

NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of Interest Arbitration Between the

CITY OF UNION CITY

"Public Employer"

-and-

UNION CITY PBA LOCAL NO. 8

"Union."

Docket No. IA-99-88

**INTEREST ARBITRATION
DECISION
AND
AWARD**

**Before
James W. Mastriani
Arbitrator**

Appearances:

For the Employer:

Robert E. Murray, Esq.
Cheryl U. Brown, Esq.
Murray, Murray & Corrigan

For the Union:

Richard D. Loccke, Esq.
Loccke & Correia, P.A.

I was appointed arbitrator by the New Jersey Public Employment Relations Commission on April 23, 1999 in accordance with P.L. 1995, c. 425, in this matter involving the City of Union City [the "Employer" or "City"] and PBA, Local 8 [the "PBA"]. Pre-arbitration mediation was held on September 27 and November 23, 1999. Because the impasse was not resolved, formal interest arbitration hearings were held on January 19 and August 4, 2000. Both parties submitted extensive documentary evidence. Testimony was received from Patrol Officer John Hughes. Post-hearing briefs were submitted by April 6, 2001.

FINAL OFFERS OF THE PARTIES

The City and the PBA submitted the following final offers:

PBA LOCAL 8

1. Duration -- January 1, 1999 to December 31, 2003.
2. Salary -- The PBA proposes the following across the board increases:
 - 5% effective January 1, 1999
 - 5% effective January 1, 2000
 - 5% effective January 1, 2001
 - 5% effective January 1, 2002
 - 5% effective January 1, 2003.

The PBA also proposes that the wage guide be modified so that Officers reach the maximum step after four years of service.

3. Grievance Procedure (Article V)

The PBA proposes to delete paragraph C.2 which provides:

No grievance may proceed beyond Step 1 herein unless it constitutes a controversy arising over the interpretation, application or alleged violations of the terms and conditions of this Agreement. Disputes concerning terms and conditions of employment controlled by statute or administrative regulation, incorporated by reference in this agreement either expressly or by operation of law, shall not be processed beyond Step 1 herein.

The PBA also proposes that the initial grievance step be modified to change the 10 day window to a 30 day window.

The City of Union City

1. Duration

January 1, 1999 through December 31, 2003.

2. Salary

Effective July 1, 1999	0% increase
Effective July 1, 2000	3.0% increase
Effective July 1, 2001	3.0% increase
Effective July 1, 2002	3.0% increase
Effective July 1, 2003	3.5% increase

The City also proposes to establish three new steps for all patrolmen hired on or after January 1, 2001 as follows:

New Step 5A at the midpoint between current Step 5 and current Step 6
New Step 4A at the midpoint between current Step 4 and current Step 5
New Step 3A at the midpoint between current Step 3 and current Step 4

The City and the PBA have offered testimony and considerable documentary evidence in support of their final offers. Numerous City and PBA exhibits were received in evidence. I am required to make a reasonable determination of the above issues giving due weight to those factors set forth in N.J.S.A. 34:13A-16g(1) through (8) which I find relevant to the resolution of these negotiations. I am also required to indicate which of these factors are deemed relevant and provide an analysis of the evidence on each relevant factor. These factors, commonly called the statutory criteria, are as follows:

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

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

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

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

(c) In public employment in the same or similar comparable jurisdictions, as determined in accordance with section 5 of P.L. 1995. c. 425 (C.34:13A-16.2) provided, however, each party shall have the right to submit additional

evidence concerning the comparability of jurisdictions for the arbitrator's consideration.

(3) The overall compensation presently received by the employees, inclusive of direct wages, salary, vacations, holidays, excused leaves, insurance and pensions, medical and hospitalization benefits, and all other economic benefits received.

(4) Stipulations of the parties.

(5) The lawful authority of the employer. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by the P.L. 1976 c. 68 (C.40A:4-45 et seq).

(6) The financial impact on the governing unit, its residents and taxpayers. When considering this factor in a dispute in which the public employer is a county or a municipality, the arbitrator or panel of arbitrators shall take into account to the extent that evidence is introduced, how the award will affect the municipal or county purposes element, as the case may be, of the local property tax; a comparison of the percentage of the municipal purposes element, or in the case of a county, the county purposes element, required to fund the employees' contract in the preceding local budget year with that required under the award for the current local budget year; the impact of the award for each income sector of the property taxpayers on the local unit; the impact of the award on the ability of the governing body to (a) maintain existing local programs and services, (b) expand existing local programs and services for which public moneys have been designated by the governing body in a proposed local budget, or (c) initiate any new programs and services for which public moneys have been designated by the governing body in its proposed local budget.

(7) The cost of living.

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

parties in the public service and in private employment.

BACKGROUND

The City of Union City is an urban community located in Hudson County. It has a population of over 57,621 and a median family income of \$25,655. The average median value of a single family house is \$150,400.

Union City has a high level of police activity. It ranks second within Hudson County in the number of crimes overall, and second in both the number of violent and non-violent crimes within the County. The total number of calls for police services increased from 61,487 in 1998 to 71,253 in 1999.

The PBA represents Union City's 118 Patrol Officers including the patrol officers, plainclothes officers, traffic officers and uniform officers.

POSITIONS OF THE PARTIES

PBA, LOCAL 56

The PBA begins by pointing out that Union City presents one of the more intense law enforcement challenges in the State. Noting that Hudson County is a busy law enforcement area, the PBA points out that within Hudson County, Union City is second only to Jersey City in the amount of law enforcement activity.

Within Hudson County, the PBA notes that Union City ranks second in the amount of violent and non-violent crime, the crime index total, the numbers of murders, robbery, aggravated assaults, burglaries, larceny, motor vehicle theft and domestic violence. The PBA also notes that Union City is second only to Jersey City in the use of County correctional facilities, including the Hudson County Correctional Center and the Juvenile Detention Center.

The PBA also points out that the police officer to citizen ratio in Union City is high. Specifically, Union City has 301 residents to each police officer, compared to 225 residents per officer in Jersey City and 205 residents per officer in Hoboken. By comparison, the PBA notes that within Hudson County, only Guttenberg and North Bergen, with 359 residents per officer have higher officer to resident ratios. The PBA finds additional evidence of increased workload in Police Department statistics showing that calls for service increased 15.9% from 61,487 in 1998 to 71,253 in 1999. Similarly, the number of robberies increased by 50.8% to 181; aggravated assaults increased by 15% to 122, burglaries increased by 9% to 593; motor vehicle thefts increased by 20% to 531 and motor vehicle moving violations increased by 6% to 5528 from 1998 to 1999.

Relying upon the testimony of Patrol Officer John Hughes, the PBA points to the following innovations and improvements in policing since the beginning of the last contract in 1995:

- , Community Policing - two new precincts were added and the services were greatly improved.
- , Increased training was emphasized both in house and at the academy.
- , Many officers from the Union City Police Department are Methods of Instruction (MOI) and teach both in house and at the police academy.
- , There has been a substantial increase in domestic violence calls with commensurate training for the officers, work load placed upon the officers, and a large amount of paperwork in each case which didn't exist before.
- , A new position designated as "School Resource Officer" has been established to better serve the younger residents through contacts at the schools.
- , An "Outreach Program" with a sub-station has been established to once again create better ties with the community and improve relations generally.

The PBA points out that it is an active participant in community programs and in fundraising for charities. The PBA believes that its members also maintain excellent relations with Union City residents.

According to the PBA, these new and innovative services, together with the increased work load, create a highly stressed law enforcement environment with fewer officers per resident and an active law enforcement community. The PBA emphasizes that at the same time the number of Police Officers did not appreciably change. The PBA points out that since 1995, 39 police personnel of varying ranks have left the department and an additional 24 individuals have been promoted out of the bargaining unit. Although these officers have been

replaced, the PBA points out that following six months at the police academy, new officers require on the job training. As a result, the PBA maintains that several of the officers employed by the City were relatively inexperienced.

Turning to comparison of compensation, the PBA maintains that compensation of Union City Police Officers is not on par with the compensation of their peers, and these criteria support the PBA's final offer. According to the PBA, the benefit program for Union City Police is below average. First, the PBA points out that Union City Police have a work schedule similar to that of other municipal police departments, but receive less paid time off than their peers employed by other municipal police departments. Specifically, the PBA compares annual maximum vacation days in Union City to those received by police officers in Secaucus, Weehawken, Bayonne, North Bergen, Guttenberg, Harrison, East Newark, Jersey City, Hoboken, Port Authority, Englewood, Hackensack, Garfield, Clifton and Passaic. Based upon that comparison, the PBA asserts that police in those jurisdictions receive 25.54 vacation days on average, compared to a maximum of 21 vacation days in Union City. The PBA also maintains that the holiday leave allotment received by Police in Union City is below the average in the Northeastern New Jersey municipalities listed above. According to the PBA, the average holiday allotment in these municipalities is 12.86 days per year, compared to 12 holidays in Union City.

The PBA also points out that Union City Police receive an \$800 clothing allowance, which is average, when compared to the previously listed municipalities in Northeastern New Jersey. Additionally, the PBA notes that Union City Police do not receive a weapon allowance, cleaning allowance or a liberal replacement program.

Looking at base pay, the PBA points out that while it is in the mid range of comparables, it takes 25 years to reach maximum pay in Union City. According to the PBA, there is no other municipality among the municipalities in evidence where it takes anywhere even close to 25 years to reach maximum pay. For this reason, the PBA seeks to shorten the wage guide to bring it closer to average. According to the PBA's review of wage guides in the municipalities it uses for comparison, the average number of years to maximum salary is 6.56 years, compared to 25 years in Union City. According to the PBA, if one were to compare the sixth year salary among the comparable communities, salaries in Union City dropped to the lowest quarter. Because of its wage guide requiring 25 years of service to reach top step, police in Union City must work 26 years in order to retire at top pay, according to the PBA. According to the PBA, the actual pay rate in Union City upon completion of five years of service is \$51,523, which is approximately \$5,000 below average. The PBA maintains that poor pay rates, combined with the lack of off-setting benefits, puts Union City's compensation program in a poor relative position compared to other cities in northeastern New Jersey. In addition, the PBA points to rates of increases in numerous

northeastern New Jersey municipalities, which average 4.073% in 1999, 4.071% in 2000, 4.35% in 2001 and 4.25% in 2002. It submits the following chart:

	1999	2000	2001	2002
Guttenberg	5	5	5	5
Secaucus	3.8			
Port Authority	4	4	5	
North Bergen	3.5			
East Newark	4	4		
Hoboken	3.5	3.75	3.75	
Rutherford				4
Edgewater			4	4
E. Rutherford		4	4	4
Lodi	5	4		
Englewood	4.25			
Hackensack	4			
Clifton	3.75	3.75		
Garfield	4			
Average	4.073%	4.071%	4.35%	4.25%

The PBA maintains that this data supports its position rather than Union City's low offer.

The PBA asserts that private sector comparisons on wages should not be controlling because of the difficulty in comparing the job of a Union City Police Officer with private sector jobs. The PBA points to the hazards and risks associated with police work and their obligations to engage in law enforcement activity whether on or off duty. The PBA offers the following argument in its post-hearing brief [at pp. 28-29]:

The police officer lives and works within the narrowly structured statutorily created environment in a paramilitary setting with little or no mobility. The level of scrutiny, accountability and authority are unparalleled in employment generally. The police officer carries deadly force and is licensed to use said force within a great discretionary area. A police officer is charged with access to the most personal and private information of individuals and citizens generally. His highly specialized and highly trained environment puts great stress and demand on the individual.

Noting that the parties stipulated on the term of the agreement, the PBA points out that all other stipulations were procedural in nature.

Turning to the lawful authority of the employer, the PBA notes that Union City has elected to use a 2.5% index rate for the cap calculation, rather than to use the statutory maximum of 5%. The PBA points out that by using the 2.5% index rate there was an additional \$1,204,662.00 available for Cap calculation in the budget adoption process. The PBA also points out that Union City elected not to use an equal amount in Cap flexibility available to in its budget adoption process. Even with this minimal amount of Cap flexibility, the PBA points out, Union City had \$51,789,179.00 available for budgetary appropriation in 1999, but appropriated only \$50,741,209.00. Accordingly, the PBA calculates that \$1,047,969.00 in cap flexibility was added to its Cap bank for future budgeting. Pointing out that Union City also carried money forward in its Cap bank in 1997 and 1998, the PBA points out that in this case, the public employer is not constrained by Cap limitations.

Specifically, the PBA compares the flexibility available to Union City with the cost of a one percent increase in police salaries. For purposes of this calculation, the PBA assumes that the 118 members of the bargaining unit are at the top step rate of \$57,251.00 and that the total base salary is \$6,755,618.00. Assuming that one percent of police salaries is equal to \$67,556, the PBA maintains that the \$1,047,969 in available Cap flexibility is worth 15.5 percentage points of base pay. The PBA notes that while this budget flexibility is not cash, it illustrates the magnitude of the funds available and highlights that there is no legal impediment under the Cap Law to funding the PBA's position.

Addressing the impact of this award on the residents and taxpayers, the PBA submits that the key consideration in this case is not whether the residents and taxpayers can afford to fund the PBA's proposal, but whether they can afford not to. Noting again that the interest and welfare of the public is well served by the Union City Police Department, and that fewer officers are doing more work, the PBA maintains that Police are not well compensated in the context of total compensation. According to the PBA, a competitive compensation program would permit the employer to attract and retain qualified officers who can best serve the public. The PBA emphasizes that 19 officers have left the bargaining unit since the commencement of the last agreement. Although these officers have been replaced, the PBA points out that the difference in the base pay rate between a senior officer and an entry level officer is over \$30,000 per year.

Accordingly, the PBA calculates that the cost savings for the first year covering all of the turnover in officers is \$570,000. The PBA calculates further that based upon a one percentage point cost of \$67,556 for the entire bargaining unit, the savings equals 8.4 base wage percentage points for the entire bargaining unit. The PBA notes further that savings continue with some diminishing value as new officers move up the steps. Additionally, the PBA points out that new officers start with no longevity entitlement and receive scaled benefits, such as vacation entitlement.

The PBA also points to the substantial sums generated through fines and costs associated with Municipal Court. According to the PBA, these sums are significantly effected by the work of the police. The PBA notes that the State and the municipality split the fines for moving motor vehicle violations and the municipality receives other fines and court costs. The PBA highlights that the actual amount realized in cash in 1999 was \$2,318,406. Additionally, the PBA made the following observations from the 1999 budget:

- Under the general revenue portion of the budget there was an item for "Police Security" from the Union City Board of Education in the amount of \$16,000.
- Under the revenue portion of the budget there is an interlocal service agreement with the Union City Housing Authority referenced for the provision of Police Officers. The revenue anticipated in 1999 was \$294,000 for the provision of City Police Officers to the Housing Authority.
- The State of New Jersey provided drunk driving enforcement money in the amount of \$10,765.

- The Safe and Secure Communities Program provided \$90,000.
- The COPS Ahead Program provided \$11,345.
- The COPS Universal Hiring Supplemental Award was \$125,000.
- The Local Law Enforcement Block Grant was received in the amount of \$66,320.
- Another COPS Universal Hiring Supplemental Award was received in the amount of \$250,000.
- A COPS School Base Partnership revenue was received in the amount of \$104,380.
- The results in operations as is evidenced on the Annual Financial Statement demonstrates the ability to regenerate surplus with a significant improvement over the last 3 years.
- Significant improvement in budget revenues have reduced the deficit between the amount anticipated and realized by 30% over the last 3 years.
- Under the unexpended balance of appropriation reserves as increased in 2000 over 1999 from \$346,136 to \$412,152.
- The Schedule of Fund Balances, while appearing to show a deficit, actually does so due to the type of accounting in New Jersey. Under GAAP accounting this would be a positive number of over two million dollars. Due to receivables of \$2,498,926. Also, the recovered 6.3 million dollars from 1999 and 2000 - the resources are there - receivables, etc.
- The municipal tax rate has declined for the 4 year period 1995 through 1998 by 43 tax points.
- The tax levy has improved in its collections. In 1999 the levy was \$56,585,768 compared to 1998 \$50,866,178 (see 1998 Report of Audit).
- The assessed values have increased \$94,000,000 since 1994.
- There is an extremely low debt per capital. The borrowing power of this municipality remaining under the statutory formula is over nine and one-half million dollars

- This Municipality as of June 30, 200 was in a strong cash position with \$19,848,819 in the current fund and \$105,513 in the capital fund.

The PBA made the following observations with respect to the employer's financial exhibits:

- The outstanding debt in Union City is the lowest among all municipalities which were "cherry picked" by the employer. When using the term "cherry picked" the PBA is referring to the employer's reliance upon such cities as Camden, Atlantic City and Trenton.
- Debt per capita in Union City is far below the average. The average debt per capita in the employer exhibits is \$907.00 whereas Union City is only \$690.00.
- Union City ranks last in the category of total expenditures under the employer's exhibits.
- The tax levy per capita in Union City is far below average. The average is \$1,200 per capita whereas in Union City it is only \$852.00 per capita.
- The percent of tax levy collected in Union City is above average for the towns selected as comparable by the employer.
- The total outstanding debt in Union City is below average for the County of Hudson's municipalities. The average is \$47,583,000 and Union City's outstanding debt is only \$39,595,000.
- Union City debt per capita is far below average for all of Hudson County's municipalities. The average is \$980 per capita for the County but only \$690 per capital in Union City.
- Revenues in Union City are exactly in the middle of the County, number 6 out of 12.
- The total expenditures in Union City are exactly in the middle, 6 out of 12.

- Total property values in Union City rank no. 7 out of 12 municipalities.
- The total State equalized value in Union City ranks number 7 out of 12 municipalities.
- The total tax levy per capita is one of the lowest in the entire County of Hudson. Union City ranks number 11 out of 12 municipalities at \$852 per capita.
- The police expenditures in Union City are the lowest for all towns in the State which the employer has used for comparability.

Additionally, the PBA points out that the tax collection rate, which is a barometer of the tax burden on citizens, has been increasing for the past three years from 92.68% in 1998 to 98.42% in 1999 and 98.82% in 2000. The PBA also points out that the creation of the North Hudson Regional Fire and Rescue Department consolidating fire fighting services in four municipalities, including Union City, will save the City significant sums. Specifically, the State has provided a \$6.2 million bonus to encourage other cost saving consolidation ventures. The PBA points out that the City's most recent budget reflects a reduction in fire salaries and wages of \$1,180,820.

The PBA emphasizes that the 1999 budget appropriates 4.32% over 1998 levels for police salaries. The PBA suggests that this amount is what the City has budgeted for police salary increases in 1999 and urges that this figure be given great weight.

Additionally, the PBA points out that the State has revised its accrued liability savings calculation which has resulted in significant reductions in pension contributions for the employer for two budget years. According to the PBA, the amount reduced in Union City for two years is \$403,253 each year. Comparing the \$403,000 savings in each of two years to the cost of a one percent salary increase, the PBA calculates that it is equal to 5.96%. Accordingly, the PBA contends that the Employer can afford to pay the cost of the PBA's proposal.

The PBA acknowledges that cost of living data is below its proposal, but asserts that it should not be a key consideration. Pointing out that cost of living data is regional, the PBA contends that the same impact of the cost of living was felt in the jurisdictions used by the PBA for comparison. Accordingly, the PBA urges consideration of the cost of living criteria as an indicator only, but urges that it not be controlling. Asserting that employer's reliance on the cost of living criteria is situational, the PBA points out that when increases in the cost of living are high, employees did not receive similar increases. Additionally, the PBA contends that because Union City Police receive below average compensation compared to other municipalities subject to the same increases in the cost of living, this criteria should not be given great weight.

Finally, the PBA asserts that the continuity and stability of employment criterion supports its final offer. Specifically, using this criterion to cover private sector concepts of prevailing wage and area standards, the PBA maintains that

the 25 years to maximum pay rate program is not comparable to the under seven years to top pay in other towns. Accordingly, the PBA maintains that the actual pay rate maximum in Union City is somewhat of an illusion since an employee would have to stay more than 25 years to reach maximum. This assumes a heightened significance, according to the PBA, because it requires officers to stay beyond the statutory retirement threshold in order to reach maximum pay rate benefit and effects Officers' pensions. The PBA points out that the City has not offered evidence on this issue, which the PBA views as a concession.

CITY OF UNION CITY

The City of Union City highlights the core issue of salary and points out that its Patrol Officers currently (1998) receive a maximum salary of \$56,727, \$57,251 for traffic officers, and \$57,424 for a plain clothes officer. In addition, the City points out that its officers currently accrue 15 days of sick leave and three days of personal leave annually, as well as a maximum of 21 vacation days, earn maximum longevity of 21%, receive a clothing allowance of \$800 and a weapons maintenance allowance of \$200 per year. The City maintains that the salaries and benefits received by its Police are very competitive with other Hudson County cities. The City also maintains that it has no trouble recruiting significant numbers of highly qualified applicants for limited openings. Relying upon the testimony of Officer Hughes, the City points out that it has never had a problem hiring police officers. The City also notes that the number of patrolmen in the

bargaining unit has increased incrementally over the last three years and only two officers have resigned from the police department in the last five years.

In contrast, the City points out to that as of June 30, 2000, its Amended Financial Statement shows an operations deficit of approximately \$1.4 million, and an overall deficit of approximately \$5 million.

Turning to the statutory criteria, the City asserts that it is in serious financial trouble and analysis of the financial impact criterion compels adoption of its final offer. Reiterating that it has a current operation deficit of approximately \$1.4 million, and an overall deficit of approximately \$5 million, the City asserts that these figures could increase if it is required to pay significant bonds in open tax appeals. Although at the time of hearing, the City had not approved the 2000 fiscal budget, it anticipated that salary adjustments for all municipal employees would cause an approximately \$1 million short fall. In this light, the City points out that under the current PBA agreement, a one step guide increase towards maximum step for 50 Officers cost the City approximately \$6,000. The City estimates that in order to sustain such increases, the 2001 budget would require a tax increase of over 20 percent. Additionally, the City will no longer receive additional revenues from the intra local agreements with the Union City Board of Education, and will assume additional costs for providing services including school crossing guards and school computers. The City notes that it also anticipates lost revenue from a decrease in grants and housing authority. On the

other hand, the City points to increased liabilities from an increase in judgments of close to \$1 million. The City also points out that the State's Division of Local Government Services has determined it to be a distressed City in need of financial aid. Based upon these anticipated costs, the City asserts that it cannot afford large across-the-board wage increases. The City maintains that it does not have the unreserved funds to support the PBA's final offer. Therefore, the City asserts that in order to raise such funds, it would have to either increase the tax levy, or realize an item in lieu of taxes.

The City asserts that the PBA has offered little evidence supporting its final offer. In contrast, the City asserts that its Financial Statements support its last offer of a fairer and moderate wage increase of 3% beginning July 1, 2000, effective July 1, 3% for each of the next two years and also effective July 1, and 3.5% for the final year effective July 1. Additionally, the City proposes to add three new steps for officers.

The City urges careful study of the interest arbitration award in the Town of West New York and Local 361, where Arbitrator Brent found that the financial impact on the municipality of an above-average, across-the-board wage increase, could not be justified in light of extreme financial difficulties, a stable cost of living, and where the current wage and benefit package provided continuity and stability of employment. Finding that employees were in the middle of the salary range within Hudson County, the City points out that

Arbitrator Brent awarded a wage freeze for 1997 followed by modest increases coupled with givebacks, a reduction in vacation time, and an increase in the prescription co-payments. The City cites with approval Arbitrator Brent's findings as follows:

The interests and welfare of the taxpayers of West New York mandate that their already heavy tax burden not be unduly increased. Bargaining unit Police Officers are entitled to fair compensation in comparison to Police Officers in other jurisdictions ... but it is inappropriate materially to augment their package of compensation at a time when the town is struggling to recover from the adverse impact of a declining tax base and is burdened by one of the highest tax rates in the area.

Additionally, citing Hillsdale PBA Local 207 V. Borough of Hillsdale, 137 N.J. 71(1994), the City points out that the financial impact criteria is not the same as municipality's ability to pay. Instead, the City asserts that the financial impact criteria requires consideration of the municipality's ability to maintain existing local programs and services, and to initiate new programs and services. According to the City, its Police are well compensated and excessive increases are not supported in this case.

Examining the overall compensation received by its police officers, the City points out that its Police receive competitive wages and 15 days of sick leave per year, maximum longevity of 21 percent, three personal days per year, a maximum of 21 days of vacation, and a clothing and personal appearance allowance of \$800 per year. Additionally, the City points out that its Police

receive comprehensive health care benefits, including eye care and dental as well as family coverage. Using the following chart for comparison, the City asserts that its salary is competitive with salaries paid to Police in major cities in New Jersey, New York City, and Philadelphia:

Major Area Cities in New Jersey, New York City, Philadelphia and Union City in 1994

Union City	\$49,077
New York City	\$48,593
Atlantic City	\$47,292
Newark	\$45,144
Elizabeth	\$44,135
Camden	\$43,928
Trenton	\$42,711
Philadelphia	\$33,382

Comparing the salaries of Union City Police to those of private sector employees, the City points out that under statistics compiled by the New Jersey Department of Labor, a patrolman with maximum longevity earns more than biomedical engineers, physical therapists, accountants, biochemists, pharmacists, social workers with Masters degrees, and Deputy Attorneys General. The City points out that this favorable salary comparison exists without even without the inclusion of longevity, clothing allowance, and other benefits.

Comparing the overall compensation of its Police to that of other Officers in Hudson County, the City points out that in 1998 its officers received the second highest salary of \$57,251, compared to similar Hudson County

municipalities. The following chart compares maximum salaries in Hudson County municipalities which the City deems comparable:

**1998 Maximum Salaries in Comparable
Hudson County Municipalities**

Union City	\$57,251
Hoboken	\$52,926
Weehawken	\$52,942
West New York	\$50,592
Harrison	\$49,824
East Newark	\$48,761

Based upon these comparisons, the City asserts that its salary and benefits are highly competitive and compare favorably with those provided by other municipalities. In addition Union City police enjoyed job security and excellent benefits, including longevity payments of up to 21%.

Looking in greater detail at the comparison with that of private and public employees and law enforcement employees generally, the City asserts that its police officers fare favorably. Pointing to numerous wage freezes in public employment, the City cites the contract between West New York and its firefighters union which included a wage freeze in 1995, as well as wage freeze for State employees in 1996 and 1997 including the State Troopers for 1997. The City also cites wage freeze for I.A.F.F., Local 198 members in Atlantic City in 1996 and 1997 as well as a 2 year of wage freeze for IBT employees of the City of Atlantic City. The City also notes that in 1997, 10 percent of all contracts called for a wage freeze. In contrast, the City notes that its Police have not have

a wage freeze in recent memory and have always received wage increases in excess of increases in the cost of living. Accordingly, the City asserts that PBA members and compare only favorably under the City's proposal.

Comparing benefits received by its officers with other Police within Hudson County, the City points that the \$800 clothing allowance it provides higher than that provided in Guttenberg, Harrison, North Bergen, and Weehawken. The City observes that its officers received more personal days than Hoboken, North Bergen, Harrison, Cap Guttenberg, West New York, East Newark, Jersey City, Secaucus, and Weehawken. The City points out that most Hudson County police departments do not receive any personal days. Turning to longevity, the City emphasizes that its officers received a maximum longevity of 21% at 23 years. According to the City, its officers are receiving an equal or higher percentage of longevity than Hoboken, West New York, Guttenberg, Harrison, Jersey City, Secaucus and Weehawken. The City also points out that the maximum salary for its patrolman in 1998 was \$57,251 and only Police in Secaucus received more that \$62,240. Based upon this comparison, the City asserts that there is no demonstrated need for wage increases of 5% per year. The City maintains that such increases would be grossly unfair to taxpayers as well as to other municipal employees. Contracts submitted by the PBA provide limited information according to the City because they do not include prior wage rates, give backs and community demographics. In contrast, the City asserts that its proposal is reasonable because it adds three steps to salary guide. The

City maintains that in light of current economic conditions, including modest cost of living increases, the City's proposal, including additional salary steps and a maximum salary that allows for increases over \$1500 is reasonable.

The City asserts that the interest and welfare of the public favors its proposal. The City maintains that its proposal does not impose significant cost upon its taxpayers who already face tax increases next year. In support of its proposal, the City points to financial documents demonstrating that the City is in significant financial trouble with a current operation deficit of \$1.4 million and an overall deficit of \$5 million. The City reiterates that it may be faced with additional financial concerns resulting from pending tax appeals and that it anticipates a shortfall of approximately \$1 million as a result of salary adjustments for all of the municipal employees. The City also points to increased liabilities from an increase in judgments of close to \$1 million. The City maintains that it does not have the unreserved funds to support the PBA's final offer. The City notes that the public is ultimately responsible for funding the increases in this case and the City asserts that the interest and welfare of the public demands that the tax burden not be increased. According to the City, the PBA's proposal would increase the tax burden and the PBA has not demonstrated that the increases it proposes are warranted. The City contends that it is able to recruit significant numbers of highly qualified applicants for few openings and only two officers have resigned from the Department in the last five years. The City

asserts that there is no evidence that the current level of compensation is insufficient to attract and retain quality police officers.

Addressing the lawful authority of the employer, the City argues that this criterion favors its proposal. The City argues that the PBA's proposal for wage increases would not stem the "spiraling cost of local government" or of property taxes while the City's proposal is reasonable and would reduce taxpayer's liability. The City argues that its proposal would better meet the Legislature's goal of keeping government spending under control and would be in the taxpayer's best interests.

The City maintains that the continuity and stability of employment criterion supports a finding in favor of its last offer. According to the City, the record demonstrates that the overall compensation of its police officers, including their benefits and salary, has been an inducement to remain in the City's employ. The City reiterates that the salaries and benefits it provides to its police officers are comparable to those provided by other police departments. The City reiterates that the salary and benefits provided to its police officers, including sick leave, vacation, personal days and clothing allowance, as well as full major medical and dental benefits are very comparable to those provided by other police departments. Additionally, the City asserts that its police officers do not experience job instability and stagnant wages. In contrast, the City points out that its police officers enjoyed stability, longevity, generous vacation and sick

time, and great benefits. The City maintains that these factors enhance the continuity and stability of police employment. Additionally there is no evidence that Police Officers have been laid off or that the City has encountered difficulty in hiring police officers. The City cites the testimony of Officer Hughes that the City has never had difficulty in hiring employees and that the Department has grown incrementally over the life of the last agreement. In contrast, the City points out that the State had an unemployment rate of 5.4% in 1997. Moreover, the City emphasizes that its police officers continue to enjoy a remarkable stability of employment. Additionally, its Police Officers have not been asked to contribute to the rising cost of health care. Accordingly, the City points out that there is no evidence to suggest that its offer will adversely affect the continuity and stability of employment of its Police.

Addressing the cost of living criterion, the City points out that the CPI is stable and remains at historic lows. Specifically, the City notes that in 1998, the CPI-U rose 1.6% and in April of 1999, the CPI-U rose only 0.7%. Even though the cost of living has remained stable while the economy has grown, City views the cost of living criterion as a serious factor. The City maintains that absent increases in the cost of living which would justify higher wage increases, skyrocketing property taxes become paramount. Additionally, since the City pays for the cost of health insurance, including family coverage where appropriate, the City points out that its Police are insulated from minor increases in the cost of

living. Therefore, the City asserts that its proposal is more reasonable under the cost of living criterion.

Turning to its proposal to add three new salary steps for patrol officers, traffic officers, plainclothes officers and uniformed officers, the City points out that the current agreement provides for eight steps for all officers hired before July 1, 1990, and 13 steps for all officers hired after July 1, 1990. The City points out that in 1998 the overall average percent increase was 3.5%. However, the City also points out that rate of increase in the first six steps was 7%. According to the City, the current salary rate increases from step 3 to step 4, step 4 to step 5, and step 5 to step 6 is 10 percent. According to the City, these increments are excessive. The City cites recent settlements between the City of Atlantic City and IBT, Local 331, West New York and PBA, Local 361, and the interest arbitration award in the Borough of Shrewsbury and PBA, Local 308 to show the reasonableness of adding additional steps. According to the City, in the Borough of Shrewsbury interest arbitration award, Arbitrator Scheinman added a new step to equalize the salaries between steps so that the increased amount between each salary step would be the same. Here, the City proposes the addition of three new steps for all officers. According to the City the addition of three new steps would make increases more moderate and compatible with the officers experience and the City urges this the adoption of this proposal.

The City urges rejection of the PBA's proposals to change the amount of time to file a grievance and to delete language concerning what grievances may proceed beyond step one of the grievance procedure. According to the City, the current contract language is sufficient. The City urges rejection of the increase in the amount of time to file a grievance, to permit the immediate resolution of concerns resolved through the Grievance Procedure. The City points out that the PBA has not offered justification or evidence to support the deletion of paragraph C2 of the Grievance Procedure. According to the City, the current language is sufficient unnecessary to insure that unnecessary concerns not be included in a grievance procedure. Additionally, the City points out that as currently written, the provision insures that grievances involve only the "interpretation, application, or alleged violations of the terms and conditions of [the] Agreement." The City urges that the PBA's proposals regarding the grievance procedure be denied.

DISCUSSION

As stated above, I am required to issue an award based upon a reasonable determination of all issues in dispute after giving due weight to the statutory criteria which I judge relevant. The City and the PBA have articulated fully their positions on the issues and have submitted evidence and argument on each statutory criterion to support their respective positions. These submissions are expert and comprehensive in nature. The evidence and arguments have been carefully reviewed, considered and weighed.

One principle which is ordinarily and traditionally considered in the determination of wages, hours and conditions of employment through the bargaining process is that a party seeking such change bears the burden of showing the need for such modification. I apply that principle as part of my analysis to each issue in dispute.

The parties have entered into a stipulation to change the language in Article XL which refers to "Duration of Agreement". On December 7, 1998, the parties agreed to modify the "Term and Renewal" language included in Article XL pursuant to N.J.S.A. 34:13A-16(g)(4). The language agreed to by the parties is as follows and is incorporated into this Award:

This agreement shall have a term from January 1, 19__ through December 31, 200_. If the parties have not executed a successor agreement by December 31, 200_, then this Agreement shall continue in full force and effect until a successor agreement is executed.

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

In addition to across-the-board salary increases, only the PBA proposals to amend the grievance procedure and decrease the number of salary steps necessary to reach maximum and the City's proposal to increase the number of steps are in dispute.

The PBA seeks to delete paragraph C.2 of the Grievance Procedure which provides:

No grievance may proceed beyond Step 1 herein unless it constitutes a controversy arising over the interpretation, application or alleged violations of the terms and conditions of this Agreement. Disputes concerning terms and conditions of employment controlled by statute or administrative regulation, incorporated by reference in this agreement either expressly or by operation of law, shall not be processed beyond Step 1 herein.

The PBA also proposes that the initial grievance step be modified to change the 10 day window to a 30 day window. The City objects to these proposals as unnecessary and unjustified.

The PBA has not met its burden to demonstrate a need for these changes. The record does not reflect problems with the current grievance procedure that these proposals would cure. Accordingly, they are denied.

Both the City and the PBA seek to amend the current salary structure to change the number of steps to reach maximum salary. The PBA would reduce the number of steps necessary to reach maximum to four, while the City would add three steps between steps 3 and 4, 4 and 5, and 5 and 6.

The structure of the current salary guide is somewhat different when compared with other agreements. It provides that Officers do not reach maximum salary until the 25th year of service. The PBA urges a drastic reduction

to four steps and the reaching of maximum after four years. The City seeks an expansion in the number of steps to reach maximum. The last salary guide in effect is for the year 1998 which states:

Union City 1998 Salary Guide

	Traffic Officers Hired Prior to July 1, 1990	Traffic Officers Hired After July 1, 1990	Plain Clothes Officers Hired Prior to July 1, 1990	Plain Clothes Officers Hired After July 1, 1990	Uniform Officers Hired Prior to July 1, 1990	Patrol Officers Hired After July 1, 1990
Probation		23,934		24,051		23,580
1 st Year		28,650		28,767		28,296
2		38,755		38,906		38,303
3		41,008		41,158		40,557
4	56,784	45,514	56,956	45,665	56,265	45,065
5	S/A	51,523	S/A	51,674	S/A	51,072
6	56,855	56,855	57,028	57,028	56,338	56,338
7	S/A	S/A	S/A	S/A	S/A	S/A
8	S/A	S/A	S/A	S/A	S/A	S/A
9	56,929	56,929	57,102	57,102	56,409	56,409
10	S/A	S/A	S/A	S/A	S/A	S/A
11	S/A	S/A	S/A	S/A	S/A	S/A
12	57,002	57,002	57,177	57,177	56,482	56,482
13	S/A	S/A	S/A	S/A	S/A	S/A
14	S/A	S/A	S/A	S/A	S/A	S/A
15	S/A	S/A	S/A	S/A	S/A	S/A
16	57,112	57,112	57,284	57,284	56,589	56,589
17	S/A	S/A	S/A	S/A	S/A	S/A
18	S/A	S/A	S/A	S/A	S/A	S/A
19	57,184	57,184	57,359	57,359	56,661	56,661
20	S/A	S/A	S/A	S/A	S/A	S/A
21	S/A	S/A	S/A	S/A	S/A	S/A
22	57,218	57,218	57,392	57,392	56,696	56,696
23	S/A	S/A	S/A	S/A	S/A	S/A
24	S/A	S/A	S/A	S/A	S/A	S/A
25	57,251	57,251	57,424	57,424	56,727	56,727

In evaluating the respective proposals, I consider the following facts. There are different salary schedules for Officers hired before July 1, 1990 and those hired after July 1, 1990. The patrol officers at step six received \$56,338. All patrol officers receive additional monies in six steps between the 6th and 25th years of service, but the amounts are minimal in nature as evidenced by the \$56,727 salary received at the 25th year. Another example is Traffic Officers

hired after July 1, 1990 who receive only a total of \$396 in increases based upon 1998 salaries between the 6th and 25th years.

Neither the City nor the PBA has submitted estimates for additional costs or cost savings that would result from their proposed amendments to the current salary structure. The City's argument that Officers moving from Steps 3 to 4, 4 to 5, and 5 to 6 receive excessive increases is not supported after thoroughly reviewing step movements and salary guides in other police contracts generally. Likewise, the PBA's contention that there are no other Police contracts in Hudson County which require 25 years to reach maximum salary cannot be given substantial weight because of the relatively minor increases received by police between the 6th and 25th years of service. The amount of difference between Step 6 and Step 25 is only \$381 for Patrol Officers hired after July 1, 1990. For all intents and purposes, the Agreement is a six step guide. For these reasons, both proposals to modify the current salary structure have not been justified and the salary structure will remain unchanged.

I turn now to the issue of salary. The PBA has proposed 5% across the board increases annually and the City has proposed a 0% increase in 1999, 3.0% effective July 1, 2000, July 1, 2001 and July 1, 2002 and 3.5% effective July 1, 2003. The PBA proposes 25% over the five years while the City proposes 12.5%. When the cost of the PBA's proposal is compared to the cost of the

City's proposal by adding the sums of annual new money costs, it results in a total of \$1,110,843 more over the five year agreement.

The City and the Union have each presented arguments and evidence which tends to support their positions, although the points raised by each conflict in certain critical respects. The Union argues persuasively that the award should be higher than the City's offer and the City argues persuasively that the award should be less than the Union's proposal. There is support for both positions. An award must be developed which does not have adverse financial impact on the governing body or its residents and taxpayers, is within the City's lawful authority and which will not result in the City's police officers suffering a diminution in its relative standing among comparable jurisdictions. There are other factors which are also relevant but cannot be weighed as heavily.

When all of the statutory criteria are considered and weighed, and after full consideration of the arguments and evidence submitted, I have concluded that a reasonable determination of the wage issue results in wage increases below that proposed by the PBA but above that proposed by the City. In general terms, I am persuaded that the Union has established a basis for higher rate increases than the City has proposed and the City has established a need for some relief in the payout of those increases during the contract term. By awarding increases effective July 1 of each contract year, the timing of the increases will coincide with the City's fiscal year and ease the impact of the payout of the rate increases.

For the reasons stated below, I have awarded wage increases of 3.5% effective July 1, 1999, 3.5% effective July 1, 2000 and 3.5% effective July 1, 2001, 3.75% effective July 1, 2002, and 4.0% effective July 1, 2003 for a total of 18.25% over five years, although each annual wage increase is deferred by six months in each calendar and contract year. In 1999 the salary increase on the salary schedule steps, based upon the \$6,755,618 total base salary, will cost \$118,233, an additional \$240,601 in 2000, an additional \$267,436 in 2001, an additional \$278,161 in 2002 and an additional \$317,050 in 2003. The cost of this increase is \$219,000 less than the PBA's proposal in 1999 and \$118,223 more than the City's proposal. In 2000, the cost of the wage increase is \$103,500 less than the PBA's proposal and \$129,000 more than the City's. In 2001, the cost of the increase awarded is \$116,000 less than that proposed by the PBA and \$51,000 more than that proposed by the City. In 2002, the cost of the increase is \$111,862 less than that proposed by the PBA and \$67,500 more than the City's proposed increase. In 2003, the cost of the increase is \$99,922 less than that proposed by the PBA and \$72,305 more than the City's proposal. In sum, the cost of the increase over the five year agreement is \$648,000 less than the PBA's proposal and \$437,000 more than the City's proposal. Each year's cost is new annual cost based upon six months payout of each increase plus six months carryover into the next year. These figures are exclusive of, pre-existing step increases and roll up costs, and assume no resignations, retirements, hiring or promotions.

The effect of the Award on the City's payroll costs (assuming an annualized obligation) in relation to the last offers of the parties is calculated as follows:

**Union City Payroll Costs
(Based on Total Payroll of \$6,755,618 on December 31, 1998)**

	PBA Proposal		Award		City Proposal	
	Percent Increase	Total Payroll	Percent Increase	Total Payroll	Percent Increase	Total Payroll
1999	1/1/99 5.0%	\$7,093,398	7/1/99 3.5%	\$6,992,064	1/1/99 0.0%	\$6,755,618
2000	1/1/00 5.0%	\$7,448,067	7/1/00 3.5%	\$7,236,786	7/1/00 3.0%	\$6,958,286
2001	1/1/01 5.0%	\$7,820,490	7/1/01 3.5%	\$7,490,074	7/1/01 3.0%	\$7,167,034
2002	1/1/02 5.0%	\$8,211,514	7/1/02 3.75%	\$7,770,952	7/1/02 3.0%	\$7,382,045
2003	1/1/03 5.0%	\$8,622,089	7/1/03 4.0%	\$8,081,790	7/1/03 3.5%	\$7,640,416

Application of several factors included in N.J.S.A. 34:13A-16g requires an inquiry into the City's financial status and the financial impact of the terms of this Award. These include the interests and welfare of the public [g(1)], the lawful authority of the employer [g(5)] and the financial impact on the governing unit, its residents and taxpayers [g(6)].

Using a CAP index rate of 2.5% for 2000, the City has declined to appropriate an additional 2.5% which would be allowable under P.L. 176 c. 68 (C.40A:4-45 et seq.). The PBA contends that the City could have increased its recent annual budgets by significantly more amounts than it did because it consistently underutilized its lawful authority by adopting actual CAPs much less than the 5% allowable by law. Although the PBA's point has been considered, I

am compelled to examine the City's lawful authority by virtue of the CAP increase it has adopted rather than the CAP increase it could have adopted. Having done so, I conclude that this award can be funded without impact on the City's lawful authority pursuant to the CAP law and therefore does not compel the City to exceed its lawful authority. The record reflects that the City has not contended that funding the full amount of PBA's proposal would cause it to exceed its lawful authority under the CAP Law and the terms of the award fall substantially below the PBA's proposals. The July 1 effective dates will ease the annual payouts thereby reducing financial pressure on the City's spending limitation. Thus, I conclude that the costs of the Award can be met without the City having to usurp its lawful authority.

I also conclude that the terms of the Award will not have adverse financial impact on the governing unit, its residents and taxpayers. The evidence presented by the City causes an Award substantially less than sought by the PBA, but that evidence does not reflect that the terms of the Award beyond its final offer cannot be funded within its financial capabilities or that its financial impact will detrimentally affect its financial interests in a manner adverse to the public's interests or welfare. The City points out that its taxpayers have a hefty burden and that tax appeals could result in additional financial burdens. The City, however, has increased its assessed valuation by approximately \$94 million from \$1,260,926,302 in 1995 to \$1,355,158,333 in 1999. At the same time, the municipal tax rate has decreased from 1.856 in 1996 to 1.726 in 1998 and the

total tax rate has decreased from 3.723 to 3.718 over the same period. Other factors reflect that the City can fund the terms of the Award without adverse financial impact. The City has received several grants that supplement police funding including \$90,000 from the Safe and Secure Communities Program, \$11,345 from the COPS Ahead Program, two grants totaling \$400,000 from the COPS Universal Hiring Supplemental Award, \$66,230 from the Local Law Enforcement Block Grant, and \$104,380 from the COPS School Base Partnership revenue. Although the Schedule of Fund Balances appears to show a deficit of \$649,763 as of June 30, 2000, this is offset under GAAP accounting by receivables of \$2,498,926. Additionally, the City has generated excess revenues over total expenses as can be observed from the approximately \$1.4 improvement in the results of operations from 1999 to 2000. The City has consistently collected taxes well above the amount of taxes estimated to be collected. For example, in 2000, the City estimated that it would collect 93% of taxes and actually collected 98.82%. The City has also been relieved of its pension contribution liability in the amount of \$403,000 for each of two years. The interests and welfare of the public will be served by an award which maintains the relative wage standing of Union City police officers while easing the cost of the payouts over the five year period. The financial data compels a phasing in of the wage rates compatible with the City's improving financial posture and at a reasonable level which rewards the police officers who are performing productively in a difficult and challenging environment.

Both parties place great emphasis on comparisons with other groups of employees, but differ as to the most relevant comparisons. The PBA emphasizes comparison with other law enforcement agencies in Bergen and Hudson Counties, while the City also compares its Police Officers to major cities throughout the State of New Jersey, and New York City and Philadelphia. While all of these comparisons are relevant, more weight must be given to comparisons with other municipal law enforcement agencies in Hudson County.

HUDSON COUNTY MAXIMUM PATROL SALARIES

	1998	1999 % Inc	1999	2000 % Inc	2000	2001 % Inc	2001	2002 % Inc	2002
East Newark	48,761	4	50,711	4	52,739				
Guttenberg	50,235	5	52,747	5	55,384	5	58,153	5	61,061
Harrison	49,824	4		4		4			
Jersey City	57,251								
North Bergen	51,318	3.5	53,114						
Secaucus	62,240	3.8	64,605						
Weehawken	52,942								
Union City	57,251								
West New York		3		3		3		3	
Average	53,727	3.8		4		4		4	

Of particular note are the following settlements. North Bergen received a 3.5% increase in 1999, West New York received 3.0% increases for 1999, 2000, 2001 and 2002, Secaucus received a 3.8% increase in 1999 and Harrison received 4% increases in 1999, 2000 and 2001. Guttenberg received 5% increases for 1998, 1999, 2000, 2001 and 2002 but received 0% increases for 1997 and 1998 causing an average of 3.57% over the seven years. A simple formula cannot be derived and applied from salaries negotiated in these jurisdictions, although they must be given substantial weight. In this particular

case, they must also be weighed against the financial posture of the City. That posture reflects some lags in revenues in relation to expenditures causing budgetary problems especially in 1998 and 1999. This financial evidence warrants a July 1 date for the receipt of the rate increases which average 3.65% over the life of the Agreement, although the payout falls below this percentage due to the July 1 effective dates for the increases. This average will allow for relative maintenance of police wages with other jurisdictions over the life of the contract.

The terms of the Award are compatible with the private sector wage data submitted into the record. Private sector settlements cited by the City emphasize wage freezes, while the private sector wage survey compiled by the New Jersey Department of Labor reflects average increases in the private sector generally of 4.3% from 1998 to 1999 and of 8.6% specifically in Hudson County. The terms of this Award with average annual increases of 3.65% are below the cited average private sector increases. I have also considered the fact that the annual wages herein are well above the average annual wages of the private sector employees subject to the Department of Labor data.

The data submitted by the City with respect to the increases in the cost of living has also been considered. The City contends that the PBA could not justify its demands in light of the current and/or previous CPI figures. This factor is relevant and weighs against the 5% increases sought by the PBA, although it

does not compel an Award of 12.5% over five years as proposed by the City. The CPI factor is not controlling and must be weighed against the remaining statutory criteria which I have concluded warrants an increase averaging 3.5%. The continuity and stability of employment for police officers employed by the City will be maintained by the terms of the Award. The Award will have no appreciable affect on this factor.

Accordingly, and based upon all of the above, I respectfully enter the following Award.

AWARD

All proposals by the City and the Union not awarded herein are denied and dismissed. All provisions of the existing agreements shall be carried forward except for those modified by the terms of this Award. All tentative agreements entered into between the City and the Union shall be incorporated herein. The increases in salary shall be retroactive and received by all eligible unit employees, including those who have left employment in good standing between January 1, 1999 and their last date of employment.

Article XL - Duration of Agreement

This agreement shall have a term from January 1, 1999 through December 31, 2003. If the parties have not executed a successor agreement by December 31, 2003, then this Agreement shall

continue in full force and effect until a successor agreement is executed.

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

SALARIES

All steps of the Salary schedules shall be increased by the awarded percentages on each effective date and retroactive to each date.

July 1, 1999 3.5%
 July 1, 2000 3.5%
 July 1, 2001 3.5%
 July 1, 2002 3.75%
 July 1, 2003 4.0%

The salary schedules shall read:

UNION CITY 1999 SALARY GUIDE (3.5% Effective July 1, 1999)

	Traffic Officers Hired Prior to July 1, 1990	Traffic Officers Hired After July 1, 1990	Plain Clothes Officers Hired Prior to July 1, 1990	Plain Clothes Officers Hired After July 1, 1990	Uniform Officers Hired Prior to July 1, 1990	Patrol Officers Hired After July 1, 1990
Probation		24,772		24,893		24,405
1 st Year		29,653		29,774		29,286
2		40,111		40,268		39,644
3		43,263		42,599		41,976
4	58,771	47,107	58,949	47,263	58,234	46,642
5	S/A	53,326	S/A	53,483	S/A	52,860
6	58,845	58,845	59,024	59,024	58,310	58,310
7	S/A	S/A	S/A	S/A	S/A	S/A
8	S/A	S/A	S/A	S/A	S/A	S/A
9	58,922	58,922	59,101	59,101	58,383	58,383
10	S/A	S/A	S/A	S/A	S/A	S/A
11	S/A	S/A	S/A	S/A	S/A	S/A
12	58,997	58,997	59,178	59,178	58,459	58,459
13	S/A	S/A	S/A	S/A	S/A	S/A
14	S/A	S/A	S/A	S/A	S/A	S/A
15	S/A	S/A	S/A	S/A	S/A	S/A
16	59,111	59,111	59,289	59,289	58,570	58,570
17	S/A	S/A	S/A	S/A	S/A	S/A
18	S/A	S/A	S/A	S/A	S/A	S/A
19	59,185	59,185	59,367	59,367	58,644	58,644
20	S/A	S/A	S/A	S/A	S/A	S/A
21	S/A	S/A	S/A	S/A	S/A	S/A
22	59,221	59,221	59,401	59,401	58,680	58,680
23	S/A	S/A	S/A	S/A	S/A	S/A
24	S/A	S/A	S/A	S/A	S/A	S/A
25	59,255	59,255	59,434	59,434	58,712	58,712

**UNION CITY 2000 SALARY GUIDE
(3.5% Effective July 1, 2000)**

	Traffic Officers Hired Prior to July 1, 1990	Traffic Officers Hired After July 1, 1990	Plain Clothes Officers Hired Prior to July 1, 1990	Plain Clothes Officers Hired After July 1, 1990	Uniform Officers Hired Prior to July 1, 1990	Patrol Officers Hired After July 1, 1990
Probation		25,639		25,764		25,259
1 st Year		30,691		30,816		30,311
2		41,515		41,677		41,031
3		44,777		44,089		43,446
4	60,828	48,756	61,013	48,917	60,272	48,275
5	S/A	55,193	S/A	55,354	S/A	54,710
6	60,904	60,904	61,090	61,090	60,351	60,351
7	S/A	S/A	S/A	S/A	S/A	S/A
8	S/A	S/A	S/A	S/A	S/A	S/A
9	60,984	60,984	61,169	61,169	60,427	60,427
10	S/A	S/A	S/A	S/A	S/A	S/A
11	S/A	S/A	S/A	S/A	S/A	S/A
12	61,062	61,062	61,249	61,249	60,505	60,505
13	S/A	S/A	S/A	S/A	S/A	S/A
14	S/A	S/A	S/A	S/A	S/A	S/A
15	S/A	S/A	S/A	S/A	S/A	S/A
16	61,180	61,180	61,364	61,364	60,620	60,620
17	S/A	S/A	S/A	S/A	S/A	S/A
18	S/A	S/A	S/A	S/A	S/A	S/A
19	61,257	61,257	61,444	61,444	60,697	60,697
20	S/A	S/A	S/A	S/A	S/A	S/A
21	S/A	S/A	S/A	S/A	S/A	S/A
22	61,293	61,293	61,480	61,480	60,734	60,734
23	S/A	S/A	S/A	S/A	S/A	S/A
24	S/A	S/A	S/A	S/A	S/A	S/A
25	61,329	61,329	61,514	61,514	60,767	60,767

**UNION CITY 2001 SALARY GUIDE
(3.5% Effective July 1, 2001)**

	Traffic Officers Hired Prior to July 1, 1990	Traffic Officers Hired After July 1, 1990	Plain Clothes Officers Hired Prior to July 1, 1990	Plain Clothes Officers Hired After July 1, 1990	Uniform Officers Hired Prior to July 1, 1990	Patrol Officers Hired After July 1, 1990
Probation		26,536		26,666		26,144
1 st Year		31,765		31,894		31,372
2		42,968		43,136		42,467
3		46,344		45,633		44,966
4	62,957	50,462	63,148	50,630	62,382	49,964
5	S/A	57,124	S/A	57,292	S/A	56,624
6	63,036	63,036	63,228	63,228	62,463	62,463
7	S/A	S/A	S/A	S/A	S/A	S/A
8	S/A	S/A	S/A	S/A	S/A	S/A
9	63,118	63,118	63,310	63,310	62,542	62,542
10	S/A	S/A	S/A	S/A	S/A	S/A
11	S/A	S/A	S/A	S/A	S/A	S/A
12	63,199	63,199	63,393	63,393	62,623	62,623
13	S/A	S/A	S/A	S/A	S/A	S/A
14	S/A	S/A	S/A	S/A	S/A	S/A
15	S/A	S/A	S/A	S/A	S/A	S/A
16	63,321	63,321	63,512	63,512	62,741	62,741
17	S/A	S/A	S/A	S/A	S/A	S/A
18	S/A	S/A	S/A	S/A	S/A	S/A
19	63,401	63,401	63,595	63,595	62,821	62,821
20	S/A	S/A	S/A	S/A	S/A	S/A
21	S/A	S/A	S/A	S/A	S/A	S/A
22	63,439	63,439	63,632	63,632	62,860	62,860
23	S/A	S/A	S/A	S/A	S/A	S/A
24	S/A	S/A	S/A	S/A	S/A	S/A
25	63,475	63,475	63,667	63,667	62,894	62,894

**UNION CITY 2002 SALARY GUIDE
(3.75% Effective July 1, 2002)**

	Traffic Officers Hired Prior to July 1, 1990	Traffic Officers Hired After July 1, 1990	Plain Clothes Officers Hired Prior to July 1, 1990	Plain Clothes Officers Hired After July 1, 1990	Uniform Officers Hired Prior to July 1, 1990	Patrol Officers Hired After July 1, 1990
Probation		27,531		27,666		27,124
1 st Year		32,956		33,091		32,549
2		44,580		44,753		44,060
3		48,082		47,344		46,653
4	65,318	52,355	65,516	52,528	64,721	51,838
5	S/A	59,267	S/A	59,440	S/A	58,748
6	65,400	65,400	65,599	65,599	64,805	64,805
7	S/A	S/A	S/A	S/A	S/A	S/A
8	S/A	S/A	S/A	S/A	S/A	S/A
9	65,485	65,485	65,684	65,684	64,887	64,887
10	S/A	S/A	S/A	S/A	S/A	S/A
11	S/A	S/A	S/A	S/A	S/A	S/A
12	65,569	65,569	65,770	65,770	64,971	64,971
13	S/A	S/A	S/A	S/A	S/A	S/A
14	S/A	S/A	S/A	S/A	S/A	S/A
15	S/A	S/A	S/A	S/A	S/A	S/A
16	65,696	65,696	65,893	65,893	65,094	65,094
17	S/A	S/A	S/A	S/A	S/A	S/A
18	S/A	S/A	S/A	S/A	S/A	S/A
19	65,778	65,778	65,980	65,980	65,177	65,177
20	S/A	S/A	S/A	S/A	S/A	S/A
21	S/A	S/A	S/A	S/A	S/A	S/A
22	65,818	65,818	66,018	66,018	65,217	65,217
23	S/A	S/A	S/A	S/A	S/A	S/A
24	S/A	S/A	S/A	S/A	S/A	S/A
25	65,856	65,856	66,055	66,055	65,253	65,253

**UNION CITY 2003 SALARY GUIDE
(4.0% Effective July 1, 2003)**

	Traffic Officers Hired Prior to July 1, 1990	Traffic Officers Hired After July 1, 1990	Plain Clothes Officers Hired Prior to July 1, 1990	Plain Clothes Officers Hired After July 1, 1990	Uniform Officers Hired Prior to July 1, 1990	Patrol Officers Hired After July 1, 1990
Probation		28,632		28,772		28,209
1 st Year		34,274		34,414		33,851
2		46,363		46,544		45,822
3		50,006		49,238		48,519
4	67,931	54,449	68,137	54,629	67,310	53,912
5	S/A	61,637	S/A	61,818	S/A	61,098
6	68,016	68,016	68,223	68,223	67,398	67,398
7	S/A	S/A	S/A	S/A	S/A	S/A
8	S/A	S/A	S/A	S/A	S/A	S/A
9	68,105	68,105	68,311	68,311	67,482	67,482
10	S/A	S/A	S/A	S/A	S/A	S/A
11	S/A	S/A	S/A	S/A	S/A	S/A
12	68,192	68,192	68,401	68,401	67,570	67,570
13	S/A	S/A	S/A	S/A	S/A	S/A
14	S/A	S/A	S/A	S/A	S/A	S/A
15	S/A	S/A	S/A	S/A	S/A	S/A
16	68,323	68,323	68,529	68,529	67,698	67,698
17	S/A	S/A	S/A	S/A	S/A	S/A
18	S/A	S/A	S/A	S/A	S/A	S/A
19	68,410	68,410	68,619	68,619	67,784	67,784
20	S/A	S/A	S/A	S/A	S/A	S/A
21	S/A	S/A	S/A	S/A	S/A	S/A
22	68,450	68,450	68,658	68,658	67,826	67,826
23	S/A	S/A	S/A	S/A	S/A	S/A
24	S/A	S/A	S/A	S/A	S/A	S/A
25	68,490	68,490	68,697	68,697	67,863	67,863

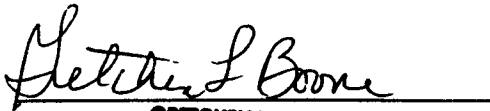
Dated: August 27, 2001
Sea Girt, New Jersey



 James W. Mastriani

State of New Jersey }
County of Monmouth }ss:

On this 27th day of August, 2001, before me personally came and appeared James W. Mastriani to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed same.



GRETCHEN L. BOONE
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 8/13/2003