

STATE OF NEW JERSEY  
PUBLIC EMPLOYMENT RELATIONS COMMISSION

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In the Matter of the Interest Arbitration

between

CITY OF NEW BRUNSWICK

"City"

-and-

NEW BRUNSWICK POLICEMEN'S BENEVOLENT  
ASSOCIATION LOCAL NO. 23 AND LOCAL NO. 23A

"Association"

X  
X  
X Docket Nos.  
IA-95-118  
X IA-95-119  
X  
X  
X  
X

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**APPEARANCES**

**For the City**

DeMARIA, ELLIS, HUNT & FRIEDMAN  
Brian N. Flynn, Esq., of Counsel

**For the Association**

ABRAMSON & LIEBESKIND ASSOC.  
Marc D. Abramson, Consultant

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

## BACKGROUND

The parties are signatories to Collective Bargaining Agreements which expired on December 31, 1994. Sometime prior thereto, they entered into negotiations for successor agreements. Those negotiations proved unsuccessful, whereupon the Associations demanded interest arbitration. Pursuant to the rules and regulations of the State of New Jersey Public Employment Relations Commission, I was designated to hear and adjudicate these disputes. By consent of the parties, both matters were consolidated for purposes of hearing and decision.

Consolidated hearings were held before me on July 25, 1995, October 5, 1995 and November 30, 1995. At those hearings, the parties were afforded full opportunity to introduce evidence and argument in support of their respective positions. They did so. Each side introduced extensive evidence relevant to the statutory criteria. This included budgetary and financial information. The parties submitted charts, graphs and data dealing with all of the statutory criteria. Upon my receipt of same, the hearings were declared closed.

Thereafter, the parties submitted their final offers as well as post-hearing briefs. Upon my receipt of same, the record was declared closed.

At the hearing, the parties vested me with conventional arbitral authority, pursuant to N.J.S.A. 34: 13a-16. That is, I am not bound to choose the last offer of either party on the issues in dispute. Instead, I am empowered to select one party's position

or a position in between the parties' proposals, as the most reasonable one on an item in dispute.

### POSITIONS OF THE PARTIES

The Association proposes a three (3) year Agreement with a term of January 1, 1995 through December 31, 1997. It notes that the City proposes an Agreement with the same term.

The Association has proposed, exclusive of increments, across the board wage increases of five percent (5%) effective January 1, 1995, five percent (5%) effective January 1, 1996, and five percent (5%) effective January 1, 1997.

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

However, before addressing the statutory criteria, the Association makes several points about the City's demographics. It notes that the City is located in Middlesex County, New Jersey. The Association maintains that the City's population is one of the largest in the County. In addition, it contends that the City's Police Officers must patrol and protect a community with the second highest density of resident population in the County. The Association claims that the City's population and its density of population is at its highest level since 1985. However, it asserts that the City had five (5) fewer Police Officers in 1994 than it had in 1985. The Association argues that these demographic factors support the reasonableness of the Association's economic proposal.

The first statutory criterion involves the interests and welfare of the public. The Association contends that the interests

and welfare of the public demand a high caliber of police protection which must be considered along with the needs of the City's Police Officers. It notes that interest arbitrators have long recognized a symbiotic relationship between the interests and welfare of the public and the interest and support police officers receive from the community. The Association maintains that the interests and welfare of the public are best served by having a highly professional and functioning police force. It argues that in order to obtain that level of service the public must support its Police Officers by granting them an equitable and reasonable salary increase. The Association insists that it has proposed such an increase.

The Association maintains that its members must exert extraordinary efforts in dealing with crime on behalf of the City. It contends that the total crime index for the City was the second highest in the County. The Association further asserts that the City's total crime index was four (4) times greater than the average total crime index in the County. It submits the following data in support of these assertions.

**1994 Total Crime Index**

**Middlesex County**

| <u>Municipality</u> | <u>94 TCI</u> |
|---------------------|---------------|
| Woodbridge          | 4,377         |
| NEW BRUNSWICK       | 4,152         |
| Edison              | 3,329         |
| Perth Amboy         | 3,018         |
| Old Bridge          | 1,583         |
| East Brunswick      | 1,550         |
| Piscataway          | 1,435         |
| North Brunswick     | 1,317         |

|                  |       |
|------------------|-------|
| Sayreville       | 1,024 |
| South Plainfield | 960   |
| Carteret         | 735   |
| South Brunswick  | 649   |
| Plainsboro       | 349   |
| Metuchen         | 348   |
| Middlesex        | 348   |
| Monroe           | 318   |
| Highland Park    | 298   |
| South River      | 259   |
| Dunellen         | 257   |
| South Amboy      | 185   |
| Jamesburg        | 134   |
| Spotswood        | 125   |
| Milltown         | 72    |
| Cranbury         | 67    |
| Helmetta         | 22    |

Average                    1,076

(Association Exhibit No. 4)

The Association also contends that the City had the second highest total crime index when compared to the comparable communities of Woodbridge, Edison, Perth Amboy, Old Bridge, East Brunswick, Piscataway, North Brunswick and Sayreville, and that the City's total crime index was well above the average total crime index for these comparable communities. It submits the following data in support of that assertion.

**1994 Total Crime Index**

**Focus Communities**

| <u>Municipality</u> | <u>94 TCI</u> |
|---------------------|---------------|
| Woodbridge          | 4,377         |
| NEW BRUNSWICK       | 4,152         |
| Edison              | 3,329         |
| Perth Amboy         | 3,018         |
| Old Bridge          | 1,583         |
| East Brunswick      | 1,550         |
| Piscataway          | 1,435         |

| <u>Municipality</u> | <u>94 TCI</u> |
|---------------------|---------------|
| North Brunswick     | 1,317         |
| Sayreville          | 1,024         |

**Average                    2,421**

(Association Exhibit No. 4) The Association also maintains that the City's total crime index is higher than the total crime index of any neighboring community and higher than the average total crime index of the City's neighbors (Association Exhibit No. 4).

The Association maintains that the City's total crime index has climbed from 2892 in 1985 to 4152 in 1994 (Association Exhibit No. 4). It contends that the City's Police Department had one hundred and forty two (142) Police Officers in 1985 and that the City's Police Department had one hundred and thirty seven (137) Police Officers in 1994 (Association Exhibit No. 4). Thus, the Association argues that while crime has been increasing in the City, the number of Police Officers available to fight that crime has decreased. It asserts that this has increased the burden on the City's Police Officers. It also exemplifies the high productivity performed by its Officers and demonstrates the reasonableness of the Association's wage proposal.

The Association contends that the City has the highest ratio of crimes per Police Officer in the County and double the average number of crimes per Police Officer throughout the County. It submits the following data in support of those assertions.

1994 Number of Crimes per Officer

Middlesex County

| <u>Municipality</u> | <u>94 TCI</u> | <u>94 # Off</u> | <u>94 CPO</u> |
|---------------------|---------------|-----------------|---------------|
| NEW BRUNSWICK       | 4,152         | 137             | 30.31         |
| Perth Amboy         | 3,018         | 119             | 25.36         |
| Woodbridge          | 4,377         | 193             | 22.68         |
| Old Bridge          | 1,583         | 81              | 19.54         |
| Edison              | 3,329         | 174             | 19.13         |
| Dunellen            | 257           | 14              | 18.36         |
| East Brunswick      | 1,550         | 93              | 16.67         |
| South Plainfield    | 960           | 58              | 16.55         |
| Piscataway          | 1,435         | 89              | 16.12         |
| North Brunswick     | 1,317         | 84              | 15.68         |
| Jamesburg           | 134           | 9               | 14.89         |
| Carteret            | 735           | 52              | 14.13         |
| Metuchen            | 348           | 28              | 12.43         |
| South River         | 259           | 21              | 12.33         |
| Plainsboro          | 349           | 29              | 12.03         |
| Sayreville          | 1,024         | 86              | 11.91         |
| Middlesex           | 348           | 30              | 11.60         |
| South Brunswick     | 649           | 56              | 11.59         |
| Monroe              | 318           | 29              | 10.97         |
| Highland Park       | 298           | 29              | 10.28         |
| Helmetta            | 22            | 3               | 7.33          |
| Spotswood           | 125           | 18              | 6.94          |
| South Amboy         | 185           | 30              | 6.17          |
| Cranbury            | 67            | 11              | 6.09          |
| Milltown            | 72            | 13              | 5.54          |
| <b>Average</b>      | <b>1,076</b>  | <b>59</b>       | <b>14.19</b>  |

(Association Exhibit No. 4) The Association also claims that the City's nonviolent crime index is four (4) times as high as the average nonviolent crime index in the County (Association Exhibit No. 4).

The Association further maintains that the City's violent crime index is the second highest in the County and almost five (5) times as high as the County's average violent crime index. It submits the following data in support of those assertions.



1994 Violent Crime Index

Middlesex County

| <u>Municipality</u> | <u>94 VCI</u> |
|---------------------|---------------|
| Woodbridge          | 450           |
| NEW BRUNSWICK       | 421           |
| Perth Amboy         | 356           |
| Edison              | 152           |
| Piscataway          | 137           |
| Sayreville          | 112           |
| Old Bridge          | 79            |
| North Brunswick     | 72            |
| Carteret            | 70            |
| East Brunswick      | 57            |
| Jamesburg           | 31            |
| South Plainfield    | 29            |
| South River         | 25            |
| Dunellen            | 23            |
| South Brunswick     | 21            |
| Monroe              | 20            |
| Middlesex           | 18            |
| Highland Park       | 16            |
| Metuchen            | 15            |
| Plainsboro          | 14            |
| Spotswood           | 10            |
| Cranbury            | 7             |
| South Amboy         | 6             |
| Helmetta            | 5             |
| Milltown            | 3             |
| <b>Average</b>      | <b>86</b>     |

(Association Exhibit No. 4) It claims that the City's violent crime index has almost doubled since 1985 (Association Exhibit No. 4). The Association argues that these statistics demonstrate that the City's Police Officers are exposed to greater risks than other officers throughout the County.

The Association contends that these statistics show that there has been an increase in Police Officer productivity which has served the interests and welfare of the public. It argues that the City must provide a fair and equitable wage increase in order to

maintain its outstanding Police Department. Therefore, the Association insists that its wage proposal best serves the interests and welfare of the public.

As to the criterion regarding a comparison of the wages of other employees performing the same or similar services in public employment in comparable jurisdictions, the Association points to several comparable jurisdictions in support of its position. Primarily, it draws comparisons between New Brunswick and the communities of Woodbridge, Edison, Perth Amboy, Old Bridge, East Brunswick, Piscataway, North Brunswick and Sayerville. However, since the City is located in Middlesex County and borders certain communities, the Association also compares New Brunswick to other Middlesex County communities and to communities which are contiguous to New Brunswick.

The Association maintains that the most important consideration under this criterion is an analysis of the current trend in wage increases for police officers in comparable communities. It concedes that its members are not the lowest paid police officers among the officers in comparable communities. However, the Association contends that its members also are not the highest paid police officers.

The Association maintains that its final offer concerning salaries is structured so as to maintain as much as possible the relative position of its members as to wages when compared to officers in comparable communities. It contends that it is not attempting to improve the relative position of its members.

However, the Association argues that its members should not be asked to lose ground to police officers in comparable communities. It insists that its members will suffer a decline in standing if the City's wage proposal is adopted.

The Association maintains that if the City's wage proposal is adopted then its members will drop in ranking from fourth position in 1994 to fifth position in 1995 in terms of percentage wage increases awarded to top step patrolmen. It contends that the percentage increase which would be awarded to its members in 1995 if the City's wage proposal were awarded would be .73% less than the average wage increase awarded to police officers in comparable communities. The Association also claims that the percentage increase which would be awarded to its members in 1996 if the City's wage proposal were awarded would be .62% less than the average wage increase awarded to police officers in comparable communities. It argues that the significant give backs agreed to by the Association in its negotiations with the City more than adequately fund the difference between the Association's and the City's wage proposals. Thus, it insists that there is no justification for awarding a wage increase such as the City has proposed, which is below the average increase granted to officers in comparable communities.

The Association contends that the average salary increase for police officers in Middlesex County was 4.73% in 1995 and 4.62% in 1996 (Association Exhibit No. 5). It maintains that the percentage increases for police officers in contiguous communities and the

comparable communities cited above, were similar and in some cases actually higher. Thus, the Association argues that its wage proposal is closer than the City's wage proposal to the average increase granted to police officers throughout the County and the average increase granted to police officers in comparable communities. Therefore, it insists that pursuant to this criterion, its wage proposal is clearly the more reasonable.

As to the criterion regarding comparisons to public employment in general, the Association refers to the salary increase recently granted to public school teachers in New Brunswick and throughout Middlesex County. It contends that teachers in New Brunswick recently received a wage increase of 6.2% or \$2400. The Association claims that the same dollar increase for a top step City Police Officer would represent a 4.7% increase for 1995 and slightly less for each succeeding year (Association Exhibit No. 5 at School Board). It further asserts that Middlesex County teachers received an average wage increase of 5.33% for the 1995-1996 school year. The Association argues that its wage proposal is significantly less than the wage increases granted to other relevant public sector employees in terms of both real dollars and percentage increases.

The Association further contends that the average wage increase granted by Interest Arbitrators appointed by the State of New Jersey Public Employment Relations Commission was 5.19% in 1993, 5.01% in 1994 and 5.04% in 1995. Thus, the Association argues that its wage proposal is below the average wage increases

recently awarded by Arbitrators appointed by the Public Employment Relations Commission. Therefore, it insists that pursuant to this criterion, its wage proposal is clearly the more reasonable.

As to the criterion regarding comparisons to private employment in general, the Association refers to the average mid-level salaries paid in Northern New Jersey in various private sector occupations. It maintains that the mid-level salary of City Police Officers in 1991 was \$35,591. In contrast, it contends that in 1991 mid-level salaries were \$40,404 for a computer system analyst, \$34,174 for a pipefitter, \$32,656 for machine maintenance, \$38,770 for a sales representative, \$39,562 for a registered nurse, and \$38,387 for a foreman. The Association acknowledges that some of these occupations require more formal education than is required of police officers. However, it also notes that some of these occupations require less formal education than is required of its Police Officers. More importantly, the Association argues that the dangers and the other terms and conditions of employment for police officers are unique and that there is no private sector group to which police officers can easily be compared.

Thus, the Association insists that when all of the relevant comparisons are made, its wage proposal is clearly the more reasonable and ought to be awarded.

As to the criterion regarding overall compensation, the Association maintains that the overall compensation of its members is similar to the overall compensation received by their counterparts in comparable communities. It claims that the City's

Police Officers enjoy levels of longevity, holiday, vacation and bereavement leaves similar to those received by police officers in comparable jurisdictions. The Association points out that it has not requested an increase in 1995, 1996 or 1997 in any of these benefit areas. It asserts that its members will certainly fall behind their counterparts in comparable communities in some of these benefit areas during the term of the Agreement proposed by the parties. Therefore, the Association argues that the economic package it has proposed is clearly the more reasonable and ought to be awarded.

As to the criterion regarding stipulations between the parties, the Association notes that the parties by stipulation have granted me conventional arbitral authority. Thus, it points out that I have the authority to select one of the parties' proposals or a position in between the parties' proposals, as the most reasonable one on an item in dispute. The Association also contends that the parties reached agreement during this proceeding regarding holiday pay, prescription co-pay, salary structure, and the City's ability to pay for the parties' economic proposals.<sup>1</sup>

As to the criterion regarding the lawful authority of the City, the Association maintains that this requires an evaluation of the City's authority to pay for the Association's proposal pursuant to the requirements of New Jersey's Cap Law. It insists that the City has the budgetary flexibility to pay for the Association's

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The parties also stipulated that the City has the ability to pay either the City or Association's final offer.

economic proposal within the framework of New Jersey's Cap Law. Thus, the Association argues that the Cap Law does not prohibit my awarding the Association's wage proposal.

As to the criterion regarding the financial impact on the governing unit, its residents and taxpayers, the Association maintains that the impact of its wage proposal, if awarded, would be of minimal significance. It claims that the parties have stipulated that the City has the ability to pay for the Association's wage proposal. Therefore, the Association argues that pursuant to this criterion, its economic proposal is clearly reasonable and ought to be awarded.

As to the criterion concerning the cost of living, the Association maintains that it is not a dispositive factor in this dispute. It contends that the parties are very close together in their wage proposals, both of which, the Association claims, are in line with the relevant cost of living figures presented at the hearing. While the Association acknowledges that the cost of living is currently increasing at a relatively low rate, it maintains that the rate of increase is becoming larger. The Association also points out that in the early and mid 1980s, the rates of increase in the Consumer Price Index were in the double digit range. However, it argues that police officers never received double digit wage increases. Instead, during that period of time, employers protested and downplayed the importance of the cost of living criterion. In the Association's view, the City cannot now claim that the cost of living is of major importance.

Thus, the Association argues that its wage proposal is consistent with the statutory requirement to consider the cost of living.

As to the criterion regarding the continuity and stability of employment, the Association submits that the wages of police officers hold no special advantage over the wages of private sector employees or other public sector employees. However, it points out that police work calls for working shifts around the clock, seven (7) days per week, including weekends and holidays. The Association also notes that police work is an outdoor job much of the time and that police officers are under public scrutiny and pressure from potential dangers. It insists that these special aspects of police work must be considered in determining a fair wage for the City's Police Officers which will maintain the continuity and the stability of their employment. Thus, the Association argues that pursuant to this criterion, its economic proposal is clearly the more reasonable and ought to be awarded.

The Association has proposed that the annual uniform cleaning allowance paid to the City's Police Officers be increased from four hundred and eighty dollars (\$480) to five hundred dollars (\$500) in 1995 and to five hundred and seventy five dollars (\$575) in 1996 and 1997. It points out that the total uniform allowance for City Police Officers in 1994, for both the purchase and maintenance of uniforms, was one thousand and ten dollars (\$1010) per year (Association Exhibit No. 2 at pgs 11-12). The Association claims that this amount is less than the annual uniform allowance received in 1995 by police officers in the comparable communities of



Jamesburg and Milltown (Association Exhibit No. 12). Thus, it argues that the Association's uniform allowance proposal is reasonable and ought to be awarded.

The Association has proposed that the meal break for the City's Police Officers be increased from thirty (30) minutes to forty five (45) minutes per meal break. It maintains that the City's Police Officers need a forty five (45) minute meal break to recover from the stress of police work in a large urban center, such as the City. The Association contends that increasing the meal break to forty five (45) minutes will increase police efficiency and improve public safety. Thus, it claims that the Association's meal break proposal serves the interests and welfare of the public. Therefore, The Association argues that its meal break proposal ought to be awarded.

The Association has proposed that the City not use police cars that have been driven for more than seventy five thousand (75,000) miles. It maintains that police cars with more than seventy five thousand (75,000) miles pose an increased and unnecessary safety risk to both the City's Police Officers and the public they serve. Thus, the Association contends that its vehicle safety proposal serves the interests and welfare of the public. Therefore, it argues that its vehicle safety proposal ought to be awarded.

The Association has proposed that the parties' contractual arbitration procedure be amended to replace the New Jersey State Board of Mediation with the State of New Jersey Public Employment Relations Commission. It asserts that there is a lack of qualified

arbitrators on the State Board of Mediation's panel of labor arbitrators. The Association claims that most arbitrators who are experienced in public sector labor-management relations have removed their names from the State Board of Mediation's panel of labor arbitrators because of the cap imposed by the State Board of Mediation on what arbitrators may charge for their services. Thus, it insists that the arbitrators available through the State Board of Mediation have little or no experience in public sector labor relations. Therefore, the Association argues that its proposal to amend the parties' grievance and arbitration procedure by replacing the New Jersey State Board of Mediation with the State of New Jersey Public Employment Relations Commission, is reasonable and ought to be awarded.

In all, the Association submits that its final offer comports more closely than the City's with all of the relevant statutory criteria set forth in N.J.S.A. 34:13A-16 (g). It asks that its final offer be awarded.

The City, on the other hand, maintains that its final offer is the more reasonable one. It notes that like the Association, it has proposed a thirty six (36) month Agreement for the period January 1, 1995 through December 31, 1997.

The City claims that its wage proposal of a four percent (4%) across the board wage increase, exclusive of increments, on January 1 of each year of the Agreement, allows the City to be competitive with comparable communities, while staying within its ability to pay and not unduly burdening its residents and taxpayers.

As to the criterion regarding the interests and welfare of the public, the City maintains that its proposal best serves those objectives. It maintains that the most effective way to serve the public interest is to treat public employees fairly while maintaining a stable level of municipal services. The City contends that such a balance prevents labor strife while keeping tax rates and municipal budgets at a reasonable level. It claims that the City's wage proposal provides its Police Officers with a fair, reasonable and sensible economic package which the City can afford without jeopardizing other important municipal services. The City submits that the Association's wage proposal goes beyond the bounds of fairness and reason in seeking economic gains which will unduly burden the City and the public at large. It insists that the City should not be required to sacrifice worthwhile government services or unduly burden its residents and taxpayers in order to satisfy the unreasonable economic demands of the Association. Therefore, the City argues that its wage proposal best serves the interests and welfare of the public.

As to the criterion regarding a comparison of the wages of other employees performing the same or similar services in public employment in comparable jurisdictions, the City contends that the mere fact that communities share a common border does not establish that they are comparable communities. It maintains that Middlesex County, in which the City is located, is a large and socioeconomically diverse County with municipalities which share no common characteristics with the City, other than being located in

Middlesex County. The City claims that since it is an urban center in Middlesex County, the City should be compared to the more urbanized municipalities in the same geographic area. It submits the following lists of communities which it claims are comparable to the City for purposes of drawing the comparisons required by the statute.

**COMPARABLE COMMUNITIES CLASSIFIED BY COUNTY AND CHARACTER**

| <b><u>Municipality</u></b> | <b><u>County</u></b> | <b><u>Character</u></b> |
|----------------------------|----------------------|-------------------------|
| Bloomfield                 | Essex                | Urban Suburban          |
| Carteret                   | Middlesex            | Urban Suburban          |
| Cranbury                   | Middlesex            | Suburban                |
| East Brunswick             | Middlesex            | Suburban                |
| East Windsor               | Mercer               | Suburban                |
| Edison                     | Middlesex            | Suburban                |
| Elizabeth                  | Union                | Urban Center            |
| Highland Park              | Middlesex            | Urban Suburban          |
| Hillside                   | Union                | Urban Suburban          |
| Linden                     | Union                | Urban Suburban          |
| NEW BRUNSWICK              | MIDDLESEX            | URBAN CENTER            |
| North Brunswick            | Middlesex            | Suburban                |
| Old Bridge                 | Middlesex            | Suburban                |
| Piscataway                 | Middlesex            | Suburban                |
| Plainfield                 | Union                | Urban Center            |
| Sayreville                 | Middlesex            | Suburban                |

COMPARABLE COMMUNITIES CLASSIFIED BY COUNTY AND CHARACTER

| <u>Municipality</u> | <u>County</u> | <u>Character</u> |
|---------------------|---------------|------------------|
| South River         | Middlesex     | Urban Suburban   |
| South Brunswick     | Middlesex     | Suburban         |
| Woodbridge          | Middlesex     | Urban Suburban   |

(City Exhibit No. 4) The City asserts that many of the communities on its list of comparable jurisdictions were chosen because they are located in Middlesex County and are geographically in close proximity to the City. It alleges that the municipalities of Bloomfield, Linden and Hillside should be deemed comparable communities for statutory purposes because they share similar types of demographic characteristics and business areas with the City (City Exhibit Nos. 5-10). The City argues that Elizabeth and Plainfield should be deemed comparable municipalities for statutory purposes because they are urban centers which share business and population characteristics similar to those of New Brunswick (City Exhibit Nos. 5-10).

The City notes that it has compared the above listed comparable communities on the basis of population, population density, per capita income, persons in poverty, median value of single family home, criminal activity per 1,000 residents, number of police officers per 1,000 residents, real property tax rates, and residential, commercial/industrial and vacant percentages of real property valuation (City Exhibit Nos. 4-15).

The City maintains that its residents do not enjoy the same

degree of wealth and prosperity as is enjoyed by citizens of comparable communities. It contends that the City has the lowest per capita income among these comparable communities (City Exhibit No. 7). The City also claims that among comparable communities, it has the highest percentage of persons living in poverty (City Exhibit No. 8). It further asserts that the City's single family homes have the lowest median value in comparison to comparable jurisdictions (City Exhibit No. 9). Thus, the City argues that its citizens are poorer than the citizens of comparable communities.

The City also maintains that in 1995, 47.25% of its land was exempt from the City's tax base as a result of its classification as either state or exempt property (City Exhibit No. 43). Thus, the City insists that any future tax increases will be borne disproportionately by the citizens of the City.

The City maintains that in 1994 it ranked sixth among comparable communities in terms of salaries paid to first year Police Officers. It submits the following data in support of that assertion.

**1994 SALARIES - FIRST-YEAR PATROLMEN**

| <b><u>MUNICIPALITY</u></b> | <b><u>SALARY</u></b> |
|----------------------------|----------------------|
| <b>Cranbury</b>            | <b>\$33,128 *</b>    |
| <b>Old Bridge</b>          | <b>31,796 **</b>     |
| <b>Hillside</b>            | <b>30,399 ***</b>    |
| <b>East Brunswick</b>      | <b>30,000</b>        |
| <b>Plainfield</b>          | <b>29,748</b>        |
| <b>New Brunswick</b>       | <b>29,277</b>        |

1994 SALARIES - FIRST-YEAR PATROLMEN

| <u>MUNICIPALITY</u> | <u>SALARY</u> |
|---------------------|---------------|
| Edison              | 29,259        |
| AVERAGE             | 29,207        |
| Highland Park       | 27,784        |
| Bloomfield          | 27,775        |
| Carteret            | 27,500        |
| Elizabeth           | 27,500 *      |
| South River         | 26,323        |

\* Average salary over first year of employment

\*\* Salary effective July 1, 1994 - June 30, 1995. Represents "tentative" agreement.

\*\*\* Salary effective July 1, 1994 - June 30, 1995. Represents salary after completion of Police Academy training.

(City Exhibit No. 16) The City asserts that its first year patrolmen would retain their relative position among comparable communities in 1995, if the City's wage proposal were awarded (City Exhibit No. 21). It further alleges that the City's first year patrolmen would rank second in terms of salary in both 1996 and 1997 if the City's wage proposal were awarded (City Exhibit No. 26 and 31). Thus, the City argues that its wage proposal is clearly reasonable and ought to be awarded.

The City maintains that in 1994 it ranked second among comparable communities in terms of salaries paid to top step patrolmen. It submits the following data in support of that

assertion.

1994 SALARIES - TOP STEP PATROLMEN

| <u>MUNICIPALITY</u> | <u>SALARY</u> | <u>STEPS</u> |
|---------------------|---------------|--------------|
| East Brunswick      | \$51,835      | 5 steps      |
| New Brunswick       | 50,250        | 5 steps      |
| Old Bridge          | 50,242 *      | 5 steps      |
| Edison              | 49,883        | 5 steps      |
| Cranbury            | 47,957        | 5 steps      |
| Linden              | 47,621        | 6 steps      |
| AVERAGE             | 47,034        |              |
| Carteret            | 46,248        | 4 steps      |
| Highland Park       | 46,165        | 5 steps      |
| Hillside            | 45,701 **     | 5 steps      |
| Bloomfield          | 44,327        | 5 steps      |
| Plainfield          | 44,412        | 6 steps      |
| Elizabeth           | 44,135        | 7 steps      |
| South River         | 42,664        | 4 steps      |

\* Salary effective July 1, 1994 - June 30, 1995. Represents "tentative" agreement.

\*\* Salary effective July 1, 1994 - June 30, 1995.

(City Exhibit No. 17) The City asserts that its top step patrolmen would retain their relative position among comparable communities in 1995, 1996 and 1997, if the City's wage proposal were awarded (City Exhibit Nos. 22, 27 and 32). Thus, the City argues that its wage proposal is clearly reasonable and ought to be awarded.



The City maintains that in 1994 it ranked third among comparable communities in terms of salaries paid to Police Sergeants. It submits the following data in support of that assertion.

1994 SALARIES SERGEANTS

| <u>MUNICIPALITY</u> | <u>SALARY</u> |
|---------------------|---------------|
| East Brunswick      | \$59,726      |
| South Brunswick     | 58,335        |
| New Brunswick       | 57,790        |
| Linden              | 55,240        |
| Hillside            | 54,060 *      |
| AVERAGE             | 52,932        |
| Plainfield          | 51,671 **     |
| Elizabeth           | 51,402        |
| Bloomfield          | 50,976        |
| Cranbury            | 50,480        |
| Carteret            | 50,039        |
| Highland Park       | 49,859        |
| South River         | 45,610        |

\* Salary effective July 1, 1994 - June 30, 1995.

\*\* Represents salary of top-step sergeant. Sergeant classification has 8 steps.

(City Exhibit No. 18) The City asserts that its Sergeants would retain their relative position among comparable communities in 1995 and 1996, if the City's wage proposal were awarded (City Exhibit Nos. 23 and 28). It further alleges that the City's Police

Sergeants would rank first in terms of salary in 1997 if the City's wage proposal were awarded (City Exhibit No. 33). Thus, the City argues that its wage proposal is clearly reasonable and ought to be awarded.

The City argues that these comparisons in both demographics and salaries paid to different ranks of police officers show that the City's Police Officers are presently comparably well paid and will continue to be well paid if the City's wage proposal is awarded.

As to the criterion regarding comparisons to public employment in general, the Association refers to the salary increases recently granted its other municipal employees. It maintains that the City and Municipal Employees Association Local 29 recently reached an agreement on a three (3) year contract covering the period January 1, 1995 to December 31, 1997. The City contends that this recent agreement provided for a four (4%) percent wage increase effective January 1, 1995, a four (4%) percent wage increase effective January 1, 1996, and a four (4%) percent wage increase effective January 1, 1997 (City Exhibit No. 62). Thus, it argues that the City's final wage offer to the Association is consistent with the wage increases agreed to by other City employees. Thus, the City insists that pursuant to this criterion, its wage proposal is clearly reasonable and ought to be awarded.

As to the criterion regarding overall compensation, the City maintains that its Police Officers are fairly compensated in terms of benefits and overall compensation. It maintains that the City

provides its Police officers with competitive sick leave, longevity, bereavement and vacation leave benefits in comparison to the benefits provided by comparable communities to their police officers (City Exhibit Nos. 36, 37, 39 and 40). In addition, the City contends that it is among the leaders in personal days provided to police officers and offers the greatest number of holidays among comparable communities (City Exhibit Nos. 38 and 41). Moreover, it claims that the City ranks among the top five (5) comparable communities in terms of the uniform allowance which it provides to its Police Officers. Thus, the City argues that pursuant to this criterion, its economic proposal is clearly reasonable and ought to be awarded.

As to the criterion regarding stipulations between the parties, the City notes that the parties by stipulation have granted me conventional arbitral authority. Thus, it also points out that I have the authority to select one of the parties' proposals or a position in between the parties' proposals, as the most reasonable one on an item in dispute.

As to the criterion regarding the lawful authority of the City to pay for the parties' proposals, the City does not dispute the Association's assertion that the City has the budgetary flexibility to pay for the Association's economic proposal within the framework of New Jersey's Cap Law. However, the City insists that City's wage proposal is the maximum wage increase the City can afford to fund. It asserts that the City is not a wealthy community and that its taxpayers already bear a heavy tax burden. In addition, the

City maintains that far from expanding, the City's tax base is fragile and requires considerable nurturing just to remain at its present level. Thus, the City contends that it is in a precarious financial position. It claims that it can only increase taxes in an emergency situation. Therefore, the City argues that pursuant to this criterion, its wage proposal is clearly the more reasonable and ought to be awarded.

As to the criterion regarding the financial impact of the parties' proposals on the governing unit, its residents and taxpayers, the City argues that it should not be required to increase taxes to fund the excessive wage increase requested by the Association. It maintains that the City's residents cannot afford to pay ever-increasing property taxes. It further contends that the City has experienced economic hardships from 1991 through 1995. The City alleges that over the past three (3) years the City has been subject to an increasing number of tax appeals. It asserts that the net value of the City's taxable property has fallen from \$1,362,738,830 in 1991 to \$1,273,379,521 in 1995. Thus, the City alleges that it has suffered a net loss in taxable real estate during this period of \$898,341,309 or 6.55% of its taxable property. In addition, it claims that the City's tax collection rate in 1994 dropped to 91.19%.

The City further maintains that it suffered a reduction in State funding over the past five (5) years. It contends that the Municipal Program Revitalization Aid the City receives from the State was reduced from \$5,800,000 in 1993 to \$5,100,000 in 1994.

The City asserts that this seven hundred thousand dollar (\$700,000) loss in state aid has never been restored by the State. In addition, the City contends that over the past five (5) years the State has continued to reduce the payments it makes to the City in lieu of taxes on state exempt property.

In addition to having to cope with an overburdened tax base and decreases in State aid, the City maintains that it has continued to experience a growth in appropriations. It asserts that the cost of operating the City increased dramatically between fiscal year 1994 and fiscal year 1995 (City Exhibit Nos. 47 and 48).

For these reasons, the City insists that awarding the wage increase proposed by the Association would be fiscally irresponsible and unreasonable. It asserts that the budgetary considerations demonstrated by the City dictate that an additional burden not be placed upon the City's residents and taxpayers. In addition, the City again notes that its wage proposal, if awarded, will result in a competitive wage package for the City's Police Officers. Thus, the City argues that pursuant to this criterion, its wage proposal is clearly the more reasonable and ought to be awarded.

As to the criterion regarding the cost of living, the City maintains that this criterion overwhelmingly supports the adoption of the City's wage proposal. It contends that over the past six (6) years the cost of living in the New York - Northeastern New Jersey region rose an average of 3.68% per year. The City asserts

that during this same period the salaries of its Police Officers increased an average of 5.33%. It also submits that the medical care component of the consumer price index has consistently increased at a faster rate than the total consumer price index. The City notes that since it bears the full cost of health insurance premiums, the City, rather than its Police Officers, bears the burden of this aspect of the increase in the consumer price index. Thus, the City argues that based upon the cost of living criterion, there is no basis to award the Association's wage proposal.

Finally, the City argues that the criterion concerning the continuity and stability of employment also supports the reasonableness of its wage proposal. It maintains that the City's wage proposal will best permit the City to maintain a stable work force in its Police Department throughout the term of the proposed Agreement. The City contends that if the Association's wage proposal is awarded, then the City might not be able to maintain continuity and stability of employment within the City's Police Department. Thus, it argues that pursuant to this criterion, its wage proposal is clearly the more reasonable one.

The City is proposing that effective January 1, 1995, the starting salary for first year Police Officers be reduced to twenty five thousand dollars (\$25,000) per year. It is further proposing that the starting salary for first year Police Officers remain at twenty five thousand dollars (\$25,000) per year during 1996 and 1997. The City also is proposing that two (2) new steps, including

a training step, be added to the parties' salary structure, so that it contain seven (7) rather than five (5) steps.

The City maintains that these changes in the parties' salary structure will provide significant savings to the City. It further contends that these savings will relieve some of the financial pressure on the City and its residents and taxpayers. Thus, the City argues that pursuant to the relevant statutory criteria, this aspect of the City's economic proposal also should be awarded.

The City has proposed that the parties' Agreement be amended to recognize a limited chiropractic benefit of five hundred dollars (\$500) per person when medically necessary. It maintains that the medical premiums paid by the City for its Police Officers have increased at a rate greater than inflation and have imposed an ever increasing financial burden on the City and its residents and taxpayers. The City contends that its chiropractic benefit proposal is a small step to help control the City's escalating medical costs. Thus, it argues that the City's chiropractic benefit proposal is reasonable and ought to be awarded.

The City opposes any increase in the uniform allowance that it pays to its Police Officers. It maintains that the City currently provides a very generous uniform allowance when compared to the uniform allowances provided to police officers in comparable communities. The City contends that its financial circumstances do not permit the City to be a leader in this benefit area. Thus, it argues that the Association's uniform allowance proposal is unreasonable and should not be awarded.

The City has proposed that all police vehicles with seventy five thousand (75,000) or more miles be inspected at a state certified inspection center. It maintains that the Association's vehicle safety proposal is unreasonable because it would require the abandonment of vehicles with seventy five thousand (75,000) or more miles even if those vehicles are safe and in excellent condition. The City contends that its vehicle safety proposal addresses the safety issues raised by the Association without placing an unnecessary financial burden on the City. Thus, it argues that the City's vehicle safety proposal is reasonable and ought to be awarded.

Finally, the City has proposed that the City and the Association establish a committee to review work schedules and, if necessary, make recommendations to the City Administration regarding work schedules for the City's Police Officers. The City acknowledges that some of the work schedule issues raised by the Association during negotiations need to be addressed. It maintains that its proposal will permit the parties to address work schedule issues in a constructive manner. Thus, the City argues that its work schedule committee proposal is reasonable and ought to be awarded.

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



## OPINION

Several introductory comments are appropriate here. As interest arbitrator, I must adhere to the statutory criteria set forth in N.J.S.A.34:13A-16 (g). Those are as follows:

- (1) The interests and the welfare of the public.
- (2) Comparison of the wages, salaries, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing the same or similar services and with other employees generally:
  - (a) In public employment in the same or similar comparable jurisdictions.
  - (b) In comparable private employment.
  - (c) In public and private employment in general.
- (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.
- (6) The financial impact on the governing unit, its residents and taxpayers.
- (7) The cost of living.
- (8) The continuity and stability of employment including seniority rights and such other factors not confined to the foregoing which are ordinarily or traditionally considered in the determination of wages, hours and conditions of employment through collective negotiations and collective bargaining between the parties in the public service and in private employment.

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

The City and the Association both have proposed a three (3)

year Agreement. This would result in an Agreement for the period January 1, 1995 through December 31, 1997. Since both the Association and the City have proposed a three (3) year Agreement, I have formulated this Award based upon a contract term of three (3) years.

In addition, a three (3) year Agreement makes good sense. First, an Award covering a three (3) year period will enable the parties involved in this proceeding to have a sufficient period of time to resume their relationship free from the interruptions of collective bargaining. Second, it is important to note that an Award of only a two (2) year Agreement would virtually require negotiations between the parties to begin immediately for a successor agreement. This would be unduly burdensome on both the City and the Association. Thus, I concur with the parties' preference for a three (3) year Agreement.

I now turn to the remaining components of the parties' proposals. The Association requested across the board wage increases, exclusive of increments, of five percent (5%) on January 1, 1995, five percent (5%) on January 1, 1996, and five percent (5%) on January 1, 1997.

The City proposed across the board wage increases, exclusive of increments, of four percent (4%) on January 1, 1995, four percent (4%) on January 1, 1996, and four percent (4%) on January 1, 1996.

The City has further proposed that effective January 1, 1995, the starting salary for first year Police Officers be reduced to

twenty five thousand dollars (\$25,000) per year and that it remain at that level for the entire term of the Agreement. The City also has proposed that two (2) new steps, including a training step, be added to the parties' salary structure, so that the salary structure contain seven (7) rather than five (5) steps.

I find both the Association's and the City's proposals to be unacceptable. Clearly, given the financial circumstances of the City, there can be no justification for a salary increase of five percent (5%) on January 1 of each year of the Agreement, as proposed by the Association. Under no circumstances can this level of increase be justified in light of the relevant statutory criteria.

On the other hand, the City's proposal of a four percent (4%) wage increase on January 1 of each year of the Agreement, also is not justified. It would result in the City's Police Officers unnecessarily falling behind their counterparts in relevant comparable communities. As explained below, the financial circumstances of the City can be taken into account without requiring that the wages of the City's Police Officers fall behind the wages paid to police officers in comparable jurisdictions. Thus, the City's wage proposal, although more reasonable than the Association's, cannot be justified when all of the relevant statutory criteria are taken into account.

Instead, I am persuaded that a wage increase between the Association's five percent (5%) proposal and the City's four percent (4%) proposal is appropriate here.

I also am persuaded that effective January 1, 1995, a new training wage for newly hired Police Officers should be added to the parties' salary structure which does not reduce the wages of City Police Officers hired between January 1, 1995 and the date of this Award. A beginning salary step of this kind will not reduce the wages of any present member of the Association. In addition, it will provide a real savings to the City. Also, the savings generated by such a beginning salary step justifies, in part, the awarding of a increase to the City's current complement of Police Officers.

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

As to the interests and welfare of the public, I agree with the City that its citizens are not benefitted by a salary increase which the City cannot afford and which results in reductions in other needed services. Therefore, logically, the City's proposal, which is lower than the Association's, is preferred when evaluating the economic interests and welfare of the public.

However, the public's interests and welfare are also served by a police force that is stable and whose morale is high. This is especially so in a community like New Brunswick which has an extremely high total crime index and violent crime index when compared to comparable communities (Association Exhibit No. 4). In addition, New Brunswick's Police Officers must cope with the highest number of crimes per officer when compared to other police

officers in Middlesex County (Association Exhibit No. 4). See also, City Exhibit Nos. 10 and 11 which show that New Brunswick has the highest level of criminal activity among the comparable communities relied upon by the City, but only the third highest number of police officers per 1,000 residents.

Thus, I am persuaded that a wage package which unnecessarily deviated from the type of salary increases provided to other police officers in comparable communities, would not serve the interests and welfare of the citizens of the City. After all, the interests and welfare of the public criterion is not limited solely to the public's financial interests and welfare. By necessity, it also must involve the community's interests and welfare in having its police force continue to serve its essential needs and provide essential services.

Under any reasonable view, the economic proposal set forth by the City will unnecessarily and invariably cause a decline in police morale. This does not serve the interests and welfare of the public. Moreover, it is not necessitated by the evidence concerning the statutory criteria submitted by the City.

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

The second criterion requires a comparison of the wages, salaries, hours and conditions of employment of New Brunswick Police Officers with those of other employees performing the same or similar services in the public sector in comparable

jurisdictions, in comparable private employment and in public and private employment in general.

The evidence demonstrates that both parties have presented a series of public sector jurisdictions which they assert should be compared to New Brunswick. There is a certain degree of overlap between the comparable communities relied upon by the Association and the City in their exhibits and charts, e.g., East Brunswick, South Brunswick, Cranbury, Caterer and Highland Park (Association Exhibit No. 4) (City Exhibit No. 18). These five (5) communities are clearly comparable to New Brunswick and will be heavily relied upon by me in fashioning an Award. In addition, there is no persuasive evidence that either party relied upon an inappropriate jurisdiction as a comparable community. Although perhaps not as relevant as the five (5) comparable communities relied upon by both the City and the Association, the other communities relied upon by the parties are clearly relevant to this dispute because of their geographical location and demographic characteristics. Thus, I find that the communities relied upon by both the City and the Association are appropriate comparable communities for purposes of drawing the comparisons required by the statute.

The City introduced evidence which demonstrated that as of 1994, it ranked sixth among comparable communities in terms of salaries paid to first year patrolmen, second among comparable communities in terms of salaries paid to top step patrolmen, and third among comparable communities in terms of salaries paid to Police Sergeants (City Exhibit Nos. 16, 17 and 18). The City also

introduced evidence that its Police Officers would maintain their relative ranking in terms of salary in 1995 if the City's wage proposal were awarded (City Exhibit Nos. 21 and 22).

However, the evidence introduced by the City also demonstrates that the City's Police Officers will fall behind their counterparts in comparable jurisdictions in 1996 and/or 1997 if the City's wage proposal is awarded. For example, even under the City's analysis of comparable communities, the salaries of the City's first year patrolmen would drop from above average in 1995 to below average in 1997, if the City's wage proposal were adopted (City Exhibit Nos. 21 and 31). Similarly, under the City's analysis the salaries paid to the City's top step patrolmen would drop from ranking second in 1995 to ranking third in 1996 if the City's wage proposal were awarded (City Exhibit Nos. 22 and 27). The City is correct in noting that its Sergeant would maintain their salary ranking if the City's wage proposal were awarded. However, the substantial gap between what New Brunswick and its next closest municipal competitor pays its Police Sergeants would shrink from more than twenty five hundred dollars (\$2500) per year to less than ten dollars (\$10) per year if the City's wage proposal were awarded (City Exhibit Nos. 18 and 28). Thus, I find that an analysis of the comparable communities relied upon by the City supports awarding the City's Police Officers a larger wage increase than the City has proposed, especially in the second and third years of the parties' Agreement.

The Association introduced evidence which demonstrated that as

of 1994, the City's Police Officers ranked fourth among comparable communities in terms of salaries paid to top step patrolmen (Association Exhibit 4). The evidence submitted by the Association demonstrates that a five percent (5%) wage increase in 1995 would improve the ranking of the City's Police Officers to third among comparable communities in terms of salaries paid to top step patrolmen (Association Exhibit 4). Thus, even under the analysis of comparable communities proffered by the Association, a salary increase of the magnitude proposed by the Association is not required to maintain the relative ranking of the City's Police Officers in terms of salary. To the contrary, a four percent (4%) wage increase in 1995 would maintain the fourth place ranking of the City's Police Officers in terms of salaries paid to top step patrolmen (Association Exhibit 4).

However, the Association also presented evidence that the average wage increase awarded to top step patrolmen in comparable communities in 1995 was 4.73%, more than the four percent (4%) wage increase proposed by the City. An analysis of the wage increase granted to top step patrolmen in the five (5) comparable communities relied upon by both the City and the Association demonstrates that the average wage increase awarded to top step patrolmen in those comparable communities in 1995 was 4.4%. This is significantly higher than the four percent (4%) wage increase proposed by the City. Moreover, a 4.4% wage increase in 1995 would not alter the salary ranking of the City's top step patrolmen. Thus, if this were the only criterion to consider, there would be



no impediment to awarding the City's Police Officers a 4.4% wage increase in 1995. Therefore, although the Association's comparability analysis does not support the magnitude of the wage increases being proposed by the Association, it clearly supports the awarding of wage increases in excess of those being proposed by the City.

A similar conclusion is reached after an analysis of the other evidence of comparability submitted by the parties which was unrelated to the salaries paid to police officers in comparable communities. For example, the City submitted evidence that some of its municipal employees recently agreed to wage increases identical to those being proposed by the City. The Association, on the other hand, presented evidence that teachers in New Brunswick and throughout Middlesex County recently agreed to wage increases in excess of those being proposed by the Association. Thus, the public and private sector evidence of comparability presented by the parties, which was unrelated to the wages paid to police officers in comparable communities, also supports the awarding of a wage increase in between the wage increases proposed by the City and the Association.

In summary, I find that the different types of evidence of comparability presented by both the City and the Association support the awarding of a wage increase somewhere between the increases proposed by the City and the Association, especially in the second and third years of the Agreement.

The next criterion deals with the overall compensation

received by the City's Police Officers. I agree with the City that the overall compensation received by its Police Officers is quite good. I also agree with the Association that the overall compensation of the City's Police Officers tends to be similar to the overall compensation received by police officers in comparable jurisdictions. The same points can also be made about the benefits received by the City's Police Officers. However, the overall compensation of the City's Police Officers would not fare relatively well with the overall compensation received by other police officers in comparable jurisdictions, if I were to award the City's final proposal. Under those terms, the City's Police Officers would fall somewhat behind their counterparts in comparable jurisdictions. On the other hand, the economic package being sought by the Association is more generous than is necessary to maintain the relative standing of the City's Police Officers in terms of overall compensation and benefits. Thus, I find that this criterion also demonstrates the appropriateness of awarding an economic package which falls somewhere between the economic packages being sought by the City and the Association.

As to the criterion concerning the stipulations of the parties, the City and the Association have agreed to three (3) relevant stipulations. First, they have agreed that the term of the Agreement shall be three (3) years, commencing on January 1, 1995 and concluding on December 31, 1997. Second, the parties have stipulated that I have conventional arbitral authority. Thus, I am not bound to choose the last offer of either party on the issues in

dispute. Instead, I am empowered to select one party's position or a position in between the parties' proposals, as the most reasonable one on an item in dispute. Third, the parties' have stipulated that the City has the ability to pay the cost of either parties' final offer.

As to the lawful authority of the employer, I note the existence of New Jersey's Cap Law. I agree with the Association that this criterion requires an evaluation of the City's authority to pay for the parties' economic proposals pursuant to the requirements of New Jersey's Cap Law. The Association has persuasively argued that the City has the budgetary flexibility to pay for the Association's economic proposal within the framework of New Jersey's Cap Law. The City has shown that it cannot afford to pay for the economic package proposed by the Association without over-burdening its residents and taxpayers. However, this evidence is more appropriately considered when evaluating the financial impact on the governing unit, its residents and taxpayers. Thus, there can be no dispute that the City has the lawful authority to pay for the types of increases awarded herein.

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

The City has made a compelling case that it is not flush with money. That is, any substantial increase in Police wages will necessarily result in either the cost of that increase being

shifted to the City's residential taxpayers or a reduction in other important municipal services. Moreover, the evidence shows that the City's residents are relatively poor when compared to residents of comparable communities. The City also persuasively argues that due to numerous tax appeals as well as other factors, the City has suffered a reduction in both its residential and commercial tax base. In addition, the evidence establishes that there has been and will continue to be a decrease in the City's non-tax related revenues, particularly those revenues which the City previously received from the State.

Given the current economic climate in New Brunswick, this statutory criterion requires that I not award the increases being sought by the Association. Instead, the wage increases awarded must be more modest. Otherwise, there will be an unnecessary burden upon the governing unit and its residents and taxpayers. For this reason, I conclude that while a weighing of all of the relevant statutory criteria entitles the City's Police Officers to a wage increase higher than the increase proposed by the City, the financial circumstances of the City necessitate moderating the cost of such an increase to the City. Thus, primarily because of the financial impact upon the governing unit and its residents and taxpayers, the salary increases awarded below are less than what would be justified if only the other statutory criteria were emphasized.

As a result, I have determined that the wage increases, exclusive of increments, shall be comprised of a four percent (4%)

across the board increase effective January 1, 1995, a four and one-quarter percent (4-1/4%) across the board increase effective January 1, 1996, and a four and one-quarter percent (4-1/4%) across the board increase effective January 1, 1997.

Thus, over the life of the Agreement I am awarding the City's Police Officers a twelve and one-half percent (12-1/2%) rate increase in their salaries. This is a rate increase closer to the total rate increase proposed by the City than the total rate increase proposed by Association. However, it rewards the City's Police Officers for their arduous working conditions in comparison to their counterparts in other jurisdictions without financially over-burdening the City. Thus, the financial circumstances of the City and its residents and taxpayers have been taken into account and the wages of the City's Police Officers have not fallen behind the wages paid to officers in comparable communities.

As to the cost of living, the evidence demonstrates that the cost of living was approximately 2.6% in the year ended December 31, 1995 (City Exhibit No. 53). While the cost of living has been exceeded in this Award, the increases awarded are not substantially above the cost of living. Moreover, they are less than the increases being sought by the Association. Thus, I have incorporated relevant evidence concerning the cost of living into this Award.

Moreover, I agree with the Association that police officers in the past did not receive wage increases equal to the cost of living when the increase in the cost of living was running in the double

digits or close to the double digits. Under those circumstances, common sense required that salary increases be less than the cost of living.

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

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

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

Accordingly, for the above reasons, I find that the following statutory criteria support the Association's wage proposal over the

City's wage proposal: the interests and welfare of the public, the wages paid to comparable employees, overall compensation and the lawful authority of the employer. However, I also find that the following statutory criteria support the City's wage proposal over the Association's wage proposal: the financial impact on the City and its residents and taxpayers, the cost of living and the continuity and stability of employment.

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

|                 |                        |
|-----------------|------------------------|
| January 1, 1995 | 4% across-the-board    |
| January 1, 1996 | 4.25% across-the-board |
| January 1, 1997 | 4.25% across-the-board |

These increases balance the legitimate right of the City's Police Officers to be compensated appropriately without unduly burdening the residents and taxpayers of New Brunswick. In addition, the wage increases awarded herein intentionally cushions the impact of the awarded increases on the City's budgetary process by granting the wage increase the City had proposed for 1995.

I turn now to the other economic proposals made by the parties. The City has proposed that effective January 1, 1995, the starting salary for first year Police Officers be reduced to twenty five thousand dollars (\$25,000) per year and that it remain at that level for the entire term of the Agreement. The City also has proposed that two (2) new steps, including a training step, be added to the parties' salary structure, so that the salary

structure contain seven (7) rather than five (5) steps.

An introductory training wage for newly hired Police Officers is an important step in addressing the City's financial circumstances. It also is reasonable and makes sense to pay Officers who have not completed their training and are not acclimated to the community, less than their experienced counterparts who are trained to fulfill all of their responsibilities. In addition, the savings generated by such a beginning salary step will justify, in part, the increase awarded, herein, to the City's current complement of Police Officers.

Thus, I am persuaded that effective January 1, 1995, a new training wage of twenty five thousand dollars (\$25,000) for newly hired beginning Police Officers should be added to the parties' salary structure. However, such a new contract term should not result in a reduction in the salary for any of the City's current Police Officers. The record establishes that nine (9) beginning Police Officers were hired by the City on January 9, 1995. Of those nine (9) Police Officers, five (5) remain on the City's police force. Those five (5) Police Officers shall not have their beginning salaries reduced as a result of the introduction of this new training salary. Instead, their salaries shall be frozen at the rate at which they were hired, \$29,277, until they graduate from the Police Academy. Upon their graduation from the Police Academy, those Police Officers shall move to the new step 2 of the parties' salary structure, which was formally step 1.

The introduction of a new step to the senior ranks of the



parties' salary structure would have a large impact upon numerous Officer's who are employed by the City. It also is not justified by the City's financial condition or any other of the statutory criterion. Thus, this aspect of the City's salary structure proposal shall not be award.

The Association has proposed that the annual uniform cleaning allowance paid to the City's Police Officers be increased from four hundred and eighty dollars (\$480) to five hundred dollars (\$500) in 1995 and to five hundred and seventy five dollars (\$575) in 1996 and 1997. This proposal is not supported by evidence relevant to the statutory criteria. The record demonstrates that the City's Police Officers currently receive a uniform allowance greater than the uniform allowance received by the bulk of their counterparts in comparable jurisdictions (Association Exhibit No. 12). In addition, the evidence concerning the financial circumstances of the City and its residents and taxpayers, establishes that the City can ill afford to be the leader in this or any other additional benefit area. Thus, the Association's uniform allowance proposal shall not be awarded.

The City has proposed that the parties' Agreement be amended to recognize a limited chiropractic benefit of five hundred dollars (\$500) per person when medically necessary. The record shows that the medical premiums paid by the City for its Police Officers have increased at a rate greater than inflation and have imposed an ever increasing financial burden on the City and its residents and taxpayers. Unlike certain employees in both the public and private

sectors, the City's Police Officers do not directly pay for any of their medical insurance. The City's chiropractic benefit proposal is an important step in helping to control the City's escalating medical costs. Thus, I find that the City's chiropractic benefit proposal is reasonable and supported by the statutory criteria. Therefore, it shall be awarded.

I now turn to the parties' non-economic proposals. The Association has proposed that the meal break for the City's Police Officers be increased from thirty (30) minutes to forty five (45) minutes per meal break. The record evidence establishes that the Association's meal break proposal will not impose any appreciable costs on the City. In addition, the Association's meal break proposal serves the interest and welfare of the public. Police Officers in a large urban center, such as New Brunswick, are subject to a great degree of on the job stress. A forty five (45) minute meal break will permit these Officers to recover from the stress of police work. In turn, this should increase police efficiency and improve public safety. Thus, I find that the Association's meal break proposal is reasonable and supported by the statutory criteria. Therefore, it shall be awarded.

The Association has proposed that the City not use police cars that have been driven for more than seventy five thousand (75,000) miles. The City has proposed that all police vehicles with seventy five thousand (75,000) or more miles be inspected at a state certified inspection center. The City's vehicle safety proposal addresses the safety issues raised by the Association without

placing an unnecessary financial burden on the City. The Association's vehicle safety proposal is unreasonable because it would require the abandonment of vehicles with seventy five thousand (75,000) or more miles even if those vehicles are safe and in excellent condition. Thus, I find that the City's vehicle safety proposal is supported by the statutory criteria and that the Association's vehicle safety proposal is not. Therefore, the City's vehicle safety proposal shall be awarded.

The Association has proposed that the parties' contractual arbitration procedure be amended to replace the New Jersey State Board of Mediation with the State of New Jersey Public Employment Relations Commission. It alleged that many of the arbitrators most experienced in public sector disputes in New Jersey do not serve on the State Board of Mediation panel due to that Panel's established maximum daily per diem. The City acknowledges that certain arbitrators do not serve on the State Board of Mediation Panel but insisted that there are many qualified arbitrators on that Panel. It also argued that it accomplished the change to the State Board of Mediation in the last round of bargaining and that the lower per diem provides the City with some cost savings.

I have carefully weighed the arguments regarding this issue. I agree with the Association that certain prominent arbitrators are not listed or decline to serve on cases from the State Board of Mediation due to the per diem limit dictated by the State Board of Mediation. On the other hand, I recognize that the City could have a minor increase in cost if an arbitrator selected has a per diem

beyond the maximum rate allowable by the State Board of Mediation.

On balance, I conclude that the administrative agencies shall be changed so as to afford both parties the maximum opportunity to have appointed the arbitrator best able to serve in their disputes. However, so as to lessen, somewhat, the costs invoked with this change, it shall be effective only for matters filed for arbitration after January 1, 1997.

The City has proposed that the City and the Association establish a committee to review work schedules and, if necessary, make recommendations to the City Administration regarding work schedules for the City's Police Officers. The City acknowledges that some of the work schedule issues raised by the Association during negotiations need to be addressed. The City's proposal will permit the parties to address work schedule issues in a thoughtful and logical manner. Thus, the City's work schedule committee proposal is clearly reasonable and shall be awarded.

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

Accordingly, the changes herein are awarded to the extent indicated in this Opinion.

## **AWARD**

### **1. TERM**

The Agreement shall have a term of January 1, 1995 to December 31, 1997.

### **2. WAGES**

January 1, 1995 - 4% across-the-board increase, exclusive of increments.

January 1, 1996 - 4-1/4% across-the-board increase, exclusive of increments.

January 1, 1997 - 4-1/4% across-the-board increase, exclusive of increments.

Effective January 1, 1995, a new training wage of twenty five thousand dollars (\$25,000) for newly hired beginning Police Officers, shall be added to the parties' salary structure. Beginning Police Officers hired by the City between January 1, 1995 and the date of this Award, who are still on the Police Department payroll as of the date of this Award, shall have their salaries frozen at the rate at which they were hired, \$29,277, until they graduate from the Police Academy. Upon their graduation from the Police Academy, those Police Officers shall move to the new step 2 of the parties' salary structure.

### **3. CHIROPRACTIC BENEFIT**

Effective January 1, 1997, the parties' Agreement shall be amended to recognize a limited chiropractic benefit of five hundred

dollars (\$500) per person when medically necessary.

**4. MEAL BREAK**

Effective July 1, 1996, the meal break for Police Officers shall be increased from thirty (30) minutes to forty five (45) minutes.

**5. VEHICLE SAFETY**

All police department vehicles with seventy five thousand (75,000) or more miles shall be inspected by a state certified inspection station.

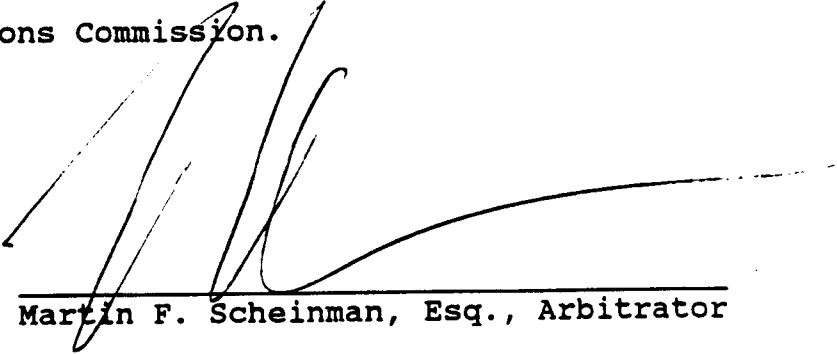
**6. SCHEDULE COMMITTEE**

The parties shall establish a schedule committee forthwith to discuss scheduling issues raised by the parties and, if needed, make recommendations to the City Administration.

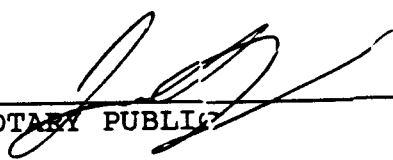
**7. GRIEVANCE - ARBITRATION PROCEDURE**

Effective January 1, 1997, the parties' Grievance and Arbitration procedure shall be changed so that arbitrations shall be filed and conducted pursuant to the rules of the New Jersey Public Employment Relations Commission.

June 7, 1996.

  
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Martin F. Scheinman, Esq., Arbitrator

On this 7 day of June 1996, before me personally came and appeared MARTIN F. SCHEINMAN, ESQ., to me known and known to me to be the individual described herein and who executed the foregoing instrument and he acknowledged to me that he executed the same.

  
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NOTARY PUBLIC

JAMES G. KALPAKIS  
NOTARY PUBLIC, State of New York  
No. 4955010  
Qualified in Nassau County  
Commission Expires Aug. 28, 1997

