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In the matter of Compulsory Interest Arbitration  
concerning the negotiations impasse between

DECISION AND AWARD

Township of Pemberton, New Jersey

of

and

Frank A. Mason, Arbitrator

Pemberton Township PBA Local 206

PERC Docket IA 2012-023

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APPEARANCES

FOR THE TOWNSHIP: David A. Rapuano, Esq., Archer & Greiner

Laura K. Descioli, Esq., Archer & Greiner

Christopher Vaz, Business Administrator

FOR THE PBA: Stuart Alterman, Esq., Alterman & Associates, LLC

Christopher Gray, Esq.

Wayne P. Davis, PBA Negotiations Chairman

Raphael W. Hale, Financial Consultant

Jason Walters, Detective and PBA President

Gregory W. Hale, Sgt., Negotiations Committee

This case assignment was made by the N. J. Public Employment Relations Commission pursuant to the legislative conditions imposed by the N. J. State Legislature which are instructive to the parties and the arbitrator. The limitations imposed as to negotiations proceedings which were initiated on or after December 31, 2010 are not controlling in this matter as negotiations were undertaken prior to that date.

The parties first met with the arbitrator on March 26, 2012 and again on April 4th and April 10th. There was much discussion of the issues which had precluded an overall agreement. Several of the issues in contention were partially resolved and a number of changes in the original contract were agreed to as stipulations to be incorporated in the terms of a new Agreement and are to be considered part of this award. I will not reproduce the entire Agreement but will indicate the placement of those stipulated changes by appropriate references to the prior contract terms.

Stipulation 1, "As used herein the term "current Agreement" shall refer to the January 1, 2007 to December 31, 2009 collective negotiations agreement between the parties." Stipulation 2. Article VI, Paragraph A of the current agreement [Work Schedule] shall be replaced with the language set forth below, with the exception that section that the language to be contained in Paragraph a[2] [a] which is herein represented by a blank underlined section set forth between two brackets [-----] as well as Paragraph A[1], are not agreed and shall remain subject to the ongoing Interest Arbitration Proceedings.

#### A. Work Schedule

1. [subject to arbitration]

2. If the Township elects to utilize a twelve [12] hour shift then the Parties agree that the twelve [12] hour shift schedule will be based on a fourteen [14] day work period which will rotate in the following manner:

Day-1- 2- 3 - 4- 5- 6- 7- 8- 9- 10- 11- 12- 13- 14. In this sequence days 1&2 are on, days 3&4 are off, days 5,6,&7 are on, days 8&9 are off, days 10 and 11 are on and days 12, 13 &14 are off. In this example day 1 is a Monday.

a. The twelve hour work schedule set forth above requires an employee to work eighty-four [84] hours in a fourteen day period. It is not the intent of the Parties that the twelve hour shift employees work more regular work hours, over the period of a year, than eight hour or ten hour shift employees. To equalize the regular work over an annual period, the Township shall have the option of [-----]or granting each officer working a twelve hour schedule a prorated annual total of nine [9] 12 hour scheduled paid days off [SDO days] [for a total of 108 hours], which shall be scheduled at the Township's discretion.

3. Lunch Breaks: During a regularly scheduled shift, an employee will be allotted one [1] hour paid meal break. The employee's supervisor will determine if meal breaks will be allotted in a single one [1] hour period or two [2] one half hour periods. Although meal breaks are paid, if due to unusual and emergent circumstances, if it is not possible for an employee to take a meal break on a given shift, no additional compensation shall be provided.

4. If an employee utilizes sick time, said employee will be charged with the actual amount of hours used [e.g. for a sick absence of an entire shift, an employee working on a ten hour shift would be charged 10 hours for a sick absence of an entire shift, while an employee working on a 12 hour shift would be charged 12 hours].

5. Employees shall be charged vacation credit on a day for day basis based on the number of hours in each shift [e.g., 12 hours credit for a 12 hour shift schedule, 10 hours credit for a 10 hour shift, 8 hours credit for a 8-hour shift schedule.

6. Except in cases of emergency, the Chief of Police shall provide an employee with thirty [30] calendar days notice before being permanently assigned to a new shift, schedule or division.

Stipulation 3. Article VI, Paragraph B of the current agreement [Overtime Pay] shall be replaced with the following language:

**B. OVERTIME PAY**

1. Employees shall be paid at the premium rate of time and one half for all hours worked in excess of their regularly scheduled shift. This shall be subject to the employer's FLSA compliant payroll time card policy, attached hereto as Appendix A.

2. The time an employee works pursuant to the Uniformed Jobs in Blue Program is not shift work and such work is not hours worked in excess of the employee's regular shift and shall not count for any overtime purposes.

3. There shall not be any pyramiding of premium pay-time which is specifically subject to a premium rate by way of this contract shall not be subject to any additional premium based on Subparagraph B.

Stipulation 4. Article VI, Paragraphs C, D, and E of the current agreement [Court Time, Training Time, Call in Time Guaranteed Minimum] shall be replaced with the following language:

**C. COURT TIME**

Only actual required court time, including travel time between the Township municipal building and court, is working time, subject to subparagraph E below. Any actual court time outside an employee's normal schedule shall be compensated at the premium rate of time and one half pursuant to Subparagraph B[1] above.

**D. TRAINING TIME**

Only actual time spent in required scheduled training is working time. The Township reserves the right to adjust an employee's schedule to ensure that the employee works the equivalent of their normal scheduled hours in the work period. Work within and pursuant to such a schedule shall be at the employee's regular straight time rate.

**E. CALL IN GUARANTEED MINIMUM**

1. Subject to subparagraphs 2-3 below, any employee who is called longer than 30 minutes after the end of his or her scheduled shift and required to return to work, will be guaranteed a minimum of two [2] hours pay at the rate of time and one-half.

2. The Guaranteed minimum shall not apply to members engaged in the following:

- a. Municipal Court security duty when Pemberton Township police officers are actually utilized for that assignment.

- b. Training time [either as the trainer or trainee]

- c. Staff meeting scheduled more than 24 hours in advance.

3. Any employee called in and required to return to work two hours or less prior to the commencement of his or her scheduled shift shall not be guaranteed any minimum work time.

4. Voluntary duty switches arranged between officers [which must be approved by their respective supervisors] shall not [and shall not be permitted to] create a requirement for either premium pay or minimum work time.

**STIPULATION 5.** The subject matter contained in Article IX, Paragraph A of the current agreement (Injury in the Line of Duty) shall be moved to the Article titled "Health and Welfare." This Stipulation does not reflect any agreement between the Parties regarding the actual terms or language pertaining to this subject matter to be included in the successor agreement, which shall remain subject to the ongoing Interest Arbitration proceedings.

**STIPULATION 6.** Article IX, Paragraph B of the current agreement (Non Duty Related Disability) shall be moved to the Article "Health and Welfare" and shall be modified to read as follows:

**B. Non-Duty Related Disability**

1. When disability as the result of personal injury, illness, or pregnancy is caused to an employee by accident or exposure that does not arise out of and in the course of the employee's employment, the employee may apply for disability benefits provided by the Township's "Private Plan" temporary disability insurance.

2. The Private Plan must be approved by the Division of Temporary Disability Insurance (within the New Jersey Department of Labor and Workforce Development).

3. At a minimum, the approved Private Plan must meet the basic provisions required of the State Plan. Under the private plan:

- a. Benefits paid must be at least equal to the amount that would be paid on a State Plan claim.

b. Eligibility requirements cannot be more restrictive than they would be for a State Plan claim

c. Coverage must be at least equal to that offered by the State Plan.

4. There will be no cost to employees for Private Plan coverage.

**STIPULATION 7.** Article IX, Paragraph E of the current agreement (Maternity Leave) shall be modified to read as follows:

**E. MATERNITY LEAVE**

Leave for an employee's pregnancy and/or post pregnancy bonding shall be provided as per the Family Medical Leave Act and/or the New Jersey Family Leave Act, in addition to any other applicable leaves. Continuation of work, modified duty and leave during pregnancy shall be in accordance with applicable law and Departmental Policy, as well as consistent within the reasonable medical needs of the officer.

**STIPULATION 8.** Article X, Paragraph A (1), (2), and (3) of the current agreement (Health Benefits) shall be modified to read as follows:

**A. HEALTH BENEFITS**

1. The Township shall continue to provide group major medical, hospitalization, and prescription drug insurance benefits. The Township shall have the right, at its discretion, to administer the health insurance benefits through a self-insurance plan, third-party insurer, or by any combination of self-insurance and third-party insurance so long as substantially equivalent benefits are provided. The level of benefits in place on the date this collective bargaining agreement is ratified and as expressed in the attached benefits summary and the summary plan document shall establish prospectively the threshold for benefits when applying the "substantially equivalent" analysis set forth in this paragraph.

2. For changes in health benefits other than those benefits contemplated by the attached benefits summary and the summary plan description, the Township shall advise the PBA in advance of any changes becoming effective. In the event the PBA does not agree that the proposed plan provides for substantially equivalent benefits, the matter shall be submitted promptly to arbitration prior to the implementation of any such change.

3. The combined calendar year maximum for well care coverage shall be removed effective no later than sixty (60) calendar days from the date this contract is ratified.

**STIPULATION 9.** The parties Agree that the terms of Stipulation 8 contained herein shall not be construed as a waiver of any right PBA Local 260 may have to review the current summary plan document in effect on the date of this Stipulation and to exercise

whatever legal rights it may have to take action if it believes the level of benefits provided therein are not substantially equivalent to the level of benefits provided at the commencement of the current agreement.

**STIPULATION 10.** Article X, Paragraph A(4) of the current agreement (Health Benefits) shall be modified to read as follows (and all proposals regarding additional subparagraphs to the Paragraph A(4) are withdrawn):

4. Eligibility for medical benefits is dependent upon an employee's permanent, full-time status with the Township (regularly scheduled to work an average of 35 or more hours per week). Employees electing benefits under this plan shall be required to pay contributions based on a percentage of the cost of coverage as set forth in Section 39 of P.L. 2011, c.78, subject to any right which may exist in the future to negotiate contributions--however, this shall not be construed as a mid-contract reopener provision unless such a reopener is required by law.

**STIPULATION 11.** Article X, Paragraph A(5) of the current agreement (Health Benefits) shall be modified to read as follows:

5. The Township will assume the cost of health benefits coverage and pay all premiums for employees who have retired with a minimum of twenty-five (25) years or more of service credit in the State of New Jersey Police and Fire Retirement System (PFRS) and a period of continuous service of 20 years with Pemberton Township, or who is approved by PFRS for a work related accidental or ordinary disability retirement, at the "single" level of coverage. Retirees will receive the same health benefits and under the same terms and conditions as current active employees. However, a retired employee may upgrade the health benefit to a family plan and any increased cost shall be paid by the employee at the group rate. In the event that the Township becomes fully insured (rather than self-insured) a retired employee may purchase coverage for his or her eligible dependents under the Township's benefit plan provided that the retiree pays the difference between the premium for "single" coverage and the premium for "husband/wife" or "family" coverage, as the case may be.

**STIPULATION 12.** Article XIII, Paragraph C of the current agreement (Grievance Procedures) shall be modified to read as follows:

C. When the Association wishes to present a grievance for itself, or for an employee or groups of employees for settlement, or when an aggrieved employee wishes to present a grievance shall be presented as follows:

**Step One:**

Within ten (10) calendar days of the event giving rise to the grievance, the aggrieved employee, the President of the Association or his duly authorized representative, shall present the grievance to the Chief of Police, or his duly designated

representative. The Chief of Police shall answer the grievance within ten (10) calendar days.

**Step Two:**

If the grievance is not resolved at Step One or if no answer has been received within the time set forth in Step One, the Association or the aggrieved employee shall present the grievance within seven (7) calendar days in writing to the Mayor, or his designee, as the case may be. This presentation shall set forth the position of the Association or the aggrieved employee, and at the request of either party, discussions may ensue. The Mayor, or his designee, as the case may be, shall answer the grievance in writing within fifteen (15) calendar days after receipt of the grievance setting forth the position of the employer.

**Step Three:**

If the grievance is not resolved at Step Two, or if no answer has been received by the Association or the aggrieved employee within the time set forth in Step Two, the grievance may be presented by the Association or the aggrieved employee in writing within ten (10) calendar days to the Township Council. The final decision of the Township Council shall be given to the Association or the aggrieved employee in writing within thirty (30) calendar days after the receipt of the grievance.

**Step Four:**

If the grievance has not been settled by the parties at Step Three of the Grievance Procedure or if no answer in writing by the Township Council has been received by the Association within the time provided in Step Three, and if the grievance concerns the alleged violation of a specific provision(s) of this Agreement, the Association (and not the aggrieved employee) may, within sixty calendar days, invoke arbitration of the grievance in accordance with Article XIV.

With respect to the deadline set forth herein, in the event that the calendar day on which a grievance or grievance response is due falls on Saturday, Sunday, or a holiday that is recognized in the collective bargaining agreement, the filing date shall fall on the next calendar day that is also a regular working day.

In the event a grievance is not processed in accordance with the time limitations set forth above, the grievance shall be deemed satisfactorily resolved and no further action may be taken pursuant to this Article. The parties may mutually extend the time limits set forth in this Article.

**STIPULATION 13:** The last paragraph of the Township's 2008 Family Medical Leave Act Policy currently in force for the PBA shall be replaced by the following language:

Except as otherwise prohibited by the law, eligible employees who take leave under this policy must use all qualifying accrued unused paid leave--sick, personal and vacation days, in that order)--up to a maximum of three weeks total of all such paid leave in any FMLA year. Such paid leave will be taken concurrently (at the same time) as the FMLA and/or FLA leave.

To the extent that an employee thereafter exhausts FMLA and/or FLA and requires additional leave, the employee will be required to cover the additional leave with any available accrued paid leave.

For the purposes of this policy, qualifying accrued paid leave is leave which the employee has earned and is eligible to use for the particular reason for which leave is being taken.

This completes the stipulated accords reached by the parties. The above elements of stipulated accord on a variety of contractual issues is reflective of the concerted efforts of the parties during this arbitration hearing procedure. They are to be commended on the success achieved in reducing the number of matters which had to be resolved. Notwithstanding their efforts the key remaining issues, principally economic in nature, were not among those which were settled. And it is in the area of compensation that the parties remained widely apart. In fact the gap may have widened rather than being narrowed.

Unrefuted testimony before me indicated that before the decision to declare an impasse the employer had advanced a proposal which included substantial wage increases in all years of a new agreement. Apparently that was not received with favor as the parties instead moved to impasse. In this move the Employer adjusted the wage offer to a 3.5% increase in 2010, which it continued, as part of a four year contract with 0% in each of three additional years of the four year proposal to be effective from January 1, 2010 through December 31, 2013. No explanation was offered as to the changed offer, but the Union never expressed interest in pursuing that offer either. It later became obvious that the Union's interest was in a five year agreement. This would extend the contractual period beyond the expiration of the State law which caps settlements until after the beginning of 2014. Of course the Employer was anxious to conclude the agreement at a time when the State's restriction on costs of any new agreement was yet limiting

The Employer's position is multi-faceted and was strongly rebuked by the Union. Clearly this had a polarizing effect on the efforts presented in defence and or support by each party with little evidence of any sensitivity to the opposing views and concerns of either.

The last offer by the PBA was defended vigorously as a reasoned, deserved and adoptable position. In part the Union noted that the changes in the law would impose significant reductions of take home wages due to the required contributions to health benefit premiums and that the members loss over the contract would amount to more than any gains which were likely to be made and certainly a greater loss than what was proposed by



the Township's offer. At no time did the Union fail to remind of the original 1.5% cost of health benefits premiums visited on them in the first venture by the State to assist the public employers. And they were further chagrined by newly imposed extensions which would lead gradually higher in those shared costs. Undoubtedly the long history of improving their entitlements at the negotiations table made this reversal a bitter pill to swallow. This was added to by the escalation of cost of living suddenly becoming more obvious, and seen daily in purchases of food, energy, heating and other costs of living. In spite of these threats the Union determined to press forward in making modest compromise proposals which they labeled as barely keeping even during the course of a new contract period and which would not threaten the Employer's need to keep costs within permissible bounds. It attempted to avoid an argument by the Township that such would move the needs for spending beyond the budget limits set by the State. These overtures were rejected by the Employer as it felt there was need for much greater reductions in labor costs to forestall endangerment of credit rating and further shrinking of its fund accounts.

The Union is highly critical of the Employer's avoidance of tax increases which has been an ongoing practice. Union's posture is that the public is not protesting the current level of taxation and the refusal of the Township to take some advantage of the relatively stable tax being imposed while there is plenty of leeway under the regulations of municipal taxation limits to provide enough new income to fund things such as their salary demands which they characterize as nominal on a per tax payer measure. The Union notes that as little as \$25 per taxable property would generate more than sufficient funds to provide for the limited demands now on the table for the proposed contract period.

The response of the Township is that many problems of a financial nature threaten its fiscal health. As such there is the feeling that a conservative approach to spending is essential. There are substantial fiscal threats on the horizon. The need to pay for a redistricting program amounts to greater than half a million dollars. There are capital improvement issues now estimated to cost over ten million which will result in annual borrowing costs of more than \$700,000. There are concerns that the credit rating of the Township could be reduced if the balance sheets aren't improved which could result in even higher borrowing costs. Some projects can't be too long delayed; for instance there is need for replacement of three dams at a projected cost of more than 1.5 million dollars. Other facilities are in need of repair as well. Such considerations coupled with the threat of reduced property valuations, the continued high level of unemployment of its residents, the sharply rising costs of equipment, energy and probability of inflation increases are warning the administration to proceed with the greatest caution. Much of this is not very obvious to the citizenry and not all can be measured but it adds up to a flashing red sign as to expenditures which the administration feels it is necessary to watch with great care. The budget fund balance has added concerns to the future rating of credit and the need to create surplus to improve that measured now down over 2 million dollars in the past four years. So the fiscal mood is caution is the best policy.

The Union notes there is in advanced development stage a new hospital which should guarantee more than \$100,000 per year in new tax revenues. Enough to ease the pressure concerning funding needs of the Township in the near future, without accepting the Unions position that suggests increasing property taxes.

The Administration indicates it is not unaware of the problems facing the Township and that it has deliberately takes steps to avoid anything like a fiscal disaster even to the point of not filling open jobs resulting from retirement or other causes or to eliminate those positions entirely. The Administration sees the plans set in place to control expenditures as essential and has effected cost controls to reduce the squeeze on resources. This fiscal condition is one of the reasons that the elimination of annual payout of unused sick leave credits has been pressed in these negotiations in spite of the understanding that doing so only delays such pay out until some late date. But that pay out has been at the \$90,000 level in recent years and just now it has been seen as an essential squeeze item. The effort to control overtime costs is another part of that administration plan. While the current budget is some \$500,000 under the cap limitation there is yet reluctance to spend and a cast of mind against increasing taxes until there is a brighter fiscal horizon. Although some in the administration, and the Union leadership see this as overly precautionary it remains a position which must be given consideration in the resolution of this matter.

The arbitrator is instructed to evaluate any intended determination of the impasse on the basis of its effects on the criteria established by law which are deemed to be applicable to the situation presented.

### STATUTORY FACTORS

I choose to abbreviate these factors and to explain which I find more relevant to this situation. It is worth mentioning that this case involves an impasse which is governed by the regulations in place in 2009 and which has been in the process of negotiations since that time.

1. The interests and welfare of the public is seen as an important consideration. Pemberton Township is a physically large area with small villages and broad property in need of police activity. While comfortably old and reasonably up dated it requires a highly mobile police force. The township is not a wealthy one but stable. The unemployment level is high, around 12+ percent and shows little likelihood of immediate growth. Police are required to cover substantial areas and must be familiar with the broad range of farms to urban living. The police are not highly paid in contrast to other more developed municipalities in the area. They provide a complete service to the public and are highly respected and regarded for their dedication to many functions of service to homes, schools and commercial and recreational facilities. The dependance on their services coupled with the modesty of the costs for services makes this an important criteria in my mind.
2. The comparison of wages and benefits and other related factors is of less importance due to the relatively similar circumstances as are found in other communities. The

exception to this generality is that the level of pay in Pemberton is generally lower than surrounding communities especially those of greater urbanization. While this is a known circumstance that has not precluded a very high level of commitment on the part of the police force. The range of available compensation adjustment has been reduced under law but this has not precluded an award of rational improvement which I find to be deserved.

3. The overall compensation of police personnel appears to be less of a factor than might be expected considering the relative comparison with many more prosperous communities but this does not suggest their Union is not interested in improving their relative income.

4. Stipulations of the parties is not a factor. In these proceedings several important issues were addressed and resolved in stipulations incorporated in the Agreement.

5. The lawful authority of the Employer has not surfaced as an issue in these negotiations.

6. The impact on the governing unit, its residents and tax payers and the impact on the property tax level is always potentially a significant factor. However the Township has been alert to some of the fiscal issues it faces now and for the long term which has resulted in a very conservative approach to achieve financial stability. Thus there has been no move to increase property taxes and no plan to do so for the foreseeable future. This has been accomplished with budgets substantially under the limits of spending increases not being imposed by the Legislature. I do not anticipate anything resulting from this award which would alter that situation.

7. The cost of living has not been a serious issue for several years but is now becoming a factor demanding consideration for long range planing. An award in this situation will at least reflect the new trend as to changes in pay. But as the situation is, as a matter of State policy and rules, I do not anticipate my award will pose any serious challenge to fiscal planning by this employer.

8. The continuity and stability of employment is not a serious factor at this time. The limits imposed on the fiscal side of negotiation awards leaves little room for substantive upset and none is planned in this instance.

9. The statutory restrictions imposed on the Employer could be of considerable concern but in this instance the considerations as to elements of my award will not pose any challenge to those restrictions, in part due to the conservative fiscal management policies employed by the Township during the past several tears which is reflected in conservative fiscal policies and long range financial planning.

A demand presented by the Employer was to eliminate a provision in the agreement which allows employees to cash in substantial amounts of unused sick leave each year. The payment is based on current wge rates and it is argued by the Union that the payment for those dates now lessens the liability for paying at some later date when the value of each day would likely be higher. The Township, now seeking checks on its cash flow would

like to remove this option which has cost as much as \$95,000 in a single year. My view is that sick leave is intended as an insurance to protect the employee in case of need. It was not intended to augment current wages by cashing in those credits. However, this program was part of an agreement and for that reason I am loath to simply scrap it in total. I also see the trend of cashing in those credits as providing a tempting but negative impact on the long range purpose of the provision. As a result of these considerations I will award a compromise which doesn't eliminate the program but provides a more realistic limitation on the amount of time which can be cashed in which has been up to 60 hours in wages and will be 30 hours in the future. I believe the temptation to cash in has resulted in diminished future insurance and is contrary to the intent of providing this benefit. Reducing the amount by 50% will reduce that temptation and limit the potential annual costs to more tolerable proportions. This change is awarded.

The Township has also made a demand to modify the sick leave program which has been in effect for many years. The evidence supplied does not support the contention that a major change is justified and as such this demand is denied. It is understood that the provision of benefits beyond the 12 month period established contractually at full pay will be subject to all provisions of the State's Workers Compensation law.

As to the options to be set forth concerning work schedules in Article VI, Paragraph A[2][a], the option which was determined to be made by this arbitrator shall read as follows; Township shall have the option of [maintaining the shifts at twelve hours and providing overtime compensation as required or providing advanced notice, of at least 12 hours, to officers affected as to adjustments of their scheduled hours on not more than two days to reduce their total to 80 hours in any fourteen day period]. This is the language to be included and is so awarded.

As to the dispute concerning shift bidding my construction of that clause follows: Each calendar year beginning on the first pay period, or at other times when appropriate, the department shall open up the patrol shifts for preferential assignment. Shift bidders shall be assigned in accord with civil service seniority of fully qualified employees in time and grade. Employees with special assignments who are fully qualified shall have preference among those within the same assignment who are less senior to them.

The wage element of this arbitration has been the key issue. In its earlier proposal at arbitration the Employer set forth a four year proposition which included an increase of 3.5% in the first year and then three years at 0%. However, in its post hearing brief the proposition was said to be a final offer of 2% in year one and 0% in each of three years. I find this modification disturbing as well as inconsistent with the factors which should be of concern. Those include the limitations of law which might be a factor: The relative changes in cost of living both current and anticipated: The wages paid by comparable and relatively local employers for similar jobs: The overall comparison of the job content in similar employment: The ability of the Township to afford the anticipated costs: And the quality and reliability of the workstaff assigned, which includes their reputation by the

public served, their dedication to ancillary public services and the overall performance in spite of reductions in staffing.

My understanding of the record presented is that these officers rank very highly in these categories which contribute to overall performance. In addition the record demonstrates the availability of sufficient funds to provide competitive wage increases and the related information with regard to their standing among comparable units to suggest that the offered compensation package is seriously deficient. It fails to keep up with the modest changes afforded elsewhere or with the overall cost of living changes most clearly evident by basic food, energy and medical costs all rising and anticipated to continue to rise. In addition it appears the underlying financial structure of the Township, while facing many serious long term costs, still has the full capacity, within the statutory scheme both as to budgetary increases and the capacity to fund a nominal program of wage increases by very modest tax increases and the addition of new ratables, to absorb the costs of a fair resolution of this impasse.


On the basis of this thorough analysis of the fiscal situation of both parties I make the following award which is in addition to elements noted above

#### OPINION AND AWARD

- 1 There shall be a four agreement for the period January 1, 2010 through December 31, 2013.
2. There shall be an across the board increase in salaries in the amount of 3.5% effective on January 1, 2010.
3. In consideration of the issues surrounding cash flow and the timing of this award there shall be an increase of 2% across the board effective on April 1, 2011
4. There shall be a further increase of 2.5% across the board effective as of April 1, 2012. This date will also reflect in part the fiscal condition of the Township, whilst providing a reasonable improvement in base wages.
5. There shall be a further increase of 2.5% effective on January 1, 2013 at which time there will have been sufficient notice of future costs for the Township to adjust its financial plans.

  
Frank A. Mason

On this date before me personally came and appeared Frank A. Mason, to me known and known to be the individual described in and who, in my presence, executed the foregoing opinion and award and he acknowledged to me that he executed the same.

  
July 3<sup>rd</sup> 2012