

STATE OF NEW JERSEY  
PUBLIC EMPLOYMENT RELATIONS COMMISSION

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In the Matter of the Interest Arbitration Between

TOWNSHIP OF HILLSIDE

and

TOWNSHIP OF HILLSIDE SUPERIOR OFFICERS ASSOCIATION

PERC Docket No. IA-98-27

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AWARD OF ARBITRATOR

The undersigned Arbitrator, having been designated in accordance with the arbitration agreement entered into by the above-named parties, and having been duly sworn, and having duly heard the proofs and allegations of the parties, AWARDS as follows:

Based on the evidence submitted, the following Award constitutes the most reasonable application of the statutory provisions of NJSA 34:13A-16(d)(2). The Hillside Township Police Superior Officers bargaining unit shall receive the same rate of annual increases negotiated by the three other uniformed service bargaining units; namely, an across the board increase of the base wage rate from which the salaries for Sergeant, Lieutenant, Captain, and Deputy Chief are

derived in the amount of 2.9%, effective July 1, 1996; 3.0%, effective July 1, 1997; 3.5%, effective July 1, 1998; and 3.7%, effective July 1, 1999. The annual wage increases shall be applied to the base wage, the clothing allowance shall be folded in for the first year of the contract term, and the salaries of Sergeants, Lieutenants, Captains, and Deputy Chiefs shall then be computed as 15%, 23% , 31% and 39% respectively above the contractual Superior Officers' base wage rate for each year of the contract term.

All wage increases shall be computed retroactive to July 1, 1996 and shall be paid within thirty days after the issuance of this Award.

The prescription co-payment shall be increased, effective March 1, 1999, to \$5.00 for generic prescriptions and \$10.00 for brand-name prescriptions, provided that none of the other three uniformed service bargaining units currently has a lower co-pay in effect.

The \$500.00 clothing allowance increase provided voluntarily by the Township to the FOP unit shall also be conferred on the SOA unit, and shall be folded into the base pay, retroactive to July 1, 1996.

All other demands by either party are denied.

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A formal interest arbitration hearing was held on September 3, 1998 at the Hillside Township Hall, before Daniel F. Brent, duly designated as Interest Arbitrator by mutual request of the parties. Both parties attended this hearing, were represented by counsel, and were afforded full and equal opportunity to offer testimony under oath, to cross-examine witnesses, and to present evidence and arguments. Final offers were submitted by both parties, and post-hearing briefs were thereafter submitted by both parties. A mediation session was previously conducted by the Interest Arbitrator on June 29, 1998.

ARBITRATOR'S AUTHORITY

As the parties have not agreed to convey alternative authority on the Arbitrator, the instant dispute is subject to the conventional authority afforded by N.J.S.A.

34:13A-16. The parties mutually agreed to extend the time limits for issuance of the Award until April 1, 1999.

These written extensions have been filed with the Public Employment Relations Commission.

APPEARANCES

FOR THE TOWNSHIP

David F. Corrigan, Esq. of Murray, Murray & Corrigan, Esqs.

FOR THE ASSOCIATION

Richard D. Loccke, Esq. of Loccke & Correia, Esqs.

NATURE OF THE CASE

The Hillside Superior Officers Association represents a bargaining unit comprised of approximately twenty Sergeants, Lieutenants, Captains, and Deputy Chiefs employed by the Township of Hillside Police Department. The Township of Hillside is located in Union County, New Jersey adjacent to

the municipalities of Elizabeth, Union, Irvington, and Newark. Route 22 is a major artery through Hillside, carrying traffic toward Newark Airport, the City of Newark, and other destinations, such as New York City. The Garden State Parkway and Route 78 also flow through Hillside.

The current collective bargaining agreement between the parties expired on June 30, 1996. Protracted negotiations and mediation proved unavailing in resolving the issues separating the parties. The following economic Final Offers were submitted at the arbitration hearing. Neither party has proposed any non-economic demand.

FINAL OFFERS OF THE PARTIES

TOWNSHIP FINAL OFFER

**Term:** A four-year agreement from July 1, 1996 through June 30, 2000.

**Wage increases:** 2.9% effective July 1, 1996;  
3.0% effective July 1, 1997;  
3.5% effective July 1, 1998;  
3.7% effective July 1, 1999.

**Prescription co-pay increase:** Effective July 1, 1997, the prescription co-pay would increase to \$5.00 for generic prescriptions and \$10.00 for brand-name prescriptions.

ASSOCIATION FINAL OFFER

**Duration:** Four-year contract - July 1, 1996 through June 30, 2000.

**Wage increases:** 5.0% effective July 1, 1996;  
5.0% effective July 1, 1997;  
5.0% effective July 1, 1998;  
5.0% effective July 1, 1999.

**Clothing and maintenance allowance:** To be increased by \$500.00, effective as of July 1, 1996. The Association further proposed that the clothing allowance be folded into

the base pay and thereafter be eliminated as a separate benefit. Such amalgamation would be prospective.

Rank differential: Institute an 8.0% differential between ranks of Sergeant through Deputy Chief after adding each annual wage increase.

#### APPLICABLE STATUTORY CRITERIA

The Police and Fire Public Interest Arbitration Reform Act, N.J.S.A. 34:13A-16(d)(2), requires an Interest Arbitrator to separately determine whether the total net annual economic changes for each year of the agreement are reasonable under the eight statutory criteria in subsection (g) of this section.

N.J.S.A. 34:13A-16(g) directs the arbitrator or panel of arbitrators to decide the dispute based on a reasonable determination of the issues, giving due weight to those factors listed below that are judged relevant for the resolution of the specific dispute. The arbitrator or panel of arbitrators shall indicate in the Award which of the factors are deemed relevant, satisfactorily explain why the

others are not relevant, and provide an analysis of the evidence on each relevant factor. The factors are:

(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 Township by P.L.1976, c.68 (C.40A:4-45.1 et seq.).

(2) Comparison of the wages, salaries, compensation, 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 Township. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the Township (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 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.

#### LIST OF EXHIBITS

E-1 (Parts A-V)	Exhibits Submitted On Behalf Of The Township Of Hillside, Section A - Contracts, Settlements And Awards, from the office of Murray, Murray & Corrigan, Esqs.
E-2 (Parts A-Z)	Exhibits Submitted On Behalf Of The Township Of Hillside, Section B - Wage And Economic Data, Part I, from the office of Murray, Murray & Corrigan, Esqs.
E-3 (Parts A-T)	Exhibits Submitted On Behalf Of The Township Of Hillside, Section B - Wage And Economic Data, Part II, from the office of Murray, Murray & Corrigan, Esqs.
J-1	Agreement Between Township Of Hillside And Hillside Police Department Superior Officers' Association, Effective January 1, 1993 through June 30, 1996
U-1	Agreement Between The Township Of Hillside And The Fire Chief Of The Township Of Hillside, effective May 9, 1997 through June 30, 2000
U-2	Agreement Between The Township Of Hillside And Hillside Fire Superior Officer's Association, effective July 1, 1996 through June 30, 2000
U-3	Agreement Between The Township Of Hillside And The Police Chief Of The Township of Hillside, effective May 1, 1997 through June 30, 2000
U-4	Agreement Between The Borough Of Kenilworth And Kenilworth Superior Officers' Salary Committee, effective January 1, 1995 through December 31, 1997
U-5	Contract Between Town Of Harrison, Hudson County, New Jersey and Harrison P.B.A. Local 22, Policemen's Benevolent Association of New

	Jersey, effective January 1, 1996 through December 31, 1998
U-6	Agreement Between Township of Irvington and Irvington Superior Officers Association, effective January 1, 1996 through December 31, 1998
U-7	Agreement Between Borough of Mountainside and Mountainside PBA Local 126, effective January 1, 1996 through December 31, 1998
U-8	Police Department Salary Range for July 1, 1996-97-98-99
U-9	Agreement Between Township Of South Orange Village and Policemen's Benevolent Association, Local No. 12A, Superior Officers Association, effective January 1, 1996 through December 31, 1999
U-10	Agreement Between Township of Belleville and Policemen's Benevolent Association (PBA) Local 28, effective January 1, 1994 through December 31, 1996
U-11	Agreement Between Borough Of East Newark and East Newark Branch Of Harrison Patrolmen's Benevolent Association Local No. 22, effective January 1, 1997 through December 31, 2000
U-12	Agreement Between Township Of Union, Union County, New Jersey And Superior Officers' Association Of The Township Of Union Police Department, effective January 1, 1996 through December 31, 1999
U-13	Agreement Between The City of Newark, New Jersey and The Newark Deputy Police Chief's Association, effective January 1, 1994 through December 31, 1997
U-14	Agreement Between City Of East Orange, New Jersey And East Orange Superior Officer's Association, Local No. 16, effective July 1, 1993 through June 30, 1996
U-15	1998 Municipal Data Sheet, State Fiscal Year, Township of Hillside, County of Union, adopted January 27, 1998
U-16	Agreement Between The Borough Of Roselle And Roselle Superior Officers' Association Local No. 99, effective January 1, 1996 through December 31, 1998
U-17	Agreement, Borough Of Roselle Park and Roselle Park Police Supervisors' Group, effective January 1, 1997 through December 31, 1999
U-18	Agreement Between The Borough Of Roselle and Roselle Policemen's Benevolent Association Local No. 99, effective January 1, 1996 through December 31, 1999
U-19	Agreement Between Township Of Springfield and Springfield Superior Officers Association, effective January 1, 1994 through December 31, 1996
U-20	Agreement Between City Of Summit and Policeman's Benevolent Association Local #55, Inc., effective January 1, 1997 through December 31, 2000
U-21	Agreement Between Township Of Scotch Plains and Scotch Plains P.B.A. Local 87, effective January 1, 1995 through December 31, 1997
U-22	Agreement Between The City Of Plainfield and Plainfield P.B.A. Local 19 (Superior Officers), effective January 1, 1996 through December 31, 1998
U-23	Agreement Between The Township Of West Caldwell and West Essex PBA Local 81 (West Caldwell Unit), effective January 1, 1996 through December 31, 1998

U-24	Agreement Between The Township Of Berkeley Heights and Superior Officers Association, effective August 1, 1996 through December 31, 2001
U-25	Agreement Between Township Of Cranford, Union County, New Jersey, and Police Superior Officers' Bargaining Unit, Policemen's Benevolent Association - Local No. 52, effective January 1, 1996 through December 31, 1998
U-26	Agreement Between Township Of Clark and Clark Policemen's Benevolent Association, Local #125, effective January 1, 1996 through December 31, 1998
U-27	Agreement Between Borough of North Caldwell and West Essex PBA Local No. 81, effective January 1, 1997 through December 31, 1999
U-28	Agreement Between Township Of Bloomfield and The Superior Officers Committee, Bloomfield Police Department, effective January 1, 1996 through December 31, 1997
U-29	Agreement Between The Township of Berkeley Heights and Superior Officers Association, effective August 1, 1996 through December 31, 2001
U-30	Addendum To The 1993-95 Agreement Between Township Of Union and Superior Officers' Association Of The Union Police Department, executed by the parties on September 29, 1993 for implementation on January 1, 1994
U-31	Agreement Between Township of Cedar Grove and West Essex Policemen's Benevolent Association Local No. 81, effective January 1, 1997 through December 31, 1999
U-32	Agreement Between The City of Newark, New Jersey and The Police Superior Officers' Association of Newark, New Jersey, Inc., effective January 1, 1993 through December 31, 1995
U-33	Agreement Between The Township of Westfield and The New Jersey State P.B.A. Local No. 90, effective January 1, 1996 through December 31, 1998
U-34	Agreement Between Elizabeth Police Superior Officers Association and City of Elizabeth, New Jersey, effective January 1, 1994 through December 31, 1996
U-35	Agreement Between Borough of Essex Fells and West Essex Policemen's Benevolent Association Local No. 81, effective January 1, 1997 through December 31, 1998
U-36	Collective Bargaining Agreement Between The City of Rahway, New Jersey and PBA Local #31 of Rahway, effective July 1, 1995 through June 30, 1999
U-37	Agreement Between City of Linden and Linden Police Superior Officers' Association, Inc., effective January 1, 1993 through December 31, 1997
U-38	Agreement Between The Town of Westfield and The New Jersey State P.B.A. Local No. 90, effective January 1, 1993 through December 31, 1995
U-39	Opinion and Award of Jack D. Tillem, Arbitrator, in the Interest Arbitration between Borough of Lodi and PBA Local 26, dated April 20, 1998
U-40	Opinion and Award of Jack D. Tillem, Arbitrator, in the Interest Arbitration between Borough of Leonia and PBA Local 86, dated July 14, 1998
U-41	Opinion and Award of Ernest Weiss, Arbitrator, in the Interest Arbitration between City of Garfield and Garfield PBA Local No. 46, dated March 25,

	1998
U-42	Opinion and Award of Martin F. Scheinman, Esq., Arbitrator, in the Interest Arbitration between Town of Kearny and Kearny Superior Officers Association, dated February 15, 1995
U-43	Opinion and Award of Martin F. Scheinman, Esq., Arbitrator, in the Interest Arbitration between Borough of North Plainfield and North Plainfield Policemen's Benevolent Association Local No. 85 and Superior Officers Association, dated August 19, 1998
U-44	Memorandum of Agreement Between Township of Lakewood and Lakewood Township Superior Officers' Association, dated September 2, 1998
U-45	Report on Examination of Accounts for the State Fiscal Year 1997, Township of Hillside, Union County, New Jersey, by Samuel Klein and Company, CPA, dated February 27, 1998
U-46	Fire Department Salary Range effective May 9, 1997 and ending June 30, 1998, July 1, 1996-97-98-99
U-47	Report of Hillside Township Deputy Clerk to Union County Clerk certifying results of May 13, 1997 Municipal Election, dated May 15, 1997
U-48	List of Hillside Police Superior Officers
U-49	Report of Hillside Police Department Activity, 1997

### STIPULATIONS OF THE PARTIES

The parties have agreed that the term of their next collective bargaining agreement be from July 1, 1996 through June 30, 2000.

ASSOCIATION POSITION

The Association asserts that its proposed package of wages and benefits is more reasonable under the governing criteria of N.J.S.A. 34:13A-16(g) because of the supervisory work load in relation to the size of the supervisory work force, Hillside Township's bustling daytime population of more than one hundred thousand people, and the relatively higher crime rate in bordering communities that requires sustained and coordinated interaction among bargaining unit Superior Officers with their counterparts in the major urban police departments in the vicinity. Testimony offered by the Association described a substantially increased work load being addressed by fewer bargaining unit employees. According to the Association, there are now three fewer bargaining unit Superior Officers supervising a larger group of non-supervisory personnel and patrol officers than in the past. The Association asserted that the productivity and burden on the bargaining unit has not been rewarded by commensurate compensation, and portrayed the compensation received by bargaining unit employees as among the lowest received by similar employees in comparable municipalities.

The Association asserted that the Township's final offer would result in an unjustified loss in position relative to comparable police supervisors and argued that

the bargaining unit's relative position should be maintained, a circumstance that cannot be achieved if the Township's position were sustained.

The Association asserted that its clothing allowance proposal, including folding the clothing allowance into the wage base, has already been achieved by the FOP on behalf of bargaining unit Police Officers. The Association further asserted that wage increases granted to the Chief of the Hillside Fire Department and its Fire Superior Officers exceeded the level of the Association's wage demand, as did the salary increases received by City of Newark Police Superior Officers in annual increases of 4% in 1996, 1997, and 1998. City of Elizabeth Police Superior Officers received a 6% increase in 1996 and 4% increases in 1997 and 1998.

The Association contended that Hillside Police Superior Officers receive fewer annual holidays than Superior Officers in twenty-two other comparable communities. Citing the differences between private employment and the duties of police officers, the Association contended that the Town could afford to fund the level of wage and benefit increases sought by the Association without exceeding the constraints on municipal spending imposed by the CAP Law.

The Association asserted that the level of wage and benefit increase it sought would impose "an infinitesimally small impact on the taxpayers, less than a pack of cigarettes," and argued that its position was justified on the basis of the Township's ability to pay, the financial strength of the Township of Hillside, and the cost of living.

#### TOWNSHIP POSITION

According to the Township, Hillside Township Superior Officers receive salaries in the middle range of comparable communities, especially when the give-backs achieved in other municipalities are factored into the comparison. The Township characterized its position as consistent with the increase in cost of living in recent years and the general level of wage increases received by private sector employees.

The Township argued that the settlements it reached with its other uniformed and non-uniformed bargaining units should govern the instant case because any deviation from these negotiated agreements would erode the credibility of the leaders of the other uniformed service unions and seriously undermine the Township's ability to achieve voluntarily negotiated agreements in the future. The



Township cited the adverse impact on labor relations in Hillside if union leaders who bargained identical results for other bargaining units, especially uniformed services units with access to binding interest arbitration, were embarrassed by having the Superior Officers achieve a greater increase through arbitration than had been achieved by bargaining.

#### DISCUSSION

The Police and Fire Public Interest Arbitration Reform Act, N.J.S.A. 34:13A-16(d)(2) establishes the factors that an Interest Arbitrator must weigh in determining which party's offer is more reasonable under the statute. The Arbitrator's analysis of these factors requires consideration of the documentary evidence, sworn testimony, and economic arguments proffered by the parties. In reaching my conclusions I have carefully considered the arguments and evidence placed in the record by the Township and by the Association, including the documentary evidence listed above. After applying the statutorily mandated factors, I have concluded that neither party's proposal is appropriate in its original form. Consequently, I have exercised my conventional authority to fashion an Interest Arbitration Award. The following Award is the most

reasonable result consistent with the statutory factors. After setting out the terms of the Award, I shall explain my analysis.

The bargaining unit shall receive the same rate of annual increases negotiated by the three other uniformed service bargaining units; namely, an across the board increase of the base wage rate from which the salaries for Sergeant, Lieutenant, Captain, and Deputy Chief are derived in the amount of 2.9%, effective July 1, 1996; 3.0%, effective July 1, 1997; 3.5%, effective July 1, 1998; and 3.7%, effective July 1, 1999. In addition, the prescription co-payment shall be increased, effective March 1, 1999, to \$5.00 for generic prescriptions and \$10.00 for brand-name prescriptions, provided that none of the other three uniformed service bargaining units currently has a lower co-pay in effect. According to the testimony, the \$5.00/\$10.00 co-pay is consistent with the prevailing rate in these other bargaining units.

The collective bargaining agreement expressly provides an eight per-cent (8%) differential between each rank within the bargaining unit. There is no compelling basis in the record to reform the parties' previous bargain in this regard. Therefore, the annual wage increases shall be applied to the base wage and the salaries of Sergeants, Lieutenants, Captains, and Deputy Chiefs shall be computed

15%, 23%, 31% and 39% respectively above the contractual base wage rate for each year of the contract term.

According to the testimony, the Police Officer bargaining unit, represented by the FOP, has achieved the right to fold its clothing allowance, increased by \$500.00, into base pay at the discretion of each police officer. The Association has represented that its members desire the same benefit on a unit-wide basis. In view of this representation, the same \$500.00 clothing allowance increase provided voluntarily by the Township to the FOP unit shall also be conferred on the SOA unit, and shall be folded into the base pay, retroactive to July 1, 1996. All other demands by either party are denied.

The first statutory factor to be addressed is the interests and welfare of the public, a broad factor encompassing the provision of quality police protection at reasonable expense as well as fair compensation for trained police professionals. That the interests and welfare of the public are well served by the SOA bargaining unit has been established by unrefuted testimony that described in great detail the many supervisory, training, collaborative, and enforcement functions performed by bargaining unit personnel. The citizens of Hillside are especially well served because the high level of police supervision provided by the bargaining unit continues unabated despite the

reduced contingent of supervisors who perform the duties of the larger complement of superior officers historically employed by Hillside Township.

The interests and welfare of Hillside Township and its citizens are also well served by fair and harmonious labor relations. While both parties to a collective bargaining agreement may press their positions vigorously, even aggressively, the public benefit of fair and evenhanded administration of the employer-employee relationship with Township employees cannot be discounted.

The Township's success in settling with the three other uniformed service bargaining representatives on behalf of police officers, fire fighters, and fire superior officers has created a prevalent pattern of settlement. Disturbing this pattern would erode the reliance of the other units on the representations made by management and undermine the parties' ability to negotiate in the future, a condition that does not foster the public interest as much as following the pattern of settlement, provided that the resulting modifications of the terms and conditions of employment for superior police officers are reasonable under all of the pertinent circumstances. I believe that the terms established by this Award through adherence to a reasonable pattern of settlement that has been achieved through vigorous bargaining with the Township's other

uniformed service bargaining units, modified to comply with the unique mandates of the SOA contract, are consistent with the interests and welfare of the public in Hillside Township. This factor has been afforded great weight.

The second statutory criterion requires comparison of the wages, salaries, compensation, 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. Many arbitrators, including this Arbitrator, have written in prior Interest Arbitration Awards that the nature and scope of the duties performed by professional police officers cannot truly be compared with the responsibilities, pressures, and duties undertaken by employees in purportedly similar jobs. Although armed security guards and armored car attendants may also be exposed to physical danger, including the use of deadly force against them, only police personnel are obligated to intervene in a public emergency twenty-four hours a day, whether on duty or off duty. Police personnel continually carry the burden of the pressures and tensions of dealing with criminals, accident victims, and citizens in distress. Their employment is not susceptible to meaningful comparison with private sector employment in ostensibly similar jobs.

Neither the Township's position nor the Association's position exceeds the range of compensation for supervisors and middle managers in general. If their training, special expertise, and responsibility as police officers is factored into the analysis, the level of compensation afforded bargaining unit members by either offer is not excessive. For example, high school department chairs and assistant principals, who also have special training and expertise, often are compensated at similar levels. The level of compensation currently received by Hillside Township police superior officers, and the increased level of compensation that will be received under the terms of this Award, are comparable with the compensation received by Fire Superior officers in Hillside Township.

The third statutory factor, the overall level of compensation, is also commensurate with the duties that bargaining unit employees perform and cannot be portrayed as materially deficient. There will be no additional expense to bargaining unit employees for health insurance coverage except a potentially minimal increase in the cost of a prescription co-payment. The impact of this increase on the bargaining unit as a whole is impossible to quantify given the absence in the record of the number of generic and brand-name prescriptions submitted by bargaining unit employees that required a co-payment. There is no reason to believe, however, that the increased co-payment, which

was voluntarily accepted by the three other uniformed bargaining units, will impose any undue hardship on the bargaining unit in the aggregate. The wage increases provided by the Award in the instant case maintain a reasonable standard for bargaining unit members, especially when augmented by the rank differentials that the parties negotiated in the prior collective bargaining agreement.

The SOA argued that the present level of wages and benefits received by bargaining unit employees is less than the compensation received by similar employees in comparable jurisdictions. However, Hillside Township superior police officers are compensated in the mid-range of the comparable jurisdictions cited by the parties, notwithstanding that a particular benefit, such as holidays, may be below the mid-range of comparable jurisdictions. The SOA bargaining unit may lose ground relative to certain jurisdictions by the awarding of the Township's wage increases, but the SOA bargaining unit will remain solidly in the mid-range, especially when total overall compensation is compared.

The damage to collective bargaining that may accrue from awarding the SOA's position, thereby shattering the pattern of voluntary settlements achieved by the Township with other uniformed service bargaining units who also had access to binding interest arbitration, outweighs the impact of a minimal relative loss of position within the mid-range

of overall compensation, especially given the significant financial constraints described by the Township in its presentation. These constraints also form a significant consideration in reaching the my decision.

Moreover, the preservation of the contractually mandated eight per cent differential among the ranks of police superior officers will augment the percentage wage increases and substantially offset any material negative loss of position compared to similar supervisors in comparable police departments. The benefit to the bargaining unit derived from folding the clothing allowance into the wage base will further enhance the bargaining unit's position relative to comparable jurisdictions cited by the parties.

The total overall compensation to be received by Sergeants, Lieutenants, Captains and Deputy Chiefs satisfies the public's interest in assuring the continuation of dedicated and competent supervisory police services to the community at reasonable cost. The sufficiency of the present number of superior officers raises an issue of fairness in workload which lies outside the Interest Arbitrator's ability to rectify. However, assuming that the Township employs an adequate number of supervisors, the level of overall compensation that will be received by the SOA bargaining unit during the term of the 1996-2000



collective bargaining agreement is consistent with the interests and welfare of the public, especially when the public interest is assessed in conjunction with the limitations imposed under N.J.S.A. 40A:4-45.1 et seq.

The SOA asserts that the Township has not exhausted its ability to spend under the Cap Law. However, the Township has credibly described the curtailment of public programs and other indicia of financial self-restraint that have been imposed throughout its work force. The voluntary settlements of three other units with access to binding interest arbitration is a persuasive indication that the level of wage increase proposed by the Township is reasonable in light of the Township's ability to pay. Simply because there exists a legal mechanism by which the Township can achieve authorization to expend more funds from its tax base does not require the already strapped citizens and taxpayers of Hillside to increase their taxes, or create a reasonable inference that the SOA bargaining unit is being underpaid in comparison to other employees of the Township or other police supervisors in similarly situated municipalities.

No evidence has been submitted by either party detailing how awarding either the SOA or the Township position will affect the municipal tax element of the local property tax. However, the Township has asserted

persuasively that its ability to continue the current level of municipal services will be materially hampered by awarding the five per cent annual wage increases sought by the SOA. Given the references to curtailment of municipal services in the Township's presentation and the cutbacks in programs previously experienced, the Township's description of its financial plight is credible and compelling.

This credibility is enhanced by the pattern of voluntary settlements reached by the Township and the bargaining representatives of the police officers, fire fighters, and fire superior officers. Unlike settlements achieved by municipal employers with bargaining units that cannot invoke binding arbitration by an impartial Interest Arbitrator to resolve an impasse over terms and conditions of employment and who may, therefore, be considered in a weaker bargaining position, the three other uniformed service bargaining units voluntarily reached settlements with the Township that reasonably recognize the Township's financial constraints. There is no compelling basis in the record to thwart these voluntary efforts to achieve fair settlements within the Township's limited resources by disregarding this pattern in the instant case.

The net economic impact of this Award for each year of the contract term must be computed on the basis of the current bargaining unit. According to the Township, the

roster of superior police officers includes the following salaries, exclusive of longevity payments, which the Township estimates to be in the range of eight per cent of salaries:

(2) Deputy Chiefs at a base salary of \$68,935.	=	\$137,870.
(5) Captains	\$64,967.	= \$324,835.
(6) Lieutenants	\$61,000.	= \$366,000.
(9) Sergeants	\$57,033.	= <u>\$513,297.</u>
	\$	1,342,002.

The net annual additional increase under the Association's proposal, including the clothing allowance, is \$827,084, computed as follows:

\$96,132. in 1996 (paid in Years One through Four)  
 (\$85,132. plus \$11,000. clothing allowance)  
 \$71,544. in 1997 (paid in years Two through Four)  
 \$74,907. in 1998 (paid in Years Three and Four)  
 \$78,665. in 1999 (paid in Year Four)

The Township's offer costs out at \$433,990. as follows:

\$38,918. in 1996 (paid in Years One through Four)  
 \$41,433. in 1997 (paid in Years Two through Four)  
 \$49,780. in 1998 (paid in Years Three and Four)  
 \$54,459. in 1999 (paid in Year Four)

The Interest Arbitrator's Award results in a net annual economic impact for each year of the term of the agreement as follows:

Additional outlay for salary and clothing allowance:

Year One: \$ 52,422. (paid in Years One through Four)  
Year Two: \$ 41,846. (paid in Years Two through Four)  
Year Three: \$ 50,270. (paid in Years Three and Four)  
Year Four: \$ 54,985. (paid in Year Four)

Net annual economic impact (exclusive of longevity payments, which payments were not computed by either party and are not significantly different as a factor of the Arbitrator's Award versus the Township's Offer):

Year One: \$ 52,422.  
Year Two: \$ 94,268.  
Year Three: \$144,538.  
Year Four: \$199,523.

The total additional payout for the life of the contract, exclusive of longevity payments, is \$490,751.00

The additional monies attributable to the preservation of the eight percent wage differentials previously achieved by the SOA are justified not only by a history of bargaining establishing the overall level of compensation for police supervisors that cannot equitably be disregarded without disturbing the base on which current wages are predicated,

but also are justified by the incrementally greater responsibility and expertise inherent in the ascending ranks of police supervision,

The parties themselves have determined the appropriate differential between ranks at Article VII, Section 3 of their collective bargaining agreement, which provides that: "Effective January 1, 1990 the differential for Police Sergeants shall be 15%, for Police Lieutenants 23%, for Police Captain 31%, and for Deputy Police Chiefs 39% of the Superior Officers base salaries listed in "Schedule A".

There is no compelling basis in the record of the instant case to nullify this prior bargain. It is, therefore, essential that the contractually mandated rank differential of eight percent be preserved. This differential shall be calculated by raising the base wage by the appropriate annual percentage, folding in the clothing allowance for the first year of the agreement, and then computing the Sergeant, Lieutenant, Captain, and Deputy Chief base wage as 115%, 123% , 131% and 139% of the Superior Officers' contractual base wage for each year of the agreement.

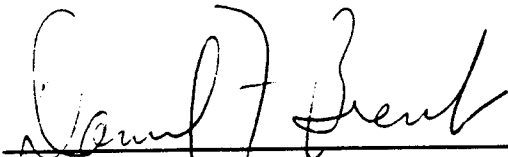
The cost of living has not risen during the term of the current contract at a level that exceeds the Township's proposed level of wage increases. Consequently, the SOA bargaining unit will be able to keep pace with inflation even with the Township's pattern of wage increase as supplemented by the adjustments mandated by the negotiated provisions governing rank differentials.

The continuity and stability of employment is not a material factor in the instant dispute, as there is no evidence of any turnover in the supervisory ranks, except by retirement, or inordinately high turnover in the Police Department as a whole. Hillside Township has been able to attract and retain highly motivated, demonstrably competent, well trained, and indisputably dedicated professional supervisors in its Police Department. There is no basis in the record to conclude that the Interest Arbitrator's Award in the instant dispute will adversely affect the continuity or stability of employment in the Hillside Township Police Department.

Conversely, awarding the level of wage increase sought by the SOA will, based on traditional factors and the history of collective bargaining in general, destabilize the community of bargaining representatives for uniformed service employees in Hillside. Absent any demonstrable

compelling inequity that has not been rectified by the full scope of my Award in the instant case, this likely future destabilization, coupled with the collective judgment of three other uniformed bargaining units with access to binding interest arbitration who have settled for identical wage rate increases, mandates the adoption of the Township's proposed rate increases to the base wage rate, applied in the manner previously bargained by the parties at Article VII, Section 3 of the collective bargaining agreement, and augmented by the same prescription co-payment adjustments accepted by the other bargaining units and the same clothing and clothing maintenance allowances plus fold-in provisions afforded to the FOP police unit.

March 31, 1999

  
\_\_\_\_\_  
Daniel F. Brent, Arbitrator






The Arbitrator hereby retains jurisdiction for the limited purpose of resolving any dispute that may arise regarding the implementation of or computation of amounts payable pursuant to this Award.

The Arbitrator's fees shall be borne equally by the parties, who are jointly and severally liable for payment of such fees, which shall also be considered part of the payments ordered pursuant to this Award.

March 31, 1999

  
\_\_\_\_\_  
Daniel F. Brent, Arbitrator

State of New Jersey  
County of Mercer

On this 31st day of March, 1999 before me personally came and appeared Daniel F. Brent, to me known and known to me to be the individual described in the foregoing instrument, and he acknowledged to me that he executed the same.

*Sharon D. Foltz*

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Sharon D. Foltz  
Notary Public of New Jersey  
My Commission Expires 11/27/00