STATE OF NEW JERSEY
PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of the Interest Arbitration Between:

CAMDEN COUNTY SHERIFF'S OFFICE

-and- Docket No. IA-2013-09

PBA LOCAL NO. 277

Before: Susan W. Osborn, Interest Arbitrator
Appearances:
For the Employer:
Brown and Connery, Attorneys
(Michael DiPiero, of counsel)
(Michael Watson, of counsel)

For the PBA:
Loccke & Correia, Attorneys
(Richard Loccke, of counsel)

Witnesses:
Sheriff's Officer Thomas Gladden
Sheriff's Lt. Larry Brandley
Vijay Kapoor, President, PFM
Frank Cirii, County Human Resources Director
Sheriff Charles Billingham

INTEREST ARBITRATION AWARD

On January 14, 2013, Patrolmen's Benevolent Association Local 277 (PBA) filed a Petition with the Public Employment Relations Commission to initiate interest arbitration over a successor collective negotiations agreement with the Camden County Sheriff's Office. It also filed a Petition for Interest Arbitration on behalf of the Sheriff's superior officers unit.

Both units had previously been subject to the provisions of an interest arbitration award issued by Arbitrator Barbara Zausner, covering the period January 1, 2008 through December 31, 2012 (hereinafter, the "Zausner Award").

The PBA requested that PERC consolidate the two matters together for interest arbitration proceedings and an award. However, PERC declined the consolidation request and separate arbitrators were appointed. On February 27, 2013, I was appointed to serve as the interest arbitrator for this unit 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.

An interest arbitration hearing was held on April 3, 2013 at the Offices of the County Labor Counsel in Westmont, New Jersey. Both parties were offered testimony and documentary evidence. Both parties submitted Final Offers and financial calculations of their respective proposals. Post-hearing briefs were filed by April 10, 2013.

PBA LOCAL 277'S FINAL OFFER

Term of Agreement: January 1, 2013 to December 31, 2015.

Wage Increases:

A. 2.0% across-the-board increases in January of each year of the contract.

B. Reduce the access point for senior status from 22 years to 15 years.

Longevity: Delete the longevity grandfather provision.

Uniforms And Equipment (Article XXIV):

Increase current uniform allowance by $100 per year.

Sick Leave:

Add: When an employee has accumulated not less than 100 sick days in the accumulated sick leave time bank, then thereafter said employee may sell back up to ten sick days per year at the then current rate of compensation.

Medical Premium Co-Payments:

Add: The provisions of medical premium co-payments be as mandated by Chapter 78, P.L. 2011.

An additional proposal to fold holiday pay into base salary was withdrawn at the arbitration hearing.

EMPLOYER'S FINAL OFFER

Terms of Agreement: January 1, 2013 - December 31, 2016.

Salary and Wages:

2013- .5%
2014- 1.0%
2015 - 1.25%
2016 - 1.25%

-Freeze guide steps for life of new contract

-New Hires: Eliminate salary guide for new hires. Employees will be hired at the investigator rate but the Sheriff may hire at a higher rate commensurate with skills/experience.

Retroactivity: Eliminate retroactive pay of salary award.

Overtime: Add the following language:

Seniority is one factor to be considered when assigning overtime and it shall be the basis for the rotational list.

For purposes of assigning overtime, the Sheriff may deny overtime to officers that have excessive absence or other documented disciplinary issues.

Shift Differential:

Second Shift: Reduce shift differential from 6% to 3%

Third Shift: Reduce shift differential from 8% for 6%

Holidays: Eliminate employee's birthday as holiday

Personal Days:

Reduce annual allotment from 6 days to 3 days.

Replace cash-out provision with carryover if employee is unable to take days because of work constraints.

Educational Incentives:

Eliminate educational stipends for all employees.

Compensatory Time:

Eliminate sell back of accumulated compensatory time.

Leave Time Cash-Out Upon Layoff:

Eliminate provision that an employee will not have to reimburse the County for leave time already taken if laid off.

Sick Leave:

Eliminate cash-out of sick leave upon retirement.

Eliminate bonus vacation days for non-use of sick time.

FLMA/FLA:

Eliminate potential stacking of leave time.

Funeral Leave:

Add "step-children, step-parent, step-siblings, and domestic/civil union partners."

Shift Bidding:

Eliminate contract provision permitting an employee who is moved out of a non-biddable position to a biddable assignment to bid for an assignment.

Temporary Reassignments:

Add language permitting Sheriff to temporarily reassign employees to cover for positions of officers on extended leave of absence (5 shifts or more) or for field training purposes.

Health Insurance:

Replace the current Article with the following:

Health Benefits

Subject to the employee premium sharing schedule detailed below, the Employer shall provide the benefits through the New Jersey State Health Benefit Program or substantially similar plans for full-time employees for medical and prescription drug benefits. The parties agree to be bound by the requirement and terms of the New Jersey State Health Benefits Program and the New Jersey State Health Benefits Commission.

Premium Contribution

1. Effective May 22, 2010, the cost of health insurance benefits shall be shared by employees through the withholding of a contribution in an amount equal to 1.5 percent of base salary.

2. Effective June 28, 2011, the amount of contribution to be paid by an employee for medical and prescription drug benefits for the employee and any eligible dependent shall be either 1.5 percent of the employee's base salary or according to the contribution schedule below, whichever contribution amount is greater.

3. For Family coverage or its equivalent -

   An employee who earns less than $25,000 shall pay 3 percent of the cost of coverage;

   An employee who earns $25,000 or more but less than $30,000 shall pay 4 percent of the cost of coverage;

   An employee who earns $30,000 or more but less than $35,000 shall pay 5 percent of the cost of coverage;

   An employee who earns $35,000 or more but less than $40,000 shall pay 6 percent of the cost of coverage

   An employee who earns $40,000 or more but less than $45,000 shall pay 7 percent of the cost of coverage;

   An employee who earns $45,000 or more but less than $50,000 shall pay 9 percent of the cost of coverage;

   An employee who earns $50,000 or more but less than $55,000 shall pay 12 percent of the cost of coverage;

   An employee who earns $55,000 or more but less than $60,000 shall pay 14 percent of the cost of coverage;

   An employee who earns $60,000 or more but less than $70,000 shall pay 19 percent of the cost of coverage;
   An employee who earns $70,000 or more but less than $75,000 shall pay 22 percent of the cost of coverage;

   An employee who earns $75,000 or more but less than $80,000 shall pay 23 percent of the cost of coverage;

   An employee who earns $80,000 or more but less than $85,000 shall pay 24percent of the cost of coverage;

   An employee who earns $85,000 or more but less than $90,000 shall pay 26 percent of the cost of coverage;

An employee who earns $90,000 or more but less than $95,000 shall pay 28 percent of the cost of coverage;

An employee who earns $95,000 or more but less than $100,000 shall pay 29 percent of the cost of coverage;

An employee who earns $100,000 or more but less than $110,000 shall pay 32 percent of the cost of coverage;

An employee who earns $110,000 or more shall pay 34 percent of the cost of coverage.

4. For individual coverage or its equivalent:

An employee who earns less than $20,000 shall pay 4.5% of the cost of coverage;

An employee who earns $20,000 or more but less than $25,000 shall pay 5.5 percent of the cost of coverage;

An employee who earns $25,000 or more but less than $30,000 shall pay 7.5 percent of the cost of coverage;

An employee who earns $30,000 or more but less than $35,000 shall pay 10 percent of the cost of coverage;

An employee who earns $35,000 or more but less than $40,000 shall pay 11 percent of the cost of coverage;

An employee who earns $40,000 or more but less than $45,000 shall pay 12 percent of the cost of coverage;

An employee who earns $45,000 or more but less than $50,000 shall pay 14 percent of the cost of coverage;

An employee who earns $50,000 or more but less than $55,000 shall pay 20 percent of the cost of coverage;

An employee who earns $55,000 or more but less than $60,000 shall pay 23 percent of the cost of coverage;

An employee who earns $60,000 or more but less than $65,000 shall pay 27 percent of the cost of coverage;

An employee who earns $65,000 or more but less than $70,000 shall pay 29 percent of the cost of coverage;

An employee who earns $70,000 or more but less than $75,000 shall pay 32 percent of the cost of coverage;

An employee who earns $75,000 or more but less than $80,000 shall pay 33 percent of the cost of coverage;

An employee who earns $80,000 or more but less than $95,000 shall pay 34 percent of the cost of coverage;

An employee who earns $95,000 or more shall pay 35 percent of the cost of coverage.

5. For member with child or spouse coverage or its equivalent -

An employee who earns less than $25,000 shall pay3.5 percent of the cost of coverage;

An employee who earns $25,000 or more but less than $30,000 shall pay 4.5 percent of the cost of coverage;

An employee who earns $30,000 or more but less than $35,000 shall pay 6 percent of the cost of coverage;

An employee who earns $35,000 or more but less than $40,000 shall pay 7 percent of the cost of coverage;

An employee who earns $40,000 or more but less than $45,000 shall pay 8 percent of the cost of coverage;

An employee who earns $45,000 or more but less than $50,000 shall pay 10 percent of the cost of coverage;

An employee who earns $50,000 or more but less than $55,000 shall pay 15 percent of the cost of coverage;

An employee who earns $55,000 or more but less than $60,000 shall pay 17 percent of the cost of coverage;

An employee who earns $60,000 or more but less than $65,000 shall pay 21 percent of the cost of coverage;

An employee who earns $65,000 or more but less than $70,000 shall pay 23 percent of the cost of coverage;

An employee who earns $70,000 or more but less than $75,000 shall pay 26 percent of the cost of coverage;

An employee who earns $75,000 or more but less than $80,000 shall pay 27 percent of the cost of coverage;

An employee who earns $80,000 or more but less than $85,000 shall pay 28 percent of the cost of coverage;

An employee who earns $85,000 or more but less than $100,000 shall pay 30 percent of the cost of coverage;

An employee who earns $100,000 or more shall pay 35 percent of the cost of coverage;

6. Base salary shall be used to determine what an employee earns for the purposes of this provision and shall mean pensionable salary.

7. As used in this section, "cost of coverage" means the premium or periodic charges for health care and prescription benefits, provided pursuant to N.J.S.A. 40A:10-16 et seq., or any other law, by the Camden County Sheriff. If the Employer is required by law to provide dental, vision or other healthcare benefits not otherwise heretofore provided, the "cost of coverage" shall include the premium or periodic charges for those additional mandated benefits as well.

8. Employees employed on or before June 27, 2011, shall pay:

i. During the first year in which the contribution is effective, one-fourth of the amount of the applicable contribution reflected under Subsection 3 through 5 above;

ii. During the second year in which the contribution is effective, one-half of the amount of the applicable contribution reflected under Subsection 3 through 5 above;

iii. During the third year in which the contribution is effective, three-fourth of the amount of the applicable contribution reflected under Subsection 3 through 5 above;

iv. During the fourth year in which the contribution is effective, the full amount of the applicable contribution reflected under Subsections 3 through 5 above.

9. Employee employed on June 28, 2011 or thereafter shall pay the full amount (100%) of the applicable contribution reflected in Subsections 3 through 5 above.

10. "Healthcare plan or "health benefits" means the healthcare plans for medical and prescription drug benefits. If the employer is required by law to provide dental, vision or other healthcare benefits not otherwise heretofore provided, the definition of "healthcare plan" or "health benefits" shall also include the additional mandated benefits.

11. Employee contributions shall be made by way of withholding of the contribution from the employee's pay, salary, or other compensation. Withholdings shall be made by way of twenty-four (24) equal payroll deductions in a calendar year, to the extent possible, in accordance with the Employer's customary payroll practices unless otherwise required by law.

12. The amount payable by any employee under this Article shall not under any circumstances be less than 1.5 percent of base salary. An employee who pays the contribution required in subsections 3 through 5 above shall not also be required to pay the contribution of 1.5 percent of base salary.

CO-PAYMENTS:

1. Effective September 1, 2012, prescription co-payments shall be consistent with the rates set forth in the plans offered by the New Jersey Health Benefits Program or a substantially similar plan as determined by the County.

2. Effective September 1, 2012, employees shall be subject to all dollar co-payment requirements as set forth in the plans offered by the New Jersey State Health Benefits Program or a substantially s8imilar plan as determined by the County

DEPENDENT COVERAGE:

1. Coverage for dependent shall be included in all health and prescription plans full full-time employees.

2. Effective January 1, 2009 through December 31, 2010, coverage shall end for the children of eligible employees at age 19 if the child is not a full-time student and at age 23 if the child is a full-time student.

3. Effective January 1, 2011, the Employer shall make a dependent coverage in the County's Medical and Prescription Drug Plans available for an adult child until the child turns 26 years of age in accordance with Section 2714 of the federal Patient Protection and Affordable Care Act. Student status is not required. Coverage will terminate at the end of the month in which the child turns 26 years of age, subject to the right to elect continued coverage until age 31, pursuant to P.L. 2005, Chapter 375, as set forth below.

4. Subject to the provisions and requirement of P.L. 2005, Chapter 375, employees who are enrolled through any County Medical or Prescription Drug Plan may elect to enroll their dependent in Dependent coverage to age 31 for an additional premium which shall be billed directly to the employee by the insurance carrier. These provisions shall be subject to any requirements mandated by federal law and conform to the Patient Protection and Affordable Care Act and regulations promulgated thereunder. Dependents that are permanently disabled will remain covered during the life of the employee.

5. "Civil union partners" and "domestic partners" under New Jersey law shall be considered as dependents eligible for insurance benefits.

RETIREE BENEFITS:

1. Former negotiations unit employees who retired before January 1, 2009 shall be subject to the premium cost-sharing provisions in effect when they retired as applicable to retirees.

2. Former negotiations unit employees who retired between January 1, 2009 and June 27, 2011 shall be subject to the premium cost-sharing provisions in effect under the parties' previous collective negotiations agreement as applicable to retirees.

3. Former negotiations unit employees who retire on or after June 28, 2011 shall contribute toward the cost of health care benefits coverage for the employee in retirement and any eligible dependent. Such contributions shall be made through the withholding of the contribution from the monthly retirement allowance, and shall be determined in accordance with Section 39 of P.L. 2011, Chapter 78, by using the percentage applicable to the range within which the annual retirement allowance, and any future cost of living adjustments thereto, falls.

4. Any employee with 20 or more years of creditable service in one or more State administered retirement system as of June 28, 2011 and who subsequently retires with twenty-five (25) or more years of service credit in a state administered retirement system shall contribute 1.5 percent of the retiree's monthly pension allowance or the amount determined in accordance with Section 39 of P.L. 2011, Chapter 78, including any future cost of living adjustments, whichever is greater.

5. Any employee who retired with twenty-five (25) or more years of service with the Camden County Sheriff's Department and/or affiliated Camden County affiliated organization and twenty-five (25) or more years of service credit in a state administered retirement system shall contributed 12.5 percent of the retiree's monthly pension allowance or the amount determined in accordance with Section 39 of P.L. 2011, Chapter 78, including any future cost of living adjustments, whichever is greater.

6. Current employees retiring at age 62 or older, and who have at least fifteen (15) years of service with the Camden County Sheriff's Department and/or affiliated Camden County affiliated organizations, or twenty-five 925) or more years of service credit with the Camden County Sheriff's Department and/or affiliated Camden County organizations; or current employees retiring on an ordinary disability pension, shall receive health and prescription benefits subject to the following percentage of premium contributions:

Years with the Employer	Percentage of Premium
10 years through 14 years (for ordinary disability retirement only)	30%

15 years up to 19 years	25%
20 years up to 24 years	15%
25 years or more	1.5% of pensionable income (if retired prior to 12/31/12)
25 years or more	Amount determined in accordance with Section 39 of P.L. 2011, Ch. 78 (if retiring effective 1/1/2013 or thereafter)

7. Prior years of employment with the Camden County Sheriff's Department and/or affiliated Camden County organizations shall count as "Years With the Employer" for the purpose of determining the appropriate premium contribution as set forth above.

8. Employees who retire after December 31, 2012 shall pay the identical medical and prescription co-payments paid by active employees in the same plan.

9. Retirees 65 or older who are eligible for Medicare shall pay the percentage of premium contribution in accordance with the above and the amount of the health and prescription drug programs applicable to Medicare eligible retirees in which they are enrolled.

10. Retirees are required to submit annual verification to the County of the amount of their monthly retirement allowance in a form and from a source acceptable to the County at the time of the County's annual open enrollment period for healthcare benefits. Failure to do so in any given year may subject the employee to a contribution payment of twenty-five (25) percent of the cost of coverage for the plans available to and selected by the employee for that year.

The amount payable by a retiree under this subsection shall not under any circumstance be less than the 1.5 percent of the monthly retirement allowance, including any future cost of living adjustments thereto, that is provided for such a retiree, if applicable to that retiree, under subsection b.

of N.J.S.A. 40A:10-23. A retiree who pays the contribution required under this subsection shall not also be required to pay the contribution of 1.5 percent of the monthly retirement allowance under subsection b. of N.J.S.A. 40A:10-23.

10. All retirees and eligible spouses of retirees, age sixty-five (65) or older, who re receiving benefits through the Camden County Sheriff's Department are required to enroll in Medicare Parts A & B within three months of becoming eligible for Medicare.

Waiver of Coverage

1. Eligible employees covered by this agreement may choose, in writing, to waive insurance coverage. Participation in this program is voluntary and is intended for those eligible employees who are covered by health insurance through another source. Employees who hold elective office and are receiving health insurance benefits as a result of their election office and employees who are receiving health insurance benefits as a result of their retirement or the retirement of their spouse or domestic/civil partner from another public entitle in New Jersey are not eligible for opt out. Waiver as described in this section shall be subject to the rules of the New Jersey State Health Benefit Plan where applicable.

2. If two employees are married or qualify as domestic partners/civil union partners and one of them receives health insurance coverage from Camden Count or any other New Jersey State Health Benefits Plan, the other may not participate. Additionally, in the event that the County is no longer in the New Jersey State Health Benefits Plan, then the limitations set forth herein shall apply to married, or domestic partner/civil union partners from the following related agencies:

Camden County Row Office
Camden County Mosquito Commission
Camden County Superintendent of Schools
Camden County Prosecutor's Office
Camden County Library System
Camden County Municipal Utilities Authority
Camden County Improvement Authority
Camden County Pollution Control Authority

Camden County Board of Elections
Camden County Superintendent of Elections
Camden County Health Services Center
Camden County College

3. If two employees are married or qualify as domestic partners/civil union partners, they may be covered individually as an employee or as a dependent under his or her spouse's/partner's New Jersey State Health Benefits Plan or County plan, as set forth in Section 2, but not both. Dependent children must be covered under one plan only.

4. If an employee chooses to participate and drops coverage, the employee shall receive a monetary incentive as outlined below. Waiver payments shall not be available to employees that have an opportunity for alternate coverage through another New Jersey State Health Benefits Plan member. An employee shall receive an incentive which shall not exceed twenty-five (25%) percent of the amount saved by the employer because of the waiver or $5,000 annually, whichever is less, in accordance with State law.

5. Eligible employees who waive coverage must do so for a minimum of one (1) year at a time unless there is a change of life event. However, if an eligible employee chooses to participate and then the spouse's/partner's benefits are terminated (not voluntarily dropped), the employee and his/her dependents may enroll in any of the available plans upon proper verification of termination. Applications must be made within thirty (30) days after the loss of coverage. Eligible employees shall be permitted to waive either medical coverage or prescription coverage or both, subject to the limitations of the New Jersey State Health Benefits Plan where applicable.

6. The incentive payments provided shall be paid in equal monthly payments and appropriate deductions shall be made from the gross incentive amount.

7. The waiver of coverage shall be available to all new benefit-eligible employees on their benefit effective date and shall be available to all eligible current and prospective retirees under the same terms and conditions applicable to active employees. Subject to the limitations set for in Section 4.

8. The incentive shall begin to be paid to the eligible employee no later than one month after the effective date of the option.

9. In order to enroll in a waiver of coverage, an employee must complete the enrollment form and provide proof of dependent status and current health insurance coverage within the appropriate time fame as required by the plan.

10. Annual re-enrollment is required.

11. Employees on non-paid leave do not receive Opt-Out payments.

MISCELLANEOUS

1. The County will reimburse an employee on active pay status for his premium charges under Part B of the Federal Medicare Program covering the employee alone when the employee reaches age 65, but only for a maximum of a six (6) month period prior to retirement. The parties agree to reopen negotiations with respect to this provision if the laws governing Medicare should change during the term of this Agreement.

2. The County will provide each employee with short-term disability coverage provided by the State of New Jersey.

3. Effective January 1, 2013, employees shall be responsible for extra costs incurred by the County if there is a change in an employee's life status (divorce, death of a spouse, etc.) which would affect his or her health and prescription benefits and the employee does not report it to the County Insurance Division within 60 days of the event.

4. The County shall continue to maintain a Section 125 Plan which will permit the payment of certain employee contributions in pre-tax periods of each calendar year in accordance with the Employer's customary payroll practices unless otherwise required by law.

Grievance Procedure:

-Step 3: Add time limit of 10 days to advance grievance to County LR Committee.

-Arbitration: change filing period from 44 days to 20 days;

-Eliminate ability to bypass step 3.

-Add waiver language if grievance not timely filed.

BACKGROUND FACTS

Demographics:

Camden County's demographics generally lag behind the State's -- partially reflecting the relatively lower cost of living in southern New Jersey, as well as the presence of the State's poorest city, Camden (C-58). The County's tax base benefits from the overall strength and diversity of the areas around the City of Camden, especially the area of Cherry Hill, which comprises almost one-quarter of the County's valuation base.

As of January 2013, Camden County had an 11% unemployment rate, the eighth highest unemployment among New Jersey counties and 0.9% higher than the State-wide unemployment rate of 10.1% (C-58). It should be noted that the unemployment rate in the City of Camden stands at approximately 20%, thereby negatively impacting on the County's unemployment rate. The national unemployment rate as of February 2013 remained well above prerecession norms at 7.7% (not seasonally adjusted the national rate stands at 8.5%).

Camden County's median home value of $215,300 is 33.7% below the New Jersey State-wide per capita income -- ranking 19th among the State's 21 counties. Among southern New Jersey counties, Camden County's per capita income ranks fifth among the seven counties (Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester and Salem). The following chart depicts New Jersey median home values (C-58; C-60):

MEDIAN HOME VALUE	
Southern NJ Median	$223,700
All other NJ Counties Median	$351,650
Variance	($127,950)

The County's median household income of $57,784 is 16.5% below the New Jersey State-wide per capita income -- ranking 13th among the State's 21 counties (C-58; C-60). Among southern New Jersey counties, Camden County's per capita income ranks 3rd among the seven counties. The following chart depicts New Jersey median household incomes (C-58; C-60):

MEDIAN HOUSEHOLD INCOME	
Southern NJ Median	$53,926
All other NJ Counties Median	$74,206
Variance	($20,280)

Camden County's per capita income of $28,973 is 15.9% below the New Jersey State-wide per capita income -- ranking 17th among the State's 21 counties (C-58; C-60). Among southern New Jersey counties, Camden County's per capita income ranks 4th among the seven counties. The following chart reflects New Jersey per capita incomes (C-58; C-60).

PER CAPITA INCOME	
Southern NJ Median	$28,673
All other NJ Counties Median	$34,834
Variance	($6,161)

Relative to other New Jersey Counties, Camden County ranks weaker in terms of economic factors. The following chart demonstrates this fact (C-58; C-60):

Jurisdiction	**Per Capita Income**	**Median Household Income**	**Median Home Value**	**Unemployment Rate (as of Dec 2012)**
Somerset	$46,041	$96,360	$395,100	6.9%
Hunterdon	$44,831	$99,099	$403,800	6.6%
Morris	$44,593	$91,332	$420,400	6.8%
Bergen	$41,620	$31,761	$447,600	7.7%
Monmouth	$40,488	$79,334	$387,400	8.9%
Mercer	$36,602	$73,890	$282,700	7.6%
Sussex	$36,454	$83,839	$284,200	8.6%
Burlington	$34,911	$72,896	$247,100	9.1%
Union	$33,213	$66,398	$354,200	9.2%
Middlesex	$32,578	$74,522	$328,300	7.9%
Warren	$32,280	$66,594	$285,500	7.9%
Gloucester	$31,761	$71,850	$223,700	9.9%
Cape May	$30,653	$53,256	$323,100	16.2%
Hudson	$30,614	$56,546	$339,100	10.3%
Essex	$30,452	$51,009	$371,100	10.5%
Ocean	$28,798	$56,929	$266,500	11.0%
Camden	**$28,673**	**$57,784**	**$215,300**	**10.5%**
Salem	$26,808	$53,926	$193,700	11.5%
Atlantic	$25,875	$50,829	$233,000	14.3%
Passaic	$25,039	$52,382	$349,100	11.1%
Cumberland	$22,104	$51,548	$166,600	13.9%
New Jersey	$34,090	$67,458	$324,900	9.6%

NJ County Median (excluding Camden County)	**$32,429**	**$69,222**	**$325,700**	**9.15%**
Camden County Variance from Median	**($3,756)**	**($11,438)**	**($110,400)**	**1.35%**
Camden County Rank (of 21)	**17**	**13**	**19**	**7**

Camden County Sheriff's Department:

The Sheriff's Department is a County-wide law enforcement organization with full police powers to enforce all laws, both criminal and motor vehicle. The statutory basis for Sheriff's Officers of all ranks' authority is set forth in New Jersey Statutes as referenced in the Camden County "Office of the Sheriff Manual of Rules and Regulations" (P-2) which provides as follows:

> All Sheriff's Officers are, in addition to many other powers and authorities which they have, empowered to act as officers for the detection, apprehension, arrest and conviction of offenders against the law. N.J.S.A. 2A:154-3; Saved from repeal (See N.J.S.A. 2C:97-3).
>
> The Sheriff and his officers are authorized to preserve the public peace and prevent or quell public disturbances. N.J.S.A. 2A: 154-2 (Saved from repeal N.J.S.A. 2C:98-3).
>
> The Sheriff has the duty to protect any property attacked or threatened. N.J.S.A. 2A:48-4.

In addition to the statutory authority noted above, Sheriff's Officers also have the authority to enforce motor vehicle laws.

The Sheriff and the Sheriff's Officers' powers are the full gamut of law enforcement authority and peace officer status under New Jersey law. The Camden County Sheriff's Rules and Regulations Manual clearly provide for this wide power and include it within the authority and power stated for employees covered in this bargaining unit, wherein it provides as follows (P-2):

> The Sheriff has a broad range of powers in the State of New Jersey. The Sheriff's power was best expressed as the "primal power as a police and peace officer in the County ..." State v. Winne, 12 N.J. 152 (1953). As specified in the above job description and statutes, these powers and duties span the full gamut of law enforcement activities. Within these general powers, the Sheriff is, of course, expected to utilize modern, efficient and technologically sound means. Thus, the use of K-9 Units, and other specialized services may be employed to effectuate completion of these law enforcement duties.
>
> As can be seen by the extent of the powers of the Sheriff and the numerous duties of sheriff's officers, as described by the New Jersey Department of Personnel (Civil Service), many different types of law enforcement activities must be engaged. For example, the sheriff's officers are required to conduct investigations and take photographs of suspected criminal activities. This necessitates the establishment of a photographic laboratory and maintenance of appropriate staff to process photographs and prints same.
>
> In staying with his peace keeping duties, in the event of civil disorders, particularly labor disputes, the Sheriff relies on professional and technological advances including videotape surveillance. Videotaping such events has been an indispensable means of not only proving that offenders have violated court orders requiring orderly demonstrations, but also have been proven to

be effective aids in tempering otherwise aggressive behaviors.

Highly technical materials and equipment are also needed for fingerprint work. These are not only required in the civil service job description but are also necessitated to keep abreast with the state of the art crime fighting tools. This includes maintenance of appropriate laboratory facilities to conduct fingerprint analysis.

The normal day-to-day activities of the Sheriff's Office are County-wide. Exceptions include working with other agencies, extraditions, etc. The main focus however, is County-wide law enforcement. The Mission Statement clarifies the broad mission of the Sheriff's Office as set forth below (P-1):

> Providing a variety of law enforcement service and support using state of the art technology in a prompt, efficient and courteous manner to the residents, visitors and various agencies and departments throughout the County of Camden, the State of New Jersey and the United States.

The primary functions performed by the Sheriff's Office are mandated by statute. They include responsibilities in both civil and criminal areas of the law as depicted below (P-1):

- Court Security Bureau
- Investigations Bureau - apprehension of County fugitives and missing persons

- Bureau of Criminal Identification - maintains photographs, fingerprints and criminal histories for indictable offenses

- Civil Process Bureau

- Transportation Bureau

Ancillary services provided by the office include (P-1):

- Technical Services Unit (Bomb Squad)
- K-9 Unit - Drugs/Bomb Sniffing Dogs
- Tactical Team
- Trained Negotiators

Crime:

The County of Camden presents significant law enforcement challenges. When one considers the relative position of the County among all 21 New Jersey counties on specific areas of reportable crime, Camden County is reported at or near the top in virtually every area of comparison. The following chart depicts Camden's ratings, on a scale of 1 to 21, with 1 being the highest, for crime statistics in the State of New Jersey:

CAMDEN COUNTY	
County Crime Statistics	**Rating** *
Murder	3
Rape	2
Robbery	2
Aggravated Assaults	2
Burglary	2

Larceny-Theft	1
Motor Vehicle Theft	1
Manslaughter	4
Simple Assault	1
Arson	2
Embezzlement	3
Stolen Property (Buying/Possessing)	1
Weapons Offenses	2
Prostitution	2
All Other Offenses (Except Traffic)	1
Juvenile Arrests	1
Total Arrests	2

The Camden County Sheriff's Office serves all 37 municipalities in the County. These municipalities range from the urban center of Camden to rural communities such as Waterford Township. There is no doubt that a great array of law enforcement needs and challenges exists between these two different realms of responsibility. For example, the towns located on the eastern part of the County may be reliant on transportation more than even the City of Camden, where the jail is located within the jurisdiction.

At the beginning of 2013, this bargaining unit consisted of 153 members - 132 sheriff's officers and 21 sergeants. Of those, 67 are assigned to the County court facilities, up from 47 in 2011 (Brandley testimony, at P-4, p. 18). However, since January, 2013, eight unit members have retired or separated from service, and two more have submitted retirement papers with retirement dates in June and August.

The 2012, the County's total general appropriations was $339,993,362. Of this the Sheriff's Department 2012 budget was $15,335,000 or approximately 4% of the County's total budget. The Sheriff's budget was comprised mainly of salary and wages (C-58; C-60). Health, pension and other centrally-budgeted costs are not included in this budget cost.

Metro Division:

In 2011, the County entered into an agreement with the City of Camden and the State to create a Camden County Police Department, Metro Division (P-8). The new County Police Department, "CCPD", will be available to all municipalities on a voluntary basis[1]. The CCPD proposed draft plan (Exhibit P-8) states that it takes the current model of reactive policing in Camden City to a new dimension by incorporating proactive policing. The following chart provides staffing projections as indicated in the proposed draft plan, as compared with the Camden City Police Department (CPD):

CCPD STAFFING PROJECTIONS				
Staffing	Current CPD	Projected CCPD	Difference	Change %

[1] The CCPD proposed draft plan states that the Camden County Freeholders will create the CCPD. In addition, it states that staffing and participation costs will be made available to mayors, to assist them in determining their cost of participating in the CCPD and their cost savings to be realized by "*dissolving*" their departments.

Sworn	259	473	214	83%
Non-Sworn	44	96	52	118%
Total	303	569	266	88%

Projected costs of the CCPD will be determined based upon current city expenditures on policing operations (including all costs in addition to salary, i.e., capital expenditures, policing equipment, vehicles and their respective operation and maintenance costs, etc.). The City of Camden and the County are working collaboratively to quantify the costs (P-8). The direct and indirect costs (including but not limited to police administration, operations, capital expenses, insurance and legal costs) of police services for each participating municipality will be passed on from the County to the municipality (P-8).

The chart below lists the CCPD "Metro Division's advertised salary ranges (P-7):

METRO DIVISION (CCPD) SALARY RANGES		
	Low	High
Patrolman	47,177	87,409
Sergeant	91,835	102,927
Lieutenant	106,470	116,630
Captain	118,656	130,032

STIPULATIONS OF THE PARTIES

The parties stipulated to the following facts:

1. Unit employees who are increment eligible receive

increments on the anniversary of their date of hire.

2. Employees eligible for increments in 2013 have not been paid their increments.[2]
3. Longevity payments were rolled into base several years ago but some officers who were grandfathered are still getting a longevity payment as a percentage of base pay.

DISCUSSION

Contract Duration:

The PBA proposes a three-year contract covering 2013, 2014 and 2015. The County proposes a four-year contract extending through 2016.

The County maintains that the past pattern between the parties with respect to the term of the agreement has been four years or more. Specifically, the past two collective bargaining agreements (C-2; C-3) between the County and this bargaining unit have been four-year contracts. Moreover, the County asserts that a four-year term will provide the County with more stability, which is particularly relevant in light of the County's budgetary pressures and declining revenue.

[2] The PBA filed an application for interim relief with the Public Employment Relations Commission, asking PERC to order the County to pay the increments pending negotiations/arbitration. On May 7, PERC denied that application. P.E.R.C. No. 2013-11.

In Camden County Sheriff's Superior Officers Association, Docket No. IA-2013-010 (R. Gifford), 3/18/13, ("the Gifford Award") the arbitrator found that a three-year contract for the Sheriff's superior officers would best serve the public interest as it would expire contemporaneously with the corrections' superior officers contract on December 31, 2015. I agree. Moreover, awarding this contract to expire simultaneously with the County's other law enforcement units, especially the Sheriff's superiors, will mean that all units will be negotiating at the same time, which benefits the public interest.

Salaries and Wages:

The PBA has proposed to maintain increment payments going forward and to increase salaries by 2% for each year of the contract. The PBA argues that "great weight" should be given in this matter to the award issued by Arbitrator Gifford in the Sheriff's superiors matter; first, because it concerns the superior officers in the same office and chain of command as the sheriff's officers here; and second, because that award issued just two weeks before the hearing in this matter, and much of the evidence presented in that case applies here.

The PBA also argues that the comparable data it presented is the most relevant. It asks that I note that, unlike most sheriff's officer unit and municipal police groups in New

Jersey, the Camden sheriff's officers do not have a comprehensive longevity plan. It notes that surrounding counties and municipal forces have a longevity program that provides longevity payments up to 10% of base salary. Further, it offers a comparison of salary increases in other jurisdictions for 2013 and 2014, as follows:

<u>BASE RATE INCREASES BASED ON PBA EXHIBITS</u>

	2013	2014
Passaic County Sheriff	1.75%	1.75%
Essex County Sheriff	1.65 %	
Ocean County Sheriff	1.9 %	
Evesham	3%	
Gloucester Township	1.75%	
Cherry Hill	2 %	
Florence	3.5% (.5/3)	
Gloucester County Sheriff	2%	
Moorestown	2.5%	
Mount Holly	2%	
Pennsauken	4 %	
Westhampton	2.5 %	2.75 %
AVERAGES	**2.379%**	**2.25 %**

The PBA also argues that awarding the increases it proposes would have no significant impact on the employer's budget and would pose no danger of exceeding the levy cap. It contends that, in considering the impact on taxpayers, the County Sheriff's Office operations are not part of the problem, but rather the solution to a problem when considering taxation. The PBA points out that the Sheriff's Office enables services, specialization, equipment and state of the art techniques to be available at the local level without the local municipality having to incur the cost and thus is a positive from the taxpayer standpoint. In other words, there is an offset of municipal taxes being depressed as a result of the savings achieved through the services of the Sheriff's Office.

Finally, the PBA argues that 10 unit members have retired or separated from service in 2013, for a net cost reduction in base pay of $544,779 in 2013, and $830,171.00 in annualized savings. Therefore, the PBA maintains, the employer can well afford the increases sought herein.

The County argues the PBA's proposal of 2% increases annually, plus step movement, and a reduction in the access point for senior status from 22 years to 15 years, would exceed the statutorily mandated 2% cap by $2.98 Million.[3] It asserts that such cost liabilities are unwarranted in light of the

[3] The County calculates that if annual step increases are maintained, the County would face a payment liability of $822,102 over a 3-year period. (C-58 at p.70; J-1).

County's fiscal constraints and the Rank-and-File's competitive compensation.

The County further asserts that the PBA's proposal disregards the pattern of settlement in this matter; with respect to the two previously settled County law enforcement contracts, one of which is the County Sheriff's Superior Officers Association. (C-10; C-11) The County points to the longstanding pattern of settlement between these units. It argues that the PBA proposal is in clear contrast to the well-accepted practice of maintaining rank differential between these two closely associated bargaining units.

With regard to its fiscal circumstances, the County asserts that Camden ranks poorly in terms of key economic factors such as per capita income, median household income, median home value and unemployment rate, as compared with other New Jersey counties. (C-58 at pp.21-25; Testimony of Vijay Kapoor at T-110-112). Unlike the national economy, which has recently experienced some job growth, the unemployment rate of the County's residents has been stagnant and far below the national standard. (C-58 at p.8; Testimony of Vijay Kapoor at 97:23 to 99:5) It points out that the impact of the County's extended and elevated unemployment rate falls squarely on the County's taxpayers. (TR-98) As testified by the County's Financial Expert, "from the perspective of ability to pay . . .

unemployment obviously impacts a taxpayer's ability to pay. . . whether it is his or her current taxes or whether it is any taxes that may need to be raised in the future." (Testimony of Vijay Kapoor at TR-98).

The County sets forth that its proposal is the maximum that it can afford. It notes that reserve funds have decreased from $19.15 Million to $7.75 Million since 2009. (C-58 at p.17)

Moreover, in 2012, Moody's Investors Services issued an Aa2 bond rating for the County's outstanding long-term debt (C-58 at p.16; Testimony of Vijay Kapoor at TR-104). Moody's also identified the County's property tax revenue-raising constraints, a narrow current fund balance, and a rising debt burden as challenges facing the County (C-58 at p.16). Moody's further highlighted the County's declining fund balance as a challenge, recognizing that:

> The County is faced with several challenges, including recessionary declines in economically sensitive revenues, the State's imposition of a more restrictive 2% cap on property taxes, and growing expenditure costs associated with salaries and employee benefits.
> (C-58 at p.16; Testimony of Vijay Kapoor at TR-104-105)

The County notes that, like other governmental units, the County's fiscal challenges include long term expenditure issues such as rising health care costs and growing retiree benefit liabilities (C-58 at p.6; Testimony of Vijay Kapoor at TR-94-

96). The County's budget currently of at approximately $330 Million is about 80% funded by property tax revenues. (C-7; Testimony of David McPeak at P-4, 122:1-6) Previously, non-tax revenues represented a much higher percentage of the County's budget, but over the last four years, the County has experienced a significant decline in its registered fees revenue from $11 Million to $3 Million and its interest on investments, which have declined from $5 Million to $100,000 annually. (Testimony of David McPeak at P-4, 122-123; Testimony of Vijay Kapoor at TR-106).

From 2008 to 2012, the County's total revenue from property taxes has increased from 65.8% to 82.4%, representing a real dollar increase of nearly $40 Million (C-58 at p.19; Testimony of Vijay Kapoor at TR-107-108). The increase in revenue, however, is solely attributed to the increase in property taxes, not the growth of the County's economy. (C-58 at p.18; Testimony of Vijay Kapoor at TR-106-107). Further, the statutorily mandated 2% property tax cap has created additional constraints on the County's ability to generate revenue. (C-58 at p.19). As a result of the levy cap, the County has been forced to cut expenses and to draw down from its fund balance (Testimony of David McPeak at P-4, 126). Specifically, the County has relied on its fund balance reserves to meet expenditure pressures, including salary and operations costs (C-7; C-58 at p.17;

Testimony of Vijay Kapoor at TR-105-106). Since 2009, the County's total fund balance has decreased from $19.1 million to $7.57 million, resulting in a decreased ability to deal with unanticipated expenses. (C-4; C-5; C-6; C-7; C-58 at p.17; Testimony of Vijay Kapoor at TR-105-106.

The Sheriff's Department budget is approximately $15.5 Million, which is comprised mainly of salary and wages. (C-4; C-5; C-6; C-7; C-58 at p.20; Testimony of McPeak at P-4, 125) That amount would increase to $21 Million if fringe benefits such as healthcare, pension payments, and other centrally-budgeted costs were factored into the analysis. (Id. at 125:3-6) Of that, only $600,000 does not include labor related costs. (C-58 at p.20; TR-125-126).

The County asks that I take notes that this unit's wage increases since over the past 10 years outpaced the rate of growth of regional consumer prices by 7.7%. (C-58 at p.33; Testimony of Vijay Kapoor at TR-119-121). Over the last contract period, sheriff's officers received compounded wage increases of 12.5%, outpacing the rate of growth of regional consumer prices by over 3%. (C-58 at p.34)

In addition, the County also argues that, while it has converted from a self-funded health insurance plan to the State Health Benefits plan The County states that did not save money for the County but only mitigated the County's escalating health care costs, which increased 9% on January 1, 2013 (TR-128). Further, employee contributions have not offset the health insurance premium cost increases to the County, they have only mitigated the escalation. (Testimony of David McPeak at P-4, 128-129). Moreover, the County still faces payment obligations arising from its prior self-funded plan, as claims incurring prior to September 1, 2012 under the self-insured plan are still being processed (Id. at P-4, 129). The County has also been impacted by its escalating retiree benefit and pension contribution obligations. (C-58 at p.13; Testimony of Vijay Kapoor, TR-102-103). Over the last year, the County's mandated contributions to its law enforcement pensions have increased by $300,000. (Testimony of David McPeak at P-4, p. 130)

Finally, in 2013, the County will finalize the sale of its Camden County Health Services Center, a semi-autonomous entity not included in the County's tax base. (Testimony of David McPeak at P-4, 134:4-13) In total, the County budgets over $6.5 Million toward the operation of the Hospital. (Id. at P-4, 134-136) These rising costs and debts have made the operation unsustainable going forward.

When the proposed sale becomes final, most if not all of the Hospital's employees will be laid off. (Id. at P-4, 137:21-25) The layoffs, however, will only marginally reduce the County's labor-related obligations and liabilities, as the

Health Services Center employees' salary and benefits are primarily funded by State Medicare and Medicaid, which will cease upon the sale of the Center. (Id. at P-4, p. 135; 160-161). Moreover, the County will face continued expenses after the sale of the Center, including health benefits for to existing employee retirees, $15 Million in outstanding pension obligations, and unemployment benefits to laid-off employees. (Id. at P-4, 139; 159).

ANALYSIS

I am required to make a reasonable determination of the issues, giving due weight to the statutory criteria set forth in N.J.S.A. 34:13A-16(g). 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 that each party shall have the right to submit additional evidence concerning the comparability of jurisdictions for the arbitrator's consideration.

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

4. Stipulations of the parties.

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

6. The financial impact on the governing unit, its residents, the limitations imposed upon the local unit's property tax levy pursuant to section 10 of P.L. 2007, c.62 (C.40A:4- 45.45), 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 a proposed local budget.

7. The cost of living.

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

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).

All of the statutory factors are relevant, but they are not necessarily entitled to equal weight. As discussed below, I conclude that the interests and welfare of the public is entitled to the most weight. Further, the party seeking a change to an existing term or condition of employment bears the burden of justifying the proposed change. I considered my decision to award or deny the individual issues in dispute as part of a total package for the terms of the entire award.

Statutory 2% Cap on Award:

This Award is subject to the 2% base salary cap ("hard cap") imposed by P.L. 2010, c. 105 as codified in N.J.S.A. 34:13a-16.7. The statute provides:

> a. As used in this section: "salary" means the salary provided pursuant to a salary guide or table and any amount provided pursuant to a salary increment, including any amount provided for longevity or length of service. It also shall include any other item agreed to by the parties, or any other item that was included in the base salary as understood by the parties in the prior contract. Base salary shall not include non-salary economic issues, pension and health and medical insurance costs.
>
> "Non-salary economic issues" means any economic issue that is not included in the definition of base salary.
>
> b. An arbitrator shall not render any award pursuant to section 3 of P.L. 1977, c. 85 (C.34: 13A-16) which, on an annual basis, increases base salary items by more than 2.0 percent of the aggregate amount expended by the public employer on base salary items for the members of the affected employee organization in the twelve months immediately preceding the expiration of the collective negotiation agreement subject to arbitration; provided, however, the parties may agree, or the arbitrator may decide, to distribute the aggregate monetary value of the award over the term of the collective negotiation agreement in unequal annual percentages. An award of an

> arbitrator shall not include base salary items and non-salary economic issues which were not included in the prior collective negotiations agreement.

In Borough of New Milford, P.E.R.C. No. 2012-53, 38 NJPER 380 (¶116 2012), PERC cited standards as they relate to interest arbitration awards having to meet the 2% base salary cap requirements:

> This is the first interest arbitration award that we review under the new 2% limitation on adjustments to base salary. Accordingly, we modify our review standard to include that we must determine whether the arbitrator established that the award will not increase base salary by more than 2% per contract year or 6% in the aggregate for a three-year contract award. In order for us to make that determination, the arbitrator must state what the total base salary was for the last year of the expired contract and show the methodology as to how base salary was calculated. We understand that the parties may dispute the actual base salary amount and the arbitrator must make the determination and explain what was included based on the evidence submitted by the parties. Next, the arbitrator must calculate the costs of the award to establish that the award will not increase the employer's base salary costs in excess of 6% in the aggregate. The statutory definition of base salary includes the costs of the salary increments of unit members as they move through the steps of the salary guide. Accordingly, the arbitrator must review the scattergram of the employees' placement on the guide to determine the incremental costs in addition to the across-the-board raises awarded. The arbitrator must then determine the costs of any other economic benefit to the employees that was included in base salary, but at a minimum this calculation must include a determination of the employer's cost of longevity. Once these calculations are made, the arbitrator must make a final calculation that the total economic award does not increase the employer's costs for base salary by more than 2% per contract year or 6% in the aggregate.

PERC continued its discussion of base salary:

> Since an arbitrator, under the new law, is required to project costs for the entirety of the duration of the award, calculation of purported savings resulting from anticipated retirements, and for that matter added costs due to replacement by hiring new staff or promoting existing staff are all too speculative to be calculated at the time of the award. The Commission believes that <u>the better model to achieve compliance with P.L. 2010 c. 105 is to utilize the scattergram demonstrating the placement on the guide of all of the employees in the bargaining unit as of the end of the year preceding the initiation of the new contract</u>, and to simply move those employees forward through the newly awarded salary scales and longevity entitlements. Thus, <u>both reductions in costs resulting from retirements or otherwise, as well as any increases in costs stemming from promotions or additional new hires would not affect the costing out of the award</u> required by the new amendments to the Interest Arbitration Reform Act.
>
> We note that the cap on salary awards in the new legislation does not provide for the PBA to be credited with savings that the Borough receives from retirements or any other legislation that may reduce the employer's costs (emphasis added).

In <u>Camden Sheriff's Superior Officers Association</u> and in <u>Point Pleasant Borough & PBA Local 158/SOA</u>, PERC Docket Nos. IA-2012-018 & IA-2012-019 (December 2012), both arbitrators concluded that they were compelled to apply PERC's standards in calculating the 2% hard cap, including the use of the "scattergram approach" as set forth by the Commission in <u>Borough of New Milford</u> (specifically, see underlined text above.) Accordingly, I will use the compliment of employees in the bargaining unit on December 31, 2012 and carry that group forward for the length of the contract awarded. This means that retirements or promotions out of this unit which are effective after January 1, 2013 will not be considered in calculating the 2% cap. Nor would the impact of new hires be considered. Application of the 2% hard cap will be discussed below.

Existing Salary/Benefits:

As indicated by the chart below, the current unit consists of 153 employees -- 132 sheriff's officers and 21 sergeants. Their base salary, pursuant to the expired contract, is as follows:

Employees' Salaries as of 12/31/12			
Step	# of Ees	Salary	Increment to Next Step
1	24	44,449	3,664
2	0	48,113	9,463
3	0	57,576	8,002
4	13	65,578	11,264
5	75	76,842	5,379
6	20	82,221	
Sgt.	14	85,566	5,992
Sgts. w/22 Yrs.	7	91,558	

The existing salary guides are a result of the interest arbitration award issued in 2011 wherein Arbitrator Barbara Zausner awarded a five-year contract covering 2008 through 2012 and awarding an aggregate of 10.9% across-the-board increases over the life of the contract. In addition to base pay, 30 employees continue to receive longevity payments in the form of a percentage of base pay, which range from 2% to 4%.

Unit employees are also currently eligible for an 8% shift differential for working the overnight shift and a 6% differential for the evening shift. Further, employees receive an annual uniform maintenance allowance of $725 and the County provides for the replacement of uniforms as needed. Sheriff's officers receive health benefits for which, beginning in 2012, they are required to contribute to the premium costs at rates established by Chapter 78. Sheriff's officers have the usual array of leave time benefits, holiday pay educational incentive pay for college degrees earned. They also have contractual rights to post on certain posts and shifts.

PERC Statistics:

The most recent salary increase analysis for interest arbitration on PERC's website shows that the average increase for awards during calendar year 2012 was 1.86%. Over the same time period, reported voluntary settlements averaged 1.77%. PERC indicates that the average 2012 settlement for post-2011 filings (those more likely to be subject to the 2% hard cap) is 1.81%, and the average 2012 award for post-2011 filings is 1.40%. I give greater weight to the increases received through the post-

2011 filings than I do to the ones under the other settlements and awards. Overall, PERC's data over the past few years shows that there is a downward trend in salary increases received through voluntary settlement or an award.

Cost of Living:

The cost of living statistics issued by the Bureau of Labor Statistics, U.S. Department of Labor, for February 2013, shows that the Consumer Price Index (CPI) for the 12-month period of February 2012 through February 2013 was 1.7%, before seasonal adjustment (P-12). The 12-month index for food rose 1.6%; energy rose 2.3%; and all items less food and energy rose 2.0%, all before seasonal adjustment (P-12). This annual rate is slightly higher than its 1.9% average annualized increase over the past ten years. The medical care index rose 3.1% over the past 12 months; the shelter index increased 2.3%; and the index for new vehicles advanced 1.1%.

Camden County's Sheriff's Officers received wage increases (compounded) totaling 12.5% for January 2008 through December 2012 contract period. These increases outpaced the rate of growth of consumer prices regionally and nationally (C-58; C-60).

Internal Comparables:

The record shows only two County law enforcement groups with settled contracts at this time. The County Corrections Superior Officers have a contract effective 2009 through 2015, which includes the following increases to their base salaries: 2009- 2.75%; 2010- 2.75%; 2011 – 2.75%; 2012- 2.5%; 2013- 1%, 2014-1%, and 2015-1.25%. It must be remembered, however, that this contract (which is not in evidence in this record but was recited in the Gifford award) could have been negotiated anytime during that period.

In addition, the Gifford award covering Sheriff's superior officers, which was subject to the 2% hard cap, provided salary increases of 1% for 2013, 1.25% for 2014, and 1.25% for 2015 (C-57). However, this bargaining unit does not have increments to be paid out of the 2% hard cap, as all employees are on a flat pay rate for the title.

The record does not reveal that there are any County contracts completed for civilian groups beyond 2012.

External Comparables:

In comparing Camden's sheriff officers with sheriff's officers throughout the State, the following chart depicts Camden's ranking in starting pay, pay after five years and top step pay:

New Jersey Sheriff Officers			
County	Starting Pay	After 5 Years	Maximum Pay
Bergen	42,977	73,919	114,123
Passaic	36,995	70,760	102,265
Ocean	38,000	57,620	97,479

Monmouth	35,770	64,877	94,752
Somerset	43,215	58,323	90,741
Union	45,981	65,981	89,126
Morris	46,400	58,989	88,796
Cape May	34,073	47,024	88,377
Sussex	37,903	50,116	87,624
Hudson	31,239	44,571	86,984
Essex	48,515	78,648	86,765
Middlesex	43,086	63,886	83,172
Camden	45,174	77,567	82,946
Gloucester	39,748	58,203	81,962
Mercer	46,768	61,303	81,625
Salem	40,574	55,583	79,497
Atlantic	34,451	45,826	72,897
Warren	35,000	52,077	70,781
Hunterdon	32,200	41,100	63,500
Cumberland	32,782	44,680	63,250
Burlington	38,020	49,134	62,000
State Average	**39,470**	**58,104**	**84,222**
* Includes base pay, longevity and uniform allowance.			

As indicated above, Camden Sheriff's top pay (the 22-year "longevity step" is about at the median of all counties and $1,300 below State average. It must be remembered however, that the salaries above could be based upon contracts which were negotiated (or awarded) recently, or several years ago, and may not have been impacted by the 2% hard cap.

The PBA also presented evidence of local area police contracts, which show:

Municipality	2012	2013	2014

Pennsauken	44,133-99,241	45,898 – 103,211	
Winslow Tp	44.919-92,376 (2011 rate)		
Cherry Hill	40,961-92,489	41,780 – 95,827	
(2-tier)	40,157-85,602	41,780 - 87,314	
Evesham	26,201-92,228	26,987-100,238	
(2-tier)	26,053-97,318	26,835-100,238	
Florence	94,420	97,739	
Moorestown	53,603-93,697	54,943-96,039	
Mt. Holly	36,599-94,738	37,331-96,633	
(2-tier)	36,058-94,738	36,779-96,633	
Westampton	46,564-74,407	46,564-76,267	46,564-78,364
(2-tier)	31,000-74,407	31,000-76,267	31,000-78,364

One could conclude from this data that, as expected, Camden's Sheriff's officers have a lower base pay than average area municipal police departments. However, I note that only eight towns have been submitted for comparison, leaving me to wonder whether these towns are truly representative of County average municipal police salaries. In any event, the PBA correctly concludes that, under the 2% hard cap, the members of this bargaining unit are not likely to "catch average" (either as compared to municipal police, or as compared to other sheriff's departments State-wide) during the life of this contract.

Budget:

The 2013 budget has not yet been finalized. Total general appropriations in the 2012 Camden Budget were $339,993,362 and $280,121,500 was required to be raised in taxes (C-58; C-60). The amount to be raised by taxes for 2011 was $271,577,245. The estimated tax rate for 2012 was $.71 per $100 of assessed valuation; an increase of $.05 from 2011 (C-58; C-60). The amount to be raised by taxation was within the 2% statutory Cap.

Since 2008, County non-tax revenues, including State aid and grant funding, had been reduced and the County has had to increasingly rely on property taxes as its main source of revenue (C-58; C-60). From 2008 to 2012, the percentage of total revenue from property taxes had increased significantly (from 65.8% to 82.4% of total revenue) -- a real dollar increase of nearly $40,000,000 (C-58; C-60).

Annual salary appropriation balances of around $1,587,514 were placed in reserve status for 2012 (C-58; C-60). The Structural Budget Imbalances spreadsheet (sheet 3f of the 2012 budget) shows that $2,000,000 were set aside as future year appropriation increases subject to collective bargaining agreements and arbitration awards (C-58; C-60).

Since 2009, the County's total fund balance had decreased from $19.1 million dollars to $7.57 million in 2011 (C-58; C-60). Its surplus grew from $14.2 million dollars in 2008 to

$19.1 million dollars in 2009. Since that time it decreased to $15 million dollars in 2010 and to $7.3 million dollars in 2012 (P-15). The County had used its fund balance reserves to meet expenditure pressures, including salary costs[4].

A conclusion can be reached, based on the above figures that the County has to remain prudent in its budgeting practices in order to meet its fiscal challenges.

Appropriation CAP/Tax Levy CAP:

The Appropriation Cap is not applicable to County Budgets and the Tax Levy Cap is calculated in the budget year-to-year. With respect to 2012 Budget (C-58; C-60), the Levy Cap was met and the budget was balanced consistent with Levy Cap calculations. With respect to 2013, nothing in this award will cause the County to exceed its levy cap, as the award is less than 2% increases in salary costs pursuant to the statutory hard cap on an arbitrator's award.

Application of 2% Hard Cap:

In this matter, the County presented a list of employees together with their salaries and longevity paid during the base year of 2012. The PBA stipulated that the list was accurate. The County calculated that the total base pay plus longevity was $11,243,301 in 2012, and

[4] Moody's Investors Services highlighted Camden County's declining fund balance as a challenge.

therefore, the value of the 2% hard cap is $224,866 each year. However, the PBA argues in its brief that the 2% cap dollar amount is not a static amount, but rather the amount should be compounded for each year of the contract. I disagree. The statute prohibits me from awarding increases to "base salary items" ". . . by more than 2% of the aggregate amount expended by the public employer on base salary items for [unit members] in the [the base year}." Reading this literally, I conclude that the appropriate methodology is to calculate the aggregate base payments the employer actually paid in the last year of the expired contract (here, 2012), and multiply that base by 2%. This is the maximum dollar amount which may be awarded for each year of the contract, except that it may be spread unevenly throughout the contract. However, it is a constant dollar amount, as it is 2% of the aggregate base year salaries paid, <u>not</u> 2% of the prior year. Therefore, the maximum pool of funds available for a three-year contract is $674,598 ($224,866 x 3). I am limited to increases by this amount, and any increases in salaries owing to increments costs or longevity payment increases must be included within this 2% cap.

Here, there are 37 employees still moving through the step guide in 2013 -- 24 employees moving from step 1 to step 2, and 13 employees moving from step 4 to step 5. In addition, there is 1 employee that will become eligible for the 22-year longevity step in 2013. Based upon the current salary guide, <u>without any cost-of-living increases</u>, the cost of providing increments/longevity increases to these 38 employees in 2013 would be as follows:

24 employees going to step 2 x $3,664 = $87,936
13 employees going to step 5 x $11,264= $146,432
1 employee going to step 6 x $5,379 = $5,379
$239,747

For 2014, the cost of increments would be as follows:

24 employees gong to step 3 x $9,463 = $227,112
1 employee going to step 6 x $5474 = 5,379
$232,491

For 2015, the cost of increments would be as follows:

24 employees going to step 4 x $8002 = $192,048

Increment Cost	
Years	Cost of Increments
2012	-
2013	239,747

2014	232,491
2015	192,048
Totals	**664,286**

Therefore, it can easily be seen that the cost of just paying the increments provided by the current salary guide exceeds the pot of money available under the 2% hard cap. Thus, if the increment is paid each year, there would be virtually no funds left available to provide any increases to sheriff's officers who are on the top step of the guide; nor would there be any money left to increase the salaries of sergeants. These employees comprise the largest segment of the bargaining unit.

Accordingly, I am have no alternative but to either pay increments and leave the existing guide at its current dollar values; or freeze employees in place on the guide, providing no step movement on the guide in some years to provide money for across-the-board increases; or reconfigure the guide.

I decline to reconfigure the salary guide. First, no party has proposed guide reconfiguration. Second, the guide, while providing uneven step increases, is not structurally flawed. Paying increments to the employees who are moving through the steps at the expense of employees at the top of the guide is also not a viable alternative. It would demoralize the employees at the top of the guide, and give no recognition to the factors of increases in cost-of-living and comparable pay in other jurisdictions. Therefore, I will pay increments in 2013, but freeze employees at their 2013 salary guide step in 2014 and 2015 so that all employees can benefit from an across-the-board increase. I award as follows:

2013 -

a. Across-the-board salary increases effective and retroactive to January 1, 2013 of 1.0% for all unit employees.

b. All employees eligible to receive step increases on the salary guide shall be paid such step increases on their anniversary date.

2014 -

a. Effective January 1, 2014, all unit employees shall receive across-the-board salary increases of 1.25%.

b. Guide Step Freeze: Employees moving through the salary guide steps shall not advance on the guide in 2014 and shall remain on the step they were on in 2013.

2015 -

a. Effective January 1, 2015, all unit employees shall be receive across-the-board salary increases of 1.25%.

b. Guide Step Freeze: Employees moving through the salary guide steps shall not advance on the guide in 2015 and shall remain on the step they were on in 2013.

c. Increment payments shall resume at the beginning of 2016.

COST OF THE AWARD

The total cost of the award herein is as follows:

Cost of the Award				
Years	Cost of ATB Increases	Cost of Increments	Annual Cost	Total Base Salary for the Unit
2012	-	-	-	11,243,301
2013	112,433	240,934	353,367	11,596,668
2014	144,958		144,958	11,741,626
2015	146,770		146,770	11,888,396
Totals	**404,161**	**240,934**	**645,095**	

As shown above, the total cost is under the 2% statutory cap on an arbitrator's award; in this case, $674,598 for a 3-year contract. Further, the award will present no problem under the County's levy cap as it increases base pay by less than 2% per year.

New Hire Rate, Guide Freeze & Retroactivity

The County has proposed to eliminate the step guide for new hires. It seeks to have new employees only receive across-the-board salary adjustments. With regard to existing employees, the County proposes to freeze all employees at their current step on the guide for the life of the contract. Further, it asks that paragraph 9 of the contract be excised from the contract. This paragraph provides that any salary increases will be given retroactively back to the effective date of the contract to all officers and sergeants who left the bargaining unit for any reason except termination.

The County has not proffered any justification for any of these proposals. As far the proposal to eliminate the step guide for new hires, this proposal is far-fetched and not sufficiently developed. What would new employees be paid instead if not on the salary guide? The starting pay rate of about $45,000 (after the increase herein)? That pay plan would result in serious employee morale problems and recruiting problems for the department, as it would in no time result in the Camden sheriff's office being the lowest paid in the State. It would also impact on the quality of the workforce and create major turnover problems. None of these outcomes is supportive of any of the statutory criteria.

As to the County's proposal to eliminate the retroactivity provision in the contract, this proposal has also not been explained. One can only speculate that the motive is purely to trim salary costs and perhaps to avoid the administrative paperwork of making the calculations. However, this award is issuing just 15 weeks into the new contract period, so the period of salary retroactivity is insignificant. Second, the record shows that only about 8 employees have retired or resigned from unit positions since the beginning of 2013 and only 1 of those 8 employees was increment eligible. Third, the across-the-board increase of 1.0% for 2013, even at top pay, is only about $800 per employee. Thus, the aggregate payment for retro money for employees who retired or resigned is *de minimus*.

As to freezing the salary guide for the life of the contract, this proposal is also not supported. After this year, the only current employees moving through the salary guide will be those currently at step 1, who earn a starting pay of just under $45,000 annually. Generally speaking, candidates come into New Jersey law enforcement work, not for the starting salary, but for the possibility of steady increases and eventually high top pay. Freezing employees at the lowest salary rate and preventing their advancement beyond that level for three years would have a detrimental impact on the department's ability to hire and retain qualified staff, and is not in the public interest. As it is, I have been required to freeze these employees at the step 2 rate for all of 2014 and 2015 so that the other unit employees can have a chance to obtain salary increases.

The County's proposals regarding freezing the guide for the life of the contract, eliminating the guide for new hires, and abolishing the retroactivity provisions in the contract are denied.

Senior Status Pay:

The PBA proposes to reduce the access point for senior status from 22 years to 15 years. The County argues that if this proposal were awarded, it would increase the base salaries of 42 additional unit employees and would impose unaffordable payment liabilities upon the County. The County avers that the PBA failed to articulate any viable reason why such a change to the senior status access point is necessary. Therefore, the County argues that the proposal should be denied.

The expired contract provides for a "senior pay" rate for employees who complete 22 years of pensionable service. This is, in essence, a "longevity step" and provides eligible unit employees with a seven percent increase in base pay. Currently, for Sheriff's officers the longevity step is $5,379 more than top pay, and sergeants with $5990 above sergeant's pay. If the PBA's proposal were awarded, an additional 25 officers and 11 sergeants would reach their 15th anniversary and be eligible for the longevity step during the 2012-2015 contract. Even before any across-the-board percentage increase on the longevity step is factored in, this proposal would cost the County an additional $200,365 ($5,379 x 25 officers) + ($5990 x 11 sergeants) in new increases. This would put the award over the 2% hard cap and either risk the County's ability to stay within the tax levy cap or severely impact its fund balances. I find that this proposal is therefore not in the public interest.

Longevity:

The PBA's proposal concerning Article IX, "Longevity" states, "Delete the longevity grandfather provision." The current contract provides,

> Effective January 1, 1995, longevity pay will be discontinued except that all employees covered by this agreement, who will have more than five (5) years of continuous service as of December 15, 1995 will have their base pay increased as per the following schedule:

Five years of service as of December 15, 1995	an additional 2% raise
Six years of service as of December 15, 1995	an additional 3% raise
Seven years of service as of December 15, 1995	an additional 4% raise

Ten years of service
as of December 15, 1995 an additional 5% raise

[Additional years' service listed in the provision no longer apply to any unit members]

These percentage amounts do not have a maximum (CAP) limitation, and shall become part of the employee's base compensation effective January 1, 1995 and retroactive to that date; and these employees shall continue to have their annual base salary increased by the percentage to which they are entitled on December 15, 1995 for as long as they remain in the County's employ. (C-2, pp 7-8).

There are currently 30 unit employees (not factoring in 2013 retirements) receiving between 2% to 4% longevity pay under this contract provision. The PBA has not explained or supported this proposal. The proposal is denied.

Shift Differential

The County proposes to reduce the shift differential from 6% to 3% for second shift and 8% to 6% for third shift. The County contends that the purpose of this proposal is to match what has previously been awarded to Sheriff's superiors and the County Corrections superiors. (C-57.) It also asserts that a majority of New Jersey county sheriff's departments do not offer shift differentials to sheriff's officers. (C-36 at p.49; Testimony of Vijay Kapoor at TR-127). The County asserts that the PBA has failed to articulate any viable reason why their excessive shift differential compensation should not be modestly reduced. Thus, the County contends that its proposal regarding shift differential should be adopted.

The PBA has not advanced any argument concerning shift differential reductions. However, as stated earlier in this decision, the burden of justifying a proposal is on the party that seeks the change; the PBA is not obligated to substantiate keeping its existing benefits. The record shows that nine county sheriff's offices have some form of shift differential; of those, only Passaic and Camden have a shift differential in the form of a percentage of base pay.[5]

Additionally, the Gifford award reduced the shift differentials as per the County's proposal to 3% for evening shift and 6% for night shift, and noted that the same had already been adopted for the corrections superiors. He awarded the reduction to go into effect on December 30, 2015. Accordingly, there is both an emerging pattern of shift differential reductions in the County and evidence that Camden's sheriff's officer differential is at or near the top end of differential payments to Sheriff's officers state-wide. Therefore, I award the reductions in shift differential as proposed by the County, but effective December 30, 2015. This provides consistency with the superior officers groups and

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[5] Passaic County offers shift differentials of 5% for evening shift and 10% for night shift.

reduces costs going forward, which is, of course, in the public interest. Maintaining the same shift differential with the superiors in the same chain of command eliminates a possible disincentive for employees to seek promotion to higher rank.

I am aware that those employees who would most likely be affected by the shift differential reduction would be those with the least seniority; those who are also the officers at the lower end of the pay scale. However, by the time the reduction becomes effective, these employees will resume getting their increment payments (1/1/16), and therefore, the overall impact on their total wages will be lessened.

Personal Days

The County proposes to reduce the allotment of personal days for employees from 6 days to 3 days per year. The County argues that no other County bargaining unit receives six days, and the Rank-and-File have not offered any viable argument as to why they should be the exception. (Testimony of Brian Eisen at P-4, 162-163) In fact, the majority of the County's bargaining units are afforded three personal days, with few exceptions. (Id. at P-4, 163) Moreover, none of the other county sheriff's offices provide their officers with six personal days. (C-58, p.48; Testimony of Vijay Kapoor at TR-127). The

County argues that this amount of personal days is excessive and unwarranted, given the number of days each officer receives. Therefore, the County urges me to reduce the personal leave benefit from 6 days to 3 days.

While it is true Camden's sheriff's officers enjoy a greater allotment of personal leave than other sheriff's departments around the State, the County is incorrect that this is the only group with six personal days. In fact, the same argument was made in the Sheriff's superiors group, and that arbitrator declined to modify the benefit from 6 days to 3 days. Thus, the Sheriff's department employees of all ranks have the same benefit. Given that the salary award in this matter is lean and I have been forced to freeze employees on the guide steps, I believe that this is not the contract to reduce leave benefits. Such a move would not further employee morale or assist the sheriff in attracting and retaining staff, and for that reason, is not in the public interest.

The County also asks that I strike the provision in the contract that permits employees to cash out unused personal leave and restrict carryover to only one calendar year. The County has not provided any information concerning the cost savings to the employer (and concomitant loss of payments) to the employees for me to determine the impact of such a proposal. Therefore, this proposal must also be denied.

Holidays:

The County seeks to reduce the number of paid holidays from the current 13 to 12 by eliminating the employee's birthday as a holiday. It also asks to strike contract language that permits an employee who has a vacation period that includes a holiday to select an alternative day. Further, it seeks to eliminate the clause that provides for regular pay plus time and one-half pay for employees working on their birthday. None of these proposals have been supported by record evidence of the associated costs or even the incidence of occurrence. Therefore, these proposals are denied.

Educational Incentive Pay:

The County proposes to eliminate part of Article XI, Section 3 which provides, in relevant part, for an annual educational incentive added to base pay for earning college degrees: $250 for an associate degree; $500 for a bachelor's degree, and $1,000 for a master's degree. The County has advanced no particular argument in support of this proposal, nor has it supplied information about the cost savings associated with it.

An educated workforce is both a benefit to the individual officer and a benefit to the department. This educational incentive payment, on an individual basis, is not a significant dollar amount. In light of the strictures placed upon the award by the 2% hard cap, I am not inclined to eliminate this benefit.

Compensatory Time

Currently, sheriff's officers have an option to sell back unused comp time at the end of each quarter upon written advance notice. The County seeks to eliminate this contract provision.

Again, the County has not furnished evidence of what the current costs of this contract provision are and what might be saved by eliminating it. The proposal is denied.

Payment of Unused Leave Time Upon Layoff:

Currently, employees who are laid off are paid for their unused compensatory time, vacation time, and personal days upon layoff, but the time is pro-rated to the date of the layoff. The contract provides, however, that the laid off officer will not have to repay the County for leave time he has already taken. It is this last sentence that the County seeks to eliminate.

The County has not justified this language change and it is therefore denied.

Funeral Leave

The County asks that the Funeral Leave provision found in Article XVI, Section 1 be modified to add the underlined text as follows:

(a) - seven days in case of death of a spouse, domestic partner, civil union partner, child, step-child, foster-child, mother, father, or step parent.

(b) -four (4) days in case of death of brother or sister including step-siblings.

This proposal is identical to the changes made in the superior officers' contract as a result of the Gifford award. The proposal is reasonable and, for the sake of consistency with the superiors' group, the proposal is awarded.

Sick Leave

Both parties made proposals with regard to sick leave. The PBA seeks to add this provision:

> When an employee has accumulated not less than 100 sick days in the accumulated sick leave time bank, then thereafter said employee may sell back up to ten sick days per year at the then current rate of compensation.

The County proposes to add "domestic partner/civil union partner" to the definition of "immediate family." The proposal is reasonable and consistent with the law. Therefore, it is awarded.

The County further proposes to eliminate the provision which permits an employee to sell back unused sick leave upon retirement, and it seeks to eliminate bonus vacation days for non-use of sick time.

Currently, the contract provides at Article XIV, Section 3 that upon resignation or retirement, an employee may sell back to the County his accumulated sick leave provided he has at least ten years' service with the County. Employees hired after January 1, 2006 cash out sick leave at the rate of 85% of accumulated days upon retirement or resignation.

Section 5 provides that employees who do not use sick time in any calendar quarter shall earn one additional vacation day for each quarter where no sick time was used. Employees who use no sick time at all during a calendar year earn an additional five vacation days for that year.

The County argues that the PBA's proposal regarding sick leave buybacks qualifies is a "new economic item" that was not included in the expired contract, and is thus beyond the scope of this arbitration pursuant to N.J.S.A. 34:13A-16.7(b). Therefore, the County argues, that provision of the PBA's proposal should not be considered.

First, I disagree with the County that the PBA's proposal is a "new economic item". The contract already provides a mechanism for selling back unused sick leave. Rather, the PBA's proposal merely seeks to advance the payout date to quarterly rather than at the end of one's career. I awarded a similar proposal in Hudson County Corrections, Docket No. IA-2012-46 (7/23/12). However, unlike the record in that matter, this record does not include how much sick leave is currently "banked", so I have no way of determining the short-term costs associated with the proposal. Nor do I know the frequency with which sheriff's officers call out sick, to determine whether there is a sick leave problem that needs an additional incentive to solve. Accordingly, the PBA's proposal cannot be adequately considered on its merits.

As to the County's proposals, the record does not reveal what sick leave banks are being held by employees for possible cash-out at retirement or what the history of such pay-outs have been. Nor does the record indicate how much sick leave employees are converting to bonus vacation days to know whether this proposal deserves consideration. Therefore, I decline to award both the County's proposals and the PBA's proposals.

FMLA/FLA:

The County proposes to add this language to Article XIV and Article XV:

> All leaves taken under this article shall run concurrent with any qualifying leaves authorized by the Family Medical Leave Act or the New Jersey Family Leave Act.

I find that this proposal is reasonable and is also consistent with the award in the superior officers' matter. The County's proposal is awarded.

Grievance Procedure

The County requests several changes in the current grievance procedure. First, it seeks to add a time limit at step 3 of the grievance procedure that would permit the aggrieved party to submit a grievance at that step within 10 days. Currently, the contract has no time limit at this step.

Second, the County asks that the filing period for submitting a grievance to arbitration after the PBA receives the Step 2 response from the Labor Relations Committee or designated hearing officer (or the Committee failed to issue a decision) be reduced from 44 days to 20 calendar days.

Third, the County proposes to eliminate current contract language that permit the PBA to bypass step 3 and go directly to arbitration. And lastly, the County proposes to add at the end of Section 8: "Grievances not filed in a timely manner or following the proper procedure as set forth herein shall be deemed waived."

The County asserts that these proposals will ensure the effectiveness of the PBA's grievance procedure. It maintains that the current practice of skipping the County step of the process bypasses a crucial step of the process where County counsel has the opportunity to provide legal analysis and support in attempting to resolve the matter before grievance arbitration costs are incurred by both parties. Further, this step is limited in duration, so there is no detriment to the grieving party. According to County Human Resources Director Brian Eisen, this proposal will prevent additional and unnecessary grievance-related expenses. (Testimony of Brian Eisen at P-4, 184).

The PBA makes no argument about these proposed changes.

An effective grievance procedure works to secure a resolution of disputes at the lowest possible level and in a prompt and efficient manner. Here, the County's proposal to insert a time limit on moving grievances to step 3, where there currently is none, is a reasonable demand. With regard to its proposal that Step 3 (the County Labor Relations Committee or designated hearing officer) not be automatically skipped at the discretion of the union, this appears to potentially foster better labor relations, as it gives the parties an opportunity to resolve disputes prior to initiating arbitration, which can be lengthy and costly. However, I am mindful that this step does impose an additional 44 days into the process. But the trade-off is that, after review of County Counsel, it is likely fewer grievances will go to arbitration. On the other hand, there are undoubtedly some grievances that the parties could agree could not be solved by going through Step 3. Accordingly, I will modify the contract language to permit the Union to skip step 3 (County Labor Relations or designated hearing officer) where the parties so agree.

As to the County's demand to shorten the time period in which the Union must initiate arbitration after step 3, the County asks that the period be shortened from 44 days to 20 days.

Just as the County explained the wisdom of attorney review of the grievance before the parties go off to arbitration, the same logic applies to the Union's decision on whether to arbitrate a dispute. There needs to be sufficient time for legal review of the merits of the grievance. However, I believe this can be accomplished within 30 days rather than 44 days. This creates a balance - of 30 days each -- between the time the County has to evaluate a grievance and the time the Union has to decide to arbitrate. That part of the County's proposal is awarded.

As to the County's final proposal to add language declaring an untimely filing or a procedural misfiling as a waiver, I decline to award this language.

Bidding/Temporary Reassignments ("Personnel Regulations")

The County proposes to eliminate re-bidding assignments when officers move from a non-biddable job to biddable assignment. The County also seeks to add a new provision which would permit the Sheriff to temporarily assign officers to permit field training or to cover positions of officers on extended leaves of absence (5 or more consecutive shifts). Temporary reassignments would be distributed on a reasonable basis whenever possible.

The expired contract contains a lengthy and detailed bidding process. It provides for an annual bidding process that begins in October each year. First, the Sheriff designates those officers and sergeants that he is assigning to non-biddable positions. An Organizational Bidding Chart is then posted and distributed to those officers not assigned to one of the non-biddable positions. The biddable assignments includes days off and shifts. Officers and sergeants are placed on seniority lists which are a combination of points for seniority and college degrees. Unit members then bid on posts and shifts. Once the annual bidding is completed, the contract then provides,

> If the County moves a sheriff's officer or sergeant out of a non-biddable assignment to a biddable assignment, then the sheriff's officer or sergeant who is being moved to a biddable assignment shall have the right to bid for any assignment that he has seniority for. This rebid process shall take place prior to the actual transfer from the non-biddable position to the biddable position.

The contract further provides at Section D:

> …Further, in order to meet with needs of training and/or specialized abilities, shift assignment may need to be altered in order to meet the bona fide safety needs of citizens of the County. In these cases, the changes shall be made with timely notice and explanation and shall last until such time as the specific needs have been met, at which time the affected employee shall be returned his/her bid shift.

The County argues that the Sheriff is constricted by a complex procedure with respect to re-bidding positions when an officer is moved out of a non-biddable position. (C-2; Testimony of Sheriff Billingham, TR-57-60). Under the terms of the expired contract, if a Sheriff's Officer is moved from a non-bidded position to a biddable position, all biddable positions beneath the position at issue (based upon seniority) are required to be re-bid. (C-2) The County argues that this provision creates a process in which multiple post bids may occur, simply to fill one position. The County alleges that such a procedure is "difficult" for the Sheriff from an administrative and managerial standpoint, and is inefficient and disruptive to the operation. (Testimony of Sheriff Billingham at TR-59) Therefore, the County asserts, its proposal to eliminate this language should be adopted.

The County also says that it seeks to eliminate the existing limitation on the Sheriff's ability to make temporary, out-of-post assignments. For example, when an officer has taken an extended leave of absence or when a new officer should be temporarily assigned to a position for purposes of training -- causing need for a temporary assignment to a biddable post-- the PBA's response is to refuse to leave their post and/or to require that persons filling such posts be paid overtime. When testifying about this issue, the Sheriff testified that "when you're talking about public safety and those issues, it is extremely too restrictive… to not be able to change staffing for safety issues or public safety issues is absurd to me…." (Testimony of Sheriff Billingham at P-4, p. 112) The County's proposal, accordingly, would seek to remedy those administrative difficulties by allowing the Sheriff to temporarily place officers in required posts, while at the same time distributing such assignments on a reasonable basis. (C-2 at pp. 15-16)

The PBA asserts that the Employer's proposals are not supported by the proofs in the record. It points out that

Sheriff Billingham testified that managing the bidding system was not a "heavy lift", and that he believes in the value of the officers' seniority system. Therefore, the PBA argues that if the Sheriff, who runs the department, does not have a problem with the current bidding system, then there is no basis to disturb the existing provisions. The PBA also points out that the right to bid for positions/shifts/days off is one of the few benefits enjoyed by an officer's length of service and seniority, and the benefit should be retained.

I am not persuaded that the County has justified any change to the bidding provisions of the contract. After salaries, there is scarcely anything that more intimately affects an employee's working conditions than his hours of work and days off. Shift selection impacts on the employees' ability to spend time with his family, engage in leisure activities, and childcare considerations. The extensive nature of the contract provisions concerning the bidding process and seniority rights as it applies to bidding is a testament to the importance the PBA places on this issue. It is not a benefit I am inclined to alter without good reason. If, as the County proposes, the administration had an unfettered ability to move officers out of non-bidded positions without triggering a re-bid, then the value of the entire post selection process could be weakened. Where would the employee being displaced from a non-bid position be assigned? If he bumped another officer in a bidded job, if not for the ability of that officer to re-bid, where would that officer be assigned? In no time, the possibility exists that no one would in the post for which they actually bid.

With regard to the County's proposal to permit the Sheriff to reassign staff to cover for training and for officers on leave of absence, this too has the potential to undermine the existing bidding system entirely. I note that the Employer already has the contractual ability to reassign for training purposes (see contract language quoted above). As for the ability to reassign to cover leaves of absence of more than five days, this would undercut the value of the bidding system if an officer could be removed from his bidded post and reassigned (without bid) to another, less desirable post.

I find that the County has not justified its proposals to change contract bidding provisions. Further, such changes, if awarded would not respect the employees' seniority rights, would not enhance the employees' morale or promote unit continuity. I find no basis to conclude that such changes are in the public interest.

Uniform Allowance:

The PBA asks that the uniform allowance be increased from $725 to $825 per year. The County points out that, in addition to the uniform allowance, the County also provides uniforms as needed to the unit members. Thus, the allowance is intended to be for uniform maintenance.

I note, however, that the Gifford award did not increase the uniform allowance for sheriff's superiors. Further, the PBA has not demonstrated that uniform allowance in other Camden County law enforcement groups is higher. It would not be in the public interest to have superiors paid a lower rate for uniform maintenance than the rank-and-file. Further, it would be one disincentive, however slight, for employees to seek promotion. The proposal is denied.

Overtime:

The County has proposed to modify the overtime provisions by inserting this language:

> Seniority is one factor to be considered when assigning overtime and it shall be the basis for the rotational list. . .
>
> For purposes of assigning overtime, the Sheriff may deny overtime to officers that have excessive absence or other documented disciplinary issues.

The language of the current overtime provisions state that overtime shall be distributed as equitably as possible according to seniority. Overtime is distributed according to a rotational list. Therefore, it appears that the County's proposal is not a cost-savings device, but rather, a mechanism to control absenteeism and disciplinary problems. However, the record does not provide sufficient justification that such a proposal is necessary or supportive of any of the statutory criteria. Accordingly, the proposal is denied.

Health Care Insurance:

The County submitted a 10-page proposal concerning health insurance. The proposal appears to lay out each of the employee health care contribution levels for each level of coverage selected as specifically set forth in Ch. 78, P.L. 2011. It also recites other provisions of Ch. 78 concerning dependent coverage, opt-out provisions, and retirement benefits and co-payments. In its brief, the County explained that its proposal, for the most part, tracks Ch. 78. However, the County also asks to memorialize in the contract the fact that the County has moved from a self-funded health care system to the New Jersey State Health Benefits Plan. It further seeks to incorporate a reference to the co-payment levels set by that plan.

The PBA responded to the County's proposal by stipulating that, in fact, the unit employees are now covered by State Health Benefits Plan. Further, the PBA proposed as an alternative to laying out all of the specifics of Chapter 78, that the contract merely refer to the parties' acknowledgement that Chapter 78 applies.

I find that the most efficient way to deal with this issue is to simply incorporate into the contract the following:

> The provision of Chapter 78, P.L. 2011 as to employee contributions for health care premiums shall apply to members of this bargaining unit. Health insurance shall be provided to employees and their dependents under the NJ State Health Benefits Program or substantially equivalent plan. The co-payments establish by NJSHB shall apply. Retiree benefits and contributions, if any, shall be pursuant to statute.

To the extent that the County proposal includes provisions not covered by Chapter 78 or the mandates of the New Jersey State Health Benefits plan, those proposals are not well developed in the record, and therefore are denied.

AWARD

Term: Three years – Effective January 1, 2013 through December 31, 2015.

Salaries:

2013:

a. Across-the-board salary increases effective and retroactive to January 1, 2013 of 1.0% for all unit employees.

b. All employees eligible to receive step increases on the salary guide shall be paid such step increases on their anniversary date.

2014: -

a. Effective January 1, 2014, all unit employees shall receive across-the-board salary increases of 1.25%.

b. Guide Step Freeze: Employees moving through the salary guide steps shall not advance on the guide in 2014 and shall remain on the step they were on in 2013.

2015:

a. Effective January 1, 2015, all unit employees shall be receive across-the-board salary increases of 1.25%.

b. Guide Step Freeze: Employees moving through the salary guide steps shall not advance on the guide in 2015 and shall remain on the step they were on in 2013.

c. Increment payments shall resume at the beginning of 2016.

Shift Differential:

There will be a shift differential of six percent (6%) for those employees working the second shift and an eight percent (8%) differential for those employees working the third shift. Effective December 30, 2015, there will be a shift differential of three percent (3%) for those employees working the second shift and a six percent (6%) differential for those employees working the third shift.

Funeral Leave:

Article XVI, Section 1 shall be modified to add the underlined text as follows:

(a) - seven days in case of death of a spouse, domestic partner, <u>civil union partner</u>, child, <u>step-child</u>, foster-child, mother, father, <u>or step parent</u>.

(b) -four (4) days in case of death of brother or sister <u>including step-siblings</u>.

Sick Leave.

Amend Article XII, Section 2 to include that "immediate family member" shall be defined as including "civil union and domestic partner".

FMLA/FLA:

Add the following provision to Articles XIV and XV:

All leaves taken under this article shall run concurrent with any qualifying leaves authorized by the Family Medical Leave Act or the New Jersey Family Leave Act.

Health Insurance:

Incorporate the following language into the contract:

The provision of Chapter 78, P.L. 2011 as to employee contributions for health care premiums shall apply to members of this bargaining unit. Health insurance shall be provided to employees and their dependents under the NJ State Health Benefits Program or substantially equivalent plan. The co-payments establish by NJSHB shall apply. Retiree benefits and contributions, if any, shall be pursuant to statute.

Grievance Procedure:

Add a time limit at step 3 of the grievance procedure that would permit the aggrieved party to submit a grievance at that step within 10 days.

Modify step 3 of the grievance procedure to state that the PBA may bypass Step 3 (the County Labor Relations Committee) and move a grievance directly to arbitration if the County agrees to do so.

Modify the number of days the PBA has to submit a grievance to arbitration from 44 days to 30 days.

All proposals by the PBA and the County not awarded herein are denied. All provisions of the existing agreement shall be carried forward except for those which have been modified by the terms of this Award.

* * * *

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
Interest Arbitrator

Dated: April 15, 2013
Trenton, New Jersey

On this 15th day of April, 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 she acknowledged to me that she executed same.

All proposals by the PBA and the County not awarded herein are denied. All provisions of the existing agreement shall be carried forward except for those which have been modified by the terms of this Award.

* * * *

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 W. Osborn
Interest Arbitrator

Dated: April 15, 2013
Trenton, New Jersey

On this 15th day of April, 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 she acknowledged to me that she executed same.

Karen G. West
4/15/2013