

NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of Interest Arbitration Between:

TOWNSHIP OF WOODBRIDGE

“Public Employer,”

- and -

PBA LOCAL 38

“Union.”

**INTEREST ARBITRATION
DECISION AND
AWARD**

Docket No. IA-2005-030

**Before
James W. Mastriani
Interest Arbitrator**

Appearances:

For the Township:

Timothy Averell, Esq.
Genova, Burns & Vernoia

For the PBA:

Richard D. Loccke, Esq.
Loccke & Correia

I was appointed interest arbitrator by the New Jersey Public Employment Relations Commission in accordance with P.L. 1995, c. 425, in this impasse involving the Township of Woodbridge [the "Township"] and Woodbridge PBA, Local 38 [the "PBA"]. Despite the good faith efforts of the parties, the impasse was not resolved during pre-interest arbitration mediation sessions. A formal interest arbitration hearing was held on May 20, 2005. Substantial documentary evidence was submitted by both parties. Testimony was received from Detective Dean Janowski, Ryan Tola, Doyle Consulting Group and Chief of Police William Trenergy. Post-hearing briefs were filed and transmitted to each party on August 9, 2005.

BACKGROUND

The Township of Woodbridge [the "Township"] and PBA Local 38 [the "PBA"] are parties to a collective negotiations agreement [the "Agreement"] that was effective January 1, 2002 through December 31, 2004. The negotiating unit includes all Police Officers excluding Sergeants, Lieutenants, Captains, Deputy Chief and the Chief of Police. The budgeted departmental strength as of September 8, 2004 was 202 including the Chief and other superior officers. A roster submitted at hearing shows a bargaining unit of 142 Police Officers.

The Township is located in Middlesex County. Its population of 100,000 makes it the sixth largest municipality in New Jersey and the second largest in Middlesex County. The Township consists of the communities of Woodbridge

proper, Fords, Hopelawn, Port Reading, Sewaren, Avenel, Colonia, Iselin, Menlo Park Terrace and Keasbey. The police department is an active one due mainly to its location that serves many modes of transportation. Major highways pass through the Township, including US #1, US #9, N.J. State Highways #27, #35, #184, #440 and US Interstate 287. The New Jersey Turnpike and Garden State Parkway intersect within the Township. The Township also houses the Metro Park Train Station located in its Iselin section. The station serves Amtrack and New Jersey Transit. Metro Park has two multi-level parking garages containing over 3,000 parking spaces. Several major shopping malls are also located within the Township. This transportation activity creates substantial police activity. Between 4,000 and 5,000 vehicular accidents occur within the Township on an annual basis. Traffic enforcement summonses approximate 10,000 on an annual basis. Approximately 100,000 calls for service are recorded annually.

The police department is broken down into several divisions: administrative, criminal investigation, communications/data processing, operations/planning and radio patrol. The department strongly emphasizes "community policing." The department's crime prevention programs include neighborhood crime watch, security survey and counseling, community education, speaking engagements on crime prevention, school liaison programs such as D.A.R.E., media release of crime prevention tips and topics, crime prevention literature, safe and sound program, combat auto theft (C.A.T.), emergency blue light, kid care photo I.D., child trace home DNA kit, vehicle ID

number etching (VINE) and a domestic violence response team. Within Middlesex County, Woodbridge ranks first in numbers of crimes, is second in crime rate per 1,000 residents (36.5), second in non-violent crime rate per 1,000 residents (33) and third in violent crime rate per 1,000 residents (3.5). Much of this is due to the daily influx of the thousands of people who frequent the commercial properties and roadways. The cost of operating the department is high. In 2000, the adopted police budget for salaries and wages was a little over \$16 million, a figure that increased to over \$20 million in 2005.

In 2000, the Township's per capita income was slightly over \$25,000 giving it a rank of 18th in per capita income out of 25 municipalities in the County. For this same year, the median family income was \$68,492 and the median household income was \$60,683. The average annual salary of a Township police officer is \$75,997. In 2004, the Township's general tax rate was 6.09. Although this rate was well above the County average of 4.50, the Township's effective tax rate of 2.50 was generally consistent with the County average of 2.34. The Township has consistently regenerated large surpluses but has more recently applied larger sums of surplus towards its annual budget in an attempt to level tax rates.

The issues in dispute are primarily economic. The differences between the parties focus mainly on disagreements over comparability data and the

financial impact of the last offers on the governing body, its residents and taxpayers.

Against this general backdrop, the Township and the PBA submit their final offers as is required by statute.

FINAL OFFERS OF THE PARTIES

The PBA

1. Wages Increase

- a. The PBA proposes a four (4) year contract with a five percent (5%) across-the-board wage increase effective each successive January 1.
- b. The PBA proposes a modification of the Senior Officer Differential provisions at page 9 of the Agreement by modifying the access point from 22 years of service to 17 years of service. The PBA also proposes that the calculation for access to senior officer status be based on the standards set forth in the Police and Fire Retirement System statute and laws and regulations.

2. Article IV, PBA Meetings

- a. The PBA proposes a modification of paragraph B by adding 12 additional days per annum.
- b. The PBA proposes a modification of paragraph E by adding 5 additional days per annum.

3. Longevity

The PBA proposes an increase in the last 2 plateaus on the longevity guide. The 7% plateau would be increased to 8%. The 9.5% plateau would be increased to 11%.

4. **Article VIII, Overtime**

- a. The PBA proposes a deletion of the references to the Fair Labor Standards Act in paragraph A. Overtime would be defined as work in excess of the normal work day, or work on a previously designated day off.
- b. The PBA proposes the addition of the following "Priority for Overtime" language.

Overtime for regularly scheduled shifts and details will be offered to regular full time employees of the department first, in an order of preference based upon a rotating seniority roster. There may be certain situations in which the department, because of special skills or other attributes of a particular officer, determines that it is in the best interest of the employer to bypass an employee or employees on the seniority list. While this Agreement contemplates such possibilities, it is agreed and understood that such bypassed employee or employees must become next on the list for the purposes of the overtime roster. The purpose of this clause is to equalize overtime among employees and same shall not be defeated by the employer's selection of special persons for special details as set forth herein. Such overtime will be offered to persons other than full time employees only if it has first been refused by each member on the seniority roster aforementioned.

5. **Article XXV, Bill of Rights**

The PBA proposes that this article be modified to codify the individual employee's right to have a representative with the employee at any interview in which the employee reasonably believes that he/she may be subject to discipline as a result of said investigative interview.

6. **Article XXVII, Call In**

The PBA proposes a deletion of paragraph B.

7. **Article XXXV, Court Time**

- a. The PBA proposes a deletion of the last sentence in the first paragraph. This is intended to give the

individual option to each employee to receive paid overtime or compensatory time in compensation (one and one-half times actual time spent).

- b. The PBA proposes a 4 hour minimum overtime (paid overtime or compensatory time) for all court or administrative agency appearances.

8. Article XXXIX, Schedule

The PBA proposes a changing of the reference points to "calendar year" time periods.

9. Appendix B, Extra Duty Work

The PBA proposes that all rates be increased by \$1.00 per annum at each level.

The Township

- 1. **Term of Agreement:** Three year term effective January 1, 2005 through December 31, 2007.

2. **Salary:**

- A. Effective January 1, 2005, 3.8% across the board wage increase for current police officers.
- B. Effective January 1, 2006, 3.8% across the board wage increase for current police officers.
- C. Effective January 1, 2007, 3.8% across the board wage increase for current police officers.
- D. Salary Guide for police officers hired prior to the date of the award:

Police Officer	2004	2005 (3.8%)	2006 (3.8%)	2007 (3.8%)
Training Step	\$38,477	\$38,477	\$38,477	\$38,477
4 th Class	\$57,709	\$59,902	\$62,178	\$64,541
3 rd Class	\$62,714	\$65,097	\$67,571	\$70,139
2 nd Class	\$67,715	\$70,288	\$72,959	\$75,732
1 st Class	\$72,539	\$75,295	\$78,157	\$81,127
Senior Officer	\$76,528	\$79,436	\$82,455	\$85,588

- E. New hires must complete one year of service (including training) in order to reach 5th Class. New Salary guide for police officers hired after date of award (3.8% in each year of the Award):

Police Officer	2004	2005 (3.8%)	2006 (3.8%)	2007 (3.8%)
Training Step	\$38,477	\$38,477	\$38,477	\$38,477
5 th Class	\$44,819	\$46,522	\$48,290	\$50,125
4 th Class	\$51,161	\$53,105	\$55,123	\$57,217
3 rd Class	\$57,503	\$59,688	\$61,956	\$64,310
2 nd Class	\$63,844	\$66,270	\$68,789	\$71,403
1 st Class	\$70,186	\$72,853	\$75,622	\$78,495
Senior Officer	\$76,528	\$79,436	\$82,455	\$85,588

3. Health Benefits:

- A. Increase co-pay for prescriptions to \$5 for generic prescriptions and \$10 for brand name prescriptions.
- B. Current Employees: Contributions to medical premiums at current rate at which other Woodbridge employees contribute for various plans. Include clause in agreement that states the following: "The contribution to premiums shall not increase by more than ten percent (10%) in each year of the contract."
- C. New Hires: Elimination of traditional plan. Contributions to medical premiums at current rate at which other Woodbridge employees contribute for various plans. Include clause in agreement that states the following: "The contribution to premiums shall not increase by more than ten percent (10%) in each year of the contract."
- D. Increase dental coverage from \$1,500 to \$1,600 effective January 1, 2005, \$1,700 effective January 1, 2006 and \$1,800 effective January 1, 2007. If a fourth year is added by Award, the \$1,800 would remain.
- E. Increase orthodontic coverage from \$1,500 to \$2,000 effective January 1, 2005 and remain at \$2,000 for the life of the Agreement.

- F. Increase hearing aid benefit to \$750 effective January 1, 2005 and remain at \$750 for the duration of the Agreement.

POSITIONS OF THE PARTIES

PBA Local 38

The PBA advances the position that the interests and welfare of the public will be best served by an award adopting its last offer in its entirety. The PBA relies heavily on the substantial police activity its members engage in due to the many major roadways that are serviced by the department and the extraordinary traffic volume that passes through the Township daily. The PBA submits that:

No other area town, not even the large ones, come even close to Woodbridge in measurable law enforcement activity. As a barometer of comparable workload productivity one may consider the Municipal Court statistics of area towns of Edison and East Brunswick, both large communities with major commercial center, compared to the Woodbridge Municipal Court. Statistics for these Municipalities and Woodbridge were submitted into evidence as *Exhibit P-15*. The June 2004 Year-To-Date statistics in Woodbridge showed the Municipal Court to have five thousand six hundred ninety-nine (5,699) criminal filings. Of these one thousand two hundred seven (1,207) were indictables. In bordering Edison the criminal total three thousand eight hundred ninety-six (3,896) with one thousand one (1,001) indictables. In the Township of East Brunswick, the criminal total for the same period was three thousand two (3,002) with five hundred thirty-seven (537) indictables. Once again, even using the largest and busiest municipalities in the area outside of Woodbridge one sees the relative workload reflected that is handled by the Woodbridge Police Officers.

The PBA also emphasizes the department's involvement in Homeland Security efforts with federal agencies due to the rail stations within the Township, the existence of refineries (Shell and Hess) and power generating plants owned by

Public Service Gas and Electric. The PBA submits that the department's workload and productivity is very high and that staffing levels have not matched the increases in levels of activity and service. The PBA points to departmental reports reflecting vacancies at different ranks and in different divisions due to the actual number of employees being less than what has been budgeted for.

The PBA asserts that an analysis of comparable terms and conditions of employment with similar departments shows that Woodbridge police officers are paid below average. The PBA submits a chart reflecting its belief that Woodbridge occupies a below average position when compared to certain similar departments:

Chart No. 1
Base Wage Comparison Based on PBA Exhibits

	2004 Max for Patrol Officer
Sayreville	\$80,874
Franklin	\$76,978
Highland Park	\$73,404
East Brunswick	\$75,586
Hamilton	\$78,464
South Amboy	\$73,332
Perth Amboy	\$79,276
Carteret	\$69,996
South River	\$67,506
Rahway	\$69,726
Spotswood	\$70,648
AVERAGE	\$74,163
Woodbridge PO Max	\$72,539
Woodbridge Compared to Average	(\$1,624)
	(2.25%)

The PBA also contends that the Township's salary proposal is below the average for municipalities that it lists for this comparison purpose:

Chart No. 2
Base Rate Increases Based on PBA Exhibits

	2005	2006	2007	2008
Franklin	4.47	4.43	4.4	
Perth Amboy	4 (3/1)	4	4	4
Sayreville	4			
Highland Park	4	4		
Carteret	4.5	4.5		
South River	4			
Rahway	6 (4/2)	4		
East Brunswick	5.2	3.9		
Ewing	4	4	4	4
Ewing SOA	4	4	4	4
Hamilton	4	4		
Hamilton SOA	4	4		
Milltown	5.6			
South Amboy	4.5			
Spotswood	4.7	4.75		
Averages	4.465%	4.144%	4.1%	4%

The PBA also cites comparisons with nine other municipalities in support of its proposal to increase longevity at the plateaus of 21 and 24 years of service. The PBA proposes to add 1% and 1.5% at these two levels. This chart reflects longevity in Woodbridge to be 7% at 21 years of service and 9.5% at 24 years of service, compared to the averages of the other municipalities at 9.94% and 11.14% respectively.

The PBA also points to internal comparisons in support of its salary and longevity proposals. In particular, the PBA refers to the Woodbridge SOA agreement which provides a 4.25% increase across-the-board for 2005, the last year of that agreement. The PBA cross-references that agreement's rank differential formula that sets the superior officer rate as 11% over the non-supervisory rate. According to the PBA's calculation, this would require that a 4.25% rate increase be given to its unit. The PBA also refers to the contract between the IAFF and the Board of Fire Commissioners of Woodbridge. This agreement reflects an 8.5% longevity benefit at 19 years compared with 7% at 21 years for the PBA and 13% at 24 years for the firefighters compared to 9.5% for the PBA. The PBA further points out that the firefighters received a higher wage increase in 2005 than what the Township has offered to the PBA¹. The PBA urges rejection of the Township's comparisons made with non-law enforcement employees based upon the statutory requirements that exist for police officers, the dangerous nature of police work and the special firearm qualifications necessary for police officers who also are required to carry out law enforcement obligations even when they are off duty.

The PBA submits that its proposed labor agreement will not cause the Township to exceed its allowable appropriations under the Cap law because its adopted budget for fiscal year 2005 is over \$3 million under the Cap. The PBA further argues that its last offer, if adopted, would not have a negative financial impact on the governing body, its taxpayers and residents. In support of this

¹ Exhibit P-21 reflects that the firefighters received a 4.0% increase in 2005 and 3.75% in 2006.

assertion, the PBA points out that the Township's real property value of over \$9 billion places it only a narrow second to the Township of Edison. This, when weighed against the cost of its last offer is said to allow for the funding of its last offer without detrimental affect on the tax rate. Citing several exhibits in the record, the PBA asserts that the Township is a large community where most of its growth is in the area of commercial property. The PBA refers to the mayor's budget address referencing several large companies who are making substantial investments in the Township. The PBA asserts that the Township has a stable tax rate history and that only a small percentage of the total tax levy is used in support of the municipal government. The PBA has performed an analysis of the Township's financial documents that reflect the following:

- The results of operation, similar to the "bottom line" in the private sector indicate that for the year 2003 the results of operation were \$5,392,167.00 whereas in 2004 that amount grew to \$6,081,727.00. These facts, based on the Annual Financial Statement (P-19, Sheet 19) reflect an ability to regenerate surplus. The surplus changed in the amount of \$700,000.00 for approximately thirteen percent (13%).
- Budget Revenues (based on P-34, Sheet 17) reflect that the Township is also able to regenerate surplus through excess collections. There was \$1,716,424.00 excess collections over the anticipated amount in 2004 alone.
- Unexpended Appropriation Reserves (Referenced P-34, Sheet 19) are budget appropriations that remain unspent and by statute one year later automatically cancel the surplus (**NJSA 40A:4-60**). This is another component of the regeneration of surplus. They are unspent budget appropriations that provide flexibility. The amount so cancelled in 2004 from 2003 was \$1,857,310.00. The Township continues to be relatively consistent in unspent budget appropriations.

- The Fund Balance (Report of Audit, Exhibit T-1, Tab 13) reflects that the Fund Balance has doubled over the last seven (7) years and the average utilization of surplus was fifty-five percent (55%). The consistency of increases of surplus and low percentage of usage is evidenced by the relatively stable tax rate. For the year 2004 the balance was \$9,565,055.00 with only \$4,291,962.00 utilized in the Budget.
- The Municipal Tax Rate has had modest increases (See T-1, Tab 1, 2004 Report of Audit). Less than twenty percent (20%) of the total levy is used for the Municipal Budget.
- Property values have increased every year reported. The Report of Audit reflects a consistent increase annually (Exhibit T-1, Tab 13).
- Debt Service is well under the statutory permitted amount. The remaining borrowing power is One Hundred Thirty-Five Million Eight Hundred Forty-One Thousand Four Hundred Thirty-One dollars (\$135,841,431.00). While the PBA is not suggesting that this money could be used for payment of wages, clearly this is an indicator of fiscal stability. It is a barometer of fiscal well-being
- The Cash Balances show the current fund as of 6/30/2004 to have Ten Million Nine Hundred Ninety Thousand One Hundred Forty-Three Dollars (\$10,990,143.00). The Capital Fund contained Nine Million Three Hundred Fifty-Seven Thousand Four Hundred Sixteen Dollars (\$9,357,416.00). The Township clearly does not have cash flow problem.
- In reviewing the most current Fiscal Budget (P-31) one notes the Township has actually transferred in 2004 (Exhibit T-1, Tab 11) One Hundred Seventy Thousand Eight Hundred Seventy-Three Dollars (\$170,873.00) out of the Police Salary and Wage Account. Therefore, whatever the position of the Employer may be the Employer acknowledges that the changes are infinitesimally small. They are actually taking money out of the Police Salary and Wage Account to use for other Municipal purposes.

The PBA further submits that the Township's tax collection rate is 99.91%, a level that the PBA believes is a barometer of taxpayer pressure and opinion. The PBA

submits data reflecting that the Township's municipal court exceeded its anticipated revenues by over \$450,000 and that the court received \$2,284,192 in revenues generated mainly by the work of the police officers.

The PBA urges total rejection of the Township's health insurance proposals. The PBA argues that the Township has not met its burden on this issue. According to the PBA, much of the testimony of the Township's witness on this issue was unable to provide information or responses to many of the PBA's questions. This includes the limitations on several areas of coverage including psychiatric and chiropractic services, the extent of the physician network and costs associated with going out of network. The PBA emphasizes that the driving force behind the Township proposal is simply economic and the Township has not submitted sufficient evidence even with respect to the costs of the plan it has proposed including what the specific dollar amount of a contribution would be under its proposals.

Based upon all of the above, the PBA urges that its final offer be adopted in its entirety.

The Township of Woodbridge

The Township contends that the cost of the PBA's proposals is excessive and unwarranted in light of the wages and benefits that it currently offers to its

police officers. In contrast, the Township asserts that its final offer is reasonable and should be adopted in its entirety.

The Township opposes the PBA's economic proposals for many reasons. Among them include its view that the PBA's proposals exceed settlements the Township has entered into with its other non-law enforcement unions and also exceed the settlement increases in Middlesex County among law enforcement units. The Township also asserts that it is confronting a number of difficult fiscal problems and financial challenges that weigh heavily against awarding the PBA's economic proposals. The Township further points out that the PBA's proposals for increases in longevity and senior officer differential sharply increase the total economic value of the PBA's economic package. Given these considerations, the Township urges that the PBA proposals be rejected in their entirety.

The Township submits into the record its labor agreements and more recent settlements with its non-law enforcement units. The Township asserts that settlements with these groups averaged between 3% and 3.7% between 2002 and 2007². The agreements in evidence reflect the following:

² Township Exhibits #29 through #39.

	2002	2003	2004	2005	2006	2007
IBT Local 469 (Sanitation & Equipment Repair Supervisors)				3.4%	3.7%	3.6%
IBT Local 469 (Streets & Sewers)				3.4%	3.7%	3.6%
IBT Local 469 (Parks)				3.4%	3.7%	3.6%
IBT Local 469 (Streets Foreman)				3.4%	3.7%	3.6%
AFSCME Local 3044 (Clerical, Custodial & Engineering)	3.0%	3.5%	3.5%			
AFSCME Local 2292 (Division of Sanitation)				3.4%	3.7%	3.6%
PACE Local 2-1426 (Prof. Nurses)	3.0%	3.5%	3.5%	3.25%	3.5%	

The Township contends that these agreements represent a pattern of settlement that should provide the framework for the PBA increases rather than the 5% the PBA has proposed. The Township acknowledges that the police SOA unit received a 4.25% increase in 2005 but discounts the level of that increase because it came in the last year of that agreement and is not consistent with new law enforcement settlements that came in Middlesex County for the years 2005 and thereafter that are less.

The Township also contends that the wages it has proposed are more in line with settlements in law enforcement units in Middlesex County than that proposed by the PBA. The Township submits the following chart based upon settlements in Middlesex County reflecting that the last two years of its prior Agreement with the PBA were above the County averages than is the PBA's

proposal for 2005 and 2006 is closer to the County averages than the PBA's proposal.

**Middlesex County Comparison
PBA Salary Percentage Increases**

Municipality	2003	2004	2005	2006
Carteret	4.0%	4.0%	4.5%	4.5%
Dunellen	4.0%	4.0%		
East Brunswick	3.9%	3.9%	3.9%	3.9%
Edison	3.9%	4.0%		
Highland Park	4.0%	4.0%	4.0%	4.0%
Jamesburg	4.5%	4.7%		
Milltown	4.0%	4.0%	4.0%	
New Brunswick	3.5%	3.5%	3.5%	
North Brunswick	3.75%			
Old Bridge	3.9%			
Perth Amboy	3.5%	3.5%		
Piscataway	3.4%	3.9%	3.9%	3.9%
Sayreville	3.5%	3.5%	3.5%	
South Brunswick	3.5%	3.5%	3.5%	3.5%
South Plainfield	3.9%	3.9%	3.9%	
South River	3.9%	3.9%	3.9%	
Woodbridge	4%	4%		
Averages	3.83%	3.89%	3.86%	3.96%

The Township submits that its proposal for a new salary schedule for newly hired officers is justified when comparing the existing salary schedule in Woodbridge with those of other Middlesex County municipalities. Drawing from the labor agreements in evidence, the Township asserts that the wage progression for police officers in Woodbridge far exceeds that of all Middlesex

County municipalities. The Township points to the testimony of its Chief William Trener that new hires now receive first step training pay for nine months and then are elevated to the Fourth Class step for but for only three months. Thereafter, when that employee reaches the beginning of his or her second year, they are paid at the Third Class step with only two more years to go to reach top step. In support of this argument, the Township submits the following chart.

**Middlesex County
Base Pay – 3rd Year (2004)**

Municipality	Base Pay
Woodbridge	72,539.00
South Plainfield	58,593.00
Perth Amboy	58,263.00
New Brunswick	56,907.00
East Brunswick	56,333.00
Jamesburg	55,342.00
Carteret	53,679.00
Old Bridge	52,759.00
South Brunswick	51,612.00
Edison	49,547.00
Highland Park	49,525.25
Sayreville	48,116.00
South River	47,658.00
Dunellen	46,681.00
Milltown	45,650.00
Piscataway	45,645.00
North Brunswick (2003)	46,645.00
Average	52,676.13
Median	51,612.00

Based upon the above, the Township proposes that the training step be for one entire year and that a new step (Fifth Class) be added.

The Township urges rejection of the PBA's proposal for increases in longevity and senior officer differential. The Township labels the cost of such proposals on top of the PBA's wage proposals as "astronomical." The Township calculates the cost of the longevity proposal as \$82,291 over the course of the three year agreement even without including any wage increases and over \$90,000 if the PBA's wage proposal is adopted. The Township has also calculated the cost of the PBA's proposal to have officers qualify for the senior officer differential at seventeen (17) years of service rather than the current qualification at twenty-two (22) years of service. According to the Township, an additional twenty (20) PBA members would qualify for the 5.5% differential at the beginning of the Agreement and an additional three (3) officers would qualify in 2006 and an additional six (6) officers in 2007. Based upon the extension of this benefit to those who would immediately qualify and to those who would qualify over a three year period, the Township estimates the cost of this proposal as \$289,000 or an additional average of \$2,021 per PBA member over the life of the three year Agreement. The Township urges rejection of these proposals.

The Township supports its own economic proposals based upon its belief that the PBA's last offer would present the Township with fiscal problems. Relying upon financial documents in evidence, the Township points out that its

tax rates have increased by 63% from 1990 to 2004. The Township also points out that its fund balance as of June 30, 2004 was more than \$3.5 million lower than it was in 2003. Additional factors deemed relevant by the Township include recent increases in the County tax rate and the PBA's proposal for 5% increases being far in excess of what the Township has budgeted for. The Township contends that it would have to increase taxes significantly or cut other programs in order to fund the PBA's proposals.

The Township urges adoption of its health insurance proposals. In the Township's view, it is only proposing that the PBA contribute at the rate that other municipal employees contribute. The Township has proposed that the co-pay for prescriptions be set at \$5 for generic and \$10 for brand name prescriptions. The current contribution level is at \$2 for generic and \$5 for brand name prescriptions is viewed as insufficient. Contributions would be required for medical premiums at the current rate at which other Woodbridge employees contribute to the various health insurance plans. The Township submits the following chart reflecting contributions depending upon the health plan in which the Township employee is currently enrolled.

	Township* & Aetna Plans (Bimonthly)	HealthNet (bimonthly)
Employee Only	\$6.66	\$6.66
Employee & Child(ren)	\$17.79	\$8.88
Employee & Spouse	\$30.60	\$15.29
Family	\$35.69	\$17.83
AVERAGE COST OF CONTRIBUTION WITHOUT REFERENCE TO NUMBER OF OFFICERS IN EACH PLAN	\$22.69	\$12.17

*The Township plan is the "Traditional Plan"

Based upon 146 PBA members in November 2004, the Township has broken down the plan selections of PBA members and the category based upon the selections that each employee has chosen.

	Township Plan	Aetna	HealthNet
Employee Only	15	4	17
Employee & Child(ren)	0	1	2
Employee & Spouse	7	5	6
Family	27	8	54
Totals	49	18	79

If the Township's proposal were adopted, the Township points out that the amount of contributions would only be a small fraction of the total wages that are paid and a small fraction of what the Township pays for medical premiums. The Township points to the other portion of its proposal that would limit any increase in the co-payment levels to no more than 10% beyond the contribution level initially set. For new hires, the Township proposes the elimination of the Traditional Plan and that contribution levels be similar to those it has proposed for current employees.

DISCUSSION

The Township and the PBA have made expert and comprehensive presentations in support of their final offers. All of the evidence and arguments have been carefully reviewed and weighed. I will consider the respective proposals individually as well as how they relate to the reasonableness of the total package I award. I am required to make a reasonable determination of the

above issues giving due weight to those factors set forth in N.J.S.A. 34:13A-16g

(1) through (8) which I find relevant to the resolution of these negotiations.

These factors, commonly called the statutory criteria, are as follows:

(1) The interests and welfare of the public. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by (P.L. 1976, c. 68 (C. 40A:4-45.1 et seq.)).

(2) Comparison of the wages, salaries, hours, and conditions of employment of the employees involved in the arbitration proceedings with the wages, hours, and conditions of employment of other employees performing the same or similar services and with other employees generally:

(a) In private employment in general; provided, however, each party shall have the right to submit additional evidence for the arbitrator's consideration.

(b) In public employment in general; provided, however, each party shall have the right to submit additional evidence for the arbitrator's consideration.

(c) In public employment in the same or similar comparable jurisdictions, as determined in accordance with section 5 of P.L. 1995. c. 425 (C.34:13A-16.2) provided, however, each party shall have the right to submit additional evidence concerning the comparability of jurisdictions for the arbitrator's consideration.

(3) The overall compensation presently received by the employees, inclusive of direct wages, salary, vacations, holidays, excused leaves, insurance and pensions, medical and hospitalization benefits, and all other economic benefits received.

(4) Stipulations of the parties.

(5) The lawful authority of the employer. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by the P.L. 1976 c. 68 (C.40A:4-45 et seq).

(6) The financial impact on the governing unit, its residents and taxpayers. When considering this factor in a dispute in which the public employer is a county or a municipality, the arbitrator or panel of arbitrators shall take into account to the extent that evidence is introduced, how the award will affect the municipal or county purposes element, as the case may be, of the local property tax; a comparison of the percentage of the municipal purposes element, or in the case of a county, the county purposes element, required to fund the employees' contract in the preceding local budget year with that required under the award for the current local budget year; the impact of the award for each income sector of the property taxpayers on the local unit; the impact of the award on the ability of the governing body to (a) maintain existing local programs and services, (b) expand existing local programs and services for which public moneys have been designated by the governing body in a proposed local budget, or (c) initiate any new programs and services for which public moneys have been designated by the governing body in its proposed local budget.

(7) The cost of living.

(8) The continuity and stability of employment including seniority rights and such other factors not confined to the foregoing which are ordinarily or traditionally considered in the determination of wages, hours and conditions of employment through collective negotiations and collective bargaining between the parties in the public service and in private employment.

Under the criteria, I next turn to the individual issues in dispute.

Duration

The Township proposes a three year term effective January 1, 2005 through December 31, 2007. The PBA proposes a four year term effective January 1, 2005 through December 31, 2008.

After consideration of the parties' respective positions on this issue, I conclude that they and the public will be served by an agreement that expires on December 31, 2008. The negotiations process has been lengthy. The December 31, 2008 expiration date is only three years beyond the date of this Award and the parties will return to negotiations during that third year. Stability and costs are considerations that weigh against a contract of shorter duration.

Article IV, PBA Meetings

This provision is set forth in Article IV. At hearing, the parties agreed to modify Article IV.B by adding 4 additional days per annum and to modify Article IV.E by adding 5 additional days per annum. This stipulation is received and is awarded pursuant to N.J.S.A. 34:13A-16g(4).

Longevity

The PBA proposes an increase in the last 2 plateaus on the longevity guide. The 7% plateau would be increased to 8%. The 9.5% plateau would be increased to 11%. Longevity is set forth in Article VI of the Agreement as follows.

2½% after start of 6th and through completion of 10th year of service;
4% after start of 11th and through completion of 14th year of service;
5½% after start of 15th and through completion of 20th year of service;
7% at the start of the 21st year through completion of 23rd year of service;
9½% at start of the 24th year of service and each year thereafter.

The PBA asserts that the revisions it seeks would be “very small in impact.” The PBA believes that this is so because many police officers are promoted out of the unit prior to reaching twenty (20) or more years of service. The PBA further contends that the existing longevity benefit compares unfavorably with those of surrounding communities and should be increased.

The record reflects that the cost impact of the PBA’s proposal is beyond being very small. Based upon the existing roster, the new costs of this proposal would be between \$27,000 to \$30,000 (approximately .03%) in 2005 with a total new money cost of approximately \$90,000 over the term of the three year Agreement. I do not find this additional cost to be reasonable beyond the additional costs the Township is required to fund under the terms of the award. I am also not persuaded that the existing longevity schedule compares so unfavorably to outside departments that the proposed adjustment should be awarded based upon that consideration alone. I do find, however, that an adjustment in the longevity schedule to parallel that now received by the

Woodbridge SOA is warranted and reasonable. That schedule is identical to the PBA's except, effective January 1, 2005, the 7% step completes at the end of the twenty-second (22nd) year of service rather than the twenty-third (23rd) year of service. Similarly, the 9½% step commences at the start of the twenty-third (23rd) year of service rather than at the start of the twenty-fourth (24th) year of service. Put simply, the 9½% step would be moved up by one year. Given the highly integrated nature of this department, the PBA should receive similar reward for similar service as those in the superior officer ranks. The overall cost of this modification is less than .01% and has an insignificant impact on the total net annual economic change of the Award. Accordingly, Article VII is modified, effective January 1, 2005, to provide the following longevity schedule.

- 2½% after start of 6th and through completion of 10th year of service;
- 4% after start of 11th and through completion of 14th year of service;
- 5½% after start of 15th and through completion of 20th year of service;
- 7% at the start of the 21st year through completion of 22nd year of service;
- 9½% at start of the 23rd year of service and each year thereafter.

Article VIII, Overtime

The PBA has proposed the following modifications to Article VIII. The PBA proposes a deletion of the references to the Fair Labor Standards Act in paragraph A. Further, overtime would be defined as work in excess of the

normal work day, or work on a previously designated day off. At hearing, the parties agreed to this proposal. This stipulation is received and is awarded pursuant to N.J.S.A. 34:13A-16g(4).

The PBA also proposes the addition of the following "Priority for Overtime" language.

Overtime for regularly scheduled shifts and details will be offered to regular full time employees of the department first, in an order of preference based upon a rotating seniority roster. There may be certain situations in which the department, because of special skills or other attributes of a particular officer, determines that it is in the best interest of the employer to bypass an employee or employees on the seniority list. While this Agreement contemplates such possibilities, it is agreed and understood that such bypassed employee or employees must become next on the list for the purposes of the overtime roster. The purpose of this clause is to equalize overtime among employees and same shall not be defeated by the employer's selection of special persons for special details as set forth herein. Such overtime will be offered to persons other than full time employees only if it has first been refused by each member on the seniority roster aforementioned.

This language regulates the distribution of overtime. The record does not reflect that overtime distribution has been inequitable. Absent such a showing, I deny the proposal.

Article XXV, Bill of Rights

The PBA has proposed that Article XXV be modified to codify the individual employee's right to have a representative with the employee at any

interview in which the employee reasonably believes that he/she may be subject to discipline as a result of said investigative interview.

At hearing, the parties stipulated to the PBA proposal with the insertion of the word "investigative" prior to the word "interview" in the third sentence of the PBA proposal. This stipulation is received and is awarded pursuant to the N.J.S.A. 34:13A-16g(4).

Article XXVII, Call In

The PBA proposes a deletion of paragraph B of the existing article. At hearing, the parties agreed to this proposal. This stipulation is received and is awarded pursuant to N.J.S.A. 34:13A-16g(4).

Article XXXV, Court Time

The PBA has proposed to delete of the last sentence in the first paragraph of Article XXXV. Article XXXV requires the Township to pay a police officer at the rate of one and one-half hours for time worked when that officer is required to appear in court outside of his assigned duty hours. Compensatory time for court appearances is not permitted. The PBA's proposal would give a police officer the option of receiving compensatory time or paid overtime. The record does not reflect any projection as to the amount of compensatory time that could be taken and what the impact of the amount of this time, at time and one-half, would be on

staffing levels or on costs to the Township. The PBA has not sustained its burden on this issue and it is not awarded. The PBA has also proposed that there be a 4 hour minimum at overtime rate (paid overtime or compensatory time) for court appearances. At hearing, the parties agreed that there shall be a two hour minimum at overtime rate (paid overtime or compensatory time) for court appearances. This stipulation is received and is awarded pursuant to N.J.S.A. 34:13A-16g(4).

Article XXXIX, Schedule

This provision is set forth at Article XXXIX. The PBA has proposed to change the reference points to "calendar year" time periods. At hearing, the parties agreed that the calendar year shall be defined as January 1 of the hiring year. This stipulation is received and is awarded pursuant to N.J.S.A. 34:13A-16g(4).

Appendix B, Extra Duty Work

This provision is contained in Appendix B in the Agreement. The PBA has proposed that all rates be increased by \$1.00 per annum at each level. An extra duty work agreement was reached by the parties independently outside of this hearing. That agreement has been received as a stipulation and is awarded pursuant to N.J.S.A. 34:13A-16g(4).

Health Benefits

The Township proposes to modify the health benefits provision as follows:

- A. Increase co-pay for prescriptions to \$5 for generic prescriptions and \$10 for brand name prescriptions.
- B. Current Employees: Contributions to medical premiums at current rate at which other Woodbridge employees contribute for various plans. Include clause in agreement that states the following: "The contribution to premiums shall not increase by more than ten percent (10%) in each year of the contract."
- C. New Hires: Elimination of traditional plan. Contributions to medical premiums at current rate at which other Woodbridge employees contribute for various plans. Include clause in agreement that states the following: "The contribution to premiums shall not increase by more than ten percent (10%) in each year of the contract."
- D. Increase dental coverage from \$1,500 to \$1,600 effective January 1, 2005, \$1,700 effective January 1, 2006 and \$1,800 effective January 1, 2007. If a fourth year is added by Award, the \$1,800 would remain.
- E. Increase orthodontic coverage from \$1,500 to \$2,000 effective January 1, 2005 and remain at \$2,000 for the life of the Agreement.
- F. Increase hearing aid benefit to \$750 effective January 1, 2005 and remain at \$750 for the duration of the Agreement.

The Township has proposed to increase benefits covering dental, orthodontic and hearing aids (See proposals 3.D, E and F). The PBA has not opposed these proposals and they are hereby awarded.

The PBA opposes the remaining Township proposals. I first address the proposal to modify existing co-pays for prescriptions. The existing co-pays are set at \$2 for generic drugs and \$5 for name brand drugs. The Township proposes that these levels be increased to \$5 for generic drugs and \$10 for name brand drugs. The Township has shown that the average cost per Township employee per month has risen significantly between 2000 and 2005. The present cost now exceeds \$200 per month. Projections reflect increases in spending and costs for prescription drugs over the next ten years. Viewed in this light, the Township's proposal is reasonable and is awarded. This increase shall take effect as soon as the Township can administratively implement the change. I also award an additional modification because I have awarded a four year agreement. When the totality of the four year agreement is considered, the prescription co-pays shall be adjusted to \$7.50 for generic and \$15.00 for name brand effective January 1, 2008.

The Township has proposed that new hires have access to its POS health insurance plans it offers through HealthNet and Aetna but that they not have access to its traditional health plan. Beyond this, the Township proposes that new hires contribute to medical premiums at the current rate that its other employees contribute limited by increases thereafter to no more than 10% of that contribution level.

The record reflects that 60% to 65% of the total medical plan costs are for the traditional self-funded plan³. As of November 2004, there were 146 police officers in the negotiations unit. Ninety-seven out of the 146, or 66%, opted for health insurance coverage under the Aetna and/or HealthNet POS health insurance plans. A comparison of the average annual cost per employee reflects that the average costs for the traditional plan significantly exceeds the costs of the POS plans. In evaluating the merits of the Township's proposal, I am persuaded that it is reasonable to provide the POS plans that have been selected by two-thirds of existing employees to new hires without extending the new hire selection option to the Township's traditional plan. This will provide a comprehensive plan proven acceptable to PBA members for new hires at a cost level that is potentially less than what the Township's liability would be under its existing selection program. I award this aspect of the Township's proposal.

The remaining element of the Township's proposal concerns contributions to medical premiums. This proposal would affect current employees as well as new hires. After due consideration of this proposal in relation to the terms of this Award in their entirety, I do not award this aspect of the Township's proposal.

This proposal would require contributions at the same level as now required in the Township's labor agreements with its non-law enforcement units. The underlying rationale for the proposal is to have uniform application of the premium co-pay arrangement. I do not reject the Township's reasoning for

³ This calculation is Township-wide.

pursuing its proposal. However, I do not award it during this contract term based upon the totality of changes that have been awarded to the prior agreement. The Township has pursued other cost saving proposals that have been awarded. These include a Schedule B for new hires requiring an additional two full years to reach maximum step, an elimination of the traditional health plan option for new hires and two increases to prescription co-pays during the term of the new agreement. After applying all of the statutory criteria, I have concluded that these changes coupled with the salary award issued below, represent a reasonable determination of the issues during this contract term and will provide a foundation for negotiations and changes each party may elect to pursue for the next agreement.

Salaries

The PBA proposes a four (4) year contract with five percent (5%) across-the-board wage increases effective January 1, 2005 and on each successive January 1.

The PBA proposes a modification of the Senior Officer Differential provisions at page 9 of the Agreement by modifying the access point from 22 years of service to 17 years of service. The PBA also proposes that the calculation for access to senior officer status be based on the standards set forth in the Police and Fire Retirement System statute and laws and regulations.

The Township proposes the following salary increases:

- A. Effective January 1, 2005, 3.8% across the board wage increase for current police officers.
- B. Effective January 1, 2006, 3.8% across the board wage increase for current police officers.
- C. Effective January 1, 2007, 3.8% across the board wage increase for current police officers.
- D. Salary Guide for police officers hired prior to the date of the award:

Police Officer	2004	2005 (3.8%)	2006 (3.8%)	2007 (3.8%)
Training Step	\$38,477	\$38,477	\$38,477	\$38,477
4 th Class	\$57,709	\$59,902	\$62,178	\$64,541
3 rd Class	\$62,714	\$65,097	\$67,571	\$70,139
2 nd Class	\$67,715	\$70,288	\$72,959	\$75,732
1 st Class	\$72,539	\$75,295	\$78,157	\$81,127
Senior Officer	\$76,528	\$79,436	\$82,455	\$85,588

- E. New hires must complete one year of service (including training) in order to reach 5th Class. New Salary guide for police officers hired after date of award (3.8% in each year of the Award):

Police Officer	2004	2005 (3.8%)	2006 (3.8%)	2007 (3.8%)
Training Step	\$38,477	\$38,477	\$38,477	\$38,477
5 th Class	\$44,819	\$46,522	\$48,290	\$50,125
4 th Class	\$51,161	\$53,105	\$55,123	\$57,217
3 rd Class	\$57,503	\$59,688	\$61,956	\$64,310
2 nd Class	\$63,844	\$66,270	\$68,789	\$71,403
1 st Class	\$70,186	\$72,853	\$75,622	\$78,495
Senior Officer	\$76,528	\$79,436	\$82,455	\$85,588

I first turn to the Township's proposal to create a new salary schedule for police officers hired after the date of this Award. The Township has established that the existing salary schedule is severely compressed in terms of time

between hiring date and the reaching of the salary maximum. According to the testimony of Chief Treney, new hires now receive Training Step pay for nine months and are then elevated to the Fourth Class step for three months. Thereafter, when employees reach the beginning of their second year, they are paid at the Third Class step. This testimony is unrebutted. Maximum step would then be achieved after an additional two years. Even without the expedited movement throughout the guide, the amount of years that would be required to reach top step is among the shortest in the County. Given the salary adjustments made by the terms of this Award a salary schedule that requires five full years of service prior to receiving top pay remains highly competitive. Accordingly, with respect to salary guide structure, the Township's proposal for an additional step on the salary schedule is awarded as well as the requirement that a new hire remain at the Training Step for one full year. This shall be effective for employees hired on or after the date of this Award.

The parties disagree on the amount of across-the-board increases to the existing salary schedule. The PBA proposal for 5% wage increases is without evidentiary support. There is little in the record that justifies the amount of this proposal. The Township's proposal for 3.8% increases is below, but more in line, with wage adjustments for law enforcement units within Middlesex County and the State of New Jersey. When internal comparability is examined, attention must be drawn to the 4.25% increase for the Woodbridge police SOA in 2005 and the averages of 3.6% for most non-law enforcement units for 2005, 2006 and

2007. These figures are entitled to significant weight. Any wage adjustments must also consider any financial impact as well as the other criteria. Another consideration is the reasonableness of the totality of the awarded changes rather than the merits of any single issue viewed in isolation. When all of the relevant evidence is considered and applied, I conclude that increases of 4.25% for 2005, 3.95% for 2006, 3.8% for 2007 and 4.0% for 2008 represents a reasonable determination of the salary issue. The 2005 award will create a parallel with the SOA and the salary rank differential and the 2006, 2007 and 2008 award is in line with county law enforcement unit increases. The only deviation to these percentages is the rate for the Training Step. That step is currently reasonably competitive. I award an increase in this rate to \$40,000 for contract years 2005, 2006 and 2007. At that point, the rate for the Training Step shall increase by 4% and move to \$41,600. The salary Schedule B for new hires shall have the same rate for the Training Step, the same rates for top step and senior officer differential and shall have step increases of equal dollar amount. When all of these adjustments are calculated, the following salary schedules appear:

Schedule A

Police Officer	2005 (4.25%)	2006 (3.95%)	2007 (3.8%)	2008 (4%)
Training Step	40,000	40,000	40,000	41,600
4 th Class	61,061	63,472	65,884	68,519
3 rd Class	65,379	67,961	70,544	73,365
2 nd Class	70,592	73,381	76,169	79,215
1 st Class	75,621	78,608	81,596	84,859
Senior Officer	79,780	82,931	86,083	89,526

Schedule B

Police Officer	2005 (4.25%)	2006 (3.95%)	2007 (3.8%)	2008 (4%)
Training Step	40,000	40,000	40,000	41,600
5 th Class	47,125	48,986	50,847	52,880
4 th Class	54,250	56,392	58,535	60,876
3 rd Class	61,375	63,799	66,223	68,871
2 nd Class	68,500	71,205	73,910	76,866
1 st Class	75,621	78,608	81,596	84,859
Senior Officer	79,780	82,931	86,083	89,526

I do not award the PBA's proposal to reduce the access point for the senior officer differential from 22 to 17 years. Based upon the present roster, this would extend this 5.5% increase to an additional twenty (20) members immediately for a single year cost of over \$80,000 and extend the benefit to at least an additional nine (9) more members during the life of the contract at a single year cost of approximately \$36,000. The net annual cost of this proposal beyond the economic changes that have been awarded have not been justified. I also do not award that portion of the proposal which would alter the present calculation for access to senior officer status. The present formula shall remain in effect during this contract term.

In rendering this Award in its entirety, I have made a reasonable determination of the outstanding issues with due regard for the statutory criteria. All of the criteria are relevant. The overriding criterion that is relevant is the interests and welfare of the public, N.J.S.A. 34:13A-16g(1). All of the criteria in one fashion or another implicate this specific criterion as I will detail below.

The interests and welfare of the public require that the terms of an award consider the limitations imposed upon the Employer by P.L. 1976 c. 16, commonly referred to as the Cap law. The terms of the Award will not require the Township to exceed its Cap nor require it to exceed its budget limitation by expenditures elsewhere in its budget. The 2005 budget documents reflect that the Township has not had a Cap problem in the past nor will they experience such a problem in 2005. The data reflects that the Township is below the Cap by \$3,067,647. The data further reflects that, although the Cap rate has decreased under new legislation, the Cap base has increased⁴.

The review of the Cap law is not the only consideration implicated by the interests and welfare of the public. The Award must also consider the financial impact of its terms on the governing body, its residents and taxpayer, N.J.S.A. 34:13A-16g(6). In applying this criterion, I note initially that the terms of the Award do not dramatically change the overall costs to the Township when comparing the respective last offers of the parties. The Township has proposed annual increases of 3.8% at a cost of \$11,018,649.22 for 2005, \$11,437,357.89 for 2006 and \$11,871,977.49 for 2007. These costs in new money terms represent annual increases of \$403,380.22 in 2005, \$418,708.67 for 2006 and \$434,619.60 for 2007, or a \$1,256,708.49 total increase over the three year period. Over the same time period, the PBA has proposed annual increases of 5% at a cost of \$11,146,032.45 for 2005, \$11,703,334.07 for 2006,

⁴ These observations also satisfy the criterion set forth in N.J.S.A. 34:13A-16g(5) – the lawful authority of the Employer.

\$12,288,500.77 for 2007 and \$12,902,925.81 for 2008. These costs in new money terms of represent annual increases of \$530,763.45 for 2005, \$557,301.62 for 2006, \$585,166.70 in 2007 and \$614,425.04 in 2008, or a total increase over the four year period of \$2,287,656.81. The difference in the parties' positions over the three year period (2005, 2006, 2007) is \$416,523. For 2005, the terms of the Award represent a cost of \$11,066,417, an additional \$47,768 over the Township's proposal for 2005. For 2006, the terms of the Award represent a cost of \$11,509,073, an additional \$71,716 over the Township's proposal for 2006. For 2007, the terms of the Award represent a cost of \$11,946,417, an additional \$74,740 over the Township's proposal for 2007. The terms of the Award are \$79,615 below the PBA's proposal for 2005, \$194,261 below the PBA's proposal for 2006 and \$342,083 below the PBA's proposal for 2007. The Award's increase of \$194,224 over the three year period must be evaluated in the context of overall cost of \$34,327,983 that the Township would have paid out under its own proposal. The fourth year, 2008 represents a cost of \$12,424,273, an additional \$101,161 over the Township's proposal, assuming an extension of its 3.8% proposal for year 2008.

These additional costs can clearly be accommodated by the Township without adverse financial impact on the governing body, its residents and taxpayers. The Township has consistently regenerated surplus (\$6,081,725 in 2004, an increase of almost \$700,000 above 2003). The Township has maintained healthy fund balances. It is true that the Township used a much

higher percentage of its fund balance towards the 2004 budget year (\$4,291,962) but, nevertheless, the Township maintains a strong fund balance. The Township's effective tax rate has been stable and its tax collection rate is virtually perfect. Although the terms of the Award will compel expenditures beyond what the Township has proposed, the Township will benefit from offsets in costs due to the revised salary schedule, the health insurance program for new hires and increases in prescription co-pays. On this latter benefit, an additional adjustment to a \$7.50 generic and \$15.00 name brand co-pay is warranted effective January 1, 2008 as part of the terms for the fourth contract year I have awarded.

I recognize that the Township's ability to fund an award is not the sole driving force behind the terms of an award. The Award must be compatible with other criteria as well. In this instance, comparability considerations, N.J.S.A. 34:13A-16g(2), are also relevant. Assuming an absence of negative financial impact, comparability considerations are also important in furthering the interests and welfare of the public. The record reflects that this police department is highly effective and productive. The department enforces traffic requirements on 30 miles of State highways, 27 miles of County roads and 244 miles of municipal roads. The crime rate is high due, in part, to the influx of rail, car and truck commuters passing through the Township. Calls for service are high and the number of vehicular accidents is extraordinary. Maintaining reasonable comparability to ensure departmental morale furthers the interests and welfare of the public in this instance. Although I have taken all comparability data into

consideration, the evidence that weighs most heavily is the Woodbridge Police SOA settlement of 4.25% in 2005. The Township points out that this figure is below what the County averages appear to be in ensuing years, pointing to averages of 3.86% in 2005 and 3.96% in 2006. The overall average of 4.0% over the four years is consistent with the comparability evidence offered by the Township for law enforcement units in Middlesex County notwithstanding the higher amount awarded in 2005 for the purpose of paralleling the terms of the SOA agreement.

I have also considered the remaining statutory criteria. I have incorporated the party's stipulations into the Award, N.J.S.A. 34:13A-16g(4). The cost of living is a relevant criteria and does weigh against the awarding of the PBA's 5% salary proposal. Although the cost of living data is below the terms of the Award, I note that the differences are not significant and that the last offers of both parties are above the cost of living data.

I have also considered the continuity and stability of employment, N.J.S.A. 34:13A-16g(8), and the overall compensation package the Township's police officers presently receive including benefits, N.J.S.A. 34:13A-16g(3). Both criteria are relevant and when considering same, are criteria that are compatible with the terms of the Award. The Township's overall compensation package ranks among the highest in Middlesex County. The Award maintains its position in this regard and the modifications to this package that have been awarded do

not significantly alter that package. Beyond the salary award that maintains the department's relative standing within the County, the overall compensation package has only been modified when justified by the record evidence. This includes a modification to the longevity schedule to make it parallel to the Woodbridge Police SOA, a revision to the health insurance plan for new hires that maintains comprehensive coverage without employee participation, a new salary schedule for new hires that lengthens the amount of time required in order to reach salary maximum and modest increases in prescription co-pays to ease the Township's increasing cost of providing a prescription benefit. The terms of the Award will maintain the continuity and stability of employment that the department has historically experienced. Police officers are rewarded for working for the Township and the Township has received high productivity and an effective department in return.

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

AWARD

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

2. **Duration**

The effective date of this Agreement shall be January 1, 2005 through December 31, 2008.

3. **Article IV - PBA Meetings**

- a. Paragraph B shall be modified by adding 4 additional days per annum.
- b. Paragraph E shall be modified by adding 5 additional days per annum.

4. **Article VII – Longevity**

Article VII is modified, effective January 1, 2005, to provide the following longevity schedule.

2½% after start of 6th and through completion of 10th year of service;

4% after start of 11th and through completion of 14th year of service;

5½% after start of 15th and through completion of 20th year of service;

7% at the start of the 21st year through completion of 22nd year of service;

9½% at start of the 23rd year of service and each year thereafter.

5. **Salary**

Each step of the existing salary schedule (Schedule A) shall be adjusted by the following percentages retroactive to their effective date:

January 1, 2005	4.25%
January 1, 2006	3.95%
January 1, 2007	3.8%
January 1, 2008	4.0%

The salary schedules shall be as follows:

Schedule A

Police Officer	2005 (4.25%)	2006 (3.95%)	2007 (3.8%)	2008 (4%)
Training Step	40,000	40,000	40,000	41,600
4 th Class	61,061	63,472	65,884	68,519
3 rd Class	65,379	67,961	70,544	73,365
2 nd Class	70,592	73,381	76,169	79,215
1 st Class	75,621	78,608	81,596	84,859
Senior Officer	79,780	82,931	86,083	89,526

Effective upon the date of this Award, salary Schedule B (Police officers hired on or after December 14, 2005) shall be implemented for new hires.

The salary schedules shall be as follows:

New hires must complete one year of service (including training) in order to reach 5th Class.

Police Officer	2005 (4.25%)	2006 (3.95%)	2007 (3.8%)	2008 (4%)
Training Step	40,000	40,000	40,000	41,600
5 th Class	47,125	48,986	50,847	52,880
4 th Class	54,250	56,392	58,535	60,876
3 rd Class	61,375	63,799	66,223	68,871
2 nd Class	68,500	71,205	73,910	76,866
1 st Class	75,621	78,608	81,596	84,859
Senior Officer	79,780	82,931	86,083	89,526

6. **Article XII – Insurance Benefits**

Article XII.E shall be modified as follows:

Effective January 1, 2005, the annual dental coverage shall be increased to \$1,600, to \$1,700 effective January 1, 2006 and to \$1,800 effective January 1, 2007. Orthodontic coverage shall be increased to \$2,000 effective January 1, 2005.

Article XII.F shall be modified as follows:

As soon as can be administratively implemented, the co-pay for prescriptions shall be \$5 for generic and \$10 for brand name drugs. Effective January 1, 2008, the co-pay for prescriptions shall be increased to \$7.50 for generic and \$15.00 for name brand drugs.

A new section shall be added providing a hearing aid benefit of \$750 effective January 1, 2005.

Effective on or after December 14, 2005, new hires shall not access the Township's traditional plan. The remainder of the Township's insurance benefits shall provided to such employees.

7. **Article XXXIX – Schedule**

The parties agreed that the calendar year shall be defined as January 1 of the hiring year

8. **Appendix B – Extra Duty Work**

All extra duty work rates shall be increased by \$1 per annum at each level.

9. **Article XXV – Bill of Rights**


Article XXV, Bill of Rights, shall be modified to codify the individual employee's right to have a representative with the employee at an Investigative interview in which the employee reasonably believes that he/she may be subject to discipline as a result of said investigative interview.

Dated: December 14, 2005
Sea Girt, New Jersey


James W. Mastriani

State of New Jersey }
County of Monmouth }ss:

On this 14th day of December, 2005, before me personally came and appeared James W. Mastriani to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed same.


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