

NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of Interest Arbitration Between

BOROUGH OF POINT PLEASANT BEACH

"Public Employer"

-and-

PBA LOCAL 106

"Union."

**INTEREST ARBITRATION
DECISION AND
AWARD**

Docket No. IA-2012-001

**Before
James W. Mastriani
Arbitrator**

Appearances:

For the Employer:

Thomas G. Gannon, Esq.
Hering, Gannon & McKenna, Esqs.

For the Union:

Richard D. Loccke, Esq.
Loccke, Correia, Schlager,
Limsky & Bukosky

A petition to initiate interest arbitration was filed by PBA Local 106 [the "Union" or "PBA"] on July 8, 2011 after a declaration of impasse in negotiations between the PBA and the Borough of Point Pleasant Beach [the "Borough"]. Thereafter, on August 2, 2011, I was appointed to serve as interest arbitrator by random selection procedure pursuant to N.J.S.A. 34:13A-16(e)(1). This law requires that an award be issued by 45 days after appointment with no provision for a mutually agreed upon extension of any length. The law also subjects an interest arbitrator to a \$1,000 per day fine for each day an award does not issue after the 45th day from the date of appointment.

On August 2, 2011, by letter, I scheduled an interest arbitration hearing on August 17, 2011. In accordance with N.J.S.A. 34:13A-16(f)(1), each party was directed to submit a final offer no later than August 10, 2011. Each final offer was received by close of business August 11, 2011.

At the August 17, 2011 hearing, the Borough and the PBA argued orally, submitted substantial documentary evidence and examined and cross-examined witnesses. Testimony was received from Patrol Officer and PBA President Marc Distelcamp, and Christine Riehl, Borough Administrator, Chief Financial Officer and Tax Collector. Post-hearing briefs were received from both parties on August 26, 2011.

The final offers received from the parties and considered in this proceeding reflect the following issues and proposals:

FINAL OFFERS OF THE PARTIES

PBA LOCAL 106

1. The PBA proposes a four (4) year contract to succeed the prior Agreement with the following increases effective on each successive January 1 on an across-the-board basis:

2011 – 0%
2012 – 3.0%
2013 – 3.0%
2014 – 3.0%

2. Modification of compensatory time provision in Article XVII

The PBA proposes the removal of the eighty (80) hour maximum accumulation limit set forth in line 5. Compensatory time would therefore be permitted to be accumulated up to the FLSA maximum of four hundred eighty (480) hours. Compensatory time so earned may be used at any time in the sole discretion of the Officer, subject to prior Departmental approval.

3. **Disciplinary Notice** – The PBA requests that the PBA be provided with the final results of any and all disciplinary actions involving PBA members.

4. **Replacements** – The PBA proposes the addition of a new Article.

No full-time employee covered by this Agreement shall be replaced by any non-Police Officer, part-time or other personnel.

5. **Work Incurred Injury** – The PBA proposes the addition of a new Article.

Where an Employee covered under this Agreement suffers a work-connected injury or disability, the Employer shall continue such Employee at full pay, during the continuance of such

Employee's inability to work, for a period of up to one year. During this period of time, all temporary disability benefits accruing under the provisions of the Workers' Compensation Act shall be paid over to the Employer.

The Employee shall be required to present evidence by a certificate of a responsible physician that he is unable to work and, the Employer may reasonably require the said employee to present such certificates from time to time.

In the event the Employee contends that he is entitled to a period of disability beyond the period established by the treating physician, or a physician employed by the Employer or by its insurance carrier, then, and in that event, the burden shall be upon the Employee to establish such additional period of disability by obtaining a judgment in the Division of Workers' Compensation establishing such further period of disability and such findings by the Division of Workers' Compensation, or by the final decision of the last reviewing court shall be binding upon the parties.

For the purposes of this Article, injury or illness incurred while the Employee is attending an Employer sanctioned training program, shall be considered in the line of duty.

In the event a dispute arises as to whether an absence shall be computed or designated as sick leave or as to an injury on duty, the parties agree to be bound by the decision of an appropriate Workers' Compensation judgment, or, if there is an appeal therefrom, the final decision of the last reviewing court.

An injury on duty requiring time off for treatment, recuperation or rehabilitation shall not be construed as sick leave or a sick leave occasion under the terms of the sick leave policy heretofore agreed upon between the parties.

6. **Departmental Investigations** – The PBA proposes the addition of a new Article.

In an effort to insure that departmental investigations are conducted in a manner which is conducive to good order and discipline, the following rules are hereby adopted:

1. The interrogation of a member of the force shall be at a reasonable hour, preferably when the member of the force is on duty, unless the exigencies of the investigation dictate otherwise. Interrogations involving significant event, criminal matters and/or events

involving a discharge of a weapon shall not be commenced until at least forty-eight (48) hours after the incident has occurred.

2. The interrogation shall take place at a location designated by the Chief. Usually it will be at Police Headquarters or the location where the incident allegedly occurred.
3. The member of the force shall be informed of the nature of the investigation before any interrogation commences. Sufficient information to reasonably apprise the member of the allegations should be provided. If it is known that the member of the force is being interrogated as a witness only, he should be so informed at the initial contact.
4. The questioning shall be reasonable in length. Fifteen (15) minutes time shall be provided for personal necessities, meals, telephone calls, and rest periods at the end of every two (2) hours.
5. The member of the force shall not be subject to any offensive language, nor shall he be threatened with transfer, dismissal or other disciplinary punishment. No promise of reward shall be made as an inducement to answering questions, nor shall any threat or promise be made to induce silence.
6. If the Employee is considered a suspect, the Department shall afford an opportunity for such employee of the force, if he or she so requests, to consult with counsel and/or the Association representative before being questioned. Said consultation shall not delay the interrogation beyond one (1) hour for consultation with his Association representative, nor more than two (2) hours for consultation with his or her attorney.
7. In cases other than departmental investigations, the Employees shall be accorded all applicable rights under the laws of the United States or the State of New Jersey.
8. Nothing herein shall be construed to deprive the Department or its Officers of the ability to conduct the routine and daily operations of the Department and nothing in the foregoing to the contrary shall be

construed to excuse or delay the prompt execution and delivery of departmental reports.

9. (a) There should be a forty-eight (48) hour delay on any requirement to give any oral or written statement by an Employee following an event.

(b) Whenever a member being interviewed may reasonably believe that they are, or will be, the subject of adverse employment action said member shall be entitled to a Weingarten representative.

7. Maternity/Paternity – The PBA proposes the addition of a new Article.

Female Police Officers shall advise the Employer of a pregnancy. The rights of a female Police Officer shall include but not be limited to the following provisions:

1. The female Police Officer shall be permitted to work her normal duties so long as such work is permitted by a doctor's note. Upon recommendation of the female Police Officer's personal physician, said Officer shall be temporarily transferred to an administrative position which she is capable of performing. The doctor shall be a physician of the female Police Officer's own choosing.
2. In addition to the other provisions of this Article, the female Police Officer shall be permitted to use accumulated sick time, compensatory time off and any other accumulated time benefits which she may have during the period of her pregnancy and the period following childbirth.
3. In addition, the female Employee shall be granted maternity leave without pay, for up to twelve (12) months duration and shall be returned to work without loss of seniority or benefits provided she notifies the Chief of Police no later than after six (6) months of leave that she intends to return.
4. The female Police Officer shall at all times be kept at full benefits and shall be considered as an active duty for all computation purposes. At all times covered by this article the female Police Officer shall be maintained in the pension system with the Employer paying the appropriate contributions to said system.

5. Upon return to active duty status, the female Police Officer shall be placed in the same position which she held before departing for maternity status.
6. At all times covered by this article the female Police Officer shall be permitted to wear appropriate clothing and equipment which is consistent with her medical condition.

Male Police Officers – Male Police Officers shall be permitted ten (10) working days with full pay and benefits following the birth of their child.

Borough of Pt. Pleasant Beach

ARTICLE IV. SALARY:

1. The Borough proposes a salary increase across the Board for 2011 at 0%, 2012 at 1%, 2013 at 1% and 2014 at 2.5%. The 0% for 2011 represents the agreement between the parties forged as a result of the economic circumstances which affected the finances of the Borough for the year 2011.
2. The Borough proposes that the senior officer guide be amended to provide for the existing rank differential to be maintained but that a 4 year step guide be implemented to reach the existing rank differential between and among the superior officers and the senior police officer guide. A salary guide would be constructed to provide for a 4 year step guide of approximately 25% each year until the highest salary for the respective superior officer is attained.
3. The Borough proposes that a new 10 step guide be implemented for all new hires for January 1, 2012. The starting salary under the present guide shall be frozen for the proposed 4 year term of the contract. The new step guide is reflected below:

Step	Old Step Guide		Step	Proposed New Step Guide			2015
	2010	2011		2012	2013	2014	
1A	\$45,596	\$45,596	1	\$45,596	\$45,596	\$45,596	
1B	\$50,872	\$50,872	2	\$50,974	\$51,484	\$52,771	
2	\$55,073	\$55,073	3	\$56,352	\$56,916	\$58,338	
3	\$62,355	\$62,355	4	\$61,730	\$62,347	\$63,906	
4	\$70,904	\$70,904	5	\$67,108	\$67,779	\$69,474	

5	\$77,477	\$77,477	6	\$72,486	\$73,211	\$75,041
6	\$85,757	\$85,757	7	\$77,865	\$78,644	\$80,610
7	\$94,044	\$94,044	8	\$83,243	\$84,075	\$86,177
			9	\$88,621	\$89,507	\$91,745
			10	\$94,000	\$94,940	\$97,314

ARTICLE XIII. PROFESSIONAL GROWTH OF POLICE.

The Borough suggests that the annual amount paid to each officer shall not exceed \$1,000.00 per calendar year. This amendment shall be effective January 1, 2012.

ARTICLE XVI. LONGEVITY.

Longevity shall be amended to provide that as of January 1, 2012 all longevity payments shall not exceed \$7,800.00 per eligible officer. Officers' longevity payments which exceed the \$7,800.00 shall be frozen at that specific sum commencing 2012 for the remainder of the term of the contract.

All members of the unit employed after January 1, 2012 shall not receive a longevity payment pursuant to this Article.

ARTICLE XIX. MEDICAL COVERAGE.

All members of the unit shall remain in the State Health Benefits Plan Direct 10 as of January 1, 2011 in accordance with the terms and conditions as set forth in the State Health Benefits Plan. The level of employee contribution towards the medical benefits shall be as established in Chapter 78, Public Law 2011 with a minimum contribution of not less than 1.5% of the annual salary.

DISCIPLINARY NOTICE:

The PBA proposal regarding disciplinary notice to the PBA is accepted.

BACKGROUND

The Borough of Point Pleasant Beach is an oceanfront community at the north end of the Ocean County coastline and occupies 1.7 square miles. In 2010, it had a total population of 4,665 representing a decrease of 649 residents

from its 2000 population of 5,314. Its occupied housing units also decreased from 2,317 in 2000 to 1,985 in 2010. It is a center for tourism aided by a New Jersey Transit rail line that travels from Penn Stations in Newark and New York through to neighboring Bay Head to the south. While tourists at its highest peak during the summer months, the record reflects that such activity as trended towards the entire year. The health of the local economy is interrelated with tourism as is noted in a recent Borough report concerning its economic impact which noted that:

The 2006 expense incurred by Point Pleasant Municipal government for tourism related activity is estimated at \$1,882,310, while the revenue generated due to direct and indirect tourism economic factors is \$11,830,308. In addition, tourism businesses generate approximately \$254,050,000 dollars each year, with an indirect value to other non-tourism businesses at a minimum value of \$170,213,000. There is also an additional 1,070 jobs that existed in the Borough in 2006 that were directly related to the tourist industry, as well as the State of New Jersey via sales and lodging taxes.

The police department operates in a challenging environment due to the wide fluctuations in population due to tourism and related vehicular traffic. The department most recently received 20,000 dispatched calls annually and arrests have averaged around 2,000 over the last several years. Testimony concerning police activity was offered by PBA President Marc Distelcamp who testified that such activity has intensified due to a growth in gang activity and narcotics use. The Department is aided by the use of Special Officers who are non-sworn and provide assistance on the heavily occupied boardwalk which houses

amusements, food outlets and entertainment. The bargaining unit has been reduced over the last several years as reflected in the following chart:

Chart No. 1
BARGAINING UNIT STAFFING CHANGES IN LAST FIVE (5) YEARS

	2005	2011	Change
Captain	1	0	-1
Lieutenant	2	1	-1
Sergeant	6	5	-1
Patrolman	17	15	-2
Total	26	21	

These developments concerning staffing have led the PBA to propose the addition of a new article that would prohibit the Borough from replacing a full-time employee covered by this Agreement by any non-police officer, part-time or other personnel. According to the PBA:

The Point Pleasant Beach Police Department is shrinking on an annual basis with less sworn Officers each year, notwithstanding the tremendous influx of tourists, traffic issues, law enforcement activity in general, and type of criminal activity in general such as gang issues. It is of course acknowledged that during certain parts of the year there are non-sworn special persons brought in to aid the Department. The PBA does not mean to criticize these people, however their service and ability is limited in both scope and legal parameters. The Specials are, for the most part, kept on the boardwalk and whenever there is a serious matter to be dealt with, an arrest to be made, first aid or significant event, a sworn Police Officer has to go to the scene to take control. There is therefore an element of supervisory obligation placed on the sworn Officer. It is the sworn Officer who is responsible for the ultimate result in the completion of the law enforcement service.

The significant shortfall and understanding as to the Point Pleasant Beach Police Department has been the specific subject of this external and internal reporting and recommendations. In a report

dated April 2010 entitled "Borough of Point Pleasant Beach Police Department Study and Recommendations" prepared by the New Jersey Department of Community Affairs, Division of Local Government Services, specific observations and recommendations were made. The recommended staffing levels for the Point Pleasant Beach Police Department were twenty-four (24) sworn personnel. (P-10, p. 20). The Point Pleasant Beach Police Chief Kevin R. O'Hara also prepared a Report dated July 19, 2011, approximately three (3) weeks before the interest arbitration hearing, which was in response to the special request made by the Borough Council and analysis by the Borough Council (P-5) in which the Chief was tasked with a plan to meet various growing issues. On page 5 of the Chief's Report (P-11) under the category of "Additional Actions Required for Carryover and Long Term Success" the number one recommendation was for the appointment of more Police Officers. Promotions were also requested by the Chief at said point in his report. Every person who has looked at the Point Pleasant Beach Police Department has recognized that the history of attritional losses within the Department (See P-12) must be addressed. The State of New Jersey through its DCA Report (P-10), and Point Pleasant Beach Borough's own Chief of Police in his Report (P-11) concur. There are not enough Police Officers in Point Pleasant Beach.

The PBA asserts that the base pay rate in Pt. Pleasant Beach is below average after a review of the municipalities that it offers as its field for comparisons. In support of this contention, the PBA offers the following chart:

Chart No. 2

	2011 Base Rate
Bradley Beach	\$96,584
Brielle	\$103,092
Seaside Heights	\$95,846
Point Pleasant Borough	\$99,115
Berkeley Township	\$97,274
Brick	\$113,277
Jackson	\$105,852 (2010 Rate)
Lacey Township	\$95,246 (2010 Rate)
Lakewood	\$98,274
Manchester	\$118,787

Average	\$102,332
Point Pleasant Beach 2011 Base Rate	\$94,044
Point Pleasant Beach 2011 Rate Compared to Average	(\$8,288) (8.8%)

In addition to its own field of comparisons, the PBA points to the salary increases that have been received in the municipalities which the Employer has submitted for the purposes of comparison. Based upon a chart reflecting such base rate changes, the PBA contends that the Borough's proposal is inadequate and unsustainable:

Chart No. 4
BASE RATE CHANGES BASED ON EMPLOYER SUBMITTED EXHIBITS

	2011	2012	2013	2014
Bradley Beach	2	2		
Keansburg	4.1			
Harvey Cedars	2	2		
Avon by the Sea	2.5	2.5		
Sea Girt	2	1.62	2	
Beechwood	2.5	2.5		
Manasquan	2	2.5		
Brielle	3.5	4		
Seaside Heights	5.2	3.5	3.5	
Point Pleasant Borough	3.5% (1.5/2)			
Averages	2.93%	2.58%	2.75%	

In addition to the base rates that the PBA has compared, the PBA contends that the base rate changes that have been made in the municipalities that it has offered for comparison purposes, reflect far more favorable increases than that which the Borough has proposed:

Chart No. 3
BASE RATE CHANGES BASED ON PBA SUBMITTED EXHIBITS

	2011	2012	2013	2014
Brielle	3.5	4		
Berkeley	2	2	2	
Brick	3.5			
Lakewood	3	3		
Lakewood SOA	2.5	2.5	2.875	2.875
Manasquan	2	2.5		
Manchester	3.9	2	2	2
Point Pleasant Borough	3.5% (1.5/2)			
Seaside Park	4			
Averages	3.1%	2.67%	2.29%	2.44%

Because of its contentions that the base pay rate in Pt. Pleasant Beach is below average, the PBA urges rejection of the Borough's longevity proposals that would cap existing longevity at dollar amounts, freeze longevity payments during the term of the contract and eliminate longevity payments for new employees. On this point, the PBA makes the following argument:

The Employer's position is additionally troubling in that it seeks to take away percentage longevity from the bargaining unit without any support in the record whatsoever. None of the proofs indicate a change from percentage longevity for other Police Departments. The Employer even submitted two (2) exhibits, B-13 and B-14, which are respectively a Borough of Point Pleasant Beach contract with the Transport Workers Union of America, AFL-CIO and the Teamsters Local No. 469. Both of these contracts continue percentage longevity for these other groups of organized public employees within this same town of the Borough of Point Pleasant Beach. The transport workers contract (B-13) at page 11, Article 14 provides for percentage longevity. The Teamsters contract (B-14) provides for percentage longevity at Article 14, page 8. Why are the policemen singled out. The Employer provided as Exhibit B-17 what appears to be an increase negotiated for 2012 through 2014 of 2.03%, 1.99% and 1.97% respectively. The payout on

these numbers, in addition to their obvious higher per year value, is significantly higher than what is offered to the PBA. That first 2.03% would be paid in the three (3) years, 2012, 2013 and 2014. The 1.99% would be paid in the second and third year of the sequence and the 1.97% would be paid in the last year of the sequence. The total payout is 12.04%. The PBA, on the other hand, was offered one percent (1%) in the first year of change, one percent (1%) in the second year of change and 2.5% in the third year of change. The total payout here is 7.5%. Why the police are being singled out for this type of disparate treatment was not explained. In sum, there are no proofs to support the Employer's position. The only proofs in the record support the PBA position.

The PBA further notes that the cost of maintaining police officers has been reduced by recent reductions in the bargaining unit. It cites two recent examples of superior officers who have either been promoted out of the bargaining unit or have retired. The PBA submits the following chart reflecting savings in base pay and longevity for 2011 and asserts that the Borough will receive a cost reduction on an annualized basis in 2011 of almost \$300,000:

Chart No. 7
2010 SEPARATIONS FROM BARGAINING UNIT ANNUAL REDUCTION

(A) 2010	(B)	(C) 2011 Annual Reduction
Captain O'Hara Promoted Out of Bargaining Unit to Become Chief	Base Longevity	\$125,173 \$15,020
Lieutenant DiCorcia (Retired)	Base Longevity	\$113,793 \$13,655
Total		\$297,641

In addition to the above, the PBA requests that strong consideration be given to the reduced costs to the Borough as a result of base pay cost reductions

caused by P.L. 2011, Ch. 78. On this point, the PBA makes the following argument:

The impact, while it will be minimal in the initial year, will increase by 8.5% each year until the fourth year carries with it a thirty-five (35%) percent cost contribution of the insurance health premium. Using a hypothetical number of Twenty-One Thousand Dollars (\$21,000.00) for a full family plan, the Employee will be paying in the range of Seven Thousand Dollars (\$7,000.00) of said premium cost to the Employer in the form of a base compensation reduction. The payroll will be surcharged thirty-five (35%) percent in the fourth year. This thirty-five (35%) percent, as noted, will be 8.75% in the first year, double that in the second, double that in the third and of course, four (4) times or thirty-five (35%) percent in the fourth year. This entire value inures to the benefit of the public employer. Using a hypothetical employee earning One Hundred Thousand Dollars (\$100,000.00) per year, this result in a seven (7%) percent compensation reduction and all of the approximate Seven Thousand Dollars (\$7,000.00) from each Employee's pay is kept by the public employer. In other words, the Borough of Point Pleasant Beach is about to get an enormous "windfall" out of payroll. None of the money gets sent anywhere. It is all to be kept by the public employer, here the Borough of Point Pleasant Beach. In sum, this public employer is about to experience a continued annualized reduction in base pay and related costs by virtue of retirements and in addition is about to enjoy a windfall of a progressive 8.75% to a maximum of thirty-five (35%) percent of its insurance payroll costs being picked up out of payroll deductions.

The Borough's proposals are mainly driven by its claim to declining financial abilities, statutory limitations on its main source of revenue and comparison analyses between overall compensation received by its police officers with those in its comparison group.

The official financial records for the Borough show that it has been extremely well managed but that there have been recent stresses on the budget

causing it to have less available funds due to various factors. State aid received has declined from almost \$800,000 in 2007 to slightly over \$570,000 in 2011. Between 2008 and 2010, its fund balance has decreased from \$1.184 million to \$790,000 and, in 2011, it anticipates further reduction to \$487,000. The amount of revenue that the Borough has had to raise from municipal taxes has increased from 37% in 2007 to 54% in 2011. This has been caused by a decrease in all other, or non-tax, revenue which in 2008 was 56% of the budget and has decreased to 47%. The Borough underwent a revaluation in 2007 which yielded \$2,558,562,100 in total valuations. That number has steadily declined to \$2,475,217,753 in 2011. The Borough notes that the lower 2011 figure actually is on the high side due to an equalized valuation of 107%. During these years, the municipal tax rate has risen from 0.177 to 0.252.

The Borough is subject to an Appropriations and a Tax Levy Cap. The data shows that the Borough operates well within the Appropriations Cap as reflected in the data showing that in 2011 it will operate \$1,646,181 under that statutory limit. It will be able to carry this or a like amount forward for Cap banking purposes into 2012. However, the Borough asserts that this is a contradiction because it must operate under a 2% Tax Levy Cap which restricts its ability to make additional expenditures despite the flexibility it maintains under the Appropriations Cap. In 2012, the Borough projects an amount of \$124,000 as its Tax Levy Cap. Despite the 2% cap, the Borough was forced to raise taxes by 6% in 2011 based upon statutory exclusions such as costs for health

insurance, pension and debt service. The Borough is concerned over its tax base which has recently declined and has been subject to tax appeals, one of which required a \$500,000 refund to a large property owner on the boardwalk. The Borough expresses a concern over having to fund the PBA's offer which it claims would compel it to exceed its tax cap levy over the term of the contract. On this point, the Borough asserts that:

Without the ability to raise non tax revenue to meet the gap between the tax levy cap and that necessary to fund the PBA's offer, the only alternative is to reduce manpower through attrition, layoffs or moratoriums, which would sacrifice existing programs and services and the existing tax cap would prohibit the governing body from initiating any new programs and/or institute any capital projects for which monies have already been designated by the governing body in its proposed local budget for 2011 and 2012.

The Borough also contends that its overall economic proposals are reasonable based upon comparisons with other municipal police departments that it believes are comparable to Point Pleasant Beach. Among those include Avon, Barnegat, Beachwood, Bradley Beach, Brielle, Cape May, Harvey Cedars, Keansburg, Manasquan, Pt. Borough, Sea Girt and Seaside Heights. In its comparability analysis, the Borough focuses mainly on a comparison of longevity benefits and top salary guide compensation without longevity payments. Based upon the agreements in evidence, the Borough submits the following charts from which it concludes that the Borough's police officers receive favorable compensation on a comparable basis:

**CHART #2
LONGEVITY ANALYSIS
PRESENT CONTRACT YEAR**

	Commencement of Longevity	RANGE
Pt. Beach	5 th year 2% 20 years 10% 25 years 12%	2% to 12%
Avon (Monmouth County) 2 Longevity Guides Hired Before 2003	5 years 2% 20 years 8% Maximum \$6,000.00	2% - 8% Maximum for Hires after 2003 Max \$6,000/year
Barnegat (Ocean County)	5 years 5% 20 years 10%	5% - 10%
Beachwood (Ocean County)	None	None
Bradley Beach (Monmouth County)	5 years 4% 20 years 10% 21 years + 12%	4% - 12%
Brielle (Monmouth County) (Flat)	5 years complete \$2,000.00 20 th year \$8,000.00	\$2,000 - \$8,000
Cape May (Atlantic County)	1 st year 1.5% 20 th year 3% 24 th year 6.75%	0% - 6.75%
Harvey Cedars (Ocean County)	None	None
Keansburg (Monmouth County)	1 year 2% 16 years 8% 21 years 10%	2% - 10%
Manasquan (Monmouth County)	5 years 4% 20 years 7% 24 years 9%	4% - 9%

Pt. Borough (Ocean County) 2 Guides	Hired after 1995: 7 years 1% 20 years 8% 24 years 10% Prior to 1995: 3 years 1% 20 years 8% 24 years 10%	1% - 10%
Sea Girt (Monmouth County)	None	None
Seaside Heights (Ocean County)	3 years 1% 20 th year 7% 25 th year 9%	1% - 9%

**CHART #1
TOP STEP SALARY GUIDE BASED ON COMPARATIVE CONTRACTS
WITHOUT LONGEVITY**

Municipality	2011	2012	2013	2014
Pt. Beach Based on Final Offer of Borough	0% \$94,044.00	1% \$94,984.00	1% \$95,000.00	2.5% \$98,332.00
Avon By the Sea (Monmouth County) 2009-2012	Hired prior to 1998 – 6 steps \$92,188.00 Hired after 2000 – 9 steps \$92,188.00 Hired after 2001 – 12 steps \$92,188.00 Froze lower/ Starting salary	\$94,493.00 \$94,493.00 \$94,493.00	N/A	N/A
Barnegat (Ocean County) 2008-2010	6 th Step \$87,189.00	N/A	N/A	N/A
Beachwood (Ocean County) 2010-2012	Officers hired prior to 1993 \$85,200.00	Hired prior to 1993 \$87,330.00	N/A	N/A

	Hired after 1993 \$79,442.00 – 7 th Step	Hired after 1993 \$81,428.00		
Brielle (Monmouth County) 2010-2012 Multiple Guides	Top Guide \$103,092.00 Hired after 7/1/10 \$95,000 2 new steps	\$107,215.00 \$95,000.00	N/A	N/A
Bradley Beach (Monmouth County) 2010-2012 Multiple Guides	Hired after 1/1/01 5 steps \$96,584.00 Hired after 1/1/11 6 steps \$96,584.00	Hired after 1/1/01 \$98,515.00 Hired after 1/1/11 \$98,515.00	N/A	N/A
Harvey Cedars (Ocean County) 2011-2012	17 th Step \$92,347.00 8 th Step \$81,657.00	17 th Step \$94,194.00 8 th Step \$83,290.00	N/A	N/A
Keansburg (Monmouth County) 2007-6/30/11	5 th Step \$87,875.00	N/A	N/A	N/A
Lakehurst (Ocean County) 2009-2011	7 th Step \$74,193.00	N/A	N/A	N/A
Manasquan (Monmouth County) 2010-2012	6 th Step \$93,644.00	\$95,985.00	N/A	N/A
Pt. Borough (Ocean County) 2010-2011 Multiple Guides	Hired before 1/1/06 \$95,687.00 7/1/11 \$97,595.00 Hired after 7/1/11 \$92,001.00	N/A	N/A	N/A
Seaside Heights (Ocean County) 2010-2013	9 th Step \$95,846.00	\$99,201.00	\$102,673.00	N/A

Sea Girt (Monmouth County) 2010-2013	15 th Step \$100,805.00	15 th Step \$102,438.00	15 th Step \$104,047.00	N/A
Seaside Park (Ocean County) 2008-2011	7 th Step \$94,260.00	N/A	N/A	N/A

Because the Borough has a proposal concerning educational payments that places a cap on the annual amount paid to each officer, it has provided an additional chart comparing education stipends paid to its police officers with those received for officers employed by certain other municipalities. The PBA opposes this proposal. According to the Borough, each chart reflects the Pt. Pleasant Beach has no annual limit to be paid to an officer and is only limited to a per credit cap based on the State University fee per credit hour. The Borough contrasts these payments with those in the other municipalities that place limits on degrees or number of courses that an officer can take on an annual basis. The chart reflects the following.

**CHART #3
EDUCATION STIPEND
PRESENT CONTRACTS**

Pt. Pleasant Beach (Ocean County)	No annual limit except for per credit cap based on State University credit hour
Barneget (Ocean County)	Pays a stipend for hours accumulated and recognized training courses. Officers reimbursed For college courses limited to 2 courses per year.
Bradley Beach (Monmouth County)	NONE
Cape May (Atlantic County)	Pay \$10.00 per college credit earned into salary. Paid only to those officers hired prior to 1979.

Keansburg
(Monmouth County)

Salary increment for achievement of advanced Degrees. \$20.00 per college credit, \$40.00 for Masters in Criminal Justice

Pt. Pleasant Borough
(Ocean County)

Pay stipends for completion of authorized classes. \$12.50 credit per hour up to a cap of \$850.00 for Non-degree credits. Payment to officers for Advanced degree up to \$1,110.00 into base salary

Seaside Heights
(Ocean County)

Limited to those officers receiving education stipend as of January 1, 2010. All others not eligible.
\$50.00 reimbursement for approved college credit.

In its post-hearing submission, the Borough offers the following closing arguments in support of the adoption of its entire final offer:

It is respectfully submitted that the PBA's economic and non-economic proposals should be denied since it did not furnish sufficient evidence justifying its final offer as the more reasonable given an analysis under the statutory criteria. This is particularly so when viewed against the statutory restriction imposed on it from a tax levy cap pursuant to Chapter 40A:45-45 as amended.

The PBA's final offer also fails to address the current economic crisis and also failed to address the Borough's short fall in non tax revenues, depleted surplus, and State aid and also its erosion of its tax ratable base.

The Borough's view is more reasonable and in keeping with the construction of the statutory analysis, particularly the 2% hard tax cap levy in 2011. The Borough is also facing increasing costs for pension contributions, medical benefits, while again suffering a loss of revenue.

While the Borough acknowledges that in the future it will be receiving a greater contribution from the unit members toward pension and cost of medical benefits, these contributions do not offset the increasing costs faced by the Borough and should not be determinant of any other wage increases.

In conclusion, it is respectfully submitted that the Borough's final offer should be awarded and the PBA's rejected.

DISCUSSION

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 (9) that I find relevant to the resolution of these negotiations. 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.
- (9) Statutory restrictions imposed on 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 section 10 of P.L. 2007, c 62 (C.40A:4-45.45).

In arriving at the terms of this award, I conclude that all of the statutory factors are relevant, but not all are entitled to equal weight. The interests and welfare of the public is entitled to the most weight because it is a criterion that embraces many of the other factors and recognizes their interrelationships, including the financial impact of an award on the governing body and taxpayers [N.J.S.A. 34:13A-16g(6)], the Borough's statutory budgetary limitations [N.J.S.A. 34:13A-16g(5) and N.J.S.A. 34:13A-16g(9)] and its obligation to examine wage and benefit comparisons [N.J.S.A. 34:13A-16g(2)(a), (b), (c)] to evaluate whether contract terms contribute to the continuity and stability of its police officers. N.J.S.A. 34:13A-16g(8) requires consideration of those factors ordinarily or traditionally considered in the determination of wages, benefits, and employment conditions. One such consideration is that the party proposing a change in an employment condition bears the burden of justifying the proposed change rather than merely seeking contract change without sufficient evidentiary support. Another consideration is that any decision to award or deny any individual issue in dispute, especially those having economic impact, will include consideration as to the reasonableness of that individual issue in relation to the terms of the entire award. I am also required by statute to determine the total net annual economic cost of the terms required by the Award.

I first address issues that are not in dispute and will be awarded based upon the common positions of the parties. The first such issue is contract duration. The Borough and the PBA have each proposed a contract duration of four years with a December 31, 2014 expiration date. Given their common position on this issue, I award a contract duration commencing January 1, 2011 through December 31, 2014.

The second such issue concerns the PBA's proposal regarding Disciplinary Notice. The Borough has agreed with the PBA's proposal that the PBA be provided with the final results of any and all disciplinary actions involving PBA members. Based upon this agreement, this proposal is awarded.

A third area of agreement concerns the parties' proposals regarding contract year 2011 which will be the first year of the new four-year agreement. The Borough and the PBA have agreed that the salary guide will not be modified in 2011 and will remain as it existed in 2010. Their respective salary proposals both show a 0% increase in 2011 and is a reflection of an agreement reached that also provided for no step movement or longevity movement in 2011. Accordingly, the award will establish that the salary schedule for 2011 will remain the same as it existed in 2010.

Replacements

The PBA has proposed that no full-time employee covered by this Agreement shall be replaced by any non-Police Officer, part-time or other personnel. The Borough opposes the proposal. The reasoning in support of the proposal is directly related to the decline in unit personnel and the use of Special Officers who the Borough can hire at substantially reduced cost. In addition, the PBA asserts that the limited powers of Special Officers requires the intervention and assistance of sworn police officers in the event of arrest which has placed stress on the sworn staff especially due to staffing decreases.

As a general proposition, there is no indication in this record that the Borough has taken the position that it has, or seeks, replaced any police officer with any non-police personnel or that it disagrees with the PBA's assertions that it should not displace police officers with non-police personnel. Nevertheless, the proposal could, as phrased, foster discord and unnecessary litigation over the use and deployment of Special Officers which the Borough has a lawful right to hire as supplements to the regular police force. Moreover, there is no record evidence that the Borough has, in fact, ever intentionally "replaced" a full-time police officer with a "non-police officer, part-time or other personnel." For these reasons, the proposal is denied.

Maternity/Paternity

The PBA has proposed a comprehensive maternity/paternity leave provision. The Borough opposes this proposal. The Agreement currently has no such provision and the record does not reflect whether the Town maintains a policy pursuant to a personnel manual or ordinance. The Agreement does, at Article VII, contain a Discrimination or Coercion provision that, in part, states that the Employer shall not discriminate against any employee because of race, creed, color, sex or national origin.

Because the Agreement does not contain a maternity/paternity provision and because Borough policy is not in the record, I award the inclusion of a provision that will provide a contractual guarantee of statutory rights along with language providing that any such policy of the Borough be consistent with its relevant legal obligations. The Award on this issue shall read as follows:

The Borough shall, if it has not already done so, promulgate a policy that shall be consistent with its relevant legal obligations concerning maternity/paternity leave.

In the event of a pregnancy and/or a newborn child, both male and female Police Officers shall have all such rights and shall be permitted such time and such terms and conditions as are provided under the Federal Family Leave Act and the New Jersey Temporary Disability Benefits Law.

Work Incurred Injury

The PBA has proposed a comprehensive new article dealing with work-incurred injuries. The Borough opposes this proposal.

Article XV(C), Sick Leave, currently contains language that references work related disabilities. It states:

Whenever any Employee entitled to sick leave under the Article is absent from work as the result of injury incurred in the course of his employment, the Borough shall pay such Employee his full salary for the period of such absence up to a maximum of one (1) year without having such absence charged to the Employee's annual sick leave. Any amount of salary paid to the Employee shall be reduced by the amount of any Workmen's Compensation payments made, but not including awards made for permanent disability.

The record does not establish a basis for additional contractual revisions that go beyond the existing language set forth above. Accordingly, I find that insufficient justification has been provided for the PBA's proposal and the proposal is denied.

Departmental Investigations

The PBA has proposed the addition of a new article entitled Departmental Investigations. The Borough opposes this proposal. The record does not establish what the existing departmental procedures are for investigations nor whether there is a basis for any change to existing procedures. In the absence of evidence reflecting that there has been any interference with a police officer's

rights during an investigation, or that any harm has inured as a result of any alleged interference, I do not award this proposal.

Health Insurance

The Borough has proposed a health insurance provision that states:

All members of the unit shall remain in the State Health Benefits Plan Direct 10 as of January 1, 2011 in accordance with the terms and conditions as set forth in the State Health Benefits Plan. The level of employee contribution towards the medical benefits shall be as established in Chapter 78, Public Law 2011 with a minimum contribution of not less than 1.5% of the annual salary.

The record shows that in 2010, the Borough replaced Horizon Blue Cross as its carrier with the New Jersey State Health Benefits Plan. This occurred effective June 1, 2010 and was agreed upon and implemented for all Borough employees except for the PBA who has grieved the change. That grievance is pending before a grievance arbitrator. According to the Borough, the changed resulted in a \$400,000 savings.

The Direct 10 is a comprehensive PPO and would continue to provide effective health insurance coverage. The switch allowed the Borough to close a deficit and assist it in remaining within the tax cap levy. Moreover, in addition to the savings, a Borough-wide plan would be the result by the inclusion of the PBA into Direct 10 and place the Borough in a more advantageous position to contract for health benefits in the future. Accordingly, I award the Borough's proposal.

This award is not intended to preempt the nature of the grievance during the time period prior to the implementation of this portion of the award.

Article XIII – Professional Growth of Police

The Borough proposes that the annual amount paid to each officer for professional growth (higher education) not exceed \$1,000 per calendar year effective January 1, 2012. The Borough contends that the present benefit is overly generous when compared to similar provisions in comparable jurisdictions and has resulted in significant cost.

In my evaluation of this proposal, I take notice of evidence that the amount of education reimbursements paid by the Borough is substantial. A payment of \$10,544 is projected for 2011 and the total amount of such payments since 2005 is approximately \$86,000. Given the revenue constraints that currently exist on the Borough, a reasonable modification of this clause is appropriate. An incentive for professional growth is desirable inasmuch as degrees in Criminal Justice enhance the knowledge and skills of police officers. This program should remain to provide incentives, but the Borough's costs related to the overall labor agreement should be more equitably distributed to the overall membership of the PBA going forward. Accordingly, I award a revision in Article XIII that will place a cap on the annual amount paid to each officer who is presently enrolled in a program leading to a degree in Criminal Justice to \$1,250 per calendar year and will place a cap on the annual amount paid to each present and future officer of

\$1,000 per calendar year for those officers who are not presently enrolled in a program leading to a degree in Criminal Justice.

The modified clause shall read as follows:

The Borough agrees to pay for tuition, fees and books for any courses taken relating to a degree in Criminal Justice. The Borough's obligation for tuition reimbursement shall not exceed the per credit amount charged by Rutgers, the State University, at the time of attendance. Members should submit a voucher for payment after successful completion of each course. For officers presently enrolled in a program leading to a degree in criminal justice, any such payment shall not exceed \$1,250 in any calendar year. For officers who, as of September 22, 2011, are not enrolled in a program leading to a degree in Criminal Justice, any payment shall not exceed \$1,000 in any calendar year.

Compensatory Time

The PBA has proposed the removal of the eighty (80) hour maximum accumulation limit set forth in line 5. Under the PBA's proposal, compensatory time would be permitted to be accumulated up to the FLSA maximum of four hundred eighty (480) hours. The compensatory time earned could then be used at any time in the sole discretion of the Officer, subject to prior Departmental approval. The Borough urges rejection of this proposal.

I do not award this proposal for the following reasons. The reduction in sworn personnel from 26 to 21 could cause an increase in compensatory time off to affect Departmental operations and costs. As the existing provision now provides, the compensatory time earned may be carried into the succeeding year

and paid in accordance with past practice. Under present circumstances that have resulted in the reduction of sworn personnel, an increase in the amount of compensatory time off is clearly not warranted. Accordingly, the proposal is denied.

Salary and Compensation Issues

The PBA's salary proposal is 0% in 2011, 3% in 2012, 3% in 2013 and 3% in 2014. It proposes no further changes and urges rejection of the Borough's salary and concessionary proposals. The Borough has proposed 0% in 2011, 1% in 2012, 1% in 2013 and 2.5% in 2014. It urges the rejection of the PBA's proposal and, in addition, it proposes a 4 year step guide for superior officers between top step police officer pay and the highest salary for each superior officer rank. Each step of the step guide would be 25% of the difference in salary. The Borough also proposes a new hire salary schedule containing 10 steps with the starting salary to be frozen over the length of the contract. The Borough as also proposed to eliminate longevity for new hires and to cap or freeze existing longevity payments depending upon the amounts of longevity that each eligible officer currently receives.

I am persuaded, after applying the statutory criteria to the record of this proceeding, that a reasonable determination of the compensation issues is a salary package of 0% in 2011, 2.0% in 2012, 2.25% in 2013 and 2.5% in 2014, a two step approach for rank differentials by setting a twelve month step at 7.5% to

precede the current 10% differential, a 50% reduction in the longevity schedule for new hires and a new hire salary schedule containing ten (10) steps with a freeze of starting salaries at the rate of \$45,496. These terms will further the interests and welfare of the public by providing reasonable increases over the four year contract period that are consistent with the Borough's legal obligations, the cost of living data and will allow for the continuity and stability of employment by addressing several compensation issues that are fair and consistent with the internal and external comparability evidence.

The PBA proposal for 3% increases following a one year wage freeze would result in an average across the board increase of 2.25% over the four years and, in general, would be responsive to the external comparability evidence it has submitted into the record, although the evidence shows a declining wage trend in 2011 and beyond. But this evidence must be weighed and balanced against the statutory restrictions imposed on the Borough by C. 40:4-45.45 and the financial impact of the costs of the labor agreement on the Borough, its residents and taxpayers. The evidence on these later criteria compel a less costly across the board increase than the PBA has proposed, although the overall evidence warrants a higher increase than what the Borough has proposed so long as those increases are accompanied by concessions that are responsive to the Borough's concerns for future cost savings as it proceeds to replace retiring police officers with new hires.

The evidence shows that the Borough's budgetary process has been impacted by the requirements of the Tax Cap Levy. This fact is apparent when comparing the latitude given to the Borough that would have allowed it to lawfully appropriate an additional \$1,646,180 in 2011 under the spending or appropriations cap but also severely limited its revenue or tax cap to the extent that the Borough and its employees made strong and cooperative efforts to allow the Borough to comply with its legal funding restrictions. This caused the Borough's civilian employees to take 17 furlough days and the PBA to accept a salary freeze.

The 2011 circumstances were not a one year aberration because the Borough must continue to meet its statutory requirements under similar circumstances going forward. These include a projected \$124,000 limit on its taxing authority for 2012 while its non-tax revenues, which otherwise could have served to offset the statutory restriction, remained stagnant.

In light of the above, the cost impact of the PBA's proposals cannot be sustained without adverse impacts on the Borough's ability to fund its overall obligations to provide programs and services that fall outside of the law enforcement function. By its very nature, law enforcement is a costly function as shown by the fact that 30% of the Borough's current budgetary funds to be raised by taxes are allotted to this function and 54% for all revenues and budget appropriations are for wages are allotted to the police department. Nevertheless,

the law enforcement function in this community is vital to the Borough's financial health which is very dependent on tourism. PBA Local 106 has cooperated with the Borough by accepting a hard freeze in 2011 and they have continued to deliver law enforcement services in an efficient and productive manner despite the reduction in personnel over recent years from 26 to 21 and the intensification of more dangerous criminal activity. The reduction in personnel in 2010 and 2011 has resulted in an almost \$300,000 in reduction in personnel costs. While these savings may be reduced going forward by hiring activity, they nevertheless provide the Borough with some relief in police expenditures.

Based upon the Borough's cost-outs of the parties' respective proposals, the difference in base salary between the Borough's proposal and the terms of the award would be \$20,000 in 2012, \$23,000 in 2013 with the only additional costs in base salary in 2014 being the cumulative increases caused by the differences in years 2012 and 2013. There would be additional costs as a result of the continuation of the existing longevity program of approximately \$2,500 in 2012, 3,300 in 2013 and \$7,000 in 2014. These costs have been considered in the context of the salaries that have been awarded.

I do not award the Borough's proposal to either cap or freeze longevity payments for eligible officers depending upon the amounts of longevity that each eligible officer currently receives. The voluntary cap in longevity and step increases for 2011, coupled with the voluntary hard wage freeze provided some

relief to the Borough for 2011 and the recent separation of senior employees from the payroll over the last few years has also offset what longevity costs have been and would have been had they remained on the payroll. However, it is reasonable to provide a longer term offset to the Borough's future compensation obligations by awarding a reduction in the existing longevity schedule for employees hired after the issuance of this award. I award the new schedule but do not award the elimination of the benefit as the Borough has proposed. Accordingly, I award a new hire longevity schedule as follows:

Beginning 5 through 7 years	1% of salary
Beginning 8 through 11 years	2% of salary
Beginning 12 through 15 years	3% of salary
Beginning 16 through 19 years	4% of salary
Beginning 20 through 24 years	5% of salary
Beginning 25 years	6% of salary

The salary portion of the award will also include a two step schedule for the achievement of rank differential by setting a twelve-month step of 7.5% to precede the single step 10% differential that the contract now requires. The Borough has proposed a four step approach which I do not award because it could provide less motivation for promotional advancement. This contract modification will offset the immediate cost of promotions which can be anticipated to occur in the future due to a decline in the number of superior officers.

The wage increases that have been awarded, accompanied by future cost offsets, can be funded within the Borough's legal requirements and without

adverse impact on the governing body, its residents and taxpayers.¹ In assessing financial impact, the Borough must acknowledge that any expenditures that are not subject to statutory exemptions will cause it to assess the reasonableness and necessity of all such expenditures but, based upon the overall record of this proceeding, I deem the compensation package awarded to be reasonable and consistent with the statutory criteria by providing annual increases averaging 1.7% over the four year contract period. While addressing the Borough's financial concerns, the terms of the award have also given weight to the comparability presentation of the PBA which has established that the Borough's proposal, if awarded, could unduly erode its relative standing with other comparable law enforcement units, thereby having the potential to threaten the continuity and stability of the Borough's police officers. The award also provides generally consistent increases to those negotiated in the Borough's Transport Workers Union, Local 225 and Teamsters, Local 469 civilian agreements over common contract years.

Accordingly, and based upon all of the above, I respectfully submit the following Award:

¹ Pursuant to N.J.S.A. 34:13A-16(f), this will certify that I have taken "the statutory limitation imposed on the local levy cap into account in making the award" and how each of the statutory criteria "played into the arbitrator's determination of the final award."

AWARD

1. All proposals by the Borough and the PBA not awarded herein are denied and dismissed. All provisions of the existing agreement shall be carried forward except for those which have been modified by the terms of this Award.

2. **Duration**

There shall be a four-year agreement effective January 1, 2011 through December 31, 2014.

3. **Disciplinary Notice**

The PBA shall be provided with the final results of any and all disciplinary actions involving PBA members.

4. **Maternity Leave**

The Borough shall, if it has not already done so, promulgate a policy that shall be consistent with its relevant legal obligations concerning maternity/paternity leave.

In the event of a pregnancy and/or a newborn child, both male and female Police Officers shall have all such rights and shall be permitted such time and such terms and conditions as are provided under the Federal Family Leave Act and the New Jersey Temporary Disability Benefits Law.

5. **Article XIX – Medical Coverage**

All members of the unit shall remain in the State Health Benefits Plan Direct 10 as of January 1, 2011 in accordance with the terms and conditions as set forth in the State Health Benefits Plan. The level of employee contribution towards the medical benefits shall be as established in Chapter 78, Public Law 2011 with a minimum contribution of not less than 1.5% of the annual salary.

6. **Article XVI – Longevity**

There shall be a new longevity schedule for police officers hired on or after September 22, 2011. It shall read as follows:

Beginning 5 through 7 years	1% of salary
Beginning 8 through 11 years	2% of salary
Beginning 12 through 15 years	3% of salary
Beginning 16 through 19 years	4% of salary
Beginning 20 through 24 years	5% of salary
Beginning 25 years	6% of salary

7. **Rank Differential**

Article IV, Salary shall be modified as follows:

Sergeants, Lieutenants and Captains shall receive a ten percent (10%) differential over Senior Patrolmen and between ranks after serving a one year period at a 7.5% differential over senior patrolmen and between ranks.

8. **Article XIII – Professional Growth of Police**

The Borough agrees to pay for tuition, fees and books for any courses taken relating to a degree in Criminal Justice. The Borough's obligation for tuition reimbursement shall not exceed the per credit amount charged by Rutgers, the State University, at the time of attendance. Members should submit a voucher for payment after successful completion of each course. For officers presently enrolled in a program leading to a degree in criminal justice, any such payment shall not exceed \$1,250 in any calendar year. For officers who, as of September 16, 2011, are not enrolled in a program leading to a degree in Criminal Justice, any payment shall not exceed \$1,000 in any calendar year.

9. **Salary**

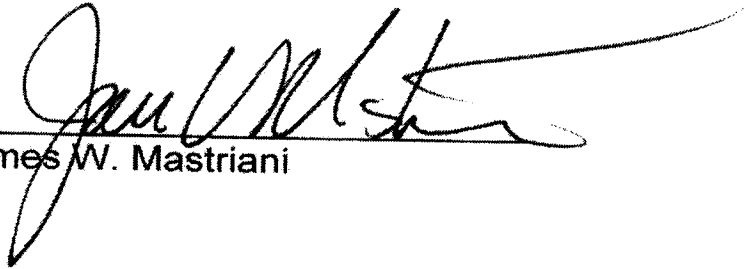
1. The existing salary schedule for current employees shall be adjusted by the following percentage amounts at each step retroactive to their effective dates.

January 1, 2011	0%
January 1, 2012	2%
January 1, 2013	2.25%
January 1, 2014	2.5%

2. For police officers hired on or after September 16, 2011, they shall be compensated by a new hire salary schedule containing ten (10) steps. The minimum salary shall be the same minimum salary as provided in the existing salary schedule for 2011. The maximum salary shall be the same amount as top step pay for existing

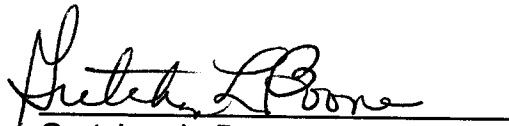
employees in 2012, 2013 and 2014. Step increases between Step 1 and Step 10 shall be set in equal dollar amounts.

Dated: September 16, 2011
Sea Girt, New Jersey


James W. Mastriani

State of New Jersey }
County of Monmouth } ss:

On this 16th day of September, 2011, 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 4/30/2014