

STATE OF NEW JERSEY
PUBLIC EMPLOYMENT RELATIONS COMMISSION

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In the Matter of the Interest	*	
Arbitration between	*	
	*	
	*	DECISION
	*	AND AWARD
	*	
CITY OF PASSAIC	*	
	*	
	*	
-and-	*	Docket No.
	*	IA-99-76
	*	
PASSAIC P.B.A., LOCAL 14	*	
	*	
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Before: Joel M. Weisblatt, Arbitrator

Appearances:

For the City
Ruderman & Glickman
By: Mark S. Ruderman, Esquire
Steven S. Glickman, Esquire
Ellen M. Horn, Esquire

For the PBA
Loccke & Correia
By: Richard D. Loccke, Esquire

D E C I S I O N

The City of Passaic (the "City" or the "Employer") and the Passaic P.B.A., Local No 14 (the "PBA") are parties to a collective bargaining agreement which had a duration through December 31, 1998. Negotiations for a successor agreement reached an impasse and a Petition to Initiate Compulsory Interest Arbitration was filed. Pursuant to the Rules and Regulations of the Public Employment Relations Commission, the undersigned Arbitrator was duly appointed to serve in this matter.

The Arbitrator met with the parties on May 6, 1999, in an effort to assist them in achieving a voluntary resolution to their dispute. The impasse persisted. Evidentiary hearings were scheduled and held on July 30, 1999, August 18, 1999, September 30, 1999, and November 29, 1999. Efforts to resolve the dispute were continued throughout the interest arbitration hearing process, however, the impasse persisted.

At the hearing, the parties were provided with the opportunity to argue orally, present documentary evidence and examine and cross-examine witnesses. An extensive record was created over the course of the four days of hearing. Numerous witnesses were examined including several called to present expert testimony. A stenographic record of the hearing was taken and transcribed producing in excess of four hundred pages of testimony. Volumes of documentary evidence were presented.

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

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

Statutory Criteria

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

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

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

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

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

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

(c) In public employment in the same or similar comparable jurisdictions, as determined in accordance with section 5 of P.L. 1995, c. 425

(C:34:13A-16.2); provided, however, that each party shall have the right to submit additional evidence concerning the comparability of jurisdictions for the arbitrator's consideration.

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

(4) Stipulations of the parties.

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

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

(7) The cost of living.

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

Final Offers of the Parties

The Final Offer presented by the PBA includes the following elements:

- (1) DURATION: 4 Years, from January 1, 1999 through December 31, 2002.
- (2) SALARY INCREASE: 5.0% across-the-board in each year of the agreement.
- (3) WORK SCHEDULE: Implementation of the 4/4 work chart as submitted in writing to the Employer and reflected in Exhibit E-2, Tab 9-5.
- (4) SICK LEAVE AT RETIREMENT, ARTICLE VI, SECTION 3(3b): Increase the cap for the compensation of unused sick leave at retirement from \$18,000 to \$25,000.

The Final Offer presented by the City includes the following elements:

- (1) DURATION: 3 years, from January 1, 1999 through December 31, 2001.

- (2) SALARY AND COMPENSATION: 2.0% in each year of the agreement. Establishment of three-step superior officer salary guide with equal distance steps between the lower rank and each rank specified in the bargaining unit. Add 2 steps to the Patrol Salary Guide. Lower starting salary in the Academy to commensurate level to reflect overtime. Those employees at 14% longevity shall be grandfathered. For all other current employees the 14% step is eliminated. All employees hired after January 1, 1999 shall not be eligible for longevity.

- (3) ARTICLE III, POLICE OFFICERS RIGHTS: Replace the current reference to seniority with:
Seniority shall prevail in choice of vacations, holidays or the event of layoff. Selection of shifts shall be made at the discretion of the Chief.

(4) ARTICLE V, VACATIONS AND HOLIDAYS: Section 1 shall provide that new employees vacations will max out at 19 working days in their 20th year of employment. The following shall be added to the end of Section 1.B.1.:

Said vacation days will be issued on the anniversary date of employment. If an Officer leaves the employ of the City prior to his next anniversary date, vacation days shall be earned from the anniversary date of the year in which the Officer leaves the service, pro-rated commensurate with the Officer's years of service. The Officer will reimburse the City for use of any vacation time which exceeds the earned pro-rated vacation days.

Section 1.C. shall be modified in line 6; the words "at least" shall be substituted with the words "no more than." Line following shall be added after the words "September 15" in line 7 of the same Section:

Except in cases of emergency declared by the Department Head, the Officer shall take five vacation days from January 1 through June 15.

The last sentence of Section 1.D. shall read as follows:

If unable to agree on a mutually acceptable rescheduled vacation and the Officer is required by the Chief to work during his vacation, then at

the discretion of the Chief, the Officer in addition to his usual pay, shall receive vacation pay in lieu of vacation, or in the alternative to take his vacation period at a future date.

Add to the end of Section 2.A. the following:

Any Officer who wishes to carry over holiday days into the next calendar year must turn in at the end of the current calendar year, all duplicate slips signed by the Director demonstrating that the Chief denied a holiday based on scheduling demands.

If an Officer leaves the service prior to his next anniversary date, holidays earned from the anniversary date to the time the Officer leaves the service will be prorated at the rate of one day per month starting from the anniversary date until the Officer leaves the service.

- (5) LEAVE OF ABSENCE, SICK LEAVE AND OTHER LEAVE: In Section 1.B., *Leave Because of Death*, specify calendar days. Revise Section 2, Sick Leave, to provide that all employees hired after January 1, 1999 shall receive 15 sick days. For all employees, abolish the 40-day extended sick leave provision currently set forth in Section 4. Effective January 1, 2001, implement a sick leave incentive plan in which those employees taking no sick days in a year will receive a \$500.00 perfect attendance bonus. Those employees Taking only one

sick day in a year will receive a \$250.00 bonus.
Those employees taking only one sick day in a year
will receive a \$100.00 bonus.

- (6) ARTICLE VIII, OTHER BENEFITS: Replace the second
sentence of the current Section 1, Legal Expenses,
with the following:

An Officer charged with an offense or crime shall
be entitled to select an attorney from a list of
attorneys approved by the City Council. If an
Officer wishes to choose an attorney from other
than the attorneys approved by the City Council,
the Officer must take application for approval to
the Director who will forward said application to
the Council for approval. Any outside counsel
will be paid at the approved rate.

Section 2., *Medical Expenses and School*, shall be
revised to provide that employees hired after the
issuance of this arbitration award shall pay for
their own dependent vision, dental and
prescription coverage.

- (7) ARTICLE IX, WORK DAY, TOURS OF WORK AND OVERTIME:
shall specify that if an employee is subpoenaed by
a fellow employee in an administrative proceeding

and/or court matter he shall not be eligible for compensation under this Article.

(8) ARTICLE XI, SELF INSURANCE: Replace the current language with the following: Employer reserves the right to institute self insurance programs so long as substantially similar benefits are provided.

(9) ARTICLE XVIII, PBA BUSINESS: Specify in Paragraph A that the 100 hours is for use by PBA President or delegate.

(10) ARTICLE XXI, PRIORITY FOR OVERTIME: Add after the first sentence:

When a senior Officer refuses the offer of overtime, he shall not be considered for overtime, until all other Officers have had the opportunity for overtime.

(11) ARTICLE XXII, REPLACEMENTS: The City's proposal to delete this Article in its entirety was submitted to PERC to be handled as a scope of negotiations dispute.

(12) ARTICLE XXIX, POLICE VEHICLES: Delete those provision which PERC has found to be non-negotiable management prerogatives. Substitute the second paragraph with the following:

If an Officer has concerns regarding the safety of any vehicle, and no other vehicle is available, then at the discretion of the Chief, the City mechanic will be called in to inspect the vehicle. The decision of the City mechanic shall be final.

(13) FULLY BARGAINED AGREEMENT: Add the following new Article to the contract:

A. The City and the PBA agree that this Agreement is the complete agreement between them and that no other understandings or agreements and no past practices shall be binding on the Borough or the Association during the term of this Agreement unless agreed to in writing between the Borough and the Association subsequent to the date of execution of this Agreement.

B. This Agreement represents and incorporates the complete and final understanding and settlement by the parties of all bargainable issues which were or could have been the subject of negotiations. During the term of this Agreement, neither party will be required to negotiate with respect to any such matter, whether or not covered by this Agreement, and whether or not within the knowledge or contemplation of either or both of the parties at

the time they negotiated or signed this Agreement.

C. It is the intent of the parties that the provisions of this Agreement, except where noted in this Agreement, will supersede all prior agreements and understandings, oral or written, express or implied, between the parties, shall govern their entire relationship, and shall be the sole source of all rights or claims which may be asserted. The Association, for the life of this Agreement, hereby waives any right to request to negotiate or bargain with respect to any matters contained in this Agreement. It is mutually understood that this clause is a clear waiver as to any right or claim not expressed in this Agreement.

(D) This Agreement is separate and distinct from and independent of all other agreements entered into between the Association and any other employer organizations, irrespective of any similarity between this Agreement and any such other agreements. No act or thing done by the parties to such other agreements, or notices given under the provisions thereof, shall change or modify this Agreement, or in any manner affect the contractual relationship of the parties hereto.

(E) This Agreement shall not be modified in whole or in part by the parties except by an instrument in writing executed by both parties.

Positions of the Parties

The PBA contends that its final offer is the more reasonable. It presents arguments related to the statutory criteria in an effort to support that contention.

The PBA asserts that the interest and welfare of the City of Passaic public is well served by the Police Department. It stresses the very high level of activity for the Department despite a force which is less than half the size of that in neighboring Paterson. The PBA attributes the force's ability to handle a continued high level of police activity with only 150 sworn officers to "...the dedication and productivity of this department." It stresses that unit members provide for the public welfare in terms of both law enforcement and community service activities. The PBA argues that, "[T]he exceptional performance and professionalism of the Passaic City Police Department illustrates the highest caliber of citizen service."

The PBA notes that the size of the staff has not kept pace with increases in police activity; resulting in higher workloads and a greater productivity levels. Additionally, the PBA notes a diminishing number of supervisory positions creating greater workload at those levels and reducing natural opportunities for career advancement.

Turning to the comparability criterion, the PBA maintains that the "...Passaic Police Officer is one of the poorest paid in the region." It contends that no comparable or larger municipality in northeastern New Jersey receives as poor a compensation package as the Passaic police. This assertion is based on base wages and individual benefit comparisons. The PBA contends that it would take a 9.9% increase to merely bring the Passaic base wage up to average for the comparison group drawn by the PBA. It also claims that the benefit levels do not make up for the relatively low salary rates, focusing particularly on holiday and vacation benefits. The PBA further emphasizes that the pay rates for superior officers lag by comparison. It points out that the Employer's analysis of

differentials between ranks reveals a relatively high differential for sergeants only because the patrol salary is so low. The sergeant's salary rate, when viewed in comparison with other municipalities, does not fare well.

The PBA maintains that the Passaic County towns closest to Passaic City in terms of population and demographics are Clifton and Wayne. Police officers in both are much more highly paid than the patrolmen in Passaic.

The PBA presents settlement rate data for its comparison group which it claims to support an increase much closer to the one the PBA proposes than the City's position. The PBA stresses that the other communities are increasing salaries far beyond the City's proposal. It claims that "[T]he average rate of increase by virtue of settlements and awards is advancing and creating an increasing shortfall in Passaic compensation." Further, the PBA notes that the lower base wage results in a lower dollar value for each

percentage point of increase for the bargaining unit member.

The PBA addresses the City's reliance on its settlement with the firefighters by noting an historical variance between the two groups. It suggests that the jobs and the working environment are vastly different. The PBA argues that the most valid comparisons for determining police salaries and benefits are with other units of police personnel. Of particular note is the fact that police officers are responsible for enforcing the law whether on or off duty and may carry weapons off duty as a function of that expansive responsibility.

The PBA characterizes the issue of the work schedule change it proposes as a "unique opportunity" to address terms and conditions of employment in a cost saving manner. It is also argued that the change would provide the public with better service. The PBA asserts that the 4/4 work chart does not reduce the annual work year for unit employees below the current 2080 level. It maintains that that schedule provides

for better coverage in peak periods and allows for greater assignment flexibility. Among other things, the proposed schedule would eliminate patrol unit down time during shift changes and decrease court related overtime. The PBA stresses that the experience of this proposed new schedule in the City of Paterson and in the Linden Police Department support its implementation in the City of Passaic. Of final note is the contention that such a work chart change would have a dramatic impact on the morale of the department.

With respect to the lawful authority of the employer criterion, the PBA maintains that the Cap Law presents no prohibition whatsoever to the full funding of the PBA position. It stresses that the City's proposed budget does not even use all the available amount permitted under the law. The PBA also points out that this under utilization will accrue in a Cap bank for potential use in a future fiscal year.

With respect to the financial impact on the taxpayers, the PBA acknowledges that the City is not a "wealthy municipality" but it maintains that it is

"...far from poor." The PBA contends that the tax rate is below that of Paterson and comparable with that in Clifton. It claims that there are substantial ratables which have grown in recent years. The PBA suggests that the City has turned the corner on any past fiscal difficulties and reveals signs of financial well being.

The PBA recognizes the fact that cost of living data reveals current increase levels below that of the PBA's proposed salary rate increases. It argues that the cost of living is only one of the eight criteria and that it should not be a key consideration. The PBA notes that when cost of living increases are at or near double digits, employees do not receive salary increases of the same magnitude.

With respect to the continuity and stability of employment criterion, the PBA urges consideration of the traditional private sector concepts of "area standards" and "prevailing wage." It contends that unit members are underpaid based upon the area standards. It further claims that they will fall

further back on the prevailing wage rates by merely applying average salary rate increases.

The PBA characterizes the long list of the City's proposals as a "management 'wish list'." It argues that the proposals are not supported by any credible evidence in the record.

The PBA summarizes its position as seeking competitive compensation rates and a better working environment. It seeks a resolution providing appropriate salary adjustments and the modified work schedule. The PBA concludes that the Arbitrator should rule in favor of the PBA's final offer as proposed.

The City contends that the components of its final offer are more reasonable, under the statutory criteria, than those of the PBA. Its argument specifically addresses those statutory criteria.

The City acknowledges that the public interest is best served by properly balancing the need for

satisfying employees and the need to maintain a stable level of government services. It states that: "...the municipality should not sacrifice fairness to its employees..." and "...should not reduce essential services to satisfy the economic demands of over-reaching public employees." The City stresses the importance of this criterion and urges the Arbitrator to give it proper weight in deliberations.

With respect to the comparability criterion, the City focuses first on comparisons with the private sector. It cites Bureau of National Affairs data revealing a median first year wage rate increase for 1999 settlements as 3.0%. The City also suggests that private sector trends toward employee contributions to health insurance premium costs are supportive of its proposals regarding insurance benefits. The City asserts that the same median first year wage rate increase data from the BNA, calculated for state and local government contracts is also 3.0% for 1999. Additionally, under the general public sector sub-category the City points to the settlement between the State of New Jersey and IFPTE, covering Garden

State Parkway employees, to support the reasonableness of the City's position. It notes salary increases in the four year package averaging 3.375%. Further emphasis is placed on the fact that concessions were made with respect to medical insurance contributions. Additionally, it is noted that a \$15,000 cap was established for the terminal leave benefit for future hirees. Two older State contracts are also cited by the City. The City looks to the Borough of Wallington to compare with a contract extended to four years in which the annual wage increase was 3.5% across-the-board and in which longevity benefits were terminated for new hirees. The City also points out that the maximum patrol officer salary in Passaic well exceeds that of major cities such as Chicago, San Francisco and New York.

Concerning comparisons with employees performing the same or similar services in comparable jurisdictions, the City urges a comparison group of all communities in Passaic County. It assails the comparisons drawn by the PBA as being without an adequate basis for comparison. The City suggests that

the maximum patrol rate (including longevity) ranks fifth among all Passaic County municipalities. It further argues that superior rank compensation is above average, also pointing to differential computations between each rank and the top patrol rate. The City maintains that Passaic benefits in the categories of sick leave, terminal leave, clothing allowance and PBA business leave are above the curve.

Turning to recent settlements, the City notes the 3.0% annual salary rate settlement by the Borough of Wanaque with its PBA covering a period of 1999 through 2001. It suggests that this is representative of the fact that the "...'going rate' falls substantially below the PBA's demanded salary increase of 5.0% per year."

The City places great emphasis on comparisons between the PBA and other negotiating units in the City. Particular emphasis is placed on the two Fire Department units, Firefighters and Fire Officers. Prior awards regarding the PBA and the Fire Officers by Arbitrators Kurtzman and Tener are cited, standing for

the proposition that patterns of settlement must be an important element of an interest arbitration determination. The City argues that the pattern was set in July of 1999, when the City negotiated a two-year contract with the Firefighters providing for a 3.0% salary increase in each of the two years. No other economic changes were made to the previous agreement. The City notes that it had previously negotiated away the 14% step on the longevity scale for Firefighters and for Fire Officers.

The City also points to a settlement with the White Collar Employees Association which represents about 150 City Hall workers. That contract is a four year settlement at 3.0% annually. It also eliminated the 14% longevity step and it requires new hires to pay for dependent dental, vision and prescription coverage in their first three years of employment. The City also notes reductions in the longevity benefits for Teamsters, negotiated in past contracts, in support of its proposals herein.

With respect to the lawful authority criterion, the City presents a lengthy explanation of the significance of the Cap Law. It then suggests that since the PBA's proposals have a cost factor beyond that of the 2.5% index rate, they must require other expenditures under the Cap to be reduced. It further suggests that the City might have to lay off personnel or otherwise reduce non-payroll costs to comply with the Cap Law.

With respect to the financial impact criterion, the City initially notes that there is a substantially higher unemployment rate in the Passaic than in the State as a whole. It further noted items of plant closings and job losses in the City. The City acknowledges that it is not budgeted up to the Cap limit but it maintains that other factors dictate the City's ability to fund an award herein. It argues that there is increasing difficulty in regenerating significant fund balances, thereby causing a reduction in the budgetary surplus. The City cites decreasing State aid as a substantial revenue problem, compounded by an absence of "one-shot" revenue sources. It

asserts that these factors place great pressure on the already high tax rate. It further maintains that the tax base is currently lower than it was nearly a decade ago. The City claims that the substantial tax rate increase since the revaluation in 1992 requires the awarding of a reasonable salary increase balanced by necessary cost containment.

The City contends that the cost of living criterion strongly supports its position. The City points to a Consumer Price Index increase of only 2.0% for the period ending in August of 1999 as reflective of the reasonableness of the City's proposals. The City argues that the PBA has enjoyed salary rate increases well above the cost of living for the ten year period from 1988 through 1998. It urges the Arbitrator to "...consider the dramatic gap between the CPI and the PBA's salary demands in rendering a conventional award."

The City vigorously opposes the PBA's proposal to convert to the 4/4 work schedule. It initially emphasizes the argument that the moving party bears a

very heavy burden of proving the reasonableness of a change by citing Arbitrators Tener and Sands in matters involving North Bergen and Springfield, respectively. The City believes that its witnesses established that there would be manpower shortages under a 4/4 work chart. Of particular concern was the summer vacation period. It also claims that the proposed schedule change would require a greater number of superior officers. It further suggests that the 4/4 chart would result in an inefficient use of personnel, especially for those assigned administrative duties. The City also expresses concern over training availability and over potential fatigue with the longer work day. The City urges the rejection of the proposal.

The City concludes that "[T]he elements of the City's proposals more reasonably reflect the statutory criteria than elements of the PBA's package." It requests the Arbitrator to issue a conventional determination awarding the City's proposals.

Discussion and Analysis

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

important considerations in relation to the public interest.

The evidence in this record establishes that the Passaic Police Department operates at a particularly high level with respect to workload and productivity. The City of Passaic is the third most populous in Passaic County (behind only Paterson and Clifton) but it is relatively small in area; it is a densely populated urban environment. The statistics as to the number of police calls and the number of crimes establish that this force of about 150 sworn officers handle an extensive workload. The total of 51,714 total calls in 1998, the last year with complete data, include a remarkable number of serious incidents. This figure does not include motor vehicle or general activity. Figures for 1996 and 1997 reflect the fact that these statistics are consistent over a three year period; this is a very busy police force. Police officers evidence a high level of productivity and this is a significant factor in the public interest.

The need for the City to offer a reasonably competitive compensation package to its police force is clearly in the public interest. It is important to attract and retain highly qualified police officers, especially in a densely populated urban environment with high level of activity. Experience and knowledge of the community can serve the public interest well in such a setting. Additionally, the maintaining of a competitive compensation package is likely to support an atmosphere of good morale which usually translates into productivity and a higher level of performance. There are certain economies relating to training which also arise in relation to attracting, retaining and promoting highly qualified personnel.

Another element of the public interest is the need for a sound structure for labor relations policy within the employer's domain. In the case of the City this especially translates into maintaining a rational relationship among the negotiations of all the public safety bargaining units. In many jurisdictions, the police and fire units have identically parallel salary structures. That has not been the case in Passaic.

This record does not establish the true nature of the origins of that development but it does reveal that in the last contract period the interest arbitration process played a dramatic role in its perpetuation. As the City candidly admits in its brief herein, it made a tactical error in the police interest arbitration which led to higher contract awarded to the PBA at that time. That fact is not a determinative factor herein, it is merely noted as background for the current circumstances.

Consistency in negotiations is a concept that is generally in the public interest. It provides for greater morale among public employees and provides a predictability factor in the bargaining and budgetary processes. Presumably, differences in the responsibilities of various jobs are already reflected in the base wage rates that have developed over time. Therefore, the application of consistency in bargaining is most often a rational approach to maintaining the existing balance in compensation, reflective of the requirements of the job.

The common relationship between police and fire units in the collective bargaining process is so engrained that it needs no lengthy explanation herein. It is a accepted fact of life in the negotiations of public safety agreements. It may not mean that there will always be an identical settlement or rate of pay but it does mean that negotiations in police and fire departments of the same employer will always take significant cognizance of each other. The City's two year agreement with the Firefighters is of important significance under the public interest criterion because reasonable consistency between the two units is good, sound labor relations policy.

Another element of the public interest requires that the determination made herein preserve the City's ability to continue to provide police, fire and other services at a reasonable level. The City aptly identified the need to balance the maintaining of a competitive compensation structure with the ability to provide the necessary level of public services to the community. While this may overlap with the financial impact and lawful authority criteria, it must be

considered as a matter of the public interest. Further, the tax impact of an interest arbitration clearly affects the public interest, so the cost implications must also be considered under this initial criterion. The economic package awarded herein is constructed to ensure the continued ability of the City to provide essential services. It also is designed to have no unreasonable impact on the tax burden.

Another element of the public interest criterion is the impact of the Cap Law. In the case at hand, it is clear that the cost of the resolution awarded is well within the Cap Law requirements. The City has budgeted without using even the full limit the law allows, using the index rate of 2.5%. That provides the City with some added banked limit for future use. The resolution awarded herein is designed to fall well within the budgetary parameters used by the City and the Cap Law restrictions present no budgetary problems in relation to the costs of the police contract, as awarded.

It is important to note that the public interest criterion is of significance to all the various issues placed in dispute. They all form the terms and conditions of employment for unit members and they also dictate different cost factors, beyond salary. Further certain issues may have a very direct impact on the delivery of services to the public.

In the case at hand, each party argues that the issue of the schedule change proposed by the PBA affects the public interest. The PBA claims that the 4/4 work chart and other proposed changes would actually enhance police services, reducing overtime, providing greater flexibility in scheduling, more coverage in peak periods and raising the morale of the force. These are all arguments which affect the public interest in the delivery of police services. The City argues that the proposed schedule will cause manpower problems, inefficiencies, cause an increase in court related overtime, require the hiring of more supervisors and decrease responsiveness. Those arguments, too, all relate to the public interest.

It is the moving party, proposing a major alteration in the work schedule, which bears the burden of proof in an interest arbitration. That burden as expressed by Arbitrator Tener in a matter between the *Township of North Bergen and the IAFF Local 1387* (Docket No. IA-96-107; Exhibit E-2, Tab 9-4) as a very heavy burden. The Arbitrator herein agrees. When it comes to altering an existing work schedule the record must clearly provide a solid basis for making a change in the absence of mutual assent. [See also, Arbitrator Sands in *Township of Springfield and PBA Local 76/SOA Local 76A*, Docket No. IA-97-140; Exhibit E-2, Tab 3-6].

The PBA presented some intriguing evidence that there may be operational benefits to converting, at least the patrol division, to a 4/4 work chart. However, on balance the record did not prove, even by a preponderance of the evidence, that the alteration would be in the public interest. Indeed, it fell short in providing sufficient facts to be reasonably certain that the operational concerns of the Police Department administration were unfounded. Areas of greatest concern were questions of supervision and

administration under the proposed schedule; issues of special details and units; issues related to traffic details; issues related to the detective bureau and concerns over court overtime. While the PBA adroitly addressed these elements in argument, there was simply inadequate evidence for this Arbitrator to conclude that the proposed change is in the public interest. Indeed, as noted above, it is a very heavy burden to prove. It should be noted that the PBA raised enough significant questions about the proposed change to convince this Arbitrator that it is in the public interest for the parties to continue to study the proposal and pursue whether there might be a mutually acceptable version that the parties could decide to implement on a voluntary, rather than compulsory basis. The Arbitrator notes that, at the time of hearing, the neighboring City of Paterson had about one year's experience with a similar work schedule change. The establishment of formal efforts to jointly study the Paterson experience more closely might lead to a better factual basis for the parties to consider the work chart issue.

The Arbitrator finds that the public interest is best served by the 4 year duration proposed by the PBA, rather than the 3 year term offered by the City. Approximately 16 months have already passed since the expiration of the prior contract on December 31, 1998. If the three year duration were awarded herein the parties would be back at the bargaining table in about a year and a half. The four year duration will provide the parties with an opportunity to live under this contract for more than two and one half years before expiration. It will offer a more appropriate length of time to administer an existing contract without regard to ongoing negotiations. It will allow both sides to delay future representation costs for a year; it is a more efficient and economical structure for labor relations. Finally, it provides the City with a longer range picture for budgetary planning.

The Award herein is carefully designed to reflect the various elements of the public interest. It establishes compensation rates for the four year period that are reasonably competitive in the labor marketplace and should support a relatively high morale

among the City's employees. It considers not only salary but also other elements of the total compensation package. The City will be able to attract, retain and promote highly qualified employees. It also gives significant consideration to reasonable consistency among bargaining units, especially in the public safety area, and supports the public interest in operating with a rational labor relations policy. The result is also designed to have no deleterious effect upon the City's ability to provide all necessary public services and it should not have any direct substantial impact on the tax rate. The terms awarded herein to resolve the parties impasse is, above all else, in keeping with the public interest criterion.

The City and PBA both rely a great deal upon the *comparability criterion* in their presentations in the case at hand. Consideration of private sector settlement data is important to provide an overview of broad trends in collective bargaining. These broader elements of the labor-management negotiations process are indicative of the general impact of the economy on

the labor marketplace. Consideration of the private sector is limited to employees generally because, as the PBA so aptly points out, there are no private sector employees performing the same or similar functions.

The private sector data provided by the City (Exhibit E-2, Tab 4) reveals that the Bureau of National Affairs reports a 1999 settlement rate median of 3.0%, among all settlements with that year as the initial year of the contract. The BNA further reports that the same 3.0% figure was reported for both 1997 and 1998. The most recent available private sector wage survey from the New Jersey Department of Labor provides 1997 figures revealing a total private sector wage increase of 4.8% on a state-wide basis. The data for the County of Passaic established an average private sector wage increase of 4.07% for the same period. Due consideration of this data is taken in formulating the salary increases awarded herein.

The BNA survey data for public sector employees, generally, indicates that the 1999 median increase for

state and local government employees was 3.0%. The 1998 figure was also 3.0%, except that when one time bonuses were factored in, the figure rose to a median of 3.3%. The same figures for 1997 were 2.8% and 3.0%, respectively. With respect to public employees, generally, the City has provided evidence of a settlement between the State and the IFPTE covering Garden State Parkway employees. That four year contract provided for an average salary increase of 3.375% per year. It also included certain concessions in the area of health insurance benefits. The City also submitted an interest arbitration award covering the period of July 1995 through June 1999. The early years of that contract included a base wage freeze (although there were other compensation improvements) and the last two years (fiscal 1998 and 1999) provided for a 3.5% base wage increase.

The parties took somewhat different approaches to establishing comparable municipalities to compare unit employees with those performing the same or similar duties in other jurisdictions. Both provided a wealth of evidence from communities within Passaic County, the

City to a somewhat more inclusive degree. The PBA provided evidence as to neighboring communities in Bergen County, most, actually sharing a boundary with the City of Passaic. The PBA also provided a few other selected jurisdictions for comparison.

The Arbitrator has separated these jurisdictions into different groups for comparison. The initial group to be examined is that of all Passaic County jurisdictions with available data for the years in issue. That is found to be a comparison group of unquestioned value; there are numerous demographic and geographic elements making this county-wide comparison particularly relevant.

The record provides evidence of the salary rates for police officers for the year 1998 in 13 Passaic County jurisdictions. The top step patrolmen is an excellent figure for comparison because this is truly the "journeyman" rate for police officers. Consider the following list of 1998 top patrol salary rates for Passaic County municipal police departments:

<u>Municipality</u>	<u>1998 top patrol rate</u>
Ringwood	\$68,013
Wayne	67,491
Pompton Lakes	63,701
Clifton	63,046
Hawthorne	59,014
City/Passaic	58,517
Haledon	58,206
Prospect Park	57,306
No. Haledon	57,202
Wanaque	57,080
West Milford	56,771
Bloomingtondale	56,471
Little Falls	56,016

These rates reveal that the rate in Passaic is slightly above the median of \$58,206 and somewhat below the average of \$59,910. This is a competitive salary rate but it is a little low given the degree of police activity in the community.

There is 1999 and 2000 comparative salary data for nine of the Passaic County municipalities and the top patrol rates and percentage increases are as follows:

<u>Municipality</u>	<u>1999</u>	<u>%</u>	<u>2000</u>	<u>%</u>
Ringwood	70,734	4.0	73,563	4.0
Wayne	70,528	4.5	74,097	5.0 (7/1/00)
Pompton Lakes	66,186	3.9	68,767	3.9
Clifton	65,410	3.75	67,699	3.5
Hawthorne	61,375	4.0	63,830	4.0
W Milford	59,014	3.65	61,345	3.65
Wanaque	58,792	3.0	60,556	3.0
Bloomingtondale	58,673	3.9	60,962	3.9
Little Falls	58,201	3.9	60,470	3.9

The average rate of increase for 1999 is 3.84% and the average increase for 2000 is 3.87%. The most remarkable element of this comparison is how tightly bunched the salary rate increases actually are. For 1999, the entire range is only between 3.0% and 4.5%; 7 of the 9 communities fall between 3.65% and 4.0%, a difference of only 0.35%. Similarly for the year 2000,

the range is from 3.0% to 5.0%. However, the 5.0% is a split rate increase having a payout cost in that year of only 3.5%. In 2000, 7 of the 9 increases fall between 3.5% and 4.0%, a range of only 0.5%. In each of the two years, the modal, or most common, rate increase is 3.9%.

Evidence for the years 2001 and 2002 is a little sparse but it is particularly consistent with the tight range of increases for 1999 and 2000. Consider the following 2001 top patrol salary rates and percentage increases:

	<u>2001</u>	<u>%</u>
Ringwood	76,505	4.0
Pompton Lakes	71,449	3.9
Hawthorne	66,384	4.0
Bloomingtondale	63,339	3.9
Wanaque	62,373	3.0

The only 2002 rate reflected on the record is the 3.5% increase in the Hawthorne contract, producing a top patrol salary rate for that year of \$68,707.

The most immediate significance of this evidence is that the 2.0% increases proposed by the City and the 5.0% increases proposed by the PBA both appear to be outside the range of the Passaic County comparable settlements. This element of the record strongly supports the crafting of a compromise result falling somewhere between the proposals of the parties.

The Arbitrator has also considered the evidence presented by both parties regarding a comparison of benefits, providing an overall view of the compensation picture. The longevity benefit at the very top end (thirty years) and sick leave benefits are superior to the general trend and the holiday benefit is below standard. The clothing allowance is above average. On balance, the benefit package is reasonable.

The comparisons drawn by the PBA include selected Passaic County municipalities and certain proximate Bergen County communities, many sharing a common boundary with the City of Passaic. These are also worthy of consideration because they are clearly within

the labor marketplace. For example, comparisons to Lyndhurst, Wallington, Garfield, East Rutherford and Rutherford have relevant value. Englewood and Fair Lawn also have some lesser level of relevance to the issues at hand. All are given consideration. Note that comparisons to the Essex County Sheriffs unit is discounted as too remote for meaningful measure in this element of the criterion.

The Bergen County communities noted above all provide substantially higher salary rates than the City. This is given some weight in the construction of the resolution herein, however, it must be acknowledged that there are demographic and financial factors that significantly drive some of those differences across county borders. The impact of the cross-county comparisons is tempered accordingly. It is especially important, however, to recognize that the data submitted by the PBA has some remarkably similar elements to the evidence relied upon by the City. Chart No. 6, in the PBA's brief summarizes its comparison of percentage rate increases. If the Essex County Sheriffs data is eliminated (as noted above),

the range of 1999 settlements falls between 3.5% and 4.5%, 11 of the 13 jurisdictions falling between 3.5% and 4.0%. The average 1999 increase can be computed at 3.91%. Similarly, the range for 2000 is between 3.5% and 5.0% (rate only), the average computing out to 3.98%. Of the ten increases, 9 fall between 3.5% and 4.0%. The five communities with data for 2001 all provide either 3.9% or 4.0% increases and the average is 3.94%. It is of further interest that the modal, or most common, increase rate for the three years of data submitted by the PBA is the same 3.9% figure found in the Passaic county-wide evidence relied upon by the City.

Comparisons with other bargaining units having the same employer are of particular importance in any interest arbitration. Comparisons among uniformed or public safety units are of quite special significance. Historically, police and fire bargaining units have been closely aligned in the negotiations process. There are numerous reflections of this importance in arbitration awards and in general practice. Several of those arbitration awards are cited by the City in this

proceeding. Police and fire compensation may not always be locked in a direct relationship but it frequently is. Negotiations for terms and conditions of employment for the two groups, where both are present in the same municipality, inevitably require substantial consideration of the relative position of the two units.

The fact that the Firefighters unit has settled a two year contract with the City beginning on July 1, 1999, and providing a 3.0% salary increase in each year is of major significance in this interest arbitration. It is of further significance that the Firefighter and Fire Officer units both previously agreed to grandfather the 14% longevity step, providing a top step of longevity at 12% upon completion of 24 years of service.

The documentary evidence establishes that the fire units achieved the change for the 12% level (from 25 to 24 years) as part of an exchange for the grandfathering of the 14% level. The PBA achieved the advantage of that exchange, the change to 24 years for the 12% step,

as part of the last interest arbitration award. This appears to have occurred as a function of the impact of that interest arbitration having been conducted on a last best final offer basis. The internal comparison component of the comparability criterion strongly supports the City's efforts to grandfather that 14% level of longevity, currently earned upon completion of 30 years of service.

The Arbitrator has also considered the evidence presented that the white collar unit with the City has negotiated a four year contract with 3.0% increases annually. This contract also provides for employee payment of dental, vision and prescription plan dependent coverage for the first three years of employment. Typically, a white collar unit does not provide as meaningful a comparison to police as do other public safety units. However, the evidence is clearly relevant and must be given some measure of consideration.

The Comparability criterion, similar to the public interest criterion, weighs substantially in favor of

constructing a resolution which is a compromise between the positions of the two parties. It clearly must reflect the private sector, internal, Passaic County external and other relevant comparisons. On the wage issue, the first two years could reasonably be placed at the same 3.0% increase that the City achieved with the Firefighters and the white collar unit. This must then be balanced in the remainder of the contract, because the most relevant comparability data strongly suggests increases at a somewhat higher level. Note that at 3.0% for 1999 and 2000, even using only the comparison group drawn by the City, unit members will lose ground to all other Passaic County municipal police officers except Wanaque, the lone contract at the 3.0% level. The entire package must be balanced so as to protect the competitive level of compensation. Increases for the years 2001 and 2002 should be calculated at 3.9% in each year. They would then provide the modal, or most common increase level. They would also, for the last two years be slightly above the average annual increase over the entire period, which computes at 3.82%.

It is important to note that all the salary rate increases set forth above fall within the established range of settlements. They present a particularly reasonable balance between the importance of the direct comparison with another Passaic City public safety unit (the Firefighters) and the comparisons with other police units in Passaic County municipalities. This set of salary rate increases is also reasonably consistent with the private sector evidence and other relevant comparisons on the record.

It is of further significance to emphasize, under the comparison criterion, that the Firefighters contract settlement relied upon so heavily by the City, included no economic changes in the contract other than salary rate increases. The City's staunch reliance upon the concept of patterns of settlement is a double-edged sword. The prior contract experience may support a modification of the longevity program but the long list of reduced benefits sought by the City fly in the face of this central element of their own argument. Those proposals will be given full consideration under the entire record, nonetheless. However, internal

comparability with the Firefighters must provide a very important context for all other considerations.

It must also be noted that there is not broad comparability support for the 4/4 work chart proposal of the PBA. While that schedule is currently in the early stages of use in Paterson and has been in use in the Union County community of Linden; it is not prevalent among the most relevant jurisdictions for comparison. The proposal gains little support from this criterion.

The *overall compensation* criterion was addressed to some degree under the comparability analysis but further detail is warranted. The package of benefits covered by the PBA contract is broad in range and reasonable in scope. The benefits are particularly common for the industry (i.e. public safety) and the levels are basically within the normal range found.

To be specific, the vacation, clothing allowance, dental plan, health insurance plan and retiree

insurance plan are all quite standard in the realm of benefit packages for public safety employees. The longevity scale is also squarely within the norm, except that the 14% level, reached after 30 years of service, is beyond common range for police contracts in Passaic County. The holiday benefit, at 10 days is dramatically below the standard 13 or 14 days most contracts provide. On the other end of the spectrum, the sick leave benefit is quite generous but still within reasonable parameters. The compensation for sick leave at retirement, with a cap of \$18,000 is above quite a few jurisdictions and below a number as well; it is at a reasonable level.

On balance, the overall compensation package provided in the existing contract for the PBA unit is quite reasonable. There are some areas where the benefits are at the upper end of the spectrum and some elements where they are below the norm. This criterion strongly suggests a mainstream approach to the contract at hand. The overall compensation level is neither abnormally generous nor substandard as a whole. The

criterion demands no special treatment under the record at hand.

The record includes no *stipulations* which warrant determinative weight in the analysis of the issues presented.

The *lawful authority* of the employer criterion requires consideration of the Cap Law with respect to the impact of this process on the City's budget. As noted in the public interest discussion, the resolution of the impasse awarded herein is designed to create absolutely no Cap Law difficulties. Indeed, the first two years of the contract, 1999 and 2000, must be considered to have been directly within cost parameters fully anticipated by the City. The City's own pattern of settlement argument would suggest that the City was prepared at all times to provide the PBA with the same package as the Firefighters.

Exhibit E-4, Tabs 1 and 3, provide evidence that the City budgeted below the Cap limitation in 1997, 1998 and 1999; and that it appeared that the City would again be under Cap in 2000. This fact is evidenced by the presence of Cap bank figures for the first three years and an indication in the 2000 budget document at Tab 3 that appropriations would be about \$92,000 below the statutory limit. It should be noted that the City was able to maintain this pattern of appropriations below the limit using the 2.5% index rate for 2000, rather than having to resort to an increase by resolution.

The evidence appears quite conclusive that there is absolutely nothing about the package awarded herein that would cause there to be any adverse impact with respect to the lawful authority of the Employer.

The *financial impact* criterion requires close consideration because it is a measure of the impact that the cost of the process has upon the taxpayers of the City. As discussed with respect to the public

interest, the need to keep a competitive compensation structure for the work force must be balanced with the ability of the government to afford to provide all necessary services. The City is quite correct in its argument that the Cap limitation is not the end of the analysis but merely a single benchmark. The lawful authority to appropriate funds does not necessarily mean that the revenue sources are available to support those appropriations. The award herein is constructed so as to have little or no impact on the municipal tax rate, beyond that which the governing body might be ordinarily expected to have otherwise budgeted.

One area for consideration under the financial impact criterion is the City's trend with respect to tax ratables. The evidence establishes that the City experienced a dramatic ratables drop in 1994 and that the ratable base has been essentially flat since then. Consider the following from Exhibit E-4, Tab 13:

<u>Year</u>	<u>City's Ratables</u>
1999	\$1,327,774,800
1998	1,319,052,900
1997	1,313,822,500
1996	1,330,580,600
1995	1,336,557,800
1994	1,316,450,500
1993	1,421,763,279

Although there were ratable base increases in both 1998 and 1999, the last two years with data on this record, the increases were not substantial enough to conclude that there is an established upward trend. The nature of the City's ratable base warrants some moderation in the economics of the package.

The tax rate data reveals that although the tax rate is somewhat high on a comparative basis it has been fairly stable, especially with respect to the municipal purpose element. Consider the following information from Exhibit E-4, Tab 12:

<u>Year</u>	<u>General Tax Rate</u>	<u>Municipal Purpose</u>
1999	4.03	2.29
1998	4.11	2.322
1997	3.84	2.089
1996	3.89	2.12
1995	4.01	2.27
1994	3.90	2.30

The projected 2000 rate was a general tax rate of 4.37 and a municipal purpose element of 2.75.

The City's tax collection rate of 98.5% is an extremely good indicator of the municipality's ability to collect its revenues. Additionally, this high rate of collection reduces the need to budget a high reserve

for uncollected taxes. The City has substantial income from investments and it has recently exhibited an ability to replenish surplus which may have been used as a revenue source. Further, the 2000 proposed budget relied less on surplus as a revenue source than did the 1999 budget.

As indicated earlier, the contract resolution set forth herein will provide absolutely no unanticipated impact on the City's budget for 1999 and 2000. The City has appropriate time to plan for the only moderately higher costs for the 2001 and 2002 contract years. The Arbitrator finds, under the evidentiary record presented, that the costs awarded herein should have no substantial direct impact on the tax rate for any year of the contract.

The *cost of living* criterion weighs in support of a more moderate salary rate increase, especially in the first two years of the contract. The evidence on the record reveals an extended period of only moderate increases in the cost of living. The measure of the

New York/Northeastern New Jersey Consumer Price Index establishes a range over the last five years of annual increases between 1.6% and 2.9%. This extended stability in the cost of consumer goods and services warrants continued moderation in the salary rate increases awarded. The increased salary rates awarded herein provide a moderate, reasonable level of "real wage" improvement.

The eighth statutory criterion relates to *continuity and stability of employment* and includes an emphasis on factors traditionally considered in the determination of wages and other terms and conditions of employment. The traditional relationship between police and fire units in collective bargaining was previously discussed but it warrants reiteration under this eighth criterion. The first two years of the contract herein are designed to be consistent with the current Firefighter contract, as urged by the City.

Collective bargaining is essentially a conservative process and interest arbitration, as an

extension of collective bargaining, must be even more conservative because it is compulsory rather than voluntary. The Arbitrator is most chagrined that the parties failed to find a voluntary resolution of this impasse. The result awarded herein is a reasonable compromise that should have been within the vision of both parties. A vast majority of interest arbitration disputes are voluntarily resolved, to the benefit of all concerned, including the public. Voluntary resolutions are achieved more quickly and with less expense attributable to the bargaining process. Further, they leave the parties in full control of the terms; there are no winners and loses.

The lengthy list of benefit reductions sought by the City are not accompanied by persuasive evidence. Just as the work schedule change sought by the PBA was subject to a burden of proof, so too are the dramatic changes proposed by the City in numerous benefit areas. The Arbitrator has reviewed and considered the testimonial support presented through the Chief and the Deputy Chief and, where presented, the documentary offerings related to the various proposals. With the

exception of the longevity adjustment discussed previously, the City simply has not met the burden of providing persuasive evidence to establish that the changes sought are reasonable under the statutory criteria. This is especially true in the context of the City's own reliance on the Firefighter comparison for the purposes of salary determination. The Firefighter contract had no benefit adjustments. The record includes no convincing evidence that any of the other contractual changes proposed by the City are needed or warranted.

To summarize the discussion and analysis, the resolution of the impasse at hand has four components: Duration, Salary, Longevity and Work Schedule:

DURATION: Four year term from January 1, 1999 through December 31, 2002.

SALARY: Across-the-board increases of all rates:

Effective 1/1/99 - 3.0%

Effective 1/1/00 - 3.0%

Effective 1/1/01 - 3.9%

Effective 1/1/02 - 3.9%

LONGEVITY: Effective 1/1/02 the 14% longevity step shall be limited only to those unit employees who have already achieved that level of service.

WORK SCHEDULE: The parties shall continue to work the existing work chart, however, a Work Chart Study Committee shall be formed. This Committee shall be comprised of four individuals, two selected by each party to the contract. It shall meet as often as necessary over the next six months to study the potential of a work schedule modification voluntarily acceptable to both parties. Particular attention shall be paid to studying the experience of the City of Paterson under its current work chart. The Committee shall make a written report after six months presenting its findings.

Further in summary, the Duration determination was driven by a finding under the public interest criterion. The Salary determination was constructed in consideration of the following criteria, which were all given some weight in shaping the result: public

interest, comparability (all components), overall compensation, lawful authority, financial impact, cost of living, and continuity of employment (traditional factors component). The Longevity determination was based on application of the public interest, comparability (with other police officers and with the Passaic Fire Department units), and the traditional factors component of the eighth criterion. The determination with respect to the Work Schedule issue was heavily based upon the public interest criterion, with further weight attributable to the comparability and eighth criteria.

To cost out the package, the Arbitrator uses the 1998 unit base, provided by the City, of \$8,207,545. This base represents the salaries of 147 Police Officers, ranging in rank from first year Patrol Officer to Captain. The net annual cost of the package can be computed by applying the percentage rate increases to the base, as compounded for each year. Specifically, these costs are:

1999	\$246,226	3.0%
2000	253,613	3.0%
2001	339,588	3.9%
2002	352,832	3.9%

The Arbitrator notes that there are incremental step movement costs in each year. These are costs that are already in existence under the previous contract and are not attendant to the package awarded herein. However, they are increased by the percentages applied; using the cost data supplied by the City those increases on the existing increment structure can be calculated as follows: 1999 - \$6,300; 2000 - \$6,550; 2001 - \$7,800; and 2002 - \$3,300. Note that the grandfathering of the 14% longevity step cannot be calculated as a finite cost in the 2002 contract year, therefore it is not part of the net annual cost consideration.

The discussion of all the statutory criteria, presented previously in this section of the Decision, was developed with full consideration of these net annual costs. They are found to be reasonable in

relation to all the criteria, in each year of the agreement.

The issue of incremental step costs warrants some particular attention. Although they are not new costs attributable to this negotiations (except for their impact as percentage increases compound on the step structure), they are indeed expenses that must be funded by the Employer. Therefore they are given significant consideration under the financial impact and public interest criteria. However, that consideration must also be tempered with the understanding that for a force which has been staffed at about the same level for a period of time, those incremental step costs represent cost savings as well. Each of the officers receiving a step increase because he/she is below the journeyman rate of top patrol salary represents a lower rate than the officer replaced. Indeed the length of the step guide serves to delay new hirees from reaching top rate. That delay presents the Employer with a reduced cost. That is exactly why the City proposed lengthening step guide in this proceeding. Doing so would have increased

incremental costs over time but actually saved the City salary expenses by delaying the advancement to the journeyman rate.

In conclusion, the most reasonable resolution of the issues in dispute in the impasse presented in this interest arbitration is set forth in the Award herein. Every issue presented has been considered in light of the extensive evidentiary record, through application of the eight statutory criteria.

A W A R D

For the foregoing reasons IT IS HEREBY ORDERED that all issues in dispute in the interest arbitration at hand be resolved as follows:

DURATION: Four year term from January 1, 1999 through December 31, 2002.

SALARY: Across-the-board increases of all rates:

Effective 1/1/99 - 3.0%

Effective 1/1/00 - 3.0%

Effective 1/1/01 - 3.9%

Effective 1/1/02 - 3.9%

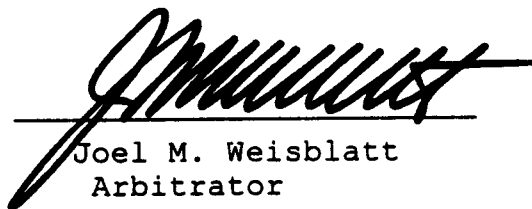
LONGEVITY: Effective 1/1/02 the 14% longevity step shall be limited only to those unit employees who have already achieved that level of service.

WORK SCHEDULE: The parties shall continue to work the existing work chart, however, a Work Chart Study Committee shall be formed. This Committee shall be comprised of four individuals, two selected by each party to

the contract. It shall meet as often as necessary over the next six months to study the potential of a work schedule modification voluntarily acceptable to both parties. Particular attention shall be paid to studying the experience of the City of Paterson under its current work chart. The Committee shall make a written report after six months presenting its findings.

All other issues have been determined to warrant no order for change as an component of the resolution of the impasse at hand.

Dated: April 25, 2000
Skillman, N.J.


Joel M. Weisblatt
Arbitrator

On this 25th day of April, 2000, before me personally came and appeared Joel M. Weisblatt, to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed the same.


Attorney-at-law

