

STATE OF NEW JERSEY
PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of the Interest Arbitration

-between-

Docket No.
IA-97-93

BOROUGH OF LEONIA

OPINION
AND
AWARD

-and-

PBA LOCAL 86

BEFORE: JACK D. TILLEM, Arbitrator

APPEARANCES: For the PBA:
LOCCKE & CORREIA, Attorneys
By: RICHARD D. LOCCKE, Of Counsel

For the Borough:
JOHN J. D'ANTON, Attorney

Upon the filing of a petition to initiate interest arbitration by PBA Local 86, the undersigned was designated to hear and determine the issues at impasse. A mediation session was held on January 19, 1998 and an arbitration hearing on March 25, 1998 at which the parties framed the issues, examined and cross-examined witnesses, offered exhibits, argued their respective positions, and submitted their final proposals. Post hearing briefs were submitted.

THE PBA PROPOSALS

1. Term of Agreement

Four years January 1, 1997 to December 31, 2000.

2. Wages

Five percent across the board increase effective on each successive January 1 in each of the four years.

3. Emergency Leave, Article VIII of the Contract

- a) The PBA proposes a modification of paragraph (b) so as to provide one additional personal day.
- b) The PBA proposes the creation of a new provision in the contract designated as "Blood Donor Day". Said day would be available to any person who donated blood. It would be available to said donor employee on the next shift following the blood donation.

4. Vacations

An across the board increase of two days at each vacation plateau.

* * *

THE BOROUGH'S PROPOSALS

1. Term of Agreement

Three years - January 1, 1997 to December 31, 1999.

2. Wages

- a) **Wage increase with schedule change:** The schedule change being a twelve hour schedule for officers working a total of 260 days versus 243 days which they now work, the Borough offers 3 percent for 1997, 5 percent for 1998 (the first year of the schedule change) and 3.5 percent in 1999 with the schedule change in place.

- b) Wage increase without schedule change: 3 percent for 1997, 3 percent for 1998 and 3 percent for 1999.

5. Holiday Pay

Officers will be paid when they work on a holiday.

6. Uniforms

The Borough proposes that Article 11, Paragraph 2, which provides now that the member sign a "settlement" which attests that the payment is to be used for the purchase and maintenance of uniforms be changed to the officer providing to the Municipality the receipts of the actual purchase which purchases would be in accordance with the standard set by the Municipality and the Chief of Police and the total amount in any one year shall not exceed the annual clothing allowance which shall not exceed the contract amount of \$700.00 per member.

- 7. All new hires in the Police Department shall have no longevity and the longevity shall be reduced to 50 percent.

The Borough of Leonia, a Bergen County community less than two miles west of the George Washington Bridge, has a total area of 1.5 square miles and a population of some 8,000. It is bordered by the communities of Ft. Lee to the east, Palisades Park and Ridgefield to the south, Ridgefield Park, Bogota and Teaneck to the west and Englewood to the north. It has a full time police department of twenty officers, all of whom except for the police chief are represented by PBA Local 86. The last collective bargaining agreement between the parties expired December 31, 1996.

This proceeding is governed by the Police and Fire Public Interest Arbitration Reform Act PL1995, c.425 which provides that absent an agreement by the parties to the contrary, the terminal procedure is conventional arbitration. The arbitrator is required by N.J.S.A.:13A to render a determination utilizing the following eight statutory criteria:

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 the 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 a 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 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 (C40A: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 municipality, the arbitrator or panel of arbitrators shall take into account,

to the extent that evidence is introduced, how the award will affect the municipal or county purposes element, as the case may be, of the local property tax; a comparison of the percentage of the municipal purposes element or, in the case of a county, the county purposes element, required to fund the employees' contract in the preceding local budget year with that required under the award for the current local budget year; the impact of the award for each income sector of the property taxpayers of the local unit; the impact of the award on the ability of the governing body to (a) maintain existing local programs and services, (b) expand existing local programs and services for which public moneys have been designated by the governing body in a proposed local budget, or (c) initiate any new programs and services for which public moneys have been designated by the governing body in a proposed local budget.

(7) The cost of living.

(8) The continuity and stability of employment including seniority rights and such other facts 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.

INTERESTS AND WELFARE OF THE PUBLIC

The Leonia Police Department, a full service law enforcement agency, became the first department in the state as of January 1, 1998 to require a new applicant to possess a Bachelor's degree as a condition of employment. As a result, all but a few of the most senior officers have college degrees and many have post-graduate degrees. Of the twenty sworn officers in the department, seventeen have Bachelor's degrees and three officers have Master's degrees. Five are currently in the process of obtaining their Master's.

The department maintains a high level of professionalism, reflected in the fact that six departmental officers are certified police instructors and teach regularly at the Bergen County Police Academy. Four officers are certified D.A.R.E. instructors. In the last full year prior to the hearings held in this case, the officers of the department received a total of 3,100 hours

of training at various schools. As a comparison, the recommended standard by the International Association of Chiefs of Police is that officers should receive eighty hours of in-service training annually. The average in Leonia is around 155 hours, almost double the nationally recommended standard.

The department also excels in the utilization of police technology and cutting edge equipment. It was among the first in New Jersey to use automatic external defibrillators, lifesaving equipment presently being provided for all patrol cars. Two-thirds of all marked cars are equipped with mobile data terminals, and about two-thirds of the cars have the latest in K/band radar units. Sixteen of the twenty officers in the department are radar certified and nineteen are breathalyser certified.

Situated at the nexus of Route 46, Interstate 95 and State Highway 93, Leonia is a busy town, the department in 1997 registering over 25,000 calls to which its police officers responded. Apart from their general duties, the police officers participate in many varied community projects including neighborhood watch program, senior citizens crime task force, property identification services, student pedestrian safety programs, and D.A.R.E./substance abuse education. Leonia police officers most definitely serve the interests and welfare of the public.

COMPARISONS

a. Other Police Departments.

The following chart compares the 1996 rate of pay in Leonia for its top step officer with the rates paid in a sampling of other Bergen County municipalities:

1.	Bergen County Police	\$70,329
2.	East Rutherford	62,618
3.	Englewood	62,772
4.	Fort Lee	62,762
5.	Hackensack	62,639
6.	Hasbrouck Heights	64,320
7.	Hillsdale	60,127
8.	Lyndhurst	63,151
9.	Moonachie	59,347
10.	North Arlington	61,500
11.	Ridgefield	61,014
12.	Woodbridge	58,998
	Average	62,465
	Leonia	62,790 (with BA degree)

A comparison of police salaries would not be complete without a review of longevity, an extension of remuneration ubiquitous in police service.

<u>JURISDICTION</u>	<u>% LONGEVITY</u>	<u>MAXIMUM</u>
Cliffside Park	3% per 4 yrs of service	15% after 20 yrs.
East Rutherford	Hired before <u>1/95</u> 2% per 4 yrs of service	Hired before <u>1/95</u> no max.
Englewood	1.5% per 4 yrs of Service	9.5% after 24 yrs.
Hackensack	Hired before <u>1/85</u> 1% per 2 yrs of service Hired after <u>1/85</u> 2% per 2 yrs of service	None
Leonia	1.5% per 4 yrs of service up to 7.5% after 20 yrs	8% at 24 yrs of service
Lodi	2% per 4 yrs of service	12%

Lyndhurst	1% after 4 th yr of service; .25% for every year after	6% after 24 yrs of service
North Arlington PBA	1% per 3 yrs of service	10% at 30 yrs of service
Rochelle Park	2% per 4 yrs of service	12% at 24 yrs of service
Teaneck	2% per 4 yrs of service	None
Woodridge PBA	Starting 4 th yr of service, 1%, starting 6 th yr 1% per 3 yrs of service	7.5% at 23 yrs of service

The following chart represents a cross-section of sergeant's pay in

Bergen County:

<u>MUNICIPALITY</u>	<u>SALARY</u>
1. Waldwick	\$69,359
2. Hasbrouck Heights	67,632
3. Rochelle Park	67,506
4. North Arlington	67,035
5. Leonia	65,508 (with BA degree)
6. Hillsdale	65,400
7. East Rutherford	65,355
8. Saddlebrook	65,332
9. Lyndhurst	65,144
10. Teaneck	64,684
11. Lodi	63,686
12. Woodridge	63,592
13. Ridgefield	63,592
14. Carlstadt	63,309
15. Montvale	62,817
16. Moonachie	60,268

The following chart shows a representative cross-section of

lieutenant's pay in Bergen County:

	<u>MUNICIPALITY</u>	<u>SALARY</u>
7.	Waldwick	\$73,536
8.	North Arlington	73,068
9.	Rochelle Park	72,483
10.	Teaneck	71,152
11.	Lodi	70,964
12.	Hasbrouck Heights	70,937
13.	Lyndhurst	70,144
14.	Saddlebrook	69,467
15.	Leonia	68,222 (with BA degree)
16.	East Rutherford	68,000
17.	Woodbridge	67,600
18.	Montvale	67,504
19.	Carlstadt	67,371
20.	Ridgefield	66,188

An unusual feature of Leonia's salary schedule for all ranks is that officers obtain boosts by moving horizontally across the guide, much like a teacher, for post graduate education. A patrolman at the top step with a high school diploma who for example receives \$60,527 is eligible for increases up to \$63,418 for a Master's degree, a sergeant would increase from \$63,245 to \$66,163 and a lieutenant, \$65,957 to \$68,904.

Quite a few communities in Bergen County having either settled or resolved their impasses with arbitration awards, a review of the percentage increases is shown in the following table:

	<u>1997</u>	<u>1998</u>	<u>1999</u>
Cresskill	4.3	4.3	4.3
Fair Lawn	4.5	4.5	
Hasbrouck Hts.	3.75	3.75	
Saddle Brook	5	5	
Moonachie		4	4
Little Ferry	5		
Rochelle Park	4.75		

(Continued - Percentage Increases)	<u>1997</u>	<u>1998</u>	<u>1999</u>
Lodi	4	4	4
Carlstadt	4.75		
Englewood	4.75	4.5	4.25
Closter	4	4	4
Mahwah	4.5	4	4
Waldwick	5.5	4	4
Ridgewood	4.5	4.5	
Teaneck	4	4	
Glen Rock	4	4.25	4.25
Ringwood	4.25	4.25	
Wallington	5		
Haworth	4.5	5	
Woodbridge	4	4	
Fort Lee	4	4	
Averages	4.48	4.24	4.1

b. Other Public Employment

The following table shows the percentage increases received by the non-police employees in the Borough from 1993 to 1997:

<u>Year</u>	<u>PBA</u>	<u>DPW</u>	<u>Office</u>	<u>Library</u>	<u>Non-Rep</u>	<u>Teachers</u>
1999			3.500%			
1998			3.500%			3.490%
1997		4.250%	3.500%	3.500%	4.000%	3.420%
1996	5.000%	5.000%	3.000%	3.500%	3.000%	2.870%
1995	5.000%	5.000%	3.000%	3.000%	3.000%	5.500%
1994	6.575%	2.000%	5.000%	4.900%	5.000%	5.250%
1993	5.560%	1.500%	1.500%	4.600%	1.500%	6.540%
1993- 1996						
Total	24.030%	18.080%	13.070%	16.970%	13.070%	20.670%
Avg.	5.534%	3.375%	3.125%	4.000%	3.125%	4.815%

A comparison of police officers' salaries with remuneration paid to teachers is especially relevant for several reasons. Taxpayers foot the bill for both types of employment and they are both of course subject to the same economic barometers such as inflation, cost of living and tax rates. Moreover, since school budgets must be approved by voters in the municipality, a window is opened into the voters' perception of what they believe to be fair. According to the data available from the New Jersey School Boards Association and the New Jersey Education Association, teachers' salary increases across the state hover very closely to an average of 4 percent per annum.

The New Jersey Department of Labor has prepared a table showing average wages and percent changes for federal, state and local government employment in 1996 as follows:

	<u>1996</u>	<u>Percent Change</u>
Federal Government	\$ 42,216	+3.3
State Government	41,048	+2.1
Local Government	37,954	+3.0

c. Private Sector Employment

The largest employer in New Jersey, AT&T, recently entered into a three year contract in 1996 with 110,000 workers providing for a 10.8 percent wage increase over three years, along with some other modifications including annual bonuses. In the private sector, however, until very recently, raises took a back seat to the overriding problem of joblessness and unemployment. In February 1996, the jobless rate in the U.S. hit 5.8 percent, the highest level since the spring of 1995. Yet the New Jersey economy has made a total rebound from the recession at the

beginning of the decade, the Department of Labor reporting in September 1997 that all of the 262,000 jobs lost have been regained. In 1994 alone 79,000 jobs were restored and from the period of January 1994 to December 1996 the total exceeded 120,000 new jobs.

The following table prepared by the New Jersey Department of Labor for the past two years reflects the fact that in all industries other than finance, insurance and real estate where the increases approached 11 percent, the average increase has been in the 4 percent range.

<u>Major Industry</u>	<u>1995</u>	<u>1996</u>	<u>Percent Change</u>
Construction	\$ 37,510	\$ 38,510	3.1
Manufacturing	42,171	44,126	4.6
Transportation/ Communications/ Public Utilities	41,769	43,381	3.9
Wholesale Trade	43,405	45,405	3.9
Retail Trade	17,820	18,366	3.1
Finance/Insurance/ Real Estate	45,469	50,391	10.8
Services	31,979	33,082	3.5

The value of comparisons with private sector employment is, however, problematic at best. For the obvious reason that there is no real equivalent of a police officer in the private sector the exercise strains to avoid irrelevancy. Nevertheless, as part of a broad brush approach it does serve to show the general trend of employment remuneration and benefits. It also

provides the function of a warning signal. If wages, for example, start to markedly surpass those paid to police officers, it may well affect their continuity and stability of employment, itself a separate and distinct statutory standard.

OVERALL COMPENSATION INCLUDING ALL ECONOMIC BENEFITS

The following table compares the number of annual holidays and clothing allowance in various Bergen County communities:

	<u>Annual Holidays</u>	<u>Annual Uniform Allow.</u>
Carlstadt	13	\$ 1,325.00
Garfield	15	600.00
Little Ferry	13	975.00
Lyndhurst	13	750.00
Rutherford	15	550.00
Mahwah	14	600.00
Hasbrouck Heights	14	1,050.00
Maywood	15	900.00
Rochelle Park	15	750.00
Wood-Ridge	15	800.00
Closter	13	700.00
Saddle Brook	14	800.00
Ridgewood	13	800.00
Glen Rock	13	700.00
Montvale	13	700.00
East Rutherford	15	800.00
Leonia	13 Days	700.00

A comparison of medical and health benefits must focus on optical, dental and prescription co-pay because the full payment by the municipality for basic hospital and medical insurance is virtually universal in police departments throughout the state:

	<u>Optical</u>	<u>Dental</u>	<u>Rx Co-pay</u>
Carlstadt	Yes	Yes	0
Cliffside Park	No	Yes	0
Rast Rutherford	\$100 and \$100 per fam/ member	No	\$3
Hackensack	No	Lesser of 50% Of \$150 of annual Premium - \$800 max ortho	
Hasbrouck Heights	No	80/20	\$3 gen. \$5 brand
Lodi	Yes	Yes	\$1
Lyndhurst	No	Yes	\$3 gen. \$5 brand
Moonachie	No	Yes	0
North Arlington PBA	\$200 per yr.	Yes Max.\$1500	\$3
Rochelle Park	No	Yes	0
Ridgefield	\$175 max.	Yes	0
Rutherford	No	Yes	\$1
Saddle Brook	No	Max.\$2000	\$1
Wood-Ridge	Yes	Yes	\$3 gen. \$5 brand
Leonia	No	Yes	0

Leonia's vacation allowance is compared to other Bergen County

districts in the following chart:

	<u>5 Years</u>	<u>15 Years</u>	<u>Top</u>
Carlstadt	12 days	18 days	24 days
Cliffside Park	21 days	21 days	31 days
East Rutherford	15 days	21 days	26 days
Hackensack	15 days	19 days	26 days
Hasbrouck Heights	10 days	25 days	30 days
Lodi	15 days	25 days	30 days
Lyndhurst	10 days	20 days	30 days
Moonachie	15 days	21 days	25 days

(Continued Vacation Allowances)	<u>5 Years</u>	<u>15 Years</u>	<u>Top</u>
North Arlington PBA	17 days	18 days	30 days
Ridgefield	10 days	20 days	25 days
Rochelle Park	20 days	25 days	25 days
South Hackensack	15 days	20 days	25 days
Woodridge PBA	13 days	17 days	25 days
Leonia	10 days	19 days	22 days

Police officers in Leonia are entitled to two personal days a year, the requirement for taking the day is notice to one's supervisor at least two days in advance except in emergencies. A representative sampling of personal day allotment in other Bergen County departments is shown in the following chart:

<u>Town</u>	<u>Personal Days</u>
Demarest	3
E. Rutherford	4
Englewood	1
Fairview	5
Fort Lee	2
Little Ferry	5
Lyndhurst	4
Palisades Park	2
Ridgefield	0
Rochelle Park	2
Washington Twp.	2
Westwood	6
Wood-Ridge	3

Bereavement leave of three days for a death in the immediate family is available under the Leonia agreement with an additional day for travel if the death occurs beyond 100 miles from the Borough. As the following chart reveals, most other municipalities with a few

exceptions offer an equivalent number of days:

<u>JURISDICTION</u>	<u>BEREAVEMENT LEAVE</u>
Cliffside Park	3 days
Demarest	4 days
Hackensack	6 days
Hillsdale	3 days
Lodi	3 days
Lyndhurst	7 days
Montvale	4 days
North Arlington PBA	3 days
Ridgefield	3 days
Rochelle Park	3 days
Teaneck	3 days
Tenafly	4 days

STIPULATIONS OF THE PARTIES

Other than their acknowledgment of the expired collective bargaining agreement, the parties have entered into no stipulations.

LAWFUL AUTHORITY OF THE EMPLOYER

The lawful authority of the employer is constrained by the New Jersey CAP law, a formulaic restriction on current year spending based upon the prior year's qualifying expenditures. In brief, qualifying expenditures in a given year may not exceed the preceding year's expenditures by more than 5 percent, a ceiling which may be raised in certain instances and under specific conditions. The CAP law calculation starts with the published index rate issued annually by Trenton, the rate for 1998 being 2.5 percent which means that the starting point for adopting this

year's budget may be 2.5 percent over the previous year's.

The Borough of Leonia has faced no CAP problem in adopting the 1998 budget, its expenditures below the 2.5 percent index rate, let alone a 5 percent CAP limitation. By adopting a budget below the index rate amount, the difference may be carried forward in future years in what is commonly referred to as CAP banking. Leonia's CAP banking carry-forward into 1999 totals \$369,311, a figure which would virtually guarantee that the Borough will have no CAP problem in 1999 either.

FINANCIAL IMPACT ON THE GOVERNING UNIT, ITS RESIDENTS AND TAXPAYERS

The Borough called Joseph Rompala who was qualified as an expert in municipal finance. He testified as to various analyses he made concerning the financial ramifications of the parties' proposals. Starting with the PBA's proposal for a wage increase he constructed the following chart to show what he stated was the actual cost to the Borough:

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>TOTAL</u>
Raise	\$ 112,684	\$ 217,560	\$ 352,392	\$ 502,045	\$ 1,184,681
Personal Day	6,965	7,612	8,444	9,368	32,389
Vacation Days	13,929	15,224	16,889	18,736	64,778
Blood Day	6,965	7,612	8,444	9,368	32,389
Overtime	3,000	3,150	3,308	3,647	13,104
Pension Increase	20,283	39,161	63,431	90,368	213,243
Total	\$163,826	\$290,318	\$452,907	\$633,532	\$1,540,583
% of Police Budget	10.09%	16.80%			
Effective Raises	7.21%	9.30%	10.93%	10.94%	44.21%

Mr. Rompala pointed out that Leonia's 3.88 is the fourth highest effective tax rate in the county, outpaced only by Emerson at 4.58, Ridgewood at 3.99 and Bogota at 3.91. Other surrounding districts include Hackensack 3.67, Bergenfield 3.60, Englewood 3.06, Palisades 3.00, South Hackensack 2.68, Fort Lee 2.33 and Carlstadt 2.02.

Contending that the impact of the increase, whichever proposal is adopted, will be negligible with virtually no impact on the taxpayers, the PBA submits the following table showing the cost of a base percentage point in the budget:

(A)	(B)	(C)	(D)
	<u>Census</u>	<u>Base Rate (See J-1)</u>	<u>Column (B) X Column (C)</u>
Patrolman	13	\$ 57,645	\$ 749,385
Sergeant	5	60,233	301,165
Lieutenant	1	62,816	62,816
Totals	19		\$ 1,113,366
		Base Percentage point =	\$ 11,133

The PBA frames the question as whether the employer has the ability to fund the 2 percentage point difference, or approximately \$22,000, between the parties' positions. Not incidentally, the PBA notes, the employer implicitly acknowledges that it can fund this amount of money by offering a 5 percent increase for 1998 in exchange for an increase in the number of days per year on the schedule.

The total tax levy for 1997 was \$17.6 million. With a base wage point at \$11,133, the impact on the tax levy is .0006 percent. Translating that cost on a hypothetical \$3,000

tax bill for a resident, the PBA shows that the tax bill would increase by \$1.80 for 1 point and \$3.60 for 2 points, less than the cost of a fast food lunch. Moreover, the PBA points out that since there are ample funds in the budget to provide for the increase, there would of course be no tax increase for its proposal.

In the PBA's view, Leonia is in very good shape financially. Assessed values have been increasing and the rate of tax collection is at a very high level. In 1997 the police and salary wage line item was \$1,553,000. In 1998 the amount swelled to \$1,647,000, an increase of approximately \$94,000. What's more, there was reserve, the PBA notes, an amount of \$145,834 allocated on this line remained unused at the end of 1997. Adding the unallocated amount to the increase in appropriation generates some \$240,000, representing 21.5 wage points. Clearly, the PBA concludes, there is sufficient monies in the budget to fund either proposal.

COST OF LIVING

In issuing its final 1997 bulletin on the Consumer Price Index, the U.S. Department of Labor Bureau of Labor Statistics stated that the index for the New York-Northeastern New Jersey region edged down 0.2 percent. This decline largely reflected decreases in transportation, apparel and renters' costs sectors, a decline partially offset by increases in food, fuel and utilities. With the New York-Northeastern New Jersey Consumer Price Index for All Urban Consumers at 172.0, \$17.20 was required to purchase what \$10.00 could in the 1982-84 base period. The purchasing power of the dollar was 58.1 cents in 1982-84 dollars and 20.1 cents in 1967 dollars.

On the national level the Consumer Price Index rose by 1.7 percent in 1997, the smallest annual increase in eleven years. Although the CPI increased nationally

by 1.7 percent the rise for the full twelve months of 1997 in the New Jersey-New York metropolitan area finished the year up by 2 percent, the smallest annual rise in the region since 1964 and significantly below the increases for 1996 (2.9 percent) and 1995 (3 percent). The 1.7 percent increase nationally - slightly more than half of 1996's 3.3 percent - was the smallest annual gain since 1986, when a plunge in oil prices held the rise in the CPI to 1.1 percent.

In 1997 the cost of medical care throughout the nation rose 2.8 percent. Although somewhat higher than the overall inflation rate it was the smallest increase since 1965. As a matter of fact, the inflation rate for medical costs has become smaller each year since registering a 9.6 percent increase in 1990. Medical care increases however were offset by big drops in energy and food prices, energy falling 1.6 percent in 1997 and food down 1.5 percent.

CONTINUITY AND STABILITY OF EMPLOYMENT

The relevance of this statutory standard to this impasse is open to question, the present state of recruitment and retention of police officers suggesting that a Leonia cop is not about to leave town whichever proposal is adopted. For every opening in a local police force such as this one in the New York-New Jersey Metropolitan Region there are scores of applicants. Besides, the argument that either side's proposal does not fall within the realm of reasonableness would pose a difficult proposition for me. Hence, it does not seem likely that whatever the outcome of the impasse, the result would motivate a police officer to switch jobs.

Nonetheless, the following comment by Arbitrator Peter Seitz warrants repeating in the context of this standard:

...if the exacting requirements of police work are to be met in the near and more distant future, at least two conditions must be recognized: the level of pay must be high enough to attract able and promising young people who will be able to withstand the law of higher wages at less dangerous work in plants in the surrounding communities in the general market and the compensation system should be one that will maintain the highest possible morale and esprit de corps in the present force. In re Providence, 47 LA 1036 (1966)

The statutory standards cannot be applied like so many equal slices of salami. Nor should they be, the statute requiring the arbitrator to use discretion in determining which should be more controlling and which less so. Some standards might favor the Borough while others skew in favor of the PBA. The task at hand is to use the standards as tools in fashioning an award that is balanced, fair and workable. I hope I have done so in making the following decisions:

1. A three year contract, January 1, 1997 to December 31, 1999. While a four year deal would always be desired, the evidence and information available at the present time is so scant that fixing a wage rate or terms of the agreement for the year 2000 would be rather speculative, a crystal ball exercise.
2. Wage increases: 4 percent across the board in 1997, 4 percent in 1998, and 4.25 percent in 1999 - with no change in the schedule.
3. The evidence submitted by both sides in support of their other proposals lacking substantive weight and no reasons having been offered to justify their inclusion in the collective bargaining agreement, they are all denied.

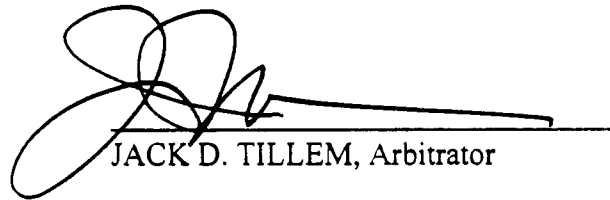
AWARD

Pursuant to the authority granted by N.J.S.A.34:13A, the undersigned renders the following award:

1. Term of agreement: three years, from January 1, 1997 to December 31, 1999.
2. Salaries: all salary steps and all ranks shall be increased as follows:

1997	-	4 percent (retroactive to January 1, 1997)
1998	-	4 percent (retroactive to January 1, 1998)
1999	-	4.25 percent
3. All other proposals are denied. The terms of the prior agreement shall continue except to the extent modified by this award and the agreement of the parties.

Dated: July 14, 1998


JACK D. TILLEM, Arbitrator

STATE OF NEW YORK)
COUNTY OF NASSAU) SS:

On the 14th day of July, 1998, before me personally came and appeared JACK D. TILLEM, to me known and known to me to be the individual described herein and who executed the foregoing instrument and he acknowledged to me that the same was executed by him.

Deanna R. Pearl

DEANNA R. PEARL
Notary Public, State of New York
No. 4823993
Qualified in Nassau County, New York
Commission Expires Nov. 30, 1998

