

In the Matter of Interest Arbitration Between:

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**TOWNSHIP OF UNION**

"Employer,"

- and -

**FMBA LOCAL 46 AND  
LOCAL 246 (FIRE OFFICERS)**

"Unions."

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**OPINION  
AND  
AWARD**

Docket Nos. IA-2005-025 and IA-2005-026

**Before  
James W. Mastriani  
Arbitrator**

Appearances:

**For the Employer:**

Robert T. Clarke, Esq.  
Robert J. Merryman, Esq., On the Brief  
Apruzzese, McDermott, Mastro  
& Murphy

**For the Unions:**

David I. Fox, Esq.  
Fox & Fox, LLP

The Township of Union [the "Township"] and the Union Township FMBA Local 46 are parties to a collective negotiations agreement covering rank and file firefighters. The Township of Union [the "Township"] and the Union Township FMBA Local 246 (Superior Officers) are parties to a collective negotiations agreement covering all fire officers excluding the Fire Chief. These Agreements extended through December 31, 2003. Reference to the FMBA in this decision shall include both units unless otherwise stated. Because there are issues of similarity, this decision and award will encompass both bargaining units.

An impasse developed between the Township and the FMBA resulting in the submission of the disputes to interest arbitration 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. Due to the extremely complex issues presented in the negotiations, several pre-interest arbitration mediation sessions were held. These efforts did not produce a voluntary agreement leading to the convening of formal hearings which were held on June 6 and July 13, 2006. Documentary evidence, testimony and certifications were offered by all parties. Additional arguments and evidence continued to be exchanged. Post-hearing briefs and reply briefs were filed by each party. After close of hearing a request to re-open the record was made by the FMBA in May 2007. The request was denied.

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

**FINAL OFFER OF THE TOWNSHIP OF UNION**

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A. **Term of Contract** - The Township proposes a three (3) year contract from January 1, 2004 through December 31, 2006.

B. **Article XIV Insurance.** Sections A and K shall be deleted from the Collective Bargaining Agreement and replaced with the following language:

*The Township shall provide group health insurance coverage for all eligible active and retired members (after 25 of years of service) and the eligible dependents, as defined in the policies of insurance, at the same level as is provided to non-bargaining unit employees in general.*

C. **Senior Status Differential**

The Senior Status Differential shall be eliminated for all employees who are not currently receiving it. The Salary schedule in the Collective Bargaining Agreement shall be revised to eliminate the 15 years step. The Senior Status Differential shall not be compounded by the across the Board salary increase for those employees receiving a Senior Status Differential.

D. **Article XXXI. Uniforms**

Section D shall be deleted from the Collective Bargaining Agreement.

E. **Section XXVIII. Salaries**

The salary schedules shall be revised by deleting the "+ 15 years" step. Salaries shall be increased as follows:

Retroactive to January 1, 2004 a wage increase of 2.75%

Retroactive to January 1, 2005 a wage increase of 2.85%

Retroactive to January 1, 2006 a wage increase of 3.00%

## FINAL OFFER OF THE FMBA

1. **Duration or Terms Contract** – The FMBA proposes an Agreement to be effective January 1, 2004 through December 31, 2009.
2. **Salary Increases** – The FMBA proposes the following increases for the Agreement:
  - 4 ½% effective January 1, 2004;
  - 4 ½% effective January 1, 2005;
  - 4 ½% effective January 1, 2006;
  - 5% effective January 1, 2007;
  - 5 ½% effective January 1, 2008; and
  - 5 ½% effective January 1, 2009

The FMBA is seeking the above salary increases to be applied to all steps in the Firefighter and Fire Officer salary guide as set forth in the Salary Schedule of the Agreement.
3. **Senior Shift Differential** – The FMBA seeks to continue the Senior Shift Differential pay to be paid each year with the additions each year for completion of the fifteenth (15<sup>th</sup>) year of service, as was the practice since 1996.
4. **Health Benefit by Insurance Carriers** – The FMBA proposes that the Township should not be allowed to change health insurance carriers without the consent of the FMBA.
5. **Arbitration Costs** – The FMBA proposes that any arbitration and Court proceeding, the loser of the arbitration pay the attorney's fees of the winner.
6. **Emergency Medical Technician Pay and First Responder Pay** – The FMBA proposes that a 6% base payment be paid retroactive to January 1, 2004 for those who have EMT certifications, and a 3% base payment for those members of the FMBA who have appropriate First Responder training.
7. **Elimination of the Two-Tier Longevity System** – The FMBA is seeking to eliminate the two-tier longevity system so that the cap of 6% for those hired by the Township after March 1, 2000 is removed and the longevity program for employees hired on or before March 1, 2000 be applied to all members of the FMBA regardless of the date of hire.
8. **Clothing Allowance Increase** – The FMBA proposes that the clothing allowance should be increased from \$200 annually to \$700 annually.

9. **Payment of Uniforms** – The FMBA proposes that the current practice of the Township, which requires employees to pay for uniforms, even though State law mandates the municipality to pay for such equipment and uniforms, be eliminated.
10. **Elimination of Salary Steps for the Rank of Lieutenant** – The FMBA proposes that the salary steps for the rank of Lieutenant should be eliminated so that the highest Lieutenant pay is the only salary step for Lieutenants.
11. **Conversion of Administrative Personal Days** – The three (3) so-called administrative personal days, which are set forth in the FMBA Exhibits, should be converted as previously requested by the Township so that one (1) personal day is added to vacation time and two (2) personal days are received as pay. This should be converted to three (3) days instead of two (2) days and incorporated into base pay. This should be effective January 1, 2006.
12. **Dental Coverage** – The FMBA proposes that dental coverage should be increased from \$1,000 to \$2,000. The FMBA also proposes to increase the orthodontic coverage so that there is a per person coverage of \$3,000 instead of the current \$1,000 lifetime maximum.

### **BACKGROUND**

Union Township is an urban/suburban community located in Union County. Its population has increased from 50,024 in 1990 to its current population of approximately 55,039. Union Township is home to a diverse population. Approximately 24% of its population is foreign born. Approximately 12.3% receive Social Security benefits. The current population is approximately 55,039. The median family income was \$68,707 in the 2000 census.

The Township's General Tax Rate has increased by approximately 48.9% over the past eight years. The Township has taxed at the third highest rate in the

County. The average Residential Tax bill has increased by 54.5% over the past ten years. The average property owner in Union Township paid \$5,905 in 2005. From 2002 to 2005 the total tax rate increased from 10.770 to 12.942 with the municipal portion increasing from 3.792 to 4.513. However, the Township has a relatively stable tax collection rate of near 98% from 2001 through 2005. The tax collection rate was 98.05% in 2004 and 97.73% in 2005. The equalized tax rate also was relatively stable at 2.383 in 2004 and 2.227 in 2005.

However, the Township has a relatively stable tax collection rate of near 98% from 2001 through 2005. The tax collection rate was 98.05% in 2004 and 97.73% in 2005. The equalized tax rate also was stable at 2.383 in 2004 and 2.227 in 2005. The average property owner in Union Township paid \$5,905 as total tax levy in 2005.

The Township has maintained its ability to regenerate surplus with the results of operations at \$3,048,420 in 2004 and \$7,112,410 in 2005. The Township also showed \$1,194,411 in excess budget revenues in 2004 but this figure declined to \$142,018 in 2005. Additional miscellaneous unanticipated revenue in the Township's budget audit in 2004 totaled \$629,065 and \$861,134 in 2005.

FMBA, Local 46 is the exclusive bargaining representative for all rank and file Firefighters. FMBA, Local 246 is the exclusive bargaining representative for

all Fire Officers below the rank of Deputy Chief. The Union Township Fire Department includes 74 Firefighters and 30 Fire Officers.

The parties offer extensive evidence and argument in support of their respective positions. Due to the many issues and complexity of many of them I will generally summarize each party's main points of contention.

## **POSITIONS OF THE PARTIES**

### **THE FMBA**

The FMBA asserts that its final offer is justified because it is below parity with other municipalities throughout the State in all important aspects including the payment of stipends for the performance of EMS services as well as longevity, clothing allowance and other fringe benefits and wages. The FMBA asserts further that the Township's final offer is extreme and well below average salary increases whether as the result of voluntary settlement or by interest arbitration award. The FMBA highlights the report of its financial expert Raphael J. Caprio, Ph.D. Based upon Dr. Caprio's analysis, the FMBA argues that the Township easily can afford to fund all of its proposals. The FMBA emphasizes Dr. Caprio's calculation that the difference between its final offer and that of the Township over a hypothetical four year period is approximately \$1.35 million, a sum that the Township is clearly able to provide from existing resources. The FMBA points out Dr. Caprio's illustration that, for FY 2004 and 2005, the back pay differential is approximately \$630,000 or only 20% of the unencumbered fund balance.

The FMBA also seeks to emphasize its proposal for a 6% stipend for EMT certification as well as a 3% differential added to base pay for completing First Responder training. The FMBA maintains that an EMT certification stipend of 6% as well as a 3% differential added to base pay for completing First Responder training is the norm throughout the state especially when the FMBA's workload regarding EMS services is considered. The FMBA acknowledges that the current agreement does provide for a \$60 per day stipend for each day that the Firefighter is required to "drive" as an EMT. However, the FMBA emphasizes that there is no additional compensation for Firefighters who are part of the EMS crew or for those who are First Responders. The FMBA also points out that most Firefighters maintain their EMT certification but do not receive compensation for that certification.

Turning to the statutory criteria, the FMBA emphasizes Dr. Caprio's report, specifically his finding that "there is nothing evident in the record that would prevent Union Township from providing a reasonable economic offer to the FMBA..." Addressing both the interests and welfare of the public and the financial impact of its proposal on the governing body, its residents and taxpayers, the FMBA emphasizes Dr. Caprio's finding that the Township is ranked within the median fifth of municipalities for both average property value and average property tax. The FMBA also points to Dr. Caprio's finding that Township taxpayers experience fairly typical allocation of their tax levy between



schools, the County and municipal purposes. The FMBA cites Dr. Caprio's statements regarding the tax impact of its final offer on homeowners:

Although I believe the municipality can fund a wage settlement consistent with the Union's request without a property tax increase, an additional analysis was performed to determine the typical impact on property owners in the Township for each \$120,000 separation between the parties (this is based upon the approximate first-year differential of \$2.75 v. 4.5% in the offer by the Township and Union respectively, as based upon the payroll base ending 2003). One percent (one point) of the payroll is approximately \$69,000.....

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Residential property in Union represents approximately 69 percent of total ratables. Accordingly, home owners would be responsible for financing only \$69,034 of each \$100,000 necessary in additional tax levies. With more than 16,000 residential line items, the average cost per homeowner for each \$120,000 necessary to bridge the Municipal-Union Gap (2.75-4.50 percent) in year 2004 is \$5.148 per year, on an average property tax bill of \$5,905. The total necessary to fund the difference between the Union offer and the municipal offer is, over a hypothetical four year period, approximately \$1.35 million, an amount that the Township is currently able to provide from existing resources. The differential retroactive component for FY 2004 and 2005 is estimated at only \$630,000, or only 20% of the encumbered fund balance!

Based upon Dr. Caprio's findings, the FMBA asserts that its final offer would not have a detrimental impact upon the governing unit, its residents and its taxpayers.

Addressing the comparability criterion, the FMBA maintains that many New Jersey firefighters receive greater fringe benefits, including, but not limited to, longevity payments, EMS/First Responder payment, clothing

allowance/maintenance, and salary steps for Superior Officers. The FMBA asserts that the Township is most comparable to the City of Newark which, like the Township, is a very densely populated urban area with numerous businesses and a population that swells during the business day. The FMBA points out that in Newark, firefighters receive a \$4,000 HAZMAT stipend. The FMBA also cites the two-tier system of longevity increments as the cause of a substantial difference in compensation for those who were hired after March 1, 2000. For those employees, longevity payments are capped at 6% instead of the 12% received by those hired prior to that date. The FMBA also highlights the clothing allowance of \$200 received by Township Firefighters and Fire Officers as compared with other municipalities both within Union County or outside of the County where substantially larger clothing allowances are provided. The FMBA also cites the EMT/First Responder compensation as an area where Township firefighters lag. According to the FMBA, the Township's firefighters responded to a greater number of EMS calls in a given year within Union County if not throughout the state. Yet, the Township provides FMBA members with only a minimal EMS payment and only for those firefighters that operate the ambulance. The FMBA emphasizes that all other firefighters acting in the capacity of the EMT or EMS are not provided with any compensation for performing these duties. Addressing the issue of comparability with respect to salary increases, the FMBA emphasizes that the increases proposed by the Township are artificially low and substantially below those provided in comparable municipalities.

Noting that the parties have not entered into any substantive stipulations, the FMBA moves directly to the lawful authority of the employer. Again relying upon Dr. Caprio's report, the FMBA maintains that his findings support its argument that the CAP restriction is not a deterrent to awarding its salary and benefit proposal. ~~The FMBA cites Dr. Caprio's findings regarding CAP~~ Calculations as follows:

Prudent budget management and development would anticipate wage and salary modifications, as with the municipal 2006 budget. Some of this is in the form of direct increases and allocations, other in the unspecified savings from "breakage" due to retirement, resignations and other reasons. Finally, management flexibility also comes in the form of cancellations of current and prior year commitment in the case of CAP adjustment, cancellations of current appropriations are relevant as they provide flexibility within the existing expenditure limits. Union Township has a clear pattern of providing itself with this flexibility.... The pattern of current and prior year cancellations have averaged about \$950,000.00 while the 2005 fiscal year yielded \$600,000.00 in cancellations of current year appropriations. I can reasonably conclude that the Township is able to manage CAP limitations through cancellations and current appropriations.

According to the FMBA, Dr. Caprio found that, on average, from 2002 through 2006, the Township recovered almost \$1 million per year from the cancellation of current and prior year appropriations. The FMBA also highlights Dr. Caprio's September 13, 2006 financial report that explains CAP calculations as follows:

What are reasonable cost adjustments on an annual basis? This is a complex problem that the Arbitrator must now determine. The FMBA's position and analysis are well-founded and properly analyzed in comparison to the Township's response, which in a phrase, boils down to "any increase is a bad thing". According to the NJ Department of Community Affairs:

Pursuant to N.J.S.A. 40A:4-45.1a, the Director of the Division of Local Government Services must promulgate the Cost of Living Adjustment (COLA, formerly called index rate) applicable to municipal and county budget caps.

The COLA is based on the Implicit Price Deflator for State and Local Governments, calculated by the U.S. Department of Commerce, Bureau of Economic Analysis. The COLA for CY 2006 is four and a half percent (4.5%). N.J.S.A. 40A:4-45.2, however, limits increases in financial appropriations to a maximum of 3.5%...

In effect, the State of New Jersey recognizes that costs for providing local government services should be adjusted by 4.6 percent just for the 2006 calendar year, but prior statutory action by the legislature limits this to 3.5 percent. The Township faces the following challenge... make priority decisions or ask FMBA employees to subsidize homeowners and work for less than market rates. The FMBA's position is that the Township has chosen to pursue the latter course of action.

Against these expenditure requirements, the Township has realized an increase in wealth of more than \$2.5 billion and carrying capacity....

Thus, restating what has been factually determined: (a) the Township's effective tax rates have declined significantly; (b) the Township's tax burden is lower than the State average; and (c) the Township has the 231st lowest tax bill of 566 municipalities. Arguing a competitive contract would be "devastating" to the Township is neither supported by fact presented by the Township nor consistent with clear thinking in the face of analysis presented. The Township poses its own financial "stress" or need to "ease financial stress" without providing the Arbitrator with any evidence that financial stress exists. Evidence of increased foreclosures, declining market prices, significant shifts in delinquent taxes or a significant increase in tax sales, all indices of stress that would support the Township position are lacking, nor are any such data presented in support of their position. Instead, the Township only suggests that providing FMBA members with a competitive contract will cost more money....

The FMBA points out that notwithstanding the 2.5% increase in the cost of living adjustment rate and the 3.5% allowable increase in the Cap, many Interest

Arbitration awards and settlements have been well beyond these rates. The FMBA maintains further that cost of living levels have never been dispositive of collective negotiations and/or interest arbitration proceedings involving police and fire employees.

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Addressing the cost of living criteria, the FMBA asserts that the CPI rose dramatically in the first three months of 2005 when it rose at an annual rate of 4.3%, well above the 3.3% increase for all of 2004. The FMBA also points out that consumer prices in the New York/New Jersey region rose .08% in March of 2006 while the CPI rose 2.7% for the year ending in March of 2006. The FMBA acknowledges that when food and energy are subtracted, the core inflation rate was 1.7%. However, the FMBA points to increases in the cost of clothing, housing, rent, household furnishing and recreation. The FMBA emphasizes that the Township's proposal to eliminate future application of the \$900 senior status differential, even if adopted in a modified format, would represent a substantial reduction in pay which must be considered in connection with any analysis of the cost of living. The FMBA calculates that if the Township's proposal to change the status of the senior status differential is adopted, the costs to employees affected by the elimination of the senior status differential would be (over a career) \$238,500 per employee (check Exhibit 151 this number seems wildly inflated) or \$19,557,000 when calculated for 82 employees. For these reasons the FMBA maintains that the Township's proposal to eliminate this benefit should not be adopted.

When considering the continuity and stability of employment, the FMBA asserts that consideration must also be given to workload. The FMBA points to the enormous risks and dangers associated with firefighting, particularly in Union Township. The FMBA notes that the Township has experienced substantial growth in the 1990s, as well as a substantial increase in population during that same period. Addressing the Township's attempt to minimize the dangers faced by firefighters, the FMBA points out that the Township's firefighters have experienced a substantial increase in workload. In support, the FMBA points to an 8% percent increase in population over the past decade as well as additional variables such as deadly and toxic substances that firefighters work with that have been causally linked to cancer and other diseases. Further, the FMBA points to the higher number of calls responded to by firefighters, including EMS related and fire related calls. The FMBA cites the number of mutual aid calls firefighters responded to 2003, 2004, and 2005. The FMBA points out that firefighters responded to more than double the number of mutual aid calls than did Summit's firefighters which responded to the second highest number of mutual aid calls in the County. The FMBA also points out that Township firefighters responded to 1, 892 EMS incidents in 2003, is the second highest EMS responses in the county. The FMBA notes that only Linden responded to more EMS calls in 2003. In 2004, the Township's firefighters responded to the highest number of EMS calls in the county, responding to approximately 68 more incidents than did Linden. The FMBA emphasizes that Linden firefighters receive

a significantly better benefit for EMS compensation than that what is provided to the Township's firefighters. The FMBA also points out that the number of EMS incidents responded to by the townships Firefighters increased by 735 incidents from 2003 to 2004. The FMBA responded to 4,460 EMS incidents in 2003, 5,456 incidents in 2004 and 5,388 incidents in 2005. The FMBA also points out that the Township's firefighters respond to substantial numbers of hazardous condition incidents. In 2003, the Township's Fire Department responded to the second greatest number of hazardous incidents and, in 2004 and 2005, the Township's firefighters responded to the most hazardous condition incidents in the County.

The FMBA notes that in 2004 the Township began receiving revenue for EMS services provided by its Firefighters. The FMBA emphasizes that the Township receives approximately \$500,000 annually from EMS services. In contrast, the FMBA points out that firefighters only receive \$60 per day only when they are operating the ambulance. The FMBA emphasizes that any firefighters who aided the driver do not receive additional compensation for performing these functions.

Addressing fire incidents, the FMBA points out that the Township's Firefighters have consistently responded to the second highest number of fire incidents in the County and that number has been rising consistently.

## THE TOWNSHIP

The Township proposes to provide salary adjustments for its firefighters that it deems reasonable and that are consistent with salary adjustments proposed for other Township employees while also controlling escalating costs associated with the firefighter's benefits package. The Township contends that the costs associated with increments, longevity, senior status and health benefits exceed the Township's Cap limitation and will force reduction or elimination of other items in the budget in order to maintain the wage and benefit package.

Addressing the statutory criteria, the Township begins by arguing that the interests and welfare of the public would not be served if the FMBA received salary increases and benefits far in excess of those received by other Township employees and by employees generally in the public and private sectors. The Township emphasizes the need to treat its firefighters comparably with other Township employees. Additionally, the Township maintains that its approach is more rational than the FMBA's, especially when viewed in terms of the significant pressure on the Township to hold down costs. Given the economic difficulties faced by the Township, as well as State, and the Township's residents, including unemployment, weak tax revenues, as well as serious budget deficits at the State level, the Township emphasizes that it continues to fund a generous health insurance plan for firefighters and their families, in addition to ever increasing pension costs.



Acknowledging that firefighters assume a certain level of risk at their job, the Township maintains that the risk of injury and or death has decreased over time. The Township cites statistics from the National Fire Protection Association showing that over the past 28 years, firefighter fatalities in the United States have decreased by 32.5% and over that same period, injuries have decreased between 30% and 41%. The Township also cites the Census of Fatal Occupational Injuries. This shows that in New Jersey, the highest fatality rates are found in the transportation and construction industries rather than in public safety. Additionally, the Township points out that the already generous compensation packages received by its firefighters recognize the risk inherent in the position.

Looking to a comparison of the economic terms and conditions of employment, the Township maintains that its firefighters are well compensated compared to the general public. The Township cites a Firefighter's salary after six years of service of over \$67,000 in 2003, compared with per capita income in the Township in 1999 of \$24,768 and the median household income of \$59,173. The Township also cites nationwide wage increases of approximately 3.1% per year with average annual wage increases from 1994 through 2003 for its firefighters of 3.55% not including the cost of increments and longevity. The Township also points out that its wage comparison does not include the benefits program that it provides to firefighters, including health insurance, dental benefits, vision plan, and pension. The Township maintains that its benefits

package, particularly its health benefits program, has a higher cost and provides better health insurance than that provided to the average private-sector employee. The Township also compares the extra compensation received by its firefighters, including longevity pay, holiday pay and overtime opportunities that are not received by most private-sector employees. The Township calculates that these benefits result in a compensation package of over \$95,000 for a firefighter with 10 years of experience and over \$100,000 for a firefighter with 15 years experience.

The Township also compares its firefighters to private-sector employees who they assert generally make significant contributions towards their health insurance coverage. According to the Township, the average employee contribution towards a family parent plan in the private sector in 2005 was over \$260 per month or over \$3,000 per year. This is compared to the firefighters who do not contribute towards their health insurance. The Township cites a recent agreement between the Schering Corp. and District 15, Lodge 315, IAM that contains increases of 3% per year in each year of three-year agreement, greater flexibility with respect to shift changes, and the implementation of a strict attendance control policy. The Township also compares the Schering agreement, which provides 10 sick days a year to its employees with its firefighters who receive between 15 and 20 sick days per year.

Addressing comparison with public employment generally, the Township points out that in 2005, the median annual wage for firefighters nationally was \$39,090, while in New Jersey, the mean annual salary for firefighters in 2003 was \$56,980. The salary for a Township firefighter after 10 years was \$72,931, or nearly double the national median annual wage and approximately \$16,000 more than the median salary for firefighters in New Jersey. The Township also points out that teachers in Union Township earn significantly less than firefighters, despite having earned a college degree and teaching certification. According to the Township, a teacher with a Bachelors degree earned \$44,280 after 10 years of service in 2003 while a firefighter with the same number of years of service without being required to have a college degree earned \$75,848.

The Township further asserts that its firefighters earn substantially more than other Township employees. The Township points out that 16 of the top 30 Township employees ranked by earnings in 2003 are firefighters. According to the Township, because their salaries are so much higher, firefighters not only earn more money than most other Township employees, but they have a superior pension system when they retire. When this component of the "comparability" factor is considered, the Township's final offer is claimed to be more reasonable than the FMBA's.

Addressing comparisons between its firefighters with those in other Union County municipalities, the Township asserts that its firefighters enjoy a superior

compensation and benefits package. The Township points out that the maximum salary for its firefighters in 2003 was \$73,070 or over \$4,000 higher than in every other municipality within the County that has a paid Fire Department. Additionally, the Township asserts that the longevity provided to its firefighters ~~with a maximum of 12% is higher than in every other municipality with the~~ exception of Hillside. The Township points out that many other Union County municipalities have eliminated longevity for firefighters hired after a specific date. In comparison, the Township has simply capped longevity at a lower percentage for firefighters hired after 2000. According to the Township, the total salary received by a firefighter with 10 years of experience, not including the senior officer differential, was the second-highest in the County in 2003. When longevity was included, the maximum salary for a 10-year firefighter was highest in the county in 2003 by over \$6,000. According to the Township, a review of maximum salary, including longevity, payments and clothing allowances, shows that its firefighters received the highest compensation in the County in 2003 with a total compensation package of almost \$5,000 higher than the next highest municipality.

Relying upon contracts in evidence, the Township maintains that other benefits received by its firefighters are also equal to or better than those received by firefighters in other municipalities in the County. These include medical, dental and vision benefits as well as retiree health benefits that are more generous than those offered in most every other County municipality. The

Township contends that the vacation leave provided to its firefighters is more generous than that provided in any other municipality and that the holiday allowance is on par with that provided by other municipalities in the County. The Township maintains that it provides a more generous personal leave provision ~~than other municipalities and bereavement leave on par with the other municipalities.~~ The Township maintains that the education provisions compare favorably with almost every other municipality in the County and that the recall provision for its firefighters is by far the most generous among municipalities in the Union County. According to the Township, most municipalities in the County provide three hours or less for minimum recall while the Township provides a full six hours of minimum recall time.

Addressing the issue of additional compensation for EMT duties, the Township asserts that there is little disparity between it and other municipalities. According to the Township, Plainfield and Summit provide no additional compensation for EMT duties, while Township firefighters receive \$60 per day for each day they are assigned to operate an EMS ambulance. According to the Township, and depending upon the number of days in such an assignment, the extra compensation received could be well in excess of the stipends received by firefighters in other municipalities.

Noting that the FMBA would compare the Township to other towns such as Summit, Westfield, and Springfield, the Township maintains that these

municipalities are much wealthier than Union Township. According to the Township, the average home price in Summit in 2004 was over \$840,000 or almost three times the average home price of \$285,515 in Union. Likewise, the Township maintains that average home prices in Westfield and Springfield of ~~\$577,582 and \$339,146~~ respectively in 2004, were both far above the cost of the average home in the Township. The Township also maintains that these municipalities have real property valuation that is well above Union Township's and that it cannot afford to pay the same or better salaries than what exists in Summit and Springfield. The Township emphasizes that the FMBA is seeking increases that would surpass the increases received in these communities.

Addressing comparisons with firefighters in municipalities with a population over 25,000, the Township maintains that its firefighters earn the highest total salary even among other large municipalities throughout the State. Additionally, the Township asserts that its firefighters are well-paid compared to other large towns when workload and risk of injury is considered and compared. According to the Township, the 2003 base salary of a 10 year firefighter in Union was over \$5,000 higher than that received by a 10 year firefighter in Newark despite the fact that a Newark firefighter has a greater workload and greater risk of injury. According to the Township this fact is also true for firefighters in Jersey City, Elizabeth and Trenton, all of whom make him earn considerably less than the Township's firefighters.

Addressing the criterion of overall compensation, the Township maintains that when overall compensation including direct wages, salary, vacations, holiday, excused leaves, insurance, pensions, medical hospitalization benefits and all other economic benefits are considered, its firefighters earn a maximum of \$73,070 in 2003, longevity of up to 12% of that salary, annual vacation leave of up to 31 days, 13 paid holidays, a minimum of 15 and a maximum of 20 sick days per year, an extremely generous retirement benefits package with many economic components, up to four days of paid bereavement leave per year, three personal and administrative leave days per year, replacement and maintenance allowances totaling up to \$400, tuition reimbursement up to the full cost of tuition for related coursework, and extra compensation paid on an annual basis for a Associates Degree of \$500 per year and a Bachelors Degree \$1,000 per year; full paid medical and prescription benefits, a dental plan including orthodontic coverage, a vision plan and a work schedule that includes a maximum number of workdays of 96 per year. Additionally, the Township points out that it contributes towards a pension plan that will allow a firefighter to earn two thirds of his or her salary after 25 years of service. The Township notes that there has been virtually no turnover in the Fire Department.

Turning to the lawful authority of the employer, the Township emphasizes that the question of whether it can afford the FMBA's offer is not dispositive. Instead it urges focus be placed on the impact of the FMBA's proposal on the

municipality, on other employees and on the budget as a whole. The Township maintains that this impact is obvious in that the FMBA's final offer will cost over \$25,500,000 for base salary, stipends, extra compensation and longevity between 2004 through 2006. The Township characterizes the FMBA's proposals as excessive and having a "substantial negative impact" on its financial condition in the long and short run. The Township details the potential impact indicating that other Township employees would have to receive less to compensate for additional increases in benefits provided to firefighters and that the Township would be required to draw upon its surplus to continue to provide a safe level of firefighter services. The Township emphasizes that it has one of the highest tax rates in Union County for the past five years and the increased costs associated with the FMBA's final offer could result in additional tax increases.

Addressing the information provided by the FMBA's financial expert, the Township points to recent census data showing that 12.3% of its residents receive Social Security benefits and 4.1% of its residents live at the poverty level. Additionally the Township points out that 26.5% of its residents graduated from a four-year college and over 24% of its residents are foreign-born. The Township indicates that its residents are by no means affluent and that requiring these citizens to bear a significant tax increase to satisfy the demands of the FMBA's proposal is unreasonable.



The Township also raises budgetary concerns. It points out that even without the FMBA's final offer, its budget rose 7.1% in 2004 and 5.4% in 2005. This created significant increases in homeowners average tax bills. During this period, Tuscan Dairy, one of its largest taxpayers, announced that it would close ~~its plant in the Township. The Township is concerned about this closing given~~ that the growth of ratables over the past four years has been flat and that there has been little to no new housing in the Township during the same period. The Township points out that in 2003 and 2004 only 86 new housing permits were issued in a town of approximately 55,000 residents. Under these circumstances, the Township maintains that it is in no position to absorb the additional costs sought by the FMBA without resulting in negative consequences for its taxpayers. The Township notes that it is legally obligated to operate within the confines of its budget and it should not be required to reduce line items in order to accommodate the wage and benefit demands of the FMBA that it terms excessive.

Addressing the cost-of-living criterion, the Township maintains that Firefighter salary increases have consistently outstripped increases the cost-of-living over the last several years. The Township notes that between 1994 and 2003 the CPI increased by a cumulative total of 24.6%. Over the same period, Township firefighters salaries have increased a total of 35.5% without considering the cost of longevity or step increments. Although the past disparity between salary increases and CPI cannot be changed, the Township argues that

granting the FMBA's final offer would perpetuate and deepen this disparity. For these reasons the Township argues that the FMBA's proposal, which is over 2% above the current CPI, is not supported by the cost-of-living criterion.

~~The Township maintains that its firefighters enjoy "tremendous" continuity~~ and stability of employment because no firefighter in history the Union Township has ever been laid off. The Township would compare the "job for life" that firefighters enjoy with the rights of private-sector employees generally who are "at will" employees with little or no job protection from layoff. Accordingly, the Township maintains that the unsurpassed level of job security and stability enjoyed by its firefighters indicates an adoption of its final offer is in the best interest of the FMBA as well as the taxpayers.

### **DISCUSSION**

The FMBA and the Township have offered testimony, and substantial documentary evidence and argument support of their final offers. The issues in dispute are numerous and very broad in scope. Most are economic in nature including salaries, health insurance and dental insurance, EMT stipend, longevity, senior status differential, grievance procedure, uniform allowance and payment for uniforms, elimination of salary steps for rank of lieutenant, and conversion of administrative personal days,

All of the evidence and argument have been considered. I am required to make a reasonable determination of the above issues, giving due weight to those factors set forth 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.

The disputed issues will be reviewed individually but consideration must also be must be given to the totality of the changes to be made to the existing labor agreement. This method of analysis is consistent with the statutory

requirement that the total net annual economic changes be determined for each year the agreement. Consideration to the totality of the changes is also consistent with N.J.S.A. 34:13A-16(g)(8) that allows the arbitrator to consider factors that are ordinarily and traditionally considered in the determination of wages and benefits. That is, the manner in which an individual issue is decided can reasonably impact upon the resolution of other issues requiring an analysis that recognizes the totality of all significant economic issues. This is especially true in this instance where the issues of Health Insurance, Salary, Senior Status Differential, Longevity and EMT Pay are in dispute with potential costs and impacts on employees that are substantial. Thus, any decision to award, deny or modify any individual issue in dispute will include consideration of the reasonableness of that decision in the context of the totality of the terms that are awarded. I will next review and decide the issues that are in dispute.

### **DURATION**

The FMBA proposes a six year agreement effective from January 1, 2004 through December 1, 2009. The FMBA maintains that a six year agreement is appropriate because a six year agreement would be implemented sometime in 2007 and would promote continuity and stability in labor relations. According to the FMBA, a shorter period would result in additional protracted negotiations virtually immediately following the implementation of this Award. The Township has proposed a three year agreement. There is merit to the FMBA's position that a contract of longer duration be awarded. No persuasive arguments have been

offered to the contrary. Further, the issues in dispute are more susceptible to resolution on a reasonable basis over a more extended period of time. However, a contract duration of five years extending through December 31, 2008 would be more appropriate on the financial evidence in the record. Terms for 2009 and beyond should be set based upon more known financial evidence available at that time. I award a contract duration of January 1, 2004 through December 31, 2008.

**SALARY, SENIOR STATUS DIFFERENTIAL, LONGEVITY  
AND EMT CERTIFICATION/FIRST RESPONDER TRAINING**

It is readily apparent that the individual issues of salary, senior status differential, longevity and EMT Certification/First Responder Training cannot be properly analyzed and decided in isolation from one another. There are substantial costs to the Township and impact upon employees associated with each issue. Moreover, they are interrelated in the context of rendering a reasonable overall determination on all of the issues. It should be noted that the contract language concerning Senior Status Differential is similar to that in the PBA agreement and is also in dispute in the PBA proceedings. The Township and the FMBA have strongly felt positions on how the status quo should be viewed as a starting point for revisions and modifications to each of these issues. For this reason, more than two years transpired in direct negotiations prior to interest arbitration hearings being held. The Township submits that deep concessions are necessary to the Senior Status Differential because it alleges that unit employees have essentially received a windfall by virtue of an

accounting error during the last four year contract turning a single \$900 payment into an unintended additional benefit of \$3,924, or more than 5% above and beyond the prior wage increases in the 2000-2003 contract.

~~The salary issue has been submitted independently but each party's salary proposal appears to acknowledge the relationship between the salary issue and the issues of senior status differential and longevity. These three issues require resolution in an integrated fashion yielding results in all three areas in a manner that could conceivably differ if each issue were viewed in isolation in terms of reasonableness and cost.~~

The FMBA proposes to increase salaries as follows:

4 ½% effective January 1, 2004;  
4 ½% effective January 1, 2005;  
4 ½% effective January 1, 2006;  
5% effective January 1, 2007;  
5 ½% effective January 1, 2008; and  
5 ½% effective January 1, 2009

The Township proposes to increase salaries as follows:

Retroactive to January 1, 2004 a wage increase of 2.75%  
Retroactive to January 1, 2005 a wage increase of 2.85%  
Retroactive to January 1, 2006 a wage increase of 3.00%

The FMBA asserts that its proposed salary increases of 4.5% in each of the first three years, followed by 5.0% effective January 1, 2007, 5.5% effective January 1, 2008 and 5.5% effective January 1, 2009 are justified based upon the

report of Raphael Caprio, its financial expert, regarding the Township's sound financial condition and ability to pay. It also submits that these increases are the norm among negotiated and awarded salary increases for Police and Fire employees. The FMBA also points out that firefighters perform public safety functions comparable to the Township's Police Officers, yet work more hours per year than the Police.

The FMBA submits that police officers have a greater opportunity than do the firefighters to perform overtime or outside overtime assignments. Citing the "Jobs in Blue" program, the FMBA notes that police officers can earn \$22 per hour performing outside security work, \$45 per hour on construction jobs and \$30 per hour on outside traffic assignments. The FMBA maintains that this ability of police officers to earn additional compensation at outside employment in the Jobs in Blue Program must be considered when weighing its proposals for special compensation for the special work performed by firefighters. The FMBA points out that police officers working the Jobs In Blue program in 2004 earned a total of \$898,918. The Township disputes this argument pointing out that the FMBA comparison is without merit because Jobs in Blue are additional work while off duty outside of their regular shifts.

The Township asserts that its final offer for calendar year 2004 based only on wage increases will result in a total cost increase of \$401,641.18 for the entire department based upon the 2.75% proposed increase in the guide as well as the



actual increment cost. The Township contends that this built in cost is "significant and inevitable and must be considered." The Township maintains that because the cost of each step is as much as \$8,000 per year, a 2.75% increase would result in significant salary increases for a majority of firefighters. ~~In contrast, the Township asserts that the FMBA's proposed increase of 4.5%,~~ when added to the additional proposed EMT and First Responder stipends, would result in an unreasonable and fiscally irresponsible salary package in light of the Township's financial difficulties. The Township calculates that the increases proposed for 2004 by the FMBA would increase costs by \$941,260 or by an additional 13.5% for the entire Fire Department. The Township calculates that the FMBA's proposed increases would result in a per man average increase of \$9,228.00 in just one year.

Turning to 2005, the Township calculates that its final offer would result in a cost increase of \$398,708 or 5.0% above the cost of 2004 salaries despite the lower proposed increase of 2.85% on the salary guide. In contrast, the Township calculates that the FMBA's final offer would result in an increase of \$621,706 or 7.85% over the cost of 2004. The Township calculates that the increases proposed for 2005 by the FMBA would increase costs by \$762,626 more than the Township's final offer. The Township calculates that the FMBA's proposed increases would result in a per man average increase of \$5,179 for 2006.

The Township calculates further that in the aggregate over three years, its final offer would cost at total of an additional \$1,171,551 or 17.0% over the cost of compensation in 2003, or 5.67% on an annualized basis and firefighters would receive an increase in compensation of \$11,486 or \$3829 per year. The Township calculates that during the same period, under the FMBA's final offer, the cost of salaries would increase by \$2,091,205 or 30% over the cost in 2003 and this would result in an increase in compensation of \$20,502 per firefighter or approximately \$6,800 per year. The Township calculates that the difference between its offer and that of the FMBA over three years is \$919,654.

In 2006, the Township calculates that its final offer would result in a cost increase of \$371,231 or 6.0% above the cost of 2005 salaries despite the proposed increase of 3.0% on the salary guide. In contrast, the Township calculates that the FMBA's final offer would result in an increase of \$528,231 or 6.0% over the cost of 2005. The Township calculates that the increases proposed for 2005 by the FMBA would increase costs by \$762,626 more than the Township's final offer.

As stated above, the salary issue will be considered in conjunction with longevity, senior status differential and EMT Certification/First Responder Training due to the cost interrelationship that exists among the three issues.

The Township proposes to revise the salary schedules by deleting the "+15 years" step. The FMBA seeks to continue the senior shift differential to be paid each year with additions each year for completion of the 15<sup>th</sup> year of service as has been done since 1996.

The Township maintains that the Senior Status Differential has been miscalculated for several years. According to the Township, the original intent of the Differential was to provide an additional stipend of \$900 to officers with more than 15 years of service. However, the stipend was added to base in each of the last four years and compounded by annual wage increases. This is said to have resulted in a benefit far beyond that envisioned by the Township. In other words, instead of receiving a \$900 stipend, the differential evolved into an increase to base pay totaling \$3,924 per officer above and beyond across the board increases. The Township maintains that it cannot continue to pay this benefit and then compound it with additional wage increases. The Township asserts that no public safety department in the State has a Senior Status Differential of this magnitude. The Township calculates that leaving the Senior Status Differential in place will result in an increase to base salary for affected Firefighters that would increase the top step salary for those firefighters by over \$3,000, even under the Township's proposed wage increases.

Instead, the Township proposes to add the \$3,924 Senior Status Differential to the firefighters' and fire officers' base salary, but that the

Differential not be included in base salary for purposes of compounding wage increases nor for calculation of longevity. The Township estimates that given 43 firefighters eligible for the Senior Status Differential, continued inclusion of the Differential in base over three years according to the FMBA's proposed formula would cost hundreds of thousands of dollars.

The FMBA maintains that the Township improperly discontinued this payment, but asserts that based upon the clear language of the Agreement, the payment should be continued. The FMBA maintains that any lessening of the payment would amount to a "substantial give-back" and should justify additional percentage increases or longevity increases.

The FMBA explains that the 1996 through 1999 agreement included a provision addressing the Senior Status Differential as follows:

Effective January 1, 1996, after the fifteenth year of employment, the following Senior Status Differential shall be added to base salary:

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
\$625	\$725	\$825	\$900

The FMBA explains that commencing January 1, 2000, the one time annual \$900 payment upon commencement of the 16<sup>th</sup> year was already in place. The FMBA maintains that the benefit was modified in the agreement effective from January 1, 2000 through December 31, 2003 to make the payment an annual increase in each year of the duration of that Agreement yielding an additional \$900.00 in

each year of the Agreement compounded by the percentage increases. This eventually yielded the \$3,924.00 payment.

The FMBA argues that it made numerous concessions in exchange for the Senior Status Differential. The FMBA points to its agreement in the 1996 – 1999 Agreement to a two-tiered longevity schedule for employees hired after March 1, 2000. The FMBA also points out that in the 1996 – 1999 Agreement, it agreed to cap compensation for unused sick leave upon retirement at \$25,000 for all employees hired after July 1, 1996 in place of the initial benefit of the 40% of the monetary value at the time of termination. The FMBA also points out that in those same negotiations, Local 246 negotiated a salary step guide for Lieutenants for the first time and Local 46 agreed to a lower starting salary and the addition of a seventh step to the firefighter salary guide. Additionally, the FMBA points out that firefighters hired before July 1, 1996 receive greater vacation benefits. The FMBA maintains that the Senior Status Differential is simply compensation in consideration for these concessions.

Turning to the 2000-2003 Agreement, the FMBA also contends that the changed in status of the Senior Shift Differential during this Agreement was in compensation for low percentage increases of 2.75% in 2001, 3.75% in 2002 and 3.9% in 2003. The FMBA points to the salary charts prepared by the Township which reflect the application of the \$900 differential. These charts resulted in the following salary schedule:

<b>Before 3/1/00</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
FF 1/C +15 Years	66,768	69,529	73,070	76,855
FF 1/C -15 Years	65,846	67,656	70,194	72,931
<b>After 3/1/00</b>				
FF 1/C +15 Years	66,768	69,529	73,070	76,855
FF 1/C -15 Years	65,846	67,656	70,194	72,931
FF 2/C -15 Years	61,212	62,896	65,254	67,799
FF 3/C -15 Years	56,605	58,162	60,343	62,696
FF 4/C -15 Years	51,997	53,427	55,431	57,593
FF 5/C -15 Years	47,387	48,690	50,516	52,486
FF 6/C -15 Years	42,778	43,954	45,603	47,381
FF 7/C -15 Years	36,604	37,611	39,021	40,543
FF 8/C -15 Years	31,202	32,060	33,262	34,559
Training	25,000	25,688	26,652	27,692

The FMBA maintains that this was negotiated so that at the end of the Agreement in 2003, individuals who received the Differential would be receiving an additional \$3,924 when the percentage increase is included. The FMBA argues strenuously that the practice of continuing this \$900 Senior Status Differential must be continued in the same manner as was applied between 2000-2004. The FMBA relies upon the Maintenance of Standards provision in the parties' Agreement, which provides as follows:

Except as modified by or provided elsewhere in this Agreement, all mandatorily negotiable terms and conditions of employment shall be maintained at the highest standard in existence at the execution of this Agreement.

The FMBA contends that the Township is blatantly violating the Agreement by failing to maintain the contractually required Senior Status Differential.

Addressing the effect on the Fire Officers' salaries, the FMBA points to the salary schedules that reflect the Senior Status Differential for Battalion Chiefs, Captains and Lieutenants.

<b>Battalion Chief</b>		<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Line	+15 Years	91,780	95,228	99,733	104,558
	- 15 Years	90,857	93,356	96,857	100,634
Line/Cert	+15 Years	93,432	96,926	101,494	106,387
	- 15 Years	92,510	95,054	98,619	102,465
Admin	+15 Years	92,882	96,361	100,908	105,778
	- 15 Years	91,959	94,488	98,031	101,854
Adm/Cert	+15 Years	93,543	97,040	101,613	106,511
	- 15 Years	92,620	95,167	98,736	102,587
<b>Captain</b>					
Line	+15 Years	86,026	89,316	93,599	98,185
	- 15 Years	85,103	87,444	90,723	94,261
Line/Cert	+15 Years	87,679	91,015	95,362	100,016
	- 15 Years	86,756	89,142	92,485	96,092
Admin	+15 Years	87,128	90,448	94,774	99,405
	- 15 Years	86,205	88,576	91,897	95,481
Adm/Cert	+15 Years	87,789	91,128	95,479	100,137
	- 15 Years	86,866	89,255	92,602	96,214
<b>Lieutenant 3<sup>rd</sup> Year</b>		<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Line	+15 Years	80,240	83,371	87,431	91,776
	- 15 Years	79,317	81,498	84,554	89,852
Line/Cert	+15 Years	81,893	85,070	89,194	93,602
	- 15 Years	80,970	83,197	86,317	89,683
Admin	+15 Years	81,342	84,504	88,607	92,998
	- 15 Years	80,419	82,631	85,730	89,075
Adm/Cert	+15 Years	82,003	85,183	89,311	93,729
	- 15 Years	81,080	83,310	86,434	89,805
<b>Lieutenant 2<sup>nd</sup> Year</b>					
Line	+15 Years	76,407	79,433	83,346	87,531
	- 15 Years	75,485	77,561	80,469	83,608
Line/Cert	+15 Years	78,060	81,131	85,107	89,361
	- 15 Years	77,138	79,259	82,231	85,438
Admin	+15 Years	77,510	80,566	84,521	88,752
	- 15 Years	76,587	78,693	81,644	84,828
Adm/Cert	+15 Years	78,170	81,245	85,225	89,484
	- 15 Years	77,248	79,372	82,349	85,560
<b>Lieutenant 1<sup>st</sup> Year</b>					
Line	+15 Years	73,295	76,235	80,028	84,084

	- 15 Years	72,372	74,362	77,151	80,160
Line/Cert	+15 Years	74,947	77,933	81,789	85,914
	- 15 Years	74,025	76,061	78,913	81,991
Admin	+15 Years	74,397	77,368	81,203	85,305
	- 15 Years	73,474	75,495	78,326	81,381
Adm/Cert	+15 Years	75,058	78,046	81,907	86,036
	- 15 Years	74,135	76,174	79,030	82,113

In sum, the FMBA asserts that the \$900 Senior Status Differential is payable every year in base pay by adding \$900 to base pay in addition to the across-the board percentage increase. The FMBA asserts that this benefit was meant to continue and that the Township has violated this Agreement by failing to continue to add an additional \$900 to base pay for each firefighter and fire officer who has completed their 15<sup>th</sup> year of service in addition to the \$3924.00 being paid for years 2000, 2001, 2002 and 2003. The FMBA notes that at present, only nine rank and file firefighters and 13 fire officers are eligible for the Senior Status Differential.

I next turn to the FMBA's proposal concerning longevity. The FMBA proposes to eliminate the two-tier longevity systems so that the cap of 6% for those hired by the Township after March 1, 2000 is removed and the longevity system in place for those hired by the Township on or before March 1, 2000 is applied to all FMBA members regardless of their date of hire. The Township objects to this proposal emphasizing that this change was negotiated in the prior agreement and should not now be changed.



At present, the Longevity provisions provide that employees hired by the Township on or before March 1, 2000 receive longevity on the following schedule:

<u>Years of Service</u>	<u>Additional Compensation per Annum</u>
5 years	2%
10 years	4%
15 years	6%
20 years	10%
24 years	12%

Employees hired by the Township after March 1, 2000 receive longevity according to the following schedule:

<u>Years of Service</u>	<u>Additional Compensation per Annum</u>
10 years	2%
15 years	4%
20 years	6%

The FMBA asserts that 32 firefighters have been hired since March 1, 2000 and are eligible to receive a maximum of 6% longevity payment after 23 years of service. The FMBA contends that other Union County Fire Departments do not maintain a two-tiered longevity program. The FMBA cites the longevity programs in the following communities, including Elizabeth, Hillside and Roselle within Union County:

<b><u>Municipality</u></b>	<b>Longevity Provision</b>
Elizabeth 7/03 – 6/05	5-9 years 2%; 10-14 years 4%; 15-19 6%; 20-24 years 8%; and 25+ years 12%
Hillside 7/00 – 6/05	5 <sup>th</sup> year 2%; 10 <sup>th</sup> year 4%; 15 <sup>th</sup> year 6%; 20 <sup>th</sup> year 8%; and start of 23 <sup>rd</sup> year 14%
Roselle 1/00 – 6/03	6-10 years 2%; 11-15 years 4%; 16-20 years 6%; 21-24 years 8%; and 25+ years 10%
Margate City (2004)	5 years 2.5%; 10 years 4.5%; 15 years 6.5%; 20 years 8.5%; and 24+ years 10.5%
Pleasantville City (2004)	2% every 5 years up to 8% maximum
Bergenfield Borough (2004)	6-8 years 1%; 9-11 years 2%; 12-14 years 3%; 15-17 years 4%; 18-20 years 5%; 21-23 years 6%; and 24+ years 8%
Camden – Voorhees Twp (2004)	5-9 years 1%; 10-14 years 1.5%; 15-19 years 2%; 20-25 years 2.5%; and 25+ years 3.5%
Millville City (2004)	5 years 2.75%; 10 years 4.25%; 15 years 5.25%; 20 years 6.25%; and 25 years 7.25%
Orange City (2004)	12 years 6%; 15-19 years 8%; 20-22 years 10%; 23 years 12%; and 24+ years 14%
Nutley Township (2004)	5 years 2%; 10 years 4%; 15 years 6%; 20 years 8%; and 24 years 10%
Millburn Township (2004)	6-10 years 2%; 11-15 years 4%; 16-20 years 6%; and 21 years 10%
Irvington Township (2004)	6 years 2%; 11 years 4%; 16 years 6%; 21 years 8%; and 25 years 10%
Glassboro (2004)	4 years 1.5%; 6 years 2.5%; 11 years 4.5%; 15 years 5.5%; 20 years 6.5% and 26 years 7.5%
West Windsor Township (2004)	5-10 years \$1,011; 10-15 years \$1,516; 16-20 years \$2,021; 20-24 years \$2,526; and 24+ years \$3,032
Perth Amboy City (2004)	5 years 2%; 10 years 3.75%; 15 years 5.5%; 20 years 7.5%; 25 years 9.25%; and 30 years 14.25%

The Township objects to changing the present longevity schedule. The Township contends that longevity pay is an antiquated method of providing

additional compensation that was instituted when firefighters, like all public employees at the time, were underpaid when compared to their private sector counterparts. The Township maintains that its firefighters are very well-paid and that the prior agreement containing a new longevity schedule for firefighters should not be disturbed.

I next turn to the FMBA's proposals concerning EMT Certification/First Responder Training. The FMBA proposes to include a 6% stipend in base pay for those who have EMT certifications and a 3% stipend for those who have appropriate first responder training. The Township objects to these proposals based upon the projected costs.

The FMBA contends that these pay differentials are warranted because the Township's Fire Department responds to and handles an exceptionally large number of emergency medical service calls and the work performed during these calls accounts for a significant percentage of fire runs. The FMBA points to the Emergency Medical Services statistics from 1991 to the present which reflect that in 1991 the FMBA responded to 66 medical calls and in 2005, the FMBA responded to 2,544 medical calls. The FMBA notes that the Township and Local 46, representing the firefighters, entered in a mid-contract addendum in which all firefighters hired after August 1, 1990 are required to successfully complete courses qualifying them as certified EMTs. The FMBA notes that this service provides non-fire emergency medical assistance to Township residents and non-

residents involved in automobile accidents. The FMBA points out that 85 firefighters and fire officers out of a total of 104 in both bargaining units are EMT certified.

The FMBA also points out that the Township and the FMBA agreed to implement a First Responder program effective September 1, 1991 and all fire personnel, including fire officers have since been trained and certified as First Responders. The FMBA emphasizes that it has provided this service without additional compensation for the past 15 years.

The FMBA notes that in 1999, it entered a Memorandum of Agreement with the Township to establish one regular ambulance on call at all times manned by the Fire Department for non-fire medical emergencies. The FMBA notes that there are also two Fire Department back-up fully equipped ambulances and often all three ambulances are in use at once. According to the FMBA, the minimal payment included in the Memorandum of Agreement should be increased to provide a 6% EMT payment for those who are EMT certified and a 3% increase for those who have First Responder training. The FMBA maintains that there has been no pay increase commensurate with the increased responsibilities or with the payments made in other communities where firefighters maintain EMT certifications and respond to EMS ambulance calls.

<b><u>Municipality</u></b>	<b>EMT Provisions</b>
Linden 1/1/05 – 12/31/08	8% above base if appointed as EMT
Hillside 7/2000 - 6/2005	6% differential; 1/91 <sup>st</sup> of such differential for those firefighters holding EMT certification not assigned a ambulance/fire rescue personnel
Roselle 1/2000 – 6/2003	2% of salary in base pay – EMT; 3% of salary in base pay for ambulance care provider; \$1,000 educational stipend for EMT
Springfield 1/2000 – 12/2004	\$750 in base salary for EMT; \$750 in base salary for First Responder
Westfield	Township proposed an increase from \$750 to \$1,500 in base pay for rank-and-file Firefighters; \$1,633 for Fire Officers
Cranford 1/2002 – 12/2005	\$1,000 stipend if assigned
Rahway 7/2003 – 6/2008	\$900 in base pay
Elizabeth 7/2003 – 6/2005	\$900 if directed to obtain certification; all Firefighters and Fire Officers hired prior to 2/6/95 who held the EMT certifications received the stipend
Union 1/2001 – 12/2003	\$60 a day that Firefighters assigned as operator of EMS ambulance
Summit 1/2004 – 12/2006	None (Does not provide EMT services)
Plainfield 12/2003 – 12/2006	None (Does not provide EMT services)

<b><u>Municipality</u></b>	<b>EMT Pay/Stipend</b>
West Orange	2% stipend added to base pay
Teaneck	2% stipend added to base pay
New Brunswick	1.25% stipend added to base pay
Clifton	\$2,700 added to base pay
Linden	8% stipend added to base pay
Hillside	6% stipend added to base pay
Maplewood	\$1,444 added to base pay
Belleville	\$2,650 for both the maintenance of EMT certifications and for firefighters assigned to 1 <sup>st</sup> line ambulance duty
Ventnor City	\$1,500 added to base pay

South Orange	\$1,250 added to base pay
Wildwood	\$1,000 added to base pay
North Wildwood	\$1,000 added to base pay
Ridgewood	\$3,471 added to base pay
Bergenfield	\$1,362 added to base pay
Hackensack	\$1,250 added to base pay

The FMBA compares the stipends provided for EMT certifications in these municipalities both within Union County and within New Jersey generally with the Township, which is the second largest municipality in Union County and provides the smallest EMS payment.

The FMBA cites a 1999 interest arbitration award where the Teaneck firefighters were awarded a 2% EMT stipend based upon the increase in first response workload and the fact that the EMT/EMS certification has been recognized with additional compensation in other nearby communities. In this instance, the FMBA asserts that the EMS/EMT and first responder stipends are necessary due to the substantial workload performed by Firefighters and Fire Officers. The FMBA cites the 1,892 incidents responded to by its members in 2003 as the second highest. The FMBA points out that Linden firefighters responded to only 100 more EMS calls than Union, but certain Linden FMBA members received an 8% EMT stipend for performing EMT duties. The FMBA contrasts its EMS workload with that of other Union County fire departments, citing the number of responses in 2003 as 640 in Springfield, 561 in Elizabeth, 326 in Hillside, 218 in Cranford, 193 in Roselle, 185 in Westfield, 136 in Summit

and 111 in Plainfield. In 2004, the FMBA emphasizes that the Township's firefighters responded to the 2627 EMS calls, the most in the County. In comparison, the FMBA points out that the number of responses in 2004 was 1797 in Linden, 1013 in Elizabeth, 651 in Springfield, 322 in Roselle, 253 in Westfield, 154 in Cranford, 150 in Hillside, 127 in Plainfield and 114 in Summit. Similarly, in 2005, Township firefighters responded to 2471 EMS calls, again the most in the County. By comparison, the FMBA reports that the number of responses in 2005 was 1561 in Linden, 745 in Elizabeth, 701 in Springfield, 319 in Westfield, 287 in Roselle, 228 in Rahway, 209 in Summit, 156 in Hillside, 135 in Cranford and 199 in Plainfield.

The FMBA cites the Union Fire Department's EMS/First Responder Report to the Township which indicates that after 12 years of operation, the fire department responded to over 15,719 medical emergency calls and in 2003 there were 69 firefighters/fire officers who were cross-trained as EMT/B's (EMT-Basics), or 70% of all sworn fire personnel, and 3 firefighters were cross-trained as EMT-P's (EMT-Paramedics). The FMBA points out that the 2004 Report provides the following facts in support of its proposal for a 6% EMT stipend and a 3% First Responder Stipend:

- The remaining Firefighters and Fire Officers were cross-trained and certified American Safety and Health Institute First Responders.
- All Firefighters/Fire Officers are defibrillator certified, which allows them to use a Semi-Automatic External Defibrillator.

- Seventeen (17) Firefighters and Fire Officers were certified as CPR instructors in 2003. These instructors may re-certify all other Firefighters and Fire Officers.
- The Fire Department's EMS responded to 2,539 medical calls, representing 47% of the total emergency calls answered.
- The Fire Department Ambulance was used for transporting on 1,337 occasions in 2004, a 6% increase of 2003.
- The Fire Department provided a rider to the Union EMS services 183 times to complete the ambulance crew.
- In August of 2004 the Fire Department began billing for ambulance service with an outside company to provide billing service. By year end, over 469 was billed \$246,065 with collections received at \$47,548.52. After administrative fees from the billing company were paid, the Township received \$40,446.83.

The FMBA cites similar statistics included in the 2005 EMS/First Responder Report:

- The Fire Department has responded to over 20,272 medical emergencies in 14 years.
- 86 Firefighters and Fire Officers were certified as EMTs, including three EMT-Ps. The remaining Firefighters and Fire Officers are certified as First Responders.
- The Fire Department's In-House Continuing Education Unit continued to provide courses included New Jersey State required refresher training courses. The Fire Department also maintained their own CPR instructors who are responsible for providing bi-annual recertification classes for the Fire Department.
- The Fire Department EMS responded to 2,544 medical calls representing 44% of the total emergency calls answered by the Department.
- The Fire Department ambulance was used to transport patients 1,303 times, transporting 1,524 patients.



- The Union Fire Department also provided a rider to the EMU Squad 167 times, accounting for 7% of total transports. Taken together with 1303 transports, the total is 1470 transports completed by the Fire Department.
- In 2005, the billing program was expanded to include patients transported by the Union volunteer squad when a rider was provided by the Fire Department to complete the crew. During 2005, over 1,223 patients were billed for service. And \$373,538.32 was collected. After administrative fees for the billing company were assessed, the Township received \$317,507 with \$134,767.27 pending.

According to the FMBA, in 2006, the fire department had responded to 988 calls and transported 471 patients. The FMBA reports that the Township had collected \$174,125.03 for these services and had received a total of \$148,033.27.

In contrast, the FMBA maintains that its members receive an insignificant stipend for performing these valuable and dangerous duties. The FMBA contrasts the \$60 stipend provided to the ambulance "driver" with the approximately \$500,000 per year collected by the Township for EMS services. The FMBA explains that only the "driver" receives the stipend and other firefighters who are members of the ambulance crew do not receive additional compensation for performing these duties.

The Township objects to the addition of an EMT Stipend and/or a First Responder Stipend based upon costs that it terms enormous. The Township calculates that in 2004, the costs of the proposed stipends would total

\$372,383.20 and over a three year period the costs would exceed \$1,000,000. The Township emphasizes the present \$60 per day stipend for the ambulance driver. According to the Township, depending upon how often firefighters perform this function, the present benefit could be equal to or greater than that provided in other communities and the FMBA submitted no evidence on this. Additionally, the Township distinguishes the current stipend which is tied to specific ambulance duties with the FMBA's proposal which is tied only to possessing the requisite training or certification. The Township points out that the EMT duties at issue are those duties that are expected to be handled by a firefighter under the Civil Service job description which provides that firefighters are expected to "administer emergency medical treatment." Thus, firefighters perform this function during their normal work schedule and are properly compensated. Additionally, the Township cites the following examples of work included in the Civil Service job description for a firefighter:

Aids victims at scene of emergency by administering emergency medical treatment such as first aid, CPR or EMT treatment.

Prepares victims for transportation in an ambulance.

May be required to transport victims to hospital or other emergency treatment facility.

The Township contends that firefighters should not expect additional compensation for duties that are fully consistent with their job description and responsibilities. The Township submits extensive argument after review of many

labor agreements cited by the FMBA contending that the FMBA's arguments are misleading or erroneous [See p. 4-7 of reply brief].

I first address Article XXV, Section C, Senior Status Differential. This provision appears at Article XXII, Section F of the FSOA Agreement. This section states: "Effective January 1, 2000, after the fifteenth year of employment, a \$900 Senior Status Differential shall be added to base salary: As reflected in the charts above." The Township's revisions cut deeply into how Section C has been implemented. Its main thrust would be to eliminate the benefit for those not currently receiving it, although it would not disturb payments it has already made under Sections C and F. After thorough review of the respective positions of the parties, revisions to Sections C and F have been justified. This is especially appropriate given the language in Section C in the 2000-2003 agreement that speaks to having \$900 in pay added to base salary upon completion of fifteen (15) years of service. There is no dispute that the language does not speak to having an additional \$900 added in each year after an employee completes fifteen (15) years of service. Because the FMBA proposes no revision to Sections C and F, a maintenance of this provision going forward would require an additional \$900 in each year of the 2004-2008 contract yielding an additional \$4,500 without being compounded by across the board increases. Revisions to the language must take into account that an additional \$900 in each year of the contract was in fact paid which, by virtue of compounding, did evolve into a

payment of \$3,924 and would continue to evolve into the future, ad infinitum, under the FMBA's interpretation of the language.

I reject the Township's proposal to eliminate this benefit for all of those who do not receive it. This would be inequitable in light of the history of negotiations that was intended to enhance compensation for length of service and its participation in the development of charts that, despite the language in Sections C and F that only reference a single \$900 payment, caused the four (4) \$900 payments compounded by the across the board increases. Instead, I conclude that Sections C and F shall be rescinded and replaced by the following terms. Any firefighter eligible under the 2000-2003 collective bargaining agreement to receive the senior status differential after the completion of fifteen (15) years of service through the date of this award (November 26, 2007) shall continue to receive such payments in the amount of \$3,924. The Township's position that such pay shall not be included in base pay for the purpose of calculating any negotiated across-the-board increases nor for calculating any differential or longevity benefits has merit as part of the overall revisions I have awarded. This would maintain the benefit at existing levels without being affected by future compounding. It will also preclude the automatic enhancement of longevity due solely to this separate payment that is also intended to reward an employee for length of service. However, this method of payment shall not affect how the overtime rate is calculated nor is it intended to affect the pensionability of the pay.

I next address those firefighters who were hired before March 1, 2000 and who are currently not eligible to receive senior officer pay as of November 26, 2007 because they have not yet achieved the completion of fifteen (15) years of service. They will be eligible to receive the \$3,924 senior status differential according to the following terms and conditions. Any firefighter hired before March 1, 2000, but not eligible for, nor receiving, senior status differential as of November 26, 2007, shall be eligible for said pay upon completion of fifteen (15) years of service thereafter, in the amount of nine hundred eighty-one (\$981.00) dollars added to their salary. After completion of seventeen (17) years of service, said firefighter shall be eligible to receive an additional nine hundred eighty-one (\$981.00) dollars added to their salary. After completion of nineteen (19) years of service, said firefighter shall be eligible to receive an additional nine hundred eighty-one (\$981.00) dollars added to their salary. After completion of twenty-one (21) years of service, said firefighter shall be eligible to receive an additional nine hundred eighty-one (\$981.00) dollars added to their salary. The total payment accumulated at that point will be \$3,924. Similar to those firefighters who are already eligible and now receiving senior status differential, said pay shall not be included in base pay for the purpose of calculating any negotiated across the board increases, nor shall it be included in base pay for calculating any differential or longevity benefits. The pensionability of the pay is not intended to be affected, nor shall it affect how the overtime rate is calculated.

I next address firefighters who were hired after March 1, 2000. As stated above, these firefighters have a different longevity schedule that does not commence until after ten (10) years of completed service and is capped at 6%. As part of the overall revisions to Section C and F, I conclude that these ~~firefighters hired after March 1, 2000 shall not be eligible for the senior status differential.~~ In its place, they shall be subject to a modification in their longevity schedule effective June 1, 2006 as a result of the awarding of an improved revised longevity schedule. For these employees the revised longevity schedule effective June 1, 2006 shall be:

<u>Years Completed</u>	<u>Percent of Base Pay</u>
5 years	2%
10 years	4%
15 years	6%
20 years	8%

This will allow those employees to receive a 2% longevity payment at the completion of five years instead of ten years and, at ten years, an additional 2% for each year thereafter through 20 years when compared with the current schedule.

In order to place the above Senior Status Differential determinations into the collective bargaining agreement, new contract language must be incorporated into the Agreement. Article XXV, Section C (or Article XXII, Section

F in the FSOA Agreement) shall be deleted and replaced with the following language:

Any firefighter currently receiving senior officer pay, shall continue to receive senior officer pay in the amount of thirty nine hundred and twenty-four (\$3,924.00) dollars added to their salary. However, said thirty nine hundred and twenty-four (\$3,924.00) dollars, senior officer pay, shall not be included in base pay for the purpose of determining any negotiated across-the-board increases nor shall it be included for calculating any differential or longevity benefits. It shall not affect how the overtime rate is calculated.

Any firefighter not receiving senior officer status pay as of November 26, 2007, but hired before March 1, 2000, shall upon completion of fifteen (15) years of service, have nine hundred eighty-one (\$981.00) dollars senior officer pay added to their salary. After completion of seventeen (17) years of service, a firefighter shall have an additional nine hundred eighty-one (\$981.00) dollars added to their salary. After completion of nineteen (19) years of service, a firefighter shall have an additional nine hundred eighty-one (\$981.00) dollars added to their salary. After completion of twenty-one (21) years of service, a firefighter shall have an additional nine hundred eighty-one (\$981.00) dollars added to their salary. However, said senior officer pay shall not be included in base pay for the purpose of determining any negotiated across the board increases nor shall it be included for calculating any differential or longevity benefits. It shall not affect how the overtime rate is calculated.

Any firefighter hired after March 1, 2000 shall not be eligible for any senior officer pay.

The actual impact of these revisions on the salary schedules for 2004-2008 cannot be calculated without awarding across the board salary increases. The amount of increases I have awarded to base wages and the salary schedule have considered the revisions I have awarded to Sections C and F as well as the improvements to longevity for employees hired March 1, 2000 and thereafter. Also considered are the criteria concerning comparability, statutory spending

limitations, and financial impact to the governing body and the public. The parties have addressed all of the criteria but these criteria are entitled to more substantial weight. They also, separately and collectively, implicate the interests and welfare of the public. Also relevant, but given less weight are overall compensation, continuity and stability of employment and the cost of living. After considering and applying these factors, as well as the revisions awarded to Section C, I revise Article XXV to provide for the following base salary increases:

<b>2004</b>	<b>3.25%</b>
<b>2005</b>	<b>3.25%</b>
<b>2006</b>	<b>3.25%</b>
<b>2007</b>	<b>3.35%</b>
<b>2008</b>	<b>3.50%</b>

When these percentages are applied, the base salaries (excluding longevity and senior officer pay) for firefighters for the years 2004, 2005, 2006, 2007 and 2008, shall be as follows:

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>After 3-1-2000</b>					
<b>FF1/C</b>	75,302	77,749	80,276	82,965	85,869
<b>FF2/C</b>	70,002	72,277	74,626	77,126	79,825
<b>FF3/C</b>	64,735	66,839	69,011	71,323	73,819
<b>FF4/C</b>	59,465	61,398	63,393	65,517	67,810
<b>FF5/C</b>	54,192	55,953	57,771	59,707	61,796
<b>FF6/C</b>	48,920	50,510	52,153	53,900	55,787
<b>FF7/C</b>	41,861	43,221	44,626	46,121	47,735



<b>FF8/C</b>	35,682	36,842	38,039	39,313	40,689
<b>Training</b>	28,590	29,519	30,479	31,500	32,603

<b>Fire Inspector</b>					
<b>1<sup>st</sup> Year</b>	76,562	79,050	81,619	84,353	87,306
<b>2<sup>nd</sup> Year</b>	76,940	79,440	82,022	84,770	87,737
<b>3<sup>rd</sup> Year</b>	77,318	79,831	82,425	85,186	88,168

The salaries for the FSOA shall be calculated using this same formula. After doing so, the base salaries (excluding longevity and senior officer pay) for the years 2004, 2005, 2006, 2007 and 2008, for all superior officers shall be as follows:

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b><u>Battalion Chief</u></b>					
Line	103,905	107,282	110,768	114,479	118,486
Line/Cert	105,795	109,233	112,784	116,562	120,641
Admin	105,164	108,582	112,111	115,866	119,922
Adm/Cert	105,921	109,364	112,917	116,701	120,785

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b><u>Captain</u></b>					
Line	97,324	100,488	103,753	107,229	110,714
Line/Cert	99,215	102,439	105,769	109,312	113,138
Admin	98,584	101,788	105,096	108,617	112,419
Adm/Cert	99,341	102,570	105,903	109,451	113,282

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b><u>Lieutenant 3<sup>rd</sup> Year</u></b>					
Line	90,707	93,655	96,699	99,938	103,186
Line/Cert	92,597	95,607	98,714	102,021	105,592
Admin	91,970	94,959	98,045	101,330	104,877

Adm/Cert	91,980	94,969	98,056	101,341	104,888
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>

**Lieutenant 2<sup>nd</sup> Year**

Line	86,325	89,130	92,028	95,100	98,440
Line/Cert	88,215	91,081	94,042	97,172	100,594
Admin	87,585	90,431	93,370	96,498	99,876
Adm/Cert	88,340	91,211	94,176	97,331	100,738
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>

**Lieutenant 1<sup>st</sup> Year**

Line	82,765	85,455	88,232	91,188	94,380
Line/Cert	84,655	87,407	90,248	93,271	96,536
Admin	84,026	86,757	89,576	92,577	95,817
Adm/Cert	84,781	87,536	90,381	93,409	96,678

After applying the across the board salary increases as above in conjunction with the revisions in Section C, the calculations yield the following amounts during 2004 through 2008 for firefighters who were eligible for and receiving the senior status differential prior to the issuance of this award on November 26, 2007. During the term of the 2004 through 2008 collective bargaining agreement, these eligible firefighters' base salaries, plus the senior status differential, shall be as follows:

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Fire Inspector</b>					
<b>1<sup>st</sup> Year</b>	80,486	82,975	85,543	88,277	91,229
<b>2<sup>nd</sup> Year</b>	80,863	83,364	85,945	88,693	91,660
<b>3<sup>rd</sup> Year</b>	81,242	83,755	86,349	89,110	92,092
<b>FF 1/C</b>	79,225	81,672	84,199	86,889	89,792

The FSOA salaries shall be calculated using this same formula. For those fire officers who were eligible for the senior status differential prior to the issuance of this award on November 26, 2007, their base salaries, plus the senior status differential shall be as follows:

	2004	2005	2006	2007	2008
<b><u>Battalion Chief</u></b>					
Line					
+15 years	107,829	111,206	114,692	118,403	122,410
Line/Cert					
+15 years	109,972	113,147	116,708	120,486	124,565
Admin					
+15 years	109,088	112,506	116,034	119,790	123,846
Adm/Cert					
+15 years	109,845	113,288	116,841	120,625	124,709
	2004	2005	2006	2007	2008
<b><u>Captain</u></b>					
Line					
+15 years	101,248	104,412	107,677	111,153	114,638
Line/Cert					
+15 years	103,139	106,363	109,693	113,236	117,062
Admin					
+15 years	102,508	105,712	109,020	112,541	116,343
Adm/Cert					
+15 years	103,265	106,494	109,827	113,375	117,206
	2004	2005	2006	2007	2008
<b><u>Lieutenant 3<sup>rd</sup> Year</u></b>					
Line					
+15 years	94,631	97,579	100,623	103,682	107,110
Line/Cert					
+15 years	96,521	99,531	102,638	105,945	109,516
Admin					
+15 years	95,894	98,883	101,969	105,254	108,801

Adm/Cert						
+15 years	95,904	98,893	101,980	105,265	108,812	
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	
<b><u>Lieutenant 2<sup>nd</sup> Year</u></b>						
Line						
+15 years	90,249	93,054	95,952	99,024	102,364	
Line/Cert						
+15 years	92,139	95,005	97,966	101,096	104,518	
Admin						
+15 years	91,508	94,355	97,294	100,422	103,800	
Adm/Cert						
+15 years	92,264	95,135	98,100	101,255	104,662	
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	
<b><u>Lieutenant 1<sup>st</sup> Year</u></b>						
Line						
+15 years	86,689	89,379	92,156	95,112	98,304	
Line/Cert						
+15 years	88,579	91,331	94,172	97,195	100,460	
Admin						
+15 years	87,950	90,681	93,500	96,501	99,741	
Adm/Cert						
+15 years	88,705	91,460	94,305	97,333	100,602	

For those firefighters hired prior to March 1, 2000 and who, during the term of the 2004 through 2008 collective bargaining agreement complete fifteen (15) years of service after the date of the award, they shall become eligible for the revised senior officer pay. These base salaries plus the senior status differential shall be:

**Firefighter 1<sup>st</sup> Class**

	<b>2007</b>	<b>2008</b>
<b>+15 Years</b>	83,946	86,849
<b>+17 Years</b>	84,927	87,830
<b>+19 Years</b>	85,908	88,811
<b>+21 Years</b>	86,889	89,792

The Fire Inspector salaries shall be calculated using the same formula.

The FSOA salaries shall be calculated using this same formula. For those fire officers hired prior to March 1, 2000 and who, during the term of the 2004 through 2008 collective bargaining agreement, upon completion of fifteen (15) years of service become eligible for the revised senior officer pay after the date of the award, these eligible fire officers' base salary including the senior status differential shall be as follows:

<b>Battalion Chief</b>	<b>2007</b>	<b>2008</b>
<b>Line</b>		
+15 years	\$115,460	\$119,467
+17 years	\$116,441	\$120,448
+19 years	\$117,422	\$121,429
+21 years	\$118,403	\$122,410
<b>Line Cert</b>		
+15 years	\$117,543	\$121,622
+17 years	\$118,524	\$122,603
+19 years	\$119,922	\$123,584
+21 years	\$120,486	\$124,565
<b>Admin</b>		
+15 years	\$116,847	\$120,903

+17 years	\$117,829	\$121,884
+19 years	\$118,809	\$122,865
+21 years	\$119,790	\$123,846

**Adm/Cert**

+15 years	\$117,682	\$121,766
+17 years	\$118,663	\$122,747
+19 years	\$119,644	\$123,728
+21 years	\$120,625	\$124,709

**Captain                      2007                      2008**

**Line**

+15 years	\$108,210	\$111,695
+17 years	\$109,191	\$112,676
+19 years	\$110,172	\$113,657
+21 years	\$111,153	\$114,638

**Line Cert**

+15 years	\$110,293	\$114,119
+17 years	\$111,274	\$115,100
+19 years	\$112,255	\$116,081
+21 years	\$113,236	\$117,062

**Admin**

+15 years	\$109,598	\$113,400
+17 years	\$110,579	\$114,381
+19 years	\$111,560	\$115,362
+21 years	\$112,541	\$116,343

**Adm/Cert**

+15 years	\$110,432	\$114,263
+17 years	\$111,413	\$115,244
+19 years	\$112,394	\$116,225
+21 years	\$113,375	\$117,206

<b>Lieutenant 3<sup>rd</sup> Year</b>	<b>2007</b>	<b>2008</b>
<b>Line</b>		
+15 years	\$100,919	\$104,167
+17 years	\$101,900	\$105,148
+19 years	\$102,881	\$106,129
+21 years	\$103,862	\$107,110
<b>Line Cert</b>		
+15 years	\$103,002	\$106,573
+17 years	\$103,983	\$107,554
+19 years	\$104,964	\$108,535
+21 years	\$105,945	\$109,516
<b>Admin</b>		
+15 years	\$102,311	\$105,858
+17 years	\$103,292	\$106,839
+19 years	\$104,273	\$107,820
+21 years	\$105,254	\$108,801
<b>Adm/Cert</b>		
+15 years	\$102,322	\$105,869
+17 years	\$103,303	\$106,850
+19 years	\$104,284	\$107,831
+21 years	\$105,265	\$108,812

<b>Lieutenant 2<sup>nd</sup> Year</b>	<b>2007</b>	<b>2008</b>
<b>Line</b>		
+15 years	\$96,801	\$99,421
+17 years	\$97,062	\$100,402
+19 years	\$98,043	\$101,383
+21 years	\$99,024	\$102,364
<b>Line Cert</b>		
+15 years	\$98,153	\$101,575
+17 years	\$99,134	\$102,556
+19 years	\$100,115	\$103,537
+21 years	\$101,096	\$104,518

**Admin**

+15 years	\$97,479	\$100,857
+17 years	\$98,460	\$101,838
+19 years	\$99,441	\$102,819
+21 years	\$100,422	\$103,800

**Adm/Cert**

+15 years	\$98,312	\$101,719
+17 years	\$99,293	\$102,700
+19 years	\$100,274	\$103,681
+21 years	\$101,255	\$104,662

**Lieutenant 1<sup>st</sup> Year****2007****2008****Line**

+15 years	\$92,169	\$95,361
+17 years	\$93,150	\$96,342
+19 years	\$94,131	\$97,323
+21 years	\$95,112	\$98,304

**Line Cert**

+15 years	\$94,252	\$97,517
+17 years	\$95,233	\$98,498
+19 years	\$96,214	\$99,479
+21 years	\$97,195	\$100,460

**Admin**

+15 years	\$93,558	\$96,798
+17 years	\$94,539	\$97,779
+19 years	\$95,520	\$98,760
+21 years	\$96,501	\$99,741

**Adm/Cert**

+15 years	\$94,390	\$97,659
+17 years	\$95,371	\$98,640
+19 years	\$96,352	\$99,621
+21 years	\$97,333	\$100,602



As stated above, those firefighters and fire officers hired March 1, 2006 and thereafter and who will not be eligible for senior status differential will receive revised longevity benefits. Currently, firefighters and fire officers hired after March 1, 2000 receive the following longevity pay:

<u>Years Completed</u>	<u>Percent of Base Pay</u>
10 years	2%
15 years	4%
20 years	6%

Effective June 1, 2006, Article XVI, Longevity, Section (A), in the firefighter's agreement and Article XII, Section (A) of the fire officer's agreement shall be changed as follows:

<u>Years Completed</u>	<u>Percent of Base Pay</u>
5 years	2%
10 years	4%
15 years	6%
20 years	8%

Firefighters and fire officers hired before March 1, 2000 will continue to receive the following longevity benefits:

<u>Years Completed</u>	<u>Percent of Base Pay</u>
5 years	2%
10 years	4%
15 years	6%
20 years	10%
24 years	12%

I award no changes to the existing terms and conditions of employment, nor additional compensation for duties performed in connection with the performance of the EMT and First Responder functions. The amounts proposed, 6% and 3% of base salaries respectively, retroactive to January 1, 2004 would cause additional economic costs that would cut deeply into the Township's budget and cause adverse financial impact on the governing body, its residents and taxpayers. The proposals, if awarded, would result in costs approaching an additional \$400,000 in each year of the Agreement for 102 employees. The Caprio Report reflects that these amounts could be paid out of the Township's budget assets but the funds would have to be replaced by surplus or from line items elsewhere. In either case, the budget impact would be adverse. This conclusion is not intended to foreclose independent analysis of the merits of this issue in future negotiations on the merits that may exist at that time.

I also do not award the FMBA proposal to eliminate the three-step salary schedule that currently exists for the rank of Lieutenant. Under the proposal, the highest rated Lieutenant step would be the only step thereby moving every Lieutenant to the highest step. This would cause an additional \$7,000 increase in pay above and beyond the across the board increases for a Lieutenant 1<sup>st</sup> Year. The FSOA Agreement, at Article XXII, currently contains a salary schedule of three steps for Lieutenant. They are entitled Lieutenant 1<sup>st</sup> Year, Lieutenant 2<sup>nd</sup> Year and Lieutenant 3<sup>rd</sup> Year. Thus, a newly promoted Lieutenant requires

two years of service in order to reach top step Lieutenant pay. The Township opposes this proposal asserting that the existing tiered system was voluntarily agreed to by the parties in the past for the purpose of recognizing experience in the Lieutenant rank. I also note that the same three-step salary schedule exists for Fire Inspector and that schedule has been carried forward. There is insufficient justification offered to eliminate the existing salary structure for the rank of Lieutenant that was mutually agreed to in the past. Accordingly, the proposal is denied.

The net economic costs of the award include the 16.60% (uncompounded) increases to the wage schedule, the improved longevity schedules for employees hired after March 1, 2000 and the revised Senior Status Differential. The parties have divergent views on cost by virtue of the Township's perspective that over 5.0% was improperly granted in the prior agreement and the FMBA's perspective that those costs are not new costs. In any event, due to the revisions awarded to this benefit, the \$3,924 has been carried forward for those currently receiving this amount, those employees hired before March 1, 2000 and who do not receive this benefit will also receive this amount as years of service are accrued and employees hired after March 1, 2000 will receive an immediate improvement in their longevity schedules.

The costs of the award exceed internal comparability for wage increases granted within the Township and are somewhat lower or higher than external

wage increases outside of Union Township comparability depending on the perspectives of the parties as to the costs of the revised Senior Status Differential benefit that also includes longevity improvements for those employees hired after March 1, 2000. Under all of the circumstances of this dispute, I do not find precise linkage to terms set for non-public safety employees employed within the Township nor with public safety employees employed elsewhere. When all of these benefits are considered in their totality, relative comparability is maintained.

The Township and the FMBA have engaged in an extensive analysis of the projected costs in relation to the Township's statutory spending limitations. Based upon these calculations, and the terms of the award that fall above the Township's projected costs under its proposal but lower than the FMBA's projected costs based upon its proposal. The expenditures can be funded within the statutory spending limitations and without adverse financial impact on the governing body, its residents and taxpayers. The costs are above the cost of living data submitted into the record for contract years 2004, 2005, 2006, but within a range of reasonableness. The CPI data does not dictate different conclusions that have been reached herein. A similar finding is made with respect to the continuity and stability of employment. The bargaining unit has been very stable with insignificant turnover and will remain so under the terms of the award. Additional consideration has been given to the criterion concerning overall compensation and benefit levels. The many benefits received by unit

employees in the areas of paid leave, terminal leave and compensation related benefits are set forth in the Agreement and need not be restated here. Overall, the compensation and benefit package is comprehensive and relatively comparable to virtually all paid fire department contracts in evidence. Firefighters will continue to receive fully paid health insurance and will reach a maximum salary of \$85,869 excluding senior status differential and longevity in 2008. These terms will continue to rank unit firefighters at among the highest levels in the County. Similar conclusions are reached with respect to Lieutenants, Captains and Battalion Chiefs based upon the annual salaries set forth in the above charts.

On this day, I have also issued an award for PBA Local 69. The issues involved are similar in nature prompting similar analysis due to the longstanding relative comparability between the units and, in particular, in areas such as maximum pay, longevity and senior status differential. The interests and welfare of the public are not served by an interference with the relative comparability that has evolved between the Township's public safety bargaining units.

**CLOTHING ALLOWANCE, CONVERSION OF  
ADMINISTRATIVE DAYS AND UNIFORM REPLACEMENT**

There are independently submitted FMBA proposals of financial consequence. They include a clothing allowance increase from \$200 to \$700 annually, the conversion of three (3) administrative personal days into one (1)

vacation day and two (2) days of base pay compensation, and the elimination of the current practice requiring firefighters to pay for uniforms. The FMBA has offered rationale in support of each proposal and the Township has offered rationale seeking that they be rejected. The Township has proposed to eliminate the \$200 clothing allowance.

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The additional cost of all of these proposals combined cannot be precisely determined. The additional two (2) days pay is estimated to be worth \$200,000 and the clothing allowance an additional \$51,000 depending on the current staffing levels for each year of the agreement. The additional costs during this contract term have not been justified to the extent that these additional costs should be borne by the Township in addition to the costs compelled by the terms of the award. I do not award these proposals. Nor do I award a change in the uniform payment policies that the FMBA claims is illegal. In the event that such employee payments towards uniforms are illegal as alleged by the FMBA, legal remedies are available. Given this legal issue, presented but unresolved, I do not award changes in the uniform allowance during the contract terms. However, I award a deletion of the current allowance upon expiration of the Agreement to allow for negotiations to go forward in the future without there being a status quo present. This will allow for the entire issue of uniform allowance as set forth in Articles VIII and XXXI to be re-examined on their own merits without the encumbrance of the existing provisions. The allowance may be extended only if both parties agree or a modified allowance is awarded.

## HEALTH BENEFITS

Both the Township and the FMBA have proposed modifications to the Health Benefits provisions of the Agreement. These modifications must be considered in light of the parties' extensive history of litigation over health benefits. The Township provided health insurance benefits through Horizon Blue Cross/Blue Shield from 1996 through 2001. As a result of premium increases, the Township switched its health insurance benefits provider to Oxford effective January 1, 2002. The FMBA grieved the change alleging that the change could require alleged increases in employee out-of-pocket costs. During PERC proceedings on the issue, the parties agreed to proceed to grievance arbitration over the issues raised by the Township's change in insurance carriers.

On September 26, 2005, Arbitrator Restaino issued an Award finding that the Oxford plan "did not produce [coverage] at least equal to coverage that had previously existed." Arbitrator Restaino noted that he did not have the authority to direct the Township to use a particular carrier to provide health benefits, but did order that the Township "return to the level of health insurance benefits that existed when Horizon Blue Cross/Blue Shield was the provider" by requiring the Township to continue to maintain a fund ordered by PERC to cover out-of-pocket costs for balance billing. The Township appealed this Award to Superior Court, where the Award was confirmed on March 17, 2006.

Initially, the Township proposes to eliminate Sections A and K of Article XIV and to replace them with the following language:

The Township shall provide group health insurance coverage for all eligible active and retired members (after 25 years of service) and the eligible dependents, as defined in the policies of insurance, at the same level as is provided to non-bargaining unit employees in general.

Article XIV, Sections A and K presently provide as follows:

#### **Article XIV**

- A. Except as provided in Paragraphs B and H herein, the Township shall provide the following Group Health Insurance Coverage for all active and retired officers (after 25 years of service) and their eligible dependents as defined in the policies of insurance:
1. Further, Basic Medical coverage at least equal to that which has heretofore been in effect subject to Paragraph K.
  2. Major Medical coverage at least equal to that which has heretofore been in effect, subject to Paragraph K.
  3. Dental coverage at least equal to that which has heretofore been in effect.
  4. Prescription coverage at least equal to that which has heretofore been in effect, subject to a ten (\$10.00) dollar co-pay, non-generic drug.
  5. Five (\$5.00) dollar co-pay generic drug. No co-pay mail order drug.
- K. The FSOA (or FMBA) agree to appoint one (1) member to a Group Health Insurance Review Committee comprised of one (1) representative of each of the Township's Collective Bargaining Units and the Township Administrator or his designee. The purpose of the Review Committee shall be to review and recommend to the Township's Committee appropriate modifications to group health coverage to either enhance benefit levels, reduce costs, or both. Voting



members of the Review Committee shall be the representatives of the PBA, SOA, FMBA, FSOA, Council Aid, Council Aid Supervisors and the Township Administrator or his designee. Our recommendations of the Group Health Insurance Committee shall be the majority vote of voting members present at the properly constituted meeting, which shall be binding on the FSOA (FMBA) upon acceptance by the Township....

The Township asserts that the change is necessary to ensure that it has the flexibility to revise and update insurance coverage in order to guarantee its employees the best coverage available at the most affordable rate. The Township contends that the present language imposes significant restrictions on its ability to modify insurance coverage and change plans even when coverage is substantially equal. The Township argues that the FMBA's efforts to limit the Township's ability to change insurance carriers and/or plans in the current fiscal climate will ultimately drive up the cost of health insurance and limit the Township's ability to continue to provide fully-paid insurance coverage as well as to provide additional wage increases and benefits.

The Township asserts that health insurance is now a major issue in collective bargaining and employers throughout New Jersey and nationally are reaching agreements from labor unions with respect to changes in coverage, premium contributions, increased co-payments and coverage limitations in order to contain costs. The Township submits data reflecting the costly nature of providing health insurance to its employees without employee contribution. The Township contends that the number of New Jersey employers ending health

insurance coverage for their employees or requiring substantial co-pays has grown dramatically. Additionally, the Township emphasizes that this change would allow it to include all of its employees in the same plan with the same administration, including the police department. The Township notes that as a result of the FMBA's grievance arbitration over health insurance benefits, FMBA benefits are administered differently from all other Township bargaining units. The Township maintains that this result is costly and bad for labor relations. This distinction also limits the Township's ability to participate in competitive bidding on the same health plan for all Township employees.

The FMBA objects to the Township's proposal to delete the present provisions of Article XIV, Sections A and K and replace them with alternative language.

The FMBA asserts that the Township's proposal would eliminate the "at least equal to" language which was the basis of the FMBA's recent litigation victory in its efforts to maintain the same level of insurance benefits it had under Horizon Blue Cross/Blue Shield. Instead, according to the FMBA, the Township's proposal is alleged to give the Township "carte blanche" to impose whatever health benefit it chooses upon its employees. The FMBA argues further that elimination of Section K would allow the Township to bypass union representatives when reviewing and recommending modifications to health

benefits programs which would lead to a breakdown of labor relations among the parties.

The FMBA asserts that the Township's proposal is made in bad faith as a result of the outcome of the litigation over the change in carriers from Horizon to Oxford. The FMBA points out that the health benefit grievance arbitration remains under the jurisdiction of Arbitrator Restaino.

The FMBA proposes that the Township not be allowed to change health insurance carriers without its consent. The FMBA maintains that this would avoid litigation. The FMBA point to the huge expense of recent health benefit litigation that arose when the Township changed from the Horizon Blue Cross/Blue Shield to Oxford.

The record reflects that the Township's decision to change carriers to Oxford was implemented on a Township-wide basis for all bargaining units. The January 1, 2002 decision preceded the termination date of the Agreement, December 31, 2003. The sole challenge to the change was the FMBA grievance that was resolved in its favor on September 26, 2005 and affirmed in court on March 17, 2006. Despite this challenge, the grievance arbitrator did not order the Township to separate the FMBA from the Oxford Plan. Thus, the firefighters are receiving the same health benefit coverage as the remainder of the Township's workforce, including the police department, but in accordance with the litigation,

they have been essentially protected in the event that a benefit may not be covered under the Oxford Plan or if the employee's out-of-pocket cost under the Oxford Plan exceeds what it would have been under the prior carrier. The record reflects that such claims were relatively few and most, if not all, were adjusted by Oxford.

The FMBA seeks to remain independent from the Township's remaining union and non-union employees in large part due to the litigation over the change. However, in this proceeding, the issue is not whether the Oxford Plan was equal to or better as required under the 2000-2003 Agreement but rather, what should the health insurance program be going forward from the date of the award. The retention of jurisdiction by the arbitrator over the grievance that addressed the January 1, 2002 change to Oxford solely related to terms that existed within the 2000-2003 Agreement and the status quo thereafter. It does not extend to what the health insurance program shall be in the new Agreement between the date of this award through the December 31, 2008 expiration date of the new agreement and the status quo thereafter.

There is justification for the Township's proposal that the FMBA be aligned with the PBA and the Township's other union and non-union employees. Prior to the change in carriers, the health insurance program was Township-wide. The FMBA's opposition to the Oxford Plan that did not meet the equal to or better benefit standard in the old agreement must be balanced against the interests and

welfare of the public consideration that the Township be able to bid and administer a single plan for all of its employees. By doing so, the Township has been able to preserve broad health insurance coverage without having to seek employee cost sharing during the term of this agreement. Moreover, the Township's proposal is not designed to offer a lesser plan to the FMBA than it is administering for other Township employees. Rather, it is aimed at conforming the FMBA health benefit package to the single plan that it maintains for all others, including the PBA.

It may be that an out-of-pocket cost may increase for a specific covered benefit. The record does not reflect the amounts the Township may have paid out under the terms of the prior order. However, this possibility must be weighed against the fact that the Township's proposal will continue to provide to the FMBA a comprehensive, costly, full paid health insurance program at the same level as its other employees.

For all the above reasons, I award the Township's health insurance proposal effective January 1, 2008 or as soon as is administratively feasible thereafter. The sole exception is to replace "non-bargaining unit employees" with "Township employees in general". This will ensure that the benefits be, in all respects, identical to the PBA .

#### **DENTAL COVERAGE**

The FMBA proposes that dental coverage should be increased from \$1,000 to \$2,000 and that per person orthodontic coverage should be increased to \$3,000 instead of the current \$1,000 lifetime maximum. The FMBA notes that the Town has offered to increase the dental benefit to \$1,500. The FMBA notes that the cost of dental care is expensive and the costs of these services have risen dramatically in recent years.

The Township objects to this proposal that would dramatically increase the cost of the dental benefit. Additionally, the Township points out that any such change in dental insurance would likely apply to all 450 Township employees, which would have significant impact on costs. It asserts that its proposal to increase the benefit by \$500 or 50% is reasonable and should be awarded.

The Township's proposal represents a reasonable increase to the dental benefit and it is awarded.

### **GRIEVANCE PROCEDURE**

The FMBA proposes that in future litigation, the loser would pay the winner's attorneys fees. The FMBA maintains that this would correct a major injustice that resulted in the FMBA incurring tremendous expense before the arbitrator and court both ruled in its favor on the health insurance grievance.

The Township objects to this proposal as constituting a dramatic shift in the nature of the parties' Grievance Procedure. The Township asserts that the Grievance Procedure is designed to be a less expensive and informal means of resolving disputes and that when good faith disagreements arise, one side or the other should not be punished based upon the arbitrator's interpretation. The Township asserts that such a provision could prove to restrict the parties' ability to resolve disputes informally and could result in increased litigation. Additionally, the Township points out that the FMBA relies on only a single arbitration in support of this proposal.

I do not award this proposal. The awarding of attorney fees in grievance arbitration proceedings is widely recognized as an uncommon practice. Apparently due to the fact that it is not a customary practice, the proposal is not supported by any comparability evidence. There is, of course, no bar to requesting attorney fees on an ad hoc basis and such award is within an arbitrator's discretion. Further, the proposal directs the award of fees depending upon which party is the "winner" or "loser" rather than due to abuse of process or whether such award is in the interest of justice. In certain cases the definition of a "winner" or "loser" is not easily definable such as in a minor disciplinary case where a disciplinary action is upheld but the penalty is reduced. Accordingly, I do not award this proposal.

Accordingly, and based upon all of the above, I respectfully enter the terms of the Award.

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## AWARD

1. All proposals by the Township and the FMBA 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 duration of the Agreement shall be January 1, 2004 through December 31, 2008.

3. **Article VIII – Fire Protection Clothing Allowance**

Effective January 1, 2006, Article VIII – Clothing Allowance shall be eliminated on December 31, 2008. The allowance shall be continued or modified upon mutual agreement or award. (Article XXX in FSOA CBA).

4. **Article XIV – Insurance**

Article XIV – Insurance shall be revised effective January 1, 2008, or as soon as administratively feasible thereafter, as follows: (Article XI in FSOA CBA).

The Township shall provide group health insurance coverage for all eligible active and retired members (after 25 of years of service) and the eligible dependents, as defined in the policies of insurance, at the same level as is provided to Township employees in general.

The dental benefit shall be increased from \$1,000 to \$1,500 annually.

5. **Article XXV, Section C**

Article XXV, Section C shall be revised (Article XXII, Section F, Salaries FSOA CBA) as follows:

Any firefighter eligible for under the 2000-2003 collective bargaining agreement and receiving senior status differential pay after the completion of fifteen (15) years of service as of November 26, 2007, shall continue to receive said pay. Said pay shall not be included in base pay for the purpose of calculating any negotiated across the board increases nor shall it be included in base pay for calculating any differential or longevity benefits. However, this shall not affect how the overtime rate is calculated.

During the term of the 2004 through 2008 collective bargaining agreement, these eligible firefighters' base salaries, plus the senior status differential pay, shall be as follows:

	2004	2005	2006	2007	2008
<b>Fire Inspector</b>					
1 <sup>st</sup> Year	80,486	82,975	85,543	88,277	91,229
2 <sup>nd</sup> Year	80,863	83,364	85,945	88,693	91,600
3 <sup>rd</sup> Year	81,242	83,755	86,349	89,110	92,092
FF 1/C	79,225	81,672	84,199	86,889	89,792

The FSOA salaries shall be calculated using this same formula. For those fire officers who were eligible for the senior status differential prior to the issuance of this award on November 26, 2007, their base salaries, plus the senior status differential shall be as follows:

	2004	2005	2006	2007	2008
<b><u>Battalion Chief</u></b>					
Line					
+15 years	107,829	111,206	114,692	118,403	122,410
Line/Cert					
+15 years	109,972	113,147	116,708	120,486	124,565
Admin					
+15 years	109,088	112,506	116,034	119,790	123,846
Adm/Cert					
+15 years	109,845	113,288	116,841	120,625	124,709
<b><u>Captain</u></b>					
Line					
+15 years	101,248	104,412	107,677	111,153	114,638
Line/Cert					
+15 years	103,139	106,363	109,693	113,236	117,062
Admin					
+15 years	102,508	105,712	109,020	112,541	116,343
Adm/Cert					
+15 years	103,265	106,494	109,827	113,375	117,206
<b><u>Lieutenant 3<sup>rd</sup> Year</u></b>					
Line					
+15 years	94,631	97,579	100,623	103,862	107,110
Line/Cert					
+15 years	96,521	99,531	102,638	105,945	109,516
Admin					
+15 years	95,894	98,883	101,969	105,254	108,801
Adm/Cert					
+15 years	95,904	98,893	101,980	105,265	108,812

	2004	2005	2006	2007	2008
<b><u>Lieutenant 2<sup>nd</sup> Year</u></b>					
Line					
+15 years	90,249	93,054	95,952	99,024	102,364
Line/Cert					
+15 years	92,139	95,005	97,966	101,096	104,518
Admin					
+15 years	91,508	94,355	97,294	100,422	103,800
Adm/Cert					
+15 years	92,264	95,135	98,100	101,255	104,662
<b><u>Lieutenant 1<sup>st</sup> Year</u></b>					
Line					
+15 years	86,689	89,379	92,156	95,112	98,304
Line/Cert					
+15 years	88,579	91,331	94,172	97,195	100,460
Admin					
+15 years	87,950	90,681	93,500	96,501	99,741
Adm/Cert					
+15 years	88,705	91,460	94,305	97,333	100,602

Any firefighter not eligible for nor receiving senior officer pay as of November 26, 2007, but hired before March 1, 2000, shall be eligible for said pay upon completion of fifteen (15) years of service, in the amount of nine hundred eighty-one (\$981.00) dollars, added to their salary as set forth in Article XXVIX. After completion of seventeen (17) years of service, said firefighter shall be eligible to receive an additional nine hundred eighty-one (\$981.00) dollars added to their salary. After completion of nineteen (19) years of service, said firefighter shall be eligible to receive an additional nine hundred eighty-one (\$981.00) dollars added to their salary. After completion of twenty-one (21) years of service, said firefighter shall be eligible to receive an additional nine hundred eighty-one (\$981.00) dollars added to their salary. Said pay shall not be included in base pay for the purpose of calculating any negotiated across the board increases nor shall it be included in base pay for calculating any differential or longevity benefits.

During the term of the 2004 through 2008 collective bargaining agreement, and upon completion of fifteen (15) years of service after November 26, 2007, these eligible firefighters' salary shall be as follows:

**Firefighter 1<sup>st</sup> Class**

	2007	2008
<b>+15 Years</b>	83,946	86,849
<b>+17 Years</b>	84,927	87,830

<b>+19 Years</b>	85,908	88,811
<b>+21 Years</b>	86,889	89,792

The Fire Inspector salaries shall be calculated using this same formula:

**Fire Inspector**

<b>1<sup>st</sup> Year</b>	<b>2007</b>	<b>2008</b>
+15 years	85,334	88,287
+17 years	86,315	89,268
+19 years	87,296	90,249
+21 years	88,277	91,229
<b>2<sup>nd</sup> Year</b>		
+15 years	85,751	88,718
+17 years	86,732	89,699
+19 years	87,713	90,680
+21 years	88,694	91,660
<b>3<sup>rd</sup> Year</b>		
+15 years	86,167	89,149
+17 years	87,148	90,130
+19 years	88,129	91,111
+21 years	89,110	92,092

The FSOA salaries shall be calculated using this same formula. For those fire officers hired prior to March 1, 2000 and who, during the term of the 2004 through 2008 collective bargaining agreement, upon completion of fifteen (15) years of service become eligible for the revised senior officer pay after the date of the award, these eligible fire officers' base salary including the senior status differential shall be as follows:

<b>Battalion Chief</b>	<b>2007</b>	<b>2008</b>
<b>Line</b>		
+15 years	\$115,460	\$119,467
+17 years	\$116,441	\$120,448
+19 years	\$117,422	\$121,429
+21 years	\$118,403	\$122,410
<b>Line Cert</b>		

+15 years	\$117,543	\$121,622
+17 years	\$118,524	\$122,603
+19 years	\$119,922	\$123,584
+21 years	\$120,486	\$124,565

**Admin**

+15 years	\$116,847	\$120,903
+17 years	\$117,829	\$121,884
+19 years	\$118,809	\$122,865
+21 years	\$119,790	\$123,846

**Adm/Cert**

+15 years	\$117,682	\$121,766
+17 years	\$118,663	\$122,747
+19 years	\$119,644	\$123,728
+21 years	\$120,625	\$124,709

**Captain**

**2007**

**2008**

**Line**

+15 years	\$108,210	\$111,695
+17 years	\$109,191	\$112,676
+19 years	\$110,172	\$113,657
+21 years	\$111,153	\$114,638

**Line Cert**

+15 years	\$110,293	\$114,119
+17 years	\$111,274	\$115,100
+19 years	\$112,255	\$116,081
+21 years	\$113,236	\$117,062

**Admin**

+15 years	\$109,598	\$113,400
+17 years	\$110,579	\$114,381
+19 years	\$111,560	\$115,362
+21 years	\$112,541	\$116,343

<b>Adm/Cert</b>		
+15 years	\$110,432	\$114,263
+17 years	\$111,413	\$115,244
+19 years	\$112,394	\$116,225
+21 years	\$113,375	\$117,206

<b>Lieutenant 3<sup>rd</sup> Year</b>	<b>2007</b>	<b>2008</b>
<b>Line</b>		
+15 years	\$100,919	\$104,167
+17 years	\$101,900	\$105,148
+19 years	\$102,881	\$106,129
+21 years	\$103,862	\$107,110
<b>Line Cert</b>		
+15 years	\$103,002	\$106,573
+17 years	\$103,983	\$107,554
+19 years	\$104,964	\$108,535
+21 years	\$105,945	\$109,516
<b>Admin</b>		
+15 years	\$102,311	\$105,858
+17 years	\$103,292	\$106,839
+19 years	\$104,273	\$107,820
+21 years	\$105,254	\$108,801
<b>Adm/Cert</b>		
+15 years	\$102,322	\$105,869
+17 years	\$103,303	\$106,850
+19 years	\$104,284	\$107,831
+21 years	\$105,265	\$108,812

<b>Lieutenant 2<sup>nd</sup> Year</b>	<b>2007</b>	<b>2008</b>
<b>Line</b>		
+15 years	\$96,801	\$99,421
+17 years	\$97,062	\$100,402
+19 years	\$98,043	\$101,383

	+21 years	\$99,024	\$102,364
<b>Line Cert</b>			
	+15 years	\$98,153	\$101,575
	+17 years	\$99,134	\$102,556
	+19 years	\$100,115	\$103,537
	+21 years	\$101,096	\$104,518

**Admin**

	+15 years	\$97,479	\$100,857
	+17 years	\$98,460	\$101,838
	+19 years	\$99,441	\$102,819
	+21 years	\$100,422	\$103,800

**Adm/Cert**

	+15 years	\$98,312	\$101,719
	+17 years	\$99,293	\$102,700
	+19 years	\$100,274	\$103,681
	+21 years	\$101,255	\$104,662

**Lieutenant 1<sup>st</sup> Year      2007      2008**

**Line**

	+15 years	\$92,169	\$95,361
	+17 years	\$93,150	\$96,342
	+19 years	\$94,131	\$97,323
	+21 years	\$95,112	\$98,304

**Line Cert**

	+15 years	\$94,252	\$97,517
	+17 years	\$95,233	\$98,498
	+19 years	\$96,214	\$99,479
	+21 years	\$97,195	\$100,460

**Admin**

	+15 years	\$93,558	\$96,798
	+17 years	\$94,539	\$97,779
	+19 years	\$95,520	\$98,760
	+21 years	\$96,501	\$99,741

**Adm/Cert**

+15 years	\$94,390	\$97,659
+17 years	\$95,371	\$98,640
+19 years	\$96,352	\$99,621
+21 years	\$97,333	\$100,602

6. **Article XXV, Section C - Senior Status Differential**

This Article shall be deleted and replaced with the following: (Article XXII, Section F, Career Pay, Senior Officer Status, in FSOA CBA)

Any officer currently receiving senior status differential pay, shall continue to receive senior status differential pay in the amount of thirty nine hundred and twenty-four (\$3,924.00) dollars added to their salary. However, said thirty nine hundred and twenty-four (\$3,924.00) dollars, senior status differential pay, shall not be included in base pay for the purpose of determining any negotiated across the board increases nor shall it be included for calculating any differential or longevity benefits.

Any officer not receiving senior status differential pay as of November 26, 2007, but hired before June 1, 2000, shall upon completion of fifteen (15) years of service, have nine hundred eighty-one (\$981.00) dollars senior status differential pay added to their salary. After completion of seventeen (17) years of service, an officer shall have an additional nine hundred eighty-one (\$981.00) dollars added to their salary. After completion of nineteen (19) years of service, an officer shall have an additional nine hundred eighty-one (\$981.00) dollars added to their salary. After completion of twenty-one (21) years of service, an officer shall have an additional nine hundred eighty-one (\$981.00) dollars added to their salary. However, said senior status differential pay shall not be included in base pay for the purpose of determining any negotiated across the board increases nor shall it be included for calculating any differential or longevity benefits. (This same formula shall be applied to the FSOA CBA).

Any officer hired after June 1, 2000 shall not be eligible for any senior status differential pay.

7. **Article XXV – Salaries**

Article XXV – Salaries shall be revised to provide for the following base salary increases (Article XXII, Salaries – FSOA CBA):



<b>2004</b>	<b>3.25%</b>
<b>2005</b>	<b>3.25%</b>
<b>2006</b>	<b>3.25%</b>
<b>2007</b>	<b>3.35%</b>
<b>2008</b>	<b>3.50%</b>

The base salaries (excluding longevity and senior status differential pay) for the years 2004, 2005, 2006, 2007 and 2008, for all officers shall be as follows:

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>After 3-1-2000</b>					
<b>FF1/C15 yrs.</b>	75,302	77,749	80,276	82,965	85,869
<b>FF2/C 15 yrs.</b>	70,002	72,277	74,626	77,126	79,825
<b>FF3/C 15 yrs.</b>	64,735	66,839	69,011	71,323	73,819
<b>FF4/C 15 yrs.</b>	59,465	61,398	63,393	65,517	67,810
<b>FF5/C 15 yrs.</b>	54,192	55,953	57,771	59,707	61,796
<b>FF6/C 15 yrs.</b>	48,920	50,510	52,153	53,900	55,787
<b>FF7/C 15 yrs.</b>	41,861	43,221	44,626	46,121	47,735
<b>FF8/C 15 yrs.</b>	35,682	36,842	38,039	39,313	40,689
<b>Training</b>	28,590	29,519	30,479	31,500	32,603

<b>Fire Inspector</b>					
<b>1<sup>st</sup> Year</b>	76,562	79,050	81,619	84,353	87,306
<b>2<sup>nd</sup> Year</b>	76,940	79,440	82,022	84,770	87,737
<b>3<sup>rd</sup> Year</b>	77,318	79,831	82,425	85,186	88,168

The salaries for the FSOA shall be calculated using this same formula. After doing so, the base salaries (excluding longevity and senior officer pay) for the years 2004, 2005, 2006, 2007 and 2008, for all superior officers shall be as follows:

	2004	2005	2006	2007	2008
<b><u>Battalion Chief</u></b>					
Line	103,905	107,282	110,768	114,479	118,486
Line/Cert	105,795	109,233	112,784	116,562	120,641
Admin	105,164	108,582	112,111	115,866	119,922
Adm/Cert	105,921	109,364	112,917	116,701	120,785
<b><u>Captain</u></b>					
Line	97,324	100,488	103,753	107,229	110,714
Line/Cert	99,215	102,439	105,769	109,312	113,138
Admin	98,584	101,788	105,096	108,617	112,419
Adm/Cert	99,341	102,570	105,903	109,451	113,282
<b><u>Lieutenant 3<sup>rd</sup> Year</u></b>					
Line	90,707	93,655	96,699	99,938	103,186
Line/Cert	92,597	95,607	98,714	102,021	105,592
Admin	91,970	94,959	98,045	101,330	104,877
Adm/Cert	91,980	94,969	98,056	101,341	104,888
<b><u>Lieutenant 2<sup>nd</sup> Year</u></b>					
Line	86,325	89,130	92,028	95,100	98,440
Line/Cert	88,215	91,081	94,042	97,172	100,594
Admin	87,585	90,431	93,370	96,498	99,876
Adm/Cert	88,340	91,211	94,176	97,331	100,738
<b><u>Lieutenant 1<sup>st</sup> Year</u></b>					
Line	82,765	85,455	88,232	91,188	94,380
Line/Cert	84,655	87,407	90,248	93,271	96,536
Admin	84,026	86,757	89,576	92,577	95,817
Adm/Cert	84,781	87,536	90,381	93,409	96,678

8. **Article XVI – Longevity**

Effective June 1, 2006, Article XVI, Longevity, Section (b), shall be changed as follows (Article XII in FSOA CBA):

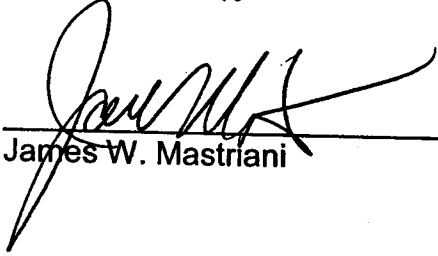
Employees hired by the Township after March 1, 2000:

**Years Completed**

**Percent of Base Pay**

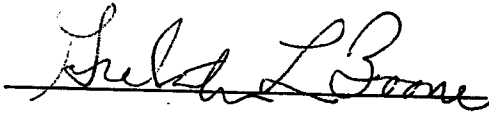
5 years	2%
10 years	4%
15 years	6%
20 years	8%

Dated: November 26, 2007  
Sea Girt, New Jersey

  
\_\_\_\_\_  
James W. Mastriani

State of New Jersey     }  
County of Monmouth    }ss:

On this 26<sup>th</sup> day of November, 2007, 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.

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