Index (CPI). The CPI is a measure of the changes in prices for all goods and services purchased for consumption by a household. It includes user fees such as water and sewer service as well as sales taxes paid by the consumer. Income taxes and investment items are excluded. The Bureau of Labor Statistics (BLS) of the U.S. Department of Labor provides detailed information on the CPI and breaks it down by region. Monmouth County is most attuned to the New York-Northern New Jersey region and therefore a review of the CPI in this region is indicated.

The County provided CPI figures in Exhibit 16 for the New York-Northern New Jersey-Long Island region. The chart on the yearly changes over a

twenty year period shows that the Index rose 98.3 points or 71%. In 2008 and 2009 the CPI rose 3.9% and 0.4% respectively. This is further broken down in charts showing the monthly changes in 2008 and 2009.

2008	Index	% Change
January	229.9	3.73
February	231	3.6
March	233.1	3.8
April	233.8	3.6
May	236.2	4
June	238.6	4.5
July	240.3	5.1
August	240.6	5.4
September	240.1	5.2
October	238.4	4.3
November	234.5	2.2
December	233	1.6

2009	Index	% Change
January	233.4	1.5
February	234.7	1.6
March	235.1	0.8
April	235.6	0.8
May	236	-0.1
June	237.2	-0.6
July	237.6	-1.1
August	238.3	-1.0
September	238.6	-0.6
October	238.4	0.0
November	238.8	1.8
December	238.4	2.3

The monthly changes reflect the percentage change over the prior twelve month period.

As can be seen from the charts above the CPI began a decline from a high in August 2008 of 5.4% until a return of increases in November 2009 which continued into December 2009. This trend can be seen in the

Analysis figures prepared by PERC and noted above which show a decline in both awarded agreements and voluntary settlements under the interest arbitration provision. Average percentage increases in awards went from 3.75% in 2009 to 2.88% in 2010 while voluntary settlements fell from 3.6% to 2.65%. This trend is reflected in this award which provides a 1.5% increase in 2009, followed by higher increases in the following years but with the increases limited to the top step of the guide with the remaining steps frozen. Given all of the factors involved, the award provided is appropriate.

Continuity and Stability of Employment

This criterion calls for consideration of the award and its affects upon the continued stability of the employment situation. It also requires reflection on those issues that are traditionally considered in the determination of salaries and benefits if they have not already been considered within the other criteria. This criterion is an important consideration and due strong weight.

One aspect under consideration within this criterion is that the award should provide for an agreement that will continue the stability of the unit. This has been addressed earlier and I find that the advancement of officers in the salary guide will aid the stability of the department. While the addition of a step will add another year to the time needed for some officers to reach maximum, it is needed to contain the overall cost of the agreement and should not be a major discouragement to those approaching the top step. Providing increases at the top step in each year will aid in retaining those officers with the most experience and the most skills, learned over the years in the position.

Another factor traditionally considered in the area of salaries is the relative standing of the unit both internally and externally. Internally, most of the County's other bargaining units have contracts that either expired in 2009 or 2010. The Sheriff's Officers should suffer no loss of internal comparability from this award. While the starting salary remains flat for most of the award, the County should not have a problem in the current economy in recruiting and the strength of the salary guide should be sufficient to attract prospective employees. In looking at the agreements

for the other counties sheriff's officers, the majority expire in 2010 or earlier, meaning that they are negotiating in the same economic climate resulting from the financial and economic downturn. The unit's relative stability should remain in a strong position in relation to the other counties.

While the increases awarded herein are certainly less than the PBA had proposed, I do not believe that they will have a detrimental effect on the stability or continuity of employment for the employee of the bargaining unit.

AWARD

Article 3 – Association Rights

Add the following sentence at the end of Section 1: "If negotiations or interest arbitration proceedings continue beyond the terminal year of the agreement, five (5) additional days will be made available for the purposes of negotiations/arbitration in the first year of the new agreement."

Article 6 – Handbook and Work Rules

Add the following sentence at the end of Section 2: "Except under emergent circumstances, the PBA will be provided fourteen (14) calendar days advanced written notification of any changes to the employee handbook or employee rules, or any new employee rules."

Article 11 – College Incentive

Add the following sentence to Section 1: "Payment is contingent upon the Officer's successful completion of the course with a grade of 'C' or higher."

Article 15 – Insurance

Section 1 – delete the last sentence of the first paragraph that begins, "Whereas it is the County's intention...."

Add the following sentences: "Effective July 1, 2010, and continuing through the term of the Agreement, employees will pay 1.5% of their annual base salary as a tax-deferred contribution toward health care. Should an employee voluntarily waive all coverage under the County's

health plan, and provide proof of other coverage, the 1.5% contribution will be waived.”

Section 4: change the prescription co-pays as follows:

Effective January 1, 2012:

Non-mail order – Brand Name - \$20.00

Generics - \$10.00

Mail Order – Brand Name - \$15.00

Generics - \$5.00

Appendix A – Salary Guide

Step	Base	2009	2010	2011	2012	2013
Entry	35,242	35,770	35,770	35,770	35,770	35,770
1	42,410	43,046	43,046	43,046	43,046	43,046
2	49,579	50,323	50,323	50,323	50,323	50,323
3	56,753	57,604	57,604	57,604	57,604	57,604
4	63,918	64,877	64,877	64,877	64,877	64,877
5	71,087	72,153	72,153	72,153	72,153	72,153
6	78,256	79,430	79,430*	79,430	79,430	79,430
7	85,431	86,712	89,313*	86,712	86,712	86,712
8				91,992	94,752	97,594

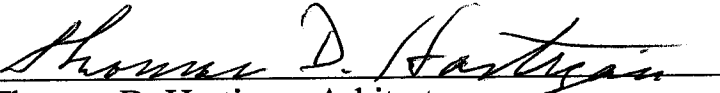
*Officers on Step 6 in 2010 will move to Step 7 (86,712) in 2011 and Step 8 (94,752) in 2012; Officers on Step 7 in 2010 will move to Step 8 (91,992) in 2011.

This is an annual step movement system which is intended to survive the contract.

Other Proposals

The proposals of both parties not reflected above are rejected. The current language in those areas will remain as in the current agreement. The arguments and information provided in support of these proposals were

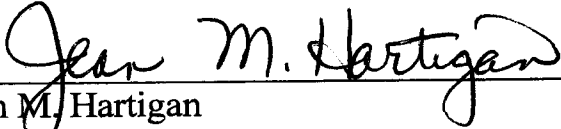
reviewed and considered. In the area of economic proposals they were found to be either too expensive or expansive of the economic package in terms of such Union proposals as longevity or retiree health insurance. The County's proposals on deleting language on Longevity and Holidays were found to be protections that the unit's employees currently have and which are not intrusive on the Employer. Other language items of both parties were found not to have sufficient information in the record to justify their inclusion in the award.


Thomas D. Hartigan, Arbitrator

Dated: June 13, 2011
Hamilton, NJ

State of New Jersey }
County of Mercer }ss:

On this 13th day of June 2011, before me personally came and appeared Thomas D. Hartigan to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed same.


Jean M. Hartigan
Notary Public of New Jersey
My commission expires 6/29/14