

NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of Interest Arbitration Between

BOROUGH OF STONE HARBOR

"Public Employer"

-and-

PBA LOCAL NO. 59

"Union."

**INTEREST ARBITRATION
DECISION
AND
AWARD**

Docket No. IA-98-19

**Before
James W. Mastriani, Arbitrator**

Appearances:

For the Employer:

Lawrence Pepper, Jr.
Gruccio, Pepper, Giovinazzi,
DeSanto & Farnoly, P.A.

For the Union:

Myron Plotkin
Schaffer, Plotkin & Waldman

I was appointed arbitrator by the New Jersey Public Employment Relations Commission in accordance with P.L. 1995, c. 425, in this matter involving the Borough of Stone Harbor ("Borough" or "Stone Harbor") and PBA, Local 59 (the "PBA"). The last pre-arbitration mediation was held on August 28, 1998. Because the impasse was not resolved, a formal interest arbitration hearing was held on December 15, 1998 at which the parties presented documentation and evidence in support of their respective positions. Post-hearing briefs were submitted on February 8, 1999. The mandatory terminal procedure of conventional arbitration was used to decide all issues in dispute. Under this procedure, the arbitrator has the authority to fashion an award which he believes represents the most reasonable determination of the issues in dispute.

FINAL OFFERS OF THE PARTIES

Before beginning the formal hearing, the Borough and the PBA submitted the following final offers:

PBA LOCAL 59

Duration--January 1, 1997 to December 31, 2000

Wages-- Effective January 1, 1997 4%
 Effective January 1, 1998 4%
 Effective January 1, 1999 4%
 Effective January 1, 2000 5.5%

Workweek and Overtime—Maintain the status quo.

Holidays—Amend Article XI to provide that any employee working on Thanksgiving Day, Christmas Day, New Year's Eve Day and/or New Year's Day shall receive compensatory time at the rate of time and one half.

Insurance, Health & Welfare—Maintain the status quo for prescription payments.

Longevity—Maintain the current longevity schedule for all employees.

College Credits—Amend Article XXV to delete reimbursement for tuition, books, fees and travel and adjust compensation for degrees as follows:

Associates	\$800
Bachelors	\$1200
Masters	\$1500

EMT Stipend—Increase to \$1000.00 per year.

The Borough of Stone Harbor

Duration--January 1, 1997 through December 31, 2000

Wages--

1997

- (a) Freeze all steps on the 1996 wage guide.
- (b) Add a step for the 6th year. This step is to be 2.8% higher than the 5th year step on the 1996 wage guide.
- (c) Increase Sergeant's pay on the 1996 wage guide by 2.8%

1998

- (a) Freeze steps from Academy through 5th year of the 1997 wage guide.
- (b) Increase 6th year of 1997 wage guide by 2.8%.
- (c) Increase Sergeant's pay on the 1997 wage guide by 2.8%

1999

- (a) Freeze steps from Academy through 5th year of the 1998 wage guide.
- (b) Increase 6th year of 1998 wage guide by 2.8%.
- (c) Increase Sergeant's pay on the 1998 wage guide by 2.8%

2000

- (a) Freeze steps from Academy through 5th year of the 1999 wage guide.
- (b) Increase 6th year of 1999 wage guide by 2.8%.
- (c) Increase Sergeant's pay on the 1999 wage guide by 2.8%

Workweek and Overtime—Amend Article IX to provide as follows:

A. For P.B.A. contractual employees, the annual hourly schedule shall be 2080 hours. All employees shall work twelve (12) hour shifts, except for detectives, whose shift shall be determined by the Chief of Police. Pay periods shall be bi-weekly based on 80 hours. (2080 annual hours divided by 26 bi-weekly pay periods).

B. Bi-weekly paychecks for 12 hour shift employees will be comprised of regular hours worked, vacation hours, sick hours, holiday hours, personal day hours, training day hours, and/or comp time and return time hours. Twelve (12) hour shift employees will work 84 hours every two weeks with 4 hours becoming return time hours to be used during the current year. Return time used, but not earned, shall be reimbursed by the employee of the Borough of Stone Harbor.

C. The PBA acknowledges and agrees that the Borough shall continue to be entitled to make such elections as it deems appropriate pursuant to the Fair Labor Standards Act regarding the computation of time worked under Section 7(k) of the Act. Notwithstanding this election, contractual overtime shall not be affected. Employees except detectives shall receive overtime for the time worked beyond their assigned shift.

D. In calculating overtime, any fraction over a half-hour shall constitute a full hour. Anything less than one-half hour shall not constitute overtime. Overtime will be computed on a daily basis after completion of twelve (12) hours in a shift. Overtime shall be calculated at one and one-half times the amount of the employee's hourly base pay.

E. If an employee is called to duty on his day off, or recalled to duty, he shall be paid for all hours worked and shall be guaranteed

a minimum of two (2) hours at time and one half rate provided such time is not contiguous to his regular work day. Time contiguous to the Employee's regular work day shall be paid for actual time worked only.

F. If an employee is required to stand by for a "call to Duty", at his home or any other place, he shall be compensated for such stand-by time with compensatory time off at the rate of time and one-half.

G. If an employee is required to attend court during his off-duty hours, he shall be paid at the rate of time and one-half for his hours in attendance in court with a minimum guarantee of two (2) hours.

Holidays— Amend Article XI to reflect the change to 12 hour work days as follows:

Section A is amended to add, "the above Holidays are based on 8 hour days. Consequently, employees are entitled to a total of 128 hours, (16 days x 8 hours = 128 hours), of Holidays.

Section B is amended to provide as follows:

B. Holidays and Personal Days may be compensated by granting equal compensatory time off or by payment of salary according to the employee's pay scale. However, employees shall not be forced to take more than forty-eight (48), hours of compensatory time off per employee.

If any employee has remaining Holidays or Personal Days, not exceeding eighty (80) hours, on November 30th of any year, the said Employee will be paid for those remaining Holidays and/or Personal Days, up to the maximum or payment for 80 hours, along with the first pay period of December of the current year.

Section C is amended to convert days into hours to reflect the change to 12 hour days.

Insurance, Health & Welfare—Amend Article XIV to increase the Prescription co-pay from \$2.00 to \$5.00.

Longevity—Amend Article XII to provide no longevity for new hires.

Education Pay— Maintain the status quo.

EMT Stipend— Maintain the status quo.

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

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

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

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

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

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

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

(4) Stipulations of the parties.

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

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

(7) The cost of living.

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

Background

Stone Harbor is an oceanfront resort community in Cape May County with a year round population of approximately 1026. At the peak of the Summer season, the population swells to 40,000. Stone Harbor is a "peaceful and tranquil community" with a low crime rate. In 1998, 208 criminal arrests were made. Police are active issuing 1307 motor vehicle summons and 1330 moving violations in 1998. Police also completed 33,567 property checks and responded to 11,700 calls for service.

The median family income in 1998 in the Borough was \$46,000 and the median value of the 335 owner-occupied units was \$289,400.

The Borough employs 11 Patrolmen and 5 Sergeants (including one sergeant/detective). With a Captain plus the Chief of Police, the total force numbers 18. Stone Harbor's police are diligent and vigilant and their efforts have contributed to the low crime rate.

Positions of the Parties

The PBA

Addressing the primary issue in dispute, the PBA asserts that maintaining longevity benefits for all police officers places no additional costs on the Borough and has no impact on taxpayers.

The PBA notes that the Borough has not stated that it cannot fund the PBA's wage proposals. Nor has the Borough asserted that the increases sought by the PBA would exceed its cap. To the contrary, the PBA asserts that the Borough's fiscal health is strong and its ability to fund the increases sought by the PBA is not at issue. According to the PBA's review of net valuation tables from 1995 to 1997, property tax rates and average assessments support its contention that the Borough can well afford to fund its proposal. As additional evidence of the Borough's fiscal well-being, the PBA cites the October 1997 vote among residents to hire an Assistant Borough Administrator at an annual salary of \$45,000.

The PBA also points out that Borough court fines have increased 59% from \$177,799.39 in 1997 to \$283,128.58 in 1998.

The PBA acknowledges that the cost of living increase, which was 2.6% in 1996, 2.2% in 1997, and was forecast to be approximately 2% in 1998, must be considered. The PBA urges, however, that the cost of living has little relevance because it "has not played a significant role in wage increases in surrounding municipalities nor the State of New Jersey."

The PBA urges rejection of the Borough's argument that longevity must be eliminated for new hire police officers because it has been eliminated for other newly hired Borough employees. The PBA points out that the elimination of longevity for new hires in other bargaining units was effective as a result of concessionary negotiations in 1991 and 1992 and the Borough unilaterally discontinued longevity for unrepresented employees; thereafter the PBA entered into new agreements with the Borough which did not eliminate this benefit for new hires. Therefore, the PBA asserts that the Borough has not established a pattern of eliminating longevity for new hires. The PBA argues that if such a pattern is found to exist, there is ample justification for deviating from that pattern.

Turning to other terms and conditions of employment in dispute, the PBA seeks compensatory time off at the rate of time and one half for officers scheduled to work on Thanksgiving Day, Christmas Day, New Year's Eve Day and/or New Years Day. Presently, Police Officers receive compensatory time at straight time rates for each of the 14 holidays. Because the Police realize that having time off on major holidays is often difficult, the PBA has identified four major holidays when it asserts that Police should receive an additional benefit for working. According to the PBA, the maximum amount of compensatory time any officer could earn if he worked on all four of the identified holidays is two days (on

additional half day for each of four holidays). The PBA contends that the financial impact of this proposal is minimal.

The PBA opposes increasing the Prescription Plan co-pay from its current \$2.00 to \$5.00 as proposed by the Borough. The PBA seeks to place this seemingly minor proposal in a larger context of reducing police benefits. Looking at overall insurance benefits provided to Borough Police compared to surrounding municipalities, according to the PBA, only Stone Harbor does not provide health insurance upon retirement. The PBA contends that the lack of retiree benefits, which it does not now seek, more than balance a lower than average prescription co-payment. The PBA acknowledges that if overall insurance coverage and benefits in Stone Harbor was comparable to other municipalities, then an increase in the prescription co-payment might be justified. The PBA submits, however, that coverage and benefits in Stone Harbor are inferior due to the lack of retiree coverage.

Addressing wages, the PBA points out that Borough Police have been without a contract or wage increase since 1996. Using 1995 salary schedules, the PBA stresses that Stone Harbor Police were the lowest paid among 10 comparable communities. In the PBA's survey, salaries ranged from a low of \$43,927 in Stone Harbor to a high of \$46,577 in Ocean City. The average salary among these communities was \$45,005 in 1995.

Looking to more current statistics, the PBA asserts that based upon 1997 agreements, the average maximum base salary excluding longevity was \$48,314. When longevity was included, the average maximum base salary rose to \$53,676. Citing the Borough's economic well being, the PBA seeks to raise salaries to average levels among comparable communities. The PBA calculates that a \$2,300 or 4.9% increase is necessary, excluding longevity. If longevity is included, the PBA calculates that an increase of \$3,061 or 6.04% is necessary to bring the salaries of Borough police up to average.

The PBA asserts that this pattern continues with 1998 salaries and notes that while Sergeants' salaries are also inferior, they rank 8th out of the 10 surrounding communities. According to the PBA, the Sergeants' salary of \$49,692 is \$363 below the average sergeants' salary of \$50,054.

The PBA calculates that from 1997 to 1999 the average increase among surrounding communities was 11.37%. The PBA suggests that its proposal for 12% over the same period is reasonable, and would increase the maximum base salary to \$47,855 without longevity, or \$459 less than average in 1997. Based upon the PBA's proposal, the average maximum salary would be \$49,769 or \$891 less than the average of \$50,660 excluding longevity, among comparable communities.

Looking beyond the surrounding communities, the PBA notes that the mean hourly wage for police in New Jersey was \$25.22 in 1996, compared to \$22.12 in Stone Harbor. The PBA calculates that Stone Harbor Police earn 14% less than the average hourly wage for Police in New Jersey. On an annualized basis, the PBA calculates that Stone Harbor Police earn \$6,448 less than average.

When viewed in light of the above comparable data, the PBA asserts that its proposal is reasonable and does not raise police salaries to the average in surrounding communities. The PBA's justification for a 5.5% increase in 2000 is to provide "breathing room" given that negotiations for a successor agreement will begin soon after this award is issued.

Turning to comparison with other public and private sector employees, the PBA points out that the median teacher's salary in Stone Harbor during the 1997-1998 school year was \$54,250 and the median salary in Cape May County was \$48,250. The PBA notes that the maximum salary for Stone Harbor Teachers with a BA at \$52,180, is the second highest among the 17 districts in the County.

The PBA also highlights recent teacher settlements totaling 12.8% over three years, covering the 1998-1999, 1999-2000 and 2000-2001 school years, in State run school districts in Jersey City, Paterson and Newark. The PBA maintains that if 12.8% over three years is a "fair settlement figure" for State run

school districts, than it should be considered fair for Stone Harbor. Looking at comparison within Stone Harbor, the PBA notes that the Borough has settled contracts with its other two unions for 1997 and 1998, but has failed to produce documentation of how those settlements compare with the same jobs in surrounding communities.

Focusing on comparisons with the private sector, the PBA highlights data showing the average increase for executives for 1997 was 4.1% and the New Jersey Department of Labor reported an average increase of 4.5% for 1997. The PBA also cites a Hewitt Associates survey of 1244 employers nationwide which estimated that 1998 increases among the 1600 companies surveyed would be 4.3% for executives and 4.1% for clerical, administrative and technical positions. The PBA contends that private sector comparison strongly supports its proposal.

In contrast, the PBA argues that the Borough's proposal for 1997 would result in continued erosion of Stone Harbor Police salaries in comparison to surrounding communities. In light of the Borough's economic health and salaries paid to comparable communities, the PBA asserts that the Borough's proposal is unreasonable.

Turning to longevity, the PBA raises concerns about the Borough's proposal to eliminate longevity pay for new hires. Specifically, the PBA notes that the agreement resulting from this award will be retroactive to January 1,

1997, and that two officers have been hired since that date. The PBA, however, objects to the elimination of longevity for new hires because it is a large part of the total compensation package. In this vein, the PBA points out, Stone Harbor salaries are low, with or without longevity. Eliminating longevity for new hires would, according to the PBA, result in additional deterioration to the total compensation package and would result in Stone Harbor Police always being the lowest paid officers in the County.

At present, the maximum longevity in Stone Harbor is \$4601 or 10% after 20 years. The PBA estimates that the Borough's proposal would result in a loss of \$55,216 over an officer's career, at current salary levels. The PBA contends that the Borough cannot justify such an economic loss to police officers.

The PBA attacks the Borough's argument that non-police newly hired employees no longer receive longevity payments by pointing out that other unionized employees who gave up the benefit received other benefits in return. In other words, the PBA asserts that other unionized employees opted to give up longevity for new hires and the PBA does not. Taking the Borough's argument another step, the PBA asserts that if it is to follow the settlements of other Borough employees it need not engage in negotiations to do so.

Addressing the Borough's argument that there is an internal pattern of giving up longevity for newly hired employees, the PBA points out that the

AFSCME-represented workers gave up longevity for new hires effective January 1, 1991. Likewise, newly hired non-unionized employees lost the entitlement to longevity payments effective January 1, 1991. The UAW represented employees gave up longevity for new hires effective January 1, 1992. The PBA submits that it has continued to receive longevity for new hires in its agreement dated January 1, 1993 through December 31, 1996.

The PBA also addresses the argument that Avalon does not have longevity for new hires by noting that this was as the result of an interest arbitration award issued on a total package basis under the old interest arbitration law. Therefore, according to the PBA, it is unknown whether longevity for new hires would have been eliminated if it had not been coupled with other economic issues. Additionally, the PBA points out that Stone Harbor teachers receive longevity pay.

Assuming for the sake of argument, that a pattern does exist, the PBA argues that the Borough's low salaries are justification for breaking that pattern. The PBA asserts that the low salaries earned by its members demonstrates the economic harm to new officers, particularly the two officers who have been hired since January 1, 1997, that would result from eliminating longevity for new hires. Additionally, the PBA asserts that there is not a pattern of eliminating longevity for new hires because elimination of the benefit for other Borough employees occurred in prior contracts.

Finally, the PBA points out that each of the ten surrounding communities, except Avalon, have longevity provisions. The PBA acknowledges that North Wildwood eliminated the first two steps of longevity pay for new hires, but notes that North Wildwood is one of the highest paid departments and provides health benefits for its retirees and their families. The PBA also points out that municipal police in Atlantic County enjoy longevity as well.

In sum, when the economic picture is combined with the adverse economic impact that the elimination of longevity would have on newly hired police officers, as well as the lack of a "pattern" of eliminating longevity, the PBA asserts that longevity should not be eliminated for new hires.

The PBA proposes to eliminate the current payments for college tuition, materials, supplies, books and travel expenses when advanced study courses are approved by the Borough Committee for an increase in the annual stipend paid for associates, bachelors and masters degrees. The PBA seeks to increase the annual stipends from \$300 to \$800 for an Associate's degree, from \$600 to \$1200 for a Bachelor's degree and to add payment for a Master's degree at \$1500.

The PBA contends that the economic consequence of this proposal is minimal because it is a trade-off with current tuition costs. Additionally, the PBA

points out that Stone Harbor Police receive the lowest degree payments among the surrounding communities.

The PBA also seeks to raise the current EMT stipend from \$800 annually to \$1000 per year.

The PBA objects to the Borough's proposal to change the current language that provides that overtime will be paid to Detectives for time worked "in excess of his regular shift." According to the PBA, the Borough has not provided a sufficient reason for its proposal to change the language to provided that Detectives would be paid overtime for time worked in excess of their "scheduled shift."

Addressing the remaining statutory criteria, the PBA asserts that the interest and welfare of the public would be enhanced by a well-paid police force. The PBA also maintains that granting its economic proposals would not impact the public adversely because the Police already enjoy longevity pay, the increased college degree payments are a trade-off against reduced tuition costs, and the wage increases are similar to surrounding communities and public and private sector increases generally. The PBA notes that the Borough has not claimed that it cannot fund the PBA's proposal.

Focusing on the total economic package, the PBA reiterates that the compensation package for Stone Harbor Police is less than that received by police in surrounding communities. Specifically, wages are lower, college degree payments are lower and the Borough does not provide health insurance to Police and their families upon retirement. According to the PBA, the only area where Stone Harbor's payments are comparable to surrounding communities is longevity, and the Borough seeks to eliminate that benefit for new hires.

Looking at the lawful authority of the Borough, the PBA notes that under the Cap Law, limits are set upon the total budget, not upon line items. Additionally, the PBA maintains that the Borough is in robust economic health and the Borough did not assert that it could not fund the PBA's proposal. Considering the average assessment of Stone Harbor homes, the low tax rate and the Borough's overall financial condition, the PBA asserts that its proposal can be funded without adverse impact upon taxpayers.

The PBA maintains that the CPI has little relevance to wage increases and consideration of this factor should be limited. Finally, the PBA asserts that its proposal would foster the continuity and stability of employment because it would encourage officers to stay in Stone Harbor and the Borough's proposal would encourage officers to leave for "greener pastures."

The Borough of Stone Harbor

The Borough asserts that Police compensation cannot be considered in a vacuum and other governmental functions, including safe and clean streets, sanitation services, adequate planning, zoning and construction control services, must be considered. According to the Borough, the PBA's proposal would result in an "unnecessary and disproportionate allocation of funds" to Police to the detriment of the interests and welfare of the public.

Supporting its case of disproportionate allocation, the Borough points to relatively stagnant growth in assessed property valuations. Valuations have increased from \$869,786,024 in 1995 to \$872,925,235 in 1996 and to \$874,311,878 in 1997. Likewise, the Borough points to increases in the tax rate from 1.19 in 1995 to 1.21 in 1996. The tax rate was stable in 1997. Another area of concern for the Borough in terms of the interest and welfare of the public is the use of its "Fund Balance" in order to limit tax increases. The Fund Balance used on the budget of the succeeding year has increased steadily since 1993, when it was \$600,000, to \$920,000 in 1997. The Borough expresses concern that its surplus has been decreasing "steadily and alarmingly" as the Borough has provided public services without increasing the tax burden unduly.

Other expenditures cited by the Borough as in the interest and welfare of the public include funds necessary for shore protection. In 1998 the Borough conducted an emergency beach replenishment project between 98th Street and 111th Street to repair beach erosion caused by a series of Northeaster storms

during late 1997 and early 1998. According to the Borough, the total cost of the beach replenishment project was \$1,603,000 plus \$50,000 in engineering fees.

The Borough notes that in 1996, 39% of the \$2,996,250 budgeted for salary and wages was for police salaries. The Borough stresses the need to contain the costs of running the government and the need to avoid an award which would require it to sacrifice the quality of other services. Citing Hillsdale PBA Local 207 v. Borough of Hillsdale, 137 N.J. 71, 86 (1994), the Borough asserts that government services cannot be sacrificed to serve the demands of one group of employees and its proposal is a fair, reasonable, and sensible economic package.

The Borough places great emphasis on the comparability criterion. First, the Borough notes that its contract with AFSCME, Council 71 covering blue collar workers provides increases of \$.30 per hour, \$.35/per hour and \$.40 per hour in 1997, 1998 and 1999 respectively. According to the Borough, on a unit-wide basis, these increases are equivalent to 2.8%, 3.1% and 3.4% in 1997, 1998 and 1999 respectively. The Borough is currently in negotiations with the UAW over the dispatchers' agreement, but notes that the union's current proposal is for 0 in 1997, and 3% in each of the next two years. Additionally, the Borough points out that most of its non-union employees received a 2.8% increase in 1997 and 2.5% in 1998. Based upon other salary increases in Stone Harbor, the Borough asserts that its proposal is comparable to other internal increases. Additionally,

the Borough points out that due to higher police salaries, a 2.8% increase equals \$.62 per hour for a senior Police Officer, compared to \$.30 per hour for a blue collar worker.

Another factor pertinent to discussion of internal comparables is longevity. As background, the Borough notes that longevity payments were instituted in 1975. The Borough discontinued longevity payments for all non-union employees hired after December 31, 1991. As a result, 11 of the Borough's 24 non-union employees, or 46%, are not eligible for longevity. As a result of its agreement with AFSCME, all new blue collar employees hired after December 31, 1991 are not eligible for longevity payments. Presently, 10 of the 28 AFSME employees, or 36%, are not eligible for longevity. The Borough's agreement with the Stone Harbor Lifeguard Association does not include longevity. According to the Borough, the agreement under negotiations with the Dispatchers, represented by the UAW will grandfather longevity. As a result, the Borough points out that all Borough employees except for the Police will have their longevity grandfathered. The Borough seeks to treat all of its employees fairly and equitably and asserts that it would be detrimental to employee morale to provide special treatment for the Police. Returning to the history of longevity in Stone Harbor, when longevity was first provided to Police, the Borough extended the benefit to all employees stating in the enabling resolution that:

The Mayor and Council have determined that giving Longevity Pay to Police without similar provisions to the other Employees would not be in the best interest of the Borough at the present time.

Citing the interest arbitration award issued by Arbitrator Weisblatt in Essex County Correction Officers, PBA, Local 157, (PERC Docket No. IA-84-93 1984), the Borough asserts that settlements with other bargaining unit employees of the same employer should be given great weight. In particular, the Borough cites the following language:

The existence of a pattern of agreements creates a significant presumption supporting the County's offer which fits within the pattern. Absent such a showing of equally significant counter-veiling factors, such a presumption could properly stand as the controlling element under the statutory criteria.

According to the Borough, the pattern of grandfathering longevity for all other employees, as well as the pattern created by the AFSME settlement, need be applied to the Police as well. The Borough asserts that the PBA has not provided "significant counter-veiling factors" necessary to rebut the presumption provided by the pattern's support for the Borough's proposal. The Borough suggests that increases in productivity or responsibility would be necessary to justify salary increases or benefits in excess of those provided to other Borough employees.

The Borough finds additional support for its proposals in comparison of its package to terms and conditions of employment of police in comparable jurisdictions. Looking to contiguous seashore/coastal communities in Cape May County in close proximity to Stone Harbor, the Borough compares the wages and benefits provided to its Police with those provided to Police in Sea Isle City, North Wildwood, Avalon, Wildwood Crest, and the City of Cape May. Comparison of

1997 wages for senior police officers in these communities with senior police officers in Stone Harbor shows that Stone Harbor Police are in the middle of the comparables:

North Wildwood	\$49,494
Sea Isle City	\$48,939
Wildwood Crest	\$48,300
Stone Harbor ¹	\$48,102
Avalon	\$47,894
City of Cape May	\$47,497
Wildwood	\$45,861

Although Ocean City is a seashore/coastal Cape May County community, the Borough does not include it as a comparable because as the northernmost community in the County it has dramatically different demographics and statistics than the other coastal communities in the County. According to the Borough, the salary of an Ocean City senior police officer in 1997 was \$50,754. One factor which causes the Borough to reject Ocean City as a basis for comparison is the crime rate. The 1996 Crime Index Total for Ocean City was 1528 compared to 112 in Stone Harbor. Those figures include 45 violent crimes in Ocean City compared to 5 in Stone Harbor. According to the Borough, the disparate crime rates demonstrate that job conditions and quality of life in Stone Harbor are "far superior" to those of Police in Ocean City. The Borough considers itself to be a "peaceful and tranquil community."

¹ For purposes of this comparison, the Stone Harbor salary for 1997 includes the 2.8% increase proposed by the Borough as well as the \$800 EMT pay not provided by other municipalities.

Although the Borough does include Wildwood in its comparison, the Borough notes that like Ocean City, it has a higher incidence of crime with a total of 1204 crimes, including 132 violent crimes and 3 murders in 1996. In spite of the difference in criminal activity, the Borough notes that its police officers earn more than those in Wildwood. Additionally, the Borough points out that during most of the year, it is sparsely populated with only 1024 year round residents.

The Borough considers Avalon to be the community most comparable to it. Avalon is contiguous and directly north of Stone Harbor. Avalon and Stone Harbor are located on the same barrier island and are parties to Inter-Local Governmental Agreements providing shared services. In 1997, the Borough and Avalon agreed to undertake a study of the feasibility of merging their Police forces. As a result, the Borough crafted its proposals with particular emphasis on comparability with Avalon. For example, the Borough points out that under its proposal Stone Harbor senior officer pay, including the EMT stipend, would be \$48,102 in 1997 compared to \$47,894 in Avalon. Additionally, the Borough seeks to keep its Academy Step at \$18,000 and the first year step at \$29,536 throughout the term of the agreement.

Focusing on wages for the first year step, the Borough points out that even with no increase in that step for 1997, Stone Harbor's wage, at \$29,536 would be second only to the \$30,082 salary paid in North Wildwood. Municipalities with first year steps below Stone Harbor include Sea Isle City at

\$29,174; Avalon at \$28,466; Wildwood at \$26,482, Wildwood Crest at \$25,785 and City of Cape May at 24,757. Stone Harbor asserts that if the first year step is not frozen, it would have the highest first year step of any comparable community. That result would be "patently unreasonable" according to the Borough.

Looking at salary increases in the comparable communities, the Borough highlights the increases in recent agreements as follows:

	1997	1998	1999	2000	2001
Stone Harbor Proposal	2.8%	2.8%	2.8%	2.8%	
PBA Proposal	4%	4%	4%	5.5%	
Sea Isle City		3%	3%	3%	3%
Avalon		3.25%	3.25%	3.25%	
North Wildwood		3.25%	3.25%	3.25%	
North Wildwood/ FMBA		2.5%	2.75% (plus \$500 EMT Pay)	2.5%	3.25%

The Borough also proposes to add an additional step to the guide. The guide now includes an Academy rate plus five steps and the Borough would add a sixth step. According to the Borough, review of comparable agreements shows that Sea Isle City, the City of Cape May, Wildwood and Stone Harbor currently have five steps. The North Wildwood and Avalon salary guides have six steps and the Wildwood Crest guide has eight. Based upon these comparables, in particular, the contiguous communities of Avalon and North Wildwood which have six step guides, the Borough seeks the addition of a sixth step.

Turning to the inland contiguous community of Middle Township, which borders Stone Harbor to the west, the Borough points out that its Police are subject to grandfathered longevity for the first 20 years of service where new employees do not receive longevity until they have completed 20 years of service. As a result, the Borough asserts that each community bordering Stone Harbor has discontinued or significantly restricted longevity pay for new employees.

Comparison of its proposal to public and private employment generally, demonstrates its reasonableness according to the Borough. For public sector comparison, the Borough cites the recent agreement between the Cape May County Bridge Commission and IFPTE, Local 196. That agreement includes 3% increases in 1998, 1999 and 2000. For private sector comparison, the Borough cites the following language included in the December 18, 1997 Daily Labor Report:

Data compiled by BNA for all industries in the first 50 weeks of 1997 showed that the median first-year wage increases equaled 3 percent or 44.3 cents per hour. Comparable figures for the same period last year were 3 percent or 41.2 cents an hour.

In a similar article published on December 3, 1998, Daily Labor Report stated that wage increases negotiated to that date in 1998 equaled 3%. Based upon this documentation, the Borough asserts that the trend towards lower wage increases is demonstrated.

Looking to the overall compensation presently received by Borough Police Officers, the Borough asserts that its Police receive a complete package of fringe benefits covering their families as well. Specifically, the Borough lists Police benefits including health care coverage, including hospitalization, dental, prescription and life insurance. In particular, the Borough notes that its proposed adjustment to the prescription co-payment compares favorably to those provided in comparable jurisdictions. The Borough contends that this factor weighs in its favor.

According to the Borough, its lawful authority under the Cap law has limits. The Borough maintains that the legislative concept behind the Cap law is that limits on annual increases in budget expenditures are in the public's best interest. To that end, the Borough's Cap index rates are 2.5% in 1997 and 1997 and 1.5% in 1999. The Borough points to costs which at one time were outside of the Cap, but have been included in the Cap since 1991. These costs include medical insurance renewal which the Borough anticipates will increase 16% on April 1, 1999 and prescription renewal which the Borough estimates will increase 39.2%. As these costs increase, the Borough points out, less money is available inside the Cap to fund employee salaries and increasing insurance and trash disposal costs. Increases in the costs of insurance and trash disposal have exceeded the Borough's index rate and are likely to continue to do so. According to the Borough the increased costs of insurance and trash disposal must be recaptured

"either through the reduction in services or in the number of people delivering them." The Borough characterizes the issue as its need to limit increases in areas over which it has control to permit it to fund increases beyond its control. According to the Borough, in its efforts to maintain control over the budget "it is likely that all Employee groups will be reduced and those Employees will face increased workloads." Based upon these considerations, the Borough asserts that its offer, which would result in new money costs of 2.8% per year in each year of the agreement, is beyond increases in its budget and is quite reasonable. The Borough notes that in addition to funding wage increases, it will incur additional roll up costs of other benefits such as holiday pay, longevity pay, pension contributions, educational credits and overtime.

The Borough cautions that an award supporting the PBA's position would have a long-term adverse impact on the Borough. Salary increases in excess of the Borough's budget Cap, when combined with the costs of health insurance would strain the Borough's finances. According to the Borough, its taxpayers will not accept reduced services or additional tax increases in order to fund the PBA's proposal. Given the increases in other bargaining units, the Borough argues that its taxpayers should not have to endure either reduced services or increased taxes. The Borough also argues that the PBA has not demonstrated an increased workload or other justification for additional increases. The Borough suggests that a disproportionate allocation of funds, which could result from awarding the PBA's proposal could jeopardize its operations and its ability

to provide for the health and safety of the public. The Borough asserts that its proposal balances the public interest with fairness to Police.

Turning to the cost of living criterion, the Borough compares its proposal to increases in the CPI of 2.72% in 1997 and 1.02% in 1998. According to the Borough, its final offer of 2.8% in each year exceeds the rate of inflation, particularly when the cost of providing health care is considered.

The Borough asserts that the continuity and stability of employment of police and of all of its employees would be preserved and promoted by its proposal. The Borough posits that providing excessive increases to Police could result in layoffs. The Borough also suggests that new non-police employees would receive the wrong message if new hire police officers continue to receive longevity. Therefore, the Borough asserts, the continuity and stability of employment is supported by its final offer as to both wages and eliminating longevity for new hires.

The Borough has established 12-hour shifts in place of 8-hour shifts. As a result the Borough seeks to amend Article IX, the Work Week and Overtime to specify a 12 hour day. Therefore, the Borough seeks to amend Section A, which presently provides that, "the work week shall be forty (40) hours" to provide as follows:

A. For PBA contractual employees, the annual hourly schedule shall be 2080 hours. All Employees shall work twelve (12) hour

shifts, except for detectives, whose shift shall be determined by the Chief of Police. Pay periods shall be bi-weekly based on 80 hours, (2080 annual hours divided by 26 bi-weekly pay periods.)

The Borough also seeks to modify Section C of this clause to properly reflect its legal rights under the Fair Labor Standards Act.

The Borough also seeks to modify the language of Article XI covering Holidays to accommodate the 12 hour shift schedule. The Borough objects to the PBA's proposal that employees working on Thanksgiving, Christmas, New Year's Eve Day and New Year's Day receive compensatory time at the rate of time and one half. According to the Borough, this is a costly benefit not enjoyed by other Borough employees.

The Borough seeks to raise the prescription co-payment from \$2 to \$5. The Borough points out that it has received notice from its Prescription Plan provider that the premium will increase 39.2% on April 1, 1999. The Borough also notes that the prescription co-payment in North Wildwood and Avalon is \$5.

Discussion

As stated above, I am required to issue an award based upon a reasonable determination of all issues in dispute after giving due weight to the statutory criteria which I judge relevant. The Borough and the PBA have articulated fully their positions on the issues and have submitted testimony,

evidence and argument on each statutory criterion to support their respective positions. The testimony, evidence and arguments have been carefully reviewed, considered, and weighed.

Initially, I note that several issues remain in dispute. One principle which is ordinarily and traditionally considered in the determination of wages, hours and conditions of employment through the bargaining process is that a party seeking such change bears the burden of showing the need for such modification. I apply that principle to the analysis of each issue.

I conclude that burden has not been met with respect to the proposal to increase the EMT stipend from \$800 to \$1000 annually. The EMT stipend is not commonly provided to police employees within the County and the PBA has not provided justification for increasing the stipend.

The Borough's proposal to amend the Work Week and Overtime provisions of the agreement reflects the change to a 12 hour work day and insures that employees are fairly compensated for overtime. The PBA objects to the provision that permits the Chief of Police to determine the shift of detectives. This objection appears to be based upon a fear that the detectives will not enjoy a regularly assigned shift and be subject to a constant revision in work hours and potentially, the revisions could be made solely for the purposes of avoiding overtime. While no such intent is reflected in the Borough's proposal, there is

merit to the PBA's assertion that the detectives should have a regularly scheduled shift. I award the Borough's proposal to allow the Chief to determine a detective's shift with the condition that the detective be assigned a regularly scheduled shift. Such shift can be modified by the Chief on a discretionary basis for law enforcement reasons so long as a regularly assigned shift is maintained for the detective. Overtime shall be paid for time worked beyond the regularly scheduled shift. The Award also reflects the Borough's proposed language on conversion to the twelve (12) hour shift.

The PBA proposes that officers who work on any of four holidays, including Thanksgiving Day, Christmas Day, New Year's Eve Day and New Year's Day, receive compensatory time off at the rate of time and one half. AFSCME and UAW represented employees receive double time pay or compensatory time for working on holidays. Although other Borough employees may enjoy premium payments for working on these holidays, I am not persuaded that this argument is sufficient to sustain the PBA's position. There are benefits which apply to the PBA which are not enjoyed by other Borough employees. I award the status quo on the issue of holiday pay. The Award also reflects the Borough's proposed language on conversion to the twelve (12) hour shift.

Another modification to the agreement that is warranted is the Borough's proposal to increase the prescription co-payment from \$2 to \$5. On April 1, 1999, the cost of prescription coverage was scheduled to increase by almost

40%. The increase in prescription co-payments will contribute to the cost of this coverage and is awarded.

The PBA seeks to combine and convert the current annual stipend for college degrees as well as current payments for tuition and supplies reimbursement into a more generous stipend for college degrees. At present the Article XXV of the agreement provides that "the Borough shall pay for tuition, materials, supplies, books and travel expenses to any officer taking advance study courses that have first been approved by the Police Committee upon the recommendation of the Chief of Police." The PBA proposes to delete this provision and to increase the annual stipend for an Associate's degree from \$300 to \$800 and to increase the annual stipend for a Bachelor's degree from \$600 to \$1200. Additionally, the PBA seeks to add a \$1500 annual stipend for officers who have received Master's degrees. In support of this proposal cites the degree payments in comparable Cape May County municipalities. Degree payments in other municipalities range from none in Cape May City to \$1200, \$1950 and \$2200 for an Associate's, Bachelor's and Master's degree respectively in Ocean City. Among comparable communities, only Cape May City does not provide an educational incentive. Avalon, which shares a barrier island with Stone Harbor, provides the second lowest incentive. Avalon provides \$500 for an Associate's degree and \$750 for a Bachelor's degree for employees hired after January 1, 1984. For Avalon police hired before January 1, 1984, the stipend is \$1,000 for an Associate's degree and \$1,500 for a Bachelor's degree.

The PBA has demonstrated that other municipalities in the County that provide an educational incentive provide greater incentives. In view of the disparity in the amount of educational incentives and the PBA's offer to give up reimbursement for the cost of attending advanced study courses in exchange for a higher educational incentive, an increase in the incentive is warranted, although not at the level proposed by the PBA.

The PBA seeks to more than double the current stipend for an Associate's degree from \$300 to \$800. After consideration of all of the comparable data, I conclude that the stipend shall be increased to \$500. The PBA proposes to double the Bachelor's degree stipend from \$600 to \$1,200. That stipend shall be increased to \$800. The PBA also seeks to add a stipend for a Master's degree. I award such a stipend but at a level \$200 beyond that provided for a Bachelor's Degree.

The Borough seeks to "grandfather" police employed before January 1, 1997 and to eliminate longevity payments for all employees hired after that date. The Borough justifies its proposal by reference to internal comparability. Borough employees were provided longevity benefits by Borough resolution in December of 1975. That resolution provided that "the Mayor and Council have determined that giving longevity pay to the police without similar provisions to the other employees would not be in the best interest of the Borough at the present

time.” Longevity benefits for all newly hired employees, except police, were eliminated either unilaterally or through collective bargaining effective January 1, 1991.

The PBA objects strenuously to the Borough’s proposal. First, the PBA points out that the Borough’s proposal would not grandfather all current employees since two officers have been hired since January 1, 1997. The PBA also considers longevity to be a significant element of the police compensation package. The PBA fears that the elimination of longevity would result in diminution of Stone Harbor police salaries compared to other departments. Additionally, the PBA points out that other bargaining units received benefits in return for grandfathering longevity back in 1991.

The Borough emphasizes that longevity has been eliminated for all other Borough employees. Other Borough employees, however, did not receive longevity benefits until after the police had gained the benefit. Borough employees ceded longevity benefits for new hires in 1990 and 1991. This information is important for purposes of internal comparison, but does not reflect an internal pattern with respect to longevity benefits for police.

Looking beyond Stone Harbor, some comparable communities have grandfathered longevity benefits for police and created lesser benefits for new hires or eliminated longevity altogether. The Borough focuses on Avalon, which

eliminated longevity benefits for employees hired after January 1, 1995. The PBA focuses on Cape May City, Ocean City, Sea Isle City, Wildwood City and Wildwood Crest all of which continue to provide the same longevity benefits to all police employees. Both the Borough and the PBA note that North Wildwood has recently limited longevity benefits for those hired after July 1, 1998. In North Wildwood, police hired after July 1, 1998 are entitled to longevity benefits after 12 years of service and do not receive the longevity payments provided after 4 years and after 8 years. Those payments continue for police hired before July 1, 1998.

In view of the continued prevalence of longevity benefits for police in Cape May County, total elimination of longevity for new hires in Stone Harbor during this Agreement is not justified. Consideration must be given as well to the fact that the Borough's proposal would not grandfather longevity payments for two officers hired since January 1, 1997. On the other hand, the elimination of longevity for all other new hires within the Borough is a factor that must be weighed. Balancing these considerations, I place significant weight on the model for modifying longevity benefits that was implemented in North Wildwood. The Borough and North Wildwood have had the same longevity benefits and the limitations included in the North Wildwood agreement will address the Borough's concerns about the long-term costs of longevity while maintaining longevity benefits for those future employees who serve a career with the Borough. Further, in consideration of the Borough's desire to lower costs for new employees, I have, as set forth below, added a new salary step between the

Academy step and the current first step of the salary guide for all police officers hired after July 1, 1999. Therefore, all police officers hired after July 1, 1999 will be subject to the elimination of the first two longevity steps after 4 and 8 years and will receive the following longevity benefits:

After 12 years continuous service and up to 16 years of continuous service	6%
--	----

After 16 years continuous service and up to 20 years of continuous service	8%
--	----

After 20 years continuous service	10%
-----------------------------------	-----

The Borough and the PBA agree upon the duration of the agreement, but have significant differences as to the appropriate salaries to be provided in each year. Each place great importance on the evidence submitted and the arguments advanced on the issue of salary. The PBA proposes 4% increases in 1997, 1998, and 1999 and a 5.5% increase in 2000. On the other hand, the Borough proposes 2.8% increases in each year as more reasonable. The Borough also seeks to add a sixth step to the salary schedule and to freeze the Academy rate and the first five steps for the duration of the agreement.

Based upon a total annualized base salary for patrolmen at the top of the guide and sergeants and the captain of \$625,072, the Borough's proposed increase of 2.8% annually costs \$15,990 in 1997, \$16,437 in 1998, \$16,897 in 1999 and \$17,391 in 2000. The total cost of the Borough's proposal is \$66,695. The cost of the PBA proposal for 4% increases in each of the first three years

and 5.5% in the last year is \$116,600. The difference in the proposals in terms of new money cost is \$49,905. Cumulative costs resulting from the effect on overtime, increments, longevity and other benefits would add to the difference.

Based upon the arguments and evidence submitted, and after applying the statutory criteria, I have determined that wage increases shall be set at 3.25% on January 1, 1997, 3.35% on January 1, 1998; 3.5% on January 1, 1999, and 3.5% on January 1, 2000, for a total net economic change of \$89,375. The difference between the Township's proposal and the award is \$23,000 over the four years. The difference between the PBA's proposal and the award is \$27,225 of the four years. These figures are exclusive of roll up costs and assume no retirements, hiring or promotions.

These increases apply to all steps on the salary guide including an additional step to be added after the Academy Step. That step shall be called a Post-Academy Step and require a full year of service on that step in identical fashion to other annual steps on the salary schedule. That step is added effective the date of this award for employees hired on or after July 1, 1999. This step will save the Borough approximately \$6,000 per year in a future police officer's salary during his or her second and third year of employment and additional monies thereafter until that officer reaches maximum step. The new salary guide, based upon 1999 salaries will be:

Academy Step	\$19,879
Post-Academy Step	\$26,251
1 st Year	\$32,621
2 nd Year	\$40,290
3 rd Year	\$43,080
4 th Year	\$45,855
5 th Year	\$50,820

The analysis that leads me to this award is as follows.

As with the longevity issue, both parties emphasize wage and salary comparability within Cape May County. The PBA argues that Stone Harbor salaries are lower than other police salaries in Cape May County and in the State generally. The Borough, including the EMT stipend in its calculation and comparison of police salaries within the County, asserts that its police are very well paid compared to police and non-police employees of neighboring municipalities. Review of police salaries within Cape May County establishes that they average 4.22% in 1997, 3.0% in 1998, 4.15% in 1999 and 3.5% in 2000. Comparison within the Borough focuses on the AFSCME public works agreement that provides for increases of 2.8% in 1997, 3.1% in 1998 and 3.4% in 1999. This award falls within the parameters of both internal comparison as well as comparison with other police departments within the County. In particular, this settlement provides a total increase of 13.6% over four years compared to the increase of 13.74% over four years in Avalon. The savings to the Borough by eliminating the first two longevity steps and the insertion of a new salary step between the Academy rate and the existing First Step will substantially offset wage costs in future years.

The PBA expresses concern that Stone Harbor Police are among the lowest paid in the County and receive an inferior benefits package. The PBA asserts that its proposal will allow Borough police only to remain in their relative position and that the Borough's proposal would result in a diminution in benefits. Comparison of all terms and conditions of employment shows that Stone Harbor Police enjoy an \$800 EMT stipend, not generally enjoyed by other Police in Cape May County. While this benefit should not be included in a straight comparison of salaries, it is appropriate to consider it when looking at the total package. When the EMT stipend is added to compensation, the wage package provided to Stone Harbor Police appears more generous and the need to catch up with other police in the County less compelling than the PBA asserts.

The Borough's proposals are directed towards maintaining its economic well-being. To that end, the Borough has lowered its Cap index rate from 2.5% to 1.5% for 1999 and continues to maintain a surplus. The Borough's \$920,000 surplus in 1997 decreased to \$846,000 in 1998, as did the amount available from its "CAP Bank." In the 1997 budget, the Borough had \$368,183.01 available in its CAP Bank and that amount decreased to \$228,799.52 in the 1998 budget. As these figures demonstrate, the Borough's economic health continues to be robust. The Borough's concern for its future economic health, however, is prudent, as is its desire to contain its expenditures. In particular, the Borough is concerned about the \$1,630,000 cost of beach replenishment from storms during

the winter of 1997 and 1998 and the increasing costs of employee health insurance.

Exceeding the CAP is not at issue here. Indeed the Borough's reduction in its Cap index rate is additional evidence of its efforts to maintain its economic health. This award balances the Borough's efforts to maintain its fiscal health with the PBA's desire to provide fair and reasonable salaries to Police Officers. By providing fair salary increases in keeping with the rates of increase in other municipalities within Cape May County, and by adding a step to the salary guide and limiting longevity benefits for new hires, this award is responsive to the PBA's needs, while managing and limiting the Borough's future costs.

Likewise, this award will have a minimal impact upon the Borough's residents and taxpayers. Taxes have been stable. The Borough's tax collection rate is 97%. For the past several years it has maintained a surplus in excess of 10% of its total budget. The Borough's reduction of its Cap index rate to 1.5% imposes additional limitations on its 1999 budget. In light of the limited increase in spending within the Cap, as well as a healthy Cap bank and a healthy surplus, this award will have minimal impact on tax rates or on the Borough's ability to provide services to its residents.

Looking to the cost of living criterion, the CPI-U for Philadelphia and Southern New Jersey increased an average of 2.2% in 1997 and at a lower pace

based upon available data for 1998. Wage and salary increases however outpaced the rate of inflation in 1997 and 1998 increasing at a rate of 3% nationwide for the first year of contract settlements according to data compiled by the Bureau of National Affairs. The increases provided in this award slightly exceed those rates. However, comparison to other law enforcement wage increases within Cape May County outweighs regional inflation rates and national rates of salary increases in the first year of collective bargaining agreements.

This award permits the Borough to maintain services and staffing levels and to continue to insure public services and safety. By limiting future longevity expenditures and adding a step for new employees, this award serves the public interest by providing long-term cost control and insures the future continuity and stability of employment of Police Officers by maintaining their relative standing within the County of Cape May.

AWARD

There shall be a four-year agreement effective January 1, 1997 through December 31, 2000. All proposals by the Borough and the PBA not awarded herein are denied and dismissed.

Salary

Across the board increase of 3.25% effective January 1, 1997
Across the board increase of 3.35% effective January 1, 1998
Across the board increase of 3.5% effective January 1, 1999
Across the board increase of 3.5% effective January 1, 2000

Effective on the date of this award, Appendix A, the Salary Schedule shall be amended to add an additional step. That step shall be called a Post-Academy Step and require a full year of service on that step in identical fashion to other annual steps on the salary schedule. The new salary guide, based upon 1999 salaries, will be:

Academy Step	\$19,879
Post-Academy Step	\$26,251
1 st Year	\$32,621
2 nd Year	\$40,290
3 rd Year	\$43,080
4 th Year	\$45,855
5 th Year	\$50,820

Longevity

Amend Article XXII to provide that all police officers hired after July 1, 1999 will be subject to the following longevity benefits:

After 12 years continuous service and up to 16 years
of continuous service 6%

After 16 years continuous service and up to 20 years
of continuous service 8%

After 20 years continuous service

10%

Prescription Co-payment

The prescription co-payment is increased to \$5.00 effective July 1, 1999.

Work Week and Overtime

Article IX is amended to provide as follows:

A. For P.B.A. contractual employees, the annual hourly schedule shall be 2080 hours. All employees shall work twelve (12) hour shifts, except for detectives, whose shift shall be determined by the Chief of Police as long as the detectives have a regularly assigned shift. The regularly assigned shift may be modified by the Chief at his discretion for legitimate law enforcement reasons. Pay periods shall be bi-weekly based on 80 hours. (2080 annual hours divided by 26 bi-weekly pay periods).

B. Bi-weekly paychecks for 12 hour shift employees will be comprised of regular hours worked, vacation hours, sick hours, holiday hours, personal day hours, training day hours, and/or comp time and return time hours. Twelve (12) hour shift employees will work 84 hours every two weeks with 4 hours becoming return time hours to be used during the current year. Return time used, but not earned, shall be reimbursed by the employee of the Borough of Stone Harbor.

C. The PBA acknowledges and agrees that the Borough shall continue to be entitled to make such elections as it deems appropriate pursuant to the Fair Labor Standards Act regarding the computation of time worked under Section 7(k) of the Act. Notwithstanding this election, contractual overtime shall not be affected. Employees, including detectives, shall receive overtime for the time worked beyond their regularly assigned shift.

D. In calculating overtime, any fraction over a half-hour shall constitute a full hour. Anything less than one-half hour shall not constitute overtime. Overtime will be computed on a daily basis after completion of twelve (12) hours in a shift. Overtime shall be calculated at one and one-half times the amount of the employee's hourly base pay.

E. If an employee is called to duty on his day off, or recalled to duty, he shall be paid for all hours worked and shall be guaranteed a minimum of two (2) hours at time and one half rate provided such time is not contiguous to his regular work day. Time contiguous to the Employee's regular work day shall be paid for actual time worked only.

F. If an employee is required to stand by for a "call to Duty", at his home or any other place, he shall be compensated for such stand-by time with compensatory time off at the rate of time and one-half.

G. If an employee is required to attend court during his off-duty hours, he shall be paid at the rate of time and one-half for his hours in attendance in court with a minimum guarantee of two (2) hours.

Holidays

Article XI is amended to reflect the change to 12 hour work days as follows:

Section A is amended to add, "the above Holidays are based on 8 hour days. Consequently, employees are entitled to a total of 128 hours, (16 days x 8 hours = 128 hours), of Holidays.

Section B is amended to provide as follows:

B. Holidays and Personal Days may be compensated by granting equal compensatory time off or by payment of salary according to the employee's pay scale. However, employees shall not be forced to take more than forty-eight (48) hours of compensatory time off per employee.

If any employee has remaining Holidays or Personal Days, not exceeding eighty (80) hours, on November 30th of any year, the said Employee will be paid for those remaining Holidays and/or Personal Days, up to the maximum or payment for 80 hours, along with the first pay period of December of the current year.

Section C is amended to convert days into hours to reflect the change to 12 hour days.

College Credits

Article XXV is amended to eliminate section A. Section C is amended to provide the annual stipends as follows effective January 1, 1999:

Associate's Degree	\$ 500
Bachelor's Degree	\$ 800
Master's Degree	\$1,000

Dated: June 19, 1999
Sea Girt, New Jersey

State of New Jersey }
County of Monmouth }ss:


James W. Mastriani

On this 19th day of June, 1999, before me personally came and appeared James W. Mastriani to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed same.



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

