

NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of Interest Arbitration Between:

BOROUGH OF LITTLE SILVER

“Public Employer,”

- and -

LITTLE SILVER PBA LOCAL 359

“Union.”

**INTEREST ARBITRATION
DECISION AND
AWARD**

Docket No. IA-2002-076

**Before
James W. Mastriani
Interest Arbitrator**

Appearances:

For the Borough:

Robert E. Murray, Esq.
Timothy Averell, Esq. On the Brief
The Murray Law Firm, LLC

For the PBA:

David J. DeFillippo, Esq.
Klatsky & Klatsky

I was appointed to serve as interest arbitrator by the New Jersey Public Employment Relations Commission in accordance with P.L. 1995, c. 425, in this matter involving the Borough of Little Silver [the "Borough"] and Little Silver PBA Local 349 [the "PBA"]. Pre-interest arbitration mediation sessions were held. Although the disputed issues narrowed, the impasse was not resolved requiring that a formal interest arbitration hearing be held. At hearing I received testimony and documentary evidence. Post-hearing briefs were submitted by both parties and received by May, 2003.

FINAL OFFERS OF THE PARTIES

As required by statute, the Borough and the PBA submitted the following final offers prior to the commencement of formal hearings.

The PBA

1. **Duration**

The PBA proposes a three (3) year contract term 2002 through 2004.

2. **Verbiage**

All references in the prior contract to "Little Silver Police Officer's Association of PBA #359" shall be changed to "Little Silver PBA Local 359" and all references to "Association" be replaced with "Union."

3. **Article V – Salaries**

The PBA proposes across-the-board wage increases 4.75% in each year of the contract, retroactive to January 1, 2002 and the across-the-board

increases shall be payable to any officer who retired or otherwise terminated employment after December 31, 2001 and prior to full execution of successor contract.

4. **Article XII, Clothing Allowance**

The PBA proposes that the clothing allowance in the prior contract be increased by \$100 for each year of the new contract.

5. **Article XXVII, Special Duty Assignments**

The PBA proposes that Article XXVII be changed to increase the hourly rate payable to members from \$35 to \$40, effective January 1, 2003.

The PBA proposes to waive the administrative fee for not only events "scheduled at Red Bank Regional High School" but also for work performed "for any private or public school, non-profit organization, volunteer organization, or other municipality."

The PBA would also like to be permitted to negotiate lower hourly rates for all vendors exempt from the administrative fee.

6. **Article XXIV, Hours of Work and Voluntary Shift Swaps**

Section 1. The PBA is not proposing to change the current work schedule. Rather, the PBA is merely proposing to revise Section 1 so as to define said work schedule (i.e., 8 hour tours; 5-2/5-2/4-2 rotating work schedule).

7. **Article XXV, Overtime and Compensatory Time; Court Time; and Call-in Minimum**

The PBA proposes to increase the minimum court time and call-in time contained in Article XXV from two (2) hours to three (3) hours.

8. **Article XXI, Association Business Leave**

Section 1. The PBA is not proposing to change the current union leave practice. Rather, the PBA proposes to reword Section 1 so as to provide:

The Union's President; Delegate and Alternate Delegate shall be granted time off to attend the main convention of the New Jersey State PBA. The Union's President and Delegate shall be granted time off to attend the mini-convention of the New Jersey

State PBA. One delegate shall be permitted to attend PBA, State and County meetings.

9. **Article XXII, Grievance Procedure**

The PBA proposes to add the following clause at the end of Paragraph A: "or any other administrative decision concerning mandatorily negotiable terms and conditions of employment."

10. **Article XV, Dental Insurance**

The PBA proposes to "clarify or otherwise define said benefits in clear and explicit terms."

The PBA also proposes that benefits be extended, at no cost, to surviving spouse/dependent children.

11. **Article XVII, Hospital Medical Insurance Coverage**

The PBA proposes to "clarify or otherwise define said benefits in clear and explicit terms."

The PBA also proposes that benefits be extended, at no cost, to surviving spouse/dependent children.

12. **Article XVIII, Retired Members' Health and Dental Benefits**

The PBA proposes to extend benefits, at no cost, to surviving spouse/dependent children.

13. **Article VI – Longevity**

The PBA proposes to add an additional longevity step at 25 years (7%).

The Borough

1. **Duration**

The Borough proposed a five (5) year contract for the term 2002 through 2006.

2. **Salaries**

The Borough proposes the following increases to base salaries.

Effective January 1, 2002, add new Step 7 (\$65,700); increase Sergeant, Lieutenant and Captain 2.5%.

Effective January 1, 2003, add new Step 8 (\$67,350); increase Sergeant, Lieutenant and Captain 2.5%.

Effective January 1, 2004, increase Step 8 by 2.0%; increase Sergeant, Lieutenant and Captain 2.0%.

Effective January 1, 2005, increase Step 8 by 2.0%; increase Sergeant, Lieutenant and Captain 2.0%.

Effective January 1, 2006, increase Step 8 by 2.0%; increase Sergeant, Lieutenant and Captain 2.0%.

Unless otherwise provided, steps shall be continued at the rates set forth in the Agreement.

3. **Article XIV, Educational Credits**

The Borough proposes to continue providing officers presently receiving salary adjustments for educational credits provided in Article XIV, "Educational Credits," but that no further increases shall be awarded for additional credits or degrees and no new adjustments shall be granted to any officers not currently receiving educational credit pay.

4. **Article XVII, Hospital Medical Coverage**

The Borough proposes that it shall have the right, under Article XVII, "Hospital Medical Coverage," to provide Medical Insurance coverage through the State Health Benefits Plan or through another insurance program of the Borough's selection at the level of the State Health Benefits Plan provision of benefits.

5. **Article XXI, Association Business Leave**

The Borough proposes that Article XXI, "Association Business Leave," be amended to state that the President or Delegate shall be granted time off to attend the New Jersey State PBA convention.

6. **Article XXIV, Hours of Work and Voluntary Shift Swaps**

The Borough proposes to change Article XXIV, "Hours of Work and Voluntary Shift Swaps," to state that the Borough shall have the right, in its sole discretion, to institute the five-on, two-off, eight-hour work schedule.

The Borough also proposes to add Section 3 to Article XXIV to state that in addition to the regular work schedule, officers may be required to work up to five training days per year as may be required by the Attorney General and/or the Monmouth County Prosecutor requirements for training and/or firearm certification.

7. **Article XXVI, Personal Days**

The Borough also proposes that the amount of days contained in Article XXVI, "Personal Days," be changed to allow officers two (2) personal days, effective January 1, 2002.

8. **Article XXVII, Special Duty Assignments**

The Borough proposes, in relation to Article XXVII, "Special Duty Assignments," to delete this provision pursuant to PERC decision and provide that the rate paid to an officer shall be \$35 per hour and paid pursuant to the practice and provisions of such article.

9. **Article X, Sick Leave**

The Borough proposes to clarify the language of Article X, "Sick Leave," to provide for the past practice of the parties, the intent of the parties, and to maintain the purpose behind the construction of the clause. Specifically, the Borough proposes that officers be allowed to take unused sick leave, at full pay, during the period of time immediately prior to retirement, in an amount not to exceed ninety (90) days. Alternatively, the Borough proposes that officers be allowed to take a lump sum payment for unused sick leave in an amount not to exceed twenty-thousand two hundred fifty dollars (\$20,250.00).

BACKGROUND

The Borough is a Monmouth County municipality with 6,170 residents occupying a land area of 2.77 square miles. The Borough is primarily of residential character with 2,142 parcels containing 88% of the Borough's real property valuation. At \$94,094, the Borough's median household income ranked seventh among 53 Monmouth County municipalities. The Borough's municipal

tax rate has been relatively stable and, at .80 in 2001, it represented 23% of the Borough's total tax levy of 2.959.

The bargaining unit consists of 14 police officers, including two captains, one who was on terminal leave at the time of hearing, two sergeants and ten patrolmen. There is a relatively low ratio of police officers employed relative to the Borough's population (1 per 325) and the violent crime rate of 1.1 per thousand is below average for the County. In 2001, the top step patrolman received a salary of \$64,097 ranking them roughly in the middle of the County's municipal police departments.

There are many issues in dispute including direct compensation issues, indirect compensation issues and non-economic issues. Counsel for the Borough and the PBA have provided comprehensive documentation in support of their respective positions as well as expert arguments concerning the application of the statutory criteria to the unresolved issues.

The thrust of the PBA's arguments and evidence is directed towards comparisons among municipal police departments within Monmouth County which it believes reflects unfavorably on Little Silver and demographic financial and budgetary data depicting a financially healthy municipality and citizenry which can fund the PBA's proposals without adverse financial impact. The PBA also relies on the factor of continuity and stability of employment which it asserts

would be enhanced by an adoption of its proposals and the interests and welfare of the public which it asserts would be furthered by a department whose morale would be increased by the adoption of its proposals.

The Borough does not dispute that its financial affairs have been wisely managed nor that its police officers perform in a productive and professional manner. Its opposition to the PBA's demands are not based upon financial inability but rather upon a critical analysis questioning the wisdom of the PBA's proposals and the conflict it sees between the PBA's proposals and the requirement that it engage in sound financial management of the public's finances. In this regard, the Borough asserts that the interests and welfare of the public would not be served by funding the PBA's proposals which it asserts are excessive. The Borough also points out that cost of living data does not support increases of 4.75% across-the-board and that existing salary and benefit levels are sufficiently appropriate without granting the many improvements sought by the PBA in this proceeding.

DISCUSSION

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

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

The Borough and the PBA have offered testimony and substantial documentary evidence in support of their final offers. Numerous Borough and PBA exhibits were received in evidence. I am required to make a reasonable determination of the above issues giving due weight to those factors set forth in N.J.S.A. 34:13A-16g (1) through (8) which I find relevant to the resolution of these negotiations. 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.

Many issues are in dispute in this proceeding despite genuine and sincere efforts toward voluntary resolution. I will lay out each issue in dispute and set forth the respective positions and arguments of the Borough and the PBA on each issue along with a brief summary of argument and supporting evidence each party has submitted into the record. The compensation issues have been laid out last along with a summary of the evidence and argument each party has provided referencing the relevant statutory criteria. At the end of each individual issue, I have set forth what I have awarded on that issue as well as a self-contained award covering all of the issues at the end of the decision.

Duration

The Borough has proposed a five (5) year agreement from 2002-2006 while the PBA has advanced a three (3) year agreement from 2002-2004. I award the Borough's proposal for the following reasons. The record in this proceeding has been fully developed by the parties and contains evidence and reasonable projections with respect to the Borough's financial condition and comparable terms and conditions of employment among most municipalities in

Monmouth County extending through the calendar year 2006. Further, the many issues in dispute in this case has led to a protracted process. Labor relations stability and continuity and stability of employment will be promoted by an Agreement of longer duration. In addition, a longer term agreement will promote efficiency and economy by having terms and conditions of employment set through December 31, 2006. Accordingly, I award a contract duration of January 1, 2002 through December 31, 2006.

Verbiage

The PBA proposes a language change which is essentially clerical in nature. The PBA proposes that all references in the prior contract to "Little Silver Police Officer's Association of PBA #359" be changed to "Little Silver PBA Local 359" and all references to "Association" be replaced with "Union." The Borough does not object to this proposal. Because this proposal is administrative, yielding no substantive change and does not raise any questions concerning representation, it is awarded.

Article XXV, Overtime and Compensatory Time; Court Time; and Call-in Minimum

The PBA proposes to increase the minimum court time and call-in time contained in Article XXV from two (2) hours to three (3) hours. The Borough urges rejection of this proposal. This issue is covered by Article XXV, Sections 2 and 3 which state:

Section 2: Effective January 1, 1993, court time shall be paid in cash or compensatory time at the option of the officer, calculated at time and one-half for such time with a minimum of two (2) hours, subject to the calculation of time and one-half.

Section 3: Minimum call-in time shall be two (2) hours at time and one-half payable in cash or compensatory time at the officer's discretion.

The PBA contends that the existing provision is beneath the county average of 2.63 hours and that it only seeks consistency on this benefit level. The Borough responds that twenty-four (24) of forty-one (41) municipalities receive the same benefit level including Fair Haven and Shrewsbury. The PBA has provided insufficient justification for any changes to Article XXV, Sections 2 and 3. This proposal is not awarded.

Article XXII, Grievance Procedure

The PBA proposes to add the following clause at the end of Paragraph A: "or any other administrative decision concerning mandatorily negotiable terms and conditions of employment." Paragraph A would be modified to read:

A "grievance" shall be any difference of opinion, controversy or dispute arising between the parties hereto relating to the alleged violation of, interpretation or application of any of the provisions of this Agreement or any other administrative decision concerning mandatorily negotiable terms and conditions of employment. [underline added]

The PBA contends that the added language would allow for use of the grievance procedure rather than civil litigation or other forums such as unfair practice procedures. The PBA also seeks to extend the time periods from five (5) to fifteen (15) days for filing a grievance and processing the grievance to higher steps in the procedure. The Borough has not accepted these proposals.

I do not award these proposals. The existing scope of what is grievable has not been shown to have restricted the use of the grievance procedure or fostered litigation outside the scope of the grievance procedure. Further, the time limits have not been shown to have hampered the PBA's ability to process grievances. I note that Article XXII, Section B allows for a grievance to be initiated within thirty (30) working days from the time the employee knew or should have known of its occurrence. Section B thus provides a liberal time period for the initiation of a grievance and the time limits established thereafter should not impede the further processing of the grievance.

Article XXVI, Personal Days

The Borough proposes that the amount of days contained in Article XXVI, Personal Days, be changed to allow officers two (2) personal days, effective January 1, 2002. The PBA urges rejection of this proposal and the maintenance of the existing contractual provision which states:

Effective January 1, 1998 each officer shall be entitled to three (3) personal days with pay. Effective January 1, 1999, one such personal day shall be a "guaranteed" day off. This day off shall be granted regardless of manpower needs of the shift requested. Only one guaranteed day per date shall be granted on a seniority basis. Overtime shall be paid if necessary to cover this request. The officer shall make written application to the Chief who shall approve the leave subject to staffing requirements on not less than seven days advance notice.

The Borough contends that the proposed reduction from three (3) to two (2) days is modest because of existing salary and benefit levels currently enjoyed by unit members. A review of these benefits does not reflect that those benefits, while comprehensive in scope, are extraordinary which require a reduction in the existing number of personal days which are, on average, the same as received by a majority of municipalities in Monmouth County. The proposal is not awarded.

Article X, Sick Leave

The Borough proposes to clarify the language of Article X, Section 3 – Sick Leave, to correspond with its view of the intent of this provision. Section 3 reads:

Unused sick leave may be taken at full pay during the period immediately prior to retirement without meeting the requirement of Section 4 of this Article or may be paid to an officer in a lump sum immediately following

his retirement in an amount not to exceed: seventy (70) days and fifteen thousand seven hundred fifty dollars (\$15,750) in 1999; eighty (80) days and eighteen thousand dollars (\$18,000) in 2000 and ninety (90) days and twenty thousand two hundred fifty dollars (\$20,250.00) in 2001. An employee shall provide notice of the date of intended regular retirement by December 31st of the prior year in order to receive the unused sick leave benefit. Employees forced to retire early due to illness or injury are not subject to this notification.

The Borough's request for clarification arises from a dispute which developed when Police Officer McCue retired during the prior agreement and sought to take unused sick leave at full pay in his full amount of sick leave which he had accumulated. In the PBA's view, the first clause in Section 3 provided McCue with this option placing no limitation on how many sick days he could use immediately prior to retirement. In the Borough's view, Officer McCue could, under the first clause in Section 3, exercise his option to take unused sick leave prior to retirement but such leave must be subject to the ninety (90) day limitation and the lump sum maximum set forth in the second clause of Section 3. The Borough contends that an unlimited accumulated sick leave entitlement as sought by McCue is contrary to the construction of the clause which it interprets as allowing an officer either accumulated sick days with a cap on the number of days or a lump sum payment with a cap limit on the amount received. The PBA rejects the Borough's interpretation and contends that McCue's request was consistent with Section 3 in that he exercised the first option which allowed him to take unused sick leave at full pay during the period immediately prior to retirement.

After McCue's application for unused sick leave a dispute ensued over his entitlement. The Borough and the PBA reached a voluntary settlement of the dispute in favor of the PBA's interpretation. The Borough, in this proceeding, seeks a clarification of Section 3 in support of the interpretation it took in the McCue dispute because it does not regard that settlement as disposition as dispositive or consistent with the language in Section 3. The PBA objects and now asserts that there is a past practice supporting its interpretation of Section 3 supporting rejection of the Borough's proposal to "clarify" that the settlement was inconsistent with the Borough's interpretation. The Borough disagrees and argues that the McCue settlement should not be given evidentiary weight because the Borough should not be prejudiced for settling McCue, which in its view was resolved to avoid the costs of prospective grievance arbitration in that matter by instead submitting the issue to this interest arbitration proceeding for a clarification of language in its favor.

I am not persuaded that a clarification or interpretation of this language in this proceeding is the proper avenue for the adjudication of this issue in the absence of any proposed changes to the language in Section 3. While I decline to "clarify" Article X, Section 3 consistent with the Borough's interpretation, I also decline to determine that McCue represents a binding past practice. In the

absence of proposed language altering Article X, Section 3, I award its continuation which will allow the parties to pursue their respective interpretations in the context of an actual dispute or negotiate changes to the language in the future.

Article XXIV, Hours of Work and Voluntary Shift Swaps

The Borough and the PBA each propose to change Article XXIV, Hours of Work and Voluntary Shift Swaps.

The PBA has proposed to revise Section 1 so as to define the work schedule which currently has been implemented in the Borough but has not been codified in the contract language. According to the PBA, police officers currently work a 5-2/5-2/4-2 rotating work schedule with each tour consisting of 8 hours.

Article XXIV, Section 1 states:

Hours of work for employees covered by this collective bargaining agreement are as designated in the Department work schedule. The current practices shall be continued for the duration of this Agreement.

Testimony concerning the existing work schedule was offered by PBA President LaBruno. LaBruno testified that the existing schedule was first

implemented in October of 1990. Each week each officer, except for the Chief and a Detective, rotate through day shift, 7 a.m. to 3 p.m., the evening shift, 3 p.m. to 11 p.m. and the midnight shift, 11 p.m. through 7 a.m. The PBA asserts that codifying the work schedule will promote clarity and help eliminate any future disputes which might occur as to hours of work.

The Borough seeks a change to the existing work schedule. It proposes that it have the right, in its sole discretion, to institute the five-on, two-off, eight-hour work schedule. The Borough also proposes to add Section 3 to Article XXIV to state that in addition to the regular work schedule, officers may be required to work up to five training days per year as may be required by the Attorney General and/or the Monmouth County Prosecutor requirements for training and/or firearm certification.

The Borough acknowledges that its proposal will increase the existing hours of work which now amount to 2044 per year. However, the Borough points out that the existing salary and paid time off benefits currently being received compel the adoption of its proposed work schedule.

The PBA rejects the Borough's proposal contending that it would have an adverse impact on Borough police officers. The PBA cites LaBruno's testimony that a straight 5-2 work schedule would deny many officers any day off on the weekend, thus depriving an officer's ability to have time off with his or her family.

In assessing the merits of the Borough's proposal, the record does not reflect that there are operational and/or administrative difficulties or deficiencies which would be resolved by a change in work schedule. Rather, it appears that the Borough seeks additional working hours from its police officers by increasing the number of work days and by adding training days. In the absence of credible evidence supporting a change in the existing work schedule, I do not award the Borough's proposal to change the work schedule. I also do not award the change in language proposed by the PBA. A status quo in the existing language would serve to maintain hours of work and the work schedule for the duration of the new Agreement. I do draw a distinction between the proposal to change the work schedule and that portion of the Borough's proposal seeking additional time for the purpose of training and/or firearm certification as may be required by the Attorney General and/or the Monmouth County Prosecutor. One additional eight-hour day annually for this purpose is reasonable given the economic improvements set forth in this award as well as the fact that the existing work schedule prior to adding this day yields 2044 hours of work annually. Accordingly, I award the following additional to Article XXIV, Section 3 effective January 1, 2005:

The Borough may require officers to work one additional eight hour day per year as may be required by the Attorney General and/or the Monmouth County Prosecutor requirements for training and/or firearm certification.

Article XXVII, Special Duty Assignments

The PBA proposes that Article XXVII, Special Duty Assignments, be changed to increase the hourly rate payable to members from \$35 to \$40, effective January 1, 2003. The PBA also proposes to waive the administrative fee for not only events "scheduled at Red Bank Regional High School" but also for work performed "for any private or public school, non-profit organization, volunteer organization, or other municipality." The PBA would also like to be permitted to negotiate lower hourly rates for all vendors exempt from the administrative fee. The Borough proposes to delete the "Special Duty Assignments" provision pursuant to a PERC decision and provide that the rate paid to an officer shall be \$35 per hour and paid pursuant to the practice and provisions currently set forth.

Article XXVII sets forth a comprehensive scheme defining special duty assignments (Section 1) and the requirements, conditions and compensation guidelines (Sections 2-7) when such work is performed. A portion of the PBA's proposal concerns waiver of administrative fee beyond that which the contract addresses for work performed at Red Bank Regional High School. I decline to award this aspect of the proposal which would deprive the Borough of its ability to assess administrative costs. The Borough and the PBA may meet and confer on this issue as well as any issue which implicates hourly pay or administrative fees charged to public, educational, charitable or other non-profit organizations for special duty work performed by Borough police officers. The Borough raises

the issue that to allow the PBA to negotiate changes with vendors could be beyond the scope of negotiability. I need not address this issue given my decision on the PBA's proposal. There is insufficient record evidence which would allow for changes to the status quo concerning these administrative and procedural changes proposed by the PBA which can, and should, be addressed in discussions between the Borough and the PBA.

I do award an adjustment in the hourly pay currently received for performing the work. The agreements in evidence reflect that increases in this rate are common and where, as here, there is an award of extensive contract duration, there is a reasonable basis for an adjustment in the rate. I award an increase to \$40.00 effective July 1, 2004. This increase shall remain in effect for the duration of the agreement. Article XXVII, Sections 3 and 4 shall be modified to reflect this change.

Article XXI, Association Business Leave

The PBA proposes to reword Section 1 of Article XXI, Association Business Leave so as to provide:

The Union's President; Delegate and Alternate Delegate shall be granted time off to attend the main convention of the New Jersey State PBA. The Union's President and Delegate shall be granted time off to attend the mini-convention of the New Jersey State PBA. One delegate shall be permitted to attend PBA, State and County meetings.

The Borough proposes that Article XXI, Association Business Leave, be amended to state that the President or Delegate shall be granted time off to attend the New Jersey State PBA convention.

Article XXI, Section 1 currently states that:

The President of the Association, authorized delegates and alternate delegate shall be granted time off to attend the State conventions of the New Jersey State PBA to the extent required by N.J.S.A. 40A:44-177. One delegate shall be permitted to attend PBA, State and County meetings.

According to the PBA, its proposal codifies the existing practice concerning the taking of union leave and does not represent any change to the practice recognized by the Borough and the PBA. Testimony in support of the proposal was received from PBA President LaBruno who testified that the proposed language is an accurate description and precisely mirrors the current practice.

The Borough seeks rejection of this proposal and proposes its own to state that "the President or delegate shall be granted time off to attend the New Jersey State PBA convention." The Borough asserts that the PBA's proposal is unreasonable in light of the fact that the Borough only employs thirteen (13) officers and the number of leave days (vacation, sick, personal and mutual swaps) which are already provided represent sufficient paid time off.

Clearly, the existing Article XXI should be modified to delete reference to statutes which have been found unconstitutional [N.J.S.A. 40A:14-177 and N.J.S.A. 11A:16-10]. Beyond that, the existing language should be modified because it is phrased in overly broad terms without clarity as to who shall be granted time off. For example, it speaks not only to the President and an alternate delegate (singular) but also to "authorized delegates" (plural) without any apparent limitation.

The language proposed by the PBA is supported by uncontradicted testimony that it mirrors current practice. Except for specific reference to the mini-convention, the language is patterned after the existing language in Article XXI and closes the open-ended language which currently exists. Because the proposed language clarifies existing language and is consistent with what currently is administered, I award the PBA's proposal.

Article XXI, Section 1 shall be replaced with the following language:

The Union's President; Delegate and Alternate Delegate shall be granted time off to attend the main convention of the New Jersey State PBA. The Union's President and Delegate shall be granted time off to attend the mini-convention of the New Jersey State PBA. One delegate shall be permitted to attend PBA, State and County meetings.

Article XIV, Educational Credits

The Borough proposes to continue providing officers presently receiving salary adjustments for educational credits provided in Article XIV, Educational Credits, but that no further increases be awarded for additional credits or degrees and no new adjustments be granted to any officers not currently receiving educational credit pay.

Article XIV now reads as follows:

In addition to the annual salary, each full time officer shall receive by way of educational credit payment: \$500 for an Associates Degree or equivalent number of credits (60 hours); \$500 additional for a Bachelors Degree for a total of \$1,000; and \$500 additional for a Masters Degree for a total of \$1,500.

The educational credit shall be paid in addition to the base salary, shall be paid bi-weekly and shall be reported to the appropriate New Jersey Pension Fund together with the annual salary.

The Borough contends that existing salary and benefit levels are sufficiently substantial to limit the payments associated with maintaining this benefit. Although only four (4) officers currently receive educational credit (three (3) for Associates Degree and one (1) for Bachelors Degree), the Borough points out that an officer who holds or qualifies for a Bachelor Degree in the future would, if employed for twenty (20) years, receive \$20,000 above his normal salary payments simply for possessing that degree.

The PBA urges rejection of the Borough's proposal. The PBA asserts that the elimination of educational credits would adversely affect morale and serve as a disincentive for pursuing or extending formal education. On this latter point, the PBA views formal education as enhancing an officer's ability to perform his or her duties.

There is merit to the Borough's view that it not be obligated to provide annual educational credit payments to be reflected in base pay for a police officer's entire career. However, to provide no further increases for additional credits or degrees and no new adjustments to officers not currently receiving education credit pay would remove a benefit to an officer who may have an anticipation to receive that benefit at time of hire and could interfere with the educational aspirations of that officer after his employment by the Borough. For these reasons, I do not award the Borough's proposal for officers who are employed at the time of the issuance of this Award. For officers hired after the date of this Award, the availability of the educational credit payment shall be limited to a one-time payment for each degree earned not reflected in base salary to be paid upon completion of one year's service to the Borough or upon obtaining the appropriate degree. Thus, Article XIV shall be modified to read as follows:

In addition to the annual salary, each full time officer shall receive by way of educational credit payment: \$500 for an Associates Degree or equivalent number of credits (60 hours); \$500 additional for a Bachelors

Degree for a total of \$1,000; and \$500 additional for a Masters Degree for a total of \$1,500.

The educational credit shall be paid in addition to the base salary, shall be paid bi-weekly and shall be reported to the appropriate New Jersey Pension Fund together with the annual salary.

Employees hired after March 15, 2004 shall, if qualified, receive the educational credit payment set forth above upon completion of one year's service to the Borough or within thirty (30) days after earning the appropriate degree and submitting proof of degree to the Borough. The educational credit payment shall be a one-time payment for each degree earned and shall not be reflected in base salary.

Article XV, Dental Insurance

The PBA proposes to "clarify or otherwise define said benefits in clear and explicit terms." The PBA also proposes that benefits be extended, at no cost, to surviving spouse/dependent children.

Article XV currently states:

The present practices and coverage benefits as provided in Borough Resolutions shall be continued in full force and effect for the duration of this Agreement. An employee who is a regular full time employee and all eligible dependents (as defined in the most-recent explanation of the Health Benefits Booklet and that provided by the State Health Benefits Commission) of said employee shall be covered under the Dental Insurance Program subject to applicable deductions inherent in the plan.

The PBA shall have the right to appoint an Insurance Liaison who along with the PBA President- (or his

designee) will remain informed by the Borough Administrator during the insurance bidding process and foster communication between the Borough, the potential insurance carrier and the PBA.

After an insurance carrier has been retained, the Insurance Liaison will remain informed about coverage options and have access to the insurance carrier in order to handle questions or complaints.

This proposal parallels the PBA's proposal on health insurance in that it does not seek to increase existing benefit levels but to have the Agreement clarify and/or define "present practice and coverage benefits."

It is reasonable to award language reflecting what the existing carrier is and what coverage is provided as well as language which specifies terms which would allow for a change in carrier. It is well accepted that such ability to do so is a managerial prerogative so long as certain conditions are met. Thus, Article XV shall be modified to explicitly state the insurance carrier and the plan currently contracted for by the Borough. Article XV shall also state that the Borough may provide dental insurance coverage through another carrier or provider as long as benefits levels are equal or better to what is presently contracted for.

The PBA has also proposed that benefits be extended, at no cost, to surviving spouse/dependent children. While there is no reference to survivor benefits in this Article XV, the Borough and the PBA have negotiated language in Article XXIX, Section 1 which provides that a police officer's spouse, children and other eligible family members shall continue to be covered at the Borough's

expense until such time as the spouse remarries and/or children reach an age at which time coverage would normally expire in the event that the police officer dies or is killed while on duty. Given the language which appears in Article XXIX, I do not award this portion of the PBA's proposal.

Article XVII, Hospital Medical Insurance Coverage

The PBA proposes to "clarify or otherwise define said benefits in clear and explicit terms." The PBA also proposes that benefits be extended, at no cost, to surviving spouse/dependent children.

Currently, the Borough provides Horizon (Blue Cross / Blue Shield) Traditional and Point of Service (POS) plans at no premium cost to employees. The PBA points out that Article XVII does not reference any specific level of benefits nor carrier and it simply wishes to codify or define what currently exists.

Article XVII now reads:

Section 1: The present practice and coverage for health insurance as provided by the Borough shall continue for the duration of this agreement.

The PBA shall have the right to appoint an Insurance Liaison who along with the PBA President will remain informed by the Borough Administrator during the insurance bidding process and foster communication between the Borough, the potential insurance carrier and the PBA.

After an insurance carrier has been retained, the Insurance Liaison will remain informed about

coverage options and have access to insurance carrier in order to handle questions or complaints.

The Borough proposes that it have the right, under Article XVII, Hospital Medical Coverage, to provide medical insurance coverage through the State Health Benefits Plan or through another insurance program of the Borough's selection at the level of the State Health Benefits Plan provision of benefits. The Borough submits evidence showing increasing costs for medical care and health insurance and contends that "the Borough is not asking the Union to accept reduced coverage or even contribute to benefits despite the escalating costs of health care. Instead, the Borough is proposing that they be afforded the opportunity to alleviate escalating medical costs by finding a plan that provides for the same amount of coverage at less cost to the Borough."

The existing language, as written, contains no clear reference to existing coverage and only states "present practice and coverage ... shall continue." Also, there is no mention whatsoever to the Borough's right to secure an alternative carrier even if it only seeks to maintain existing coverage at less cost.

As I have already decided with respect to dental insurance, it is reasonable to award language reflecting what the existing carrier is and what coverage is provided as well as language which specifies terms which would allow for a change in carrier. It is well accepted that such ability to do so is a managerial prerogative so long as certain conditions are met. Thus, Article XVII

shall be modified to explicitly state the insurance carrier and the plan currently contracted for by the Borough. Article XVII shall also state that the Borough may provide medical insurance coverage through another carrier or provider as long as benefits levels are equal or better to what is presently contracted for.

The PBA has also proposed that benefits be extended, at no cost, to surviving spouse/dependent children. While there is no reference to survivor benefits in Article XVII, the Borough and the PBA have negotiated language in Article XXIX, Section 1 which provides that a police officer's spouse, children and other eligible family members shall continue to be covered at the Borough's expense until such time as the spouse remarries and/or children reach an age at which time coverage would normally expire in the event the police officer dies or is killed while on duty. Given the language which appears in Article XXIX, I do not award this portion of the PBA's proposal.

Article XVIII, Retired Members' Health and Dental Benefits

The PBA proposes to extend health and dental benefits, at no cost, to surviving spouse/dependent children of PBA retirees. The Borough opposes this proposal citing the cost burden of implementing this proposal.

The current practices shall be maintained to the extent that retirees currently may qualify for continuation of the health and dental insurance program. It is expressly understood that the current

program is not expanded nor increased as a result of this provision.

The PBA points out that PBA members who retire with twenty-five (25) years of pension service credit in the PFRS receive post retirement medical and dental benefits but that these benefits are removed upon death for a surviving spouse and/or dependent children. PBA President LaBruno testified that three (3) retired PBA members died during the previous two (2) years each leaving a surviving spouse without benefits.

The Borough, in addition to citing the costs associated with this proposal, submits evidence reflecting that only 17.5% of County municipalities provide such spouse/dependent benefits.

I do not award this proposal as phrased. The benefit sought is not common within Monmouth County and is also an item, if awarded, which has the potential to substantially add to the total net annual economic impact of this award. There is merit, however, to providing an opportunity to a deceased retiree's spouse and/or children to purchase municipal health and dental insurance at the expense of the survivor. The cost of such benefit would be minimal to the Borough while providing the opportunity for the survivor to maintain continuous coverage at his or her expense under the Borough's insurance plan. I award the following language:

In the event a retired officer dies, his/her spouse, children and other eligible family members shall be afforded, at the survivor's expense, the opportunity to be covered by the municipal health and dental insurance until such time as the spouse remarries and/or children reach an age at which time coverage would normally expire.

Article XII, Clothing Allowance

The PBA proposes that the clothing allowance in the prior contract be increased by \$100 for each year of the new contract. Article XII now reads:

Section 1: The Borough shall establish a line item budget in the amount of \$700.00 per officer in 1999, \$750.00 per officer in 2000 and \$800.00 per officer in 2001 identified for uniform replacement. This account shall be dedicated for uniform replacement until October 1. The Chief shall administer these funds.

Section 2: Effective January 1, 1999, new police officers will be issued a one time uniform allowance in accordance with guidelines established by the Chief of Police up to a total of one thousand four hundred dollars (\$1,400). The uniform allowance shall follow the schedule established in Section 1 of this Article, thereafter.

The PBA contends that the existing allowance is well below the average among municipalities in Monmouth County and does not include a maintenance allowance. The PBA points out that many departments offer both a clothing and a maintenance allowance. The PBA refers to 37 municipalities who provide clothing allowances averaging \$1,178. Thus, the PBA asserts that the existing

allowance of \$800 is well behind the average warranting the granting of its proposal.

The Borough proposes no increase in the existing allowance. The Borough cites overall benefit levels which it believes are generous and, like the PBA, submits evidence concerning comparable clothing allowances received among County municipalities. The Borough cites many municipalities where less clothing allowance is received and distinguishes municipalities where higher clothing allowances are received by pointing out that the salaries in those municipalities are less than received in Little Silver. For example, in 2001 Fair Haven provided a \$1,040 clothing and maintenance allowance but paid its officers \$1,256 less at top step. Another example cited Spring Lake Heights where officers received \$1,950 per year in clothing and maintenance allowance but, at top step, paid \$1,844 less than Little Silver.

The vast majority of the many agreements in the record show modest annual increases in clothing and/or maintenance allowances. An adjustment is warranted here. President LaBruno's testimony establishes that there are increases in costs associated with the number of clothing items required, the replacement of those items and their upkeep. Accordingly, I award an increase of \$250 over the life of the agreement in the amount of an additional \$50 annually commencing January 1, 2002. Article XIII, Section 2 shall be modified to

increase the one-time uniform allowance for new police officers from \$1,400 effective January 1, 1999 to \$1,600 effective as of the date of this Award.

Article VI – Longevity

The PBA proposes to add an additional longevity step at 25 years (7%).

The existing longevity schedule reads as follows:

Section 1 – Employees hired prior to January 1, 1999:

In addition to the annual salary as set forth in this Agreement, each full-time officer or employee shall receive by way of longevity payment the sum of 3 percent of the annual salary after having served for continuous period of 5 years; the sum of 4 percent of the annual salary after having served for a continuous period of 10 years, the sum of 5 percent of the annual salary after having served for a continuous period of 15 years; the sum of 6% after having served for a continuous period of 20 years.

Section 2 – Employees hired on or after January 1, 1999:

In addition to the annual salary as set forth in this Agreement, each full-time officer or employee shall receive by way of longevity payment the sum of 3 percent of the annual salary after having served for continuous period of 7 years; the sum of 4 percent of the annual salary after having served for a continuous period of 10 years, the sum of 5 percent of the annual salary after having served for a continuous period of 15 years; the sum of 6% after having served for a continuous period of 20 years.

The PBA contends that a longevity step at 25 years of service would encourage police officers to remain employed by the Borough for their entire law

enforcement career and reward police officers for their experience which allows them to be more efficient and effective in rendering police services. The PBA offers a longevity comparison chart reflecting in 2001 that it ranks 21st out of 34 municipalities in the County at 6% of salary beginning in the 21st year of employment which is 1.04% below the County average. This ranking falls to 24th after the 25th year of employment and falls 1.73% below the County average due to the fact that there is no additional step after the 20th year of employment. Many other municipalities provide for an additional step at year 25, including Deal (15%), Marlboro (12.50%), Eatontown (10%), Avon (10%), Matawan (12.50%), Manasquan (8%), Sea Bright (8%), Shrewsbury (8%), Ocean Township (7%), Rumson (6.56%), Hazlet (6%), Fair Haven (5.69%), Aberdeen (4.26%) and Colts Neck (4.09%).

The Borough urges rejection of the PBA's proposal. The Borough points out that longevity payments are paid bi-weekly into base pay and are pensionable. The Borough also cites comparables among county municipalities reflecting that the Borough's police officers have a higher longevity benefit than Fair Haven, Monmouth Beach, Sea Bright, Keyport, Oceanport and Atlantic Highlands.

The existing agreement provides for a natural progression of an additional 1% in the amount of longevity payment pursuant to a longevity schedule which ends after attaining 20 years of service. As cited above, many municipalities

provide an additional enhancement at or after 25 years of employment. An additional adjustment at or after 25 years normally yields a modest cost because few, if any, officers are at this step simultaneously and, if so, are nearing retirement. At the same time, a 25 year step rewards a long-term employee while creating an additional reason for retirement allowing the Borough to hire a replacement at a substantial cost savings. Based upon the existing roster, if this proposal is awarded, no cost will accrue to the Borough during this contract term and thereafter, only one employee will be eligible for this benefit through the year 2012. For these reasons, I award this proposal effective January 1, 2005.

Salary

The PBA has proposed a three year contract effective January 1, 2002 through December 31, 2004 with 4.75% increases annually on each step of the salary guides in the Agreement. The existing agreement expired on December 31, 2001 and contained the following salary schedules:

Salaries - 2001

(Employees hired prior to January 1, 1999)

Captain	76,341.00
Lieutenant	72,020.00
Sergeant	67,943.00
Patrolman (4 years)	64,097.00
Patrolman (3 years)	55,794.00
Patrolman (2 years)	48,544.00
Patrolman (1 year)	41,957.00
Probationary Patrolman	32,260.00
Academy Trainee	26,000.00

Salaries - 2001
 (Employees hired on or after January 1, 1999)

Captain	76,341.00
Lieutenant	72,020.00
Sergeant	67,943.00
Patrolman (6 years)	64,097.00
Patrolman (5 years)	59,019.00
Patrolman (4 years)	53,941.00
Patrolman (3 years)	48,864.00
Patrolman (2 years)	43,786.00
Patrolman (1 year)	38,709.00
Probationary Patrolman	32,260.00
Academy Trainee	26,000.00

In response, the Borough has proposed a five year contract effective January 1, 2002 through December 31, 2006. For 2002, the Borough proposes to add a new Step 7 at a salary of \$65,700 (2.5% above the 2001 top Step 6 salary of \$64,097). No other salary increases are proposed by the Borough in 2002 except for a 2.5% increase for sergeants, lieutenants and captains. In 2003, the Borough proposes to add another Step, Step 8, at a salary of \$67,350 (or 2.5% above 2002 top Step 7). No other salary increases are proposed by the Borough in 2003 except for a 2.5% increase for sergeants, lieutenants and captains. For 2004, the Borough proposes a 2% increase at Step 8 (thus creating top Step pay of \$68,697) with no other salary increases in 2004 except for sergeants, lieutenants and captains who would receive a 2% raise. The Borough advances the same proposals for 2005 and 2006 as it proposed in 2004.

The PBA contends that its unit members are among the lowest paid in Monmouth County and that if the Borough's proposal is awarded, Little Silver's ranking within the County would fall to being among the worst paid. According to the PBA, the top step pay of \$64,097 in 2001 was \$917 less than the County average ranking Little Silver 31 out of 40 municipalities it cites in the County. The PBA argues that even if its 4.75% increase is awarded, the top Little Silver patrolman will still earn less than the Monmouth County average for 2002, 2003 and 2004 as demonstrated by the following chart.

<u>Year</u>	<u>Monmouth County Top Patrolman Salary Average</u>	<u>Little Silver Top Patrolman Salary at 4.75% increases</u>
2001	\$65,014	\$64,097
2002	\$67,679	\$67,142
2003	\$71,530	\$70,331
2004	\$74,586	\$73,672

The PBA contends that the Borough's wage proposals are well below the Monmouth County average raises for municipal law enforcement officers. Citing documents in evidence, the PBA calculates this average as 4.12% in 2002, 4.08% in 2003 and 4.10% in 2004. The PBA illustrates its point in the following chart:

<u>Year</u>	<u>Monmouth County Top Patrolman Salary Average</u>	<u>Little Silver Top Patrolman Salary (if Borough proposal is awarded)</u>
2002	\$70,360	\$69,828
2003	\$74,658	\$73,144
2004	\$77,771	\$76,619

The PBA also points out that salaries below top step would suffer dramatically under the Borough's proposal.

The PBA contends that its wage proposal will not compel the Borough to exceed its statutory spending limitations. The PBA has reviewed the Borough's municipal budget and points to the Borough's having adopted Caps well below its statutory authority. Notwithstanding the under-utilization of the available Cap, the PBA points to the fact that the Borough has consistently maintained healthy surplus balances which it appropriates as a general revenue source in each succeeding budget year. This regeneration of surplus reflected sums of \$1,628,095 in 1999, \$1,702,185 in 2000 and \$1,414,743 in 2001.

The PBA also contends that its wage proposal would not cause adverse financial impact on the Borough. The PBA points to the Borough's ability to collect taxes at a rate well above the percentage of taxes it has estimated would be collected, by collecting an average exceeding 99% between 1999 and 2001, the Borough has received several hundred thousand dollars annually over what it has projected during this time period. The PBA also points to the Borough's demonstrated ability to generate a substantial amount of excess revenues over expenditures on an annual basis. In addition, the PBA points to the Borough's municipal tax rate asserting that it has remained relatively stable during the years 2000 through 2002. Other indicators of the Borough's financial health are asserted to be its increased assessed valuations of real property which has

amounted to over \$35 million in additional assessed valuations over the period 1997 through 2001.

Under the PBA's proposal, the following salary schedules would be adopted:

	1/1/02 4.75%	1/1/03 4.75%	1/1/04 4.75%	1/1/05* 4.75%	1/1/06* 4.75%
Captain	79,967	83,765	87,744	91,912	96,278
Lieutenant	75,440	79,024	82,778	86,709	90,828
Sergeant	71,170	74,550	78,092	80,782	84,620
Patrolman (6 Years)	67,141	70,330	73,671	77,170	80,836
Patrolman (5 Years)	61,822	64,758	67,835	71,057	74,432
Patrolman (4 Years)	56,503	59,187	61,998	64,942	68,027
Patrolman (3 Years)	51,185	53,616	56,163	58,830	61,625
Patrolman (2 Years)	45,865	48,044	50,326	52,716	55,220
Patrolman (1 Year)	40,547	42,473	44,491	46,605	48,818
Probationary Patrolman	33,792	35,397	37,078	38,839	40,684
Academy Trainee	27,235	28,528	29,883	31,302	32,789

*if extended through 2006

The Borough urges rejection of the PBA's salary proposals as unwarranted. The Borough also cites the statutory criteria in support of its own salary proposals. The Borough argues that the PBA must establish more than simply assert that the Borough has the ability to fund the PBA's proposals. The Borough cites language of the New Jersey Supreme Court in Hillsdale PBA Local 207 v. Borough of Hillsdale, 137 N.J. 71 (1994) that merely because a municipality has the ability to fund a proposal, this does not mean that the proposal, if awarded, would not cause adverse financial impact and have a negative effect on the entire municipal budget. In this regard, the Borough states that the PBA should not benefit by being awarded an unreasonable wage

increase simply because the Borough has exercised sound financial planning. The Borough does not contend that an award of the PBA's proposal would cause it to exceed its statutory spending limitations.

The Borough also contends that the PBA's wage proposal of 4.75% annual increases is unsupported by a review of voluntary settlements and interest arbitration awards in municipal law enforcement units. The Borough cites dozens of voluntary settlements and interest arbitration awards reflecting salary increases below that proposed by the PBA. The Borough asserts that the maximum salary for Little Silver police officers are in line with neighboring municipalities such as Rumson, Red Bank, Monmouth Beach, Oceanport and Shrewsbury and that adoption of the PBA's salary proposal would be unwarranted. The Borough also argues that the PBA has received 4.25% increases over the past six years which is higher than the average raises depicted in the Union's chart of comparables during those years. Similar arguments are made with respect to the ranks of sergeant, lieutenant and captain.

In addition to the above, the Borough cites private sector wage increases averaging lower than the PBA's wage proposal as well as the Consumer Price Index which reflected that the cost of living increases are also well below what has been proposed by the PBA. The Borough also contends that police officers in Little Silver receive a highly favorable benefit package, inclusive of wages,

vacation, sick leave, bereavement leave, personal days, shift swaps, education incentive, clothing allowance, terminal leave, longevity payments, overtime, CPR incentive, and medical health benefits which are fully borne by the Borough. The Borough believes that this benefit package must be taken into consideration when determining what salary increases are appropriate.

When the Borough's salary proposal is applied to the existing salary schedule, it would yield the following salary schedules:

	2002	2003	2004	2005	2006
Captain	78,249	80,205	81,809	83,446	85,114
Lieutenant	73,820	75,666	77,179	78,722	80,296
Sergeant	69,641	71,382	72,810	74,266	75,751
Patrolman (8 Years)		67,350	68,697	70,070	71,472
Patrolman (7 Years)	65,700	65,700	65,700	65,700	65,700
Patrolman (6 Years)	64,097	64,097	64,097	64,097	64,097
Patrolman (5 Years)	59,019	59,019	59,019	59,019	59,019
Patrolman (4 Years)	53,941	53,941	53,941	53,941	53,941
Patrolman (3 Years)	48,864	48,864	48,864	48,864	48,864
Patrolman (2 Years)	43,786	43,786	43,786	43,786	43,786
Patrolman (1 Year)	38,709	38,709	38,709	38,709	38,709
Probationary Patrolman	32,260	32,260	32,260	32,260	32,260
Academy Trainee	26,000	26,000	26,000	26,000	26,000

In rendering an award on the salary issue I have considered and evaluated the documentary evidence and arguments submitted on behalf of the parties' respective positions. This includes, but is not limited to, years of official budget documents, collective negotiations agreements from municipal police departments in Monmouth County, charts and graphs depicting salary levels, salary schedules and various levels of benefits and terms and conditions of

employment currently being received by Borough police officers as well as those employed by the various municipalities in Monmouth County, demographic data profiling the community of Little Silver, crime statistics, data concerning personal income in New Jersey, private sector wage increases and cost of living data. I have also considered and applied the statutory criteria to the evidence presented. All of the criteria are relevant although not entitled to equal weight. After doing so, I have concluded that a reasonable determination of the salary issue is an award of 3.75% in 2002, an additional 3.85% in 2003, an additional 3.95% in 2004, an additional 4.05% in 2005 and an additional 4.15% in 2006 and the addition of one step to the salary schedule effective for police officers hired after the date of this Award.

I have calculated costs based upon a roster of one (1) Captain, two (2) Sergeants and ten (10) Patrolmen who, for calculation purposes, will be assumed to be at top step. The terms of the award will yield a cost of \$31,924 in 2002, an additional \$33,153 in 2003, an additional 34,462 in 2004, an additional \$35,858 in 2005 and an additional \$37,346 in 2006. On a five (5) year cost out basis, the PBA's proposal of 4.75% annually would yield a cost of \$40,440 in 2002, an additional \$42,360 in 2003, an additional \$44,373 in 2004, an additional \$46,480 in 2005 and an additional \$48,688 in 2006. The difference in cost between the PBA's proposal and the terms of the award on an annual basis is \$8,516 in 2002, \$9,207 in 2003, \$9,911 in 2004, \$10,622 in 2005 and \$11,342 in 2006, yielding a total difference of \$49,598. The terms of the Award are below what the PBA has

proposed but above the salary adjustments proposed by the Borough. The five year Award averages 3.95%.

The official budget documents in the record reflect that the terms of this award will not compel the Borough to exceed its lawful authority under spending limitations imposed upon the Borough by P.L. 1995, C. 425 (C.34:13A-16.2).

The terms of the award will also not result in adverse financial impact on the governing units, its residents and/or taxpayers. The Township has engaged in excellent financial management as reflected in the financial evidence. The Township's assessed values have increased annually over the last several years. There has been a \$35,000,000 increase in assessed valuation from 1997 to 2001. The Township's collection rate is high and has averaged over 99% between 1999 and 2001. The Township generates a considerable amount of surplus annually and this figure has averaged over \$1,500,000 between 1999 and 2001. The cost of the award ranging from \$31,924 in 2002 to \$37,346 in 2006 can be met through the Borough's resources without causing an impact detrimental to the budget of the governing body nor the Borough's taxpayers.

The cost of living data is relevant and weighs heavily against awarding the 4.75% wage proposals submitted by the PBA. This factor must be weighed against other factors including the comparability data and the financial ability of the Borough to provide increases comparable to surrounding communities.

The terms of the award will have no significant impact on the continuity and stability of employment of unit employees. The salaries for Borough police officers are generally at midpoint in the County and the salary increases awarded will have no appreciable impact on rank within the County. On this factor, the Borough's salary proposal could have a negative impact on continuity and stability of employment by freezing steps on guide other than at top step and providing salary increases of averaging less than 2.5% at maximum and for superior ranks.

The Borough and the PBA each reference voluntary settlements and awards among Monmouth County municipal law enforcement units. Among these units there are individual municipalities cited by the PBA and the Borough which each argues weighs more heavily in support of each salary proposal. With respect to these salary comparisons, I place more weight on adjustments made to existing salary levels during the relevant time period rather than evidence reflecting that Little Silver police officers receive more or less than other municipalities in the county on salary or other individualized compensation issues. There is nothing in the record which would compel a parity arrangement between Little Silver and any other individual municipality. A review of 11 nearby municipalities, some of which are contiguous to Little Silver, represents a fair grouping for comparison purposes. These include Atlantic Highlands, Eatontown, Fair Haven, Keansburg, Monmouth Beach, Oceanport, Red Bank,

Rumson, Sea Bright, Shrewsbury, and Union Beach. When salary increases among these municipalities are averaged for 2001, 2002 and 2003, the increases are calculated at 3.95%, 3.99% and 4.03% respectively. These averages are consistent with the wage increases awarded herein which average 3.95%. There are some additional compensation portions of the Award, some of which favor the PBA and some which favor the Borough. Collectively they cause minimal impact in addition to the salary increases while providing some cost offsets in the future. These include an additional \$250 in clothing allowance, an additional 1% in longevity at 25 years, one additional step on the salary schedule, the addition of one 8-hour day for firearm training, and educational credits limitations for new hires.

The overall terms of the Award are consistent with the interests and welfare of the public. An agreement of five years duration will promote labor stability and economy and efficiency. The economic terms do not compel the Borough to exceed its spending cap. These terms provide reasonable adjustments for Borough police officers who protect the public's health, safety and welfare at levels which are comparable to those negotiated or awarded in nearby law enforcement departments at costs which the governing body can bear without causing adverse financial impact on the public.

Accordingly, and based upon all of the above, I respectfully enter the following 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 modified by the terms of this Award.
2. The increases in salary shall be retroactive to their effective date and received by all eligible unit employees, including those who have left employment in good standing between the effective date of the salary adjustments and their last date of employment. Unless stated otherwise, the effective dates for the terms awarded shall be March 15, 2004, the date of the Award.
3. **Duration** – There shall be a five-year agreement effective January 1, 2002 through December 31, 2006.

4. **Verbiage**

All references in the prior contract to "Little Silver Police Officer's Association of PBA #359" shall be changed to "Little Silver PBA Local 359" and all references to "Association" be replaced with "Union."

5. **Article XXIV, Hours of Work and Voluntary Shift Swaps**

Add Section 3: Effective January 1, 2005, the Borough may require officers to work one additional eight-hour day per year as may be required by the Attorney General and/or the Monmouth County Prosecutor requirements for training and/or firearm certification.

6. **Article XXVII, Special Duty Assignments**

The rate for Special Duty Assignments shall \$40.00 per hour effective July 1, 2004 and shall remain in effect for the duration of the agreement. Article XXVII, Sections 3 and 4 shall be modified to reflect this change.

7. **Article XXI, Association Business Leave**

The Union's President; Delegate and Alternate Delegate shall be granted time off to attend the main convention of the New Jersey State PBA. The Union's President and Delegate shall be granted time off to attend the mini-convention of the New Jersey State PBA. One delegate shall be permitted to attend PBA, State and County meetings.

8. **Article XIV, Educational Credits**

Employees hired after March 15, 2004 shall, if qualified, receive the educational credit payment set forth above upon completion of one year's service to the Borough or within thirty (30) days after earning the appropriate degree and submitting proof of degree to the Borough. The educational credit payment shall be a one-time payment for each degree earned and shall not be reflected in base salary.

9. **Article XV, Dental Insurance**

Article XV shall be modified to explicitly state the insurance carrier and the plan currently contracted for by the Borough. Article XV shall also state that the Borough may provide dental insurance coverage through another carrier or provider as long as benefits levels are equal or better to what is presently contracted for.

10. **Article XVII, Hospital Medical Insurance Coverage**

Article XVII shall be modified to explicitly state the insurance carrier and the plan currently contracted for by the Borough. Article XVII shall also state that the Borough may provide medical insurance coverage through another carrier or provider as long as benefits levels are equal or better to what is presently contracted for.

11. **Article XVIII, Retired Members' Health and Dental Benefits**

In the event a retired officer dies, his/her spouse, children and other eligible family members shall be afforded, at the survivor's expense, the opportunity to be covered by the municipal health and dental insurance until such time as the spouse remarries and/or children reach an age at which time coverage would normally expire.

12. **Article XII, Clothing Allowance**

Section 1: The Borough shall establish a line item budget in the amount of \$850.00 per officer in 2002, \$900.00 per officer in 2003 and \$950.00 per officer in 2004, \$1,000 per officer in 2005 and \$1,050 per officer in 2006 identified for uniform replacement. This account shall be dedicated for uniform replacement until October 1. The Chief shall administer these funds.

Section 2: New police officers will be issued a one time uniform allowance in accordance with guidelines established by the Chief of Police up to a total of one thousand six hundred dollars (\$1,600). The uniform allowance shall follow the schedule established in Section 1 of this Article, thereafter.

13. **Article VI – Longevity**

Effective January 1, 2005, an additional longevity step shall be added at 25 years (7%).

14. **Salaries**

The salary schedules shall be increased at each step by 3.75% in 2002, 3.85% in 2003, 3.95% in 2004, 4.05% in 2005 and 4.15% in 2006. The schedules shall read:

Employees hired prior to January 1, 1999

	2002	2003	2004	2005	2006
Captain	79,204	82,253	85,502	88,965	92,657
Lieutenant	74,721	77,597	80,663	83,929	87,413
Sergeant	70,491	73,205	76,096	79,178	82,464
Patrolman (4 Years)	66,501	69,061	71,789	74,696	77,796
Patrolman (3 Years)	57,886	60,115	62,489	65,020	67,719
Patrolman (2 Years)	50,364	52,303	54,369	56,571	58,919
Patrolman (1 Year)	43,530	45,206	46,992	48,895	50,924
Probationary Patrolman	33,470	34,758	36,131	37,595	39,155
Academy Trainee	26,975	28,014	29,120	30,299	31,557

Employees hired on or after January 1, 1999

	2002	2003	2004	2005	2006
Captain	79,204	82,253	85,502	88,965	92,657
Lieutenant	74,721	77,597	80,663	83,929	87,413
Sergeant	70,491	73,205	76,096	79,178	82,464
Patrolman (6 Years)	66,501	69,061	71,789	74,696	77,796
Patrolman (5 Years)	61,232	63,590	66,101	68,779	71,633
Patrolman (4 Years)	55,964	58,118	60,414	62,861	65,470
Patrolman (3 Years)	50,696	52,648	54,728	56,944	59,307
Patrolman (2 Years)	45,428	47,177	49,040	51,027	53,144
Patrolman (1 Year)	40,161	41,707	43,354	45,110	46,982
Probationary Patrolman	33,470	34,758	36,131	37,595	39,155
Academy Trainee	26,975	28,014	29,120	30,299	31,557

Employees hired after March 15, 2004

	2004	2005	2006
Captain	85,502	88,965	92,657
Lieutenant	80,663	83,929	87,413
Sergeant	76,096	79,178	82,464
Patrolman (7 Years)	71,789	74,696	77,796
Patrolman (6 Years)	66,457	69,149	72,017
Patrolman (5 Years)	61,124	63,599	66,237
Patrolman (4 Years)	55,790	58,049	60,457
Patrolman (3 Years)	50,456	52,499	54,677
Patrolman (2 Years)	45,122	46,949	48,897
Patrolman (1 Year)	39,788	41,399	43,117
Probationary Patrolman	34,454	35,849	37,337
Academy Trainee	29,120	30,299	31,557

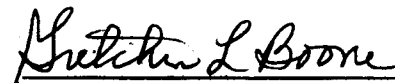
Dated: March 15, 2004
Sea Girt, New Jersey



 James W. Mastriani

State of New Jersey }
County of Monmouth }ss:

On this 15th day of March, 2004, before me personally came and appeared James W. Mastriani to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed same.



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