

D E C I S I O N

The Township of West Windsor (the "Township" or the "Employer") and the West Windsor P.B.A., Local 271 (the "PBA") are parties to a collective bargaining agreement which had a duration through December 31, 2002. Negotiations for a successor agreement reached an impasse and a Petition to Initiate Compulsory Interest Arbitration was filed. Pursuant to the Rules and Regulations of the Public Employment Relations Commission, the undersigned Arbitrator was duly appointed to serve in this matter.

The Arbitrator met with the parties on May 30, 2003 and June 24, 2003 in an effort to assist them in achieving a voluntary resolution to their dispute. The impasse persisted. Evidentiary hearings were scheduled and held on December 12, 2003.

The parties were provided with the opportunity to argue orally, present documentary evidence and examine and cross-examine witnesses. An extensive record was created over the course of the hearing.

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

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

Statutory Criteria

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

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

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

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

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

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

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

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

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

(4) Stipulations of the parties.

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

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

(7) The cost of living.

(8) The continuity and stability of employment including seniority rights and other such factors not confined to the foregoing which are ordinarily or

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

Final Offers

The final offer submitted by the PBA includes five economic issues and a single non-economic item. That final offer is as follows:

- (1) Wage increase - The PBA proposes a four year contract with a 5.0% across-the-board increase on each January 1st.
- (2) Holidays - The holiday benefit is requested to be folded in and paid along with regular payroll and used for all calculation purposes.
- (3) Longevity - The PBA proposes that the longevity benefit, presently paid in flat dollar sums, be converted to a percentage. Where it doesn't meet the exact conversion, the PBA proposes that the number be rounded up to the next higher percentage point.
- (4) Sick Leave at Retirement - There is presently a plan for 50% of the sick leave with a \$20,000 maximum. The PBA proposes that the maximum be removed.
- (5) Out of Title Work - The PBA proposes that the current two day lag time be removed and that the Out

of Title work compensation be on an hour for hour basis without the two day lag time.

(6) Off Duty Rate [non-economic] - The PBA proposes an increase in the Off Duty Rate paid by outside contractors and processed by the Township. It proposes that the regular rate increase from \$30.00 to \$35.00 per hour and that the road job rate increase from \$35.00 to \$40.00 per hour. It proposes that the additional \$5.00 per hour added on as an administrative cost payable to the Township would continue. This proposal is meant to be prospective in nature.

The final offer submitted by the Township includes eight economic issues and two non-economic issues. That final offer is as follows:

- (1) Wages - increase as set forth
 - 1/1/03 - 3.0%
 - 1/1/04 - 3.0%
 - 1/1/05 - 3.5%

(2) Starting Salary - Lower starting salary to \$28,000.00 with 10 equal distant steps up to current maximum for all employees hired after 1/1/04.

(3) Vacation

A. Specify vacation is prorated during last year of service.

B. Any employee on a leave of absence (i.e. injury leave or worker's compensation or unpaid leave) shall have his vacation leave for the year prorated for the duration of the leave.

(4) Holidays - Delete paragraph E.

(5) Insurance

A. The Township will provide a \$10/\$20 prescription co-pay plan, applied prospectively.

B. The employer reserves the right to change carriers in the insurance program as long as substantially similar benefits are provided.

(6) Incentive - Conform to existing practice of paying only educational costs but not stipend. Employees receiving stipend prior to 1995 will continue to receive the stipend.

(7) Longevity - Employees hired after January 1, 2004 shall not be eligible for longevity.

(8) Association Rights - The Union agrees that it will indemnify and save harmless the Township against any actions, claims, demands, losses or expenses (including reasonable attorneys fees) in any matter resulting from action taken by the Township at the request of the union under this article.

(9) Grievance Procedure

A. The parties will direct the arbitrator to decide preliminary question as to whether he/she has jurisdiction here and decide the matter in dispute.

B. The arbitrator shall be bound by the provisions in this Agreement, Constitution Laws of the State of New Jersey and be restricted to application of facts presented to him/her involved in the grievance. The arbitrator shall not have the authority to add, modify, detract or in any way the provisions of this agreement or any supplement thereof.

C. Only one issue at a time may be submitted to a particular arbitrator.

(10) Outside Employment

A. Employees will not be permitted to engage in outside employment which conflicts with their

responsibility to the Township. Employees will be permitted to engage in outside employment if it does not constitute a conflict of interest and is work which may not be performed during the employee's normal tour of duty with the Township. However, the employee recognizes that its primary employment responsibility is to the Township and he will be available immediately following tours of duty upon reasonable notice by the Township if he is called back to perform service on an emergency basis at hours other than the normal tour of duty. Employees will provide the department head of the location, nature and the time of the outside employment which is conducted on a continuing basis so that the department may call them back in the event of an emergency.

B. Employees shall be obligated to comply with Township Ethics Guidelines.

Positions of the Parties

Position of the PBA

The PBA presents a comprehensive set of arguments which are clearly designed to address the eight statutory criteria. The following is a summary of the arguments presented by the PBA.

The discussion of the *Public Interest* criterion initially describes the community as experiencing "incredible growth." This growth is tracked in terms of population, student enrollment, commercial construction and rapidly expending residential (high end) development. The PBA asserts that Township is "one of the busiest traffic communities in the State of New Jersey." It notes the impact of a major commuter train station and of an extensive park system as contributors to an increasingly active community. The PBA maintains that the significantly increased police services include "numerous new activities and enhanced services which have taken place in the last 3 years."

The PBA points out that the work load of the Department has increased dramatically over recent years. It characterizes the work force as "highly productive" and "extremely busy", noting that it has met the challenge of increased work and expanded services. The PBA stresses the fact that the enormous increase in demand has been met with "virtually no change in the size of the work force." That high productivity factor is emphasized as evidence of service in the interest and welfare of the public.

The PBA notes that the structure of the force has a "very shallow managerial triangle." It points out that there are only 4 positions above those in the bargaining unit: one Chief; one Captain and two Lieutenants. Forty of the forty-three sworn personnel are at what the PBA describes as the level of execution. It suggests that the four-person administrative level is small. This, the PBA argues provides a very limited number of promotional opportunities. It draws attention to the fact that most officers will likely spend their career in non-supervisory positions.

The PBA seeks to have the Arbitrator consider evidence of high productivity and the successful delivery of services as important elements in applying the public interest criterion to issues in dispute. The limited promotional opportunities, it argues, should be considered in analyzing relative pay rates. Further, it notes evidence of local survey data suggesting a very high level of citizen approval of the services provided by the Department, suggesting support of the contention that the public interest is well-served by this unit of employees.

With respect to the *Comparability* criterion, the PBA asserts that "the base wage of the West Windsor Police Officer is below average for area towns." It draws a comparison with: Hamilton; Ewing; Freehold; Hopewell; State Troopers; Princeton Township; Princeton Borough; Lawrence; and East Windsor. The PBA computes an average 2002 salary rate among this comparison group to be \$72,508, compared to the \$71,750 top patrol rate in West Windsor.

The PBA insists that the relative comparison of salary rates deteriorates further when the longevity category of compensation is also factored in. Specifically, it points

out that the PBA contract contains a flat dollar longevity benefit while "most of the longevity plans are percentage based as is the proposal for this PBA in this case."

The PBA presents evidence of 2003, 2004, 2005 and 2006 salary rate increases from a broad cross-section of employers providing law enforcement services. These salary increases range from 3.5% to 5.0% annually. The annual averages of the comparison group used range from 4.0% to 4.4%. The PBA states that, based upon this evidence, "the employer position is not supportable under this statutory criteria." It describes the offer as "regressive" and suggests that it "would substantially reduce relative positioning of the West Windsor officer."

The PBA contends that the fold-in of holiday pay, as it proposes, would serve to address the shortfall it claims exists in comparative evaluation of salary rates. It describes the impact of that fold-in as "nominal" in terms of the Employer. It suggests that most of the unit employees' peers, including West Windsor Superior Officers, enjoy the holiday pay fold-in benefit.

The PBA seeks to downplay the direct impact of the contract recently negotiated between the Township and the SOA. It claims that the SOA accepted "a very modest wage increase" in exchange for the folding-in of holiday pay. The PBA asserts that the value of the holiday fold-in for the three employees in the SOA had potentially enormous impact immediately, for pension purposes. It stresses that all 3 members of the SOA, with 30 years, have reached the maximum level of service credit for pension purposes. It suggests that the likelihood is that each is in anticipation of retirement. The PBA emphatically points out that the SOA salary rates are so much higher than the unit members' salaries that the lower percentages generate increases of dollar values higher than the PBA proposals of 5%. It notes the 2002 Captain's rate of \$103,366 to compute an example of that concept.

In support of its argument that there should be diminished significance to the comparison between the PBA and SOA contracts, the PBA points out that the differential between the sergeant and lieutenant rates is 16.88%. This differential, according to the PBA is "far above average." Finally, the PBA simply argues that there should be little

or no significance accorded to a unit of only three administrative employees when addressing the compensation package for the unit of 40 line officers.

The PBA contends that there are no valid comparisons with the private sector because there are no comparable working conditions for any employees in the private sector. It notes on and off-duty obligations that are not found in the private sector and the statutory "public franchise" built into the police officer function. Finally, the unique nature of the hazard and risk are stresses. The PBA maintains that "private sector comparisons should not be controlling in this case." The PBA concludes that the most important comparisons are with police officers with other law enforcement agencies.

The PBA notes that there are no substantive stipulations on the record. It submits that the *Stipulations of the Parties* criterion is not relevant to the determination in this case.

The PBA contends that the *Lawful Authority of the Employer* criterion essentially relates to the application

and consideration of the Cap Law. That statute generally functions to establish limitations on governmental spending. The PBA claims that the Township's Cap Law "flexibility is substantial and the public employer did not utilize all the monies available." It notes that the 2003 budget reveals that the total expenditures fall \$886,561 below the cap limitation. The PBA stresses that not only is it established that the Township is without a lawful authority problem currently but the unused cap amount is then "banked" for future flexibility, making any Cap Law problem unlikely for the foreseeable future. The PBA cites a pattern of increasing banked cap flexibility over a period of several years.

In addressing the Financial Impact criterion, the PBA repeats its emphasis on the productivity levels achieved by the Department. It reiterates the significance of the increased population and work load in the face of a static work force. The PBA argues that this high productivity level is in itself an economic benefit to the residents and taxpayers. The PBA identifies the cost of each 1% of base salary increase as costing \$29,270.00; the 5.0% final offer position would cost taxpayers \$146,350 in 2003. The PBA

states that this increase "will have a nominal and almost imperceptible impact on the taxpayers and residents." The total levy for Township is reported [Exhibit P-23] as \$101,361,698, of which only 13.5% is dedicated to municipal services. The Board of Education budget is the largest element of the local levy. The PBA calculates that unit base salaries represent only 2.8% of the tax levy, that is, 2.8 cents of every tax dollar paid. It contends that the increases proposed would do little to impact the overall tax burden.

The PBA emphasizes numerous factors in concluding that the Township is in excellent fiscal health. It points out that the ratable base is "enormous" and growing and that the effective (equalized) tax rate is an "attractive" \$2.82. The tax collection rate is in excess of 99% in the last three years and the Township's credit rating is outstanding. The PBA also notes the Township's ability to regenerate surplus and its strong current fund balance as indicators of financial strength.

Under the Continuity and Stability of Employment criterion, the PBA asserts that the private sector concepts

of "prevailing wage rates" and "area standards" are indicative of ordinary and traditional factors used in determining compensation levels. It argues that "cost/benefit consideration" and evidence of the delivery of services to the community "strongly supports an above average increase in both wages and the longevity adjustment."

The PBA contends that, under the record presented its final offer is the more reasonable resolution of the dispute submitted for determination in this interest arbitration. It seeks a ruling in favor of its final offer position.

Position of the Township

The Township presents a comprehensive set of arguments which are clearly designed to address the eight statutory criteria. The following is a summary of the arguments presented by the Township.

The Township notes that the *Public Interest* criterion requires an employer to attempt to balance the satisfaction of its employees with the need to maintain government services. It should be fair to its employees but "a municipality should not reduce essential government services to satisfy the economic demands of over-reaching public employees." The Township emphasizes that the public is a "silent partner" in the process by which public safety unions determine their contract terms with public employers. The Township implores the Arbitrator to give proper weight to this criterion and to understand the difficulty balancing competing interests within the available budget.

In addressing the *Comparability* criterion, the Township devotes considerable attention to the concept of pattern bargaining as a controlling element of interest arbitration decisions. It asserts that internal settlement evidence must be given substantial weight and should often be a determinative factor. The Township presents arguments related to comparisons with employment in the private sector and also with police officers in comparable

jurisdictions. The Township's emphasis with respect to comparisons is quite extensive and multi-faceted.

The Township contends that its offer, averaging more than 3% per year in wages, is supported by the private sector wage rate data. It emphasizes that the New Jersey Department of Labor reports that average annual wages in 2002 rose by 1.6%, statewide, over those of the prior year. It also narrows the comparison to Mercer County where the private sector annual average wage rose by 1.7%, virtually the same as the statewide figure. The Township insists that its proposal is much closer to the private sector trend than that of the PBA, at 5.0%. Other evidence presented, from the Labor Relations Reporter (10/13/02), revealed current average national wage rate increases at 3.1%, 3.3% including lump sum payments. This, according to the data supplied by the Township represented a decline from the previous year. Numerous other private sector reports are relied upon by the Township to support its contention that the private sector sub-criterion establishes the Township's offer as the more reasonable.

The Township also offered survey data to suggest that there is a clear trend toward premium contribution and cost-sharing in health insurance benefits. The Township notes: "Despite rapidly rising costs, the Township provides its officers and their families with comprehensive medical, dental, prescription and vision care benefits at NO COST to the employee. The Township seeks to defray costs by increasing the prescription co-pay from \$2.00 to \$10.00 for generic drugs and \$20.00 for brand name drugs."

The Township claims that its final offer "seeks to continue an established pattern agreed to by the Township's other collective bargaining units." It refers to contract settlements with the Police SOA (police supervisors); AFSCME (representing non-police supervisory employees); and the CWA. (representing white and blue collar workers). All of these units accepted a salary increase package consistent with the Township's offer in this dispute. Additionally, the Township maintains that other elements of the settlements are directly on point with respect to: prescription co-pay; longevity; insurance carrier; vacation; indemnification; grievance procedure; outside employment; and terminal leave.

The Township places a great emphasis on its "pattern of settlement" argument. It cites numerous arbitration awards for the proposition that this is often a determinative, and always a compelling, factor. To further stress the importance of the internal comparisons, the Township traces a claimed long-standing parallel in salary rate movement between the PBA and SOA. It asserts, "the Township's wage offer should be awarded, in part, because it directly reflects the increases provided to the SOA."

The Township draws comparisons with other police officers in comparable communities. It uses a comparison group of all other Mercer County municipalities and the neighboring Middlesex County communities of Plainsboro (with whom West Windsor shares a regional school district) and Cranbury. The Township points out that the PBA uses a comparison group including Middlesex, Monmouth and Somerset County communities and omitting major Mercer County municipalities which are clearly relevant. The Township assails the comparison group drawn by the PBA as "without regard to geographic or demographic consistency."

The Township contends that the patrol salaries are substantially above average for the comparison group. Further, it stresses that the supervisors salaries are not as far above average in the group as the patrol salaries. The Township uses that data to conclude that the PBA unit members "enjoy higher salaries in relation to the comparable communities than the lieutenants and captains." It continues to assert that "the relatively higher salaries provided to patrol officers at maximum step and sergeants provides further evidence of the reasonableness of the Township's offer."

The Township claims that the comparison evidence reveals a relatively high standing for unit employees with respect to starting salaries; vacation and personal leave; and sick and terminal leave. It states: "West Windsor provides its officers with significantly above average benefits in every area. Comparability data supports the reasonableness of the Township's offer."

The Township approaches the *Lawful Authority* criterion with an explanation of the options available under the Cap Law. It notes that the Township decided not to pass an

ordinance or referendum to extend the Cap to its full 5%, relying instead on the index rate of 1%. The Township suggests that "to the extent that the PBA's total package exceeds the index rate it requires the Township to reduce other expenditures which fall within the Cap to the extent the cost of the economic demands exceed the index rate."

The Township maintains that the overall economy of the State of New Jersey "directly impacts the Township's ability to raise revenue through taxes to pay for police salary increases." It argues that this is relevant under the *Financial Impact* criterion. It paints a bleak picture of the state economy noting high unemployment, job losses and layoffs. The "tight financial situation" of the New Jersey State government and the large property tax increases about the state as well as the stock market decline are cited as factors worthy of note.

The Township claims that it too "faces increasing fiscal restraints." Evidence is presented to contend that the Township "has experienced a substantial decrease in its surplus balance." Other factors noted are an increase in revenue to be raised by taxes and an increase in the

reserve for uncollected taxes. Further, the Township emphasizes that the tax rate has increased dramatically from 2000 to 2002. It states: "In sum, increasing property tax burdens and continuing layoffs impact the Township's ability to pay for the salary increases and benefits awarded in this interest arbitration."

The Township, in consideration of the *Cost of Living* criterion, provides evidence relating to the Consumer Price Index. It points to declining rates of increase from 2002 to 2003 which are less than the Township's salary increase offer. It also traces a history of police salaries over time to assert that salary rates have outpaced the cost of living for West Windsor police employees. The Township concludes: "the Arbitrator should consider the dramatic gap between the CPI and the PBA's salary demands in rendering a conventional award."

In relation to the *Continuity and Stability of Employment* criterion, the Township argues that its proposals will serve to "maintain and continue a stable work force in the Police Department and throughout the community." It suggests that the Township's position more

reasonably protects the stability and continuity of employment of police officers than that of the PBA.

In conclusion, the Township asserts that its proposals "more reasonably reflect the statutory criteria than the PBA's demands." It seeks to have the Arbitrator "issue a decision supporting the elements of the Township's offer."

Discussion and Analysis

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

the benefits to the public of increased productivity are within the relevant elements of the public interest criterion.

The record establishes that the Township of West Windsor is a strong, growing and healthy community of approximately 24,000 people. It stretches over 27 square miles in Mercer County and shares a regional school district with the Township of Plainsboro, its Middlesex County neighbor to the north. The Township is a transportation hub. There are several major traffic routes through the Township, most notably, the Route One corridor. There is also an extremely active commuter rail station, Princeton Junction, on the Amtrak and New Jersey Transit Northeast Corridor lines. The record also includes evidence of continuing construction in both the residential and commercial sectors. According to the U.S. Census Bureau, the median household income in West Windsor is the highest of any municipality in Mercer County and is within reasonable comparison range of that found in other New Jersey communities such as: Chatham, Mendham, Montgomery and Upper Saddle River.

Not surprisingly, the growth of the Township has been accompanied by an increase in police activity. The level of activity in terms of calls for service, summons issued, accidents investigated and total arrests is substantially higher than it was just ten years ago. The dramatic nature of this observation is revealed in comparing the combined statistics of the years 2000, 2001 and 2002 with the years 1993, 1994 and 1995. The grouping of years was used for comparison purposes to see trends without the figures being skewed by any one year. The result is data establishing major increases in police work load over a period of less than a decade. The trend is unmistakable and true for all the noted categories, although even more pronounced in some than others.

During this period in which the Township has seen extensive growth, the police force has remained at essentially static staffing levels. The increased work load in light of static staffing translates into significant productivity increases. It is the public which reaps the benefit of the increased productivity in the Police Department and the public is well-served by providing a structure of compensation and benefits that

keeps morale high, retains experienced officers and attracts new recruits of high caliber.

As will be discussed under other criteria in this section, the Arbitrator notes that the existing package of salary and benefits is highly competitive and has been reasonably sufficient to serve the purposes noted above. For the purposes of this proceeding, it is necessary to view the impact of remaining competitive in the labor marketplace, rather than establishing that level of compensation. Therefore, one element of the public interest, as it applies to this case, is the strong desirability of maintaining the existing standing of a compensation and benefits program which is competitive in the labor marketplace.

Fiscal responsibility is another component of the public interest as it must be applied in an interest arbitration. The Arbitrator must be careful to make findings which do not create an undue financial burden. Further, the Award herein should not unreasonably impose on other important municipal services to provide compensation and benefits to the police employees. It is clear that the

governing body has taken steps in recent years to try to keep tax rate increases to manageable levels. It has used several approaches to that end; the most prominent have been the prudent use of fund balance as a revenue source and the budgeting of appropriation below the maximum limit allowed by statute. These efforts are to be recognized as in the public interest and the Arbitrator finds that the policy of restraining tax rate expansion is legitimate and the ultimate package awarded herein is designed to fall within the overall bounds of the governing body's tax policy.

The implications of the Cap Law are part of the public interest criterion and must be addressed, however, it will be discussed and analyzed at greater length under the Lawful Authority of the Employer criterion. The Cap Law presents no problem to the Township in terms of the resolution of the dispute at hand because the Township's budget is set substantially below the limitations established by the Cap Law. Nothing herein will have any meaningful impact on the levels which the Township has been able to set appropriations below the statutory restrictions

and the continued ability to bank Cap amounts for future flexibility appears unencumbered.

There is a public interest in maintaining sound and prudent labor relations policy. This criterion supports the concept that consistency is a positive feature of labor relations policy. To that extent, the Township's argument that weight must be attributed to the settlements of other units of employees is quite convincing. This aspect of the public interest criterion requires the Arbitrator to give meaningful weight to the settlements the Township has reached with the SOA, CWA and AFSCME.

The weight noted above should be tempered in light of an argument presented by the PBA. The SOA bargaining unit on which the Township heavily relies in its "pattern" or consistency argument, is made up of only three employees, one captain and two lieutenants. The PBA unit represents about 40 patrol officers and sergeants. The desirability for consistency may need to be balanced by the common experience that the larger, more dominant unit usually establishes the trend rather than follows the smaller, supervisory unit. The expression frequently used to

describe this relationship is that "the tail does not wag the dog." The nature of the dynamics of this comparison shall be addressed with greater detail under the discussion of the Comparability criterion but it is important to note that there are countervailing arguments, worthy of careful consideration, to a strict application of the concept of consistency.

It is the public interest criterion which dictates the Arbitrator's determination that the duration of the contract shall be four years, January 1, 2003 through December 31, 2006. The contract should provide a reasonable period of "labor peace", that is, a period of administration without the backdrop of ongoing collective bargaining. If the contract term were to be three years, it would be half over by the time the document is signed. Given the time, expense and attention involved in bargaining a successor contract, the parties and especially the public are well-served by a reasonable period before the expiration. Further, the Arbitrator has moderately back-loaded the salary rate increases so that the Township can maximize its ability to plan and budget for the highest rate and dollar value increases. The record clearly

supports the four year duration as being in the public interest.

In sum, the public interest criterion requires the Arbitrator to balance components warranting significant weight in support of each set of proposals. The resolution awarded herein serves to address these competing elements of the public interest and achieve a reasonable balance attributing due weight to each aspect of the public interest criterion.

There are several sub-sections to the *Comparability* criterion, all seeking comparisons with employees who perform the same or similar functions and also with other employees, generally. The categories set forth in the statute are: in private employment in general; in public employment in general; and in public employment in the same or similar comparable jurisdictions.

The most relevant evidence with respect to the private sector is found in the New Jersey Department of Labor Private Sector Average Annual Wage chart. The most recent data available was the September 10, 2003 report which

compares the annual average wage figures for 2001 and 2002. This data reveals that the average annual wage in the private sector increased by 1.6% in 2002 over the 2001 average figure on a statewide basis. The data is also broken down on a countywide basis and the figures for Mercer County are very consistent with those for the entire state. The average annual private sector wage in Mercer County for 2002 increased by 1.7% over the average for 2001. It is interesting to note, for a sense of context, that in 2001, the average annual private sector wage statewide increased by 1.2% but the Mercer county average annual private sector wage figure was up 4.4% over that of 2000.

Additional private sector evidence is found in survey data from the Labor Relations Reporter which found that, nationally, private sector collective bargaining settlements for the first 9 months of 2003 averaged 3.3% (including lump sum amounts) compared to 4.2% in 2002. The Arbitrator agrees with the Township that the private sector wage comparison evidence supports the contention that the Township's wage proposal is more reasonable than the 5% annual increases proposed by the PBA.

It must be pointed out that the private sector comparisons are not the most compelling among the statutory criteria. They are worth some meaningful weight but they are not to be given great determinative power because they are not as relevant to the labor market in which the police officers and the employers exist as comparisons with those that perform the same or similar functions in the same or similar comparable jurisdictions. There is no employee in the private sector that performs a job truly comparable to that of a municipal police officer. There are few private sector employees who face the hazards and risks that police officers may face on a regular basis. The training and experience components required of police officers is quite unique as are the statutory requirements that demand public responsibilities for off-duty response where necessary. The private sector evidence is considered and given meaningful weight in a tempered context.

The Arbitrator also gives consideration to the evidence on the record of increased employee contributions toward premium costs. This general employment factor is noted as a general trend and the documentation is given

some weight in reference to the Township's proposal to increase the prescription co-pay amounts.

The same New Jersey State Department of Labor report cited earlier with respect to the private sector, provides data as to governmental employees as well. The aggregate average governmental annual wage increased by 3.6% in 2002 over 2001. The average local government annual wage figure increased by 2.5% for the same period of time.

Sub-section (c) of the Comparability criterion requires consideration of the comparison with other employees of the same jurisdiction. This is the area in which the Township placed greatest emphasis. There are some particularly salient elements of this internal comparison factor, examining the settled collective bargaining agreements between the Township and the Police SOA, the CWA and AFSCME.

The Township bases its claim of a "pattern" on what appear to be identical salary rate increases for the years 2003, 2004 and 2005. Those increases of 3.0%, 3.0% and

3.5%, respectively, are the same the Township offers to the PBA herein.

The Arbitrator finds that there is a strong and significant measure of internal comparability to the comparisons with the three other municipal contract settlements but not a true pattern of settlement. Of greatest importance in reaching that conclusion is the recognition that the SOA unit received a package in which their holiday pay was rolled into base pay. The makeup of the SOA group makes this difference all the more meaningful; that unit of three employees is composed entirely of employees eligible for retirement. Rolling holiday pay into base pay especially valuable for those that can convert the substantial enhanced value at the time of their own choosing. Certainly, the members of the SOA unit will enjoy the value of that change well before the average member of the rank and file unit. It is extremely likely that this added value element had an impact on the resolution of the SOA contract. The added value has special significance to the SOA unit and that value cannot be ignored in making comparisons between the SOA unit and the others. The concept of the "pattern" of settlement

anticipates identical economic terms; there is not a pattern of identical terms. The SOA contract is clearly unique in value and that sets it apart from the CWA. and AFSCME contracts.

The lack of a true pattern hardly renders the evidence of internal comparisons meaningless. Indeed, the internal comparisons between the PBA and SOA must be given meaningful weight, albeit in the proper context. Similarly, the existence of the other two contracts must also be given consideration.

The SOA settlement provided across-the-board salary increases of 3.0%, 3.0% and 3.5%, effective on January 1, 2003, January 1, 2004 and January 1, 2005, respectively. Further, the holiday pay for police superior officers was folded into their base pay compensation as used for calculations of pension benefits. There were no other changes to the SOA contract for the term of that agreement.

The CWA and AFSCME settlements provide the same across-the-board wage rate increases as the SOA contract. However, neither contains anything parallel or comparable

to the valuable holiday pay roll-in component. Both the non-police contracts include several items that the Township did not negotiate in the SOA agreement. These include: an increase in the prescription plan co-pay to \$5.00 generic/\$12.00 brand name; vacation benefit language changes; outside employment language; indemnification language; and a reduced cap on terminal leave for new hires. The CWA also agreed to eliminate longevity benefits for new hires and AFSCME agreed to the grievance procedure language sought by the Township herein.

There is an element of the issue of the comparison between the PBA and SOA that requires special attention. The Township claims that the SOA settlement is particularly worthy of weight because, it alleges, the PBA salaries are already in a better relative position to average than the superior officer salary rates. It provides data designed to prove that point. The PBA contests the factual assertion.

The Arbitrator finds it necessary to provide a detailed analysis of this contested factual matter. The PBA correctly asserts that the Township's calculations are

flawed and that it is the SOA salary rates which are relatively higher than the PBA rates. The flaw in the Township's calculation was in the inclusion of the Pennington Borough rates of \$45,000 (patrolman) and \$47,000 (sergeant) in the computation of the average figures for the non-supervisory group. There are no corresponding low lieutenant or captain rates in the superior officer calculations, presumably because the tiny Pennington force does not have those ranks. In other words, if Pennington is taken out of the mix for non-supervisory calculations, the 2002 West Windsor patrol officer salary rate is 3.74% above the 2002 average salary of \$69,164. Similarly, the 2002 West Windsor sergeant rate is 2.5% above the average 2002 rate of \$77,940. By contrast, the 2002 West Windsor lieutenant rate of \$93,361 is 4.77% above the 2002 average lieutenant salary rate of \$89,110. Finally, the 2002 West Windsor captain rate of \$103,366 is 4.31% above the 2002 average captain rate of \$99,095. The figures provide a basis to conclude that there may actually be some support in the data that PBA salary increases should be somewhat higher than those achieved by the SOA. Note that these comparisons have been accomplished using the comparison figures drawn by the Township. The only variation was the

proper elimination of the Pennington data which clearly served only to skew the calculations.

The Township claims that the consistency between the PBA salary increase and the SOA salary rate increases over time enhances the argument that the SOA settlement should be given controlling weight. The evidence does reveal that the PBA and SOA have had a truly parallel experience in terms of salary rate increases over time. However, the record fails to establish that the SOA has ever been the dominant actor in setting those increases. Indeed, it may be that the previous experience is that the PBA set the rates and the SOA did follow. One must be very skeptical in assuming that the settlement of a three-member supervisor group should be a controlling factor for the 40 member bargaining unit that they supervise. This is especially true when the three member group received a benefit of special value to them and when the salary rates of the smaller faction are higher, on a relative basis, than those of the larger group. The comparison is valid and meaningful but not, by any means, controlling in and of itself.

In review of the internal comparability factor, it is fair to say that the wage rates achieved by the Township with the SOA, CWA and AFSCME must be accorded meaningful weight in the determination herein. The SOA salary increases must be weighed in light of the existence of the holiday fold-in which is of substantial value, particularly to a unit where the members have such extensive service credits and for whom base improvements have near-term potential value. The prescription insurance co-pay changes reached with the CWA and AFSCME are worthy of weight but the Township failed to achieve those changes from the SOA. Similarly, there are several other items proposed by the Township that it achieved from the CWA and AFSCME which it did not include in the SOA contract agreement and the impact of those comparisons must be carefully weighed in that context.

In terms of comparisons with employees performing the same or similar functions in similar comparable jurisdictions, consider the following chart:

	2002	2003	2004	2005
Ewing	76,359	80,177		
Lawrence	74,632			
Hamilton	72,895			
Princeton Twp	70,575	74,055		
Princeton Boro	70,549	74,120*		
East Windsor	69,471	72,076	74,779	77,584
Washington	67,956			
Hopewell Twp	67,808	70,814		
Plainsboro	66,824	69,497	72,277	
Hightstown	64,999	66,624	68,955	71,369
Trenton	58,891	62,137	64,647	67,259*
sub-averages	69,178	71,188		
Montgomery	68,573	71,316		
Cranbury	66,421	69,077		
averages	68,919	70,989		
			*split increase	
West Windsor	71,750			

The above comparison chart is closer to the comparison group drawn by the Township than that of the PBA. The supporting demographic evidence was used to make determinations that the comparisons relied upon by the Township, where they differed from the PBA were generally more relevant. The variations include the elimination of the comparison with Pennington Borough whose small size,

small department and divergently low rates make for problematic results in any analysis. Trenton is included but the comparison with that urban area is taken cautiously. The Township of Plainsboro is included despite its location in Middlesex County because of the numerous common elements to the communities, most notably a long, shared border and a shared regional school district. The comparison with Cranbury is moved into a second tier because it, also out of county, is a little more removed as a direct comparison. The second tier concept is also appropriate for Montgomery, a comparison found in the PBA group and one as equally relevant as Cranbury. The PBA comparisons to Freehold, East Brunswick and Spotswood do not appear to have any specific relevance to the case at hand.

As can be seen, the West Windsor salary rate for patrol officers is above average and compares favorably within the group. It is not at the highest end but clearly maintains a level which can compete in the marketplace. Consider the following chart which tracks the percentage salary rate increases reflected on the rates above:

	2,003	2,004	2,005
Ewing	5		
Lawrence			
Hamilton			
Princeton Twp	4.93		
Princeton Boro	5.0(2.5/2.5)		
East Windsor	3.75	3.75	3.75
Washington			
Hopewell Twp	4.43		
Plainsboro	4	4	
Hightstown	2.5	3.5	3.5
Trenton	3.75	4.0(2/2)	4.0(2/2)
Montgomery	4		
Cranbury	4		
average	4.14	3.81	3.75

The range of settlements runs from 2.5% to 5.0%, which is a very broad scope in the current climate for negotiations. However, it is only one jurisdiction, Hightstown, which includes any settlement figures below 3.75%. Hightstown's unusually high effective tax rate [see later discussion of Financial Impact criterion] may explain the low salary increases which are outside the norm. Using the range of settlements, including Hightstown (2.5% to 5.0%), both final salary increase positions fall within the established range. If the Hightstown rate is removed, the PBA's proposed salary increase is still within the range, albeit

at the highest end, but the Township's offer falls out of the range of settlements.

The Arbitrator finds that the comparisons with other employees performing the same or similar functions with similar comparable jurisdictions weighs in favor of salary rate increases substantially higher than those offered by the Township. The proposed increase rates of 5%, annually, offered by the PBA are higher than the most reasonable rates under this component of the criteria. This sub-factor taken alone would dictate increases of about four percent annually as being the most reasonable. However, although the comparison with other police officers in comparable jurisdictions is found to be powerfully relevant under the record at hand, it is not the only determinative factor and it must be balanced against the other significant statutory criteria. The record herein requires the weighing of numerous factors which point toward differing results.

The Arbitrator finds it appropriate to revisit the matter of the comparison between the two police units, the

PBA and the SOA. Consider the comparison for 2002 salary rates for sergeants, lieutenants and captains:

	SGTS	LTS	CAPTS
Ewing	84,885	93,610	102,851
Lawrence	83,587	93,619	104,852
Hamilton	85,063	95,861	107,426
Princeton Twp	81,161	94,861	101,095
Princeton Boro	81,131	93,784	106,660
East Windsor	80,098	91,374	
Washington	75,593	78,617	
Hopewell Twp	75,645	85,700	93,200
Plainsboro	75,844	91,654	98,999
Hightstown	70,099		
Trenton	70,299	80,846	92,971
Montgomery	73,433	89,488	
Cranbury	69,916	76,035	79,531
average	77,443	88,787	98,621
West Windsor	79,893	93,361	103,366

As noted earlier, the salary rates for the lieutenants and captains in West Windsor compare somewhat more favorably to average than those of the PBA unit members. The comparison of rank different rates is actually the most graphic depiction of the demonstrably strong standing of the superior officer salary levels in West Windsor. Consider this comparison of 2002 rank differentials:

	LTS/SGTS	CAPTS/LTS
Ewing	10.3	9.9
Lawrence	12	12
Hamilton	12.7	12.1
Princeton Twp	16.9	6.6
Princeton Boro	15.6	13.7
East Windsor	14.1	
Washington	4	
Hopewell Twp	13.3	8.8
Plainsboro	20.9	8
Hightstown		
Trenton	15	15
Montgomery	21.9	
Cranbury	8.8	4.6
averages	13.8	10.72
West Windsor	16.9	10.1

The above table reveals that the superior officers salary rates compare very favorably among those of comparable jurisdictions; more favorably than those of the sergeants or patrol officers. It provides some further justification for balancing the internal and external comparisons in order to resolve the salary issue herein.

The Arbitrator notes that there is no comparative evidence with respect to the final year of the duration

herein. The determination that the contract shall be four years is driven by the public interest criterion rather than the comparability criterion. However, there is enough comparison evidence with respect to the other three years that the Arbitrator can reasonably establish a fourth year salary rate based on projecting the evidence presented for the years 2002 through 2005 to establish the most reasonable package for the year 2006. While the record is not ideal for this purpose, it is certainly sufficient. Inclusion of the 2006 year is driven by the public interest criterion but it is fashioned in light of the available evidence under other criteria, including comparability, as well.

The *Overall Compensation* criterion serves in the case at hand to support a standard or normal range result for the overall package herein. Unit employees are reasonably well compensated and receive benefits within an appropriate range. The salary rate is above average and highly competitive and the benefits are similarly situated. A comparison of leave time (vacation, personal and sick leave benefits) indicates that unit employees enjoy reasonable benefits in those areas. The terminal leave benefits

appear to be appropriate as well. Health benefits are comparable to those normally enjoyed by public safety employees. Longevity benefits are within the standard range for Mercer County, where flat dollar and percentage longevity benefits are both common. In sum, the overall compensation received by PBA bargaining unit members is clearly appropriate for the unit. There is no indication that its overall compensation standing requires special redress due to an unfavorable position nor is there evidence to suggest that the overall compensation is unduly rich, requiring adjustments to reduce the package. This criterion is best served through the balanced, moderate package, well within the standard range, as awarded herein.

The parties entered into no substantive stipulations. Therefore the *Stipulations of the Parties* criterion is not relevant to the matter at hand.

Under the record at hand the only aspect of the *Lawful Authority* criterion that is relevant is the application of the Cap Law (N.J.S.A. 40A:4-45.1 et seq.) to the issues at hand. That statute (in relevant part) establishes limits on the appropriations that may be budgeted by a

municipality in any given year. It requires the annual calculation, under a formula, of the increased amount allowable and it also provides a method to expand the formula restriction by ordinance or referendum. Further, the statute allows municipalities to bank unused Cap amounts to establish flexibility in future years.

The evidence could not more clearly establish that the Cap Law presents no impediment for the Township with respect to the resolution awarded herein. Indeed, the Township has been able to consistently budget its appropriations well below the restrictions of the statute. In the 2003 budget the Cap Law calculation would have allowed operating appropriations up to \$17,913,150; the total operating appropriations within the Cap were \$17,026,589. That allowed the Township to bank future Cap flexibility of substantial proportions. Similarly, the 2002 budget was able to set operating appropriation under the Cap at a level \$964,621 below the statutory limit. In the 2001 budget, the total operating appropriations within the Cap was set at an amount \$1,000,692 below the statutory limit. The lawful authority criterion indicates that the package awarded herein is most reasonable.

In analyzing the record under the *Financial Impact* criterion, the Arbitrator focuses initially on the tax rate applied to the Township's taxpayers. The total tax rate for 2003 of \$4.110, although within an acceptable range, appears on the higher end in comparison with other Mercer County municipalities. Indeed, it is below only Hightstown in this category. This rate includes the county, library, open space and school tax rates in addition to the municipal purpose tax which is directly related to the issues in dispute in this interest arbitration.

The municipal purpose component of \$0.530 in 2003 is not even at the high end of the spectrum in Mercer County municipal tax rates. It ranks below the municipal purpose rates in: Ewing, Hamilton, Hightstown, Pennington, Princeton Borough, Princeton Township and Trenton. Further, it is well below the average rate for all municipalities in Mercer County. That average rate is seriously skewed by the 2.24 municipal purpose rate in Trenton, but the West Windsor rate of 0.53 is even below the average computed (0.56) ignoring the Trenton figure.

The nature of the tax burden in West Windsor takes on an even more moderate appearance when one considers the impact of the ratio to true value, establishing the effective tax rate. The total 2003 tax rate of 4.110 which appears well above the 2003 average of 3.532, becomes an effective rate of 2.820 when the ratio is applied. This effective rate of 2.820 is very close to the average effective rate of 2.768 for the entire county.

Consideration of the tax rate trend from 2002 to 2003 is of some importance. The total tax rate increased from 3.960 to 4.110 and the municipal purpose element increased from 0.470 to 0.530. These are somewhat misleading because the total effective rate actually decreased from 2002 to 2003 from 2.930 to 2.820.

The net value taxable of property in the Township continues to grow. Its level in 2003 was \$2,580,293,449. This ranked third in Mercer County, behind only Hamilton and Lawrence in value. The tax base is strong and its growth can be expected to continue to be steady. This is a financially healthy community by all indicators.

The Arbitrator finds that the economic package awarded herein will have virtually no impact on the municipal purpose element of the property tax rate in West Windsor. For calculations purposes, the Arbitrator has assumed that all unit members are at maximum salary. [The reality is that some members are at lower rates in the salary schedule and they advance over time. Each time an employee departs and is replaced, the cycle starts anew. The maximum rates are used for consistency and to anticipate the highest possible impact of the salary schedule.] Using the above assumption the 2003 salary schedule established herein would generate an increase in cost of \$110,080. This represents 3.75% of the artificial base of \$2,935,144. The base salary cost increase is merely 0.6% of the total operating budget appropriations. When one identifies the difference between the amount awarded and the amount the Township proposed, the 0.75% cost figure is only \$22,014 on the artificial base. That \$22,014 difference is significant because one must assume that the Township budgeted for at least the amount in their offer (if not more). The difference could not possibly impact the tax rate or any municipal service. It is nearly insignificant in scope in relation to the budget as a whole. Similarly,

the cost figures for 2004 and 2005 are reasonably close to the Township's own offer so as to reduce the difference to a very manageable amount, recognizing that all municipalities anticipate some need for line item adjustments during the budgetary year. The 2006 cost is also moderate and the Arbitrator is confident that it will have absolutely no negative impact on the delivery of services. It is acknowledged that there is an aggregate impact of multiple years of increase on the salary base cost, especially in the latter years of the contract duration, but the actual numbers are such that any aggregate impact of the overall package on the municipal purpose element of the tax rate in those latter years of the contract period will only be minimal, if any.

In sum, the package awarded herein is balanced and moderate with a reasonable financial impact on the residents and taxpayers. It is designed to provide reasonable salary increases well within the Township's financial means. The contract terms will not have any immediate impact on the tax rate and any future impact will be minimal at most. Further, there is absolutely no basis to fear that the package awarded herein will have any

detrimental impact on the delivery of services to residents and taxpayers.

The *Cost of Living* criterion is clearly more supportive of the Township's proposal than that of the PBA. The most common measure of the cost of living is the Consumer Price Index ("CPI") as calculated by the Bureau of Labor Statistics of the U.S. Department of Labor. The evidence in the record reveals that the CPI (for urban consumers) rose at an annual rate of 2.5% for the first three quarters of 2003; that is remarkably constant in relation to the 2.5% rise for all of 2002. The trend has revealed modest increases for an extended period of time. There is some suggestion that gasoline price rises might push the cost of living higher but they have been offset in other areas. In overview, the cost of living suggests a moderate salary rate increase, closer to those in the Township's offer than to the 5.0% annual increases proposed by the PBA.

The *Continuity and Stability of Employment* criterion presents several areas worthy of discussion and analysis. Initially, it can be firmly concluded that neither final

offer would undermine the stability and continuity of employment within the West Windsor Police Department. The structure of the Department is obviously sound and the differences between the parties do not pose any threat to undermine that strong structure. However, this criterion also includes the elements of all other factors ordinarily or traditionally considered in determining terms and conditions of employment. Each party has raised noteworthy concepts under this eighth criterion. The Township has stresses the importance of internal consistency among bargaining units and the standard implications of a "pattern of bargaining." The PBA has raised the significance of area wage standards and prevailing wage rates within the labor marketplace.

Although the internal bargaining history does not establish a true pattern, because of certain elements of the SOA economic package, it does bring into focus the importance of internal consistency. As discussed earlier, that factor must be given meaningful weight. The PBA presentation with respect to prevailing rates (external comparisons) also demands substantial weight. The two factors must be balanced to achieve a moderate package

reflective of the dual compelling countervailing arguments. The award herein seeks to establish the appropriate balance.

In applying the statutory criteria, the Arbitrator has computed the net annual economic changes resulting from the award herein. As noted earlier, a certain artificial assumption has been used to simplify that consideration. The 40 members of the bargaining unit have all been placed at maximum salary rate for each year of the contract for the purposes of making these calculations. The Arbitrator recognizes that the cost will be somewhat lower in each, perhaps even all, year(s) of the contract depending on the number of employees in the steps of the guide. Using the presumption of 32 patrol officers and 8 sergeants, the 202 base salary would have been \$2,935,144 if all were at top step. The increase to 2003 would be \$110,080 to a new base of \$3,045,224. In 2004 the base would increase by \$114,196 to \$3,159,420; and in 2005 by \$124,797 to \$3,284,217. Finally, the salary base in 2006 would increase to \$3,415,586, or by \$131,369 over the 2005 base figure. In 2005 and 2006, the net economic changes will reflect some savings to the Township as a result of the increased

co-pays for the prescription benefits. It is impossible under the record at hand to calculate those savings but they have been given some measure of subjective consideration as part of the net economic change for the final two years of the contract.

These net economic changes are subject to the variations of step movement, turnover, promotions, resignations and retirements. The base amounts might likely be lower in each year but the increase amounts might be somewhat higher due to incremental costs. It is also possible, if there is substantial turnover, that the increases and base levels will both be lower due to the effect of breakage. The Arbitrator finds that the package awarded herein is reasonable under the statutory criteria, even in consideration of the fact that there will be a certain degree of variation from the calculations.

The salary package awarded herein seeks to balance the impact and weight attributed to the various different criteria. The public interest, comparability (in all its elements), overall compensation, financial impact, cost of living and the ordinary and traditional factor criteria

were all attributed some degree of meaningful weight in constructing the ultimate package awarded. The weight attributed varied with respect to the evidence presented and the applicability of each factor under that evidence.

The salary rate increases awarded herein shall be as follows:

effective 1/1/03	-	3.75%
effective 1/1/04	-	3.75%
effective 1/1/05	-	3.95%
effective 1/1/06	-	4.00%

This schedule of increases takes into account the settlements with the SOA, CWA and AFSCME, with particular note accorded to the significance of the holiday pay fold-in to the three-member SOA unit. The prevailing comparisons (external) in comparable jurisdictions were considered in conjunction with the internal comparison evidence. The public interest, overall compensation, cost of living, financial impact and eighth criterion were also accorded weight in deciding the salary rate increases. As noted earlier, the four year duration was driven by application of the public interest criterion.

The Arbitrator finds that the Township presents convincing comparison evidence that the starting patrol officer's salary in West Windsor has outpaced its relative standing in other areas of compensation. It is reasonable to keep the starting rate relatively balanced to the rest of the comparative salary structure. However, the proposal to reduce the starting salary to \$28,000 is entirely unsupported in terms of both the comparability criterion and, particularly, the public interest criterion. The starting salary must be reasonably competitive to attract highly qualified candidates to the job. Therefore, the Arbitrator finds it most reasonable to maintain (freeze) the current starting salary rate of \$42,599 and the completion of academy rate of \$47,734 through 2005 and to increase those amounts by 3.5%, effective January 1, 2006. The evidence does not support the Township's proposal to increase the number of steps in the salary guide; the current structure is in line with the norm.

In recognition of the fact that the PBA is awarded higher salary rate increases than the SOA, the PBA's demand for the holiday pay fold-in shall not be awarded. This is

another element of the balancing process required by this particular record.

Effective January 1, 2005, the Arbitrator awards the change in the prescription insurance co-pay to the levels included in the CWA and AFSCME contracts. That is, the co-pays shall be \$5.00 generic and \$12.00 name brand. This is another form of recognition of the meaningful weight warranted by certain internal comparisons. It is noted that the SOA did not agree to this change but, once again, the salary rates awarded herein are higher than those of the SOA.

The longevity proposals of both sides are rejected; the *status quo* shall prevail. The record includes some evidence supporting each party's position in this area. That is, the elimination of longevity for future hires in the CWA unit (Township) and the existence of numerous percentage longevity structures among comparables (PBA) but neither position was particularly convincing. This determination is also made in light of the fact that the SOA made no change in longevity and that there are also

many flat dollar longevity structures among the comparables.

The following additional proposals by the PBA or the Township were not supported with sufficient convincing evidence to be awarded as part of the package herein: longevity (both PBA and Township); sick leave at retirement/terminal leave (both PBA and Township); holidays (PBA); out of title work (PBA); off duty rate (PBA); vacation, both parts (Township); holidays (Township); insurance, change of carriers (Township); education incentive (Township); outside employment (Township); association rights (Township); and grievance procedure, three parts (Township).

In conclusion, the Arbitrator finds that the Award herein reflects the most reasonable resolution of all issues in dispute at interest arbitration. It applies the entire evidentiary record to the statutory criteria in order to develop the most reasonable result, according due weight to each criterion as indicated in this *Discussion and Analysis*.

A W A R D

For the foregoing reasons IT IS HEREBY ORDERED that the issues in dispute at interest arbitration shall be resolved as set forth below:

(1) Duration - The duration of the contract shall be from January 1, 2003 through December 31, 2006.

(2) Salary - The Entry Level and Completion of Academy salary rates shall remain unchanged, at the 2002 levels, through 2005 and shall be increased by 3.5%, effective January 1, 2006. All other salary rates shall be increased as set forth below:

effective 1/1/03 - 3.75%

effective 1/1/04 - 3.75%

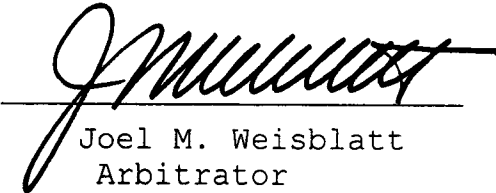
effective 1/1/05 - 3.95%

effective 1/1/06 - 4.00%

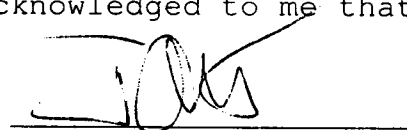
(3) Effective January 1, 2005, the prescription insurance co-pay shall be increased to \$5.00 generic and \$12.00 brand name.

(4) The prior contract shall remain in full force and effect except as modified above. All other proposals are hereby rejected.

Dated: June 15, 2004
Skillman, N.J.


Joel M. Weisblatt
Arbitrator

On this 15th day of June, 2004, before me personally came and appeared Joel M. Weisblatt, to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed the same.


Attorney-at-law