

NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of Interest Arbitration between:

Docket No. IA-97-67

---

**County of Salem**

"Public"

-and-

**Salem County Corrections Officers Association**

"Association."

---

INTEREST ARBITRATION  
DECISION  
AND  
AWARD

**Before**  
**James W. Mastriani, Arbitrator**

**Appearances:**

**For the Employer:**

Michael M. Mulligan, Esq.  
Special Legal Counsel

**For the Union:**

Thomas M. Barron, Esq.  
Barron & Gillespie

## BACKGROUND

I was appointed as arbitrator by the New Jersey Public Employment Relations Commission on March 13, 1997 in accordance with P.L. 1995, C. 425. Thereafter, a pre-arbitration mediation was held in Salem, New Jersey on May 19, 1997. Because the impasse was not resolved, a formal interest arbitration hearing was held on July 7, 1997. The terminal procedure of conventional arbitration was used to decide all issues in dispute. The collective negotiations unit includes 72 corrections officers, 11 corrections sergeants, and 6 lieutenants working under the direction of Salem County Sheriff. The termination date of the collective negotiations agreement is December 31, 1995.

At the arbitration hearing each party argued orally, examined and cross-examined witnesses and submitted documentary evidence into the record. Post-hearing briefs were received on August 7, 1997.

Both parties have proposed a three year agreement covering the term January 1, 1996 through December 31, 1998. The issues in dispute are all economic in nature. The central issues in dispute concern salary increases, the structure of the salary guide and the health benefit issues concerning medical insurance, dental, prescription and optical. At the hearing I received a stipulation on the health benefit issues that the County will provide a health

insurance package to unit employees constituting parity with employees in the countywide unit. This stipulation shall be considered to be part of this decision and is incorporated herein.

The Association's main thrust in this proceeding is to secure the institution of a step system for salary increases. Currently there are only two salary grades for correction officers. There is a starting rate of \$10.41 per hour. The rate is increased to \$11.45 per hour after the first year of service. Based upon a 2184 hour work year, the starting annual salary in dollar terms is \$22,735 annually and \$25,006 annually after the first year of service.

There is a single rate for Sergeants and Lieutenants. The Sergeant's rate is \$14.00 per hour yielding an annual salary of \$30,576. The Lieutenant's rate is \$16.09 per hour yielding an annual salary of \$33,467.

The Association has submitted evidence [Un. Ex. #7] reflecting that the compensation currently received ranks the lowest among all counties in New Jersey and that Salem County is only one of three counties which does not compensate its officers based upon a salary step system. Essex and Hudson are the two others. The Association also cites Cumberland, a neighboring county, as having just received a step system.

The Association also contends that its existing longevity system is inadequate offset to the failure to have a salary system. This longevity program begins after five years of service at 1.75% of base pay and does not move to 2.5% until ten years of service. At fifteen years, it rises to 4% and to 6% at twenty years.

In sum, the amount of compensation, the absence of a step system, and an inadequate longevity scale all are asserted by the Association to yield a compensation system which is both inequitable and which undermines the "continuity and stability of employment" as set forth in the statutory criteria. [N.J.S.A. 34:13A - 16(g) (8)].

In substitution for the present contractual system, the Association proposes a six step salary guide. The starting rate in 1996 would remain at \$10.41 or \$22,735 but after six additional steps (based upon years of service) the rate of pay would move to \$17.52 per hour or \$38,473. In 1997 the maximum step would move to \$18.04 per hour or \$39,615 and in 1998 to \$18.58 per hour or \$40,801. Similar salary step guides are proposed for sergeants and lieutenants.

The Association has submitted cost projections and financial analysis of the County's fiscal condition from which it concludes that its proposal is

consistent with the statutory criteria which relate to the financial condition of the County. They are the interests and welfare of the public, the lawful authority of the employer, and the financial impact on the governing unit, its residents and taxpayers [N.J.S.A. 34:13A - 16 (g) (1), (5) and (6)].

Among the documents analyzed to support its financial analysis are the 1997 proposed County budget [Un. Ex. #1], the Salem County Department of Economic Development annual report [Un. Ex. #5], and the 1997 tax equalization table for the County of Salem [Un. Ex. #4]. In addition, the Association asserts that the County receives substantial income from the State of New Jersey for the reimbursement of costs for the housing of state inmates. Based upon its financial analysis of the County's overall fiscal condition, the Association concludes its proposals are affordable and can be supported without negatively impacting on the County's financial health. The Association has also provided testimony which reflects a trend towards employee turnover into law enforcement departments which provide higher compensation.

The County opposes the imposition of a salary step system. It cites the existing longevity scale as the longstanding negotiated method of awarding additional compensation based upon length of service. It contends that the awarding of the proposed system would require a total net economic change for

each year of the agreement well beyond what can be reasonably be justified by the statutory criteria.

The County does not share the Association's assessment of the overall financial status of the County of Salem. Its population grew less than 1% between 1980 and 1990 while New Jersey's total population grew by 5%. Eight of its fifteen municipalities reported declines in population. The County cites median family income of 80% of the average New Jersey median and per capita income only 75% of the New Jersey average. While the New Jersey average poverty line status is 7.6%, the County's is 10.6%. In 1994-95, the County's net valuation for properties was the lowest in the State and approximately 25% less than neighboring Cumberland County, the next lowest county. The County also cites its Department of Economic Development's 1996 progress report reflecting an increase in unemployment from 7.1% in 1995 to 7.6% for the first three quarters of 1996. These figures are well above the New Jersey average and moving in an opposite direction. Average non-farm employment in the county suffered a decline in 1996.

The County proposes salary increases of 2.92% for each of the three years of its proposed contract, a figure reflective of the average increase for employees employed among municipalities in the County of Salem.

## DISCUSSION

The obligation of the arbitrator is to decide this dispute based on a reasonable determination of the issues, giving due weight to the factors set forth in 34:13A - 16(g) one through eight. They are:

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

(1) The interests and 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, that each party shall have the right to submit additional evidence concerning the comparability of jurisdictions for the arbitrator's consideration.

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

(4) Stipulations of the parties.

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

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

(7) The cost of living.

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



I have considered the arguments and evidence the County and the Association have expertly submitted in this proceeding and the applied the statutory criteria set forth above to these comprehensive submissions.

The Association has made a compelling case for an award which addresses the relationship between compensation and length of service. The evidence supports an award which provides more equitable compensation for correction officers whose efforts to remain in career service should be rewarded. The record justifies adjustments in these relationships. In this proceeding, I must decide the manner and amount in which the relationship between compensation and experience is adjusted.

The Association has offered substantial data reflecting that the salary step system is the comparative norm in the structure of law enforcement salary compensation. However, there are exceptions as in Essex and Hudson counties. Cumberland County was also an exception until 1997. In Hudson, this arbitrator takes administrative notice of a recent interest arbitration award which rejected a salary step system.

While the inclusion of a salary step system may appropriately remain as a negotiations issue in the future to address these relationships, the substantial amounts of monies required to provide such structure cannot be justified at this time and on this record.

Under the Association's proposal, an eight year officer would receive a bump of over 50% in 1996, followed by 5% increase in 1997 and 1998. Although the increase in this maximum step need not be awarded in the amount proposed by the Association, any such amount crediting several new incremental steps would require increases well into the double digits.

Another costly impact not credited as a cost in the Association's proposal is the compounding amount of costs for those employees moving into the new steps in each year. For example, a fourth step officer would receive an immediate increase of over 25% (\$25,144 to \$31,885) in 1996. The officer would then receive a substantial increment in 1997 and 1998 in addition to another proposed across the board increase. Although the Association does not project or calculate the increased costs associated with step movement, these costs are new expenditures which must be credited and defined to determine the total net cost of the economic package as required by the statute. The Association has also submitted a less aggressive step guide proposal combining three years of service in each single step as a means of addressing cost.

However, the proposed cost of this approach are also more substantial than what can be reasonably awarded and amount to increases in most instances of 10% to 20% per employee in 1996 alone.

I conclude that the appropriate method supporting the demonstrated need to adjust the relationship between compensation and length of service during this collective negotiations agreement is to revise the existing longevity percentages. By doing so, all correction officers are able to receive increases in addition to an across the board increase and in amounts which provide greater credit for experience than what the present system provides. This result is compatible with the approach which is provided for in salary step guides without the enormous cost impacts created by the Association's proposal. The costs of these adjustments are also well beyond the compensation offered by the County, but within the financial impacts which the County budget can sustain.

Accordingly, an award is justified which adjusts the longevity service payment in the following manner. The existing structure does not provide a payment until five years of service. Such payment shall commence after one year of service and gradually increase annually until each officer reaches five years of service. The existing longevity awards at five, ten and fifteen years of service shall also receive increases to six percent, eight percent and ten percent of base salary respectively. These adjustments shall be awarded retroactively to

January 1, 1996 after an adjustment has been made to the base salaries as also awarded herein. The relevant criteria dictate that the across the board increases be set at three and one third (3 $\frac{1}{3}$ %) percent for each of three years commencing January 1, 1996. These increases shall also be retroactive. Because of the total net economic cost of this award, all other economic issues are dismissed except for those addressed by this Award.

This award also addresses the timing of the receipt of the adjustments to the longevity service awards in the future. The longevity service awards shall be incorporated on an appropriate fractionalized basis in the regular payroll check received by each correction officer rather than in a bonus or annual award.

I also award increases in the clothing allowance, shift differentials and bereavement leave as set forth below.

I also believe that seniority, subject to the reasonable needs of the employer and the qualifications of the employee, should be a consideration in determinations involving interdepartmental postings and assignments. The seniority factor should not be a controlling factor. I direct the parties to fashion language to implement this concept.

## AWARD

I enter this award as a reasonable determination of the issues, having given due weight to the factors set forth in 34:13A - 16(g) one through eight.

The County shall provide a health insurance package to unit employees which constitutes parity with employees in the county-wide unit.

Unit employees shall receive an across the board increase of three and one-third percent (3 $\frac{1}{3}$ %) in each of three years commencing January 1, 1996. Base salaries as provided for in the agreement shall be adjusted by these amounts and shall be retroactive to January 1, 1996.

The longevity service awards shall be adjusted as set forth below and shall also be retroactive. The adjusted amounts shall be computed after the January 1, 1996 adjustment to base pay. The longevity service awards shall be incorporated on an appropriate fractionalized basis in the regular payroll check received by each correction officer rather than in a bonus or annual award.

The clothing allowance shall be adjusted to reflect \$500, \$525, and \$550 in each of the three years.

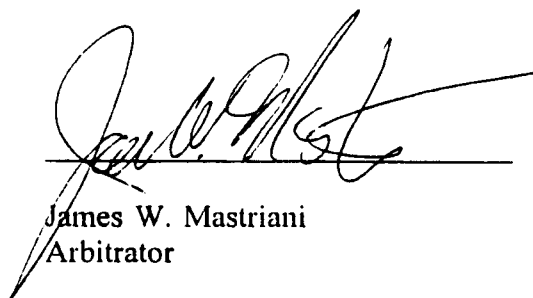
The shift differentials shall be increased by an additional ten cents (10¢) per hour effective January 1, 1996 and an additional five cents (5¢) per hour effective January 1, 1998. Bereavement leave shall be increased by one day effective January 1, 1998.

The parties are to develop contract language implementing the factor of seniority as a consideration in interdepartmental postings and assignments.

**SALEM COUNTY CORRECTIONS OFFICERS**  
**LONGEVITY SERVICE AWARD**  
**EFFECTIVE JANUARY 1, 1996**

<b><u>YEARS OF SERVICE</u></b>	<b><u>EXISTING LONGEVITY PERCENTAGE</u></b>	<b><u>AWARDED LONGEVITY PERCENTAGE</u></b>	<b><u>INCREASE IN LONGEVITY PERCENTAGE</u></b>
0	0	0	0
0	0	0	0
1	0	1.00	1.00
2	0	2.00	2.00
3	0	3.00	3.00
4	0	4.00	4.00
5	1.75	6.00	4.25
6	1.75	6.00	4.25
7	1.75	6.00	4.25
8	1.75	6.00	4.25
9	1.75	6.00	4.25
10	2.50	8.00	5.50
11	2.50	8.00	5.50
12	2.50	8.00	5.50
13	2.50	8.00	5.50
14	2.50	8.00	5.50
15	4.00	10.00	6.00

Sea Girt, New Jersey



James W. Mastriani  
Arbitrator

STATE OF NEW JERSEY )SS.:  
COUNTY OF MONMOUTH )

On this **16th** day of **October, 1997**, 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.



**KARI LEE DONOVAN**  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires Oct. 3, 2000