STATE OF NEW JERSEY
PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of the Interest Arbitration Between:

COUNTY OF WARREN

-and-

Docket No. IA-2014-001

FOP LODGE NO. 171

Before: Susan W. Osborn, Interest Arbitrator

Appearances:

For the County:
Florio, Perrucci, Steinhardt and Fader, attorneys
(J. Andrew Kinsey, of counsel)
(Padraig Flanagan, of counsel on the brief)

For the FOP:
Loccke, Correia, Limsky and Bukosky, attorneys
(Michael Bukosky, of counsel)

Witnesses:
Vijay Kapoor, Financial Consultant
Charles Houck, Warren County Chief Financial Officer
Daniel Olshefsky, Warren County Financial Analyst
C.O. Harry Bowlby, Lodge No. 171 Vice President
C.O. Theodore Lovenberg, Lodge No. 171 President

INTEREST ARBITRATION AWARD

BACKGROUND

On August 5, 2013, Warren County filed a Petition with the Public Employment Relations Commission to initiate interest arbitration over successor collective negotiations agreements with FOP Lodge 171. The previous agreement expired on December 31, 2010.

On August 8, 2013, I was appointed to serve as interest arbitrator by a random selection procedure pursuant to N.J.S.A. 34:13A-16(e)(1). This statutory provision requires that an award be issued within 45 days of my appointment. By letter of August 12, I scheduled an interest arbitration hearing for September 5, 2013 and directed each party to submit a final offer no later than August 22 in accordance with N.J.S.A. 34:13A-16(f)(1).

On September 5, I conducted an interest arbitration hearing at the County Administration Building. The County and FOP each submitted documentary evidence and testimony. Both parties submitted Final Offers. The FOP submitted a calculation of the financial impact of their respective economic proposals. The County offered the testimony of Financial Analyst Vijay Kapoor, a list of unit employees showing detailed and totaled costs of base pay, increments, longevity payments, uniform allowance, and a levy cap calculation worksheet for 2013. The FOP agreed to the accuracy of the employee list and the calculations shown therein. Post-hearing summations were filed by September 13, 2013.

FINAL OFFERS OF THE COUNTY

The County submitted the following final offer:

Term of Agreement: 3 years - 1/1/11 - 12/31/13.

Salaries, Differentials

The County's Final Offer submitted on August 22, 2013, called for salary roll-backs effective January 1, 2011 of approximately 3.75%, a 2% increase effective January 1, 2012 and a 2% increase effective January 1, 2013, as follows:

Step	7/1/2010	1/1/2011	1/1/2012	1/1/2013
2	41,080	39,549	40,340	41,147
3	43,332	41,711	42,545	43,396
4	45,246	43,548	44,419	45,307
5	48,960	47,114	48,056	49,017
6	53,237	51,220	52,244	53,289
7	55,600	53,488	54,558	55,649
8	58,301	56,081	57,203	58,347
9	68,836	66,195	67,519	68,869

The County also proposed to freeze step movement on the guide for the length of the contract. These proposals combined would have the net effect of requiring most unit employees to retroactively reimburse the County for step increases already paid in 2011, 2012, and 2013.

At the hearing, the County amended its Final Offer on the record to propose that employees would be permitted to keep salary step increments previously paid (in January 2011, 2012, and 2013) but to eliminate future salary step movements. The County also proposed a zero increase in step values for the life of the contract. Further, it proposed to eliminate contract language providing for increases in Section 2 and renumber the remaining sections.[1]

Article 8: Overtime

Section 4: Emergency Closings - revise language as follows:

A Storm Day or Emergency requiring the closure of County offices shall mean only an official declaration of same made by the Board of Chosen Freeholders or the County Administrator and shall not include those declared by the State of New Jersey or those promulgated by the Warren County Department of Public Safety, Office of Emergency Management. For purposes of this Agreement, a Storm Day or Emergency declared by the Board of Chosen Freeholders or County Administrator shall be memorialized by memorandum to be filed with and retained by the Finance Department, Payroll and shall include starting and ending dates and times of the closure of County offices.

Non-Essential Employees:
Should an employee report for work and subsequently the Employer decide to officially close the Employer's offices for any reason, such employees that report to work shall be credited for the day's work. Should the Employer for any reason officially close the Employer's offices before the start of the workday, all employees scheduled to work that day will be credited with a day's work.

Essential Employees:
Essential employees shall be paid double time for each hour worked by them during a Storm Day or Emergency when officially declared by the Board of Chosen Freeholders or County Administrator. The double time shall be earned for all hours worked during the entire period of an officially declared storm or emergency.

[1] In its brief, the Employer again proposed salary reductions of 3.75% in 2011 and 2% salary increases in 2012 and 2013 respectively, consistent with the chart above. To the extent that the Employer is now seeking to amend its Final Offer again, this amendment is not allowed. N.J.S.A. 34:13A-16 only permits amendments of Final Offers up until the beginning of the arbitration hearing.

In the event an essential employee cannot report for work because of storm conditions or emergency conditions, the time lost from work will be charged against accumulated vacation or personal leave time. In the event that no such leave time is available, the time lost from work will be charged as time off without pay. If an essential employee is unable to report to work, the employee must report this absence no less than one and one-half (1 ½) hours before the starting time of their shift or the start of their normal workday.

Determination as to which employees are essential and which are non-essential may vary given the circumstances of ach event leading o the issuance of an official declaration of a storm day or emergency. Department/division heads are given authority to determine classification of essential and non-essential employees. At minimum, essential employees shall always include those necessary to maintain statutory or code-related mandated minimum staffing levels at Warren County's 24-hour institutions/ operations.

Non-Essential and Essential Employees with Previously Approved Leave of Absence:

During any officially declared storm day or emergency, employees absent from work for a previously approved leave of absence, paid or unpaid, shall remain in such status. These may include vacation leave, personal leave, sick leave, workers' compensation leave, FMLA/FLA leave, disciplinary leave. In the event that an essential employee with a previously approved leave of absence is available to report for work, is called out by their Department/Division head and does report for work, such employee shall be paid as described in this Agreement and the previously approved leave time shall be credited to the employee's leave time balances.

Article 10: Holidays

Section 3: Change as follows:

With regard to the scheduling of compensatory days off, the first through the seventh such days off in any calendar year shall be requested [~~scheduled~~] by the employee [~~by requesting same at least 14 calendar days in advance, which request shall be granted by the employer provided that the requested day off may be granted without interference with the proper conduct of the government function involved~~.] <u>and the compensatory day shall occur before September 15. Any days not selected to occur before September 15th may be scheduled by the administration. This request may be granted by the Sheriff provided that the requested day off may be scheduled without interference with the proper conduct of the government function involved</u>..."

<u>Article 11: Leaves of Absence</u>

Section 6: Bereavement Leave - replace existing contract language with the following:

1. The Sheriff shall provide bereavement leave with pay not to exceed five (5) working days total per calendar year. A maximum of five (5) bereavement days may be utilized in case of the death of a first degree relative as defined below. Any remaining balance of unused bereavement leave days can be utilized in the case of the death of a first degree relative or second degree relative as defined below. With regard to second degree relatives, employees shall be limited to one (1) bereavement leave day per occurrence.

2. First degree relatives shall be defined as follows: an employee's spouse, civil union partner, children, foster children, brothers, sisters, mother, father, mother-in-law, father-in-law, grandchildren, grandparents, step-children, step-mother, step-father, son-in-law, daughter-in-law, grandparents-in-law. Additional days may be approved by the Sheriff and charged against other types of leave.

3. Second degree relatives shall be defined as follows: an employee's uncle, aunt, niece, nephew, cousin, sister-in-law, or brother-in-law or persons sharing the same residency, living quarters, or dwelling provided that proof of cohabitation is provided.

Section 9: Leaves without Pay

Change ". . . recommended by the employee's department head…" to ". . . recommended by the employee's supervisor…"

Article 12: Longevity

Increase longevity after completion of five years' service as follows:

Current	2011	2012	2013
$400	$408	$416	$424

Increase longevity after completion of ten years' service as follows:

Current	2011	2012	2013
$1000	$1020	$1040	$1061

Article 13: Medical Benefits:

Eliminate retiree medical benefits for employees hired after execution of this contract.

Article 22: Miscellaneous Provisions:

Section 5: Add: All vacancies and filling of vacancies shall be posted by the administration.

FINAL OFFERS OF THE FOP

The FOP submitted the following final offer:

Term of Agreement: 3 years - 1/1/2011 through 12/31/2013

Salary:

Increase salaries by the following:

Effective Dates:

(Steps 2 through 8)

1/1/11	7/1/11	1/1/12	7/1/12	1/1/13	7/1/13
0%	0%	0%	0%	0%	0%

(Step 9):

1.5%	1.5%	1.5%	1.5%	1.5%	1.5%

Effective 1/1/13, create a new step 9, midway between the existing steps 8 and 9. The top step shall then be renumbered as step 10. No current employee's salary will be reduced as a result of this proposal.

All employees hired after the date of the award shall be paid an initial salary rate of $38,000, which shall be in effect for the full first year of employment. Those future hires shall then progress normally through annual step 2 through 10.

Longevity:

Effective January 1, 2013, the longevity benefit shall be deleted from the contract. Concurrently, $1,400 shall be added to the top step of the salary guide.

PRIOR AGREEMENTS

The parties agreed to the following changes in contract provisions:

Miscellaneous:

All references to the County shall be changed to "The Sheriff". The preamble of the contract shall be changed to amend the name of the public employer to the County Board of Freeholders and the County Sheriff as joint employers.

Article 7: Salary:

Section 4: (former section 5): Effective 1/1/13, employees will be paid time and one half for 15-minute overlap per shift per day.

Article 9: Vacation:

Revise Section 1(5) as follows:

. . . 25 vacation days at the beginning of [~~at end of~~] 21st year of service.

Revise Section 6 as follows:

. . .whenever an employee is on National Guard duty, the maximum number of employees on vacation shall be reduced to three (3) [~~two (2)~~] during military 2-week Annual Training (AT).

Article 11: Leaves of Absence:

The parties agreed to add the following provision: It shall be the policy of the Sheriff that any employee absence qualifying under worker's compensation shall be considered as, and run concurrent to, an absence covered under the Federal Family Leave Act. In other words, a worker compensation injury will simultaneously qualify as an absence under the County's federal family leave policy.

Article 13: Medical:

The parties agreed that employees shall contribute to the cost of health care benefits pursuant to Chapter 2 and Chapter 78.

Article 21: Uniform and Maintenance Allowance:

The parties agreed to increase uniform allowance as follows:

Current	2011	2012	2013
$250	$255	$260	$265

Increase uniform maintenance allowance as follows:

Current	2011	2012	2013
$775	$790	$806	$822

STIPULATIONS

The parties stipulated as follows:

1. Correction officers are annually advanced on the step guide on January 1, regardless of their anniversary date.

2. Correction officers who were moving through the step guide were advanced in January in 2011, 2012, and 2013.

3. Those correction officers who are eligible for longevity pay receive it in an annual lump sum in December.

4. If the award includes any retroactive payments, only employees who continue to be employed by the County as a correction officer on the date of the award shall be eligible to

any retroactive payment awarded herein. Employees who have resigned, retired, were promoted, or otherwise left the bargaining unit would not be eligible for any retroactive payment.

5. The parties stipulated to the accuracy of the employee list submitted by the County as Exhibit J-3. In recognition of the fact that the contract awarded herein will be retroactive to January 1, 2011, the parties further stipulated that this list, which includes employees who have terminated their service since January 1, 2011 as well as employees who have been hired since that date, is a realistic measure of costs and should be used to calculate the costs of the award herein.

BACKGROUND FACTS

Demographics:

Warren County is located in the far, northwestern edge of the State and borders on the Delaware River at the Delaware River Water Gap. It is bordered by Sussex County to the North, Morris County to the East and Hunterdon County to the South. These four counties, in addition to Somerset County, make up the "Skylands Region" of New Jersey.

The historic patterns of development for Warren County have been established based on the geography of the area and the transportation system. U.S. Route 46/Route 80 runs east and west through the middle of the County. North of Route 46/Route 80 is marked by rugged slopes and relatively shallow soils over bedrock, which discouraged the early development of transportation, agriculture and economic development. South of Route 46, broader valleys encouraged development, specifically for agricultural areas with markets for farm products in the Newark and New York metropolitan areas. The major population centers today are Phillipsburg, Hackettstown, Washington and Belvidere, which is the County seat. (E-2, p.58; E-23)

In the 1960's there was an increase in development activity when marginal farms were sold to land developers, particularly in the northern part of the County. The completion of Interstate 78 in the 1980's led to additional housing and commercial development. The Merrill Creek Reservoir, a 1.1 square mile reservoir built by a consortium of seven regional electric companies, is now the largest tax-paying entity in the County and includes a 290-acre nature preserve and a visitor's center that are open to the public. (E-23)

Of the four counties in the northwestern section in the Skylands area, i.e. Morris, Sussex, Warren, and Hunterdon, (highlighted in the chart below), Warren County has the lowest population:

County[2]	Population
Bergen County, NJ	911,004
Middlesex County, NJ	814,217
Essex County, NJ	785,137
Hudson County, NJ	641,224
Monmouth County, NJ	631,020
Union County, NJ	539,494
Passaic County, NJ	502,007
Morris County, NJ	**494,976**
Mercer County, NJ	367,063
Somerset county, NJ	324,893
Sussex County, NJ	**148,517**
Hunterdon County, NJ	**128,038**
Warren County, NJ	**108,339**
Allentown-Bethlehem-Easton, PA-NJ Metro Area	824,916
Lehigh County, PA	352,947
Luzerne County, PA	320,651
Northampton County, PA	**298,476**
Lackawanna County, PA	214,166
Monroe County, PA	**169,882**
Carbon County, PA	65,164

The U.S. Census Bureau reports the following median household incomes for New Jersey and Pennsylvania Counties in 2011:

2 I consider the most relevant group for purposes of comparison to be those counties contiguous to Warren; that is the New Jersey counties of Sussex, Morris and Hunterdon, and the two Pennsylvania counties - Monroe and Northampton. A further explanation is provided in this Award.

Median Household Income in the Past 12 Months	**(Reflected in 2011 Inflation-adjusted Dollars)**
Hunterdon County, NJ	**99,099**
Somerset County, NJ	96,360
Morris County, NJ	**91,332**
Sussex County, NJ	**83,839**
Monmouth County, NJ	79,334
Bergen County, NJ	79,272
Middlesex County, NJ	74,522
Mercer County, NJ	73,890
Warren County, NJ	**66,594**
Union County, NJ	66,398
Hudson County, NJ	56,546
Passaic County, NJ	52,382
Essex County, NJ	51,009
Northampton County, PA	**57,950**
Monroe County, PA	**51,875**
Lehigh County, PA	50,978
Lackawanna County, PA	44,284
Carbon County, PA	44,139
Luzerne County, PA	42,847

The 2011 median home value for Warren County and other North Jersey and Pennsylvania Counties is reflected below:

County	**Median Value (dollars)**	**Margin of Error (+/-)**
Bergen County, NJ	447,600	+/-6,103

Morris County, NJ	**420,400**	**+/-7,830**
Hunterdon County, NJ	**403,800**	**+/-15,147**
Somerset County, NJ	395,100	+/-9,383
Monmouth County, NJ	387,400	+/-5,854
Essex County, NJ	371,100	+/-6,599
Union County, NJ	354,200	+/-7,083
Passaic County, NJ	349,100	+/-7,274
Hudson County, NJ	339,100	+/-9,886
Middlesex County, NJ	328,300	+/-4,401
Sussex County, NJ	**284,200**	**+/-5,664**
Mercer County, NJ	282,700	+/-9,234
Warren County, NJ	**258,500**	**+/-10,735**
Northampton County, PA	**215,300**	**+/-6,742**
Lehigh County, PA	194,900	+/-4,706
Monroe County, PA	**191,800**	**+/-9,139**
Carbon County, PA	156,400	+/-13,229
Lackawanna County, PA	145,000	+/-6,019
Luzerne County, PA	118,800	+/-4,013

In addition, the Employer points out that Warren County's unemployment rate as projected for June 2013, is 6.9% as compared with the fourteen counties in northern Jersey of 8.2% and as compared with the Allentown-Bethlehem-Easton MSA OF 7.8%. (E-2, p. 58)

The County asserts that Warren County is part of the Allentown-Bethlehem-Easton Metropolitan Statistical Area (MSA) and therefore, the Pennsylvania Counties of Northampton, Monroe, Carbon, Luzerne, and Lackawanna should all be considered as relevant data for the purposes of comparing cost-of-living, economic data, salaries and benefits. It also seeks comparison with the fourteen New Jersey counties comprising "North Jersey".

The Union argues that the Pennsylvania counties are, in essence, "farm counties", have no relevance to Warren County for purposes of analysis, and should be given no weight. The FOP notes that, pursuant to the "New Jersey First" statute enacted in 2011, New Jersey public employees are required to maintain residence in New Jersey. However, the Employer counters that this same statute grandfathered employees already living in Pennsylvania at the time of its passage and emphasizes that about 20% of Warren County employees continue to live in Pennsylvania. The Union proffers, for purposes of comparison, the wage and benefit data of correction officers in eighteen of the twenty-one New Jersey counties where data was available and contends that this is the fairest and most relevant data for comparative analysis.

I have considered both parties' arguments with regard to this issue. I have assigned little relevance to demographic data and salary and benefit data for Lackawanna, Luzerne and Carbon Counties, as these counties are geographically remote from Warren County. For instance, Hazleton, on the border of Carbon and Luzerne Counties, is approximately seventy miles from Belvidere. It is unlikely that Warren County correction officers would be living in these three remote counties. On the other hand, I find that southern New Jersey counties (south of Route 195) may be given only slight weight in considering comparative data for salaries and benefits. These counties are also too geographically remote from Warren County and are certainly not within "commuting distance" for a Warren County correction officer. I consider the most relevant group for purposes of comparison to be those counties contiguous to Warren; that is the New Jersey counties of Sussex, Morris and Hunterdon, and the two Pennsylvania counties - Monroe and Northampton. I intend to give greater weight to data from New Jersey counties, as at least 80% of Warren County's correction officers both live and work in New Jersey.

Organization of the Department:

The Warren County Correctional Center is an adult correctional facility used to detain adult offenders. Correction officers are responsible for the safety, welfare, and control of all inmates and the Correctional Center's employees. In July of 2011, the Warren County Board of Chosen Freeholders assigned the care, custody, and control of the correctional center to the Warren County Sheriff. The Correctional Center is under the direct supervision of Warden Robert Brothers, a twenty-five year veteran of corrections.

Currently the daily population averages between 145 and 155 male and female adult offenders, in addition to 20 adult offenders on the Labor Assistance Program, and up to 6 adults and 6 juvenile offenders on the Electronic Monitoring Program.

The Correctional Center is a podular design and is operated as both a remote and a direct supervision facility. Inmates are classified upon entry to determine the level of supervision that is required. Inmates are housed in minimum, medium, and maximum security housing areas.

STATUTORY CRITERIA

I am required to make a reasonable determination of the above issues giving due weight to those factors set forth in N.J.S.A. 34:13A-16g(1) through (9) that I find relevant to the resolution of these negotiations. These factors, commonly called the statutory criteria, are as follows:

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

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

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

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

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

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

(4) Stipulations of the parties.

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

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

existing local programs and services, (b) expand existing local programs and services for which public moneys have been designated by the governing body in a proposed local budget, or (c) initiate any new programs and services for which public moneys have been designated by the governing body in its proposed local budget.

(7) The cost of living.

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

(9) Statutory restrictions imposed on 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 section 10 of P.L. 2007, c. 62 (C.40A:4-45.45).

In arriving at the terms of this award, I conclude that all of the statutory factors are relevant, but not all are entitled to equal weight. It is widely acknowledged that in most interest arbitration proceedings, no single factor can be determinative when fashioning the terms of an award. This observation is present here as judgments are required as to which criteria are more significant and as to how the relevant evidence is to be weighed.

In addition, I note that N.J.S.A. 34:13A-16g(8) requires consideration of those factors ordinarily or traditionally considered in the determination of wages, benefits, and employment conditions. One such consideration is that the party proposing a change in an employment condition bears the burden of justifying the proposed change. Another consideration is that any decision to award or deny any individual issue in dispute, especially those having economic impact, will include consideration as to the reasonableness of that individual issue in relation to the terms of the entire award. I am also required by statute to determine the total net annual economic cost of the terms required by the Award.

In this matter, the interests and welfare of the public must be given the most weight. It is a criterion that embraces many other factors and recognizes the interrelationships among all of the statutory criteria. Among the other factors that interrelate and require the greatest scrutiny in this proceeding are the financial impact of the award, the restrictions on the employer by the appropriations cap and the tax levy caps, the comparison of wages, other compensation and benefits of Warren County's correction officers to other similar jurisdictions, and the cost of living and the wages and settlements within Warren County's workforce.

ANALYSIS

Term of Agreement:

Each party has proposed a three-year agreement to cover the period January 1, 2011 through December 31, 2013. Accordingly, I award a three-year agreement.

Salaries, Increments, Longevity, Step Guide Revisions:

The County has already paid step increases due employees each January for 2011, 2012, and 2013. The County's offer, as modified at hearing, is to permit employees who are moving through the step guide to keep the increment money they have already been paid and to maintain the existing salary guide from 2010. That is, the County proposes a freeze on the salary guide with no across-the-board increases for the life of the contract. The County also offers to increase clothing and maintenance allowance by 2% in each year of the contract. In addition, it offers to increase longevity pay by 2% in each year of the contract. Going forward, the County demands that the increment plan be eliminated and that no employee would receive step increases in future years beyond contract expiration.

The County argues that Chapter 105, P.L. of 2010, imposed a 2% cap on arbitration awards for all contracts expiring on or after January 1, 2011. The County contends that this statute applied to contracts that expire on or after the effective date of the law. It asserts that its 2008-2010 contract with the FOP expired on January 1, 2011 and that therefore, the 2% cap on increases to total base salaries applies to this matter (N.J.S.A. 34:13A-16.7). It maintains that the legislature could not have intended that public employers and unions whose contracts expired at midnight on December 31, 2010 would not be subject to the 2% cap.

The County argues that the Union's proposal of 1.5% increases every six months for the life of the contract is unprecedented during difficult economic times, but is also on top of already paid median salary increases of 22.2% received by employees progressing through the step guide. It points out that step movement is part of the overall compensation package and must be given due weight as part of the financial impact on the governing body and its tax payers. It points to Article 7, Section 2, of the parties' 2008-2010 contract requires the arbitrator to consider the cost of step movements as part of the overall compensation of these employees and to give due weight to the financial impact on the County and the taxpayers by virtue of these costs.

The County asserts that once the cost of step movement is factored in to the overall compensation package, there can be no other result but to freeze the pay scale at all steps for all three years of the contract.

The County notes that the step guide was first awarded by Arbitrator Glasson in 2003 as a way to stem the high turnover being experienced by the jail in the years preceding that award. As the Union's witnesses testified, turnover is now virtually nonexistent. The County therefore asserts that the elimination of automatic step movement will have no impact on employee turnover going forward as wages are stagnant, unemployment is high, and revenue is declining. Further, the County maintains that the elimination of the step guide consumed substantially more than the annual 2% increase in overall compensation imposed by caps and more than the County offered to this bargaining unit.

The Employer asserts that it is faced with unprecedented fiscal challenges and unforgiving levy and spending caps which are making it extremely difficult for the County to maintain the same level of services and employee headcount. It most particularly cites the Warren Haven Nursing Home with a $4.0 million annual operating loss as the primary source of its fiscal difficulties. Despite the County's efforts to cut taxes to stimulate the economy, tax rates have actually increased to make up the shortfall caused by falling property values and shortfalls in other revenue. More specifically the County avers that the tax levy caps and appropriations cap has greatly restricted the County's ability to raise revenue via taxation which in turn has a substantial impact on the amount of money available for pay raises for correction officers, or for any other County employee.

The County also cites its costs of pension and health benefit payments as placing an enormous financial burden on the County. It notes that the employee contributions as mandated by Chapter 78 do not result in a windfall to the County but only reduces the overall costs for health benefits by a small amount. It notes that there is no provision in N.J.S.A. 34:13A-15 to credit savings from employee health care contributions to employee salaries.

The Employer argues that, to the extent cost containment can be achieved through reductions in labor contracts, that the 2% cap on salaries should be applied here even if not statutorily mandated. Containing the growth of overall compensation at or below the 2% level is the County's goal, including payment of increments.

The County contends that its correction officers are already competitively paid as compared with correction officers in other jurisdictions and New Jersey's private sector employees. The County highlights that the last contract (2008-2010) awarded correction officers 6.0%

annual increases in both 2009 and 2010. It emphasizes that the median cash compensation of a bargaining member was $61,633 in 2011, far greater than the median cash compensation for a New Jersey resident over age 25 with a high school education. Therefore, the County argues adoption of its Final Offer would only have a positive impact on the continuity and stability of employment for correction officers. The County contends, "In these difficult economic times, it is difficult to imagine that correction officers would leave the security of a well-paying job with extremely good health care and pension benefits, for another job, whether in the private sector or the public sector".

The County argues that the statutory cap restrictions and the interest and welfare of the public dictate that the County's offer must be awarded. It notes that Warren County's fiscal condition has been affected by the national and state economies, as well as other fiscal pressures. It also notes that the national unemployment rate, as of July 2013 was 7.4%, while Warren County's unemployment rate as of December 2012, was also 7.4%. It adds that the cost of health care premiums rose nationally by 104.3% over the past decade and that pension-funding pressures continue to increase as the "baby boomer generation" requires additional years of benefit payments to be made to more retirees.

Further, the County points out that its tax revenues decreased by $1.55 million, or 2.27%, from 2008 to 2012, thus, straining the County budget. Because Warren County is located in the Highlands Preservation area, increased development within the County is severely limited, and in turn, limits the potential for increased property tax revenues. Also significantly impacting the County's tax revenues is the fact that County equalized valuation has declined by 13.1% since 2008. Thus, in order to raise the same amount of tax revenues, the County has had to increase tax rates. Therefore, in order to meet expenses, the County has had to resort to using surplus funds to balance its budget. In 2013, the County has had to use surplus funds to offset its $3.5 million budget gap. It contends that any increases above and beyond the step increments already paid will only further add to its budgetary strains and its ability to provide services at Warren Haven Nursing Home.

In summary, the County argues its offer provides a reasonable and generous compensation package for correction officers in a weakened economy, given the nature of fiscal constraints that have been imposed by the County.

The FOP observes that it signed a tentative agreement with the County in May, 2012 which was then rejected by the Board of

Freeholders. The FOP's final offer before me, in essence, mirrors that agreement. It seeks a three-year contract, with split increases of 1.5% to top step only, each January and again in July, in each year of the contract. It also seeks to roll the longevity benefit into the contract at top step, effective with the date of the award. Going forward, it proposes to add an extra step between step 8 and step 9 of the salary guide and create a new recruit step of $38,000. The remainder of the contract would continue as is except for provisions previously agreed upon between the parties, as noted above.

The FOP argues that the 2012 agreement "struck a careful balance between capping costs and continuing a stable workforce in the county correctional facility." It asserts that awarding the terms of this agreement would both serve the interests of the public and the interest of both parties.

The FOP highlights that the County Corrections Department is an integral part of the law enforcement community within the County of Warren and beyond. Its multifaceted services compliment the operations of other law enforcement entitles in the County, including the transport of inmates, arrests and execution of warrants. It maintains that the exceptional level of services provided by the correctional personnel are not matched by compensation or working conditions. It contends that these employees work in some of the most difficult and challenging work environments.

It asserts that the integration of services and joint operations with local jurisdictions dictates that a proper universe of comparison of salaries and benefits is local comparison and internal comparison to the Prosecutor's detectives and Warren's corrections superiors. It argues that the Employer's comparisons are inappropriate, as it relied upon "farm counties" in a different state and, absent a description of the workload and nature of service provided by those other jurisdictions, they should not be given any weight.

The FOP contends that Warren County's correction officers rank among the lowest paid of all law enforcement in the State. It offers a chart, taken from my interest arbitration award in Hudson County Department of Corrections, I.A. No. 2012-46, p. 46. (FOP-E).[3] This chart depicts the top pay for correction officers in 18 of the 21 counties. The average top base pay for correctional officers for 2010, (the last year of the Warren FOP contract), was $75,429. The FOP maintains that this is far below the 2010 base salary of Warren County officers which is $68,836. Further, the FOP argues that the review of settlement and interest arbitration awards reported by the New Jersey Public Employment Relations Commission

[3] The data comprising this chart included in the Hudson award was provided by parties to that matter. While the Hudson County parties were bound by the accuracy of the data, the parties in this matter are not.

(E-25) shows that the average salary increase granted in interest arbitration awards and those units that voluntarily settled was 2.17%. The FOP contends that it is merely requesting a raise slightly higher than the most recent statewide averages, considering that these unit employees are underpaid and rank very low in terms of State averages.

As to comparison with other Warren County law enforcement units, the FOP points out that the County corrections superior officers received a 2% across-the-board salary increase and enjoyed cash in pocket raises between $1,639 to $1,959. Further, the top step investigator in the Prosecutors Office received $ 93,217 in 2012 and received a 2% salary increase to $95,081 in 2013. The FOP argues that this $1,864 raise is even more than the annual increases ranging from $1,556 to $1,685 as proposed by the FOP. It notes that, as testified to by both President Lovenberg and Vice-President Bowlby, correction officers perform many of the same duties performed by other law enforcement officers, including transportation of inmates, arrests, and execution of warrants. Like other county law enforcement personnel, they are fully trained in firearms on an annual basis, must carry firearms while off duty, and wear protective vests while on duty. Therefore, internal comparisons with those County law enforcement personnel form the best basis for comparison of wages and salary increases. The FOP offers a comparative chart which shows that the top pay for sheriff's officers in 2011 was $68,556 as compared with correction officers' current top pay of $68,386. It also shows that if the FOP's raises were awarded together with the roll-in of longevity, as proposed, their new top pay by the end of the contract period would $76,753 -- more than $5,300 above that of sheriff's officers.

It is the position of the FOP that comparisons with the non-law enforcement personnel should not be given any significant weight as the best comparisons are with other law enforcement units commonly situated. Due to the unique statutory obligation and treatment of police officers under New Jersey Law, any comparison to private sector employees must result in a strong justification for significantly higher compensation to be paid to correction officers. The distinguishing characteristics of a corrections officer, as compared with a private sector worker, include: the obligation to be armed and to act in the event of a crime while off-duty at all times and anywhere in New Jersey; the absence of portability of one's pension and job skills to other areas of the country; the inherent hazardous nature of the work environment; the application of different standards under the Fair Labor Standards Act for the treatment of overtime; the absence of coverage under the New Jersey State Wage and Hour Law; corrections departments are regulated by specific statutorily set rules and regulations, powers and duties, and the delegation of authority; qualifications for employment are statutorily mandated and include citizenship, New Jersey residency, minimum and maximum age and fitness requirements, and a clean criminal history record; the mandatory retirement age is 65; employment may be forfeited after five days absence without just cause; promotional examinations are statutorily required for certain classes of corrections officers; hiring criteria and order of preference is set by statute; and corrections officer pensions are not covered by the federal ERISA Pension Protection Act. Further, correction officers are subject to unique, statutorily created hearing procedures for disciplinary charges; they must undergo basic training at the Corrections Academy and must regularly re-qualify in firearms; they are required to wear protective vests at all times while on duty; and most importantly, they have an obligation to act as a law enforcement officer at all times of the day, both on and off-duty, including full arrest powers while off duty anywhere in New Jersey.

The FOP contends that the greatest weight must be given to the comparison of the employees in this dispute with other employees performing the same or similar services and with other employees generally in public employment in the same or similar, comparable jurisdictions. The FOP asserts,

> Corrections officers are a local labor market occupation. The farther from the locality, the weaker the validity of the comparison. Corrections comparisons are strongest in the local area, such as contiguous towns, a county, an obvious geographic area such as the shore or a metropolitan area.

The FOP argues that such a comparison shows that Warren County's correction officers are comparatively underpaid and below average and therefore, awarding of its proposal is necessary to bring these up to average pay for the area.

The FOP calculates that the cost of requested salary increases for the three-year award would be as follows:

2011:	12 top-step officers x $1,556 =	$18,672
2012:	14 top-step officers x $1,634 =	$22,876
2013:	18 top-step officers x $1,685 =	$30,330

These amounts take into consideration the FOP's proposed roll-in of longevity into base salary in 2012 in the amount of $1,400. The FOP notes that the cost of a 1.5% split raise is significantly less than a flat percentage to be applied in the beginning of the year due to the salary increases being gradually faced in. For instance, in 2011, the total yearly cost per member would be $1,032 in the first half of the year and $524 in the second half of the year, for a grand total of $1,556. The FOP argues that this compares to the corrections superior officers who received 2% across-the-board salary increases in 2011, 2012 and 2013. A corrections sergeant, the employee most closely related to a top-pay correction officer, received $1,636 in 2011, $1,639 in 2012 and $1,671 in 2013.

Accordingly the salary increases for sergeants was almost identical to that proposed by the FOP here. Additionally, the Prosecutors detectives received a $1,864 increase in 2013 -- more than what is being proposed by the FOP in this matter. In addition, the FOP observes that the sheriffs' officers received a 2% increase across the board in all steps.

The FOP argues that the County has the ability to pay the salary increases demanded here. It notes that County Financial Officer Charles Houck testified that there was plenty of flexibility in the current budget to allow for a salary increase to be awarded to correctional officers. In particular, the overall Corrections budget for salaries has increased from 2011 to 2013 in the following amounts: $5,236,864 in 2011, $5,380,121 in 2012, and $5,389,534 in 2013. While these were the appropriated amounts, the County did not have to use the full amount appropriated and only paid $5,017,745 in 2012 and $4,994,915 in 2011 which resulted in salary surpluses of $362,375 in 2012 and a $241,948 surplus in 2011. (E-16)

Further, the FOP emphasis that, according to Houck, it will be very likely, absent an extraordinary emergency, that there would again be a reserve or surplus in 2013. The total costs for corrections' salaries declined from 2010 to 2013 from

$3,734,841 in 2012 to $3,560,029 in 2013. (J-3) Accordingly, the County will spend $174,812 less in the cost of salaries for 2013 even though it appropriated more money in 2013 for such salaries.

The FOP argues that, the County has already determined that it has an ability to pay the salary increase as proposed by the FOP when it reached an agreement with the FOP on May 7, 2012 to afford split 1.5% increases in January and July of the years 2011, 2012 and 2013. (FOP-A)

Further, the FOP notes that the County has reduced its tax levy for 2009, 2010 and 2011. As indicated by the County Financial Analyst Dan Olfshefski, Warren County has the lowest amount of debt in any County of the State.

As to the cost of living, the FOP argues that these correction officers are at Tier 3 of health care contributions and therefore are contributing 21.75% of premiums for single coverage and 14.25% for family coverage this year. In addition, Chapter 78 raised the pension contribution for FOP unit members from 8.5% of salary to 10% of salary. Such contributions mark a significant reduction in take home pay for corrections officers.

As to the factor of internal comparability, the FOP argues that this factor that is not only specifically addressed in the statutory criteria N.J.S.A. 34:13a-16g (2)(c) but also has been found to fall within the criteria of the interest and welfare of the public in the continuity and stability of employment. The Public Employment Relations Commission has recognized the importance of considering internal comparability and its controlling case law on interest arbitration. The arbitrator should give considerable weight to both internal and external comparisons. Comparing the wages and benefits of this bargaining unit with other correctional groups State-wide shows that Warren County is significantly underpaid and below average.

Budget

The County's budget message for 2013 (E-18) states that declining revenue in all areas of their budget has increased financial strain on the County. It goes on to state that Warren County has the distinction of being located in the middle of the Highlands Preservation and Planning area. This distinction has the impact of nearly zero economic growth for the County and in addition, severely hinders the County's potential for development that could improve its declining revenue sources.

The Board of Freeholders has a 2013 budget that addresses past surplus spending, pays for current services, and plans for the future without requiring more money from the taxpayers of Warren County. The 2013 operating budget, exclusive of State and federal grant-funded appropriations and capital improvement projects, increased 0.3% or $300,000 from the prior year budget. (E-18)

The County has attempted to ease its tax burdens while maintaining critical services through the use of County surplus funds; and without significantly reducing comparable expenses. According to the Budget Message, the County has a current budget deficit of more than $3.5 million dollars along with a reduced, non-recurring savings account. (E-18)

The most significant impact to Warren County's revenues is due to reduced revenue receipts for the County-owned nursing home, Warren Haven. Because of reductions in Medicare/Medicaid reimbursement rates, revenues have decreased $3.5 million and Warren Haven, therefore has a current overall budget deficit of $2.4 million. Also, according to Warren County's Chief Financial Officer, Charles Houck, the State has decreased the per-diem reimbursement rate for Warren Haven patients, thereby compounding the effect of the revenue loss. Local revenues and State Aid are down 2.2% and 3.3% respectively. The County indicates that the State has increased the County's cost share for residents in State mental institutions from 10%-15%, a 50% increase in cost. (E-18) County Budget Analyst Dan Olshefsky testified that Warren Haven was most recently operating at an annual loss rate of $4.0 million.

Houck testified that in preparing its budget, the County cannot anticipate more in revenue than it actually received in the prior year. Anticipated revenues for 2013 and Anticipated and Realized revenues in 2012 are as follows:

	Anticipated		Realized	Difference
	2013	2012	2012	Total Revenues (Ant. 2013 vs. Realized 2012
Surplus [4]	**8,693,737**	**8,318,239**	**8,318,239**	**375,498**
Miscellaneous Revenues				
- Local Revenues	4,779,855	5,025,843	4,805,160	-25,305
- State Aid	16,840,199	17,414,415	16,942,651	-102,452
- State Assumption of Costs of County Social & Welfare Services & Psychiatric Facilities	5,557,836	6,092,638	6,098,676	-540,840
- Special Items of General Revenue (Public & Private Rev Offset with Appropriations)	1,978,127	7,163,604	7,163,604	-5,185,477
- Special Items of General Revenue Anticipated (Other Special Items)	1,960,067	1,839,430	1,967,955	-7,888
Subtotal General Revenues	**39,809,821**	**45,854,169**	**45,296,284**	**-5,486,463**
Amt. to be Raised by Taxation - County Purpose Tax	**68,957,356**	**66,900,786**	**66,900,786**	**2,056,570**
Total General Revenues [5]	**108,767,177**	**112,754,955**	**112,197,070**	**-3,429,893**

[4] Note: See text directly below chart to provide additional information of County's initiatives for increasing its surplus fund.

[5] Houck testified that the County has lost $3.5 million in fees over the past 4-5 years.

The Warren County Board of Freeholders has implemented the following initiatives to increase the County's surplus, reduce costs, and ease the burden on the taxpayer: (E-18; FOP-C)

- Lowering Open Space Tax from 6 cents to 4.5 cents resulting in more than $1.7 million in reduced taxes for the County. Board Freeholder Sarnoski states that this reduction represents less than what has been spent on average over the past five years and the County will still be building a surplus in the account.
- Simultaneously collecting more for open space, farmland preservation, and historical projects than the County has spent on average in the last five years; and resulting in an increased surplus in that fund by the end of 2013.
- Warren County Library Tax is not changing from 2012; however, the opening of its new Headquarters Branch will allow for the reduction of future costs of the library system. Sarnoski stated that the County has seen reduced costs in the terms of building facilities in the future as changes have been made in usage and occupation of County facilities.
- Instituted a "Pay As You Go" philosophy resulting in the lowest debt of any county in New Jersey.

- Adopted a resolution requiring voter approval of bond debt under certain circumstances, providing the taxpayer with more control in the County's spending.
- Allocated planning dollars to save for future capital projects and capital improvements resulting in the county moving out of deficient buildings with costly leases. Sarnoski contends that capital projects programs are going strong and will not require borrowing. (FOP-C; E-18)

* * * * *

County fiscal operations generated approximately $7.0 million in surplus revenues during 2012. Approximately $7.6 million of these funds will be utilized to balance the 2013 budget. Further, $1.1 million additional monies from the medical trust fund will be utilized in the 2013 budget. (E-18)

Miscellaneous revenues fund 27% of the appropriations in the 2013 operating budget. These funds decreased by $1,234,000 from the 2012 budget year. The primary source for anticipated reduced revenues is the Warren Haven Nursing Home operation. The fee revenue collected from the various County departments during 2013 is not expected to increase. (E-18)

With regard to the appropriation expense side of the 2013 budget, the County has maintained operating expenses for general government services and also reduced the size of its government. The County states that the anticipated costs of general services for 2013 is down 2.2%, public safety expenses have been reduced by 1.2%, and its human services expenses have been reduced by 7.2%. Even with these savings, statutory and other expenses have risen over the last year and diminished some the savings realized. The County's cost of insurances for budget year 2013 is up 3.8%, and utility costs have risen 2.6%. (E-18)

The chart below shows the 2013 and 2012 Summary of Appropriations for Warren County: (E-16; E-18)

Summary of Appropriations	2013	2012	Difference (2013 vs. 2012)
-	-	-	
Salaries & Wages	39,326,660	38,906,110	420,550
Other Operating Expenses	52,532,388	51,083,042	1,449,346
Capital Improvements	6,032,071	5,130,732	901,339
Debt Service	2,922,435	2,932,100	-9,665
Deferred Charges & Other Appropriations	7,953,623	7,915,610	38,013
Total General Appropriations	**108,767,177**	**105,967,594**	**-2,799,583**

Personnel costs (salaries and wages) for the 2013 budget, account for approximately 36.8% of the combined operating budget appropriations. The Warren County Corrections' salary budget for 2013 ($5,389,534), represents 13.7% of the total County's salaries budget ($39,326,660).

The Board implemented a hiring freeze policy during 2008 through 2012, in which only essential vacant positions were filled. (E-16; E-18) In 2011, the County appropriated $5,236,884 for salaries and wages in the County Jail but paid $4,994,915, leaving $241,949 in reserves. In 2012, the County appropriated $5,380,121 for salaries and wages and paid $5,017,746, leaving $362,375 in reserve monies for the correction officer's salaries. (E-16; E-18) Houck testified that, absent an emergent circumstance, he did not envision any significant change in the reserve balances for the jail salaries account for 2013.

In the 2013 budget, total County salaries and wage appropriations increased $420,000 (1.0%) from the 2012 budget year.

Expenditures for employer pension and Social Security contributions in 2013 increased modestly $38,000 (0.48%) primarily due to increases in the cost of mandatory contributions for the New Jersey Public Employees' Retirement System (PERS) and payroll tax relating to wages. (E-18)

Warren County provides medical insurance coverage for its eligible full-time and retired employees and their eligible dependents through the New Jersey State Health Benefits Plan. Yearly the plan establishes monthly premiums for each class of employee coverage, i.e. single; husband and wife; parent and dependent; and family coverage. The County is billed monthly for the cost of the coverage provided by the plan for the individual employees, based on the level of coverage provided. Employees are required to contribute a percentage of their gross wages toward the cost of the coverage. (E-18)

Warren County illustrates the cost of providing this benefit below: (E-18)

Employee Medical Insurance	2012 Actual	2013 Projected	Increase
Gross Benefit Cost	14,345,323	15,725,400	1,380,077
Less: Employee Contributions	566,412	895,000	328,588
Net Benefit Cost	**13,778,911**	**14,830,400**	**1,051,489**

New Jersey statute provides that health benefit cost increases in excess of 2% are excluded from the 2013 budget levy cap. In 2013, of the $1,051,489 increase in health benefit costs, $500,333 is excluded from the levy cap. (E-18)

Operating expenditure appropriations in the 2013 budget decreased by $110,000 (0.65%) from the prior year. Appropriations for employee medical insurance costs in 2013 increased $740,000 (5.25%) over the amounts appropriated for in 2012 (E-16). The net cost of maintaining County residents in State mental hospitals in 2012 decreased $225,000 (43%) due to credits applied from previous billings. (E-18)

General government program operating costs in 2013 remained level from 2012 amounts. Department heads were asked to reduce their 2013 operating expenditures budget requests where possible in order to offset increases in other programs. The reduction requests were necessitated by Local Budget Law, which limits the overall increase in the County Purpose Tax. (E-18)

In 2013, the Public Works/Utilities budgets increased $212,525 (2.8%) primarily due to expected increases in the cost of road maintenance, motor pool costs, and maintenance repair parts for the County's buildings. (E-18)

Other departmental and program budget operating expenditures remained relatively constant for 2013 or decreased as a result of the Board's determination to lower departmental operating costs. (E-18)

Capital improvements funded from the 2013 budget increased $900,000 (17.6%) from 2012 levels (E-16; E-18). The County will continue its pay-as-go philosophy to finance its ongoing and routine capital improvement needs, such as road and bridge maintenance, vehicle and equipment replacement and buildings and grounds improvements. Of the increase, $700,000 is dedicated capital savings for the anticipated future election system replacement and courthouse renovations. The 2013 Capital Improvement Program is essential to adequately maintain the County's infrastructure, facilities and equipment. (E-18)

Debt service requirements will remain level in 2013. The Freeholder Board places a high priority on reducing the County's debt to minimize the financial burden on future generations. (E-18)

The following chart depicts the proposed use of current Fund Surplus in the 2013 Budget: (E-18)

Fund Surplus	
Surplus Balance December 31, 2012	12,189,211
Current Surplus Anticipated in 2013 Budget	8,693,737
Surplus Balance Remaining	**3,495,474**

In the 2013 Budget Message for Structural Budget Imbalances, the County indicates its Fund Balance, as revenue, is at risk. Further, it provides explanations as follows: (E-18)

- The Board used $680,000 of surplus funds in excess of the amount generated in 2012. These funds are used to balance the budget with a tax increase that complies with the statutory limitation. In addition, it adds that if this practice continues it may result in unsustainable future budget revenue shortfalls, requiring major reductions in discretionary programs and services.
- The Board also utilized $1.2 million of rate stabilization fund balance in the employee medical trust fund. The surplus funds were accumulated as a result of savings realized from favorable employee health care claims

experienced in prior years. The County joined the New Jersey State Health Benefit Plan in 2009 and no longer self-insures, therefore the surplus will not be regenerated. When the remaining $3.5 million surplus is depleted, the County could be forced to make significant program and service cuts.

- It noted that the phase-in of greater employee contributions ($328,588) to offset the substantial cost of health care coverage will help reduce the burden on County taxpayers in future budgets.

The following chart reflects Warren County's Summary Total Appropriations, Less Budgeted Anticipated Revenues, and the Amounts to Be Raised by Taxation (County Purpose Tax) for years 2012 and 2013: (E-18)

Summary of Approved Budgets	**2012**	**2013**
Total Appropriations	$105,967,594	$108,767,177
Less: Anticipated Revenues	$39,066,808	$39,809,821
Amount to be Raised by Taxation	**$66,900,786**	**$68,957,356**

The proposed 2013 County operating budget will require $68,957,356 in County Purpose Tax. This amount is an increase over the 2012 generated amount. This increase is also below the State-mandated cap laws. (E-18)

FOP exhibit (FOP-C), Resolution 194-13, April 10, 2013, approved the Warren County Annual Budget and County Purpose Tax Levy for the Fiscal Year 2013 as reflected in the above chart. Board Freeholder Gardner stated in the resolution that even though the tax levy has increased from the prior year, that there is no tax increase to the public taxpayers. As reflected in County exhibit (E-2), the County's Board of Freeholders has not increased its County Purpose Tax since 2008, or five years.

In the process of developing the budget, Sarnoski emphasized that the County had to determine the best way to address the $3.5 million deficit at the beginning of the process, which they accomplished. He continued to state that the County's reliance on their surplus spending must end if the County was to remain solvent in the future. (FOP-C)

One of the largest contributing factors to the deficit was the Warren Haven Nursing Home operation (FOP-C). Houck testified that the recently privatization of Warren Haven's support services, in conjunction with a layoff of 43 County employees effective July 1, 2013, would cut costs by $1.4 million.

During 2012, the equalized value of assessments (Tax Base) decreased by $39,055,268 *to* $11,515,191,671 at year-end. The 2012 Equalized Tax Rate was 57.2 cents per $100 of Tax Base. Given the proposed County Purpose Tax, the projected Tax Rate in

2013 should be 59.8 cents per $100 Equalized Assessed Valuation. The County's Equalized Valuation has declined by 13.7% since 2008. (E-2)

Houck testified that the Equalized Property Value (EPV) has declined in the last three to four years. He explained that each town has its own assessor and its own market-to-valuation ratio. These assessments and ratios feed into the County's Purpose Tax rate. He testified that the declining EPV's has caused significant fiscal stress in the County. In addition, federal sequestration is also causing cuts in the Housing Assistance Payment Program (Section 8 housing).

The chart below depicts the Equalized Valuation for Warren County for the years 2008 through 2012: (E-1-P)

Current Working Conditions

The FOP points out that working in a correctional facility can be stressful and dangerous. Correctional officers have a higher rate of on the job injuries, largely owing to conflicts with inmates. Officers Bowlby and Lovenberg testified that officers often face dangerous altercations with inmates and also the added risks of being targeted outside of the work facilities by former inmates.

In addition, correction personnel are frequently required to work extra shifts resulting in fatigue, low morale and family-related problems. According to research performed by the Wayne State University in 1997, suicide rates among correctional officers are 39% higher than the rest of the working age population. (FOP-E, p.34)

While correction officers are only required to possess a high school education, they go through a rigorous training period at the Police Academy and are required to qualify with firearms both initially and annually. In addition, correction officers are, by State statute, empowered to carry a weapon at any time off duty and are required to act in the event that a crime is permitted when they are present.

Existing Wages and Benefits

Warren County correction officers staff the County Jail on round-the-clock shifts; officers work steady shifts on either first, second or third shifts. Each shift includes a 30-minute paid meal break. Each shift is eight hours, plus an additional 15 minutes extra per shift for muster time. Officers work four days on, one day off; then four days on, two days off; then three days on, two days off. The stationary shifts are 6:45 am to 3:00 pm; 2:45 pm to 11:00 pm; and 10:45 pm to 7:00 am.

Employees are currently being paid from the following salary guide:

Step	Step Values	Increment	# of Ees
2	41,080	2,252	2
3	43,332	1,914	5
4	45,246	3,714	3
5	48,960	4,277	1
6	53,237	2,363	20
7	55,600	2,701	10
8	58,301	10,535	6
9	68,836		13
TOTAL			60

In addition to their base salary, correction officers receive shift differential of $.35 per hour for the second shift, $.60 per hour for the third shift, and $.75 per hour for weekend shifts. Officers are currently paid straight time for the extra 15 minutes per shift. Correction officers who work overtime are paid at a rate of time and one-half of the officer's base pay. County Financial Analyst Vijay Kapoor calculated that the portion of officers' base wage compensation amounted to 90% of total compensation, with the remaining 10% being paid as overtime and shift differential. (E-2, p. 37) Correction officers are also paid longevity pay of $400 after five completed years of service, and $1,000 after completing ten years' of service. (E-2, p. 20) In addition, correction officers are provided an annual uniform and maintenance allowance of $775 beginning with their second year of service. (E-2, p. 20)

Officers enjoy 14 paid holidays per year. As to leave time, officers annually receive 12 to 25 vacation days per year depending on length of service, and 12 days' sick leave in their first year of service, with 15 days annually thereafter.

Officers are eligible for hospitalization, major medical, dental, and prescription benefits after 90 days of service. Employees are currently contributing pursuant to Chapter 78, P.L. 2011, a percentage of premium costs in tier 3 of contributions rates, meaning that they currently contribute between 5.25% (for an employee at entry level step on the salary guide) and 14.25% (officers at top pay) for family coverage; and between 9.0% and 21.75% for single coverage. Officers, who retire with 25 years' service or on a disability pension, receive retiree health benefits. If the officer is under age 55 at the time of his retirement, (except disability) he is required to reimburse the County for the full cost of the health care plan. The Employer then resumes paying health care plan costs when the retiree attains age 55. Employees also have prescription benefits, an eye care plan and a dental plan.

Internal Comparability

PBA Local 280 represents Warren County's sheriff's officers and sheriff's superior officers. In April 2012, the employer signed an agreement with Local 280 covering the period 2009-2011. The parties agreed to salary guide step movement in each year of the contract as well as a commitment that the salary guide would survive the expiration of the agreement, and that employees would move on the salary guide in 2012. The 2009-2012 contract provided for salary increases only for sheriff's officers at the top step of 3% in 2009, 3% increases in 2010, and 3% in 2011. That agreement provided for a top salary of $64,620 in 2009, $66,559 in 2010 and $68,556 in 2011. Sergeants received a wage freeze for the first thirty months of the contract and then received a 13.2% increase in July 2011. Lieutenants also had a wage freeze for the first thirty months of the contract which was followed by a 22.3% increase in July 2011.

On August 29, 2013, the Employer concluded negotiations with the Sheriff's officers for 2012-14 and the parties signed a Memorandum of Agreement. This agreement provided for a 2% increase to all unit employees in 2012; a $1,450 increase to all unit employees in 2013 and the elimination of the clothing allowances concurrently therewith;[6] and a 2% increase in 2014. Top pay for a sheriff's officer in 2013 will be $71,377 and in

[6] In 2013, the clothing allowance plus clothing maintenance allowance totaled $1,175.

2014, $72,805. This tentative agreement has been ratified by the membership but not yet approved by the County Freeholders.

FOP Lodge 170 represents the County's correction superiors. In April 2011, the County signed a successor agreement with the FOP, covering 2011-2013 and providing for 2% increases in each year of the contract.

PBA Local 331 represents the detectives and investigators employed by the Warren County Prosecutor. In August 2012, Local 331 and the prosecutor signed a new successor agreement for 2012-2013 which included 2% increases in each year of the new agreement. It also included step increases for each year of the agreement as well as step increases to be effective January 1, 2014. Salaries are as reflected in the chart below:

HISTORICAL AND PROSPECTIVE TOP-PAY RATES/INCREASES AMONG WARREN COUNTY LAW ENFORCEMENT PERSONNEL							
	2008	2009	2010	2011	2012	2013	2014
Sheriff's Officers	62,738	64,620 3%	66,559 3%	68,556 3%	69,927 2%	71,377 0% *	72,805 2%
Sheriff's Superior Sgts.	72,378	72,378 0%	72,378 0%	81,928 13.2%	83,567 2%	85,017 0% *	86,717 2%
Sheriff's Superior Lts.	78,530	78,530 0%	78,530 0%	96,025 22.3%	97,946 2%	99,396 0% *	101,383 2%
Corrections Officers	61,161	64,885 6%	68,836 6%	70,212 2%	71,617 2%	73,049 2%	
Correction Sgts.	71,366	75,714 6%	80,322 6%	81,928 2%	83,567 2%	85,238 2%	
Correction Lts.	83,648	88,737 6%	94,142 6%	96,025 2%	97,946 2%	99,905 2%	
Pros. Senior Investigators					93,217	95,081	

* In 2013, sheriff's officers, sergeants and lieutenants received a $1,450 ATB increase in base pay, but eliminated clothing and maintenance allowance.

AFSCME represents the County's blue and white collar unit, which is the County's largest bargaining unit. This unit also includes support employees at Warren Haven and tele-communicators. A contract signed in May, 2011, covered 2009-2011, and provided for a 18-month wage freeze for January 1, 2009 through June 23, 2010; a 1% increase effective June 24; and a 2% increase effective January 1, 2011. This agreement includes a provision that employees hired after May 26, 2011 are ineligible for post-retirement health benefits. It also includes a provision that requires retirees under age 65 to contribute, on a sliding scale, depending upon the pension annuity amount, a quarterly payment for medical insurance, ranging from $66 to $303 per quarter.

On August 28, 2013, AFSCME and the County signed a memorandum of agreement for a successor contract to cover 2012-2015 for this unit. This agreement provided for a 1.0% increase in 2013 and a 3.0% increase in 2014, with no increases for 2012 or 2015. Uniform allowances were increased slightly, and longevity was increased in 2014 to between $650 and $1,650; and the parties also agreed to the County's Storm and Emergency Closing provision.

AFSCME Local 0671 represents the County's blue and white collar supervisory employees. On October 10, 2012, the County signed a successor agreement with AFSCME for 2012-2014. The agreement provided for a 1.5% across-the-board increase in each year of the contract. It is noteworthy that this contract provided that new employees hired after March 9, 2011 will be ineligible for post-retirement medical benefits.

CWA represents Warren County's public health nurses. In March 2013, CWA signed a successor agreement with the County covering 2012-2014. The parties agreed to a 1.5% increase in each year of the new agreement. The parties also agreed to movement on the step guide for each year of the agreement.

CWA Local 1071 represents employees of the County Department of Human Services, Division of Temporary Assistance and Social Services ("TASS"). This unit includes such job categories as social workers, income maintenance workers, and support staff.[7] In August, 2011, the parties signed a successor agreement covering 2011 through 2013. The contract provides for a 2% salary increase in each year of the contract. The contract also includes a 12-step salary guide, and while the contract is silent about step guide movement, I infer that employees annually move from step to step on the guide. In January, 2013, the parties amended the contract to include the Storm/Emergency Closings policy it is also proposing for this

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[7] It appears that this is the bargaining unit formerly employed by the Warren Co. Board of Social Services.

unit. The language is identical to that proposed by the County in this matter.

CWA Local 1032 represents the clerical employees in the County Prosecutor's office. The contract is silent on whether employees move automatically through the salary range to reach maximum. On September 26, 2012, the Prosecutor signed a successor contract with CWA for 2012-2014, which provided for a 1.5% across-the-board salary increase applicable to the minimums and maximums of the salary ranges in each year. This unit does not have a step guide, but rather, each title is identified with a salary "range" of minimums and maximums. In January, 2013, this unit also signed an agreement with the Employer concerning the Storm and Emergency Closings, which was then appended to the contract.

The factor of internal comparability, based upon existing agency and court precedent, is a factor that is not only specifically addressed in the statutory criteria [N.J.S.A. 34:13A-16g(2)(c)], but also has been found to fall within the criteria of the "interests and welfare of the public" and the "continuity and stability of employment." The Public Employment Relations Commission has recognized the importance of considering internal comparability in its controlling case law on interest arbitration.

In County of Union, P.E.R.C. No. 2003-33, 28 NJPER 459,461 (¶33169, 2002), the Commission stated:

> Pattern is an important labor relations concept that is relied upon by both labor and management ... deviation from a settlement pattern can affect the continuity and stability of employment by discouraging future settlements and undermining employee morale in other units.

An internal pattern is relevant to the "comparability" criterion, N.J.S.A. 34:13A-16g(2)(c); N.J.A.C. 19:16-5.14(c)(5), and to the "continuity and stability of employment" criterion, N.J.S.A. 34:13A-16g(8). Id., 28 NJPER at 461. An interest arbitration award that does not give due weight to an internal pattern is subject to reversal and remand. County of Union, P.E.R.C. No. 2003-87, 29 NJPER 250,253 (¶75, 2003).

External Comparability:

As previously stated, I consider the northern counties in the immediate area of Warren County, to be the most relevant in terms of examining correction employees in similar jurisdictions. The chart below shows salaries from 2009 through 2013, where available. Those jurisdictions which I consider to be most relevant are in bold text:

Correction Officer Salaries - Top Rates (Comparables)					
County	**2009**	**2010**	**2011**	**2012**	**2013**
Hunterdon	**57,500**	**58,500**	**60,000**		
Morris	**82,429**	**85,726**	**85,726**	**87,441**	**89,189**
Sussex	**71,526**	**74,029**	**76,620**	**79,302**	**82,078**
Warren	64,885	68,836			
NJ Averages					**75,025**
Carbon	34,050	35,069	36,462	37,565	
Lackawanna	45,257	46,388			
Lehigh	53,102	55,224	55,224	56,326	57,450
Luzerne	50,031	51,532	53,078	54,670	56,310
Monroe	**36,576**	**38,130**	**39,491**	**40,740**	**41,555**
Northampton	**49,179**	**50,286**	**50,286**	**51,543**	
PA Averages					**48,469**

*Averages are based on highest current salary reported for each county.

The Union also proffered a chart showing the top pay rates for correction officers in 18 of the 21 counties. (FOP Brief p. 13) According to the FOP's chart, the average top pay among correction officers statewide was $75,429 in 2010. The data supporting the FOP's chart was replicated from an earlier interest arbitration award. It is noted that supporting documentation was not supplied to support this summary chart, but even assuming that the FOP's summary information is accurate, I assign little weight to this conclusion. As explained previously, the more relevant comparable data is the salary information of the counties in the immediate Warren County geographic area.

Consumer Price Index (CPI)

The Bureau of Labor Statistics (BLS) cites the Chained (C-CPI-U) as its most accurate measure of cost-of-living. The BLS also produces indexes for local areas, including the New York-Northern New Jersey-Long Island and NY-NJ-CT-PA Metropolitan Area (CPI-W) covering all urban wage earners. While available for a longer duration and regionally focused, the County notes that the BLS advises such areas are less reliable due to sample size volatility. (E-2)

The County states that for the contract period of January 1, 2007 through December 31, 2010, correction officers received across-the-board wages (compounded) totaling 12.6% and 26.7% for officers at the maximum step. I assume that this data is inclusive of increment amounts. It notes that the cumulative wage growth of all correction officers outpaced the growth of consumer prices of regional CPI-W and chained CPI-U from 2008 through 2010. (E-2)

The County asserts that its chart below represents the Warren County Correction Officer wages increases versus the CPI increase for 2007 through 2010: (E-2)

Warren County Correction Officer Wages vs. CPI	**2007**	**2008**	**2009**	**2010**
C-CPI-U	*3.7%*	*3.9%*	*6.4%*	*7.8%*
NE Urban Size Class B/C CPI-W	*4.7%*	*4.8%*	*9.2%*	*11.6%*
Correction Officer (CO)	**3.0%**	**6.1%**	**9.3%**	**12.6%**
CO at Maximum Step	**6.1%**	**12.6%**	**19.4%**	**26.7%**

The County avers that currently the median years of service for a correction officer in the bargaining unit are seven years of service. Over the term of the contract period of January 1, 2007 through December 31, 2010, the officer would have started at step 2 and progressed to step 5. It states that the officer would have received a 41.9% compounded increase over the term of the contract when taking both the annual increases and step movement on the salary guide. Kapoor testified that the correction officer's pay has outpaced the C-CPI-U and the CPI-W since 2008. (E-2)

I note that these comparisons between correction officer's salary increases and each measure of CPI are based upon increases allegedly granted by virtue of the last interest arbitration award, which ended in 2010. No data was provided as to the cost-of-living since January 1, 2011. However, it is generally well known that the cost-of-living as calculated by the CPI-U Index (all urban areas, not seasonally adjusted) increased over the past twelve-month period at an average annual rate at approximately 1.5%, as reported by the Bureau of Labor Statistics.

PERC Statistics on Awards and Settlements

The most recent salary increase analysis[8] for interest arbitration on PERC's website shows that the average increase for awards from January 1, 2011 through December 31, 2011 was 2.05%, while voluntary settlements for the same time period averaged 1.87%. For 2012, awards averaged 1.86% while settlements averaged 1.77%. For the period January 1, 2013 through August 20, 2013, awards averaged 1.66% while settlements averaged 2.01%. Awards included various guide adjustments, increases to top step only; limitations on retroactivity; freezing of guide movement, and adding of steps to a guide. It must be noted however, that most awards issued in 2012 and 2013 were subject to the 2.0% interest arbitration cap.

Private Sector Wage Survey

The New Jersey Department of Labor Wage Reports, issued in September 2012 and August 23, 2013[9], shows that the average annual wages in the New Jersey private sector increased by 2.1% between 2011 and 2012 while the local governmental sector increased during the same period by 1.4%. The same report broken down by county shows a private sector wage decrease in Warren County of -.9% between 2010 and 2011. The same reports show that the annual wages in the State's

[8] Source: Public Employment Relations Commission Website, reference pages and (E-25).

[9] The Employer submitted the report from 2012 (E-24); and the 2013 report is taken from the Public Employment Relations Commission Website.

private sector increase again increased between 2011-2012 by 2.1%, with the local government sector increasing by 1.5%.

I give almost no weight to the component of comparability with the private sector other than to observe the private sector wage increases as noted above, that New Jersey's unemployment rate is about 7.4%, and the economic recovery for everyone is slow to take root. On the one hand, public sector law enforcement officers are not subject to the same concerns as private sector workers or even public sector civilians, in that layoffs are infrequent and furloughs are non-existent. However, there is no particular occupation, public or private, that is an equitable comparison to correction officers. The correction officers are unique in a variety of ways, including the potential to be called upon to uphold the law at any time, on and off duty; the obligation to carry a weapon even off duty; the stress and dangers of the job, the tightly regulated recruitment and training process; and the lack of portability of public sector law enforcement officer skills beyond a certain age and beyond a geographic region. Moreover, they are frequently required to work evenings, nights and holidays. Unlike the private sector, they do not compete in a global economy, which tends to depress wages.

ANALYSIS OF SALARY ISSUES

Proposed Longevity Roll-In

The FOP proposes to eliminate longevity as a separate benefit and to roll-in longevity into base pay effective with the date of this award. Longevity pay is given to unit employees near the end of the year annually. Correction officers have already been paid their longevity benefit for 2011 and 2012, but have not yet been paid for 2013. The existing longevity benefit provides officers with $400 after five years of service and then $1,000 after ten years of service. The County has not consented to this proposal. Instead, the County officers to increase the longevity benefit by 2% annually for the life of the contract.

I am not inclined to award the FOP's proposal to eliminate longevity and add $1,400 to top pay. While the FOP is correct that, initially, the County would save money by implementing this proposal, the long term costs do not justify awarding the proposal. There are 32 correction officers at or above the five year benchmark in 2013 which are each receiving the $400 longevity payment. There are 13 employees at or above the ten year benchmark in 2013 which are due to receive the $1,000 longevity payment. In current dollars, the County is projected to spend $27,200 for 2013 longevity payments (J-3). Awarding the FOP's proposal would mean that the 18 employees at top pay in 2013 would each have $1,400 added to their base pay immediately for a cost of $25,200 in 2013. Thus, the County would save $2,000 by implementing this proposal in 2013. However, the long term effect of adding $1,400 to base pay would be that it would increase the base upon which overtime calculations are derived. It would also increase holiday pay and the payment of unused sick leave upon retirement (E-4, Article 11) which is based upon daily rates of pay. In addition, it would increase pension contributions for both the County and for the correction officer.

From the correction officer's point of view, the proposal would effectively eliminate the $400 longevity payment currently being enjoyed by 32 unit employees who have more than five years, but less than ten years, of service with the County. If the FOP's proposal were awarded, these employees would have to wait until they hit the top step of pay (at ten years) before they realize any benefit of rolling-in the longevity to base pay. The loss of $400 annually (between the employee's fifth year and his tenth year) totals $2,500 loss over a five-year period, which would take another five years' additional service to recoup. Accordingly, I find that the long-term cost of this proposal outweighs the benefit to the FOP members and is not in the public interest. The proposal is not awarded.

The County proposes a 2% increase to longevity pay in each year of the new contract. The FOP has not consented to this proposal but offers no rationale in its brief explaining its objections. Accordingly, I award the longevity increases as follows:

New Longevity Amounts			
	2011	**2012**	**2013**
5 Years' Service	408	416	424
10 Years' Service	1020	1040	1061

Salary Increases

The County argues that this award is subject to the 2.0% cap on interest arbitration awards as mandated by Chapter 105 P.L. 2010. The 2008-2010 contract provides at Article 26, "Duration" that, "The terms and provisions of this agreement shall be in full force and effect commencing January 1, 2008 and ending December 31, 2010". Contracts with an expiration date of December 31, 2010 have already been held by the Public Employment Relations Commission to be exempted from the 2.0% arbitration cap. See, Burlington County Prosecutor, P.E.R.C. No. 2012-61, 39 NJPER 20 (¶4 2012), affirmed in relevant part, N.J. App. Div., 40 NJPER 41 (2012), Pet for Cert. pending. This matter does not dictate a different result. The 2.0% arbitration cap does not apply to the contract being awarded herein.

With regard to the parties' offers, I find that the County's offer of 0% for the life of the contract is not justified by the facts of this case. I also find that the Union's proposal of 9.0% (before compounding), is equally unrealistic.

First, employees moving through steps of the salary guide have already received step advances in each year of the proposed contract. Neither party is proposing that these increment payments be rescinded; instead both parties propose that employees not yet at top pay receive no across-the-board raises for the life of the contract. The Employer's cost of providing these increments was $206,883 in 2011, $265,397 in 2012, and $251,839 in 2013. I agree with the parties that those correction officers not yet at top step of the salary guide by 2013, are not entitled to any additional pay increases for the life of the contract.

Article 7, Section 2 of the 2008-2010 contract specifically provides:

> [A]s a condition to and in consideration for the agreement for step movement, the FOP and the County shall stipulate to the step movement in the year 2011 and in any subsequent year thereafter in accordance with the provisions of N.J.S.A. 34:13A-16 (g)(4), in any subsequent mediation or interest arbitration proceeding.
>
> It is further agreed that the cost of such step movement must be considered by any such mediator or interest arbitrator as part of the overall

> compensation of these employees pursuant to N.J.S.A. 34:13A-16 (g) (3) and must be given due weight by the interest arbitrator as part of the financial impact on the governing unit, its residents and taxpayers in 2011 and in any subsequent year thereafter in accordance with N.J.S.A. 34:13A-16 (g) (6).

I have carefully considered the cost of increment payments already made for the life of this contract and its financial impact on the County. Had the parties not voluntarily agreed to a freeze of salary increases for these employees still moving through the step guide, I would have so awarded it in any event. I consider this a necessary measure to control salary costs, notwithstanding the fact that employees in other Warren County law enforcement groups, notably Prosecutor's detectives and Sheriff's officers, receive both salary increases and step increments in recent contracts.

The County has now settled contracts through at least 2012 with nine of its bargaining units. Raises for employees covered by these contracts ranged from 1% to 3% in each year of the most recent contract. Here, the County's offer of a wage freeze for officers at top step of the salary guide would leave this group as the only group in County employment to receive no pay increase in a three-year period. As noted previously, a comparison to other law enforcement groups in the same jurisdiction, is not only dictated by the statutory criteria but has previously been held by the Public Employment Relations

Commission to be an important factor in assessing salary rates for the group under consideration.

On the other hand, the FOP's demand for 3.0% across-the-board increases annually significantly exceeds pay increases awarded to County employees in every other bargaining unit and has not been justified.

A comparison of the salaries of Warren County's correction officers to the pay rates of other law enforcement groups in the County shows that historically correction officers have been slightly ahead or slightly behind sheriff's officers - - a group I consider to be close cousins to correction officers. Both groups work under the jurisdiction of the County's sheriff's department. Both groups handle the same population of felons, albeit at different stages of processing through the investigatory and judicial phase and later the custodial phase. Both groups have similar duties and responsibilities, similar hazards and risks of the job, and similar law enforcement powers to act on and off-duty.

In 2008, sheriff's officers earned top pay of $62,738 while correction officers received a top pay of $61,161. By 2010, correction officers were $2,500 ahead of sheriff's officers pay in that sheriff's officers earned $66,559 while correction officers earned $68,836. This is in part attributable to corrections officers having a received a 6.0% increase in 2009 and again in 2010, while sheriff's officers received a 3.0% increase during the same period. In 2013, sheriff's officers' salary at top pay is now $71,377, assuming that the County approved the recent memorandum of understanding for a 2011-2014 contract with that bargaining unit. Here, I intend to award a 2.0% increase annually to top pay correction officers for the life of the contract. This will put correction officers and sheriff's officers more in line with each other in terms of pay comparability.

I note that the settlement in correction superiors provided for a 2.0% across-the-board increase in 2011, another 2.0% increase in 2012, and another 2.0% increase in 2013. By 2013, correction superiors' pay exceeded the pay rates for sheriff's superiors by only a few hundred dollars. While sheriff's officers might be considered close cousins to correction officers, correction superiors are the most closely related group in that they hold the positions next in line in a correction officer's career path. Therefore, I give significant weight to the internal patterns of settlement for these two groups. Here, my award of 2.0% annually for top pay correction officers parallels the increases negotiated with the correction superiors.

As previously discussed above, an analysis of the external pay rates of correction officers in comparable jurisdictions, would include the New Jersey counties surrounding Warren County and, to a lesser extent, the Pennsylvania counties of Northampton and Monroe. An analysis of the three contiguous New Jersey counties (Sussex, Morris and Hunterdon) reveals an average top pay of $77,089; while the two contiguous Pennsylvania counties has an average of $46,549. I give greater weight to the pay rates in the New Jersey counties as the Pennsylvania counties had a significantly lower cost-of-living and 80% of Warren County's employees do not live in Pennsylvania. Warren County's correction officers have a current pay of $68,836, which is more than $8,000 under the average of New Jersey county correction officers in the relevant area. It is also about $7,000 below the State-wide average for all correction officers. Therefore, this across-the-board pay increase for correction officers at top step needs to be awarded so that these employees can at least maintain their ranking without falling further behind average pay.

It is in the public interest that County correction officers' pay scales remain competitive with other jurisdictions to attract and retain quality officers. Otherwise, turnover rates will increase and public funds will be wasted on recruitment and training expenditures only to see employees leave Warren County employ to seek employment in higher paying jurisdictions. This also supports the criteria of continuity and stability of employment. High turnover rates leave the correction officer workforce with inexperience staff which in turn further endangers the safety of correction officers. Accordingly, I find that a 2.0% increase in each year of the award for officers at top pay is an appropriate raise and is supported by the evidence. Additionally, it will allow officers at top pay to keep pace with cost-of living increases during the contract period.

However, to limit the cost to the County for retroactivity payments, the 2.0% annual raises will be effective on July 1 of each year.

I find that the increases being awarded herein are within the County's ability to pay and will not endanger violation the Employer's lawful authority, including the appropriations and levy caps. First, the money the County expended to pay correction officers' increments, as well as longevity payments for 2011 and 2012, has already been appropriated and expended. It does not need to appropriate additional funds to cover these costs.

Second, in the 2013 budget the County has $362,376 reserves in its salary account for the County jail. The County's own witness testified that this reserve amount is not likely to be expended for current expenses in 2013 and is potentially available for raises. While it appears that the County would like to hold down costs increases for this bargaining unit to partially offset declining revenues associated with the Warren Haven Nursing Home, I note that no other County bargaining unit (including AFSCME, which represents Warren Haven employees) made such a sacrifice. It would be unfair to the 18 employees at top step to now ask these employees to accept a three-year wage freeze because the County has a large deficit associated with Warren Haven.

Third, the total cost of correction officers' salaries including longevity and uniform allowance, pursuant to J-3, actually decreased by $91,920 from 2012 into 2013. Accordingly, I find that there will be no financial impact on the taxpayers of Warren County by virtue of this award. Further, this award will have no impact on the County's cap limits.

Salary Guide Revisions

The FOP proposes to decrease the starting salary for new correction officers hired after the date of this award from the current rate of $41,080 to $38,000. It also proposes to add an additional step between existing steps 8 and 9 on the salary guide. The existing salary guide is as follows:

Step	Step Values	Increment
2	41,080	2,252
3	43,332	1,914
4	45,246	3,714
5	48,960	4,277
6	53,237	2,363
7	55,600	2,701
8	58,301	10,535
9	68,836	

The County has not consented to either FOP proposals concerning salary guide provisions but its brief provides no argument as to why these proposals should not be awarded. I intend to award both proposals.

With regard to the new recruitment rate, the proposed rate of $38,000 is $3,080 below what the County is currently paying new recruits. I am confident this lower recruitment rate will not deter qualified applicants from applying with corrections positions with Warren County especially given the current economic conditions and New Jersey's unemployment rate of 7.4%. Recruits only remain at step one on the salary guide until graduation from the academy or completion of their first year of employment, whichever comes first. It is always in the public interest to obtain quality public services at the least possible cost provided it does not impact on unit stability and continuity. I find that this new recruit rate will have no impact on unit stability and continuity and at the same time will save the County money. I award this proposal.

The FOP also proposed to add a new step between step 8 and step 9 of the salary guide effective with the date of the award. As shown below, after the 2.0% annual increases are applied to the top step, the increment amount between the step 8 and step 9 is $14,748. This "bubble" is too large an increment value to be paid an employee all at one time and therefore needs to be cut in half. Therefore, I award the creation of a new step 9 half way between old step 8 and step 9. The step formerly called step 9 will become step 10. The resulting salary guide is as follows:

Step	2010 Salary Guide	Incrmnt	7/1/11 Salary Guide	7/1/12 Salary Guide	7/1/13 Salary Guide	9/23/13 Salary Guide	Incrmnt
1						38,000	3,080
2	41,080	2,252	41,080	41,080	41,080	41,080	2,252
3	43,332	1,914	43,332	43,332	43,332	43,332	1,914
4	45,246	3,714	45,246	45,246	45,246	45,246	3,714
5	48,960	4,277	48,960	48,960	48,960	48,960	4,277
6	53,237	2,363	53,237	53,237	53,237	53,237	2,363
7	55,600	2,701	55,600	55,600	55,600	55,600	2,701
8	58,301	10,535	58,301	58,301	58,301	58,301	7,374
9						65,675	7,374
10*	68,836		70,213	71,617	73,049	73,049	

*The above is based upon 2% ATB each July. Step 9 shown above is the "new" step being added to the salary guide effective 9/23/13. Step 10 shown above is the old step 9.

To be clear, all current employees at or below step 8 will progress normally through the salary guide when increments are paid. Employees currently at step 8 will move to the new step 9 when increments are paid. Employees currently at step 9 on the old salary guide will not be reduced in salary but will be paid at the new step 10 on the salary guide. No current employee will be reduced in salary as the result of implementation of this guide.

Adoption of the salary guide above is in the public interest as it will reduce the price of increments going forward at the top step. It is my belief that adoption of this new salary guide will not negatively impact upon unit continuity or stability or employee morale.

Future Increments

The County proposes to eliminate the step guide going forward into future contract years. The FOP vigorously opposes this position. The FOP argues that the County has provided no evidence why the continued provision of step movement within the salary guide would be detrimental to either the County or to the public.

The FOP emphasizes that the County has continued step movement for both the Prosecutor's detectives as well as the sheriff's officers. To treat the correction officers differently would be manifestly unfair.

The FOP cites testimony of both President Lovenberg and Vice-President Bowlby that eliminating the step guide would be very detrimental to morale and would destroy the salary system which has been maintained over the past decade. They have testified that officers view the step system as integral to their salary system. Further, according to Lovenberg and Bowlby, it would be very difficult to recruit and maintain competent officers if they are not able to advance on the guide. Both Lovenberg and Bowlby testified that, in the past, without step movement the turnover was significant. The FOP cites the 2003 award of Arbitrator Glasson in which Glasson found that automatic step movement on the guide was then an absolutely necessary component to solve the County's severe turnover problem, which was causing a wasteful expenditure of recruiting and training costs as new hires would go through the academy and then leave for other jurisdictions where salary adjustment is possible. The FOP argues that, without the continuation of step movement, all of the problems outlined by Arbitrator Glasson would return.

Further, the FOP maintains that the costs of increments are funds already expended by the County since officers have moved through the guide for all three years.

I am disinclined to eliminate the step guide from the contract as the County proposes. In 2003, Arbitrator Glasson awarded automatic movement on the step guide and reduced the steps from 13 to 9 steps. He reasoned:

> The parties agree that the single most important issue in this matter is the high turnover rate of correction officers and the need to improve the salary structure for correction officers. This issue is paramount to the interest and welfare of the public. Recruitment and retention of correction officers is a serious problem in Warren County as evident by the large number of correction officers on Step 1 through 4 on the 2002 salary guide. The 2002 data shows 50 correction officers on various steps of the salary guide. 35 of the officers are on the first four steps of the 12-step salary guide. The salaries of these 35 officers range from 26,288 to $30,232. There are only five officers on the top three steps. There is clearly a high incidence of turnover.
>
> This turnover creates a continuous need to train newly hired officers. Training of Correction Officers is justifiably an expensive proposition. It is exceedingly expensive when you have a high turnover rate. High turnover produces a continuing spiral of recruitment and training resulting in a significant number of inexperienced Correction Officers. The parties agree that in the best interest of the County and the FOP (and certainly the interest and welfare of the public) to reverse the high turnover rate and stabilize the work force. This is important in all work environments but it is particularly important in a correctional facility given the inherited dangers of the job and the need to maintain the highest levels of safety and supervision. Highly trained and experienced correction officers are essential to maintaining high standards of safety and supervision. The FOP and the County recognize the need to reverse the high turnover rate and provide a better salary structure with the career path to maximum. It is also the norm for Correction Officers employed by the State of New Jersey and nearly all municipal police departments in the State.

The same rationale applies today. Outright elimination of the step guide would mean that employees, especially those in the lower steps, would remain frozen in place on the guide without any possibility of upward mobility to higher pay and would result in these employees inevitably moving on to other employers where such upward mobility is offered. This in turn would cost the County in wasted training dollars. It would also demoralize employees and cause high turnover, which in turn would result in a less experienced workforce to staff the County Jail. None of these outcomes could be considered to further the public interest.

While I will not dismantle the employees' current step guide, I intend to freeze employees on their current step going forward into the next contract unless certain circumstances dictate otherwise as discussed below. At the expiration of this contract, this bargaining unit will be subject to the 2.0% cap on arbitration awards pursuant to Chapter 105, P.L. 2010. Under the provisions of this statute, an interest arbitrator is limited to awarding a maximum of 2.0% increases in base salary which is inclusive of base pay, increments, and longevity increases. In January, 2014, approximately 46 employees would be eligible to receive step increases. Step increases have in recent years cost the County more than $250,000 per year for this unit. It is therefore very likely that the increment load will far exceed the available cap should the parties require interest arbitration to settle the contract. The outcome in these circumstances is often to forego or delay increments or, where increments have been paid, to freeze the salary guide in place for at least part of the contract period. In short, payment of increments in January might well mean that there is no money left available under the 2.0% cap for any increases for unit employees beyond increments. Alternatively, officers might be required to repay increment amounts that have already been paid out. Therefore, I award the following contract language:

> If an interest arbitration salary cap is still in effect as of January 1, 2014, Officers who are not at top step in 2013 will not move to the next step in the guide in 2014 until the parties finalize a successor agreement though negotiations or through interest arbitration. Those officers will then move, if applicable, pursuant to the terms of the successor agreement. If the 2014 step movement cost does not exceed any interest arbitration salary cap in effect as of January 1, 2014, upon mutual agreement by the parties, those officers in the guide shall receive their step increment in 2014 prior to resolving the successor agreement.

I note that this same language is also contained in the recent memorandum of agreement between the County and the PBA for the sheriff's officers unit. Awarding this language is in the interests of the public, in the interest of the County and in the interest of the correction officer bargaining unit as a whole in that it will broaden the possibilities for bargaining a successor agreement without the handicap of increment costs already incurred.

Cost of the Award

The cost of the awarded salary increases for 2011 is $5,508 (8 officers x $1,377 increase /2 = $5,508). The cost of the awarded salary increases for 2012 is $14,634 (13 officers x $1,404 increase /2 = $9,126; plus carryover costs from 2011 increase of $5,508 = $14,634). For 2013, the cost of the awarded salary increases is $22,014 (18 officers x $1,432 increase /2 = $12,888; plus the carryover costs from 2012 increases of $9,126 = 22,014).

The cost of longevity increases as provided in this award is $2,719 in 2011; $476 in 2012; and $4,355 in 2013.[10] The costs to increases in the uniform and maintenance allowance are $1,200 for 2011; $1,260 for 2012; and $1,260 for 2013 (based upon 60 employees).

NON-SALARY ISSUES:

Emergency Closures

The Employer proposes to add the following new provision to the contract under Article 8, Overtime:

[10] Longevity costs shown above factor in changes in the workforce which resulted in fewer employees being longevity eligible.

Section 4:
A Storm Day or Emergency requiring the closure of County offices shall mean only an official declaration of same made by the Board of Chosen Freeholders or the County Administrator and shall not include those declared by the State of New Jersey or those promulgated by the Warren County Department of Public Safety, Office of Emergency Management. For purposes of this Agreement, a Storm Day or Emergency declared by the Board of Chosen Freeholders or County Administrator shall be memorialized by memorandum to be filed with and retained by the Finance Department, Payroll and shall include starting and ending dates and times of the closure of County offices.

Non-Essential Employees:
Should an employee report for work and subsequently the Employer decide to officially close the Employer's offices for any reason, such employees that report to work shall be credited for the day's work. Should the Employer for any reason officially close the Employer's offices before the start of the workday, all employees scheduled to work that day will be credited with a day's work.

Essential Employees:
Essential employees shall be paid double time for each hour worked by them during a Storm Day or Emergency when officially declared by the Board of Chosen Freeholders or County Administrator. The double time shall be earned for all hours worked during the entire period of an officially declared storm or emergency.

In the event an essential employee cannot report for work because of storm conditions or emergency conditions, the time lost from work will be charged against accumulated vacation or personal leave time. In the event that no such leave time is available, the time lost from work will be charged as time off without pay. If an essential employee is unable to report to work, the employee must report this absence no less than one and one-half (1 ½) hours before the starting time of their shift or the start of their normal workday.

Determination as to which employees are essential and which are non-essential may vary given the circumstances of such event leading to the issuance of an official declaration of a storm day or emergency. Department/division heads are given authority to determine classification of essential and non-essential employees. At minimum, essential employees shall always include those necessary to maintain statutory or code-related mandated minimum staffing levels at Warren County's 24-hour institutions/ operations.

Non-Essential and Essential Employees with Previously Approved Leave of Absence:

During any officially declared storm day or emergency, employees absent from work for a previously approved leave of absence, paid or unpaid, shall remain in such status. These may include vacation leave, personal leave, sick leave, workers' compensation leave, FMLA/FLA leave, disciplinary leave. In the event that an essential employee with a previously approved leave of absence is available to report for work, is called out by their Department/Division head and does report for work, such employee shall be paid as described in this Agreement and the previously approved leave time shall be credited to the employee's leave time balances.

The existing contract provides for:

Section 4

Employees shall be paid double time for each hour worked by them during a storm or other emergency when the storm day or emergency is officially declared by the Employer and nonessential employees are officially excused from work or from reporting to work. The double time shall only be earned during the period when nonessential employees are excused from work or from reporting to work due to the storm or emergency condition. This Section only applies to countywide circumstances. The word "officially" as used in this paragraph shall mean only an official declaration by either the County Administrator or the Board of Chosen Freeholders.

The Employer seeks the new language on a prospective basis from date of award. It argues that the purpose of the language is to bring clarity to its storm/emergency policy after the "trials and tribulations" experienced when the County closed its offices to all but non-essential personnel after Hurricane Sandy. It notes that the language in the expired contract is now the subject of a separate grievance arbitration scheduled in December, 2013. The County also notes that the newly proposed language has already been adopted by other bargaining units and is an improvement over existing language in the FOP Lodge 171 contract.

The FOP maintains that this County proposal has not been supported by evidence in the record which would justify it, and therefore, it should be rejected.

I have compared the existing contract language to the proposal to discern what the impact might be on correction officers specifically. First, under both the old and the new language, the decision to declare an emergency/storm day rests with the employer - - either the Board of Freeholders or the County Administrator, not any outside entity, such as the State. Second, both the old and the new language provide that correction officers working on the emergency/snow day are entitled to double-time day. The new language would require the employer to set a start time and stop time to the "emergency", thus making it clear what hours exactly are double-time eligible -- as opposed to simply a "storm day", which allows for far more ambiguity. Fourth, the prior policy did not distinguish between essential personnel and non-essential personnel - - the new policy does. The new policy permits the employer to designate employees into either the essential or non-essential category. Given the nature of correction officers' work, I assume that most correction officer positions would be deemed essential, but this may not be true of all unit positions. The record is silent on this; however, I note that the MoA with the sheriff's officers designated all unit personnel as "essential."

The new language adds that employees who cannot report for work will be charged with vacation or personal leave. While this was not included in the prior language, I have to assume that anytime an employee cannot come to work results in the employee being charged leave time. While the new language appears not to permit an employee from charging sick time on an emergency day, that is a fair result, as sick leave is meant to cover an employee's illness.

I also note that most of the County's employee units have signed on to the same snow/emergency policy, including AFSCME's County-wide civilian unit, and the Sheriff's officers. Thus, awarding this snow/emergency day policy will provide consistency among County employees and clarity to the contract language, which in turn will reduce disputes over ambiguities - - all in the public interest. The Snow/Emergency Day proposal is awarded.

Comp Time

Article 10, Section 3, concerns the scheduling of employee compensatory time off. This section currently provides,

> With regard to the scheduling of compensatory days off, the first through the seventh such days off in any calendar year shall be scheduled by the employee by requesting same at least 14 calendar days in advance, which request shall be granted by the employer provided that the requested day off may be granted without interference with the proper conduct of the government function involved.

The Employer seeks to amend this language to provide:

> With regard to the scheduling of compensatory days off, the first through the seventh such days off in any calendar year shall be <u>requested</u> by the employee <u>and the compensatory day shall occur before September 15. Any days not selected to occur before September 15th may be scheduled by the administration. This request may be granted by the Sheriff provided that the requested day off may be scheduled without interference with the proper conduct of the government function involved</u>...

The FOP argues that the County has provided no evidence why a change in this contract article should occur and therefore, it should be denied. There has been no evidence that the contract clause has created a problem and there has been no evidence how this would be beneficial either to the employees or the public.

It appears that the Employer seeks to have employees schedule seven of their comp days to be taken before September 15, and if not taken by that date, the administration may designate the officer's comp time days. It appears that the Employer is seeking to have employees use up their comp days before the end of a given calendar year and not carry them forward from year to year. However, the County has not provided any information in record that would reveal what problem this proposal is designed to correct. Are employees accumulating significant comp time leave? Are too many employees putting in for comp days during peak vacation times around the holidays? Are employees now carrying comp time from year to year? Without additional information, this proposal contract revision has not been justified, and I decline to award it.

Leave Approval

Article 11, Section 9: currently provides,

Section 9: Leaves Without Pay

> The grant or denial of request for leave without pay is discretionary with the County. The request must be made in advance and must be recommended by the employee's department head, with the appointing authority retaining the ultimate decision-making power. If the department head is opposed to the request, the employee shall have the right to file a written submission with the appointing authority. The appointing authority shall have the discretion, on

> his own or at the employee's request, to schedule a meeting with the employee and his union representative, to discuss the request. The decision of the appointing authority shall be final and non-reviewable (emphasis added).

The Employer seeks a change to the second and third sentences such that the recommendation would come from the employee's supervisor rather than the department head. The provisions otherwise remained unchanged. The FOP has not consented to this language, but has presented no specific argument in its brief concerning its opposition.

It appears to me that this proposal merely changes the designated Employer representative responsible for making a recommendation concerning an employee's request for unpaid leave. The choice of a designated representative to make such recommendations should be uniquely up to the Employer in any event. I see no adverse impact to the correction officer unit by awarding this minor change, particularly since the language permits an employee an avenue of appeal in the event that the supervisor recommends against granting an unpaid leave. This contract revision is awarded.

Bereavement Leaves

The Employer seeks to rewrite this entire section of the contract. The existing contract language provides, Section 6: Bereavement Leave

> The County shall provide bereavement leave with pay not to exceed three (3) working days in the case of death of an employee's spouse, children, brothers, sisters, mother, father, mother-in-law, father-in-law, grandchildren or grandparents. Additional days may be approved by the Warden in advance and charged against administrative personal leave.
>
> The County may provide one working day's bereavement leave with pay in the case of death of a relative of the second degree; that is, uncle, aunt, niece, nephew, cousin, sister-in-law or brother-in-law provided the granting of such leave by the Warden is not grievable under his contract. As soon as possible, an employee shall notify the Warden of a death in his family, and of his need for leave. Notification must be given as in the case of Sick Leave. Proof of death may be required by the County.

The new contract language, as the Employer proposes, would increase maximum bereavement leave and rewrite the clause as follows:

> 1. The Sheriff shall provide bereavement leave with pay not to exceed five (5) working days total per calendar year. A maximum of five (5) bereavement days may be utilized in case of the death of a first degree relative as defined below. Any remaining balance of unused bereavement leave days can be utilized in the case of the death of a first degree relative or second degree relative as defined below. With regard to second degree relatives, employees shall be limited to one (1) bereavement leave day per occurrence.
>
> 2. First degree relatives shall be defined as follows: an employee's spouse, civil union partner, children, foster children, brothers, sisters, mother, father, mother-in-law, father-in-law, grandchildren, grandparents, step-children, step-mother, step-father, son-in-law, daughter-in-law, grandparents-in-law. Additional days may be approved by the Sheriff and charged against other types of leave.

> 3. Second degree relatives shall be defined as follows: an employee's uncle, aunt, niece, nephew, cousin, sister-in-law, or brother-in-law or persons sharing the same residency, living quarters, or dwelling provided that proof of cohabitation is provided.

This proposal appears to enhance the bereavement leave benefit to the employees. However, the FOP has opposed this proposal. The Employer has not provided me with sufficient justification in the record for changing the benefit. Accordingly, the proposal cannot be granted.

Retiree's Health Benefits

The Employer asks to change Article 13, Medical Benefits; specifically, section C, as follows:

> Employees hired after the execution date of this agreement will not be entitled to lifetime benefits upon retirement from their employment with Warren County.

The FOP vigorously objects to this proposal. It argues that the County provided no evidence to support this change, nor a cost analysis of the existing benefit or potential savings. It notes that any benefit from this proposal will not inure to the County until 25 years from now. Further, the FOP, citing the testimony of its witnesses, contends that eliminating retiree health benefits would create a major disincentive in recruiting new correction officers and would encourage correction officers to leave for other departments that do provide for such retiree health benefits; thus, creating a turnover problem. Both FOP witnesses testified that a constant turnover of staff degrades the ability of officers to do their jobs and degrades their ability to provide services to Warren County. Therefore, the FOP argues, ending retiree benefits would have a major negative impact on the continuity and stability of employment and should be denied.

The County has not provided any data about the cost of retirees' health benefits. While it almost goes without saying that health benefits are a significant expense to the County, that generic assumption is insufficient to justify this proposal. Further, I note that no law enforcement group in the County has yet accepted this plan, so it certainly cannot be said that a pattern of internal comparability exists.

If I were to award the County's proposal to eliminate all health benefits for future employees, consequences would inevitably result. For one, correction officers are now contractually eligible to retire from PFRS after 25 years of service to the County, with paid health benefits. Often, correction officers are eligible to retire in their 50's or even 40's. Employees not having health care through another source would be discouraged from retiring, and would simply continue to work to maintain health benefits. Second, I agree with the FOP that the elimination of retiree health benefits would put the

County at a competitive disadvantage in recruiting and retaining quality correction officers, especially in light of the fact that most New Jersey law enforcement groups have such a benefit, including the sheriff's officers of the same Warren County sheriff's department. The County would again be squandering training money on recruits only to have them leave for other departments were the benefit is offered. Therefore, I find that this proposal is not in the public interest, and does not foster unit stability and continuity. The County has not justified this proposal, and it is not awarded herein.

Vacancy Postings

The Employer seeks to add a new provision to Article 22, "Miscellaneous Provisions" at Section 5, which would state,

> All vacancies and filling of vacancies shall be posted by the administration.

This section as presently written provides that:

> The filling of all vacancies (whether special jobs, regular shifts, or otherwise), if the qualifications of applicants are equal, then seniority shall govern. . . The County shall provide seven days' notice of the filling of a vacancy by posting a notice of same, but only in the event the County is aware of the need for the filling of a vacancy at least seven days in advance of same.

It appears that the contract as presently written only requires the employer to provide notice that the vacancy was filled, not to post the vacancy before it is filled. Therefore, this language appears to clarify and enhance the notification to employees of a vacancy. The FOP poses no specific argument in objecting to this proposal.

This proposal will insure that correction officers are aware of vacancies as they occur and before they are filled. Therefore, it enhances employee working conditions and morale, and reduces dissent after vacancies are already filled. I therefore award this amended language change.

AWARD

I award the following:

1. Term of Agreement: January 1, 2011 through December 31, 2013.

2. Salary Increases:

a. Increase salaries for officers at the top step of the salary guide by 2.0% effective July 1, 2011; 2.0% effective July 1, 2012; and 2.0% effective July 1, 2013.

b. Effective September 23, 2013, add a new recruit step of $38,000, to be known as step 1.

c. Effective September 23, 2013, add a new step 9 of $65,675. Former step 9 will now be step 10 at $73,049. The resulting salary guide is as follows:

Step	2010 Salary Guide	Incrmnt	7/1/11 Salary Guide	7/1/12 Salary Guide	7/1/13 Salary Guide	9/23/13 Salary Guide	Incrmnt
1						38,000	3,080
2	41,080	2,252	41,080	41,080	41,080	41,080	2,252
3	43,332	1,914	43,332	43,332	43,332	43,332	1,914
4	45,246	3,714	45,246	45,246	45,246	45,246	3,714
5	48,960	4,277	48,960	48,960	48,960	48,960	4,277
6	53,237	2,363	53,237	53,237	53,237	53,237	2,363
7	55,600	2,701	55,600	55,600	55,600	55,600	2,701
8	58,301	10,535	58,301	58,301	58,301	58,301	7,374
9						65,675	7374
10	68,836		70,213	71,617	73,049	73,049	

Employees currently at step 8 will move to the new step 9 upon receipt of their next increment. Employees currently at step 9 will retain the same dollar value as their current step which will now be known as step 10. No employee will be reduced in pay as a result of implementation of this salary guide.

3. Longevity: Longevity payments will be increased retroactively to January 1, 2011 pursuant to the following schedule:

New Longevity Amounts			
	2011	2012	2013
5 Years' Service	408	416	424
10 Years' Service	1020	1040	1061

4. Increments: Modify the contract language concerning increments as follows:

> If an interest arbitration salary cap is still in effect as of January 1, 2014, Officers who are not at top step in 2013 will not move to the next step in the guide in 2014 until the parties finalize a successor agreement though negotiations or through interest arbitration. Those officers will then move, if applicable, pursuant to the terms of the successor agreement. If the 2014 step movement cost does not exceed any interest arbitration salary cap in effect as of January 1, 2014, upon mutual agreement by the parties, those officers in the guide shall receive their step increment in 2014 prior to resolving the successor agreement.

5. Emergency/Storm Days: Replace the contract language in Article 8, Section 4, with the following:

> Section 4:
> **A Storm Day or Emergency** requiring the closure of County offices shall mean only an official declaration of same made by the Board of Chosen Freeholders or the County Administrator and shall not include those declared by the State of New Jersey or those promulgated by the Warren County Department of Public

Safety, Office of Emergency Management. For purposes of this Agreement, a Storm Day or Emergency declared by the Board of Chosen Freeholders or County Administrator shall be memorialized by memorandum to be filed with and retained by the Finance Department, Payroll and shall include starting and ending dates and times of the closure of County offices.

Non-Essential Employees:
Should an employee report for work and subsequently the Employer decide to officially close the Employer's offices for any reason, such employees that report to work shall be credited for the day's work. Should the Employer for any reason officially close the Employer's offices before the start of the workday, all employees scheduled to work that day will be credited with a day's work.

Essential Employees:
Essential employees shall be paid double time for each hour worked by them during a Storm Day or Emergency when officially declared by the Board of Chosen Freeholders or County Administrator. The double time shall be earned for all hours worked during the entire period of an officially declared storm or emergency.

In the event an essential employee cannot report for work because of storm conditions or emergency conditions, the time lost from work will be charged against accumulated vacation or personal leave time. In the event that no such leave time is available, the time lost from work will be charged as time off without pay. If an essential employee is unable to report to work, the employee must report this absence no less than one and one-half (1 ½) hours before the starting time of their shift or the start of their normal workday.

Determination as to which employees are essential and which are non-essential may vary given the circumstances of such event leading to the issuance of an official declaration of a storm day or emergency. Department/division heads are given authority to determine classification of essential and non-essential employees. At minimum, essential employees shall always include those necessary to maintain statutory or code-related mandated minimum staffing levels at Warren County's 24-hour institutions/ operations.

Non-Essential and Essential Employees with Previously Approved Leave of Absence:

During any officially declared storm day or emergency, employees absent from work for a previously approved leave of absence, paid or unpaid, shall remain in such status. These may include vacation leave, personal leave, sick leave, workers' compensation leave, FMLA/FLA leave, disciplinary leave. In the event that an essential employee with a previously approved leave of absence is available to report for work, is called out by their Department/Division head and does report for work, such employee shall be paid as described in this Agreement and the previously approved leave time shall be credited to the employee's leave time balances.

6. Leave Approval: Modify Article 11, Section 9 by replacing the words "department head" with "supervisor" in the second and third sentences.

7. Vacancy Postings: Add the following new provision to Article 22, at Section 5:

All vacancies and filling of vacancies shall be posted by the Administration.

8. All proposals previously agreed upon by the parties as recited above, shall be incorporated into the successor agreement. All proposals by the County and the FOP not awarded herein are denied and dismissed. All provisions of the existing agreements shall be carried forward except for those which have been modified by the terms of this Award and/or agreed to by the parties as reflected herein.

Pursuant to N.J.S.A. 34:13A-16(f), I certify that I have taken the statutory limitation imposed on the local tax levy cap into account in making the award. My Award also explains how the statutory criteria factored into my final determination.

Susan W Osborn

Susan Wood Osborn
Interest Arbitrator

Dated: September 23, 2013
Trenton, New Jersey

On this 23rd day of September 23, 2013, before me personally came and appeared Susan W. Osborn 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 she executed same.

Pamela Jean Sutton Browning

PAMELA JEAN SUTTON-BROWNING
ID # 2424173
NOTARY PUBLIC
STATE OF NEW JERSEY
My Commission Expires August 20, 2017