

NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of Interest Arbitration Between

TOWNSHIP OF PEMBERTON,

"Public Employer"

-and-

PEMBERTON TOWNSHIP, PBA LOCAL 260

"Employee Organization"

Docket No. IA-99-58

**INTEREST ARBITRATION
DECISION
AND
AWARD**

**Before
James W. Mastriani, Arbitrator**

Appearances:

For the Employer:

Thomas M. Barron, Esq.
Parker, McCay & Criscuolo, P.A.

For the Union:

Charles E. Schlager, Jr., Esq.
Loccke & Correia, P.A.

I was appointed arbitrator by the New Jersey Public Employment Relations Commission on March 23, 1999 in accordance with P.L. 1995, c. 425, in this matter involving the Township of Pemberton and PBA, Local 260 (the "PBA"). Several pre-arbitration mediation sessions were held. Because the impasse was not resolved, formal interest arbitration hearings were held on March 7, and April 4, 2000 at which time the parties examined witnesses and introduced evidence. Post-hearing briefs were submitted by June 9, 2000. Thereafter, the record was closed. The mandatory terminal procedure of conventional arbitration was used to decide all issues in dispute. Under this procedure, the arbitrator has the authority to fashion an award that he believes represents the most reasonable determination of the issues in dispute.

FINAL OFFERS OF THE PARTIES

PBA, LOCAL 260

1. **Duration:** January 1, 1999 through December 31, 2002.

2. **Wages:**

Effective January 1, 1999* 2.0% across the board
Effective January 1, 2000 3.9% across the board
Effective January 1, 2001 3.9% across the board
Effective January 1, 2002 3.9% across the board

*This percentage is proposed in the event that proposal number 3 is a component of the final decision. If Proposal number 3 is not

considered than the PBA seeks the same rate increase as shown in the years 2000, 2001 and 2003.

3. Wage Adjustment:

The PBA seeks an adjustment to the December 31, 1999 base wage at all steps of \$2675 to bring unit members more closely in line with other comparable law enforcement officers.

4. Holiday Leave, Clothing Allowance and Weapons Allowance:

The PBA would support the elimination of Holiday Leave, Clothing Allowance and Weapons Allowance.

5. Personal Days:

The PBA seeks to have the personal leave benefit reflect the benefit provided to Police Superior Officers of Pemberton Township and proposes the following language:

The employer shall permit each employee three (3) personal days per year with pay. Failure to use the personal day shall not cause the employer to make payment for said time not utilized. The personal day shall not be accumulative. A personal day may be utilized after first notifying the shift supervisor of the employee's request for time off.

6. Retiree Health Benefits:

The PBA seeks revision to the health benefit language to permit inclusion for retiree health benefits as determined by the Township and permitted by law. The proposed language, which includes changes to comport with the decision of PERC in the scope of negotiations determination, is as follows:

The employer will provide a retired employee with a minimum of twenty-five (25) years of credited service with the Police and Fire Retirement System (PFRS) continued health insurance effective immediately when the uniformity requirements of N.J.S.A. 40A:10-23 are met and until such time the current practice of twenty-five (25) years of service with the Township will be required for such benefits. This provision will cover the employee only at the single person rate. However, the employee may upgrade the health benefit insurance to a family plan and the cost difference between a single person rate and a family plan shall be paid by the retired employee at the group rate.

The employer will provide an employee who retires as a result of an in the line of duty injury, with continued health benefits as received while the employee was employed.

THE TOWNSHIP OF PEMBERTON

1. Duration: January 1, 1999 through December 31, 2002

2. Wages:

The Township proposes that wages be increased retroactive as follows:

January 1, 1999	2.0%
January 1, 2000	3.0%
January 1, 2001	3.25%
January 1, 2002	3.25%

3. Terminal Leave:

The Township seeks to cap the payment of accumulated leave time for new employees at \$5,000.

The Township and the PBA have offered testimony and considerable documentary evidence in support of their final offers. Township witnesses testifying at the hearing included Pemberton Township Mayor Thalia Kay, Pemberton Business Administrator Robert Glass and its Tax Assessor Edward Burek. Pemberton Detective Dave Patriarca and municipal budget expert Vincent Foti testified on behalf of the PBA. In addition, final offers and numerous Township and PBA exhibits were received in evidence. I am required to make a reasonable determination of the above issues giving due weight to those factors set forth in N.J.S.A. 34:13A-16g(1) through (8) which I find relevant to the resolution of these negotiations. I am also required to indicate which of these factors are deemed relevant, satisfactorily explain why the others are not relevant, and provide an analysis of the evidence on each relevant factor. 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.

BACKGROUND

Pemberton Township is a Burlington County municipality encompassing 64 square miles with a population estimated at 31,343 in 1999. Pemberton Township has 10,051 households and a median family income of \$35,460. As one of the larger municipalities in Burlington County, in the 1980's Pemberton experienced a growth rate of 53.7%, compared to a statewide growth rate of 28 percent. Corresponding to the increased growth rate, the Township has engaged in many capital improvements including bridge improvements, downtown sidewalk and lighting upgrades, a new Community Center at Sunbury Village, recreational site development and improvements, road and drainage improvement projects and a community library project. Pemberton has also

emphasized economic development and 20 square miles, or 31% of the Township, has been designated an Urban Enterprise Zone (UEZ). As a result of the UEZ designation, Township residents receiving public assistance have decreased by 53% since 1994 and abandoned and vacant commercial buildings in the downtown area have also decreased, while 350 permanent new jobs have been created in the UEZ. Crime is down, with major crimes decreasing from 37.7 to 28.7 crimes per 1,000 residents from 1992 to 1996.

In recent years Pemberton has enjoyed economic stability and in most years maintained a surplus. In 1999 the surplus was \$1,241,202. However, Pemberton received \$900,000 in extraordinary State aid in 1999 to off-set tax increases. Municipal tax rates have been increasing incrementally since 1996 when the tax rate was 2.403. The municipal tax rate increased to 2.518 in 1997 and to 2.524 in 1998. The Township's share of that tax rate increased from 0.677 in 1998 to 0.773 in 1999. In 1998, the Township's tax levy per capita was 555.44. Pemberton's total property value is \$488,428,000.00. The Township's total general revenues in 1999 were \$16,039,165.13 are anticipated to be \$15,731,259.32 and in its 2000 budget.

The Police Department employs a total of 55 Officers including the Chief, two lieutenants, four sergeants, eight detectives and 39 patrol officers. The Department includes a Detective Division, Patrol Division and an Administrative Division. The bargaining unit is composed of 39 Police Officers, eight Detectives

and four Sergeants. The Patrol Division includes Traffic Safety, Emergency Medical Technicians, K-9, Resource Patrol (the schools) and DARE. The Detective Division includes the General Investigations Unit, includes a Juvenile Bureau and a Narcotics Unit.

POSITION OF THE PBA

The PBA maintains that Pemberton's Police Officers provide exemplary service and serve the interest and welfare of the public. The PBA highlights the variety of services provided by Pemberton's Police, including traffic safety, emergency medical services, K-9 patrol, DARE, and school resource work. The PBA also highlights the specialized training, including breathalyzer, speed monitoring and firearms, that Police receive from instructors within the unit.

The PBA emphasizes the workload of Pemberton Police with the Police Department handling the most EMS calls in Burlington County. According to the PBA, 7583 or 7.6% of all EMS calls in the County from 1996 through 1998 were handled by Pemberton Police. Additionally, Pemberton ranks third in the County with 10.9%, or 102,706 of all police calls in the County handled by its Police. The PBA also points to the testimony of Detective Patriarca that Pemberton Police work with the Burlington County Sheriff's Department on a daily basis, particularly as it pertains to Fort Dix. The PBA also notes that Detective

Patriarca testified as to the working relationship between the Pemberton Police and the Manchester Township Police and the State Police.

The PBA points out that, as one of the largest municipalities in Burlington County, it has experienced a growth rate almost double that of the statewide rate and is home to the County's largest employer, the Deborah Heart and Lung Center. According to the PBA, the Township is thriving, with development of a multi-site recreational system, revitalization of Mirror Lake Dam, installation of a sidewalk system and development of an Urban Enterprise Zone. According to the PBA, these programs significantly increase the numbers of residents, visitors and revenues to the Township.

At the same time, the PBA points out, crime has decreased from 37.7 major crimes per 1,000 residents in 1992 to 28.7 major crimes per 1,000 residents in 1996. Further, the PBA points out that Pemberton's crime rate is lower than the crime rates in Burlington City, Mt. Holly, Burlington Township and Willingboro. Although Pemberton has reduced its crime rate, the PBA maintains that its members continue to face a substantial workload due to the geographic size of the Township as well as deteriorating equipment and resources. Citing Detective Patriarca's testimony, the PBA cites Township decisions to continue to use police cars with over 100,000 miles or damaged police radios that fail frequently. According to the PBA, these decisions result in a tactical advantage

to the criminal element and increase risks to Police Officers and the general public.

The PBA asserts that the successes of the Pemberton Police Department, the decreasing crime rate and challenging working conditions demonstrate that the interest and welfare of the public is well-served by the Pemberton's Police. Therefore, the PBA argues that competitive overall compensation and a reasonable wage rate as defined by the wage rate in other Burlington County communities is appropriate and in the interest and welfare of the public.

The PBA asserts that the high level of productivity and professionalism demonstrated by Pemberton's Police Department is not matched by its level of compensation. According to the PBA, the top step base wage rate of \$46,155 in Pemberton is the lowest among comparable departments within Burlington County. Those communities include Cinnaminson, Burlington County Prosecutors, Burlington City, Westhampton, Mt. Holly, Lumberton Township, Willingboro, Delran, Maple Shade, Manchester, Florence, Burlington Township, Mt. Laurel, Medford, East Hampton, Evesham, as well as the State Troopers, and Pemberton Teachers and Municipal Employees who are represented by AMFSCME Local 2783.

The PBA compares the top step base rate in Pemberton, \$46,155 with those police departments and finds the average 1998 top step salary among

those departments is \$52,604. Therefore, the PBA calculates that Pemberton's top step base rate is 13.97% or \$6,449 behind the average annual wage of comparable police officers in Burlington County. In support of its contention that Pemberton's Police earn far less than the average top step salary in Burlington County, the PBA offers the following chart of its analysis:

MUNICIPALITY	TOP STEP SALARY
Manchester	\$62,338
N.J. State Troopers	\$61,487
Evesham Tp.	\$57,474
Moorestown	\$55,266
Medford Tp.	\$54,504
Burlington Tp.	\$54,052
Maple Shade	\$53,983
Burlington City	\$52,549
Willingboro	\$51,956
Delran	\$50,693
Cinnaminson Tp.	\$50,067
Mt. Laurel	\$49,703
Mt. Holly	\$48,406
Florence	\$47,415
Lumberton	\$47,185
Westhampton	\$46,607
Pemberton Tp.	\$46,155
East Hampton	\$45,395
Average	\$52,604

The PBA calculates that Manchester Police and State Troopers earn \$16,183 or 35.1% and \$15,332 or 33.2% more respectively than Pemberton Police though the departments work side by side. The PBA also compares Township Police salaries with teachers' top pay in Pemberton who earn \$55,377, which is \$9,222 or 19.98% more than Township Police. Further, the PBA compares the 1998 top

step base pay with the Administrative Secretary, the top paid civilian Township employee in the Pemberton Township Employees Association, whose 1998 salary was \$48,298. The PBA calculates that the Township Administrative Secretary's salary in 1998 was \$2,143 or 4.6% higher than a top step Patrol Officer.

The PBA points out that Township Police work twelve-hour shifts totaling 84 hours in a 14-day schedule. The PBA calculates that this equals approximately 8.4 hours in a normal civilian schedule. According to the PBA, this illustrates the disparate treatment of Police compared to those with similar status, such as teachers, accountants, and attorneys. Additionally, the PBA maintains that police are technically on the job 24 hours per day, seven days per week, because if they witness a crime, they have a duty to become involved. The PBA also points out that Police put their life on the line in ways that teachers and secretaries do not. Yet, according to the PBA, police, like teachers and secretaries, also shop for food, clothing, cars, and other goods in the same stores and purchase houses in the same neighborhoods, pay the same taxes and their children attend the same schools. Therefore, the PBA maintains that top step Police should be entitled to at least the same compensation. The PBA compares the Pemberton Police, who rank 17 out of 18 departments used for comparison with Pemberton Township teachers who rank second in the County. Concluding that Township Police are compensated at levels below that of other municipal police, teachers, and even certain civilian employees within Burlington

County, the PBA maintains that this trend will continue and worsen unless the PBA's wage position is accepted.

Using rates of increase for comparison, the PBA maintains that the average negotiated wage increase from 1997 to 1998 was 4%; from 1998 to 1999 the average increase was 3.88%; from 1999 to 2000 the average increase was 4.23% and from 2000 to 2001 the average increase was 4.56%. In comparison, the PBA points out that the Township seeks to provide increases of 2.0% in 1999, 3.0% in 2000 and 3.5% in 2001 and 2002. According to the PBA, these figures are not significantly below its final offer, but are drastically below average increases in comparable Burlington County communities. Additionally, the PBA maintains that the differences between its position and the Township's would not cause a financial hardship to the Township. According to the PBA's calculation, the cost of its final offer versus that of the Township, the PBA's final offer would result in a total compensation of \$49,830 for 1999 and the Township's would result in total compensation of \$49,515 for a cost difference of \$315 per top step officer.

The PBA explains that it seeks a wage adjustment of \$2,675 to bring the wage of top step patrolmen into range with salaries for comparable law enforcement officers. The PBA is willing to remove the contract language which provides holiday leave, clothing allowance and weapon allowance. According to the PBA, it is willing to eliminate those benefits because, their cost, when added

to the wage adjustment, would add approximately 7.3% to the total package and would escalate the average annual wage increase to approximately 5.58%, which is outside the generally recognized range of wage increases. Accordingly, the PBA analyzes and compares its proposal to the Township's as follows:

PBA Comparison of Total Compensation at Top Step

Township's Proposal

Township's Proposal	1998	1999	2000	2001	2002
Base Salary	\$46,155	\$47,078	\$48,490	\$50,188	\$51,944
Holiday Rate	\$2,485	\$2,535	\$2,611	\$2,702	\$2,797
Clothing Allowance	\$775	\$775	\$775	\$775	\$775
Weapon Allowance	\$100	\$100	\$100	\$100	\$100
Total Compensation	\$49,515	\$50,488	\$51,976	\$53,765	\$55,616

PBA's Proposal

PBA's Proposal	1998	1999	2000	2001	2002
Base Salary	\$46,155	\$50,827	\$52,809	\$54,868	\$57,008
Holiday Rate	\$2,485	\$0	\$0	\$0	\$0
Clothing Allowance	\$775	\$0	\$0	\$0	\$0
Weapon Allowance	\$100	\$0	\$0	\$0	\$0
Total Compensation	\$49,515	\$50,827	\$52,809	\$54,868	\$57,008

The PBA emphasizes that its charts show that the difference is relatively small, \$339 in 1999, \$833, in 2000, \$1,103 in 2001 and \$1392 in 2002. According to the PBA, the Township's increase equals 3.08% per year and the PBA's proposal equates to an average of 3.78% per year. The PBA maintains that the annual average wage increase proposed by the Township is well below the range of average annual increases provided by PERC, which are between

3.5% and 4.5%. According to the PBA, PERC recently released information that the average annual increase from an arbitration award was 3.68% while the average annual settlement was in excess of 3.8%.

Comparing the Pemberton Police to its civilian employees represented by AFSCME, the PBA demonstrates that throughout the 1990's it has received increases greater than those provided to the AFSCME unit. Specifically, in 1990 and 1991, the PBA received increases that were 2% greater in each year. In 1992, the PBA's increase was 1.25% above that received by AFSCME. In 1993 the PBA received .5% more than was provided to AFSCME members and in 1994 they received the same increase. In each year from 1995 through 1998, PBA members received increases that were 1.15 percentage points more than the rate of increase provided to the AFSCME unit. According to the PBA, this demonstrates a historical pattern of providing the Police increases larger than those provided to the AFSCME unit. The PBA contends that if its final offer is awarded, Pemberton Police will continue to earn less than the average Burlington County law enforcement officer.

Comparing benefits other than salary, the PBA maintains that, although longevity is not at issue in this proceeding, inferior longevity benefits provided to Pemberton Police result in their top step salary plus longevity of \$51,694 remaining 15.38% behind the average top step salary of \$55,357 with longevity. Accordingly, the PBA asserts that when longevity is added to the consideration of

wages, Township Police fall behind comparable law enforcement personnel by an additional 1.54%. Looking to other benefits, including clothing allowance, education credits, number of steps to top, sick leave, funeral leave, vacation leave, holiday leave and personal leave, the PBA argues that benefits provided to Pemberton Police rank poorly when compared to other Burlington County law enforcement officers. For example, the PBA calculates that the average clothing allowance is \$826 annually, compared with \$775 per year in Pemberton. Additionally, the PBA's comparison shows that Pemberton Police receive two personal days in contrast to the average of 2.6 days among Burlington County law enforcement officers. Accordingly, the PBA contends that when overall compensation is considered, Pemberton Police receive wages and benefits that are well below average when compared to other law enforcement officers in Burlington County.

Turning to the lawful authority of the employer, the PBA notes at the outset that the Township has stipulated that in this case the CAP Law is not impacted by either final offer. The PBA points out that Pemberton Township did not use the full 5% flexibility available and the testimony from both the PBA and the Township shows that there is cap flexibility within the budget. The PBA cites the testimony of Township Tax Assessor Edward Burek that ratables have grown by \$19,626,200 or 2.4% since 1995 and by \$7,691,350 or an additional 1% since 1998. The PBA also cites Tax Assessor Burek's testimony that land continues to be available for further development. The PBA also relies upon the testimony of

Township Administrator Robert Glass who noted that the Township reduced its proposed tax increase for 2000 from \$.30 per \$100 to \$.17 per \$100 because it received \$900,000 in extraordinary aid from the State to "directly off-set tax increases."

However, the PBA also highlights surpluses carried by the Township. The PBA emphasizes the testimony of Township Administrator Glass that the Township carried a surplus of \$780,709 into 1996 and that surplus increased to \$860,230 going into 1997 and that surplus increased to \$1,114,822 going into 1998. Then, the PBA points out, Township Administrator Glass testified that the surplus was used in order to qualify for the extraordinary aid received from the State. As a result, the surplus decreased to \$195,760. According to the PBA, after receiving the \$900,000 in State aid, the Township forecasts that its surplus will increase to \$1,396,962 or 27.5%. The PBA also notes that Township Administrator Glass testified that during this period, the Township did not increase its Cap flexibility beyond its current rate of 2.5%. Additionally, the PBA points out that the Township has not exercised its authority to increase the Cap by 5%, choosing to increase the budget by 2.5% or \$11,800,000. The PBA also notes that municipal budget expert Vincent Foti testified that the Township would not have "difficulty in paying the PBA's proposed wage increase."

The PBA argues that review of the financial evidence in this case demonstrates that an award of the PBA's position would not result in an adverse

financial impact on the governing body, its residents and taxpayers. The PBA relies upon Mr. Foti's calculation that total 1998 base wages for the bargaining unit were \$2,302,509 and the PBA's wage proposal would result in a savings to the Township because it would be offset by the reduction in holiday leave pay. Noting that the cost of holiday pay increases as base salary increases, the PBA calculates that its wage proposal would cost an additional \$44,711 in 1999, \$88,930 in 2000, \$92,298 in 2001 and \$96,002 in 2002 for a total increased cost of \$322,041. Again relying upon Mr. Foti's calculations, the PBA points out that the cost of its proposal is "\$.64 per month to residents."

The PBA also points to Mr. Foti's testimony regarding the Township's ability to pay. According to the PBA, Mr. Foti pointed out the 1.5% increase the assessed in the Township's assessed value from \$820,563,245 to \$832,317,086 in 1999. Accordingly, the PBA asserts that the average increase of 3.78% would equal approximately one tax point or \$83,231 in any year. The PBA contends that review of the Township's financial status shows, as Mr. Foti testified, that the Township would not have a problem paying the increase and that there would not be a negative impact on taxpayers.

Reiterating that except for 1998, when the surplus was eliminated in order to qualify for extraordinary aid from the State, the PBA points out that the Township's results of operations or its surplus balances have been healthy and as high as \$1,241,202 in 1999. The PBA also emphasizes Mr. Foti's testimony

that the Township's cash basis accounting system is "unconventional" and underestimates the its true financial condition. Quoting Mr. Foti's analysis, the PBA points out that the Township earned "excess budget revenues of \$662,960 in 1999 and the following Unexpended Balance of Appropriation Reserves in 1995 of \$386,348, \$399,221 in 1996, \$177,881, in 1997 and \$352,164 from the year 1998." The PBA also points out that the municipal tax rate has been fairly consistent from 1996 to 1999. Specifically, in 1996 the tax rate was 2.403, in 1997 the tax rate was 2.518 and in 1998 the tax rate increased .24% to 2.524. When the municipal tax rate is examined as a portion of the total tax rate, Mr. Foti testified that the municipal portion has remained steady increasing from 25% in 1996 to 27% in 1998 and 1999. In comparison, the PBA notes that the School Tax represented 53% of the general tax rate. Additionally, the PBA points out that Pemberton's tax rate was 25th out of 40 Burlington County communities, and eighth out of the ten communities used as comparisons in this case. At the same time, the PBA cites Mr. Foti's testimony that Pemberton ranked eighth County-wide in total property value and third among the ten comparable communities. In this environment, the PBA contends, it seeks increases that cost .996 or approximately one tax point. Given the average house value of \$92,900, the PBA calculates that the tax burden passed on to Pemberton Township residents is \$.77 per month. Additionally, the PBA points out that the tax levy per capita was the 37th lowest in the County at \$555.44, compared to the highest tax levy per capita of \$2,290 in Moorestown.

However, the PBA does note that the tax collection rate could be improved. The Township's tax collection rate was 91.40% in 1995, 92.05% in 1996, 93.08% in 1997, 92.38% in 1998 and 93.17% in 1999. The PBA also points out that the tax collection rate is below the State mandated minimum. As a result of the low tax collection rate and the lower tax collection rates used by the Township for budget preparation purposes, the Township is required to maintain a high reserve for uncollected taxes, according to the PBA. The PBA points out that the reserve for uncollected taxes was \$1,721,320 in 1999 and \$1,687,365 in 1998. The PBA calculates that this negatively impacts the budget by an average of .82 points per year.

The PBA reviews the Township's borrowing power based on the equalized valuation basis of \$792,637,314 as of December 31, 1999. According to the PBA, the equalized valuation basis of 3.5% was \$27,742,305 or which the Township borrowed 1.71% or \$20,954,780, leaving remaining borrowing power of \$6,787,525. At the same time, the PBA cites Mr. Foti's testimony that the Township generated \$219,000 in interest income in 1999. The PBA also points out that the Township received additional revenues of \$154,941 in Federal and State grants for law enforcement services, including drunk driving enforcement, safe and secure neighborhoods, clean communities and municipal drug alliance. Based upon the Township's financial documents and the testimony of Mr. Foti and Township Administrator Glass the PBA asserts that its proposal would have little impact on the taxpayer or the Township.

Addressing the cost of living criterion, the PBA asserts that the overall cost of living index has increased by 2.7% nationally to 4% regionally for the year ending in January 2000. Noting that the Township did not submit conflicting evidence or dispute the PBA's evidence on the cost of living, the PBA points out that the consumer price index is a measure of the average change in the price, over time, of a fixed market basket of goods. Acknowledging that the CPI has remained steady in recent years, the PBA asserts that the CPI does not always portray an accurate reflection of the cost of living for individuals in a specific area. For example, the PBA cites CPI-U data in the Northeast which shows that the total CPI-U increased 2.7% from January 1999 to January 2000, but the cost of gasoline increased 33.9% and the cost of medical care (commodities only) increased by 5.5% in that same period. Other CPI data cited by the PBA shows that the CPI for the Philadelphia-Wilmington-Atlantic City region increased by 4.0% for 1999. Looking at average wage increases for private sector workers ranged from 3.0% to 3.5% in 1998 and over the past year, total compensation grew at approximately 3.5% according to the PBA. Noting that annual increases in salary in the Northeast have remained steady at 3.3% to 3.4%, the PBA asserts that CPI should be viewed as a range to be used as a general measure in a national context and should not be used as the ultimate determination of increases for a particular municipality. Accordingly, the PBA urges consideration of the CPI within the range from 2.7% to 4.0%, because it is more reflective of the local increases in the cost of living than of the national increase of 2.7%.

Finally, addressing the continuity and stability of employment, the PBA cites to the concepts of "prevailing standards" and "area rates." Based upon these concepts, the PBA asserts that its members are paid poorly and do not receive off-setting benefits. Therefore, the PBA maintains that actual rates of increase are of primary importance. Of equal importance according to the PBA, are its proposal to provide its members with the same three day per year personal leave benefit and retiree health benefits as are received by Police Superior Officers. According to the PBA, review of area rates and prevailing standards support its proposal and the continuity and stability of employment.

POSITION OF THE TOWNSHIP

The Township stresses that its financial situation would be harmed by an award of the PBA's proposal and asserts that such a proposal is not in the interest and welfare of the public or of Pemberton's residents and taxpayers. The Township points out that it has experienced years of financial difficulties that have only recently been eased due to State aid and grant money. The Township points to the \$900,000 in discretionary aid it received from the State in 1999 and notes that it has applied for similar aid for 2000 but anticipates that the sum will be reduced dramatically. The Township notes that the aid is discretionary and can not be relied upon. Since the Township cannot rely upon receiving such aid, it cannot depend upon receiving such aid when it prepares its budget.

The Township points out that PBA members already receive benefits in excess of those received by non-police employees. Examining wage increases received by the Superior Officers' Association (SOA) and by AFSCME Council 71 representing its civilian employees, the Township compares those increases to its proposal for the Police. According to the Township, the SOA has agreed to accept increases of 2.0% in 1999 and increases calculated by a formula directly related to its budget increases for 2000, 2001 and 2002. The Township asserts that it has reached a tentative agreement with AFSCME for increase of 2.0% in 1999, 3.0% in 2000, and 3.5% in both 2001 and 2002. The Township seeks to keep increases for its Police in line with increases provided to the SOA and to AFSCME. The Township argues that the PBA has not presented evidence supporting an increase in excess of that provided to the SOA or to AFSCME.

The Township also urges consideration of the additional benefits received by PBA members that are not provided to other Township employees. These benefits are largely related to specific Police functions. For example, the Township pays for training for DARE officers and certifications necessary and required by Police. The Township also notes that it provides Police with substantial training in accident reconstruction. According to the Township, AFSCME members do not receive these benefits and most SOA members have permanently met those certification requirements. While the Township acknowledges that the PBA might argue that such training costs are the

Township's responsibility, the Township asserts that it incurs the costs of ensuring its Officers are adequately trained and certified, but in most other professions, employers do not assume such costs or if they do they seek reimbursement if the employee leaves their employ.

The Township asserts that the compensation it provides to its Police is competitive when compared to neighboring municipalities. When comparing Pemberton with other Burlington County municipalities, the Township urges consideration of financial data such as the tax levy. According to the Township, it ranks 37th out of 40 Burlington County municipalities with respect to the tax levy per capita and the three municipalities directly above the Township are Chesterfield Township, Beverly Township and Pemberton Borough. The three municipalities directly below Pemberton are North Hanover, Wrightstown and New Hanover. The Township also compares the value of a single family home, the tax collection rate and the size of the community. According to the Township it has a tax collection rate of 91.59%, and encompasses 61.74 square miles and the average cost of a home is \$92,900. In other words, the Township points out that it is one of the larger communities, but has one of the lowest median values for a single family home and has the lowest tax collection rate. Accordingly, the Township maintains that it should not be compared with larger municipalities such as Medford Township, Evesham Township and Mount Laurel Township. According to the Township the only municipalities with similar tax collection rates are Mount Holly Township and Burlington City. When comparing the median

value of a single family home, the Township suggests that it is similar to Mount Holly Township, Burlington City, Willingboro Township, Manchester Township and Maple Shade Township. When compared to these communities, the Township maintains that its salary is competitive. Additionally, the Township asserts that the salary of its police will remain competitive with the increases it proposes.

Finally, the Township notes that PBA members also enjoy longevity benefits of 4% after five years, 8% after ten years and 12% after fifteen years of service. This benefit, according to the Township, coupled with their salaries render Pemberton police one of the better compensated units in Burlington County thereby supporting the reasonableness of its proposals.

DISCUSSION

As stated above, I am required to issue an award based upon a reasonable determination of all issues in dispute after giving due weight to the statutory criteria which I judge relevant. If I deem any of the criteria irrelevant, the reasoning for such conclusion must be stated. The Township and the PBA have expertly and comprehensively set forth their positions on the issues in dispute and have submitted testimony, evidence and argument on each statutory criterion to support their respective positions. The testimony, evidence and arguments have been carefully reviewed, considered, and weighed.

Initially, I note that several non-salary issues remain in dispute. One principle which is ordinarily and traditionally considered in the determination of wages, hours and conditions of employment through the bargaining process is that a party seeking such change bears the burden of showing the need for such modification. I apply that principle to the analysis of each issue in dispute.

The PBA proposes an additional personal day. Currently, PBA members receive two personal days per year and, citing the Superior Officers' agreement, seek to increase that to three days. The PBA has met its burden on this issue. The Superior Officers receive three personal days per year and the County-wide average is 2.6 personal days annually. I believe that the continuity and stability of employment for police officers will be served by having a benefit consistent with that received by the Superiors. The additional personal day is awarded effective January 1, 2001. The PBA also proposes to amend the personal day language to parallel that in the Superior Officers' agreement. The principal difference between the current provision in Article IX(C)(1) and the PBA's proposal is that the current language requires one-week notice for use of personal days and the Superior Officer's agreement does not. The current provision permits the Chief of Police to waive the notice period in an emergency. The PBA has not demonstrated difficulties with the current provision. There is insufficient evidence that the notice requirement has resulted in the denial of or inability to use personal leave or that the staffing requirements for the rank and

file are such that the one-week notice requirement is unnecessary. This portion of the proposal is denied.

The Township seeks to cap payment of accumulated sick leave time at \$5,000 for new employees and those who have not accrued this amount of accumulated sick leave. The current cap on sick leave buy back at retirement is \$10,000. The Township estimates that if this cap were implemented for current employees, it would save \$20,590.96 from this bargaining unit, and an additional \$22,633.88 from the SOA and the Chief for a total savings of \$43,224.84. This proposal mirrors the agreement with the superior officers and will provide future cost savings that will provide future offsets to the cost of this Award. I conclude that the interests and welfare of the public and the continuity and stability of employment will be served by a uniform system for accumulated sick leave pay at retirement for all police employees regardless of rank. However, I also conclude that existing employees should not be affected by the lower cap. The existing system should not be disturbed for them, unless otherwise negotiated during their careers, because their expectation of this benefit at retirement may have affected their accrual of this time over a period of many years. The Township's proposal to cap payment of accumulated sick leave for new employees at \$5,000 is awarded, effective with employees hired on or after the date of this Award.

I now turn to the PBA's proposal which would provide a retired employee with a minimum of 25 years of credited service with the Police and Fire Retirement System (PFRS) continued health insurance. The PBA contends that the Township has awarded this benefit to several employees and, as such, it seeks to codify the current benefit, not change it. The Township challenged the negotiability of this provision and received a decision from the Public Employment Relations Commission that the proposal was not mandatorily negotiable unless modified to clarify that it could not take effect until the uniformity requirements of N.J.S.A. 40A:10-23 were met. Thereafter, the PBA amended its proposal to comply with this legal requirement. After review of the parties' positions with respect to this proposal, I conclude that there is merit to the PBA's proposal subject to the following modification. This proposal, assuming that the uniformity requirements are met some time in the future, could promote earlier retirements of police officers with 25 or more years of experience thereby allowing the Township to hire younger police officers at substantially less total compensation cost. This would substantially offset the cost of this benefit which is limited to the employee only at the single person rate. The Township has provided this benefit in the past and has control over whether it hires police officers who have experience in other jurisdictions. The Township, however, has an interest in not providing benefits to employees who have not had lengthy service to the Township. For this reason, there should be a limitation in the number of years in which a retired employee's experience in the Police and Fire Retirement System outside the Township of Pemberton should be credited. The

PBA's proposal should, therefore, be modified to limit the number of such years which can be credited to five years, unless otherwise waived by the Township in its sole discretion. With this modification, I award the PBA's proposal which cannot be implemented until all legal requirements are met.

Turning to the parties' wage proposals, based upon a total annualized base salary figure of \$2,353,905 in 1998, the amount of the Township's proposed increase of 2% in 1999 is \$47,078 in 1999, \$72,029 in 2000, \$80,372 in 2001 and \$82,984 in 2002. For the purposes of this analysis, I compute the cost of both of the PBA's alternate wage proposals. First costing the PBA's proposal to increase salaries by 3.9% in each year, the cost of the PBA's proposed increase is \$91,802 in 1999, \$95,382 in 2000, \$99,102 in 2001 and \$102,967 in 2002.

Alternatively, the PBA proposes to accept a 2% increase in 1999 as proposed by the Township. Under that proposal, the PBA, in lieu of receipt of certain stipulations and payments, seeks a wage adjustment of \$2675 effective December 31, 1999, prior to a 3.9% increase in each of the next three years. In exchange, the PBA proposes to eliminate holiday pay, and the clothing and weapon allowances and receive the adjustment at less than a dollar for dollar value. The one time cost of the wage adjustment is \$136,425 and the one time cost of the elimination of the holiday benefit (\$2535 per officer) and the clothing (\$775) and weapon (\$100) allowances is \$173,910. Based upon the wage

adjustment, the cost of the PBA's proposal is \$47,078 in 1999, \$98,958 in 2000, \$102,818 in 2001 and \$106.828 in 2001.

There is no difference in the proposals in terms of new money cost in the first year. In 2000, the PBA's proposal, including the tradeoff of holiday pay, and the clothing and weapons allowances for a \$2675 wage adjustment, costs \$10,556 less than that of the Township. In 2001, the PBA's proposal costs \$22,446 more than the Township's, and in 2002 the PBA's cost of the PBA's proposal exceeds that of the Township by \$23,844. The cost of the PBA's proposal exceeds that of the Township's by a total of \$35,834 in new money costs.

The cost analysis in this case centers around the PBA's offer to trade a wage offset for holiday pay and the clothing and weapon allowances. This trade augments wages without undue cost to the Township. Specifically, the cost of the wage adjustment, \$136,425 is less than the \$173,910 value of the benefits exchanged.

Review of 1998 top step base salaries in 13 other Burlington County communities shows that the average base salary among these communities was \$51,212 compared to the 1998 top step base salary of \$46,155 in Pemberton. Looking more closely at the comparable communities, only Eastampton had a lower starting salary in 1998 of \$45,395. Looking beyond 1998, increases for

1999 among these communities averaged 3.95% in 1999 and 4.4% in 2000. Specifically, the Township asserts that the most comparable communities in terms of tax collection rates are Burlington City and Mount Holly. As the following table illustrates, both communities compensate their police at rates higher than those in Pemberton and the current agreement in Mount Holly also provides for wage adjustments. Specifically, the City of Burlington provided increases of 3.75% in 1999 and 2000 to a 1998 top step base wage of \$53,549. Mount Holly provided increases of 3.75% in 1999 and 4% in 2000 and 2001 to a top step base wage of \$48,406. Additionally, Mount Holly provided wage adjustments of \$500 added to base wage in both 2000 and 2001, increasing the top step base wage to \$55,380. The following (or attached) table illustrates the salaries and increases for Police in the comparable communities for the four-year period at issue.

	1998 Top Step Base Wage	1999 Rate of Increase	1999 Top Step Base Wage	2000 Rate of Increase	2000 Top Step Base Wage	2001 Rate of Increase	2001 Top Step Base Wage	2002 Rate of Increase	2002 Top Step Base Wage
City of Burlington	\$53,549	3.75%	\$54,520	3.75%	\$56,564	5.5%	\$59,686		
Twp of Burlington	\$53,552	2.5%	\$54,891	4%	\$58,229	4%	\$60,558		
Cinnaminson	\$47,911	4.5%	\$50,067						
Delran	\$50,693	4.4%	\$52,921						
Florence	\$47,415	5.1%	\$49,832	5.05%	\$52,345	4%	\$54,436		
Medford	\$54,504	3%	\$56,139	7.45%	\$60,323	7.75%	\$64,982		
Mount Holly	\$48,406	3.75%	\$50,221	4% + \$500 to base	\$52,750	4% + \$500 to base	\$55,380		
Mount Laurel	\$49,703	4%	\$51,691	4%	\$53,758				
Manchester	\$62,338	3.5%	\$64,520	3%	66,455	3.75%	\$68,948	3.25%	\$71,016
Maple Shade	\$53,983	4%	\$56,142						
Westampton	\$46,607	4%		4%		4%			
Willingboro	\$51,956	4%	\$54,035						

Examination of comparables also required consideration of comparisons with internal settlements. In this case, the AFSCME represented municipal employees have a tentative agreement for 2% in 1999, 3% in 2000 and 3.5% in 2001 and 2002. The Superior Officers settled for an agreement that provided a 2% increase in 1999 followed by increases for 2000, 2001 and 2002 that would be computed by,

Comparing the amount of the total general fund budget less the amount of police salaries and reserve for uncollected taxes and determining the change, if any, in the amount for each successive year of the total general fund budget less the amount of police salaries and reserve for uncollected taxes for the proceeding year, but in no event shall the increase be less than (2) percent or more than four (4) percent.

The superior officers agreement for 1999 should be granted substantial weight. I award the 2% wage increase for 1999. However, the factors specified for 2000 to 2002 do not provide significant guidance beyond providing a minimum and maximum increase. The PBA unit has historically received increases in excess of those provided to non-law enforcement personnel and the Township's agreement with the Superior Officers offers a formula providing for increases between 2% and 4%. Both of the parties' proposals for percentage increases and the terms of this Award fall within these broad guidelines.

However, there are disparities between the salaries of Township police officers and those of its superior officers when compared with the relationships between police officers in other Burlington County communities with their

superior officers. This data compels increases here above that offered by the Township but less than demanded by the PBA. Based upon the 2% increase in 1999, Lieutenants earned \$72,133 compared to the \$50,897 earned by Sergeants and the top step patrol salary of \$46,155. The internal disparity between superior officer salaries and sergeant and patrol salaries supports the need for some adjustments to bargaining unit salaries beyond that proposed by the Township.

Comparison with other police salaries and increases in Burlington County also supports the need for such a salary adjustment. The proposed salary adjustment would help move top step patrol salaries more in line with other salaries in Burlington County and would also limit the disparity between bargaining unit salaries and those of superior officers. Looking more broadly to police settlements generally, PERC's recently released statistics reflect that the average annual increase from an arbitration award was 3.68% while the average annual settlement was in excess of 3.8%. These factors support the concept of a separate wage adjustment in exchange for holiday benefits and the clothing and weapons allowances. I award this roll-in commencing on January 1, 2001. The exchange of holiday benefits and the clothing and weapon allowances will provide salary adjustments without undue costs. The inclusion of these costs in base salary will be offset by the elimination of these benefits when total compensation is considered in future rounds of bargaining because these separate costs are deleted from total compensation.

Based upon this analysis and all of the evidence and arguments submitted, and after applying the statutory criteria, I have determined that wage increases shall be 2.0% effective January 1, 1999 and 3.75% effective January 1, 2000. Employees shall receive a wage adjustment of \$2,675.00 effective January 1, 2001. That adjustment shall be calculated before adding the wage increase of 3.75% effective January 1, 2001. A wage increase of 3.85% shall be effective January 1, 2002. Including the cost of the wage adjustment and the cost off-set of eliminating holiday leave, and the clothing and weapon allowances, this award results in a net new money cost of \$22,000 in excess of the Township's proposal over the term of the Agreement. It results in an annual average salary increase of 3.35%, plus the wage adjustment. This average is somewhat less than the County average due to the 2.0% increase in 1999 caused by unusual fiscal circumstances recognized by both parties. Although the wage adjustment will cause slightly higher costs because of a higher base, these costs during the term of this agreement will be more than offset by the fact that there is less than a dollar for dollar value cost for their inclusion. The total difference between the cost of the award and the PBA's proposal is \$13,726. These figures are exclusive of, pre-existing step increases and roll up costs, and assume no resignations, retirements, hiring or promotions.

As the following table illustrates, this Award increases top step base wages to \$53,540 in 2001 and to \$55,535 in 2002. These increases serve to

enhance Pemberton Police salaries within the range of comparable Burlington County municipalities but yet result in salaries which remain below communities such as Delran, Florence, Mount Holly and Burlington City and Township.

	1998 Top Step Base Wage	1999 Rate of Increase	1999 Top Step Base Wage	2000 Rate of Increase	2000 Top Step Base Wage	2001 Rate of Increase	2001 Top Step Base Wage	2002 Rate of Increase	2002 Top Step Base Wage
City of Burlington	\$53,549	3.75%	\$54,520	3.75%	\$56,564	5.5%	\$59,686		
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Cinnaminson	\$47,911	4.5%	\$50,067						
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Medford	\$54,504	3%	\$56,139	7.45%	\$60,323	7.75%	\$64,982		
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Mount Laurel	\$49,703	4%	\$51,691	4%	\$53,758				
Manchester	\$62,338	3.5%	\$64,520	3%	66,455	3.75%	\$68,948	3.25%	\$71,016
Maple Shade	\$53,983	4%	\$56,142						
Pemberton	\$46,155	2%	\$47,078	3.75%	\$48,843	\$2675 wage adjustment then 3.75%	\$53,540	3.9%	\$55,535
Westampton	\$46,607	4%		4%		4%			
Willingboro	\$51,956	4%	\$54,035						

This Award provides terms which are within the lawful authority of the Township and without adverse financial impact on its residents and taxpayers. The Township employs a 2.5% Cap index rate under the Cap Law, and in its 2000 budget, has allowable appropriations with the Cap of \$12,083,352.38. In addition, the 2000 budget reflects that there is \$265,235.63 in its Cap Bank. Further, in 1999, Pemberton had a \$40,000 surplus and anticipated a \$500,000 surplus in 2000. According to Township Administrator Glass, the small surplus in 1999 was due to the need to use the surplus in order to qualify for extraordinary aid. The Township also had a \$219,910.70 utility operating surplus in 1999 and anticipated a continued surplus in that fund of \$170,000 in 2000. Viewed in this

context, this award, with a total four year new money cost of \$22,078 more than the new money cost of the Township's proposal is well within the Township's authority under the Cap Law.

Looking beyond the requirements of the Cap Law, the Township, though fiscally healthy, has worked aggressively to achieve that fiscal health. The Township's municipal tax rate, though stable, at 0.678 in 1997 and 0.677 in 1998, increased to 0.773 in 1999. According to the testimony of Township Administrator Robert Glass, the Township reduced its proposed tax increase for 2000 from \$.30 per \$100 to \$.17 per \$100 because of the \$900,000 it received in extraordinary aid from the State to "directly off-set tax increases."

Although, the Township received \$900,00 in extraordinary State aide in 1999, it has budgeted for \$500,000 in extraordinary aid in 2000. At the same time, its consolidated municipal property tax relief aid is anticipated to increase from \$1,865,301 in 1999 to \$1,911,934 in 2000. The Township's total general revenues in 1999 were \$16,039,165.13 and in its 2000 budget, are anticipated to be \$15,731,259.32 in 2000. Additionally, the Township has had success in reducing its reserve for uncollected taxes from 1.28% in 1998 to 1.01% in 1999, but anticipates a jump in that rate to 5.70% in 2000. The need for the high reserve for uncollected taxes is due to the Township's tax collection rate of 92.38% in 1998 and 93.17% in 1999. These tax collection rates are below the State mandated minimum and does raise concerns about Pemberton's need to

proceed cautiously to maintain its fiscal health. The record also reflects much Township land which is unavailable for residential or commercial growth. This evidence serves to reduce the proposals of the PBA which might otherwise be justified solely by wage comparisons with other police departments in Burlington County.

Given the healthy but cautious financial picture, this award includes new money costs of \$22,000 and needed salary improvement for police officers but without adverse financial impact on the Township, its residents and taxpayers. The award, costing an average of \$5,500 per year in new money, must be viewed in light of general revenues in its 2000 budget of \$15,731,259.32 and an anticipated surplus of \$500,000. In addition to the surplus, the 2000 budget included \$92,701.98 reserved for Police Department salaries. The cost of this award in 1999, as per the parties' agreement to a 2% increase in 1999 is \$47,078. Although some of that reserved money will be reserved for costs outside of salaries for this bargaining unit, the additional reserved funds will help support the new money costs of this award.

CPI data shows that the cost of living increased 2.7% nationally and almost 4% in the Philadelphia area in 1999. This award, with an average increase of 3.35% includes wage increases which are generally in line with the CPI. The CPI does influence terms below that proposed by the PBA but this factor must be considered as only one of all of the factors. The terms of the Award are also

generally consistent with private sector wage data which, according to a report on private sector wage increases compiled by the New Jersey Department of Labor, reflects increases of 3.8% between 1996 and 1997 and 5.8% between 1997 and 1998. These figures are somewhat higher than the Award but are based on average salaries substantially less (\$34,240) than that received by Pemberton police officers.

The terms of the Award will encourage Officers to stay with the Department, enhance the continuity and stability of employment and promote the attractiveness of the Township as a place to perform law enforcement work. While the Department does not have a severe problem with turnover, nine officers have left since 1996. Of those nine officers, four have retired and the remainder have resigned. The most recent resignation, Patrolman Howell resigned to accept employment as a police officer in Manchester Township, a community with substantially higher police salaries. The interests and welfare of the public are served by terms which promote a competitive level of terms and conditions of employment within the lawful authority of the Township and without adverse financial impact on the Township or its taxpayers.

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

AWARD

1. **Duration**

There shall be a four-year agreement effective January 1, 1999 through December 31, 2002

2. All proposals by the Township and the PBA not awarded herein are denied and dismissed.

3. All provisions of the existing agreement shall be carried forward except for those modified by the terms of this Award.

4. **Salary**

The salaries set forth in Article XII shall be adjusted by the following percentage increases at each step and shall be retroactive to the dates provided for herein.

January 1, 1999	-	2.0%
January 1, 2000	-	3.75%

Effective January 1, 2001, all annual salaries shall be increased by \$2,675.00. After the inclusion of that adjustment on January 1, 2001, all salaries shall be increased by

January 1, 2001	-	3.75%
January 1, 2002	-	3.85%

5. **Holidays**

Article VIII is eliminated.

6. **Clothing Maintenance Allowance**

Article XI is eliminated.

7. **Weapons Allowance**

Article XXII.A. is eliminated.

8. **Personal Days**

There shall be one additional personal day effective January 1, 2002.

9. **Retiree Health Insurance**

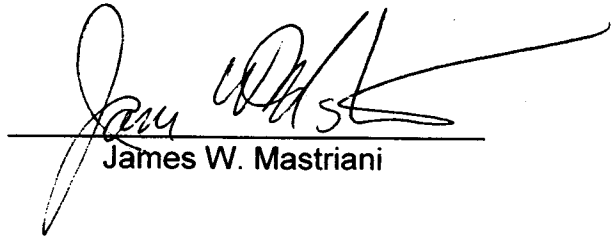
The employer will provide a retired employee with a minimum of twenty-five (25) years of credited service with the Police and Fire Retirement System (PFRS) continued health insurance effective immediately when the uniformity requirements of N.J.S.A. 40A:10-23 are met and until such time the current practice of twenty-five (25) years of service with the Township will be required for such benefits; this provision requires that no more than five (5) years of credited service in the PFRS outside the Township of Pemberton can be credited towards the twenty-five (25) years of credited service in the PFRS unless the Township, in its sole discretion, waives this requirement. This provision will cover the employee only at the single person rate. However, the employee may upgrade the health benefit insurance to a family plan and the cost difference between a single person rate and a family plan shall be paid by the retired employee at the group rate.

The employer will provide an employee who retires as a result of an in the line of duty injury, with continued health benefits as received while the employee was employed.

10. Terminal Leave

The payment of accumulated sick leave time upon retirement shall be capped at \$5,000.00 for employees hired after the date of this Award.

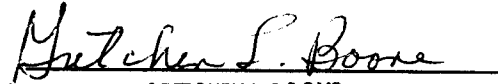
Dated: December 8, 2000
Sea Girt, New Jersey



James W. Mastriani

State of New Jersey }
County of Monmouth }ss:

On this 8th day of December, 2000, before me personally came and appeared James W. Mastriani to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed same.



GRETCHEN L. BOONE
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 8/13/2003