

In the Matter of Arbitration Between:

---

**CITY OF SOUTH AMBOY**

“Public Employer,”

- and -

**SOUTH AMBOY POLICEMEN’S ASSOCIATION,  
LOCAL NO. 63 AND SOUTH AMBOY SUPERIOR  
OFFICER’S ASSOCIATION**

“Employee Organization.”

---

Docket Nos. IA-2000-1 and IA-2000-2

**OPINION  
AND  
AWARD**

**Before  
James W. Mastriani  
Interest Arbitrator**

Appearances:

**For the City:**

Russell J. McEwan, Esq.  
Grotta, Glassman & Hoffman, PA

**For the Union:**

Richard D. Loccke, Esq.  
Loccke & Correia PA

I was appointed arbitrator by the New Jersey Public Employment Relations Commission on February 10, 1999 in accordance with P.L. 1995, c. 425, in this matter involving the City of South Amboy [the "City"] and the South Amboy PBA, Local 63 and South Amboy Superior Officers Association [the "Unions"]. Although the two employee organizations have separate collective negotiations agreements with the City, the parties have agreed to consolidate hearings for the purposes of promoting a more efficient and productive dispute settlement process. A pre-arbitration mediation was held in December of 1999. The mediation session did not result in an agreement but the parties, at the suggestion of the arbitrator, engaged in additional direct negotiations in an effort to reach an agreement. The arbitrator was advised on January 19, 2000 that such efforts had taken place but that no settlement could be reached. Thereafter, formal interest arbitration proceedings were initiated and a formal interest arbitration hearing was held on July 11, 2000 at which time the parties examined witnesses and introduced documentary evidence. Because the parties were unable to agree upon an alternative terminal procedure, the parties proceeded to conventional arbitration as required by statute wherein the arbitrator had the authority to fashion a reasonable determination of the issues without being confined to selecting the final offer of one party or the other. Post hearing briefs were filed by each party and received by the arbitrator on September 1, 2000.

As required by statute, the parties submitted their Final Offers in writing prior to the commencement of formal hearings. Their final offers are as follows:

**CITY'S FINAL OFFER**

1. **Term of Contract:** July 1, 1999 through June 30, 2002.

2. **Wages:**

7/1/99	3% increase in base rate
7/1/00	3.5% increase in base rate
7/1/01	3.5% increase in base rate

3. **Health Benefits:** Modify Article II in the respective contracts to reflect the following:

- A. Police officers shall be subject to a prescription plan co-pay in the amount of \$5.00 for generic medication and \$10.00 for brand name medication;
- B. A police officer who waives his right to medical benefits offered by the City is eligible to receive the following compensation, provided that the police officer supplies proof of coverage under another health care plan:

<u>Type</u>	<u>Amount</u>
Single	\$1,000
Parent/Child	\$1,250
Husband/Wife	\$1,500
Family	\$1,750

4. **Work Schedules:**

Police shall work a schedule of three (3) twelve (12) hour shifts on duty, followed by three (3) twelve (12) hour shifts off duty.

Police officers will be granted nine (9) floating holidays per year in lieu of receiving cash overtime payments for hours worked in excess of one hundred and sixty-five (165) in a twenty seven day cycle. These floating holidays shall be used in the same manner and subject to the same requirements governing the use of accumulated compensatory time. No carryover of floating holidays will be permitted. Rather the nine (9) floating

holidays must be used during the calendar year for which they are granted.

There shall be no reduction in the amount of vacation or personal time as a result of the 3/3 schedule; however, sick day entitlement shall be reduced by 20%.

5. **New Hires:**

The following terms and conditions apply to police officers hired after July 1, 2000:

- (a) Wages – the salary for officers hired after July 1, 2000 will be as follows:

	<u>2000</u>	<u>2001</u>	<u>2002</u>
Academy Rate (1-6 mo)	\$27,316	\$28,272	\$29,262
Balance 1 <sup>st</sup> Year	\$29,365	\$30,392	\$31,456
During 2 <sup>nd</sup> Year	\$32,779	\$33,926	\$35,113
During 3 <sup>rd</sup> Year	\$38,105	\$39,438	\$40,818
During 4 <sup>th</sup> Year	\$43,433	\$44,953	\$46,526
During 5 <sup>th</sup> Year	\$48,760	\$50,466	\$52,232
During 6 <sup>th</sup> Year	\$54,087	\$55,980	\$57,939
Maximum (after 72 mos)	\$59,415	\$61,494	\$63,646
Detective	\$61,195	\$63,336	\$65,552

- (b) Paid health insurance for the employee only, with a \$25 monthly contribution from the employee
- (c) 12 sick days annually.
- (d) 11 paid holidays.
- (e) 80% of vacation entitlement of police officers hired prior to July 1, 2000.

**UNIONS' FINAL OFFER**

1. **Wage Increase:** The Associations propose a five (5%) percent across the board increase in each year of a 3 year contract. The across the board wage increases would take effect on the beginning of each contract year.

2. **Uniform Allowance:** The Associations propose a one hundred (\$100) dollar increase in the annual uniform allowance in each contract year.
3. **Longevity Improvement:** The Associations proposed a two (2%) percent increase at each of the top two plateaus in the current longevity guide.
4. **Grievance Procedure:** Modify the grievance definition to read as follows:

For purposes of this agreement the term grievance means any complaint, difference or dispute between the employer and any employee with respect to the interpretation, application or violation of any of the provisions of the agreement or any applicable rule or regulation or policies, agreements or administrative decisions affecting any employee(s) covered by this agreement. Minor disciplinary matters (less than 6 days of fine or suspension or equivalent thereof) shall be included in the grievance procedure.

The City and the Unions have offered testimony and considerable documentary evidence in support of their final offers. I have considered the testimony, the documentary evidence and the arguments set forth in the comprehensive post-hearing briefs filed by both parties. 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 (8) which I find relevant to the resolution of these negotiations. I am also required to indicate which of these factors are deemed relevant, satisfactorily explain why the others are not relevant, and provide an analysis of the evidence on each relevant factor. 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.

### **BACKGROUND**

Notwithstanding the City's transportation facilities, the City is primarily residential in nature. As of 1998, there were 2,163 residential properties, 157 commercial properties and 13 industrial parcels of land. Only 103 parcels of land remained vacant. The City is located in the County of Middlesex, and is one of 25 municipalities in the County. The City occupies a unique geographical location with access to the waterfront and is rapidly becoming a transportation hub to and from Manhattan. It has 1.4 square miles with a population density of

over 5,420 per square miles and an overall population of 7,864. The population density ranks number five within the County.

The average median value of a one family house in 1998 is \$135,800. The City's assessed valuation in 1999 was \$174,536,800 and the value of one tax point was \$17,454. The tax rate in 1999 was \$5.19, an increase of \$.09 over the tax rate of \$5.10 in 1998. The municipal portion of the tax rate in 1999 was \$1.02, or 19.6% of the total tax rate. The City's credit rating was set by Moodys at AAA.

A large commuter population is associated with the transportation facilities. There is currently a rail station and bus service to Manhattan. As the City notes, a redevelopment is underway involving the Regional Intermodal Transportation Initiative ["RIT"]. The RIT initiative is a \$75 million project that will make South Amboy the only waterfront municipality in the state to offer combined rail, bus and ferry service to Manhattan. It will result in the construction of a public plaza, a bus and rail terminal, a commuter ferry, a high-rise rail platform and a commuter parking lot, as well as major road improvements. The City carefully points out that this redevelopment initiative is extensive and costly and that it needs to minimize its financial impact on its population which it refers to as primarily "blue collar" in nature. Towards this end, the City states that it has aggressively pursued development grants from the federal government, the Port Authority of New York and New Jersey and the Middlesex County Improvement



Authority. It has also entered interlocal services agreements to promote cost-sharing arrangements with other governmental entities. The City stresses that it must engage in prudent financial management to accomplish its goals.

The Unions acknowledge the initiatives engaged in by the City but point out that growth and the development of the City as a major transportation hub will mean increased calls and demands for police activity. In support of this assertion, the Unions have submitted evidence reflecting substantial increases in calls for service and increases in total accidents and total arrests.

Against this general backdrop, each party has carefully and effectively articulated their respective positions and arguments based upon the evidence submitted into the record. I summarize each as follows.

### **POSITION OF THE UNIONS**

The Unions urge the arbitrator to view the police force as a highly productive one which is meeting the needs of a rapidly growing community. In this respect, it has submitted evidence of extensive building in the form of new homes, condominiums and townhouses. As noted, the Unions cite the appeal of the City as a transportation hub drawing thousands of commuters to use its transportation facilities. The record does reflect substantial increases in total calls for service as well as an increase in the number of total accidents and total

arrests. The police force must respond to the needs of an "urban suburban center" as the City is listed in the Uniform Crime Report. The Union points out that the population figures do not tell the whole story inasmuch as there is a substantial commuter population which significantly increases the City's daytime population. The Union also stresses the department's utilization beyond its own borders through participation in mutual aid agreements and the patrolling of parks in Sayreville.

The Unions contend that although its workload has been increasing, the staffing levels have actually decreased. In support of this point, the Unions submit evidence comparing the rosters of police officers between 1993 and 1999.

**COMPARISON OF STAFFING CHANGES  
AT SOUTH AMBOY POLICE DEPARTMENT**

Rank	Census 1993	Census 1999	Net Change
Chief	1	1	---
Captain	3	2	-1
Sergeant	9	5	-4
Detective	4	2	-2
Patrolman	13	13	---
Totals	30	23	-7

The Unions assert that the decrease in staffing levels have provided a significant reduction in the cost of operations to the City and that the sharp declines in the number of superior officers has reduced career path movement for the rank and file police officers.

The Unions have submitted substantial evidence concerning the comparison of wage and salaries, compensation, hours and other conditions of employment with other police departments in New Jersey. With respect to base wages, the Unions urge comparison with the following police departments.

**BASE WAGE COMPARISON (1999 RATES)**

	1999 Base
Sayreville	\$59,907
Middlesex Pros.	\$69,435
Edison	\$61,329
East Brunswick	\$63,213
Woodbridge	\$62,863
STFA	\$64,593
Monmouth Pros.	\$70,000
Average	\$70,000
South Amboy Base Wage	\$57,685
South Amboy Base Wage Compared to Average	-\$6,791 -11.8%

The Unions cite the above data to support its proposal for 5% increases for each year to provide some catch up to those departments it has compared.

The Unions also contend that the City's police officers compare poorly with respect to other portions of the City's compensation program. The Unions submit the following comparisons for annual uniform allowance for various municipalities.

**COMPARISON OF CLOTHING ALLOWANCE BENEFITS**

Highland Park	\$850
Edison	\$980
Perth Amboy	\$950
Old Bridge	\$900
East Brunswick	\$950
STFA	\$900
Jamesburg	\$1,250
South River	\$1,000
Keyport	\$1,300
Spotswood	\$1,150
Average	\$1,023
South Amboy Clothing Allowance	\$575
Comparison of South Amboy to Average	-\$448

Based upon the above comparisons the Unions have proposed a \$100 increase in the clothing allowance in each of the contract years while pointing out that the additional \$300 increase would still rank its units below average.

An additional element of the compensation package is longevity. The police officers currently receive the following longevity schedule.

<b>Amount</b>	<b>Length of Service</b>
2%	At five (5) years of service
2%	At ten (10) years of service
1%	At eleven (11) years of service
2%	At fifteen (15) years of service
2%	At twenty (20) years of service
1%	At twenty-one (21) years of service

The Unions propose an increase of 2% at the two top levels of the longevity schedule. The Unions submit the following chart on longevity to support its proposal for an increase in longevity maximums.

**Longevity Maximums**

Matawan	15%
Metuchen	10.5%
Edison	10%
Perth Amboy	14.25%
Old Bridge	15%
East Brunswick	12%
Woodbridge	9.5%
Spotswood	10%
Average	12.03%
South Amboy Longevity Maximum	10%

The Unions cites base wage comparisons with several municipalities in support of its 5% wage proposal. A chart in support of this point reads as follows.

**BASE PAY INCREASE BASED  
ON CONTRACTS IN EVIDENCE**

	2000	2001	2002
Matawan	4.25 (2/2.25)	4.25(2/2.25)	
Metuchen	3.65		
Edison	3.9		
Woodbridge	4	4	
STFA	5 (3.5/1.5)		
Neptune City	4	3.9	4
Jamesburg	4.5	5	
South River	5	6.2	
Highland Park	3.75	3.75	
Keyport	4		
North Brunswick	4.75		
Averages	4.255%	4.52%	4%

The Unions reject the City's comparisons with respect to private sector. The Unions point out that police officers should not be compared with the wage levels and wage increases for unskilled labor and that the nature of police work is inherently one of hazard and risk which is rarely seen in the private sector. The Unions make the following points with respect to comparisons with the private sector.

1. The Federal Fair Labor Standards Act, 29 USCA sect. 201, et seq applies different standards to private sector employees and police officers. Whereas private sector employees have the protection of the 40 hour work week and the 7 day work cycle, police officers are treated to much less protection. Police officers have only relatively recently been covered by the Act by virtue of the 7k amendment.
2. The New Jersey State Wage & Hour Law, NJSA 34:11-56a, et seq does not apply to the employment relationship between a police officer and the officer's public employer. Private sector employees are covered under New Jersey Wage and Hour Laws. Such protections as are therein available are not available to the police, Perry v. Borough of Swedesboro, 214 NJ Super. 488 (1986).
3. The very creation of a police department and its regulation is controlled by specific statutory provisions allowing for a strict chain of command and control. Included are statutory provisions for rules and regulations, specifying of powers and duties, specifics for assignments of subordinate personnel, and delegation of authority. NJSA 40A:14-118. There is no such statute covering private employment in New Jersey.
4. NJS 40A:14-122 provides for specific qualifications which are statutorily mandated for police officer employment. Such requirements as US Citizenship, physical health, moral character, a record free of conviction, and numerous other requirements are set forth therein. No such requirement exists by statute for private employment in this state.
5. If an employee in a police department is absent from duty without just cause or leave of absence for a continuous period of five days, said person, by statute, may be deemed to cease to be a member of such

- police department or force, **NJS 40A:14-122**. No such provision exists as to private employment.
6. Statutorily controlled promotional examinations exist for certain classes of police officers in New Jersey under title 11 and other specific statutory provisions exist under **40A:14-122.2**. There are no such private sector limitations on employment.
  7. A police officer in New Jersey must be a resident of the State of New Jersey, **NJS 40A:14-122.8**. No such restriction exists for private sector employees.
  8. Hiring criteria and order of preference is set by statute **40A:14-123.1a**. No such provision exists for private employees in New Jersey.
  9. There are age minimums and age maximums for initial hire as a police officer in New Jersey. No such maximum age requirements exist for private employment in this state. Even if an employee in a police department who has left service seeks to be rehired there are statutory restrictions on such rehire with respect to age, **40A:14-127.1**. No such provision exists for private employees in this state.
  10. As a condition for employment in a police department in the State of New Jersey, there must be acceptance into the applicable Police Retirement System, **NJS 40A:14-127.3**. No such requirement exists in private sector. The actual statutorily created minimum salary for policemen in New Jersey is set at below minimum wage **NJS 40A:14-131**. Private employees are protected under the Fair Labor Standards Act. Days of employment and days off, with particular reference to emergency requirements are unique to police work. A police officer's work shall not exceed 6 days in any one week, "except in cases of emergency". **NJS 40A:14-133**. The Fair Labor Standards Act gives superior protection to private sector employees.
  11. **NJS 40A:14-134** permits extra duty work to be paid not in excess of time and one-half. This prohibits the higher pyramided wage rates which may be negotiated in private sector. There is no such prohibition in the law applying to private sector employees.
  12. The maximum age of employment of a police officer is 65 years. No such 65 year maximum applies to private sector employees.
  13. Police officer pensions are not covered by the federal ERISA Pension Protection Act. Private sector employees pension are covered under ERISA.

14. Police officers are subject to unique statutorily created hearing procedures and compliant procedures regarding departmental charges. Appeals are only available to the court after exhaustion of these unique internal proceedings, **NJS 40A:14-147 to 40A:14-151**. No such restrictions to due process protections for private employees exist. Private employees, through collective bargaining agreements, may also negotiate and enforce broad disciplinary review procedures. The scope is much different with police personnel.

The Unions assert that their proposals will not compel the City to exceed its lawful authority and that its proposals will have no adverse financial affect the governing body, its residents and taxpayers. The Unions point to the City's use of a 1.5% Cap calculation although it had the lawful right to go as high as 5%. Based upon the City's decision, the City waived an amount of \$202,085 from the Cap permitted increase of \$375,836 by using 1.5% which permitted an increase of \$113,751. The Unions point out that the City's adopted budget reflects a substantial underutilization of available and allowable appropriations within Caps. The Unions cite prior budgets reflecting Cap banking and that the Cap bank in 2000 well exceeds \$1,000,000.

Based upon the above, the Unions provide cost calculations for the actual costs of the bargaining unit base wages. A chart has been submitted reflecting these figures.



**BARGAINING UNITS BASE PAY (PBA & SOA)**

(A) Rank	(B) Census (P-7)	(C) Base Rate	(D) Column B X Column C
Captain	2	70,706	141,412
Lieutenant	0	---	---
Sergeant	5	63,816	319,080
Patrol Officer	15	57,685	865,275
Totals	22		1,325,767
			1% = \$13,257

The Unions contend that its wage proposals are well within the amount of Cap flexibility reflected in the City's budget and that adoption of its proposals will not force the City to exceed its legal authority. The Unions also assert that an award of its position will have an "almost imperceptible impact" on the taxpayers and residents of the City. In support of this assertion, the Unions point out that there has been significant attrition in the department representing an actual reduction in cost. The Unions submit a chart reflecting these costs reductions as follows.

**COST REDUCTION RESULTS FROM RANK ATTRITION**

(A) Rank	(B) Number of Positions Reduced	(C) Base Rate	(D) Columb B X Column C
Captain	-1	70,706	\$70,706
Sergeant	-4	63,816	\$255,264
Detectives	-2	59,413	\$118,826
Total			\$444,796

In its post hearing brief, the Unions make the following argument with respect to cost savings related to attrition:

The amount of money saved per year by virtue of these changes, all of which took place in 1999 and 2000, is more than enough to fund the entire Association position. The calculated savings are \$444,796. These savings, if divided by the value of a percentage point (chart no.6) result in a total percentage point value of 33.55%. The arbitrator is respectfully reminded that the Associations have only sought a 15% increase over the three contract years. There is, therefore, on the breakage line alone more than double the amount required to fund the PBA position.

The Unions have also submitted argument with respect to its sole non-economic proposal. That proposal would permit the submission of minor disciplinary disputes to the grievance procedure. The Unions contend that currently the only form permitted under the Agreement is an action in New Jersey Superior Court. The Unions point out that the New Jersey Legislature has authorized the negotiability of minor disciplinary grievances and that the arbitration process would be more expeditious and less costly to the Superior Court alternative.

For all the above reasons, the Unions urge an acceptance of their last proposal.

## POSITION OF THE CITY

The City urges rejection of the Unions' last offer and seeks acceptance of its final proposal. The City urges the Unions to acknowledge that the current administration has worked hard to improve the overall compensation of police officers during the past decade. It points out, however, that its desire to continue to fairly compensate its police officers must be accommodated with effective utilization of its overall resources which cannot be compromised without effecting its overall needs. These needs include hiring additional police officers. Towards this end, the City proposes a new salary guide for newly hired police officers, a modest contribution to health insurance for those new officers and reductions in certain "time related benefits" to be effective only if the City's scheduling proposal is granted. The City decries the Unions' final offers as simply wanting more money than the City can afford given the City's overall financial objectives.

The City has submitted evidence into the record to support its position that its police officers are better compensated than most law enforcement personnel in comparable municipalities in Middlesex and Monmouth Counties. To support this point it submits the follow chart concerning wages and benefits.

Municipality	Population (1996 Est)	Sq. Miles	Violent Crimes (1998)	Top Step Patrol Salary (1999)	% Difference	Longevity (Maximum)
So. Amboy	7,860	1.4	18	\$57,685	---	10% at 21 years
Keyport	7,716	1.4	15	\$56,984	(1.2)	1
Highland Pk	13,287	1.8	11	\$54,828	(4.9)	7% after 25 years
Metuchen	12,900	2.75	22	\$54,563	(5.4)	10.5% at 25 years
Jamesburg	11,195	1.01	62	\$52,912	(8.2)	\$140 for each year of service at 20 years.
So. River	13,921	2.80	36	\$52,896	(8.3)	8% at 20 years
Spotswood	8,174	2.15	15	\$52,231	(9.4)	10% at 28 years

When the City compares itself to the aforementioned municipalities, it points out that South Amboy ranks favorably with respect to salaries and longevity but is the second smallest municipality among comparable municipalities.

The City makes parallel arguments with respect to its Sergeants. It submits the following chart.

Municipality	Sgt. 1999	% Difference
South Amboy	\$63,816	----
Metuchen	\$59,756	(6.3)
Highland Park	\$59,215	(7.2)
Spotswood	\$57,331	(10.1)
So. River	\$57,114	(10.5)
Jamesburg	\$56,086	(12.1)

Based upon the above, the City contends that the annual wage increases it has offered, 3.0%, 3.5% and 3.5% are reasonable and should be adopted. The new wage scale it has proposed for new hires will, according to the City, help bring compensation in line with comparable municipalities in the future and provide reasonable costs offsets for the City in the future inasmuch as it believes

that additional police officers will be necessary to accommodate future developments. The City also contends that its police officers are highly compensated in relation to the levels in which it compensates other City employees. In support of this contention, the City offers evidence that 21 police officers earned more (in regular earnings) than the City's Public Works Superintendent. The City further points out that fewer than 10 police officers made less in 1999 than the City's Municipal Clerk or Tax Collector.

In addition to these arguments, the City also cites the fact that its non-law enforcement employees pay a \$5 or \$10 co-pay when using the City prescription plan while the police officers do not. The City proposes to have these co-pays conform.

The City also contends that its proposal is reasonable in light of cost of living evidence. In particular, it stresses the amount of increases since 1992 compared to increases in the CPI over that time period. In support of this contention, the City submits the following evidence.

Year	Top Step Patrol Salary	% Increase Over Prior Year	CPI	Top Step Patrol if CPI Applied
1991	\$40,153	---	---	---
1992	\$42,581	6%	3.5%	\$41,558
1993	\$45,602	7%	3%	\$42,805
1994	\$47,882	5%	2.4%	\$43,832
1995	\$50,276	5%	2.5%	\$44,928
1996	\$52,287	4%	2.9%	\$46,231
1997	\$54,378	4%	2.3%	\$47,294
1998	\$56,553	4%	1.6%	\$48,051
1999	\$57,685	2%	1.9%	\$48,964

Source: R-4 and R-5

The City makes similar argument with respect to its superior officers. The City submits evidence comparing salary increases for Sergeants over the last five years as measured against the CPI.

Year	Base Salary	% Increase Over Prior Year	CPI	Base Pay if CPI Applied
1993	\$50,449	---	---	---
1994	\$52,972	5%	2.4%	\$51,690
1995	\$55,620	5%	2.5%	\$52,982
1996	\$57,845	4%	2.9%	\$54,519
1997	\$60,159	4%	2.3%	\$55,773
1998	\$62,565	4%	1.6%	\$56,665
1999	\$63,816	2%	1.9%	\$57,742

Source: R-4 and R-5

The City does not contend that the Unions' proposals would force it to exceed its lawful spending authority. However, the City asserts that the Unions' salary proposals would have a negative impact on the governing unit, its residents and its taxpayers. The City refers to its need during recent occasions

to make two emergency appropriations totaling almost \$200,000 to cover police salaries and wages. The City cites the 1999 salary and wage cost of its law enforcement personnel at \$1,868,000 and that the Unions' proposal would increase this figure to \$1,961,400, or by almost a \$100,000 per year. The City refers to the reduction it has received from the state in discretionary aid. That aid was directed to supplementing the City's municipal property tax relief efforts. In support of this point the City submits the following evidence.

**Discretionary Aid**

1997	\$993,000
1998	\$890,000
1999	\$850,000
2000	\$435,000

Based on the above, the City expresses a concern that an increase in police salaries in the amount sought by the Unions would more likely contribute to the need for a tax increase.

The City has proposed a change in the work schedule which it believes will further the interests and welfare of the public. The City seeks to maximize the number of police officers on patrol and involved in community policing activities. The City proposes a work schedule of three 12-hour shifts on duty followed by three 12-hour shifts off duty.

The City points out that the current work schedule prevents it from having more police officers on duty than it desires. There is currently a 25 day work cycle. The police officers work five 9.5-hour shifts followed by three shifts off duty, followed by five shifts on duty and three shifts off duty, followed by five shifts on duty, followed by four shifts off duty (5-3, 5-3, 5-4). Because the City operates with five squads, three of the squads are comprised of two patrolmen and one sergeant and the remaining squads are manned by three police officers and one sergeant.

The City contends that its scheduling proposal would alleviate many of the trouble it experiences with the current work schedule. The City points out that it wishes to have more coverage in traffic safety and community policing, in its DARE program, and in the area of detective work. The schedule which the City proposes would result in longer shift coverage and permit it to eliminate one squad and add an additional police officer to each of the remaining four squads. The City recognizes that its proposal would result in an additional 192 hours of work per year but that it would also result in police officers working fewer days during that year. The City has proposed granting nine floating holidays to compensate for the additional hours of work. The City has not proposed a reduction in vacation or personal time. In sum, the City argues that the Unions' proposals for 5% wage increases, a new longevity benefit of an additional 2% at the top two plateaus and an additional \$300 for uniforms have not been justified and should not be awarded.



The City also seeks rejection of the Unions' proposal to broaden the definition of a grievance and to have minor disciplinary matters included in the grievance procedure.

### **DISCUSSION**

As stated above, I am required to issue an award based upon a reasonable determination of all issues in dispute after giving due weight to the statutory criteria which I judge relevant. The City and the Unions have presented comprehensive support for their positions on all issues in dispute and have submitted voluminous evidence and argument on each statutory criterion to support their respective positions as required by law. All of the evidence and arguments have been carefully reviewed, considered and weighed.

Many other issues besides salary remain in dispute. I apply the commonly accepted principle that a party seeking change in terms and conditions of employment bears the burden of establishing the need for such modification. That principle has been applied to each issue in dispute.

The Unions have proposed to amend the grievance procedure by delineating the definition of a grievance and to include the arbitration of minor disciplinary disputes. This proposal would allow review of disciplinary disputes in the arbitration process rather than in Superior Court for grievances involving the

imposition of discipline of five days or less. The Legislature made this subject matter mandatory negotiable by recent legislation which states that:

Public employees shall negotiate written policies setting forth grievance and disciplinary review procedures ... such procedures may provide for binding arbitration of disputes involving the minor discipline of any public employees ... other than public employees subject to discipline pursuant to R.S. 53:1-10 (State Troopers)

The New Jersey Employer-Employee Relations Act reflects a preference that disputes over terms and conditions of employment should be resolved, if possible, through grievance procedures. The informal nature of arbitration would most likely be more efficient and less expensive than pursuit of formal proceedings by Actions in Lieu of Prerogative Writs in New Jersey Superior Court and by doing so would thereby serve the interests and welfare of the public. Arbitral review would be limited to reprimands through five days of suspension and any award under this proposal would require compliance with the public interest standard as required by arbitration case law in the New Jersey Courts. For these reasons I conclude that there is merit to the Unions' proposal and it is awarded. Article XIV (D) shall be amended to provide that minor disciplinary matters (5 days or less of fine or suspension or equivalent thereof) shall be included in the grievance procedure. I do not award the remainder of the Unions' proposal on the grievance procedure which would modify the grievance definition. There is no evidence that the existing definition of a grievance contained in the Agreement requires clarification or modification.

The Unions seek to increase longevity for each of the top two plateaus in the current longevity guide by two (2%) percent. The current longevity schedule is as follows:

**Longevity Schedule - Superior Officers**

<b>Amount</b>	<b>Length of Service</b>
2%	At five (5) years of service
4%	At ten (10) years of service
5%	At eleven (11) years of service
7%	At fifteen (15) years of service
9%	At twenty (20) years of service
10%	At twenty-one (21) years of service

The language with respect to longevity is different in the Agreement for the rank and file but is substantively the same as the schedule set forth above for Superior Officers.

The Unions' proposal would raise the 9% level to 11% and the 10% level to 12%. The evidence on comparables which the City and the Unions have placed into evidence does not reflect that the existing longevity schedules represent an undervalue for length of service performed by the City's law enforcement personnel to the extent argued by the Unions. The record does reflect, however, that many of the agreements in evidence provide for an additional longevity incentive at twenty-four (24) years of service. I thus award an additional one (1%) percent in the amount of longevity but only at twenty-four (24) years of service, effective July 1, 2001.

The Unions seek to increase the annual uniform allowance by \$100 in each year of the Agreement. The existing annual allowance is provided "for reimbursement for purchase and maintenance of uniforms and/or equipment" [Article IV]. The existing allowance is \$575 per year. The record reflects that expenditures for this purpose increase over time. This fact does warrant an adjustment along with the record evidence that the existing allowance is low in comparison with comparable departments. For this reason, the Unions' proposal to increase the clothing allowance is granted but not to the extent sought. I further note that Article IV grants authority to the Chief of Police "the right to review equipment purchases in consideration and subject to the employees overall appearance." This allowance shall be increased by \$75 to \$650 effective July 1, 2000 and by an additional \$75 to \$725 effective July 1, 2001.

The City has proposed to have Police Officers subject to a prescription plan co-pay in the amount of \$5.00 for generic medication and \$10.00 for brand name medication. The City also proposes compensation for Police Officers who waive their right to medical benefits. This waiver is contingent upon a Police Officer providing proof of coverage under another health care plan. The existing Agreement provides that employees pay a one dollar (\$1) deductible at a local pharmacy. The City points out that the City's other employees receive the City's prescription plan with a \$5 or \$10 co-pay. The City has persuaded me that its proposal on this issue is reasonable and meritorious. The Agreements in

evidence, in vast majority, provide for prescription insurance at a co-pay level well beyond what this Agreement currently provides. Prescription costs have been increasing on an annual basis. The interests and welfare of the public are served by having the City provide prescription insurance at reasonable co-pay level which it has proposed. I am also persuaded that compensation for an insurance waiver, as proposed by the City is reasonable. It will provide cost offsets to the City for those employees who choose not to be covered but only when proof of coverage is provided under another health plan. Accordingly, Article II in the respective contracts shall be modified to reflect the following.

Police officers shall be subject to a prescription plan co-pay in the amount of \$5.00 for generic medication and \$10.00 for brand name medication;

A police officer who waives his right to medical benefits offered by the City is eligible to receive the following compensation, provided that the police officer supplies proof of coverage under another health care plan:

<u>Type</u>	<u>Amount</u>
Single	\$1,000
Parent/Child	\$1,250
Husband/Wife	\$1,500
Family	\$1,750

This modification shall be effective no earlier than April 1, 2001.

The City has proposed a change in the work schedule to three (3) twelve (12) hour shifts on duty followed by three (3) twelve (12) hour shifts off duty. In support of this proposal, the City has offered laudable objectives which include

placing more police officers on patrol and expanding functions such as community police, programs such as DARE and increased detective work. This change, however, would have a substantial impact on hours and days of work. In response to this impact, the City has offered relief such as nine (9) floating holidays in lieu of cash overtime payments for hours worked in excess of one hundred and sixty-five (165) in a twenty-seven day cycle. The Unions have opposed this change although, at my request and with the consent of the City, they have participated in joint discussion with the City on this issue but without success. After thorough consideration of this issue, I decline to award this change in the work schedule. I do believe, however, that further discussion is warranted and has the potential to be fruitful during the time period after the issuance of this award. In response to the City's proposal, I award a joint committee who shall meet a minimum of four times after the date of this award for the purpose of discussing scheduling alternatives including but not limited to the proposal advanced by the City. Because of the negotiability and legal implications of schedule change, I strongly recommend that this committee include participation by labor counsel for the Unions and the City.

I turn now to the issue of salary. The Unions have proposed 5% across the board increases annually and the City has proposed a 3.0% increase effective July 1, 2000, 3.5% effective July 1, 2001 and 3.5% effective July 1, 2002. The Unions propose 15% over the three years while the City proposes 10%. When these proposals are applied to the existing salary schedule and

projected forward for an additional three years, the proposed salary schedules would read as follows:

**THE UNIONS' PROPOSAL**

Appendix A-1  
Salaries  
 (Employees hired before 1/1/97)

Police Officers	6/30/99 Existing	Effective 7/1/99	Effective 7/1/00	Effective 7/1/01
Step I	\$40,481	\$42,050	\$44,152	\$46,360
Step II	\$45,267	\$47,530	\$49,906	\$52,402
Step III	\$55,193	\$57,952	\$60,850	\$63,892
Step IV	\$57,685	\$60,569	\$63,597	\$66,777
Detectives	\$59,413	\$62,383	\$65,502	\$68,777

Appendix A-2  
Salaries  
 (Employees hired after 1/1/97)

	6/30/99 Existing	Effective 7/1/99	Effective 7/1/00	Effective 7/1/01
Academy Rate (1 <sup>st</sup> 6 mos.)	\$26,520	\$27,846	\$29,238	\$30,700
Balance of First Year (2 <sup>nd</sup> 6 mos.)	\$31,824	\$33,415	\$35,085	\$36,840
During 2 <sup>nd</sup> Year	\$36,996	\$38,845	\$40,788	\$42,827
During 3 <sup>rd</sup> Year	\$42,168	\$44,276	\$46,490	\$48,814
During 4 <sup>th</sup> Year	\$47,340	\$49,707	\$52,192	\$54,801
During 5 <sup>th</sup> Year	\$52,512	\$55,137	\$57,894	\$60,789
Maximum (upon completion of 60 months)	\$57,685	\$60,569	\$63,597	\$66,777
Detective	\$59,413	\$62,383	\$65,502	\$68,777

Appendix A  
Salaries

	6/30/99 Existing	Effective 7/1/99	Effective 7/1/00	Effective 7/1/01
Police Sergeant	\$63,816	\$67,006	\$70,357	\$73,874
Police Captain	\$70,706	\$74,241	\$77,953	\$81,851

**THE CITY'S PROPOSAL**

Appendix A-1  
Salaries  
(Employees hired before 1/1/97)

Police Officers	6/30/99 Existing	Effective 7/1/99	Effective 7/1/00	Effective 7/1/01
Step I	\$40,481	\$41,695	\$43,154	\$44,665
Step II	\$45,267	\$46,625	\$48,256	\$49,945
Step III	\$55,193	\$56,848	\$58,838	\$60,896
Step IV	\$57,685	\$59,415	\$61,495	\$63,647
Detectives	\$59,413	\$61,195	\$63,337	\$65,554

Appendix A-2  
Salaries  
(Employees hired after 1/1/97)

	6/30/99 Existing	Effective 7/1/99	Effective 7/1/00	Effective 7/1/01
Academy Rate (1 <sup>st</sup> 6 mos.)	\$26,520	\$27,315	\$28,271	\$29,261
Balance of First Year (2 <sup>nd</sup> 6 mos.)	\$31,824	\$32,778	\$33,925	\$35,113
During 2 <sup>nd</sup> Year	\$36,996	\$38,105	\$39,438	\$40,819
During 3 <sup>rd</sup> Year	\$42,168	\$43,433	\$44,953	\$46,526
During 4 <sup>th</sup> Year	\$47,340	\$48,760	\$50,466	\$52,233
During 5 <sup>th</sup> Year	\$52,512	\$54,087	\$55,980	\$57,939
Maximum (upon completion of 60 months)	\$57,685	\$59,415	\$61,495	\$63,647
Detective	\$59,413	\$61,195	\$63,337	\$65,554



Appendix A  
Salaries

	6/30/99 Existing	Effective 7/1/99	Effective 7/1/00	Effective 7/1/01
Police Sergeant	\$63,816	\$65,730	\$68,031	\$70,412
Police Captain	\$70,706	\$72,827	\$75,376	\$78,014

In addition to the above proposals, the City also proposes a new hire schedule which would provide for additional twelve months of service in which to reach maximum pay. The maximum pay would be identical to the maximums currently set forth on Appendix A-1 and Appendix A-2 as adjusted by these negotiations. In addition, the City proposes that new employees receive paid health insurance for employee only, with a \$25 monthly contribution, 12 sick days annually, 11 paid holidays annually and 80% of vacation entitlement. These last four items are reductions from existing contractual benefits.

The Unions' proposals (5% effective July 1 in each of three years) would cost \$66,250 in contract year 1999-2000, an additional \$69,602 in contract year 2000-2001, and an additional \$73,050 in contract year 2001-2002 for a total of \$208,902. The City's proposal (3.0%, 3.5%, 3.5% effective July 1 in each of three years) would cost \$39,773 in contract year 1999-2000 \$47,793 in contract year 2000-2001 and an additional \$49,446 in contract year 2001-2002 for a total of \$137,032.

When all of the statutory criteria are considered and weighed, and after full consideration of the arguments and evidence submitted, I have concluded that a

reasonable determination of the wage issue results in wage increases beneath the levels proposed by the Unions but above that proposed by the City. For the reasons stated below, I have awarded wage increases of 2.0% effective July 1, 1999, and an additional 2.0% effective January 1, 2000; an additional 4.0% effective July 1, 2000 and an additional 4.0% effective July 1, 2001. This represents a total of an 11% pay-out over three years with a 12% increase in salary guide over that time period.

The costs of the Award are \$39,250 in contract year 1999-2000 (2% on July 1 and an additional 2% on January 1 for a total of 3%), an additional \$53,030 in contract year 2000-2001 and an additional \$59,120 in contract year 2001-2002 for a total cost of \$151,400. There is also a \$13,250 change to the unspent 1% of the January 1, 2000 2% increase on an annual basis which is chargeable either to this term or the successor contract. The salary schedule will be modified as follows:

**Appendix A-1**  
Salaries  
 (Employees hired before 1/1/97)

Police Officers	6/39/99 Existing	Effective 7/1/99	Effective 1/1/00	Effective 7/1/00	Effective 7/1/01
Step I	\$40,481	\$41,290	\$42,116	\$43,801	\$45,553
Step II	\$45,267	\$46,172	\$47,095	\$48,979	\$50,938
Step III	\$55,193	\$56,296	\$57,422	\$59,719	\$62,108
Step IV	\$57,685	\$58,838	\$60,015	\$62,416	\$64,912
Detectives	\$59,413	\$60,601	\$61,813	\$64,285	\$66,857

Appendix A-2  
Salaries  
 (Employees hired after 1/1/97)

	6/30/99 Existing	Effective 7/1/99	Effective 1/1/00	Effective 7/1/00	Effective 7/1/01
Academy Rate (1 <sup>st</sup> 6 mos.)	\$26,520	\$27,050	\$27,591	\$28,695	\$29,842
Balance of First Year (2 <sup>nd</sup> 6 mos)	\$31,824	\$32,460	\$33,109	\$34,434	\$35,811
During 2 <sup>nd</sup> Year	\$36,996	\$37,735	\$38,490	\$40,030	\$41,631
During 3 <sup>rd</sup> Year	\$42,168	\$43,011	\$43,871	\$45,626	\$47,451
During 4 <sup>th</sup> Year	\$47,340	\$48,286	\$49,252	\$51,222	\$53,271
During 5 <sup>th</sup> Year	\$52,512	\$53,562	\$54,633	\$56,818	\$59,091
Maximum (upon completion of 60 months)	\$57,685	\$58,838	\$60,015	\$62,416	\$64,912
Detective	\$59,413	\$60,601	\$61,813	\$64,285	\$66,857

Appendix A  
Salaries

	6/30/99 Existing	Effective 7/1/99	Effective 1/1/00	Effective 7/1/00	Effective 7/1/01
Police Sergeant	\$63,816	\$65,092	\$66,394	\$69,049	\$71,811
Police Captain	\$70,706	\$72,120	\$73,562	\$76,505	\$79,565

I also conclude that the portion of the City's offer for new hires which sets the salary maximum after 72 months rather than 60 months is reasonable and is awarded. The new maximum has risen to \$66,777 and a completion of six years of service to receive this maximum represents a more reasonable and appropriate relationship between length of service and compensation. For new hires, I award Appendix A-2A. Appendix A-2A shall read as follows:

Appendix A-2A  
Salaries  
 (Employees hired after 3/2/01)

	2001-2002
Academy Rate (1 <sup>st</sup> 6 mos.)	\$29,262
Balance of First Year (2 <sup>nd</sup> 6 mos)	\$31,456
During 2 <sup>nd</sup> Year	\$35,113
During 3 <sup>rd</sup> Year	\$41,631
During 4 <sup>th</sup> Year	\$47,451
During 5 <sup>th</sup> Year	\$53,271
During 6 <sup>th</sup> Year	\$59,091
Maximum (upon completion of 72 mos)	\$64,912
Detective	\$68,856

The first three steps up through During 2<sup>nd</sup> Year shall be as proposed by the City. Thereafter, the salaries in Appendix A-2 shall be from \$41,631 through \$64,912 which are the identical amounts in Appendix A-2 for "during the 2<sup>nd</sup> year" and beyond instead of "during the 3<sup>rd</sup> year" and beyond as stated in the new Appendix A-2A. I award no further changes to the Agreement with respect to new hires. Those proposed by the City are denied.

The terms of this Award properly flow from application of the statutory criteria. The cost of living data submitted by the City does cause an Award at a cost lower than proposed by the Unions but, when weighed with other factors does not dictate a specific result or an adoption of the City's offer. Each offer, in percentage terms, is higher than the CPI data and there is nothing in the record which would compel the wage increase to correspond to a specific CPI formula.

The overall compensation received and the continuity and stability of employment factors have been considered. Each is relevant but not entitled to

significant weight. The Award does not significantly alter existing benefits and the continuity of employment does not need addressing to the extent that a different result is warranted from the terms provided for herein. The terms of the Award are consistent with the average wage increases in the private sector in Middlesex County as reported in the Report of Private Sector Wage Changes compiled by the New Jersey Department of labor and issued by the Public Employment Relations Commission.

N.J.S.A. 34:13A-16g also requires an inquiry into the Town's financial status and the financial impact of the terms of this Award. These include the interests and welfare of the public [g(1)], the lawful authority of the employer [g(5)] and the financial impact on the governing unit, its residents and taxpayers [g(6)].

The interests and welfare of the public will be served by an Award which will not have adverse financial impact, will provide costs offsets for new hires, will increase salaries on a comparable basis and will have prescription co-pays which will conform to that for other City employees.

The terms of the Award will not interfere with the City's lawful authority nor require that it exceed lawful expenditures. The record also reflects that the terms of the Award will not have adverse financial impact on the governing body, its residents and taxpayers. The City has received a AAA credit rating from

Moody's. As of June 30, 1999 it had a cash balance of over \$2 million split between the current fund (\$1,278,568) and capital fund (\$1,045,079). Its remaining borrowing power is \$1,878,567, a figure below the legal debt limit. Its actual tax collection rate in 1999 was 94.95% which is above the state average. Although this figure is less than that in 1997 and 1998, the actual rate is more than it was in 1996. Its assessed valuation at \$174,536,800 for 1999 has remained stable and given the residential and commercial development which is projected, these figures should increase into the future. Its 1999 tax levy was \$8,874,860 which ranks South Amboy at 23 out of 25 municipalities in Middlesex County to be one of the lowest in tax levy per capita. The municipal tax rate did rise from 0.95 in 1998 to 1.02 in 1999 but this increase is within a range of acceptability. The difference in costs of this Award between the City's offer and the terms of the Award are less than 2 ½ tax points or approximately \$11 per year per the house with a median assessed value of \$135,800 although I do not determine that the Award should be funded in that manner.

The City and the Unions have submitted comprehensive evidence on law enforcement wage increases in communities which each believes is comparable to South Amboy. Many of these departments provide higher wages than that which exists in South Amboy and many provide lower wages. The terms of this Award are consistent with the wage increases provided in Woodbridge (4% in 2000 and 4% in 2001) in Edison (3.9% in 2000), in Keyport (4% in 2000), in Matawan (4.25% in 2000 with a 2/2.25% split and 4.25 in 2001 with a 2/2.25%

split). There is nothing in the record to warrant increases significantly above or below these levels. I also note that the Department has run efficiently in that there are fewer police officers on staff in 1999 compared to 1993. The redevelopment and expansion in the City's infrastructure may compel an increase in police officers and this Award has provided cost offsets in the event that the City decides to increase the manning levels.

Accordingly, and based upon all of the above, I respectfully enter the following Award.

### **AWARD**

1. **Duration**

There shall be a three-year agreement effective July 1, 1999 through June 30, 2002.

2. All proposals by the City and the Unions not awarded herein are denied and dismissed.

3. All provisions of the existing agreement shall be carried forward except for those modified by the terms of this Award.

4. **Grievance Procedure**

Article XIV (D) shall be amended to provide that minor disciplinary matters (5 days or less of fine or suspension or equivalent thereof) shall be included in the grievance procedure and subject to binding arbitration.

5. **Longevity**

The longevity schedule shall be modified to reflect an additional one (1%) percent in the amount of longevity at twenty-four (24) years of service. This modification shall be effective July 1, 2000.

6. **Annual Uniform Allowance**

The annual uniform allowance shall be increased by \$75 to \$650 effective July 1, 2000 and by an additional \$75 to \$725 effective July 1, 2001.

7. **Health Insurance**

Article II in the respective contracts shall be modified to reflect the following.

Police officers shall be subject to a prescription plan co-pay in the amount of \$5.00 for generic medication and \$10.00 for brand name medication;

A police officer who waives his right to medical benefits offered by the City is eligible to receive the



following compensation, provided that the police officer supplies proof of coverage under another health care plan:

<u>Type</u>	<u>Amount</u>
Single	\$1,000
Parent/Child	\$1,250
Husband/Wife	\$1,500
Family	\$1,750

This modification shall be effective no earlier than April 1, 2001.

8. **Work Schedule**

A joint committee shall be established to meet a minimum of four times after the date of this Award. The committee shall discuss changes to the work schedule to include, but not be limited to, the three (3) days on - 12 hours per day - schedule proposed by the City. If possible, these meetings should be attended by respective labor counsel.

9. **Salary**

The salary schedules in Appendix A, Appendix A-1, and Appendix A-2 shall be adjusted at each step and retroactive to the effective dates of the increases. The increases shall be 2% effective July 1, 1999, 2% effective January 1, 2000, 4% effective July 1, 2000 and 4% effective July 1, 2001. In addition, there shall be an Appendix A-2A for police officers hired after the date of this Award which will provide for salary maximum to be reached after 72 months. The salary schedules shall read as follows:

Appendix A  
Salaries

	Effective 7/1/99	Effective 1/1/00	Effective 7/1/00	Effective 7/1/01
Police Sergeant	\$65,092	\$66,394	\$69,049	\$71,811
Police Captain	\$72,120	\$73,562	\$76,505	\$79,565

Appendix A-1  
Salaries  
(Employees hired before 1/1/97)

Police Officers	Effective 7/1/99	Effective 1/1/00	Effective 7/1/00	Effective 7/1/01
Step I	\$41,290	\$42,116	\$43,801	\$45,553
Step II	\$46,172	\$47,095	\$48,979	\$50,938
Step III	\$56,296	\$57,422	\$59,719	\$62,108
Step IV	\$58,838	\$60,015	\$62,416	\$64,912
Detectives	\$60,601	\$61,813	\$64,285	\$66,857

Appendix A-2  
Salaries  
(Employees hired after 1/1/97)

	Effective 7/1/99	Effective 1/1/00	Effective 7/1/00	Effective 7/1/01
Academy Rate (1 <sup>st</sup> 6 mos.)	\$27,050	\$27,591	\$28,695	\$29,842
Balance of First Year (2 <sup>nd</sup> 6 mos)	\$32,460	\$33,109	\$34,434	\$35,811
During 2 <sup>nd</sup> Year	\$37,735	\$38,490	\$40,030	\$41,631
During 3 <sup>rd</sup> Year	\$43,011	\$43,871	\$45,626	\$47,451
During 4 <sup>th</sup> Year	\$48,286	\$49,252	\$51,222	\$53,271
During 5 <sup>th</sup> Year	\$53,562	\$54,633	\$56,818	\$59,091
Maximum (upon completion of 60 months)	\$58,838	\$60,015	\$62,416	\$64,912
Detective	\$60,601	\$61,813	\$64,285	\$66,857

Appendix A-2A  
Salaries  
 (Employees hired after 3/2/01)

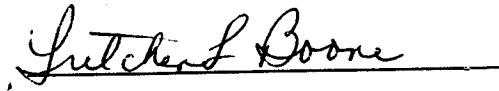
	2001-2002
Academy Rate (1 <sup>st</sup> 6 mos.)	\$29,262
Balance of First Year (2 <sup>nd</sup> 6 mos)	\$31,456
During 2 <sup>nd</sup> Year	\$35,113
During 3 <sup>rd</sup> Year	\$41,631
During 4 <sup>th</sup> Year	\$47,451
During 5 <sup>th</sup> Year	\$53,271
During 6 <sup>th</sup> Year	\$59,091
Maximum (upon completion of 72 mos)	\$64,912
Detective	\$68,856

Dated: March 2, 2001  
 Sea Girt, New Jersey

  
 \_\_\_\_\_  
 James W. Mastriani

State of New Jersey        }  
 County of Monmouth       }ss:

On this 2<sup>nd</sup> day of March, 2001, before me personally came and appeared James W. Mastriani to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed same.

  
 \_\_\_\_\_  
**GRETCHEN L. BOONE**  
**NOTARY PUBLIC OF NEW JERSEY**  
**Commission Expires 8/13/2003**