

NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of Arbitration Between:

TOWNSHIP OF SPRINGFIELD

"Employer,"

- and -

SPRINGFIELD PBA LOCAL 76, 76A

"Unions."

**INTEREST ARBITRATION
DECISION AND
AWARD**

Docket No. IA-2001-54

**Before
James W. Mastriani
Arbitrator**

Appearances:

For the Township:

Mark S. Ruderman, Esq.
Ruderman & Glickman, PC

For the PBA:

Donald B. Ross, Jr., Esq.
Lindabury, McCormick & Estabrook

The Township of Springfield [the "Township"] and the PBA Local 76 [the "PBA"] are parties to a collective negotiations agreement covering Patrolmen, Corporals and Detectives. The Township of Springfield [the "Township"] and the PBA Local 76A [the "SOA"] are parties to a collective negotiations agreement covering Sergeants and Lieutenants. These Agreements extended through December 31, 2000. An impasse developed between the Township and the PBA and SOA resulting in the submission of the disputes to interest arbitration pursuant to the rules of the New Jersey Public Relations Employment Commission. The parties agreed to consolidate these impasses in a single proceeding docketed as IA-2001-54. Reference to the PBA in this decision shall include both the PBA and SOA. In accordance with the rules of PERC, I was designated to serve as interest arbitrator. In addition, an impasse between the Township of Springfield and FMBA Local 57 and 57A (Docket Nos. IA-2001-57 and 58) resulted in my designation as interest arbitrator for each of these units. All parties in the interest of economy agreed to a consolidated hearing process to facilitate the production of evidence common to all units. This decision is limited to the PBA and SOA.

Due to the extremely complex issues presented in all of the above negotiations, several pre-interest arbitration mediation sessions were held. These efforts did not produce a voluntary agreement leading to the convening of formal hearings which were held on June 12 and July 22, 2002. A post-interest arbitration mediation session was held on September 5, 2002. Testimony,

documentary evidence and certifications were offered by all parties. The record remained open for the receipt of additional exhibits which were received on June 10, 2003. Post-hearing briefs were filed by each party, the last of which was received on July 10, 2003. At that time, the hearing was deemed closed.

As required by statute, the Township and the PBA and SOA submitted the following last offers on the issues in dispute.

PBA'S FINAL OFFER

1. **Term.** (PBA and SOA) The term of the new Agreement shall commence January 1, 2001 and extend until December 31, 2004. Except as contained herein, the PBA and SOA propose that all terms of the existing contract be continued during the successor Agreement.
2. **Wages.** (PBA and SOA) There shall be an increase of 4.75% across-the-board per year for 2001, 2002, 2003 and 5% for 2004.
3. **Longevity.** (PBA and SOA) Effective January 1, 2001, for all employees in both units, we propose the following schedule: After five (5) years, 2%; after nine (9) years, 4%; after thirteen (13) years, 6%; after seventeen (17) years, 8%; after nineteen (19) years, 10%; after twenty (20) years, 11%; after twenty-one (21) years, 12%; after twenty-two (22) years, 13%; after twenty-three (23) years, 14%; and after twenty-four (24) years and thereafter, 15%.
4. **One-time adjustment to Supervisors' Pay.** (SOA) Effective as of the commencement date of the Agreement, each supervisor will receive an adjustment in compensation equivalent to the next higher rank paid in 2000, before applying the 4 ¾% increase for 2001.
5. **Work Schedule.** (PBA and SOA) Immediate implementation of the 4-4 10 ¾ hour shift schedule with appropriate adjustments in time off which are intended to be for the purposes of adjusting to the new schedule and not to

decrease time off. The PBA's position with respect to all of the advantages to the work schedule for both the Township and the Department is set forth in detail in the Certifications of Steven Studlack, Steven Stockl, and James Hietala.

6. **Detective Bureau.** (PBA and SOA) Effective as of the commencement date of the Agreement, if a detective acts in the capacity of a supervisor, he shall receive compensation equivalent to the next higher rate.

TOWNSHIP'S FINAL OFFER

1. **Salaries**

2001 – 3%
2002 – 3%
2003 – 3%
2004 – 3%

2. **Salaries.** Implementation of a salary guide with 8 equal steps with a starting salary of \$24,000.00 frozen through the life of the contract.
3. **Salaries.** Grandfather three current corporals and abolish for all employees who complete 22nd year of employment.
4. **Longevity.** All employees hired after January 1, 2003 shall not enjoy longevity as provided under the collective bargaining agreement. Effective January 1, 2003 employee's longevity shall be frozen at existing levels and flat dollar number as per Millburn Memorandum of Agreement.
5. **Grievance Procedure.** Delete Step 4.
6. **Insurance.** Effective January 1, 2003, any employee who wishes to remain in the traditional indemnity plan shall pay the difference in costs between the indemnity plan and the PPO.
7. **Insurance.** Change the prescription copay to \$10.00 generic and \$20.00 brand name effective January 1, 2003.
8. **Insurance.** Delete the identity of the insurance carrier in Section 1 and add the following language:

The employer reserves the right to change insurance carriers or self-insure so long as substantially similar benefits are provided.

9. **Insurance.** Delete the current language in Section 4 and replace with the following: "employees shall be entitled to up to one year's paid leave for reasons of illness or disability. Employees hired after January 1, 2003, shall be entitled to 12 sick days as per personnel policy."
10. **Clothing Issuance and Allowance.** Change percentage in Section 2 to a flat dollar number equal to amount paid in year 2000.
11. **Overtime.** In Section 4, add the following: Contact with an answering machine that does not result in a call-back by officer within fifteen (15) minutes shall constitute refusal of overtime and credited as same.
12. Add new Article – **Annual Departmental Meeting:**

At the discretion of the Chief, three (3) annual meetings may be called per year. The Chief shall make proper notification thirty (30) days prior to each of the meetings by distributing written notices in each member's mail slot and posting said notice on the board containing daily memorandums. Departmental meetings shall not be scheduled for Saturdays, Sundays, or Holidays. Absence from duty requests submitted prior to the distribution of the notice shall be granted. The Chief may grant excuses to members who cannot attend. There will be no form of compensation for attending an annual meeting and this Article is not subject to grievance procedures.

13. Add new Article – **Fully Bargained Agreement:**
 - A. The Township 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 Township or the PBA during the term of this Agreement unless agreed to in writing between the Township and the PBA 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 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, expressed 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 PBA, 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 PBA and 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 be modified in whole or in part by the parties except by an instrument in writing executed by both parties.

The Township and the PBA have offered testimony and considerable documentary evidence in support of their last offers. Each submission was expert and comprehensive in nature. The entire record of the proceeding must be considered in light of the statutory criteria. I am required to make a

reasonable determination of the above issues giving due weight to those factors set forth in N.J.S.A. 34:13A-16g(1) through (8) which I find relevant to the resolution of these negotiations. I am also required to indicate which of these factors are deemed relevant along with an analysis of the evidence on each relevant factor, and if one or more factors are deemed irrelevant, I must satisfactorily explain why they are not relevant. These factors, commonly called the statutory criteria, are as follows:

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

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

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

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

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

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

(4) Stipulations of the parties.

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

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

(7) The cost of living.

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

BACKGROUND AND POSITIONS OF THE PARTIES

The PBA unit as of 2000 consisted of 3 probationary patrolmen, 20 first class police officers, 2 Corporals, 3 Detectives and 1 Detective Corporal. The SOA unit consists of 5 Sergeants, 1 Lieutenant and 1 Detective Lieutenant. The total payroll for these bargaining unit personnel as of December 31, 2000 was \$2,327,087 as broken down in the following chart.

		2000	Total 2000
Detective Lieutenant	1	\$80,522	\$80,522
Lieutenant	1	\$79,430	\$79,430
Detective Sergeant	0	\$75,705	0
Sergeant	5	\$74,623	\$373,115
Detective Corporal	1	\$68,609	\$68,609
Detective	3	\$67,609	\$202,827
Corporal	2	\$66,572	\$133,144
First Class	20	\$65,572	\$1,311,440
Second Class	0	\$57,813	0
Third Class	0	\$50,111	0
Fourth Class	0	\$42,377	0
Fifth Class	0	\$34,643	0
Probationary	3	\$26,000	\$78,000
TOTAL	36		\$2,327,087

The PBA and SOA provide law enforcement services in Springfield Township, a Union County municipality with a population of approximately 15,000 residents covering a land area of 5.15 square miles. In 2001, the police budget

was \$3,966,915 with a per capita cost of \$275, slightly above the County average of \$227. The crime rate per 1000 residents was 28.90, which is below the County average of 38.42. The violent crime rate was 1.5. The median household income in 1999 was \$73,790. The community is primarily residential with 4,738 residential units out of a total of 5,193. The residential units represent 69% of real property valuation. The net valuation taxable in 2001 was \$1,077,574,600. The general tax rate per 100 in 2001 was 3.658. The County equalization ratio was 68.26.

The parties offer the following arguments and evidence in support of their respective positions.

The PBA has proposed a work schedule change from a 4/2 schedule to a 4/4 schedule. According to Patrolman Steven Studlack, President of the PBA, nineteen out of twenty-two municipalities used the 4/4 shift schedule. Springfield is the only municipality in Union County that uses a 4/2 shift schedule. Studlack testified that under the current 4/2 schedule, officers work 8 hours a day, 4 days a week for a total of 32 hours per week. For calculation purposes he considers this a 6 day workweek with 60.83 weeks per year that an officer can work. Each officer works 32 hours a week for 60.83 weeks amounting to 1946.56 hours per year. Under the proposed 4/4 schedule, the P.B.A. is proposing that each officer work 4 days a week at 10.75 hours a day for 45.625 weeks. This amounts to

working 1961.875 hours per year, which is 15.315 hours more than the current schedule.

Sergeant Steven Stockl also testified on behalf of the proposal to move to a 4/4 work schedule. Sergeant Stockl is President of the SOA. The department has five sergeants on patrol and one administrative/executive officer. According to Sergeant Stockl, there is a shortage of sergeants in the department resulting in 12 to 15 shifts per month having sergeant vacancies. This has resulted in a substantial amount of overtime work for sergeants estimated at at least \$20,000 each year per sergeant/supervisor. A list of overtime is developed with the sergeant/supervisor with the lowest accumulated overtime hours being entitled to first pick of the vacant shifts. Overtime is costly because, under the terms of the current agreement, a sergeant/supervisor earns a lieutenant's overtime rate equaling \$61.22 an hour. According to Stockl, the number of hours worked also impacts longevity since sergeants/supervisor's longevity is based on a percentage of their total salary. With respect to his own overtime work, Sergeant Stockl worked 410 hours of overtime in 2002 at a cost of \$25,100 in overtime plus another \$3,012 in longevity. Based on the figures provided on the overtime list, a total of 1,905.5 hours of overtime were worked by the five sergeants/supervisors in 2002. The cost the Town of Springfield at least \$116,654.71 in overtime (1,905.5 hours times \$61.22/hour), excluding longevity. Longevity would cost the Town an additional \$13,998.48 (.12 times \$11,654.71).

Captain James Hietala also offered testimony in support of a schedule change from a 4on/2off steady shift schedule to a 4 on/4 off steady shift schedule. Due to his rank, Captain Hietala is a non-bargaining unit supervisor. He is responsible for the daily scheduling of shifts. He testified that police officers work a greater number of weekends under the 4/2 schedule than they would work by adopting a 4/4 schedule. He has received complaints concerning the number and frequency of weekend work. He testified that due to the lack of an adequate number of supervisors under the 4/2 schedule, the Town of Springfield incurs phenomenal overtime costs by having to pay the existing Sergeants/supervisors at a lieutenant's rate for the overtime hours that these sergeants/supervisors work. Captain Hietala further testified that the 4/4 schedule would provide four hour blocks of non-overtime training, that the blocks of training would be longer and more valuable to the police officers than the current training which takes place during thirty minute blocks on an overtime basis.

The PBA has proposed wages of 4.75% across-the-board increases per year for 2001, 2002, 2003 and 5% for 2004. The SOA has proposed effective as of the commencement date of the Agreement, each supervisor will receive an adjustment in compensation equivalent to the next higher rank paid in 2000, before applying the 4.75% increase for 2001.

The PBA contends that the Township's argument that Springfield police officers are at salary maximum are highly ranked within Union County at \$65,572 during 2000 is misleading. The PBA points out that the Township's base pay comparison ignores the fact that the base pay includes clothing allowance and holiday pay. Thus, the \$65,572 should be reduced by the 2% clothing allowance of \$1,311.44 and 13 days of 8 hour shifts at \$30.89 per hour flat rate holiday pay of \$3,213.00. When this is done, the salary comparisons would reflect that Springfield was ranked 7th out of 21 Union County municipalities rather than 2nd as cited by the Township. The PBA offers the following chart of salary comparisons.

Town	2000	2001	2002	2003	2004	2005
Union	\$66,768	\$69,529	\$73,070	\$76,855		
Summit	\$64,580	\$69,690	\$72,506	\$75,435		
Scotch Plains	\$63,926	\$66,419	\$68,810	\$71,425	\$74,353	
Mountainside	\$63,798	\$66,318	\$68,971			
Linden	\$63,773		\$66,709	\$69,044	\$71,806	
Rahway	\$62,407	\$64,668	\$67,012			
Springfield*	\$61,048					
Fanwood	\$60,797	\$63,168				
Clark	\$60,748	\$63,417	\$65,954	\$68,262	\$70,651	\$73,477
Roselle	\$58,626	\$60,678	\$62,953	\$65,471		
Westfield	\$58,328	\$60,600	\$63,804	\$66,552	\$69,734	\$72,524
Elizabeth	\$57,735	\$59,900	\$62,296	\$64,632		
Cranford	\$57,470	\$59,488				
Berkley Heights	\$57,345	\$59,353	\$61,430	\$63,949		
Kenilworth	\$57,314	\$59,607	\$61,991	\$66,145	\$69,121	
Roselle Park	\$57,204	\$59,064	\$60,835			
New Providence	\$56,693	\$58,983	\$61,366			
Hillside	\$56,548	\$57,679	\$59,698	\$62,086	\$65,190	\$69,427
Garwood	\$53,518	\$55,525				
Plainfield						
Winfield						

*Springfield base pay was calculated by reducing the inclusive pay schedule amount of \$65,572 by the 2% clothing allowance of \$1,311.44 and the 13 days of 8 hour shifts at \$30.89 per hour flat rate holiday pay of \$3,213.00.

The PBA also minimizes the Township's salary offer of 3% annually by citing salary percentage comparisons among Union County municipalities which sets forth the following data:

Rank	Town	2000	2001	2002	2003	2004	2005
1	Clark		4.3%	4%	3.5%	3.5%	4%
2	Union		4.14%	5.1%	5.18%		
3	New Providence	4%	4%	4%			
4	Kenilworth		4%	4%	6.7%	4.49%	
5	Mountainside		3.949%	4%			
6	Fanwood	3.9%	3.9%				
7	Scotch Plains		3.89%	3.59%	3.8%	4.1%	
8	Westfield		3.8%	5.29%	4.31%	4.78%	4%
9	Garwood		3.75%				
10	Elizabeth	4%	3.75%	4%	3.75%		
11	Rahway		3.62%	3.62%			
12	Cranford		3.5%				
13	Berkley Heights		3.5%	3.5%	4.1%		
14	Roselle		3.25%	3.75%	4%		
15	Roselle Park	3%	3.25%	3%			
16	Summit		1/1/01 3%	1/1/02 2% 7/1/02 2%	1/1/03 2% 7/1/03 2%		
17	Hillside		2%	3.5%	4%	5%	6.5%
18	Linden				3.5%	4%	
19	Plainfield						
20	Springfield						
21	Winfield		4%				
	Averages	3.725%	3.75%	3.95%	4.26%	4.31%	4.83%

The PBA contends that there is no justification for salary increases below the averages set forth above. Further, the PBA cites the testimony of financial expert Thomas Banker that the Township maintains a financial posture which can fund its proposal without adverse financial impact on the Township and without exceeding its budget Cap. The PBA offers the following argument with respect to Banker's testimony on the Township's finances:

The Township is well-managed and well-positioned to provide the modest package of wages and other benefits proposed by the PBA.

Briefly summarized, Mr. Banker concluded that the Township is in good financial condition by comparison to NJ municipalities, generally, and to comparable NJ municipalities. The Township enjoys a low overall tax rate, a low municipal tax rate, and strong ratable base measured on a per capita basis. the Township also has a strong cash position, a strong surplus position and a relatively low level of municipal debt.

He stated further that key indicators of fiscal performance are uniformly positive, as typified by consistently high rates of current property tax collections, strong delinquent property tax collections, overall revenue collection rates that are substantially in excess of budget anticipations, no over expenditures, and no evidence of emergency appropriations. The Township has lived within the CAP limitations without difficulty, and has been able to retain significant appropriation reserves at the conclusion of every budget year.

Perhaps most significantly, Mr. Banker concluded in no uncertain terms that "the amount required to provide for the incremental cost of the differences between the economic offers for the uniformed police and fire personnel employed by the town, based on the information provided, can be estimated at approximately \$60,000 per year for each 1% in dispute. Such an amount can readily be accommodated by the Township without unduly burdening its taxpayers or requiring any significant reduction in the delivery of municipal services."

The PBA also proposes the following longevity schedule for both units effective January 1, 2001: After five (5) years, 2%; After nine (9) years, 4%; after thirteen (13) years , 6%, after seventeen (17) years, 8%; after nineteen (19)

years, 10%; after twenty (20) years, 11%; after twenty-one (21) years, 12%, after twenty-two (22) years, 13%; after twenty-three (23) years, 14%; and after twenty-four (24) years and thereafter, 15%.

The current longevity schedule is as follows:

A. In addition to the salaries for officers set forth in Schedule A of this Agreement, a longevity payment shall be made as hereinafter fixed and determined. Such longevity pay is to be considered as additional compensation based upon length of service of said officer in accordance with the following schedule:

5 years ...	2%
9 years ...	4%
13 years ...	6%
17 years ...	8%
19 years ...	10%*

*Note: Any covered employee who as of December 16, 1998 has a longevity increment greater than 10% shall be grandfathered at their increment on said date.

B. All employees hired after December 16, 1998 shall be paid a longevity increment based upon length of service of said officer in accordance with the following schedule:

Years of Service	Percentage
5 years	2%
10 years	4%
15 years	6%
20 years and thereafter	8%

The PBA seeks a "restoration" of the longevity provision to provide the same longevity program for all employees instead of the "three tiered" longevity

system which is currently in place. The PBA summarizes the three tier program which it seeks to replace with the single longevity system:

Tier 1. Employees hired before December 16, 1998 receive longevity as follows: 5 years – 2%; 9 years – 4%; 13 years – 6%; 17 years – 8%; 19 years – 10%.

Tier 2. Certain “grandfathered” employees hired before December 16, 1998 receive longevity at the rate of 13% after 22 years; 14% after 23 years; and 15% after 24 years +.

Tier 3. Employees hired after December 16, 1998 receive longevity as follows: 5 years – 2%; 10 years – 4%; 15 years – 6%; 20 years + – 8%.

The PBA contends that the overall compensation factor and comparability factors support its proposal and also compel rejection of the Township's proposal that future employees receive no longevity.

Another prong of the PBA's proposal is to provide a one time adjustment to all patrol sergeant's salaries. The PBA relies upon the certification of Sergeant Stockl dated June 3, 2003 that there is only one Lieutenant in the 39 person police department whereas the department had five line Lieutenants several years ago. Because there has been no Lieutenant's promotional exam since 1989, the PBA contends that the Township has, de facto, decided to eliminate the rank of Lieutenant. This, in turn, is asserted to place greater levels of responsibilities on Sergeants and the PBA seeks a linkage between first line supervisors in the police and fire departments which warrant this one-time

adjustment. The PBA provides similar reasoning in support of its proposal for acting pay for a detective who serves in the capacity of a supervisor.

The PBA urges rejection of all of the Township's proposals which it considers "draconian." These include the elimination of the current clothing allowance percentage (2%) which is part of base pay, premium sharing for health insurance, 12 sick days per year in lieu of the current unlimited sick leave policy, the addition of several new steps on the salary schedule and no longevity for new hires.

Based upon all of the above, the PBA urges adoption of its proposals in their entirety.

The Township urges rejection of the PBA demands and urges adoption of its own proposals. According to the Township, the PBA's proposals are too costly:

If the arbitrator awarded the PBA/SOA's salary demands, the maximum patrol officer's salary would increase from \$65,572 to \$68,686 in 2001, to \$71,949 in 2002, to \$75,367 in 2003, and to \$79,135 in 2004. Over the contract term, maximum patrol officer salary would increase by \$13,563. Although the bargaining unit would receive a 19.25% straight percentage increase, the bargaining unit would actually receive a 20.68% increase over the four-year period. The compounding cost equals 1.43%. the Township will attribute 0.36% or one-quarter of the compounding cost to 2001, 0.36% of the compounding cost to 2002,

0.36% of the compounding cost to 2003, and 0.35% of the compounding cost to 2004.

The Township regards the PBA's proposals as excessive and unsupported by any of its statutory criteria, including comparability and financial impact on the Township which it believes would be adverse to its budgetary requirements. In addition, the Township cites the cost of salary increments which would add \$25,929 in additional costs in 2001, \$15,468 in 2002, \$24,111 in 2003 and \$23,138 in 2004, representing costs equal to 1.11% for 2001, 0.66% for 2002, 1.01% for 2003 and 0.97% for 2004. The Township also urges rejection of the proposal for a one-time adjustment to supervisor's pay because of excessive cost and comparability reasons which it believes do not support the PBA's proposal. Based upon the Township's calculations, in addition to the across the board salary increases proposed by the PBA, the one-time adjustment proposal would represent an additional 6.4% increase for Sergeants, an 11.8% increase for its Lieutenant and a 10.3% increase for its Detective Lieutenant.

The Township does not claim an inability to pay. The Township acknowledges its financial stability but strongly contends that developing trends must be taken into consideration which weigh heavily against awarding the PBA's proposals.

The Township points to a \$212,000 reduction in its surplus balance from January 1, 2000 to January 1, 2001 and a similar reduction of \$672,824 from

January 1, 2001 to January 1, 2002. These reductions cause the Township to exhibit a concern that it may not be able to rely upon surplus balance as a stable revenue source. In addition, the Township asserts that State aid is uncertain and further diminishes its confidence that this former stable revenue source will continue.

The Township offers evidence reflecting each major budget line item to demonstrate that it has a tight and sound budget providing for the needs of its residents, capital components debt service and other necessary expenditures without the "fat" which would be necessary to fund the PBA's economic proposals.

The Township offers many arguments in support of its wage proposal and in support of rejecting the PBA's. These include surveys or private sector wage increases averaging approximately 3% and interest arbitration awards and settlements averaging between 3.45% and 3.91% during the relevant contract duration period. The evidence submitted on this point is comprehensive and has been reviewed. A summary of all of the Township's arguments and evidence need not be further detailed.

The Township urges rejection of the PBA's longevity proposal and the adoption of its own. The Township contends that the PBA's longevity proposal will cost almost \$75,000 more than the current longevity benefits over the four

year proposed contract term without incorporating the increases in base pay which, if added, would substantially increase the cost of the proposed longevity payments.

Relying upon a recent Memorandum of Agreement executed in the Town of Millburn, the Township proposes freezing police officers' longevity at existing levels and then by a flat dollar amount effective January 1, 2003. The Township also proposes eliminating longevity benefits for all employees hired after January 1, 2003. The Township relies upon comparability evidence within Union County and the long-term savings it would receive from the adoption of these proposals. The Township submits a chart reflecting no longevity for new hires in many Union County municipalities.

The Township proposes eliminating Step 4 of the grievance procedure reducing the number of steps to arbitration from five to four in order to promote the timely resolution of grievances.

Citing substantial increases in health insurance premiums effective January 1, 2003, the Township proposes several changes to insurance benefits. The first is to require any officer who remains in the traditional indemnity plan to pay the difference in costs between the indemnity plan and the PPO. This proposal will save the Township \$2,975 per month or \$35,700 per year, equal to 1.53% of 2002 base salaries in 2003.

Second, the Township proposes changing the prescription insurance co-pay to \$10.00 for generic drugs and \$20.00 for brand name drugs effective January 1, 2003. Third, the Township proposes deleting the indemnity of the insurance carrier in Section 1 of Article XI and adding the following language: "The Employer reserves the right to change insurance carriers or self-insure so long as substantially similar benefits are provided." This language is intended to provide the Township with the flexibility to change insurance carriers or self-insure to reduce insurance costs while ensuring that the PBA/SOA continues to receive substantially similar benefits. Fourth, the Township proposes deleting the current language in Article XI, Section 4 and replacing it with the following language: "employees shall be entitled to up to one year's paid leave for reasons of illness or disability." The Township also seeks to incorporate the terms of the Township's sick leave policy into the PBA agreements. This would provide that effective January 1, 2003 all new employees would be entitled to 12 sick days.

The Township proposes changing the clothing allowance from 2% of base salary to a flat dollar amount equal to the amount paid in the year 2000. The Township's proposal would result in savings to the Township during the contract term and require future increases to be bargained rather than automatic.

The Township proposes to add the following language to Section 4 of Article XIV: "Contact with an answering machine that does not result in a call-

back by officer within fifteen (15) minutes shall constitute refusal of overtime and credited as same."

The Township also proposes to add a new article that addresses annual departmental meetings. The proposed added language reads:

At the discretion of the Chief, three (3) annual meetings may be called per year. The Chief shall make proper notification thirty (30) days prior to each of the meetings by distributing written notices in each member's mail slot and posting said notice on the board containing daily memorandums. Departmental meetings shall not be scheduled for Saturdays, Sundays, or Holidays. Absence from duty requests submitted prior to the distribution of the notice shall be granted. The Chief may grant excuses to members who cannot attend. There will be no form of compensation for attending an annual meeting and this Article is not subject to grievance procedures.

The Township seeks to add a fully-bargained article to the contract. The Township asserts that the fully-bargained article will foster labor peace by strengthening the terms of the contract for the duration of the Agreement and to bring all negotiable issues to the bargaining table prior to the execution of a new Agreement.

DISCUSSION

I am required to issue an award based upon a reasonable determination of all issues in dispute after giving due weight to the statutory criteria which I judge relevant. The Township and the PBA have expertly articulated their positions on the issues and have submitted evidence and argument on each statutory criterion to support their respective positions. The evidence and arguments have been carefully reviewed, considered and weighed.

I first analyze the Township's proposals on insurance. There are many components to the Township's position on this issue. The Township has proposed replacing Article XI, Section 4 with language stating that "employees shall be entitled to up to one year's paid leave for reasons of illness or disability." The language the Township has proposed to be deleted in Section 4 reads:

The existing disability plan which pays the employees up to six (6) months full pay, then up to five (5) years, 80% pay shall remain in effect until a new policy is obtained pursuant to the Arbitration Award. Upon obtaining a new disability policy at no premium cost to the employee the Town shall pay employees 100% of their compensation for eighteen (18) months during which time the Township pays full pension benefits and the employee is retained on all other benefits covered under this Agreement for himself and his/her family.

Despite the PBA's opposition to the Township's proposal, I conclude that the Township has met its burden on this issue because it has established that the

language in Section 4 which requires the Township to pay 100% of compensation for eighteen (18) months more than likely violates N.J.S.A. 40A:14-137. N.J.S.A. 40A:14-137 permits a municipality to grant a paid leave of absence not exceeding one year and therefore places a one year cap on disability leave benefits. Even assuming that the existing clause does not conflict with the statute, the benefit contained in the existing provision so deviates from the norm when compared to the many contracts in evidence that the Township is justified in modifying the clause pursuant to its proposal. The Township's proposal to provide up to one year's paid leave for reasons of illness or disability is awarded. I do not award the other portion of this proposal which would require that employees hired after January 1, 2003 be entitled to 12 sick days as per the Township's personnel policy. The Township and the PBA have negotiated separate sick leave benefits and the Township has provided insufficient justification to change this benefit by linking it to the Township's personnel policy for non-public safety personnel.

The Township has proposed that it have the right to change insurance carriers or self-insure so long as substantially similar benefits are provided. I do not award this proposal. This proposed standard, in the absence of a direct comparison to a different health insurance plan, has the potential to erode the existing level of benefits if and when the Township were to change its health insurance plan. The Township could revisit this proposal upon proposing the adoption of this standard in connection with an alternative health insurance plan

in the future. In the meantime, the identity of the insurance carrier in Section 1 shall be carried forward.

Another component of the Township's insurance proposal is to change the prescription insurance co-pay from \$2.00 for generic and brand name drugs to \$10.00 for generic drugs and \$20.00 for brand name drugs effective January 1, 2003. The record reflects that the cost of prescription insurance is substantially increasing in that the amounts of co-pay currently provided are low in comparison with most law enforcement agreements. However, given the current level of co-pay, the Township's proposal for increases are excessive during one contract term. I award an adjustment to the prescription insurance co-pay from \$2.00 for generic and brand name drugs to \$5.00 for generic drugs and \$10.00 for brand name drugs effective January 1, 2004.

The Township has proposed that any employee who wishes to remain in the traditional indemnity plan shall pay the difference in costs between the indemnity plan and the PPO. In support of this proposal, the Township cites cost savings because under the existing plans, the traditional indemnity plan costs \$100 more per month for the PPO family coverage, \$85 more for husband/wife coverage, \$57 more for parent/child coverage and \$39 more for single coverage. The Township estimates that its proposal will save the Township \$2,975 per month or \$35,700 per year. The Township also cites certain municipalities which have provided an HMO or PPO as a base plan requiring employees to pay the

difference to upgrade to an indemnity plan. The concept underlying the Township's proposal is not unreasonable, however, in light of the fact that 86% of unit employees are currently subscribing to the traditional indemnity plan, the cost savings which would accrue to the Township stemming from employee contributions and the amount of those contributions must be considered within the overall net economic changes of the terms of the award as a whole. When viewed in this context, the amount of the contributions are not reasonable. I do not award this proposal. The Township may revisit this issue during negotiations for the next agreement.

Each party has proposed various economic issues which are connected to the overall compensation employees currently receive. In other words, they are not directly tied to across-the-board wage increases but each has an impact on the overall level of compensation. These include the PBA's proposals for a one-time adjustment to supervisor's pay, acting pay in the Detective Bureau, and the Township's proposals to change clothing issuance and allowance from a percentage to a flat dollar number, charging an employee with refusal of overtime if the Township is not called back by an officer within fifteen minutes from being contacted by answering machine and abolishing the corporal rank for future employees who complete a twenty-second year of employment. I have considered each of these proposals along with the supporting justifications offered by the PBA and the Township. I conclude that none of the statutory criteria, as applied to these proposals, dictate or justify altering the status quo on

these issues which I conclude should be carried forward into the terms of the new collective negotiations agreement.

I also decline to award the Township's proposal to delete step 4 from the grievance procedure and to allow, at the discretion of the chief, the right to require employees to attend three annual meetings with no form of compensation provided. The existing grievance procedure has not been shown to burden the Township. Further, insufficient justification appears to warrant granting the Township's proposal on annual department meetings in the manner in which has been proposed by the Township. Neither proposal is awarded.

The Township has also proposed the addition of a new article entitled Fully Bargained Agreement. The Township argues that the adoption of its multifaceted proposal is intended to explicitly resolve all present and anticipated contract issues during negotiations and thus promote stability by minimizing or eliminating contract interpretation disputes or demands for negotiations during contract terms in the future. The Township's proposal could theoretically effect some future interpretation of the Agreement but it has not been shown that the absence of the proposed language has created conflict, led to unnecessary litigation or eroded the existing rights of either party in any material way. For these reasons, the Township's proposal is not awarded.

The remaining issues concern salary, longevity and work schedule. Each party has forcefully presented evidence on these major subjects as well as argument claiming support in one or more of the statutory criteria. Banker's testimony reflects that the adoption of either party's position in its totality would not compel the Township to exceed its statutory spending limitations. This, of course, does not eliminate consideration of the financial impact of an award on the governing body, its residents and taxpayers and this factor is relevant in fashioning the overall terms of an award. Comparisons are also relevant and this particular record reflects that comparisons to law enforcement units within Union County are entitled to greater weight than comparisons to non-law enforcement personnel or private employment. Indeed, both the Township and the PBA rely heavily on law enforcement comparisons. Each has skillfully attempted to utilize comparisons which tend to support its own position on these issues. The interests and welfare of the public are relevant and entitled to substantial weight because the public is also a party affected by the terms of an award. The public is entitled to a careful balance being struck between the affordability of new terms and providing reasonable and sufficient rewards for these law enforcement personnel whose duties directly and intimately protect the public's health, safety and welfare. The cost of living is a relevant consideration but is not entitled to as much weight as I have given to financial impact, comparability and the interests and welfare of the public. This is so because the record reflects that the cost of living has not been a controlling factor in setting terms and conditions of employment within the Township although it has, as here, provided an influence

on determining the net economic terms of each contract. The continuity and stability of employment is also a relevant factor because the terms of an award should not interfere or detract from the Township's ability to recruit new law enforcement personnel or maintain existing personnel on its payroll.

Another relevant factor, although accompanied by more general phraseology than the others, concerns factors which are ordinarily or traditionally considered in the determination of wages, hours and conditions of employment through collective negotiations. This factor is sensitive to the give and take of the bargaining process and the need for flexibility when striving towards finality on issues where there are conflicting interests such as here with respect to the issues of salary, work schedule and longevity. Many of the labor agreements submitted into evidence for comparison purposes reflect the adoption of these principles. I turn first to the issue of salary.

When the factors of financial impact, comparability and the interests and welfare of the public are applied to the evidence submitted on this issue, I reach the conclusion that the following percentage increases represents a reasonable determination of the salary issue. I award increases of 3.5% effective January 1, 2001, 3.7% effective January 1, 2002, 3.9% effective January 1, 2003, 4.0% effective January 1, 2004. The Township of Springfield does rank highly within Union County. Even if clothing allowance and holiday pay are extracted from the salary maximum, the Township ranks no worse than seventh out of 21

municipalities. This is not to suggest that the PBA is not properly placed within the County or should have its relative ranking disturbed. The Township's health and safety is strongly tied to the operations of the department which operates on major roads and thoroughfares and protects a densely populated residential and commercial environment. There is justification for Springfield's standing within the County and the Township's proposal would erode that standing. The PBA's proposal could be funded by the Township but is far in excess of the changes in salaries occurring in Union County generally. No justification has been presented for salary proposals which reach as high as that proposed by the PBA or as low as proposed by the Township. The salaries awarded representing an average of 3.775% are compatible with the mean and median averages within the County and are appropriate here.

I am persuaded that the Township can accommodate the cost impact of these terms without adverse financial impact. The base salary for all unit members as of 2000 was \$2,327,087 and will be increased by \$81,448 effective January 1, 2001. The new base of \$2,408,535 will be increased by \$89,115 effective January 1, 2002. The new base of \$2,497,650 will be increased by \$97,408 effective January 1, 2003. The new base of \$2,595,058 will be increased by \$103,802 effective January 1, 2004. The financial documents (municipal budgets, annual financial statements, and independent audits) in the record as well as the testimony of Banker support my conclusion. The Township's equalized total tax rate between 1997 and 2001 increased by only

2.63% while the total equalized valuation increased by 12.24%. The Township has consistently regenerated surplus and remains in a strong cash position. The Township has a high tax collection rate of about 98.75% and the Township has a delinquent collection rate of approximately 99%. The Township also has engaged in good control over its expenditures. In recent years, the Township has averaged about \$720,000 in unspent appropriations. In short, the Township can assume the cost obligations of the salary aspects of the award without adverse financial impact.

The Township has proposed that a new salary guide be implemented with eight equal steps with a starting salary of \$24,000 frozen through the life of the contract. An additional step on the salary guide will provide the Township with cost savings for new hires for each of several years prior to the new hire reaching the salary maximum but the additional steps sought by the Township are not warranted. The salary guide shall be extended by one year with equal salary increments for employees hired on January 1, 2004 or thereafter. The probation level salary be adjusted for 2001, 2002 & 2003 but will remain frozen for 2004 at a rate of \$28,993.

The salary as modified by the terms of the award for the PBA and the SOA will be as follows:

	2000	2001 3.5%	2002 3.7%	2003 3.9%	2004 4.0%
Detective	67,609	69,975	72,564	75,394	78,410
Corporal	66,572	68,902	71,451	74,237	77,206
Patrolman (1 st Class)	65,572	67,867	70,378	73,122	76,046
Patrolman (2 nd Class)	57,813	59,836	62,050	64,470	67,049
Patrolman (3 rd Class)	50,111	51,864	53,783	55,881	58,116
Patrolman (4 th Class)	42,377	43,860	45,483	47,256	49,146
Patrolman (5 th Class)	34,643	35,855	37,182	38,632	40,177
Patrolman (Probation)	26,000	26,910	27,905	28,993	28,993

	2000	2001 3.5%	2002 3.7%	2003 3.9%	2004 4.0%
Sergeant	74,623	77,234	80,092	83,216	86,544
Detective Sergeant	75,705	78,354	81,253	84,422	87,799
Lieutenant	79,430	82,210	85,251	88,576	92,119
Detective Lieutenant	80,522	83,340	86,423	89,794	93,386

Salary Schedule for Employees Hired
Effective January 1, 2004

	2004
Detective	78,031
Corporal	77,206
Patrolman (1 st Class)	76,046
Patrolman (2 nd Class)	68,203
Patrolman (3 rd Class)	60,361
Patrolman (4 th Class)	52,519
Patrolman (5 th Class)	44,677
Patrolman (6 th Class)	36,835
Patrolman (Probation)	28,993

I next turn to the issue of longevity. Longevity has been a complex and controversial issue between the Township and the PBA. On December 16, 1998, the longevity article was modified to provide a new longevity schedule for employees hired after that date. Longevity was capped at 10% for employees hired prior to that date with 19 years of service. The steps above 10% were eliminated although employees who had a longevity increment greater than 10% as of December 16, 1998 was grandfathered. The PBA now proposes to alter the existing longevity schedules with a new one which would provide a new schedule for all employees capping out at 15% after 24 years. The Township opposes this proposal and instead proposes that all employees hired after January 1, 2003 shall not enjoy longevity as provided under the collective bargaining agreement and effective January 1, 2003 seeks to freeze employees longevity at the existing levels and by a flat dollar number.

The PBA urges the adoption of additional plateaus at greater percentages. Of particular note is the fact that on December 16, 1998 longevity plateaus were reduced to 19 years at 10% although a grandfather provision was included for those who had achieved more than 10%. Normally, I would place substantial weight on this change and not disturb what currently is in place. But the Township has also proposed changes stemming from various agreements among Union County municipalities who have reduced or eliminated longevity for new hires including most recently, the nearby Township of Millburn. When the proposals of the PBA and the Township are viewed along side of one another,

along with the evidence in support of these proposals, I conclude that a restoration of some longevity benefits lost in 1998 for then existing employees coupled with a provision providing no longevity for new hires is both reasonable and appropriate. The reinstatement of a 12% step at the 24 year plateau for employees employed as of December 16, 1998 will parallel the maximum percentage step which exists in Hillside, Rahway and Union. No Union County municipality has a greater percentage. In addition, the absence of longevity for new hires would provide a parallel to New Providence, Rochelle Park, Westfield, Cranford and most recently the Township of Millburn. I award these changes to the existing longevity articles. The remaining aspects of the longevity proposals of the PBA and the Township are not awarded. The remaining portions of the existing longevity articles shall be carried forward without change.

The remaining issue concerns the work schedule. This is one of several key issues which the parties have attempted to negotiate without success. The Township has presented a 1998 interest arbitration award between these parties wherein a similar work schedule proposal to switch to the 4/4, 10.75 hours work schedule was denied. The arbitrator found on that record that the PBA failed to bear its burden of proof with respect to justifying a change in the status quo. However, in this proceeding, I am persuaded that the PBA has met its burden on this issue. There are several factors which compel this conclusion.

The arbitrator in the 1998 proceeding relied heavily upon the testimony of former Patrol Captain Vernon Pederson. Captain Pederson opposed the work schedule change. His reasons for doing so appeared in that award and his testimony in that proceeding has been offered by the Township in this proceeding for the purpose of opposing the PBA's proposal. In this proceeding, former Patrol Captain Pederson's testimony must be evaluated and weighed along with the submission of Captain James Hietala who is currently the Patrol Captain of the Springfield Police Department. Captain Hietala's testimony contradicts that of Captain Pederson's. His testimony does not simply represent a philosophical disagreement but contains substantial credible evidence reflecting the operations of the department as it currently exists rather than what had existed years ago. In particular, Captain Hietala's testimony establishes that the reduced number of supervisors who now work under the current schedule has resulted in excessive overtime costs because of the requirement that existing Sergeants be paid at the Lieutenant's rate for overtime hours worked. Captain Hietala's testimony also establishes that there will be more time for police officer training with less overtime cost because of the proposed revised schedule. Increased training will directly and intimately affect the work and welfare of police officers by providing more knowledge and experience which will be protective of their safety and improve their job performance. Captain Hietala is also responsible for the daily scheduling of police officer's shifts and his testimony that substantial benefits will accrue to the Township and to the police officers by having greater schedule flexibility is un rebutted. I place substantial weight on the evidence related to

Captain Hietala's submissions because support among managers who administer the department is critical to the success of a new work schedule.

An additional factor which I find significant is that the proposals of the PBA and SOA on this issue are identical and their adoption will result in compatible work schedules without any potential whatsoever for conflict between supervisors and subordinates as a result of working different work schedules.

The adoption of the 4/4, 10.75 hour work schedule shall be accompanied by certain conditions. The first is that those who work the schedule must have appropriate adjustments made in paid time off intended solely to adjust the amount of paid time off to the new schedule. Such time shall not increase or decrease and shall be set by an hour to hour conversion. The PBA has proposed various staffing levels and shift schedules. These primarily affect operations and levels of service which implicate management policy and for this reason, I defer the operational details of the 4/4 schedule to the PBA and designees of the Township. I also conclude that there shall be standards for evaluation of the schedule change. Those standards which were included in the Township of Summit agreement with the PBA are appropriate for inclusion here. The contract year 2004 will provide a full year of experience which will allow the parties to evaluate the work schedule change for the purposes of the future. Accordingly, I award the following:

Effective on or about January 1, 2004 or as soon after as is operationally feasible, the Township shall commence a 4 days on followed by 4 days off work schedule with 10.75 hour shifts for both the PBA and the SOA. The operational details of the 4/4 schedule shall be developed by the PBA and designees of the Township. The 4/4 schedule shall be implemented on a trial basis for the last year of this Agreement. If either party desires to revert to the current work schedule at the end of the calendar year, it shall serve written notice of its intention to do so on the other party at least sixty (60) days prior to the end of the year. If the party receiving notice objects to the notice, it shall so notify the other and the parties agree to meet and confer in an effort to resolve any disputes concerning the schedule. If the parties are unable to reach agreement, either party shall have the right to submit the dispute to expedited binding arbitration to an arbitrator mutually designated by the parties or if they are unable to agree upon an arbitrator, the parties shall select another arbitrator in accordance with the grievance arbitration procedures of the Public Employment Relations Commission. The PBA and the Township direct the arbitrator to consider the impact of the change to a 4/4 schedule from the prior schedule, including but not limited to the employee morale, productivity, staffing, training, manpower coverage and the like. The arbitrator's decision shall be final and binding on the parties. If neither parties elects to exercise its rights under this section at the end of this Agreement, the 4/4 schedule shall become the permanent work schedule. There shall be a conversion of paid time off on an hour by hour basis.

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

AWARD

1. All proposals by the Township, the PBA and the SOA not awarded herein are denied and dismissed. All provisions of the existing agreement shall be carried forward except for those which have been voluntarily agreed to and/or modified by the terms of this Award.
2. The increases in salary shall be retroactive to their effective date and received by all eligible unit employees including those who have left employment in good standing between the effective date of the salary adjustments and their last date of employment.
3. **Duration**

The term of the new agreements shall commence January 1, 2001 and extend until December 31, 2004.
4. **Article XI – Insurance**

Section 1. (b) the Township shall provide, at its sole cost and expense, a full family insurance plan for Employees and their dependents in the following coverages:

Dental Plan
Prescription Plan
Eyeglass Plan

Prescription co-pay to \$5.00 generic and \$10.00 brand name effective July 1, 2004.

Section 4. Delete the current language in Section 4 and replace with the following: “employees shall be entitled to up to one year’s paid leave for reasons of illness or disability.”

4. **Salary**

The existing salary schedule shall be adjusted at each step, retroactive to the effective dates, by the following percentages:

January 1, 2001	3.5%
January 1, 2002	3.7%
January 1, 2003	3.9%
January 1, 2004	4.0%

The salary schedules shall read:

	2001 3.5%	2002 3.7%	2003 3.9%	2004 4.0%
Detective	69,975	72,564	75,394	78,410
Corporal	68,902	71,451	74,237	77,206
Patrolman (1 st Class)	67,867	70,378	73,122	76,046
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Patrolman (Probation)	26,910	27,905	28,993	28,993

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Patrolman (Probation)	28,993

	2001 3.5%	2002 3.7%	2003 3.9%	2004 4.0%
Sergeant	77,234	80,092	83,216	86,544
Detective Sergeant	78,354	81,253	84,422	87,799
Lieutenant	82,210	85,251	88,576	92,119
Detective Lieutenant	83,340	86,423	89,794	93,386

5. **Longevity**

1. Police and superior officers who were employed as of December 15, 1998 shall have their longevity schedule modified, effective January 1, 2003, to read:

5 years ... 2%
 9 years ... 4%
 13 years ... 6%
 17 years ... 8%
 19 years ... 10%*
 24 years ... 12%

*Note: Any covered employee who as of December 16, 1998 has a longevity increment greater than 10% shall be grandfathered at their increment on said date.

2. All employees hired after January 1, 2004 shall not enjoy longevity as provided under the collective bargaining agreement.

6. **Work Schedule**

Effective on or about January 1, 2004 or as soon after as is operationally feasible, the Township shall commence a 4 days on followed by 4 days off work schedule with 10.75 hour shifts for both the PBA and the SOA. The operational details of the 4/4 schedule shall be developed by the PBA and designees of the Township. The 4/4 schedule shall be implemented on a trial basis for the last

year of this Agreement. If either party desires to revert to the current work schedule at the end of the calendar year, it shall serve written notice of its intention to do so on the other party at least sixty (60) days prior to the end of the year. If the party receiving notice objects to the notice, it shall so notify the other and the parties agree to meet and confer in an effort to resolve any disputes concerning the schedule. If the parties are unable to reach agreement, either party shall have the right to submit the dispute to expedited binding arbitration to an arbitrator mutually designated by the parties or if they are unable to agree upon an arbitrator, the parties shall select another arbitrator in accordance with the grievance arbitration procedures of the Public Employment Relations Commission. The PBA and the Township direct the arbitrator to consider the impact of the change to a 4/4 schedule from the prior schedule, including but not limited to the employee morale, productivity, staffing, training, manpower coverage and the like. The arbitrator's decision shall be final and binding on the parties. If neither parties elects to exercise its rights under this section at the end of this Agreement, the 4/4 schedule shall become the permanent work schedule. There shall be a conversion of paid time off on an hour by hour basis.

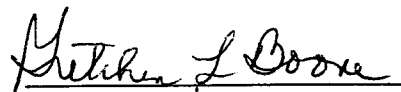
Dated: December 23, 2003
Sea Girt, New Jersey



James W. Mastriani

State of New Jersey }
County of Monmouth }ss:

On this 23rd day of December, 2003, before me personally came and appeared James W. Mastriani to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed same.



GRETCHEN L. BOONE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 8/13/2008