

NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of Interest Arbitration Between:

CITY OF PLAINFIELD

“Public Employer,”

- and -

**PBA LOCAL 19
(Police Officers)
and PBA LOCAL 19
(Superior Officers)**

“Unions.”

**INTEREST ARBITRATION
DECISION AND
AWARD**

Docket No. IA-2003-080

**Before
James W. Mastriani
Interest Arbitrator**

Appearances:

For the City:

Eric M. Bernstein, Esq.
Eric M. Bernstein & Associates, LLC

For the Unions:

David J. DeFillippo, Esq.
Klatsky, Sciarrabone & DeFillippo

The City of Plainfield [the "City"] and PBA Local 19 (Police Officers) and PBA Local 19 (Superior Officers) [the "Unions"] are parties to a collective negotiations agreement which extended through December 31, 2002. An impasse developed between the City and the Unions resulting in the submission of the dispute to interest arbitration by the PBA pursuant to the rules of the New Jersey Public Relations Employment Commission. In accordance with the rules of PERC, I was designated to serve as interest arbitrator.

Pre-interest arbitration mediation sessions were held in an attempt to narrow the issues in dispute and explore settlement of all issues. These efforts did not produce a voluntary agreement leading to the convening of a formal hearing held on October 26, 2004 in Plainfield, New Jersey. Testimony, documentary evidence and certifications were offered by all parties. Testimony was received from Andre Crawford, President of PBA Local 19. Post-hearing briefs were filed by each party, the last of which was received on February 23, 2005. The record was reopened for limited purpose and closed on May 6, 2005.

As required by statute, the City and the Unions submitted the following last offers on the issues in dispute.

PBA LOCAL 19 FINAL OFFER

1. **Article XV – Duration of Agreement**

Four (4) year contract, retroactive to January 1, 2003 through December 31, 2006.

2. Article VII – Hours of Employment

Currently, Officers are provided with a two-hour minimum call-in time guarantee. The PBA proposes to increase this minimum call-in guarantee to four (4) hours.

In the event an officer's schedule is properly changed, said officer must be given a minimum advance notice of one (1) work tour.

3. Article IX – Salaries

Section 9-1. The PBA proposes a 5% annual increase across-the-board for each year of the contract, retroactive to January 1, 2003. Said retroactive payment shall be tendered to any and all officers who may have retired or otherwise separated from employment with the City after December 31, 2002 and prior to the full execution of a successor agreement.

4. Article XII – Vacations, Personal Days, and Holidays

Increase annual personal days from two (2) to four (4), retroactive to January 1, 2003.

Officers shall be entitled to select vacation preferences each December for the following calendar year.

5. Article XIII – Longevity

Longevity schedule shall be modified, retroactive to January 1, 2003, as follows:

# of Years of Service	
10 years	2%
15 years	4%
20 years	6%
24 years	8%

6. Article XIV – Miscellaneous

Section 14-6 and 14-7. Increase clothing allowance by \$100.00 for each year, retroactive to January 1, 2003.

7. Off-Duty Employment

Hourly rate payable to officer shall be increased as follows: (1) all traffic/road jobs - \$45; (2) all other jobs (i.e., "inside" jobs) - \$30.

CITY OF PLAINFIELD FINAL OFFER

1. Article 3 – Grievance Procedure

- (a) Reduce the number of days in Step One to file a grievance from 30 to 15 calendar days.
- (b) Change the answer time for the Director (Step Three) from 10 working days to 15 calendar days.
- (c) Change the answer time for the City Administrator (Step Four) from 10 working days to 15 calendar days.
- (d) Change the filing time for Step Five (Arbitrator) from 45 days to 25 days.

2. Article 5 – PBA Rights and Privileges

Add the following sentence to section 5-3:

"All said postings shall be on PEA letterhead and signed by the PBA President or PBA State Delegate."

3. Article 7 – Hours of Employment

- (a) Effective July 1, 2005, the City requests the deletion of Section 7.1 in its entirety.
- (b) Effective July 1, 2005, the City proposes that all officers working a 4/4 or 4/3 schedule commence working a rotating 4/2 schedule. (8 hours/shift).
- (c) Eliminate the option in Sections 7.3 and 7.4 as to compensatory time as of 1/1/05 as of 1/1/05. Establish a schedule that, by the end of the contract period, all compensatory time on the books has

either been used or will be paid at the employee's base hourly rate in effect on 12/31/04.

4. Article 9 – Salaries

- (a) The City requests that the arbitrator acknowledge a 1% roll over into 2003 from the July 1, 2002 increase
- (b) A new salary guide for all employees hired on or after January 1, 2005 which establishes two (2) new steps between the existing Step 1 and Step 2. The first new step will be \$5,000 above starting salary and the second new step will be \$5,000 above the first new step.
- (c) 3.25% increase for each year of the Agreement, retroactive to January 1, 2003 for all eligible employees on the City's payroll as of December 31, 2004

5. Article 11 – Insurance Protection

- (a) As of January 1, 2005, eliminate the stand alone prescription plan for all bargaining unit members and pay them a one time stipend of \$500.00, which shall not be added to the base.
- (b) As of January 1, 2005, the City's obligation for dependant coverage will be capped at the December 31, 2004 rate. Any additional premium obligations shall be the responsibility of the bargaining unit members
- (c)
 - (1) Revise Section 11-8 to cap the salary provided at up to fifty (50%) of salary up to maximum of \$1500.00 per week
 - (2) Modify the second paragraph, third sentence of Section 11-3 to read as follows:

"Such plan will not become effective until such time as the employee has exhausted all of his/her sick leave, vacation leave and compensatory time. Coverage will be provided from the time of the exhaustion of benefit day up until the employee is able to return to work or up to one (1) year from

the time the injury or illness commenced, whichever comes first. In no instance will disability benefits continue if the employee's physical and/ or the City's physician determine that the employee is able to return to his/her regular duties or is able to return to work on an alternative or light duty status.

6. Article 12 – Vacations

The City purposes to establish November pt as the cutoff date for vacation selection preference for the upcoming calendar year.

7. Article 13 – Longevity

The provisions of this Article shall not apply to any employees hired on or after January 1, 2005.

8. Article 14 – Miscellaneous

Add a new section, entitled to Section 14-1S, which shall read as follows: "Uniform police personnel shall be considered essential personnel and, as such, shall not be entitled to additional compensation or compensatory time for hours worked during their normal shift when conditions require the closing of any City facility."

9. Duration

January 1,2003 to December 31, 2006

BACKGROUND

The City of Plainfield is an urban community located in southern Union County. Its population of 47,829 ranks it third amongst the 21 municipalities in the County. In 2003, Plainfield's six square miles contained property values assessed at \$1,288,963,880 placing it 8th amongst the County's municipalities.

The vast majority of these assessments, 84%, represented residential/apartment uses, while commercial industrial uses comprised 15%. For Fiscal Year 2005, the City's tax rate was \$3.039 while the total general tax rate was \$5.07 per \$100 of assessed equalized value. Median family income in Plainfield was \$50,774 ranking it nineteenth in the County and below the countywide median of \$65,234.

Several years ago, the City experienced financial problems resulting in the layoff of 16 police officers during 2003. Some of these problems remain, although the City has begun to benefit from commercial revitalization and redevelopment that will generate substantial tax revenues. On one hand, the City continues to reflect characteristics of an urban center such as 16% of its population being at or below the poverty level, double the countywide total of 8.4%. The City's unemployment in 2002 was 9.1% compared to a 4.5% rate for the County. On the other hand, there has been substantial new investments in capital improvements, new retail and office complexes are completed or are under construction and real estate values have increased significantly over the last several years.

The bargaining units consist of 107 patrolmen, 25 sergeants, 10 lieutenants and 7 captains. The police officers work in a challenging environment and respond to extraordinary demands. Its 2003 crime index of 50.5 per 1,000 residents is the second highest in the County and 30% above the County average. The City and the police department have put programs into place to

relieve the City of firearm-related felonies and drug offenses, many of which involve non-resident criminals. The combating of crime plays a significant role in improving the climate for the commercial and residential revitalization that the City is experiencing.

Based upon this general backdrop, I will set forth the positions of the parties on the issues that remain in impasse.

THE POSITIONS OF THE PARTIES

THE UNIONS

The Unions assert that the adoption of their last offer will further the interest and welfare of the public by increasing the productivity of the police officers and fairly compensating them for the dangers they face protecting the public's health, welfare and safety.

The Unions contend that personal income levels have risen both nationally and in New Jersey. This economic growth in New Jersey and in Plainfield allow for adoption of the Unions' proposals. In testimony and exhibits, the Unions painted an optimistic picture of the nation's and New Jersey's economy. They point out that New Jersey ranked 5th amongst the states in job growth with 65,500 new jobs created during the period May 2003 through May 2004. In addition, they cite a drop in the unemployment rate of a full percentage point with the unemployment rate down to 4.9% as of May 2004.

The Unions cite the New Jersey Department of Labor Economic Indicators publication for various months from 2002 to 2004. These reports evidence that personal income in New Jersey increased by 4.9% between January 2000 and January 2001, 5.6% between January 2001 and January 2002, and 3.9% between January 2002 and January 2003.

The Unions contend that Plainfield is enjoying a rebirth as its commercial development is booming at unprecedented levels while at the same time residential values have skyrocketed at a record pace. In support of this contention, the Unions submit into evidence numerous City documents including budgets, promotional literature, many newspaper articles and information on the City's website.

Two significant development projects cited by the Unions are the Park-Madison Development and Tepers Redevelopment Project. The former will bring more than 125,000 square feet of new office and retail space along with parking and recreational space to a 4.5 acre downtown parcel. The latter is a redevelopment project that will place commercial and office space in an 80 year old department store. In addition, the Unions submitted into evidence a portion of the City of Plainfield's website that lists some 30 private economic development and public sector improvement projects valued at over \$150,000,000.

<u>Value</u>	<u>Project</u>	<u>Type</u>	<u>Status</u>
\$40.0 M	Union County Offices/Retail	Private	Under Way
\$33.9 M	Plainfield Board of Education	Public	Under Way
\$16.3 M	Municipal Utilities Authority	Authority	Under Way
\$12+ M	New Century Homes	Private	Under Way
\$10.0 M	NJT – Main Station	Public	Under Way
\$5.5 M	Leland Gardens Renovation	Private	Completed
\$5.3 M	YWCA – Renovations	Private	Under Way
\$4.0 M	Covenant Manor	Private	Completed
\$2.6 M	NJT – Grant Avenue Bridge	Public	Under Way
\$2.5 M	Walgreen's	Private	Completed
\$2.4 M	Hovnanian Homes	Private	Completed
\$2.+ M	NJT – Netherwood Station	Public	Under Way
\$1.5 M	South Avenue Streetscape	Public	Under Way
\$1.4 M	Fire/Police Vehicles	Public	Completed
\$1.4 M	Roadway Improvements	Public	Under Way
\$1.25 M	Renaissance I/II Homes	Private	Completed
\$1+ M	Supremo Foodmarket	Private	Under Way
\$970 K	Plainfield Public Library	Public	Under Way
\$900 K	Larrick Shopping Center	Private	Completed
\$750 K	KFC, West 7 th Street	Private	Completed
\$600 K	City Hall Cupola Restoration	Public	Under Way
\$568 K	St. Mary's Church Restoration	Private	Completed
\$500 K	Comcast Telecommunications	Private	Under Way
\$500 K	Playground improvements	Public	Completed
\$390 K	City DPW Garage/Yard	Public	Completed
\$300 K	Plainfield Plaza Renovations	Private	Completed
\$275 K	Hannah Atkins Park Improvement	Public	Under Way
\$250 K	Strand Theatre Renovations	Private	Completed
\$200 K	NJT – Lot #5 Renovation	Public	Under Way
\$180 K	Friends Meeting Restoration	Private	Completed
TOTAL	\$150.433 Million		

The Unions also assert that residential home values have increased by 52% during the period 1998 through 2004. In 1998, the average sale price of a home was \$160,866 and this figure rose to an average of \$ 245,037 in 2004.

The Unions also submit an article from the April 28, 2004, *Courier News* "Officials Optimistic Rebirth Is Near". The article cited Mayor McWilliams and reported that:

"2,000 construction permits were issued by the city in 2003, a 30 percent increase in number and value over the 1,530 permits granted in 2002;

Property values have jumped 60 percent over the past three years;

The overall assessed valuation of the city – the value of all property listed in financial report for tax purposes – rose in 2002 and 2003, ending more than 10 years of decline."

The Unions argue that the economic increases they seek will not have a negative impact on the City of Plainfield's budget cap. The Unions contend that the City has underutilized its lawful authority by adopting budget increases less than the statutorily permitted 5%. This has allowed for the establishment of a considerable budget cap bank. Consequently, it is argued that the City would have no cap difficulties if the Unions' proposals are adopted.

Utilizing the City's adopted budgets from the periods 2001 through 2004, the Unions prepared the following chart:

Fiscal Year	Maximum CAP Permitted	Actual CAP Adopted
2001	5%	3.5%
2002	5%	4%
2003	5%	1%
2004	5%	5%

The Unions argue that the City has under utilized its cap in the last 4 years by 50%. Although the City could have increased its cap by 20% during the period cited, the cap increases amounted to only 13.5%.

The Unions contend that a review of Plainfield's surplus shows that their economic proposals will not have an adverse financial impact on the governing unit, its residents or taxpayers. The Unions' analysis of the City's financial statements leads them to conclude that the City had a surplus balance of \$1,991,414 as of the close of its fiscal year on June 30, 2004. The Unions presented surplus balances and amounts utilized in subsequent budget years in a chart that I reproduce below:

<u>Fiscal Year</u> <u>Current Fund</u>	<u>Balance</u> <u>June 30</u>	<u>Utilized in Budget</u> <u>of Next Year</u>	<u>Surplus Balance</u> <u>Remaining After</u> <u>Deducting</u> <u>Appropriations into</u> <u>General Revenues</u> <u>as of July 1 of</u> <u>Succeeding Year</u>
2004	1,991,414	N/A	N/A
2003	461,097	358,682	102,415
2002	953,743	700,000	253,743
2001	1,114,194	989,000	125,194
2000	932,611	394,473	538,138

Citations omitted

According to the Unions' analysis, the City of Plainfield has been regenerating surplus by an average of \$900,000 a year between fiscal years 2003 and 2000: FY 2003 \$1,888,999, FY 2002 \$207,354, FY 2001 \$828,549, FY 2000 \$576,056.

The Unions argue that the City has created surplus by under-estimating its tax collection rate. Based upon their analysis of the City's financial statements, the Union produced the following chart:

Tax Collection Rates

<u>Fiscal Year</u>	<u>Estimate % of Taxes to be Collected</u>	<u>Actual % of Taxes Collected</u>	<u>Excess Taxes Collected</u>
2004	94.37%	94.49%	0.12%
2003	93.63%	94.37%	0.74%
2002	92.24%	93.63%	1.39%
2001	91.05%	92.24%	1.19%

The Unions argue that not only does this chart indicate that the City collected more in revenues that it used in its fiscal year budgets, but it also illustrates that the City's collection rate has increased by 2.25% between FY 2001 and FY 2004. Thus demonstrating that the City has turned its finances around and now has the financial ability to address its fiscal obligations.

The Unions argue that over the past three fiscal years, Plainfield has generated excess revenues over expenses of \$10,433,938. They arrive at this figure by analyzing the City's financial statements and budget documents which they summarize in the following chart:

Actual Revenue vs. Anticipated

FY	Total General Appropriations	Total Revenue Anticipated	Total Revenue Realized	Excess \$ Generated
2004	\$57,674,288	\$57,674,288	N/A	N/A
2003	\$58,093,052	\$58,093,052	\$62,206,163	\$4,113,111
2002	\$52,826,163	\$52,826,163	\$55,432,059	\$2,605,896
2001	\$51,167,162	\$51,167,162	\$54,882,085	\$3,714,923

The Unions contend that the City has consistently generated revenue that far exceeds its actual expenses and that this generation of surplus could be utilized to fund the Unions' economic proposals.

In addition to not fully utilizing its available revenues, the Unions also argue that the City routinely regenerates surplus by "lapsing" unexpended appropriation balances. In FY 2004, these unexpended balances amounted to \$421,657.

The Unions argue that the City of Plainfield has saved approximately \$6.6 million dollars since FY2000 in Police and Firemen's Retirement contributions as a result of S-1961. During this time period, the City's pension contribution has been reduced or waived entirely as a result of excess pension assets. Based upon their analysis of the City's budgets and modified pension bills, the Unions produced the following chart to illustrate these savings:

Pension Savings

<u>Fiscal Year</u>	<u>Initial PFRS Contribution Amount</u>	<u>Revised PFRS Contribution Amount</u>	<u>PFRS Contribution Savings</u>
2000	\$1,775,270	\$144,395	\$ 326,805
2001	\$1,591,681	\$ 532,890	\$1,058,791
2002	\$1,865,512	0	\$1,865,512
2003	\$1,752,282	0	\$1,752,282
2004	\$2,005,671	\$ 401,134	<u>\$1,604,537</u>
			\$6,607,927

According to the Unions, the savings further illustrates that the City has the financial ability to fund the Unions' economic proposals.

The Unions also assert that Plainfield residents have a relatively low tax burden. Citing their exhibits, the Unions claim that Plainfield has the 3rd lowest tax levy per capita and the 10th lowest general tax rate in Union County.

Tax Levy per Capita

<u>Municipality</u>	<u>Tax Levy Per Capita</u>
Berkeley Heights	\$2,710
Summit	2,546
New Providence	2,288
Springfield	2,237
Westfield	2,211
Mountainside	2,210
Kenilworth	2,128
Scotch Plains	1,890
Linden	1,883
Clark	1,876
Garwood	1,858
Cranford	1,808
Fanwood	1,805
Union	1,607
Rahway	1,550
Roselle	1,512
Hillside	1,475
Roselle Park	1,392

Plainfield	986
Winfield	847
Elizabeth	835

General Tax Rate

<u>Municipality</u>	<u>General Tax Rate Per \$100</u>
Winfield	121.682
Elizabeth	12.633
Union	10.770
Fanwood	7.749
Roselle Park	7.369
Scotch Plains	6.120
Clark	5.454
Garwood	5.267
Roselle	4.932
Westfield	4.926
Hillside	4.451
Plainfield	4.164
Springfield	3.907
Mountainside	3.781
Rahway	3.460
Cranford	3.326
Linden	3.093
New Providence	2.641
Kenilworth	2.516
Summit	2.398
Berkeley Heights	2.241

The Unions also submit that Plainfield has the 8th highest total property values in the County and that the City's property values have increased by \$16.3 million over the last three fiscal years.

Property Values

<u>Municipality</u>	<u>Total Property Value</u>
Summit	\$3,003,149,905
Linden	\$2,870,064,124
Berkeley Heights	\$1,921,569,179
Westfield	\$1,821,740,144

Cranford	\$1,661,078,996
Rahway	\$1,458,776,248
New Providence	\$1,327,075,631
Plainfield	\$1,286,588,393
Springfield	\$1,083,492,100
Union	\$1,063,680,361
Scotch Plains	\$959,066,405
Hillside	\$911,789,029
Elizabeth	\$902,764,826
Kenilworth	\$844,681,798
Roselle	\$768,625,994
Clark	\$711,159,173
Mountainside	\$479,204,304
Roselle Park	\$290,073,140
Fanwood	\$220,128,974
Garwood	\$174,896,452
Winfield	\$1,386,492

The Unions further contend that the City has a significant asset in its "tax receivables". Derived from foreclosed properties, the City's tax receivables almost doubled in FY 2004 to \$6,616,058.

According to the Unions, the City's debt per capita of \$44.89 was the 6th lowest within the entire County.

Debt per Capita

<u>Municipality</u>	<u>Debt Per Capita</u>
Summit	\$169.20
Berkeley Heights	\$141.98
Elizabeth	\$103.17
Linden	\$89.17
Hillside	\$79.88
Roselle Park	\$78.59
Fanwood	\$74.10
Cranford	\$69.12
Springfield	\$67.64
New Providence	\$67.20
Rahway	\$61.59

Clark	\$58.12
Roselle	\$56118
Kenilworth	\$54.76
Garwood	\$46.63
Plainfield	\$44.89
Union	\$35.34
Westfield	\$29.25
Mountainside	\$27.51
Scotch Plains	\$22.35
Winfield	\$0

In the Unions' view, Plainfield's financial status is rapidly improving because additional property assets will be added to the tax rolls as the many redevelopment projects are completed. This will allow the City to continue regenerating its surplus by adding to its strong financial foundation.

The Unions argue that Plainfield police officers are overworked, under staffed and perform in an extremely stressful environment. To support these contentions, the PBA placed into evidence uniform crime reports for 2003 which indicate that the crime rate of 49.0 ranked Plainfield 2nd highest in Union County behind only the City of Elizabeth. On average, the crime rate in Union County that year was 34.6 or 30% below Plainfield's crime rate. In 2003, there were 519 violent crimes committed in Plainfield, representing approximately 27% of all violent crimes committed in Union County. While in 2003 Elizabeth had a crime rate of 53.7, only slightly higher than Plainfield's rate, Elizabeth employed 456 total employees in its police department while Plainfield employed only 197. To compound this burden, the City of Plainfield laid off 16 police officers in January 2004, "there-by forcing the police department to do more with less."

Although crime statistics for 2004 were not available at the time of the hearing, the Unions presented evidence through police division reports and newspaper articles to demonstrate that the City continues to experience violent crime, including shootings and drug dealing. The Union County Prosecutor started an initiative in Plainfield to trade food and goods for guns in an attempt to remove firearms from the streets. During the period January 1, 2002 through October 20, 2004, Plainfield officers confiscated 165 handguns. Also, from February 17, 2004, through March 28, 2004, there were 60 incidents of firearm related crimes.

The interest arbitration statute requires a comparison of salaries with other employees "in public employment in the same or similar comparable jurisdictions" and with other employees "in public and private employment in general". The Unions contend that the other municipalities in the County constitute the "comparable jurisdictions" which best support their arguments for the awarding of their economic proposals.

The Unions contend that Plainfield police officers rank among the worst paid in all of Union County. In 2001, officers received a 3.5% salary increase. For a ten year patrolman, this was 0.23% below the average raise in Union County resulting in the 17th lowest salary increase within the County. In 2001, a

Plainfield police officer with ten years of service earned \$59,278, the 15th lowest among Union County officers or \$1,832 below the Union County average.

Although officers received a 5.06% raise in 2002, their salary ranking within the County improved to only 12th placing them \$1,207 below the Union County average.

**UNION COUNTY SALARY
10 Year Patrolman**

	Municipality	2002 Salary
1	Summit	72,506
2	Union	70,194
3	Mountainside	68,971
4	Scotch Plains	68,810
5	Rahway	67,012
6	Linden	66,709
7	Clark	65,954
8	Fanwood	65,537
9	Westfield	63,804
10	Roselle	62,953
11	Elizabeth	62,296
12	Plainfield	62,277
13	Kenilworth	61,991
14	Cranford	61,570
15	Berkeley Heights	61,430
16	New Providence	61,366
17	Roselle Park	60,836
18	Hillside	59,598
19	Garwood	57,663
20	Winfield	48,097
	AVERAGE	63,484

Based upon recent contract settlements that the Unions presented into evidence, they contend that the average salary increases were as follows:

2003	4.12%
2004	4.41%
2005	4.66%
2006	3.99%

The Unions performed an analysis of the City's and their own salary proposals in comparison to the average salaries for officers in Union County. A summation of that analysis is depicted in the chart below:

Proposed Patrolman Salaries

<u>Year</u>	<u>City Proposals</u>	<u>PBA</u>	<u>Union County Average</u>
2003	\$64,301	\$65,391	\$65,954
2004	\$66,391	\$68,660	\$69,974
2005	\$68,548	\$72,093	\$72,514
2006	\$70,775	\$75,697	\$77,084

Based upon their analysis, under either side's proposal a Plainfield patrolman earning the maximum salary would maintain their relative rank among Union County police officers, although in actual dollars, a Plainfield officer would still fall further behind the County average. In contrast, the City's proposals would cause decline. In 2003, utilizing the City's proposal, police officers would be approximately \$1,600 less than the County average while the Unions' proposal would place them \$600 behind the County average. By the end of the proposed contract term in 2006, that disparity would increase to \$7,000 under the City's proposal and to approximately \$2,100 under the PBA's proposals.

The Unions presented similar arguments comparing the wages of Plainfield sergeants, lieutenants and captains to their counterparts throughout Union County. The Unions presented the following chart indicating that Plainfield's sergeants rank 8th in Union County and were only slightly above the average for the County as a whole in 2002.

**UNION COUNTY SALARY
Top Sergeant for 2002**

	Municipality	2002 Salary
1	Union	\$85,549
2	Summit	83,824
3	Linden	77,096
4	Elizabeth	76,539
5	Rahway	75,832
6	Mountainside	75,487
7	Scotch Plains	75,026
8	Plainfield	72,458
9	Roselle	72,396
10	Clark	72,332
11	Fanwood	72,091
12	Westfield	71,043
13	Hillside	70,562
14	Berkeley Heights	70,030
15	Roselle Park	69,727
16	New Providence	68,890
17	Cranford	68,609
18	Kenilworth	67,632
19	Garwood	62,403
20	Winfield	52,906
	AVERAGE	\$71,972

The Unions presented evidence which indicated that the average salary increases for Union County sergeants for the years 2003 through 2006 are as follows: 4.13%, 4.37%, 4.69% and 3.99%. (The Unions did note that the number of settled contracts declined in each year to a low of 4 in 2006.) The Unions

argued that based upon the available information, the City's proposal of a 3.25% salary increase for sergeants is significantly below the average settlement in Union County. As a result, the current ranking of sergeants within the County would decline relative to the other jurisdictions. The Unions acknowledge that their proposed salary increase of 5% is somewhat higher than the Union County average; however, they argue that Plainfield's sergeants would still earn approximately \$11,000 less each year than the higher paid sergeants in Summit.

The evidence presented by the Unions on salary comparables for sergeants is summarized in the chart below:

Sergeants Proposed Salaries

<u>Years</u>	<u>City's Proposal</u> <u>3.25%</u>	<u>Union Proposal</u> <u>5%</u>	<u>Union County</u> <u>Average</u>
2003	\$74,813	\$76,081	\$74,882
2004	\$77,244	\$79,885	\$79,438
2005	\$79,754	\$83,879	\$82,168
2006	\$82,346	\$88,073	\$89,059

Turning to lieutenants, the Unions presented evidence that the average settlement in Union County for lieutenants for the years 2003 through 2006 are as follows: 4.14%, 4.19%, 4.52% and 3.91%. (Once again it should be noted that the number of known settlements declined as the years advance. In 2004, there were 13 contracts presented, for 2005 there were 9, and for 2006 there were 3.) In 2002, the last year of the previous contract, Plainfield's lieutenants ranked 5th within Union County. They argue that while both the City's and its proposals would maintain the relative rank of lieutenants within the County for

years 2003 and 2004, the City's salary proposals would negatively affect Plainfield's lieutenants thereafter. The Unions submit that the City's proposed salary increases of 3.25% for both 2005 and 2006 would constitute the lowest salary increases granted thus far in Union County and must be rejected.

In respect to captains, the Unions presented as evidence the contracts which have been settled in Union County thus far. For the period 2003 through 2006, the average settlements are 4.73%, 4.67%, 5.09% and 4.68%. (Once again it should be noted that as the years advance the number of settled contracts declines similar decline experience of sergeants and lieutenants.) The Unions argue that if the City's salary proposal of 3.25% for each year is awarded, the Plainfield's captains will receive the absolute lowest salary increase of any captain thus far in Union County.

The Unions assert that "the interest and welfare of the public" and "the continuity and stability of employment" are linked together and are best addressed by awarding its proposals, particularly in regards to an increase in longevity payments, call-in time, schedule changes, personal days, vacation scheduling and increased clothing allowance. Conversely, the Unions argue that the City's proposals would have an adverse impact upon Plainfield's ability to retain officers.

The Unions contend that senior police officers are more valuable to the citizens of the community than junior officers. They list the following factors:

1. A senior police officer knows the people in town;
2. A senior police officer knows the trouble spots in town;
3. A senior police officer knows the streets and geography of the town;
4. A senior police officer takes less time to do a task than a junior officer which, in turn, makes the police department as a whole more competent and efficient;
5. A senior police officer can detect crime patterns in the community which occur over the course of several years, not just over the course of weeks and months; and
6. A senior police officer can train junior police officers in all of the above.

In order to retain officers, the Unions argue that their proposed modification to the existing longevity schedule must be implemented:

Unions' Longevity Proposal

<u>Years of Service</u>	<u>Current Longevity</u>	<u>Proposed Longevity</u>
10	\$500	2% of salary
15	\$1,000	4% of salary
20	\$1,300	6% of salary
25	\$1,600	8% of salary

At the hearing, PBA President Andrew Crawford testified that the PBA is proposing a change in the longevity schedule because typically Plainfield officers' longevity payments are the worst in Union County. The Unions submitted

numerous exhibits to support President Crawford's testimony. President Crawford also testified that a number of officers have left Plainfield for other law enforcement agencies and unless something is done to rectify the longevity disparity, there will be no incentive for experienced officers to remain in Plainfield.

The Unions point out that although they are not proposing a longevity payment for 5th year officers, 14 municipalities within the County already do so. The Unions presented the following chart indicating Plainfield's rank of 17th amongst Union County police departments for 10th year patrolmen. According to the PBA's evidence, Plainfield ranked 17th at each of the other longevity steps as well.

**UNION COUNTY LONGEVITY
10TH Year Patrolman in Order of 2002**

	<u>Municipality</u>	<u>Longevity %</u>	<u>\$ Amount</u>
1	Summit	4.00%	2,900
2	Union	4.00%	2,808
3	Mountainside	4.00%	2,759
4	Scotch Plains	4.00%	2,752
5	Rahway	4.00%	2,680
6	Linden	4.00%	2,668
7	Fanwood	4.00%	2,621
8	Elizabeth	4.00%	2,492
9	Kenilworth	4.00%	2,480
10	Berkeley Heights	4.00%	2,457
11	New Providence	4.00%	2,455
12	Hillside	4.00%	2,388
13	Garwood	4.00%	2,307
14	Westfield	3.00%	1,914
15	Roselle	2.00%	1,259
16	Clark	1.90%	1,250
17	Plainfield	0.80%	500

18	Winfield	0.00%	0
	AVERAGE	3.32%	2,149

Based upon the PBA's evidence for 2002, the last year of the previous agreement, a Plainfield officer with 10 years of service received a longevity payment of \$750 less than the next lowest officer within the County and \$2,400 less than the highest paid officer in the County. At 15 years of service, the numbers are \$750, and \$3,350 respectively. An officer with 20 years of services earned longevity of \$950 less than the next lowest officer in the County and \$5,719 less than the highest officer in the County. At 25 years of service, the figures are \$650 and \$6,823 respectively.

The following chart summarizes the longevity evidence presented by the Unions as compared to the average longevity payment in Union County in 2002:

Longevity Comparison

<u>Years of Service</u>	<u>Plainfield</u>		<u>Union County Average</u>	
10	\$500	0.8%	\$2,149	3.32%
15	\$1,000	1.61%	\$3,317	5.13%
20	\$1,300	2.09%	\$4,444	6.87%
25	\$1,600	2.57%	\$5,719	8.83%

The Unions point out that the disparity in longevity payments will automatically continue unless their proposal is accepted, because the current schedule in Plainfield is a fixed dollar amount while other departments use a

percentage of salary. Thus, as salaries increase, longevity payments increase proportionately.

The Unions argue that the disparity in longevity is even worse when considering the superior officers. Using 2002 as a point for comparison, their evidence can be summarized as follows:

Superior Officer Longevity

<u>Years of Service</u>	<u>Plainfield Superiors</u>	<u>Union County Average</u>		
		<u>Sergeants</u>	<u>Lieutenants</u>	<u>Captains</u>
10	\$500	\$2,429	\$2,769	\$2,949
15	\$1,000	\$3,671	\$4,188	\$4,464
20	\$1,300	\$5,028	\$5,749	\$6,270
25	\$1,600	\$6,499	\$7,419	\$8,038

The Unions contend that longevity for Plainfield patrolmen, sergeants, lieutenants and captains is far less than that paid to their counterparts in Union County. Accordingly, and especially in light of the lower salaries and benefits provided to the Plainfield officers, the Unions argue that their proposal must be awarded.

The Unions argue that their proposal to increase the minimum call in time to 2 hours to 4 hours would promote the continuity and stability of employment since nearly half of the other municipalities in Union County provide a call in guarantee greater than that provided by Plainfield.

UNION COUNTY MINIMUM CALL-IN

	<u>Municipality</u>	<u>Minimum Call-In Hours</u>
1	Fanwood	4
2	Kenilworth	4
3	Mountainside	4
4	Summit	4
5	Union	4
6	Roselle	3
7	Springfield	3
8	Westfield	3
9	Winfield	3
10	Elizabeth	2
11	Berkeley Heights	2
12	Clark	2
13	Hillside	2
14	Linden	2
15	New Providence	2
16	Rahway	2
17	Scotch Plains	2
18	Plainfield	2
19	Cranford	1
20	Garwood	0
21	Roselle Park	0
	AVERAGE	2.43

The Unions proposed that language be added to the Agreement requiring advance notice of one work tour should the City wish to change an officer's assigned work schedule. They define a work tour as 4 working days for those officers on a 4/4 schedule and 5 working days for those officers on a 5/2 schedule. PBA President Crawford testified that it is common for an officer's schedule to be changed and that this has a negative impact on an officer's family life. Spouses of most officers are employed and a schedule change on short notice presents difficult family issues, particularly in regards to child care. The Unions contend that the City did not challenge this proposal in its case in chief,

and since the proposal would not disrupt or adversely effect the operations of the police division, it should be awarded.

The Unions argue that their proposal to increase the number of personal days from 2 to 4 should be awarded since it represents a small step in the right direction towards making the job more attractive and thus allowing the City to recruit qualified candidates and to retain experienced officers. It is also argued that Plainfield does not compare favorably on this issue. The Unions presented the following chart comparing personal days within the County.

UNION COUNTY PERSONAL DAYS

	<u>Municipality</u>	<u>Personal Days</u>
1	Hillside	5
2	Cranford	4
3	Kenilworth	4
4	Roselle	4
5	Fanwood	3
6	Rahway	3
7	Roselle Park	3
8	Scotch Plains	3
9	Summit	3
10	Union	3
11	Berkeley Heights	2
12	Clark	2
13	Garwood	2
14	Linden	2
15	Winfield	2
16	Plainfield	2
17	Elizabeth	0
18	Mountainside	0
19	New Providence	0
20	Springfield	0
21	Westfield	0
	AVERAGE	2.24

The Unions have proposed that its members be permitted to schedule vacations in December of the preceding calendar year. PBA President Crawford testified that units within the department currently schedule their vacations inconsistently; some begin scheduling in October while others wait until later. President Crawford also testified that transfers to other units and changes in shifts are not known until December. As a result, there are problems since officers have received approval for vacations and are then transferred to other units or shifts. Thus, requiring that the entire department select their vacation schedule in December will not only benefit officers but the department as a whole.

The PBA proposes to increase the current clothing payment of \$500 by \$100 in each of the 4 years of the proposed agreement. The Unions contend that Plainfield's clothing allowance is the second worst in all of Union County and it is considerably below the \$825 average clothing allowance for the County. The Unions presented the following clothing allowance for all departments within the County.

**UNION COUNTY CLOTHING ALLOWANCE
AND MAINTENANCE**

	<u>Municipality</u>	<u>Clothing Allowance</u>
1	Summit	\$1,500
2	Springfield	1,311
3	Winfield	1,299
4	Linden	1,175
5	Kenilworth	1,100
6	Mountainside	1,100
7	New Providence	1,050

8	Clark	900
9	Rahway	900
10	Scotch Plains	850
11	Roselle	750
12	Berkeley Heights	715
13	Elizabeth	700
14	Garwood	690
15	Cranford	675
16	Roselle Park	675
17	Westfield	625
18	Fanwood*	600
19	Plainfield	500
20	Union	200
21	Hillside	0
	AVERAGE	\$825

*This sum is provided to the Department's Detectives.
Other personnel receive a \$250 allowance

The Unions argue that awarding their clothing allowance proposal would enhance the morale of current employees and make the Plainfield police department a more attractive place to work.

The Unions contend that many of the City's proposals would have an adverse impact on the continuity and stability of employment within the Plainfield police department. In particular, they point to the City's proposal to eliminate the "stand alone" prescription plan. The City would replace the "stand alone" plan with coverage under the NJ State Health Benefits program in which it is currently a participant and by paying a one time stipend of \$500 to each employee. President Crawford testified that the "stand alone" prescription plan is the only positive fringe benefit which PBA members enjoy. He further testified that the elimination of the "stand alone" would have a tremendous negative impact not

only on the morale of current officers but on the City's ability to attract and retain qualified candidates.

The Unions dispute the City's argument that all health benefits within the jurisdiction should be the same no matter which union contract applies. The PBA contends that other City employees are receiving dental coverage while the PBA members do not. In fact, Plainfield officers are the only police union in the County which does not receive dental coverage. Plainfield police officers also do not receive eye care coverage while more than half of the municipalities in Union County provide eye care coverage to their officers. The Unions also reiterate that the salary and benefits of Plainfield officers are less than the average if not the lowest by comparison to their fellow officers within the County. They argue that the current prescription plan represents the one benefit which PBA members have and are able to point to with pride and otherwise justify their decision to continue employment in Plainfield. The Unions points out that their current prescription plan has a \$3 co-pay for generic drugs and a \$5 co-pay for brand name drugs. If the City's proposal is awarded, the co-pay obligation for brand name drugs will be increased to \$20 and the co-pay for 90 day mail order prescriptions to \$25. The Unions contend that the City's saving analysis for the change in prescription benefits are flawed, since the analysis assumed 163 employees were receiving prescription benefits. In reality that number is far less.

The Unions contend that the City's proposals to reduce the number of days for filing a grievance from 30 to 15 days is not justified. The Unions argue that the reduction in the amount of days for filing of a grievance may in fact necessitate that more grievances be filed since 15 days would be an insufficient amount of time to make an informed decision as to the merits of the grievance.

The Unions argue that the City proposal with respect to hours of employment must be rejected. They point out that the City had proposed changing the patrol division work schedule to a rotating four/two schedule (eight hours per shift). This proposal was rejected by the arbitrator since it was not presented until after the completion of the interest arbitration hearing. Therefore, the Unions assert that the elimination of Section 7.1 as proposed by the City would eliminate all language in the contract in reference to the work schedule for officers assigned to the patrol division.

The Unions believe that there is no justification for the City's proposal to eliminate the option that officers currently have for receiving overtime payments in the form of cash or compensatory time. The Unions believe that allowing officers the option of compensatory time helps to alleviate the City's financial burden. The Unions also contend that the City's concern to avoid officers accumulating considerable amounts of comp time is without merit, because the Fair Labor Standards Act already provides a cap whereby officers may not accumulate more than 480 hours of comp time.

The Unions believe that there is no justification for the City's proposal to create a new salary guide for employees hired after January 1, 2005, effectively adding two more steps to the guide and thereby exacerbating the pay comparisons with other Union County officers.

The Unions also urge the rejection of the City's other two insurance proposals which would cap the cost of dependent coverage and provide a maximum cap of \$1,500 per week for disability. The Unions pointed out that no other employees in the City of Plainfield are subjected to these two limitations. In view of the already low compensation and benefit packages provided to police officers in Plainfield in comparison to other jurisdictions, implementing these two proposals would, in the opinion of the Unions, make a bad situation worse. Similarly, the Unions argue that in view of the already low longevity benefits paid by Plainfield, the City's proposal to eliminate longevity payments for officers hired on or after January 1, 2005, would exacerbate the disparity in comparable longevity payments.

The Unions also assert that the City's proposal to eliminate payments for compensatory time for police officers who are required to work when conditions require the closing of City's facilities is not justified by any evidence presented by the City.

In consideration of all the evidence and arguments presented, the Unions urge the adoption of all of their proposals and the rejection of all of the City's proposals.

The City's Position

The City asserts that its proposals allow its employees to maintain their relative standing to employees in comparable jurisdictions. The City has submitted a list of 15 jurisdictions that it argues, based on demographic data, are more comparable than the municipalities within Union County that are cited by the PBA.

The City's contends that its proposal for wage increases maintains the relative standing of Plainfield police officers whether its own comparables are used or the Unions'. In contrast, the PBAs' proposals are said to place the officers "in an exceedingly better position," a result it asserts is not a goal of interest arbitration.

Based upon the comparables provided by the City, I have summarized the maximum salaries for police officers in the chart below.

CITY COMPARABLES 2002

POLICE OFFICER MAXIMUM SALARY

Union	\$70,194
East Brunswick	70,018
Woodridge	67,066
Rahway	67,009
Linden	66,709
Paterson	66,665
Jersey City	66,484
Clark	65,954
Irvington	64,864
Perth Amboy	62,478
Elizabeth	62,296
Plainfield	62,277
Harrison	60,555
Hillside	57,679
Average	\$65,018

Note: Although New Brunswick was listed as a comparable, there is no salary info for that municipality.

Likewise, based on the information provided by the City for its comparables, I have prepared charts which summarized the maximum salaries for sergeants and lieutenants as well.

CITY COMPARABLES 2002

Sergeants

New Brunswick	\$77,199
Union	77,151
Rahway	75,824
Woodbridge	74,443
Perth Amboy	72,489
Plainfield	72,458
Clark	72,332
Paterson	71,290
Harrison	68,574
Average	\$73,529

CITY COMPARABLES 2002

Lieutenants

Union	\$90,719
New Brunswick	87,235
Rahway	85,667
Paterson	83,564
Plainfield	83,381
Woodbridge	82,631
Perth Amboy	80,100
Clark	77,211
Harrison	73,125

Average \$82,626

The City argues that even the PBA evidence supports its contention that Plainfield police officers are well within the range of Union County salaries for patrolmen at their maximum. It points out that according to PBA Exhibit R-10, 2002 salaries in Union County ranged from a low of \$48,097 to a high of \$72,506. This analysis holds true as well for Plainfield's superior officers. The City contends that its salary increases would maintain the salaries of Plainfield police officers in the range of comparable municipalities whether one compares to the PBA comparables for Union County or to its own list of demographically similar municipalities.

The City also asserts that Plainfield police officers are significantly higher paid than other Plainfield employees and also in comparison to Plainfield citizens as a whole. The City points to a PBA exhibit of 2000 census data (E-2) which indicates that Plainfield males had a median income of \$33,460 and females \$30,408 well below the maximum police officer salary of \$57,273. The City also

points to data from January 2003 which indicates that the median wage for all occupations in New Jersey was \$31,660.

The City argues that its proposals for salary increases are within the range of its comparables. It points out that Irvington had annual increases of 3% for the period 2003 through 2005 and the Irvington SOA which has a contract in place from 2000 to 2003 granting a 3% increase in 2003. Also, the New Brunswick PBA has a contract in place providing for salary increases as follows: 2003 – 3.5%, 2004 – 3%, 2005 – 3%, 2006 – 3.5%.

On April 20, 2005, the City submitted the Memorandum of Agreement between the Port Authority of NY and NJ and the Port Authority PBA. The agreement had been cited by the City in its post hearing brief as supportive of its wage proposal since it provides for salary increases of 3.5%. The City does not contend that the Port Authority is a comparable jurisdiction but submits that the agreement supports its wage proposal. The City also argues that its proposal should be awarded so that Plainfield officers will maintain their "same relative standing to the Port Authority as currently exists."

The City also introduced into evidence a number of contracts covering the years 2003 through 2006. The chart below depicts the settlements as evidenced by those contracts:

**City's Comparables
Wage Increases**

<u>Cities</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Clark	3.5%	3.5%	4.0%	
Elizabeth	3.75%/2%	2%/4%*		
Harrison	3.75%	3.75%		
Hillside	4.0%**	5.0%/6.5%*		
Irvington	3%	3%	3%	
Jersey City		3.5%	3.5%	3.5%
Linden	3.5%	4.0%		
New Brunswick	3.5%	3.5%	3.5%	
North Plainfield		4.0%	4.0%	
Perth Amboy	3.5%	3.5%		
Rahway	1.0%**	2.0%/1.0%*	2%/4%*	4%**
Union	3.9%			
Woodbridge	<u>4.0%</u>	<u>4.0%</u>		
Average	3.58%	4.44%	4.0%	3.75%

Note: All raises are effective January 1 unless otherwise noted.

* January 1/July 1

** July 1

The City also compares its agreements with other municipal employees.

The City has settled a contract with the FMBA providing the following increases:

2003	3.25%
2004	3.85%
2005	3.95%

In January 2005, the Fire Officers Association agreed to the following salary increases:

	Jan 1	July1
2003	2%	2%
2004	2%	2%
2005	2%	2%
2006	2%	2%

Also, the City reached a settlement in December, 2004 with the Plainfield Municipal Employees Association in the following amounts:

2005	3.25%
2006	3.8%
2007	3.8%
2008	3.8%

In September 2004, the City and the Plainfield Municipal Managers Association agreed to salary adjustments of 3.5% for 2004. In 2005 the increase will be based on the average of the CPI for a 12 month period from October to 2003 through October 2004. In 2006, the contract calls for an increase based on ½ of the annual average of the CPI for the period of October 2004 through October 2005. The City also has a contract with the Teamsters union representing blue and white collar employees which provided for the following increases: 2001, 0; July 2002, 4%; 2003, 4%; 2004, 4%, white collar and 5% blue collar.

The City argues that its proposal of 3.25% is more in line with wage increases that have been granted in both the public and private sectors than is the proposal advanced by the Unions. The City points to data provided by the U.S. Department of Labor for the third quarter of 2004 which indicates that for the prior 12 month period the average wage increase for the private industry was 3.7%. The City also presented the most recent data in New Jersey which reflects that for the 12 month period prior to October 2004, government salaries increased by 3%.

The City contends that the CPI which ranged from 2.9 to 3.7% for the 12 month periods ending August, September and October, 2004 supports its argument that the Unions' proposals are excessive and should be rejected.

The City has argued that when considering the respective proposals there are factors not obvious that must be taken into consideration. Firstly, there is the carry-over effect from the last contract of 1% of the total wages for both bargaining units. Secondly, since a multi-year agreement is proposed, there is a compounding of raises from year to year; thus, when one compares the salary at the start of the agreement to the salary at the end of the agreement it will be larger than if one simply added up the wage increase in each year. Compounding brings the percentage increase for the Unions' proposals to 21.5% over the four year proposed life of the agreement and for the City's proposals to 13.65%.

Compounding Effect

<u>Years</u>	<u>City's Proposal</u>	<u>Unions' Proposals</u>
2003	3.25%	5%
2004	3.36%	5.25%
2005	3.46%	5.51%
2006	<u>3.58%</u>	<u>5.78%</u>
	13.65%	21.25%

The final hidden factor which the City asserts must be considered is the cost of the step increments. Based on the City's analysis, the cost of these increments for all ranks in the City's proposal will be \$833,677 and under the Unions' proposals \$1,012,040 over the life of the agreement. The City used the following assumptions to complete its calculations, as of the end of 2002 there

were 120 police officers, 24 sergeants, 10 lieutenants and 6 captains. Police officers were distributed amongst the increment steps as follows: 10 at step 2, 23 at step 3, 7 at step 4, 6 at step 5 and 74 at step 6. For superior officers three sergeants were step 7, 21 at step 8; 4 lieutenants were at step 7, and 7 were at step 8; and, 2 captains were at step 7 and 4 were at step 8.

The City contends that for police officers, the proposed increments would increase the cost of the contract by the following:

Increments Cost

<u>Years</u>	<u>City's Proposal</u>	<u>Unions' Proposal</u>
2003	3.6%	4.2%
2004	3.3%	3.9%
2005	2.9%	3.5%
2006	0.9%	1.1%

The City contends that based upon its calculations, the Unions' salary proposals will cost the City of Plainfield \$2,845,121 in salary increases over the life of the agreement while the City's own proposals will cost \$2,037,723 in salary increases.

The City asserts that residents, cannot afford the salary increases demanded by the Unions. The City points to demographic data that Plainfield residents are less affluent and have a higher rate of unemployment as compared to Union County as a whole. Specifically, according to the 2000 census, 16% of Plainfield's residents were below the poverty level compared to 8.3% of the

population in Union County. In addition, 9% Plainfield's residents receive public assistance or SSI. In 2002, the unemployment rate in Plainfield was 9.1% as compared to Union County's 4.5%. And finally as of 1999, per capita income for the City was \$19,052 while Union County's capita income was \$26,992.

Examining the tax burden of Plainfield residents, the City points out that from 2002 to 2005 Plainfield's tax rate increased by 21.9%. During the same period, the average residential property owner has seen their overall tax bill increase by almost \$1,000 for county, school and municipal services:

Residential Tax Burden

2002	\$4,689.20
2003	\$4,988.48
2004	\$5,386.08
2005	\$5,678.40

Turning to its cap obligation, the City argues that in recent years the municipal budget cap has been approximately 3.5% or lower and for 2005 cannot rise above 3.5%. For FY2004 public safety expenditures represented approximately 20% of the City's total budget -- \$13,906,544 compared with total expenditures of \$63,092,836. Thus, expenditures beyond 3.5% would limit its ability to meet its remaining obligations.

The City also contends that its group insurance costs are "sky rocketing". The cost of providing the current "stand alone" drug prescription program in particular has increased during this past year by 17.8% from \$358,497 to

\$422,270. The City argues that it cannot afford that kind of increase and that is why it has proposed to replace the existing prescription plan.

The City has made an extensive economic analysis of the respective proposals submitted over the life of the agreement. This analysis reflects that police and superior officers would receive an average increase per officer (police officers and superiors combined) of \$17,782 or 28.55%, while the City's proposal equates to an increase of \$12,736 per officer or 20.45%. The City contends that its proposal for wage increases, while less than the Unions', is still a significant increase but much more realistic in today's fiscal times.

The City argues that it cannot afford the Unions' longevity proposal. According to its analysis, the proposal would have cost the City \$245,405 in 2002 as compared to the actual cost of \$79,400. The City also points out that since the Unions' longevity proposal is based on a percentage of salary, as salaries increase the longevity costs will increase as well. The City also points out that the Unions are proposing to lower the year of service when the maximum amount of longevity will kick in from 25 to 24 years. This will affect 8 superior officers and 14 police officers currently at the 20 year level of longevity. According to the City's analysis, this proposal will increase the cost in the final year of the contract by \$84,784 for the 14 police officers and \$61,264 for the 8 superior officers for a total of \$146,048¹.

¹ The City's analysis was based on a weighted average of superior officers' salaries since they did not have available a listing of superior officers by years of service and rank.

According to the City, as of 2002, 29 officers were at 10 years of service, 6 at 15 years, 14 at 20 years, and 1 at 24 years. The City also indicates that 72 officers currently at the maximum salary range will reach the 10 year longevity level as of 2006. Thus, the City's analysis of the financial impact of the PBAs' longevity proposal is that it would cost \$113,781 in 2003, \$119,466 in 2004, \$125,454 in 2005, and \$242,754 in 2006. The City also calculated in terms of a percentage of the maximum police officer's salary as of 2002, the PBA longevity proposal would cost 1.5% in 2003, 1.6% in 2004, 1.7% in 2005 and 3.2% in 2006.

The City has proposed the elimination of longevity payments for any officer hired after January 1, 2005. It argues that the trend in other comparable jurisdictions has been to do likewise. It points to Linden where any employee hired after January 1, 1975 does not receive longevity payments. In New Brunswick employees hired after July 13, 2000 receive lesser payments than those hired before that date. Similar reductions have occurred in North Plainfield where employees hired after July 1, 1994, no longer receive payment at the 5 and 10 year plateaus and in Union where employees hired after June 1, 2002, have a lower longevity payment schedule than employees hired prior to that date. In light of this trend, the City contends that its proposal to eliminate longevity payments for future hires is more realistic than the Unions' proposal to tie

payments to a percentage of base salary which would pose a severe financial burden upon the City which it cannot afford.

The City argues that the Unions' proposal to increase clothing allowance payments is financially excessive and inconsistent with the comparable data. It points to the municipalities of Hillside, Irvington, Paterson, Union and Woodbridge which do not make any clothing maintenance payments.

The City points out that the proposal by the PBA will increase the clothing allowance from \$500 in 2002 to \$900 in 2006, an 80% increase over the life of the agreement. The City also computed the cost of the increase as compared to the Step 6 salary of an officer in order calculate a percentage of economic impact. In each year of the agreement that impact would be 0.16%.

The City is proposing to add two new steps between the existing steps 1 and 2 for all hires after January 1, 2005. The new salary guide would be as follows:

City's Proposed Salary Guide

<u>STEP</u>	<u>2005</u>	<u>2006</u>
1	\$33,021	\$34,094
2	38,021	39,257
3	43,021	44,419
4	50,448	52,088
5	55,027	56,815
6	59,499	61,433
7	64,025	66,106
8	68,549	70,777

The two additional steps on January 1, 2005 are differentials of \$5,000 and \$10,000 at steps 2 and 3 from step 1.

The City has calculated that even with this cost saving proposal, step increases would cost \$800,544 over the life of the contract for police officers. By comparison, under the Unions' proposal, the step increases would cost the City \$953,700. These costs are broken down by year as follows:

Step Cost Comparison

<u>Years</u>	<u>City's Proposal</u>		<u>PBA's Proposal</u>	
2003	\$271,633	3.6%	\$315,297	4.2%
2004	\$246,975	3.3%	\$294,201	3.9%
2005	\$214,387	2.9%	\$260,582	3.5%
2006	\$67,520	0.9%	\$83,640	1.1%

The City has also proposed several changes to the health benefits it provides to employees in order to contain costs. The first proposal is to eliminate the "stand alone" prescription plan and to replace it with coverage under the State Health Benefits Program. In exchange for the elimination of coverage, the City proposes to provide a one time stipend of \$500 to each employee not be added to the base salary. As justification for this change, the City points out that increased costs of the prescription plan increased by almost 18% over the past year from \$358,498 to \$422,271. It argues that most employees in the private sector either pay entirely for or contribute to their prescription drug costs. The

City emphasizes that it has already made this change for all other City employees. These employees are covered under the State Health Benefits Program. The City asserts that three comparable municipalities: Irvington, North Plainfield and Perth Amboy no longer provide prescription drug coverage; and in those municipalities that do, the trend is to higher co-pays.

The City also proposes, effective January 1, 2005, to cap its obligation for dependent coverage under all health benefits. Additional premiums beyond that date will be the responsibility of the employee. In addition, the City proposes to place a cap of \$1,500 per week on the non-job related disability income protection it provides.

The City proposed adding language to the contract that would eliminate any payment or compensatory time for any work performed by police officers or superiors when City offices have been closed due to some form of emergency. It argues that police, by the very nature of their jobs, must be available to protect the public 24 hours, 7 days, a week. Therefore, it makes no logical sense to pay police officers additional compensation to perform duties they are normally required to perform simply because municipal offices have been closed due to an emergency condition.

The City also offered language to modify the grievance procedure. the proposal reduces the time frames in which employees are permitted to file

grievances or to file for arbitration. The City argues that in regards to filing grievances, too much time may elapse between the event that precipitates the grievance and the actual filing. Shortening this time period may foster a faster resolution of a grievance, preventing delays in resolving the grievance.

The City proposes new language requiring that all postings on the PBA bulletin board at Police Headquarters be on PBA letterhead and signed by the PBA President or State Delegate. The City wishes to ensure that all postings have been approved by the PBA and to allow it some recourse in the event that inappropriate material is posted.

The City developed an analysis of the fiscal impact of the Unions' proposals supporting its position that they be rejected. The City calculated on a percentage basis the cost of the salary increases, the compounding of the salaries, the step, longevity and uniform allowance increases as compared to the maximum salary of a police officer in 2002. The City has calculated the cost for the Unions' proposals as follows: 10.86% for 2003, 10.86% for 2004, 10.86% for 2005, and 10.16% for 2006. This represents a total increase of 42.74% for an average of 10.685% per year. In contrast, the City has determined that the financial impact of its own proposals on the several salary issues as: 7.35% in 2003, 7.16% in 2004, 6.86% in 2005 and 5.48% in 2006. This represents a total increase of 26.85 % or an average of 6.7125% per year.

The City asserts that recent settlements are within the 3% to 4% range but also contain "givebacks" in health benefits and longevity. The City cites Bordentown and Livingston (settled in July and August, 2004) as towns that eliminated longevity and, Wildwood and City of Orange (settled August and May, 2004) that provide for increased prescription co-pays and requiring payment for dependents when traditional health care is selected.

The City contends that with inflation low and considering the settlements in the private sector, comparable jurisdictions and with Plainfield's other employee unions, the Unions' proposals must be rejected and the City's proposals awarded.

DISCUSSION

The Unions and the City have offered testimony and considerable documentary evidence in support of their respective final offers. Each submission was expert and comprehensive. The entire record of the proceeding must be considered in light of the statutory criteria. I am required to make a reasonable determination of all the 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.

Traditionally, in interest arbitration proceedings the parties seeking to change the conditions of employment must bear the burden to prove the basis for such modifications. I apply that principal as part of my analysis of each issue in dispute.

The issues in dispute are both economic and non-economic. Economic issues include salary, call-in time guarantee, longevity, paid leave time, compensatory time, health insurance and clothing allowance. Non economic issues are grievance procedure, PBA rights and privileges and vacation

scheduling. While I must assess the merits of the disputed proposals individually, I refer to criterion N.J.S.A. 34:13A-16(g)(8). This criterion directs the consideration of factors ordinarily or traditionally considered in the determination of wages and benefits. One such element requires that consideration be given to the totality of the changes to be made to an existing agreement. It is neither ordinary nor traditional in negotiations to resolve all issues without consideration being given to the overall package that is finalized. This consideration is consistent with the statutory requirement that the arbitrator must determine whether the total net annual economic changes for each year of the agreement are reasonable under all of the criteria. Thus, any decision herein to award or to deny any individual issue in dispute will include consideration as to the reasonableness of awarding any individual issue in relation to the reasonableness of the terms of the issues that represent the entire award. It is noted that at the conclusion of hearing, the City and the Unions reached an agreement on the Unions' Off-Duty Employment proposal.

I next turn to each issue in dispute.

Article XV – Duration of Agreement

Both parties have proposed a four year agreement commencing on January 1, 2003, and extending through December 31, 2006. The proposals of the parties are received as stipulations. The contract period of January 1, 2003 through December 31, 2006 is awarded.

Article III – Grievance Procedure

The City has proposed reducing the number of days for the filing of grievances. At step one the number of days would be reduced from 30 to 15 calendar days and under step five, a request for arbitration, the number of days would be reduced from 45 to 25. The City has also proposed changing the time period for answering grievances. At step three the director's response time would be changed from 10 working days to 15 calendar days and at step four the City Administrator's response time would be changed from 10 working days to 15 calendar days.

The City believes that shortening the time periods for the filings would foster a quicker resolution of grievances thus preventing the situation which precipitated the grievance from deteriorating even further. It points out that under the current agreement, a month can elapse between the event that fosters the grievance and the actual filing of the grievance. The Unions' object to the City's proposal. They claim that a reduction in the amount of time for filing a step one grievance may actually have a reverse affect. The PBA would be forced to file grievances in order to preserve its members' rights before it had an opportunity to fully investigate the grievance. The current agreement provides for 30 calendar days to file a grievance. This is not an unreasonable amount of time considering that the City has not provided any evidence in support of its proposed modification beyond its underlying theory. This proposal is not awarded.

The City's proposal to modify the amount of time for its officials to respond to grievances from 10 working days to 15 calendar days is essentially a change in terminology only and would make no real difference in the amount of time these officials would have to respond. There is no evidence that the existing time period has impacted upon the City's ability to respond to grievances. Consequently, this proposal is also not awarded.

Finally, I turn to the City's proposal to reduce the amount of days that the Unions have to file for arbitration from 45 to 25 days. A reduction in this time period could force the Unions to file for arbitration earlier simply to preserve their rights. The existing time period allows the Unions sufficient time to fully consider an appeal to arbitration without filing merely to preserve their rights. I do not award this proposal.

Article VII – Hours of Employment

The Unions and the City have each made proposals under this section of the contract. Each party objects to the other side's proposals. The Unions have proposed that the current minimum call-in time of two hours be increased to four hours. In addition, the Unions have also proposed that officers be given a minimum of one work tour notice prior to a change in schedule.

The City has proposed deleting Section 7.1 in its entirety effective July 1, 2005. It also proposed replacing the 4/4 and 4/3 work schedules with a rotating 4/2 schedule. Additionally, the City has proposed eliminating the option for receiving compensatory time in lieu of payment for overtime.

I turn first to the Unions' proposals. The Unions claim that nearly half of the municipalities in Union County provide a minimum call-in guarantee in excess of that provided by Plainfield. However, a review of the comparables submitted by the Unions indicates that out of the 21 municipalities in the County, nine provide the same minimum as Plainfield and three provide less. A review of the comparables submitted by the City indicate that only two, Harrison and Jersey City, provide a longer minimum call in guarantee time than is already provided to Plainfield's officers. While this proposal is clearly economic in nature, neither of the parties submitted any cost impact data based on either the current two hour minimum or the proposed four hour minimum. The burden to justify a change in this benefit has not been met. The proposal is not awarded.

The Unions have also proposed that an officer's schedule not be changed unless they are given a notice of one work tour. This, depending upon their schedule, would equate to four or five days notice. It is not unreasonable to provide officers with sufficient notice of a schedule change to permit them to make adjustments in their personal lives and their family requirements. The City opposes this proposal contending that it should be rejected because it would

impose an undue burden on its ability to exercise its managerial prerogative to adequately staff the police division.

The Unions' proposal that officers be given notice of one work tour before a schedule change is made is not unreasonable but the proposal could unduly restrict the City's assignment authority because it would be precluded from making a schedule change on short notice. There is an emergency exception for the City in Section 7.1(e)(3). This, if exercised by the City, could result in numerous grievances contesting whether a schedule change was in fact based upon an emergency. Presently, no economic reward results in the event of a short notice shift change. Such reward could ease the number of times the City would direct a schedule change and, if directed, provide consideration to an employee whose shift has been changed without notice of one work tour prior. Accordingly, I award the following. In the event a police officer's schedule is changed with less than one work tour's notice, that police officer shall receive a payment equivalent to one hour pay at time and one-half (1 ½).

The City has proposed eliminating Section 7.1 from the existing agreement. It also proposed changing the current 4/4 or 4/3 work schedule to a rotating 4/2 schedule. The City's ability to make this proposal was denied by me because it was presented after the arbitration hearing had commenced. Eliminating Section 7.1 from the agreement would remove all reference to work schedules. Article VII currently has a procedure for mutual discussion of work

schedule issues. Questions concerning the work schedule may be raised in that forum. For these reasons, the City's proposal is rejected.

The City has also proposed that as of January 1, 2005, officers will no longer have the option of selecting compensatory time instead of payment for overtime worked. There is an absence of statistical data in support of its proposal to eliminate the option of compensatory time in lieu of payment for overtime. I can assume that the City is concerned about the accumulation of compensatory time that could result in future time off or payment at a higher rate than when the time was earned. In the absence of economic evidence supporting this proposal, it is not awarded. The City has also proposed that a schedule be established that would require all comp time currently on the books be used or paid for by a certain date. The Fair Labor Standards Act already regulates the accumulation of compensatory time placing a cap on the total amount of time that may be accumulated. On this record, I cannot determine that there should be a reduction in this amount. The burden to eliminate this benefit from the existing agreement has not been met and it is not awarded.

Article V – PBA Rights

The City has proposed to add the following sentence to Section 5-3: "All said postings shall be on PBA letterhead and signed by the PBA president or PBA state delegate." This language would require that any posting on the PBA bulletin board in police headquarters could only be done with the approval of the

PBA president, state delegate or designee. The Unions have not objected to the City's proposal. I agree with the City that it is reasonable to require that postings on a Union bulletin board within a city facility be approved by the PBA. The City's proposal is not onerous and does not directly or indirectly grant the City prior approval of materials that are placed on the PBAs' bulletin board. The City's proposal, as modified, to add the following language to section 5-3 is awarded:

"All said postings shall be on PBA letterhead (where practical) and signed be the PBA President, State Delegate or designee."

XII – Vacations and Holidays

Both parties have proposed adding language to set a deadline for scheduling vacations for the subsequent calendar year. The City has proposed November 1 while the Unions have proposed December. It appears that the parties have an understanding that a November 1 cutoff date for scheduling vacation preferences for the subsequent year is an appropriate date. This would set a certain date and require uniformity, conditions that presently do not exist. The November 1 date is awarded.

The Unions have also proposed increasing the number of personal days from 2 to 4 effective January 1, 2003. The Unions argue that increasing the number of days would "represent a small step in the right direction making the Plainfield job more attractive and allowing the City to recruit and retain qualified

candidates". The Unions also assert that a large number of Union County municipalities provide more than the two personal days provided by Plainfield. A review of the exhibit they submitted indicates that out of the 21 municipalities in the County, ten provide more personal days, five provide the same amount, and five provide no personal days. The City argues that this proposal will add significantly to its cost and potentially interfere with its managerial prerogative to staff the department. The City also points out that a majority of the jurisdictions it has submitted as comparables provide two days of personal leave. The City's comparable data is summarized in the chart below:

**CITY COMPARABLES
PERSONAL DAYS**

Hillside	5
Paterson	5
East Brunswick	4
Woodbridge	4
Union	3
Plainfield	2
Clark	2
Harrison	2
Perth Amboy	2
North Plainfield	1
Elizabeth	0
Irvington	0
Jersey City	0

I have calculated the cost for adding two additional personal days to be \$76,780 (\$51,253 for the 107 police officers and \$25,527 for the superior officers). Calculations were based on a 260 day work year and utilizing the maximum salary in 2002 for all positions. A review of the other Union contracts in Plainfield indicates that the fire officers and fire fighters both receive four

personal days. The municipal managers receive four supervisory days. Blue and white collar employees receive three and two personal days respectively; however, these are taken from sick days. When the costs to the City are weighed against the comparable benefit packages internally, in both the City's and the Unions' jurisdictions and the need to maintain the continuity and stability of employment, I conclude that the granting of one additional personal day is appropriate and is awarded. This shall be effective January 1, 2006.

XIV – Miscellaneous

The City proposes to add a new section to this article that reads: "Uniform police personnel shall be considered essential personnel and as such shall not be entitled to additional compensation or compensatory time for hours worked during their normal shift when conditions require the closing of any City facility."

The City argues that it is not logical to pay additional compensation to police officers for working their normal shifts when City facilities must be closed due to emergency conditions. As essential personnel, officers are required to worked on days on which other municipal employees have been granted time off, such as holidays. In this regard, the language in the existing agreement provides union members with 13 holidays per year; and in addition, provides that eight shall be taken as additional vacation days and five shall be taken as additional paid days or vacation days at the option of the employee. In this case directing that municipal offices be closed due to emergency conditions and requiring that

non-essential municipal employees remain at home with pay is, in essence, a grant of an additional paid day off. The City's proposal would change the present system that allows for a police officer to receive consideration under the unique circumstances when non-essential municipal employees receive an additional paid day off. There is no evidence that the present system has not worked or has resulted in any significant additional paid time off for police officers. I award no change to the present system.

The Unions have proposed an increase in the clothing allowance of \$100 in each year of the agreement thereby increasing the allowance by \$400 over the life of the agreement. Currently officers receive a \$500 annual clothing allowance. Based upon the comparables presented by the Unions, Plainfield has the second lowest clothing allowance in Union County, \$325 less than the average for the County. According to the Unions' submission, seven municipalities within Union County provide a clothing allowance in excess of \$1,000. The City argues that the Unions' proposal is excessive and that a review of its comparables indicates that five municipalities Hillside, Irvington, Patterson, Union and Woodbridge, do not provide any clothing or maintenance allowance.

The current complement of uniform police officers is 149; therefore, the additional cost in uniform allowance if the Unions' proposal is to be awarded would be \$14,900 in each year of the agreement for a total of \$59,600. This would represent an 80% increase in the value of the benefit to officers and an

80% increase in the cost of the benefit to the City. While costs for both obtaining and maintaining uniforms have increased since the expiration of the prior agreement, there is no evidence that the increase justifies the amount of adjustment contained in the Unions' proposal. An increase of \$50 in each year of the prior contract was made. A similar increase during this agreement has been justified. This increase is in line with adjustments made in many other law enforcement agreements. Further, the comparables offered by the City showing several departments with no clothing allowances cannot be given weight. It appears that those departments augmented base pay by eliminating their clothing allowances. Thus, the clothing allowance shall be increased by \$50 in each of the four years of this agreement. The cost for providing this increased benefit will be an additional \$7,450 in each year of the Agreement. The clothing allowance shall be \$550 in 2003, \$500 in 2004, \$650 in 2005 and \$700 in 2006.

XIII – Longevity

Both parties have submitted proposals under this section. The City proposes that employees hired after January 1, 2005 shall not receive longevity. The Unions propose that the longevity schedule be changed from a fixed dollar amount to a percentage of salary. The Unions also propose to reduce the number of years needed to attain the maximum longevity from after 25 years to after 24 years.

The Unions' proposal would immediately increase the cost of longevity by almost three times the current annual cost. The existing cost is \$77,300 for police officers and \$39,100 for superiors. Cost increases thereafter would be automatic, as salaries increase the current dollar amount would increase as officers attain more years of service and by their base salaries increasing from across-the-board adjustments. The City views the immediate costs as excessive and that the Unions' proposal would continue to escalate those costs each year. The existing longevity program is set forth at Article XIII. The schedule is:

<u>Number of Years Service</u>	
10 years of service	\$500
15 years of service	\$1,000
20 years of service	\$1,300
25 years of service	\$1,600

I do not award the Unions' proposal to convert this schedule to percentages at a substantially higher level. The costs of that proposal are significant and would cause the net annual economic changes of an award (in addition to salary increases) to be so above state or county averages so as to be deemed excessive. I also do not award the City's proposal to eliminate longevity for new hires. The salary levels of Plainfield police officers, when salary and longevity are considered together, are comparatively modest within Union County. In 2002, a ten year police officer at \$62,277 was \$1,207 below the County average ranking Plainfield 12th in the County. An elimination of longevity could potentially affect the hiring and/or continuity and stability of employment of

the City's police officers, a result that would not further the interests and welfare of the public.

The merits of the City's and the Unions' positions on longevity favor a result that maintains the existing longevity schedule during this contract term but provides a reasonable increase in that dollar schedule. The Unions have shown that the existing longevity schedule is low among those departments in the County. It will remain low but a reasonable dollar increase at the higher seniority levels will somewhat offset the dollar increases that are automatic in the departments that have percentage longevity schedules and enhance the overall compensation package currently received. Effective January 1, 2005, the longevity schedule shall be adjusted as follows. No changes are awarded for employees at the ten (10) years of service level. At fifteen (15) years of service, the payment shall be adjusted by \$250 to \$1,250. At twenty (20) years of service, the payment shall be adjusted from \$1,300 to \$1,600. At twenty-five (25) years of service, the payment shall be adjusted from \$1,600 to \$2,000. I award a change in the last longevity schedule step from twenty-five (25) years to twenty-four (24) years. This change could benefit both parties because the incentive to remain employed to achieve a higher longevity amount would be eliminated and the potential for more retirements could result in cost savings due to hiring new police officers at substantially lower salaries. The schedule for existing employees shall be:

Number of Years Service

10 years of service	\$500
15 years of service	\$1,250
20 years of service	\$1,600
24 years of service	\$2,000

The cost of these changes (based upon the seniority projections in the City's post-hearing brief) result from six (6) police officers at the fifteen (15) year level; fourteen (14) police officers at the twenty (20) year level; one (1) police officer at the twenty-five (25) year level; there are eleven (11) superior officers at the fifteen (15) year level; eight (8) superior officers at the twenty (20) year level and seven (7) superior officers at the twenty-five (25) year level. The total of seventeen (17) at the fifteen year level yields a cost of \$4,250; the total of twenty-two (22) at the twenty (20) year level yields a cost of \$6,600; the total of eight (8) at the twenty-five (25) year level yields a cost of \$3,200. The aggregate cost would be \$14,050 for 2005 and \$14,050 for 2006. This cost would fluctuate upon turnover and/or movement into different levels of the longevity structure.

Article XI – Insurance Protection

The City has made several proposals concerning this article of the contract. Firstly, it has proposed eliminating the stand alone drug prescription plan as of January 1, 2005. In return, it would pay each employee \$500 as a one time stipend not be added to base and to provide drug prescription coverage under the existing state health benefit plans. This would provide different prescription coverages depending upon which of the eight plans an employee

selects. Under the current stand alone plan, Plainfield officers pay \$3.00 for generic drugs and \$5.00 for brand name drugs. The City's proposal to switch coverage to the state health benefit plan would increase the co-payments for most if not all unit employees. For most types of coverage under the NJSHBP, the cost of generics would increase from \$3.00 to \$5.00, for brand names from \$5.00 to \$10.00 for a thirty day supply and \$15.00 for a 90 day mail order supply. Exceptions are: the Oxford Plan which would be the same except that the 90 day generic co-pay would be \$15.00 and the 90 day brand name would be \$30.00. For those who opt for the traditional health insurance plan, such employees would have to first meet a deductible. They would then receive an 80% reimbursement for prescription costs. Under New Jersey Plus, such employees would receive a 90% reimbursement.

The City cites the increased cost of its drug prescription premium as justification for its proposal. Upon renewal on September 1, 2004, the plan increased from \$358,498 to \$422,271, approximately 17.8%. The City's account representative stated in her letter of renewal "prescription drug trend is approximately 20-25%, so Horizon's renewal is below trend." In addition, the City argued that only the police unions still receive the stand alone prescription benefit. The City's other employees have already converted the prescription drug benefit to the State Health Benefits Plan. The City also argues that the co-pays currently paid by PBA members are low compared not only to other employees in the City but to their counterparts in comparable jurisdictions.

Based upon the comparables submitted by the City, I have prepared the following chart depicting the prescription co-pays in those jurisdictions. For the 13 jurisdictions in which drug prescription co-pays were available, 8 have higher co-pays than the City of Plainfield while four had the same or less.

**CITY COMPARABLES
Prescription Co-Pays**

	Generic	Brand Name
Harrison	\$1	\$5
Woodbridge	2	5
East Brunswick	3	5
Plainfield	3	5
Union	3	5
Jersey City	4	8
Paterson	4	4
Elizabeth	5	5
Clark	5	10
Hillside	5	10
Linden	5	10
New Brunswick	5	10
Rahway		10

A review of other city employee contracts indicates that none of the other employee groups are receiving the benefits of a stand alone prescription plan. All are enrolled in the State Health Benefits Plan. However two employee groups, the Teamsters White Collar and the Municipal Managers Association, receive dental plan benefits that the police officers do not receive. The white collar union specifically received the dental coverage as a substitute for the drug prescription plan. The fire fighter contract indicates that those employees are receiving \$100 per year after removing the stand alone prescription plan. And finally the contracts for Fire Officers and Teamsters Blue Collar are silent as to

dental coverage and any in lieu of payment as a substitute for a stand alone prescription plan.

The Unions vehemently argued against eliminating the "stand alone" plan. They believe that the elimination of the "stand alone" plan would have a tremendous negative impact on the morale of officers, making it more difficult to retain and attract officers in the future since they contend that the stand alone plan is the only positive fringe benefit their members enjoy. The Unions further contend that they are the only police unit in Union County that receives no dental benefit and only one of a few that receives no eyeglass coverage.

Neither the City nor the Unions offered any comparative information as to the financial impact the City's proposal would have upon the employees. While the City would experience a savings, the amount is unknown but it presumably would be significant. The cost of the stand-alone plan was presented at \$442,270.88². The cost of prescription coverages under the State Health Benefits Plan may not be quantifiable and separate from the premiums for medical insurance. It is not in dispute that employee costs would be substantially more under the City's proposal due to the elimination of the stand alone benefit.

² The Union disputed the costs shown in City Exhibit #37 based upon the document's census of 163 employees. It appears that the census may include up to 14 non-unit employees or the employees who were laid off. This would change the cost for this unit but only by 10%.

I find the City has not met its burden to justify the elimination of the stand alone prescription drug plan. The vast majority of its own comparables have such a plan. In Plainfield, where the plan has been eliminated, there have been trade offs agreed upon. The City and the PBA have been unable to do so here. I decline to eliminate this plan and engage in such a trade off for the parties. This agreement has only one full year remaining and the issue may be discussed anew at that time. The City has shown, however, that the increase in the cost of prescription drugs has been significant and that the plan should not remain at precisely the same levels as in the past. Where stand alone plans are in evidence, there have been increases in the co-pays. There is merit in the City's view that employees should share in the increased costs. It is not unreasonable for dollar co-pays to increase as the costs of prescriptions increase and also the cost of the premiums. An adjustment to the co-pay will allow for employees to retain the stand alone benefit but also allows for an offset in the increase in premium costs. The co-pay for generic drugs shall be increased to \$5.00 for generic drugs and to \$10.00 for non-generic drugs to be effective as soon as is administratively feasible. The record is silent on the costs of mail order but assuming that such plan exists, the co-pay for mail order shall increase in proportional amounts.

The City also proposes to cap its obligation for dependent health insurance coverage at the December 31, 2004 rate. Any additional premiums beyond that amount would be the responsibility of the employee. The City

believes that capping coverage at that rate will not impose a significant impact on employees while at the same time providing relief from increases in the costs for health insurance. The Unions argue that this proposal may not be legal under the State Health Benefits Program and that, in any event, no other employee group in the City has been required to pay a portion of their dependent health cost.

A review of all the comparables submitted by both the City and the Unions does not reflect any jurisdiction in which employees are required, at the present time, to pay a portion of health insurance costs for their dependents. An example cited by the City in its brief indicated that the City of Orange requires employees selecting traditional health insurance coverage to pay for the full cost of dependent coverage. This out of county jurisdiction cannot be given the weight sought by the City. Weighing the financial impact of the cost of health care coverage to the City versus the employees' overall compensation and benefit package and concerns about the continuity and stability of employment, I find that the City has not met its burden to justify imposing this increase cost upon its employees.

The City's final proposal under this section proposes modifications to the non-job related disability income protection coverage. The City provides a payment of 50% of an employee's income when they are unable to work as a result of a non-job related injury after first meeting certain other conditions

including utilization of sick and vacation time. The City would now impose a cap of \$1,500 per week in payments and also would include the following new language:

"Such plan will not become effective until such time as the employee has exhausted all of his/her sick leave, vacation leave and compensatory time. Coverage will be provided from the time of the exhaustion of benefits up until the employee is able to return to work or up to one (1) year from the time the injury or illness commenced, whichever comes first. In no instance will disability benefits continue if the employee's physician and/ or the City's physician determine that the employee is able to return to his/her regular duties or is able to return to work on an alternative or light duty status.

In regards to the language changes, the City proposes to add compensatory time to the types of leave that must be exhausted by the employee prior to receiving disability coverage and language specifying that the disability benefit can only be received as long as the employee's physician and/or the City's physician determine that the employee is unable to perform their regular duties or be in light duty status.

A review of all other City employee contracts indicates they have the same or similar non-job related disability income protection clause, including the weekly cap proposed by the City. None of the other Plainfield contracts, however, require employees to utilize earned comp time before utilizing the disability benefit. I decline to award such language here.

When assessing the merits of the remaining changes proposed by the City, it is necessary to have data on the manner in which the existing program is working. Such evaluation would allow for an assessment of the proposed revisions and their impact on the department and its employees. In this instance, the proposed changes are accompanied by rational argument but without a record as to what the current experience is under the existing contract language in terms of administrative or financial impact. In the absence of that experience, I do not award the revisions proposed by the City to Section 11-3 except for the language with respect to alternative or light duty status. I find that it is reasonable, and would serve the interests and welfare of the public, to require employees who are receiving disability payments to return to work on an alternative or light duty status when it has been determined by the employee's physician and/or the City's physician that an employee is fit for such duty. The employee's right to this substantial benefit should be balanced by the City's right to utilize an employee upon evidence of fitness for such duty. The City's proposal to add this additional language is granted.

The City also argues that as salaries continue to increase, a fixed dollar cap is necessary in order to protect it from "an undue burden". The Agreement already provides a cap of 50% of salary. The City now proposed that the cap be "50% of salary up to a maximum of \$1,500 per week." In the absence of a cost analysis based upon prior experience with this cap, I am unable to assume that

the existing cap has caused or will cause an undue financial burden on the City. This aspect of the proposal is not awarded.

Article IX – Salaries

The Unions have proposed 5% wage increases effective on January 1 in each year of the contract. The City has proposed increases of 3.25% on January 1 in each year of the contract. The City also proposes to add two new steps to the salary range between existing steps one and two at \$5,000 increments effective January 1, 2005.

The parties were not in agreement on the current complement of officers employed by the City. In its brief, the City indicated that as of December 31, 2002 there were 120 police officers, 24 sergeants, 10 lieutenants and 6 captains. The Union indicated that there are 111 police officers, 25 sergeants, 10 lieutenants and 7 captains. Both parties acknowledge that in January 2004, 16 police officers were laid off. Since the City has stated that their staffing levels are as of December 31, 2002, prior to the layoffs, I will assume that the list provided by the Unions dated February 2004 is the more accurate list because it shows that less officers are employed. However, since the PBA did not provide the number of officers on each step of the salary guide, I will assume that all officers and superiors are at their maximums. I have calculated the 2002 base salaries to be \$6,912,747 for police officers and \$3,318,555 for superior officers for an overall total of \$10,231,302. This methodology will provide a conservative

projection of the costs of the parties' proposals and my Award. All employees employed are at maximum or will reach maximum in the future. It is recognized that salary projections cannot be precise because of retirements, resignations and hiring.

The annual cost of the salary increases proposed under the parties' proposals are depicted in the chart below:

SALARY PROPOSALS

Annual Costs

Union

Base	2003	2004	2005	2006	Total Cost
\$10,231,302	5% \$511,565	5% \$537,143	5% \$564,001	5% \$592,201	\$2,204,910

City

\$10,231,302	3.25% \$332,517	3.25% \$343,324	3.25% \$354,482	3.25% \$366,003	\$1,396,326
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The City requested that I acknowledge the rollover effect of the raises effective July 1, 2002, that were granted as part of the last contract. I do acknowledge that said effect must be considered. Whenever there are split salary increases in the contract year there are always carry over costs in the subsequent budget year. Thus, if a salary increase of 2% is granted in January and 2% in July, the cost to the municipality would only be 3% in that particular budget year although the employees' salary rates have increased by 4%. Consequently there is a 1% rollover into a subsequent year's budget. The

jurisdiction while having the 1% benefit of the savings that resulted from splitting the salary increases must budget for the additional 1% as it starts its next budget year. While I acknowledge that there is a rollover effect, under the circumstances of this case I do not accord significant weight to that fact in my assessment of the merits of future wage increases. All wage increases roll over into subsequent budget years. The significance is not whether there is a rollover but the effect of the roll over on the wage structure including the level of the salary increases that were granted during the overall agreement that has expired. In other words, the rollover could be viewed as an additional cost to the City of 1% or it could be viewed as an agreement to produce savings based on the fact that 1% was saved from the payout in the prior budget year. After looking at the salary increases in the prior four years of the expired contract, they reflect an average rate increase of 4% including the percentage that was rolled over and a 3.75% average increase in the actual payout of the percentage increases. When these figures are compared with the average rate increases and payout increases generally over that contract term that have been provided in the comparables submitted by both parties, the rollover impact in this instance cannot be found to have significant "chargeability" towards the terms of the new agreement that will be awarded.

The City has also argued that I must consider the cost impact of the step increases that will be granted during this contract period. The City performed elaborate calculations to determine the cost of the increments to both its own and

the PBAs' salary proposals for police officers not yet at the maximum steps. All contracts with salary guides contain a cost factor as a result of the movement through the steps. The net effect of the step movements on future wage increases is debatable. Employees with less seniority earn less than those at salary maximum. They do receive a step that results in cost as they move through the guide. But these costs are accompanied by the lower annual salaries they receive compared to top step. Significantly, the comparability data submitted by the City and the Unions compare salaries at top step maximums and they compare the percentage adjustments that were made to salary schedule maximums. When assessing the salary proposals made here with salaries in other jurisdictions, the major consideration that I apply is the percentage adjustments that are made to the existing salary schedules. If this were not to be the case, the salary schedules in evidence, and the one to be developed here, would vary from year to year far more significantly than what is currently reflected; those jurisdictions who have more senior officers would reap much larger adjustments at maximum than those jurisdictions who have less senior officers if the effect of charging step increases were to significantly reduce the overall percentages to be awarded. Further, it does not appear that the City and the Unions have, in the past, charged the cost of automatic step increases in their negotiation of across-the-board percentages. Accordingly, I acknowledge that the steps are a cost, but I do not consider this factor to weigh nearly as heavily as the costs associated with across-the-board increases.

The parties view Plainfield's fiscal status very differently. The Unions describe an economically sound city with rapidly expanding ratable base, healthy surplus with resources under the budget cap to fund their proposals. The Unions emphasize that the City is engaging in residential and commercial redevelopment, has had increases in overall assessed valuations and improvements in tax collections. The City, on the other hand, views itself as having difficulty in raising tax revenues due to higher than average poverty levels and below average household income levels of its citizens. It also contends that it is at the limit of its 3.5% budget cap and that it must hold the line on wage increases or it will face a crisis over funding for health benefits.

The Unions presented a chart indicating Plainfield had the third lowest per capita tax levy in Union County, citing the 2004 Municipal Data Book. Upon closer examination, the Municipal Finance information in the Data Book clearly indicates that it is from 1994. While of some historical value, it has less relevance to the contract period in this case. The Unions have also argued that Plainfield does not have a budget cap problem as it calculates the cap at 5%. While this was the state of the law at the commencement of this negotiation, the State Legislature has since revised the Municipal Budget Cap Law, setting the budget cap at the COLA Rate or 2.5% whichever is less. Upon adoption of a COLA Rate Ordinance the budget cap can be increased to 3.5%. In addition, Cap Banking is no longer automatic and can only be done through the adoption of an Ordinance. But the City does not contend that the Unions' proposal will compel it to exceed

the Cap. Rather, it emphasizes the adverse financial impact an award would have on the City and its taxpayers if it were to adopt the Unions' proposals that would triple longevity costs and increase salaries by 5% annually. Financial impact is relevant and entitled to substantial weight. I have done so here. But financial impact must also be reviewed in conjunction with other evidence the parties deem significant, including comparability and continuity and stability of employment.

Consideration must also be given to settlements among the remaining bargaining units who have negotiated with the city. The firefighters received increases of 3.25% in 2003, 3.85% in 2004 and 3.95% in 2005. Accompanying these increases was a change in the work schedule to a 24/72 hour work schedule. Fire officers received split raises of 2% in January and 2% in July in each year of four years from 2003 through 2006. The Plainfield Municipal Managers Association (PMMA) received 3.5% for 2004 and unknown adjustments based upon cost of living formulas as well as eligibility for performance based merit increases. A 2001 through 2004 agreement with IBT Local 102 provided for annual increases of 0% in 2001, 4% in 2002, 4% in 2003 and 4% in 2004 for white collar employees and the same increases for blue collar employees with the exception of 2004 where these employees received a 5% increase. In the City's view, these contracts reflect that it has "held the line" and that these settlements weigh against the awarding the 5% increases proposed by the Union. This evidence must be considered inasmuch as comparability evidence includes data

that is internal and external. These settlements do not dictate a specific result. They do not represent an identical pattern. However, what emerges is a framework of a reasonably consistent parameter that must be given weight.

Applying the statutory criteria to the arguments and supporting evidence, I can sustain neither party's salary proposal. The City's finances have been steadily improving. They can support salary increases beyond that proposed by the City. The salary comparables in police departments within the County and elsewhere are relevant and reflect increases above the City's proposal but beneath what the Unions have demanded. The Unions' comparables indicate that the average settlements in Union County are: for 2003 - 4.12%, for 2004 - 4.41%, for 2005 - 4.66% and for 2006 - 3.99%. The City's comparables yield average wage increases as follows: for 2003 - 3.58%, for 2004 - 4.44%, for 2005 - 4.0% and for 2006 - 3.75%.

Plainfield police officers' salaries rank below average for the comparables submitted by both the City and the Unions. While the Unions' proposal would improve that standing, an award of 5% annually would impose a financial burden on the City both in terms of unit costs here and by providing a framework for negotiations in other City units. The City's proposal averaging 3.25% annually would have less budget impact but would erode police officer salaries in relation to comparable jurisdictions and also within the City. It would also cause a deepening negative impact on the continuity and stability of the City's police

officers. Detective Crawford's testimony on this point is credible. Therefore, I conclude that a salary award that accommodates financial impact, comparability and continuity and stability of employment will result in the most reasonable determination of the salary and salary related issues. These factors, in combination, are consistent with the interests and welfare of the public to have a reasonable determination of the salary issues taking these factors into account. An effective and stable police department is necessary to the success of the City's redevelopment efforts. In evaluating the salary levels to be awarded, I have considered the totality of the charges awarded including the improvements I have awarded in clothing allowance and longevity.

Given all of the above concerns and applying the statutory criteria to the record of this proceeding, my award on salary is as follows:

<u>AWARD</u>		
	%	COST
2003	3.50%	\$385,095
2004	3.75%	\$397,102
2005	4.00%	\$439,460
2006	4.25%	\$485,603
Total	15.50%	\$1,707,260
Average	(3.875%)	

The award averages 3.875% over the four (4) years of the contract³. This is consistent with the Unions' projection of the average salary increase in Union County in 2006. The fiscal impact averages 0.625% more per year than the

³ If the 1% roll over from the 2002 agreement were charged to the award, the payout would average 4.125%.

City's proposal but the financial data indicates that this cost can be managed within the City's overall budget. Further, the Unions have clearly demonstrated the need to provide increases greater than those proposed by the City in order to maintain their relative rank with the County and to provide fair reward for the difficult nature of the police work they perform to further the public interest of preserving the health, welfare and safety of the citizens.

The cost of the awarded salary schedule compared with the costs of the respective salary proposals of the parties reflect the following. The base salaries will cost \$25,578 more than the City has proposed and \$152,598 less than the Unions in 2003, \$78,852 more than the City has proposed and \$293,496 less than the Unions in 2004, \$164,334 more than the City has proposed and \$414,036 less than the Unions in 2005, \$283,935 more than the City has proposed and \$524,648 less than the Unions in 2006. Additional costs include new costs of \$7,450 in each year of the agreement for increases in clothing allowance, an additional \$14,050 in longevity effective January 1, 2005 and undefined cost of an additional personal day in January 1, 2006.

The award does exceed the maximum allowable budget cap rate of 3.5%. However, the budgetary data reflects that the City has the ability to add to its budget cap the revenues from new construction, grants and its Cap Bank, all of which will allow it sufficient flexibility to provide for the award within its budget cap. I have weighed the impact of the proposals on the City's budget and

taxpayers. The City has resources available to it through its accumulated surplus, expanding tax base, the future sale of foreclosed properties to fund the award. Although the City's FY04 budget increased the salary line item for the Police Division by only \$268,870 or 2.3%, the budget also contained a line item entitled Salary Adjustments in the amount of \$606,389.

The cost of living, which ranged from 2.9 to 3.7% in 2004, along with private sector increases averaging 3.7% are below the wage increases awarded. But consideration must be given to the overall compensation and benefits provided to officers in other comparable jurisdictions as well as the continuity and stability of employment. The comparables offered by both parties reflect salary levels that evidence less reliance on cost of living data. This evidence supports an award at the higher levels.

The City has proposed adding two (2) additional steps to the salary guide in 2005. The new steps would be placed between the existing steps 1 and 2, where there is a salary spread of more than \$15,000. Adding the steps would provide some budget relief to the City as new officers are hired. New officers would take two (2) additional years to reach the maximum salary. No current officer would be affected by the change in steps. It also appears from the many contracts in evidence that additional length of service to reach maximum has been included in some new agreements. Recognizing the need to provide the City some financial relief to accompany the wage increases, I will award a

modified version of its proposal to increase the number of steps. Under the current salary guide there is more than a \$15,000 difference between steps 1 and 2. Reducing this difference in half by adding one additional salary step for new employees provides the City with some relief while not effecting current officers and without adversely impacting on the salary schedule to cause it to be less competitive. This will result in seven steps for new hires. The eight steps for superior officers shall remain unaffected.

The salary adjustments awarded would result in the following salary schedules:

Police Rank and File – Schedule A

Step	As of 7/1/02	1/1/03 3.5%	1/1/04 3.75%	1/1/05 4.0%	1/1/06 4.25%
1	\$30,000	\$31,050	\$32,214	\$33,503	\$34,927
2	\$45,832	\$47,436	\$49,215	\$51,184	\$53,359
3	\$49,944	\$51,692	\$53,630	\$55,776	\$58,146
4	\$54,055	\$55,947	\$58,045	\$60,367	\$62,932
5	\$58,168	\$60,204	\$62,642	\$64,960	\$67,721
6	\$62,277	\$64,457	\$66,874	\$69,549	\$72,505

Police Rank and File – Schedule B (Police Officers hired after 10/3/05)

Step	As of 7/1/02	1/1/03 3.5%	1/1/04 3.75%	1/1/05 4.0%	1/1/06 4.25%
1				\$33,503	\$34,927
2	\$30,000	--	--	\$39,510	\$41,189
3	\$45,832	--	--	\$45,515	\$47,451
4	\$49,944	--	--	\$51,524	\$53,713
5	\$54,055	--	--	\$57,531	\$59,976
6	\$58,168	--	--	\$63,538	\$66,238
7	\$62,277	--	--	\$69,549	\$72,505

Police Superior Officers

Sergeant

Step	As of 7/1/02	1/1/03 3.5%	1/1/04 3.75%	1/1/05 4.0%	1/1/06 4.25%
1	\$53,578	\$55,453	\$57,533	\$59,834	\$62,377
2	\$55,721	\$57,671	\$59,834	\$62,227	\$64,872
3	\$55,721	\$57,671	\$59,834	\$62,227	\$64,872
4	\$58,511	\$60,559	\$62,830	\$65,343	\$68,120
5	\$61,300	\$63,445	\$65,825	\$68,458	\$71,367
6	\$64,089	\$66,332	\$68,820	\$71,572	\$74,614
7	\$69,670	\$72,108	\$74,813	\$77,805	\$81,112
8	\$72,458	\$74,994	\$77,806	\$80,919	\$84,358

Lieutenant

Step	As of 7/1/02	1/1/03 3.5%	1/1/04 3.75%	1/1/05 4.0%	1/1/06 4.25%
1	\$61,717	\$63,877	\$66,272	\$68,923	\$71,853
2	\$64,186	\$66,433	\$68,924	\$71,681	\$74,727
3	\$64,186	\$66,433	\$68,924	\$71,681	\$74,727
4	\$67,385	\$69,743	\$72,359	\$75,253	\$78,451
5	\$70,584	\$73,054	\$75,794	\$78,826	\$82,176
6	\$73,784	\$76,366	\$79,230	\$82,399	\$85,901
7	\$80,183	\$82,989	\$86,102	\$89,546	\$93,351
8	\$83,381	\$86,299	\$89,536	\$93,117	\$97,074

Captain

Step	As of 7/1/02	1/1/03 3.5%	1/1/04 3.75%	1/1/05 4.0%	1/1/06 4.25%
1	\$71,172	\$73,663	\$76,425	\$79,482	\$82,860
2	\$74,020	\$76,611	\$79,484	\$82,663	\$86,176
3	\$74,020	\$76,611	\$79,484	\$82,663	\$86,176
4	\$77,714	\$80,434	\$83,450	\$86,788	\$90,477
5	\$81,409	\$84,258	\$87,418	\$90,915	\$94,779
6	\$85,103	\$88,082	\$91,385	\$95,040	\$99,079
7	\$92,491	\$95,728	\$99,318	\$103,291	\$107,681
8	\$96,185	\$99,551	\$103,285	\$107,416	\$111,981

Accordingly, I respectfully enter the terms of this interest arbitration award.

AWARD

1. All proposals by the City 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. **Duration**

The effective date of this agreement shall be January 1, 2003 through December 31, 2006.

3. **Article VII – Hours of Employment**

In the event a police officer's schedule is changed with less than one work tour's notice, that police officer shall receive a payment equivalent to one hour pay at time and one-half (1 ½). This shall be effective January 1, 2006.

4. **Article V – PBA Rights and Privileges**

Add the following sentence to section 5-3:

"All said postings shall be on PEA letterhead and signed by the PBA President or PBA State Delegate."

5. **Article XII – Vacations, Personal Days, and Holidays**

Personal Days

Personal Days shall be increased from two (2) to three (3), effective January 1, 2006.

Vacations

Officers shall be entitled to select vacation preferences each November 1 for vacations to be taken the following calendar year.

6. **Article XIV – Miscellaneous**

Section 14-6 and 14-7. Increase clothing allowance by \$50.00 for each year, retroactive to January 1, 2003. The clothing allowance shall be \$550 in 2003, \$600 in 2004, \$650 in 2005 and \$700 in 2006.

7. **Article XIII – Longevity**

The longevity schedule shall be modified, effective January 1, 2005, as follows:

<u>Number of Years Service</u>	
10 years of service	\$500
15 years of service	\$1,250
20 years of service	\$1,600
24 years of service	\$2,000

8. **Article 11 – Insurance Protection**

Section 11-3: Employees who are receiving disability payments shall return to work on an alternative or light duty status when it has been determined by the employee's physician and/or the City's physician that an employee is fit for such duty

Section 11-5: Effective as soon as is administratively feasible, the co-pays for prescription drugs shall increase to \$5.00 for generic and \$10.00 for non-generic. Mail order drug co-pays shall be adjusted in proportion to these increases.

9. **Article IX – Salaries**

Each step of the salary schedule shall be adjusted by the following percentages retroactive to their effective date:

- January 1, 2003 – 3.50%
- January 1, 2004 – 3.75%
- January 1, 2005 – 4.00%
- January 1, 2006 – 4.25%

Effective upon the date of this award, salary Schedule B shall be implemented for new hires.

The salary schedules shall be as follows:

Police Rank and File – Schedule A

Step	As of 7/1/02	1/1/03 3.5%	1/1/04 3.75%	1/1/05 4.0%	1/1/06 4.25%
1	\$30,000	\$31,050	\$32,214	\$33,503	\$34,927
2	\$45,832	\$47,436	\$49,215	\$51,184	\$53,359
3	\$49,944	\$51,692	\$53,630	\$55,776	\$58,146
4	\$54,055	\$55,947	\$58,045	\$60,367	\$62,932
5	\$58,168	\$60,204	\$62,642	\$64,960	\$67,721
6	\$62,277	\$64,457	\$66,874	\$69,549	\$72,505

Police Rank and File – Schedule B (Police Officers hired after 10/3/05)

Step	As of 7/1/02	1/1/03 3.5%	1/1/04 3.75%	1/1/05 4.0%	1/1/06 4.25%
1				\$33,503	\$34,927
2	\$30,000	--	--	\$39,510	\$41,189
3	\$45,832	--	--	\$45,515	\$47,451
4	\$49,944	--	--	\$51,524	\$53,713
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Police Superior Officers

Sergeant

Step	As of 7/1/02	1/1/03 3.5%	1/1/04 3.75%	1/1/05 4.0%	1/1/06 4.25%
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2	\$55,721	\$57,671	\$59,834	\$62,227	\$64,872
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7	\$69,670	\$72,108	\$74,813	\$77,805	\$81,112
8	\$72,458	\$74,994	\$77,806	\$80,919	\$84,358

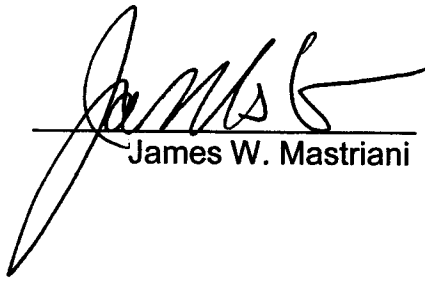
Lieutenant

Step	As of 7/1/02	1/1/03 3.5%	1/1/04 3.75%	1/1/05 4.0%	1/1/06 4.25%
1	\$61,717	\$63,877	\$66,272	\$68,923	\$71,853
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2	\$74,020	\$76,611	\$79,484	\$82,663	\$86,176
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4	\$77,714	\$80,434	\$83,450	\$86,788	\$90,477
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7	\$92,491	\$95,728	\$99,318	\$103,291	\$107,681
8	\$96,185	\$99,551	\$103,285	\$107,416	\$111,981


Dated: October 3, 2005
Sea Girt, New Jersey



James W. Mastriani

State of New Jersey }
County of Monmouth }ss:

On this 3rd day of October, 2005, 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