

**STATE OF NEW JERSEY
PUBLIC EMPLOYMENT RELATIONS COMMISSION**

IN THE MATTER OF THE IMPASSE

Between

GLOUCESTER TOWNSHIP POLICE COMMITTEE

-and-

TOWNSHIP OF GLOUCESTER

**COMPULSORY INTEREST ARBITRATION AWARD
LAWRENCE I. HAMMER, ARBITRATOR
PERC # IA 97 - 27**

Under date of October 1, 1966, a petition was filed with the Public Employment Relations Commission seeking to initiate Compulsory interest Arbitration pursuant to P.L. 1995, c.425.

Under date of December 10, 1966, pursuant to the joint request of the parties, the undersigned was designated by the Public Employment Relations Commission of the State of New Jersey to serve as the interest arbitrator in an effort to resolve the continuing impasse involving the above indicated parties.

APPEARANCES

FOR THE TOWNSHIP

Louis Rosner, Esq.

Tom Cardis

Jim Whittaker

Charles G. Palumbo

Sandra Love

Counsel

Administrator

Employee Benefits Program Mgr

Tax Assessor

Mayor

FOR THE POLICE COMMITTEE

Labor Relations Associates

(by) Ronald Villano

Jim Geiger

Salvatore Costa

Edward Bryant

James Mondelli

Joseph Andricola

Labor Consultants

Raymond W. Evans
Frank Stauss

Hearings under the subject impasse took place on February 3, February 4, April 29, August 14, August 15, October 13, and October 31, 1997 at the Township of Gloucester Municipal Building located on Blackwood, New Jersey.

At the first three sessions, at the request of both parties, an attempt at mediation was undertaken, with some moderate success being achieved.

While preliminary final offers were presented during the mediation session, the parties, prior to the August 14, 1997 session, presented their respective final offers. Same took the following form:

FINAL OFFER OF THE TOWNSHIP

1. Three year contract covering January 1, 1996 to December 31, 1998.
2. Wage increases of:
 - 3.0% in 1996
 - 3.5% in 1997
 - 4.0% in 1998
3. Detective stipends: To be increased by the sums of \$75.00 in both 1996 and 1997, and by \$100.00 in 1998. Senior officer stipend: To remain at \$1,000.00.
4. Shift Differential: Increase to be paid on new base rates.
5. Terminal Leave: For those entitled to terminal leave option (pre-1988 hires), the terminal leave language be modified to permit pre-1988 hires to use up to a maximum of 2080 hours of accumulated sick time for terminal leave.

Officers on terminal leave shall receive base pay, longevity, college credit pay and medical coverage but shall not earn, receive nor accumulate uniform allowance, shift differential, sick, holiday and/or vacation time, or any other benefit.

The remainder of accumulated sick time shall be paid out upon retirement at 100% of the rate in effect at retirement. Payment to be over a three year period commencing in the year following the officer's retirement.

Language remains the same as to post 1988 hires as there is no terminal leave option for this group.

In the 23rd, 24th, and 25th years of employment, and provided the employee has a minimum of 60 banked sick days, the employee shall be entitled to sell back in three (3) consecutive years up to 17 days of sick leave per year accrued from the prior year. The total shall not exceed 51 days over the three year period.¹

Payment shall be paid, along with base pay, (but not included in base pay for calculation of such benefits as longevity, holiday pay, overtime, pension, etc.) over a one year period. An officer shall make written notification to the Township at least one year in advance of the designated anniversary date of election of this option, and shall give such timely notice for each additional annual renewal.

6. **Uniform & Maintenance Allowance:** To remain at a total of \$1,125.00, subject to the following:
 - a. maintenance - \$600.00
 - b. clothing – maximum of \$525.00, payable upon presentation of receipts.
7. **Stipends:** Normally paid in the first week of the quarter shall be paid in the second week, as applicable.
8. **Vacations & Unused Sick Time:** From time to time, the Township, in its discretion, may allow members to cash in unused sick and vacation days during the course of their employment. The Township, as it may deem desirable, shall periodically establish such eligibility conditions, including the number of days eligible for buy back and compensation per day. Participation is voluntary.
9. **New Hires:** That the following provisions shall apply to employees hired after 6/1/97:
 - a. Pay for college credits subject to a maximum payout period of the earlier of five (5) years from the date of hire or until longevity is first paid. Credits must be related to law enforcement degree.
 - b. Health insurance premium co-pay of 15%
 - c. Longevity maximum of 10%, but not to exceed \$5,000.00
 - d. Retirement payout on 70% of accrued sick leave.

¹ For example, in 1999 an employee would be paid, along with his 1999 pay, for 17 days accrued in 1998 at the 1998 rate.

e. **Salary Guide as follows:** ²

	<u>1997</u>	<u>1998</u>	(approx. percentage increase per step)
1. start	24,020.	24,020.	-
1a. aft 6 months	26,530	26,530.	10%
2. after 1 yr.	29,710	29,710.	12%
3. after 2 yrs.	32,680.	32,680.	10%
4. after 3 yrs.	35,950.	35,950.	10%
5. after 4 yrs.	39,540.	39,540.	10%
6. after 5 yrs.	43,500.	43,500.	10%
7. after 6 yrs.	48,720.	48,720.	12%

FINAL OFFER OF THE POLICE

1. Four year contract covering January 1, 1996 through December 31, 1999.
2. Wage increases of:

Effective January 1, 1996 a 3% across the board increase
 Effective January 1, 1997 a 3.75% across the board increase
 Effective January 1, 1998 a 4.25 across the board increase.
 Effective January 2, 1999 a 4.00% across the board increase

Effective on January 1, 1998, the existing salary guide shall be increased by one (1) step – Total four (4).

Effective on January 1, 1999, the existing 98 salary guide shall be increased by one (1) additional step – total five (5).

The increased steps shall only affect officers hired from January 1, 1998 on.

3. **Terminal Leave:** The Police Association sought the inclusion of the following language to be inserted into its Collective Agreement. This language shall replace the existing specifications found under Article 5 pages 7 and 8.

Any officer who has an initial hiring date of prior to January 1, 1988 shall be permitted to use up to 2080 hours of his accumulated sick Time for the purpose of terminal leave. The remainder of the officer's

² Though the parties were negotiating a contract which would, according to the Township's position, expire on December 31, 1998, the Township wanted their proposed new hire guide to stand through December 31, 2003.

unused accumulated sick time shall be paid out upon retirement at 100% of a full day's pay for each day of sick leave accumulated. This shall be paid at the salary level in effect at the time of retirement. All monies paid out for unused sick time shall be paid in equal amounts over three years commencing in the year following the officer's retirement. Officers on terminal leave shall receive all benefits and compensations with the exception of uniform allowance, shift differential and the accumulation of additional sick, personal, holiday and vacation time.

Any officer with a hiring date after January 1, 1988 shall be paid 100% of a full day's pay for each day of accumulated unused sick time upon retirement. This shall be paid at the salary rate in effect upon retirement. All monies shall be paid out three (3) equal amounts over three (3) years commencing in the year following the officer's retirement.

All officers shall be permitted to accumulate up to twenty-one unused sick days per year with no maximum ceiling on this accumulation.

After completion of 22 years of service and provided that an officer has sixty accumulated sick day, the officer shall be entitled to sell back for three (3) consecutive years up to a maximum of seventeen sick days per year. The total shall not exceed fifty-one days over the three (3) year period. The rate of compensation for each day sold back shall be at 100% of the daily rate of the year prior to the year the days are sold back. Payment shall be made along with the officer's base pay (but not included in base for the calculations of such benefits as longevity, over-time and holiday pay) over a one (1) year period. The officer shall make written notification to the Township at least one year in advance of his/her designated anniversary date.

4. **Detective & senior officer stipends.** That both detective and senior officer stipends shall be increased by \$250 00 for each year of the proposed collective agreement.
5. **Differentials:** That all existing differentials presently existing and enjoyed within the collective agreement shall be increased by the percentage increase sought within the four (4) year offer.
6. **Clothing & Maintenance allowances:** For each of the four (4) years increased by \$25.00 per year.
7. That all of the items not contained within this final offer shall remain as s

It is expressly understood that the Police Association's request for

incorporation of the existing hours of work and schedules of all effected sections has been agreed to and is not part of these proceedings.

If this understanding is not true then this item shall also be incorporated within the final offer.

XXXXXX

On January 10, 1996, Governor Whitman signed into law the Police and Fire Public Interest Arbitration Reform Act [P.L.1995,c.425]. This law revised the interest arbitration law heretofore codified at N.J.S.A. 34:13A-16 et seq.

While the act calls for the arbitrator to render his opinion and award within 120 days of his selection by the parties, or his assignment to same by the Public Employment Relations Commission, the parties are permitted to agree to an extension. The parties requested and agreed to several extensions thereto, because of sundry delays resulting from illness in the family of the Police Committee's financial expert.

The parties submitted their post-hearing briefs to the arbitrator on December 16, 1997 (from the Township) and December 17, 1997 (from the Police).

While the parties are permitted by Statute to choose a mutually agreeable terminal procedure, in the absence of such an agreement, the terminal step shall be a decision by conventional arbitration. The parties herein could not agree upon any procedure except for conventional arbitration.

The arbitrator is required by N.J.S.A. 34:16d (2) to "separately determine whether the total net annual economic changes for each year of the agreement are reasonable ..." under the Statutes enumerated criteria.

The Statute requires that : "The arbitrator ... decide the dispute based on a reasonable determination of the issues, giving due weight to those factors ... that are judged relevant for the resolution of the specific dispute. In the award, the arbitrator ... shall indicate which of the factors are deemed relevant, satisfactory explain why the others are not relevant, and provide an analysis of the evidence on each relevant factor."

The eight statutory criteria set forth in N.J.S.A 34:13A-16G which are to guide the arbitrator are as follows:

- (1) The interests and welfare of the public. Among the items the arbitrator 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 wages, salaries, hours and conditions of employment of the Township of Gloucester Police Department with the wages, hours, and conditions of employment within other police departments and with other employees performing the same or similar services, as well as with other employees generally.
 - [A] In private employment in general
 - [B] In public employment in general
 - [C] In public employment in the same or similar comparable jurisdictions.
 - [D] In comparable private employment.
- (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. ³
- (6) The financial impact on both the Township and its residents and residents and taxpayers.
- (7) The Cost of Living for the area as published by the B.L.S.
- (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

The Township of Gloucester, located in Camden County, comprises an area of approximately 23 square miles, and has a population of some 57,625 persons, based upon the most recent 1994 census.

³ The revised Statute, under this section specifically states that "among the items the arbitrator 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.)" a.k.a. The CAP Law.

The median age of the residents of the Township is 31-1/2 years, while some 4,510 persons are classified as "senior citizens".

The government consists of a mayor and council. The bond rating stands at triple "A".

Its paid Police Department is made up of some 89 persons, while its Fire Department is "voluntary".

The Township has a K-8 school district which serves some 7,169 pupils (1993/94 figures).

For the purpose of comparisons, the parties agreed upon utilization of the following townships in Camden, Burlington, and Gloucester Counties: Cherry Hill, Pennsauken, Voorhees, and Winslow (in Camden County), Evesham, Mt. Laurel, Pemberton, and Willingboro (in Burlington County) and Deptford, Monroe and Washington (in Gloucester County),

The equalized Real Property Tax rate stands at 2.83/\$100 A.V., according to submitted 1996 data. This represents a slight reduction from 1995 when the equalized Real Property Tax rate was \$2.86/\$100 A.V., but still up over 1992-94 when the rates were \$2.51, \$2.58 and \$2.69/\$100 A.V. respectively.

The \$2.83/\$100 A.V. is, amongst the townships agreed upon for comparison purposes, exceeded only by the \$3.04 in Pennsauken and the \$2.95 in Willingboro. The county averages? Camden \$2.97, Burlington \$2.40 and Gloucester \$2.33.

The local Municipal tax in Gloucester Township at 59 cents/\$100 A.V. is exceeded only by Pennsauken and Willingboro.

The N. J. Municipal Data Book (1995 edition) shows that in 1989 (the most recent year for which figures are available, the per capita income in Gloucester Township was \$15,393.00. while the median household income was \$41,224.00 and the median family income was \$45,694.00.

The record of the hearings contain the following exhibits, which were carefully examined and used as a basis for the ultimate award herein.

POLICE EXHIBITS

1. LOBO
2. Demographics
3. Current wages & scattergram
4. 1996 cost calculations
5. 1997 cost calculations

6. 1998 cost calculations
7. 1999 cost calculations
8. Cost Summary
9. Maximum Salary Analysis
10. Alleged cost of Township's offer
11. Analysis of Exhibit # 10
12. Alleged calculation of Township's 1997 offer
13. Alleged calculation of Township's 1998 offer
14. Benchmark analysis
15. Benchmark comparison
16. Senior Officers & Detective comparisons
17. Terminal Leave Proposal and Rationale
18. Clothing/Maintenance cost-out
19. Township's salary comparisons
20. College Credits charge per Township proposal
21. Shift differential data
22. Township's clothing proposal
23. Township's proposal on retirement
24. Township's Health Insurance proposals
25. Township's Terminal/Sick Leave proposals
26. Township's Longevity modification proposals
27. Township's Sick and Cash in Modifications
28. Township's stipend pay change proposals
29. Summary – Section 3B
30. 1994 population
31. 1993-6 net valuation taxables
32. Camden County comparisons – net values
33. Equalized tax rates 1992-1996
34. Summary 1992-1996
35. Local Municipal Tax Rates 1992-1996
36. School Taxes 1993 – 1996
37. County Tax Rates 1993 – 1996
38. Per Capita incomes
39. Median household incomes
40. Median family incomes
41. Equalization ratio taxes
42. County services
43. Housing units analysis
44. Debt & Bond ratings
45. Authorized new housing units
46. Other Township agreements
47. SOA salaries
48. Additional SOA contract provisions
49. SOA comparisons
50. Dispatchers Local # 676 settlement
51. Dispatchers Local # 676 Economics

52. Council 10 settlement
53. AFSCME settlement
54. SOA settlement
55. Internal comparability summary
56. External comparability
57. Comparability – department sizes, work loads & crime index
58. Crime analysis
59. Cost of Living analysis
60. Three arbitration awards
61. Average incomes by County
62. Employee classification compensation
63. McPeak communication
64. Newspaper article 10/8/96
65. Newspaper article 8/5/97
66. Newspaper article 8/13/97
67. Police budgets 1997-98 proposed
68. Police budgets 1996-97
69. Police budgets 1995-96
70. SOA memo re CBA
71. Public Utility rateable increase
72. Growing N. J. counties
73. Audit analysis
74. Insurances
75. Caprio (Financial Expert) résumé
76. Fiscal analysis

TOWNSHIP EXHIBITS

1. LOBO
2. Report to Administration – Demographics
3. 1996 tax rate
4. County tax rate
5. Patrol unit size
6. Terminal leave liability
7. Settlements
8. Wage summary, 2 Tier
9. Evesham settlement
10. Longevity
11. Vacation & Holidays
12. Accrued sick leave
13. College credits
14. Dispatchers' contract
15. PW – CBA
16. Compensation comparisons
17. Summary Gloucester benefits

18. New Hires 8/11/97 memo
19. Co-insurance other employees
20. Self-funded medical savings
21. Cost analysis
22. Internal cost analysis
23. HMO Health Insurance rates
24. Cost of Township proposals
25. Alleged Police proposal cost
26. Pennsauken contract
27. Monroe contract
28. Evesham contract
29. Mt. Laurel contract
30. Pemberton contract
31. Voorhees contract
32. Washington contract
33. Willingboro contract
34. Winslow contract
35. Cherry Hill contract
36. Cherry Hill arbitration award

GENERAL ECONOMIC COMMENTS

While the Statute controlling Compulsory Interest Arbitrations sets forth some eight guide lines for the neutral arbitrator to examine, consider and weigh, the one heretofore given the greatest weight involved wage comparability.

Such emphasis, until that law was amended in January, 1996, was subjected to much judicial criticism. Criticism that far too much weight was being given to comparability, while not enough consideration, in fact far too little weight, was being given to the ability of a Municipality and its citizens to pay the sums awarded through the Compulsory Interest Arbitration process.

Until most recently, patterns would develop. Each award would grant increases financially similar to those awarded in earlier cases or similar to those instances where no award was involved, but where the parties were able to amicably resolve their differences and agree upon wage increases.

In the past if a Municipality offering an economic package much below that representing earlier settlements defended its offering upon the financial restraints of its budget and the ability of its taxpayers to bear a bigger burden, it was rarely successful.

For years when such argument was made by the employing Municipality it may well have been a case of the governing body crying "wolf" needlessly. The 1980's evidenced an economic boom. Most governing bodies, in the form of

either local surpluses or in the form of ever increasing State aid, were able to fund the settlement awarded.

With the real estate markets hitting all time highs, with unemployment hitting new lows, the overall economic environment was such that the statutory criteria concerning the ability to pay became less and less crucial.

Leading up to the 1996 change in the Law, vast economic changes developed in the Country and in the State. Unemployment had increased. Wage increases, where there were increases, were down. The spiraling real estate market all but collapsed. Real estate, an item representing a good portion of one's wealth, simply could not be sold at near past expectations. Employee benefits were and are being cut back by hard pressed employers. In short, the economic climate of the 90's is vastly different from that which prevailed during the 80's.

The ability of a Municipality to find a way to pay wage increases can no longer be accepted as a "given".

The budgetary problems of the State has cut into and diminished the flow of State aid. No longer can such aid be anticipated so as to offset financial plights of local governments.

Thus, far more weight to the ability to pay criteria, and the effect thereof on the taxpayers must be given. This would hold true even if the Statute had not been modified in early 1996.

Does the Township of Gloucester have the financial ability to fund a settlement much in excess of what it has offered? Do other Statutory criteria, cumulatively, while considering the ability to pay, warrant recommending a proposal which in itself may be somewhat above what earlier settlements have produced?

It is most interesting to note that the Township in its presentation made absolutely no claim of an inability to pay. Thus, the conclusion must be that it does have the financial ability to meet the demands of the Police without same creating any hardship or undue burden upon the citizenry, the taxpaying residents of the Township.

The testimony of the Mayor, was most forthright, honest and refreshing; spoken from the heart. She acknowledged that there has been "an enormous growth in the southern part of the Township", and that her "constituents want and deserve more services".

Mayor Love readily admitted that the Township's population was expected to continue to grow for years to come, and that as a result the Police Department

"must continue to grow"; that she budgeted for 10 new officers, five of whom have already been hired and are in the Academy. This, even before she or the Council knew or were aware of forthcoming "grant" money. That she intended to add 5 more new officers in January, 1998 (2 of whom would be replacements for those lost through retirements).

ECONOMIC DISCUSSION

We could, at this point, reiterate most of the comments set forth under "General Economic Comments" above, as well as the data set forth under the aforesaid demographics. Once, however, should be sufficient.

One cannot overlook the fact that it is most common and most appropriate to give considerable amount of weight to settlements already negotiated with other employees of the same Municipality. Sound labor practices, practices that tend to create harmony amongst the work force, dictate that treatment amongst all employees should be more or less equal.

The existence of settlements, if any, made with other Municipal employees, however, is not the true concern before us. The real question, in light of everything, and carefully considering the Statute criteria set forth in P.L. 1995, c.425 is what is both a reasonable, deserving, warranted, and affordable settlement.

As indicated earlier, the Statute establishes eight points, criteria or guidelines for consideration by the neutral arbitrator in weighing the positions presented. The undersigned arbitrator has examined the data presented by both the Township of Gloucester and the Police Committee and has taken into consideration each of the items set forth by the Legislature in P.L. 1995, c.425.

Some comments relating to each of the criteria are worthy of note.

1. INTEREST AND WELFARE OF THE PUBLIC

The interest and welfare of the public demands a high caliber of police protection which must be considered along with the needs of those making up the police department.

While members of the department evidence their interest and support for the community they serve by putting forth their best efforts to protect the citizenry, the Township and its taxpayers have only a single way of exhibiting their support and appreciation of their police, namely, by granting each and every one of them an equitable and reasonable salary increase.

A very simplistic view of this "interest and welfare of the public" criteria of the Statute might well be that the public is always best served by the

governmental body spending less. This is not, and should not be inferred by the Statute or the intentions expressed by the Legislature.

The public is best served by a professional and well functioning police department. Productive and well motivated employees best serve the public and their interests, not employees who work for the cheapest rate possible. This, notwithstanding that too many contracts involving safety are awarded to the lowest bidder.

A public employer best serves the public interest and welfare by striking a balance between satisfying its employees, thereby avoiding labor strife, and maintaining a stable level of governmental services. While a Municipality may have difficulty balancing these competing interests with budgetary financial restraints, it should not sacrifice fairness to its employees.

By the same token, a Municipality should not reduce essential governmental services merely to satisfy the economic demands of its employees.

It should be noted once again that the Township of Gloucester, at no point during these proceedings, indicated an inability to pay or that increases beyond its offer would create undue hardship upon its citizens.

There can be absolutely no doubt that the Gloucester Township's police department has been serving the citizens of the Township in a most commendable manner.

The Police Committee argued that too many of its members are required to work multiple jobs and/or that their households require multiple incomes and thus create a stress level that could likely affect productivity and performance.

That households today, probably the vast majority of households, be they police families or not, require multiple wage earners, is common. No matter what the salary earned is, most families, most households, are made up of multiple wage earners. Data submitted, and referenced earlier herein, showing the difference between the average per capita income amongst the Township's taxpayers (\$15,393.00) as opposed to household median (\$41,224.00) or the family median \$45,694.00) clearly establishes that the police are not unique in this respect.

2. COMPARISON OF WAGES AND OVERALL COMPENSATION AND CONDITIONS OF EMPLOYMENT

This portion of the Statute requires that the Interest Arbitrator consider a comparison of wages, salaries, hours and conditions of employment involved herein with the wages, salaries, hours and conditions of employment of other

persons performing the same or similar services in public employment in comparable jurisdictions, in comparable private employment, and in public and private employment in general.

The comparability of wages, the top salary or "benchmark" that a police officer can earn, shows that those employed in the Township of Gloucester do not earn as much as the departments which the parties compared themselves with; but they are not in the least ill-treated, falling in the \$51,154 - \$51,277 range for 1997, in between Voorhees' \$52,708 and Monroe's \$50,137 and well ahead of Washington and Deptford.

That the Township, anticipating an influx of police officers, seeks a "new hire" salary schedule is understandable, and in fact is justified, though their precise proposal therein needs modification. The Police Committee itself recognizes the need for a new structure so far as future police officers are concerned.

This will, for several years, result in a sizeable saving to the Township. The time that will elapse before one reaches the benchmark will almost double. Six years instead of three years has to result in sizeable savings, especially in view of Mayor Love's intention to add to the department.

In 1995, the starting wage in Gloucester of \$24,014/\$26,534 was below all municipalities set forth for the purpose of comparison except for Voorhees and Deptford.

The Township's proposal for a new hires guide would keep the starting figure at \$24,020 not only until a successor contract was negotiated, but through 2003.

The Police Committee's proposal thereon is not nearly as restrictive, but still recognizes financial restraints.

Setting aside for the time being, a "new hires" guide, it is important to examine precisely what the current wages for the police in Gloucester Township happens to be. From what to what are raises being offered or are being sought. The most recent Collective Bargaining Agreement covered calendar years 1993, 1994, and 1995.

During 1995, members of the department received the following wages.

Months 1-6 of employment	\$24,014.00	per year
Months 6-12 of employment	\$26,525.00	per year
After 1 years service	\$29,032.00	per year
After 2 years of service	\$34,051.00	per year
After 3 years of service	\$47,984.00	per year

It is interesting to note that no disagreement exists between the parties so far as calendar year 1996 is concerned.

The Township has offered a 3% wage increase for 1996. The Police proposed a 3% increase for 1996. The wage package for 1996, under either party's proposal would be identical, based upon the same personnel. The costs would go up by 3%.

With costs of living going up, even most modestly annually since 1995, it would have eased the plight of the veteran Gloucester Police officer to have been granted what the parties agree will represent, under either proposal, no matter who prevails herein, the same 3%. The police are still, in December, 1997, aside from increment to those passing through the three step guide, earning what they earned in December, 1995.

This affects 42⁴ of the 57 persons who were in the unit in December, 1995, there being at the time, two persons who came on board in April, 1995 and four who were hired in August, 1995. The former group would be on the then 6-12 month wage, while the latter four would be on the less than 6 month wage scale.

On their anniversary date, two in April, 1996 and four in August, 1996, moved to the "after 1 years service" rate, and again in 1997 to the "after 2 years of service" rate.

Undisputed is the fact that there are currently, not 57 in the department, but 65, which means that 8 more are being paid at 1995 rates, except for increments advanced on their anniversary date.

As officers passing through the guide receive very nice increment raises of between 10-1/2 % and 41%, there is no great hardship of such officers earning below the maximum or benchmark.

There was no dispute amongst the parties as to the projected annual costs of the police proposal, which would raise the 1995 \$2,303,766 unit payroll by 3% in 1996 to \$2,549,222, to \$2,684,114 as a result of the sought after 3-3/4% for 1997 and to \$2,894,117 in 1998 as a result of the 4-1/4 % proposed increase.

Though there was no 1999 offer on the table from the Township, so no comparison can be made, the 4% sought for 1999 would increase the unit payroll to \$3,054,812.

⁴ During 1995, two officers at maximum on guide retired because of "disability", which reduced the number to 42.

As the benchmark figure, the maximum that can be earned according to the guide, it is interesting to note the small, almost infinitesimal difference between the parties.

The 1995 benchmark of \$47,984 would go up, depending upon whose position was to be the subject of the ultimate wage award herein, to one of the following:

	<u>Township</u>		<u>Police</u>	
(3%)	\$49,424	1996	\$49,424	(3%)
(3.5%)	\$51,154	1997	\$51,277	(3.75%)
(4%)	\$53,200	1998	\$53,456	(4.25%)

The difference $\frac{1}{2}$ of 1% over three years produces a difference in earnings to the officer, or cost to the Township of \$378.00 per officer or \$126.00 per year.

During 1998, the six officers hired in 1995 would be at maximum making, absent any retirements, 48 patrolmen making either \$53,200 or \$53,546 by the year's end.

The 4% proposed by the Police for 1999 would raise the benchmark to something between \$55,328 or \$55,593, depending upon whose figures were accepted for years 1996-1998.

The last year for which benchmark figures were presented was 1997 wherein Voorhees paid \$52,708, Washington paid \$47,983, Monroe paid \$50,137 and Deptford paid \$46,879. Again, depending upon who was successful in Gloucester, the 1997 benchmark would be either \$51,154 or \$51,277, which would leave Gloucester someplace mid-stream.

To be sure, and not to be overlooked, is the compounding effect on each side's offer. The Police proposal 3% + 3.75% + 4.25% compounds out to 11.4%, while the Township's 3% + 3.5% + 4% compounds out to 10.86%. Thus, the difference, even after compounding, comes to only 54/100 of 1%.

Why couldn't this small difference, be it dollarwise or percentagewise, be amicably resolved? The answer probably lies in the guide, as same would affect new hires, those who have been hired between June 1, 1997 and today, as well as those hereafter hired.

The Township proposed an entirely new 7 (or depending how one counts a half step) or 8 step guide, maxing out at \$48,720.00 after completing 6 full years on the job.

Recognizing that reaching the benchmark at the start of the fourth year in the Department, may be expanded so as to aid the Township financially, the Police offered to add an additional step as of January 1, 1998, and still another step, for a total of 5 steps on January 1, 1999, with such added steps to affect only those hereafter hired.

Under the Police proposal, the salary guide for those hereafter hired would be based upon its 3%, 3.75%, 4.25%, 4% proposal, and would look as follows:

Entry to 6 months	\$27,823
6 months to 1 year	\$30,731
1 to 2 years	\$33,637
2 to 3 years	\$39,451
3 years	\$45,171
3 years + 6 months	\$49,851
4 years	\$51,000
4 years + 6 months	\$53,500
5 years	\$55,593

Thus, those hereafter hired into the Gloucester Township Police Department would, after 5 full years on the job, earn the same maximum, the same benchmark, as those currently on the force will earn after 3 full years.

For the Police to accept the monetary offer of the Township, would include their accepting a proposal wherein Police working side by side, with both having more than 5 years of service in the Department, but receiving two different wages for the same work.

This aspect of the Township's final offer can only lead to serious internal, as well as morale problems for the Department itself, when there are different earnings by persons doing the same fundamental type of work and having the same minimum years of training or service, merely because one was hired before June 1, 1997.

Most departments where a two tier system is created, a system whereby lesser wages are paid to new hires during their early years on the Force, merge at some point so that the benchmark, the maximum earned by veteran officers, are alike.

3. COMPENSATION AND FRINGE BENEFITS

A contract does not involve compensation, in the form of wages alone. When contract between different municipalities and their police are compared, more than wages must be considered.

The most recently expired Collective Bargaining Agreement involving the parties herein, as pointed out elsewhere, covered calendar years 1993, 1994, and 1995.

Aside from the question of compensation, the last agreement included benefits covered by sick leave, personal leave, bereavement leave, vacations, holidays, health insurances, clothing-uniform allowances, court time minimums, overtime, stipends, etc. In none of these categories are the Police in the Township over indulged or put upon. Their benefits compare favorably, without going into a detailed comparison, item by items. They are treated fairly.

If the parties merely sought to continue same "as is" there would be no need for further comment. Such is not the case, however.

The parties each have proposals concerning clothing and maintenance allowances.

In 1995, members of the unit received an annual \$1,125.00 sum to cover these items. The Township proposed continuing the said \$1,125.00 through the term, but to divide same into two categories calling for a \$600.00 maintenance allowance and a \$525.00 clothing allowance "payable upon presentation of receipts".

The Police proposed annual overall increases of \$25.00.

Under such proposal, the Township, based upon 60 officers would spend an additional \$1,500 on clothing and maintenance, but far less under its proposal unless actual receipts were furnished.

Everyone expects its Police personnel to be well groomed and neat. \$600.00 maintenance, which includes dry cleaning and pressing, comes to \$11.53 per week. At the current cost of dry cleaning, anywhere from \$7.50 to \$10.00 for a suit, is such an amount realistic? Can a uniform be cleaned and pressed for the same sum as a business suit? Even a modest cost of living increase thereon would result in the current sum being barely adequate.

The cost of the Police proposal computes out to 2/100 of 1% annually. The SOA is not required to submit receipts. Why should the rank and file?

As far as Differentials are concerned, the parties are almost on point. Neither side sought to modify existing percentages. Differentials differ between those assigned to a permanent shift (4:00 PM to Midnight, Midnight to 8:00 AM) or those assigned to rotating shifts. The former receive a higher (4% and 9%) differential than do the latter (2% and 3%).

As both parties are in agreement that the differentials continue, the only dollar difference would be whether the Township or Police wage package was awarded.

The current contract (Article 26) calls for payments of \$10.00 per credit per year for satisfactory completion of college credits or courses accepted towards "an academic degree related to Law Enforcement". The Township proposal is two pronged. First, the course "must be related to Law Enforcement" not merely "related to". Is there really a difference? The Police think so.

Second, the Township seeks to end one's college credit entitlement after 5 years from date of hire or whenever one is entitled to longevity.

Amongst those municipalities agreed upon for comparison purposes, there are as many different forms of this benefit as there are municipalities. To take the benefit away from current personnel would be tantamount to a cut in salary. For new hires, it is a different story.

The Detective's Stipend currently stands at \$2,479.00 [Article 26]. The Township offered a \$75.00 increase for 1996, \$75.00 more in 1997 and \$100.00 more, for a total of \$2,729.00 in 1998.

The Police sought an annual increase of \$250.00 which would raise the stipend or differential to \$3,229 in 1998 and to \$3,479 in 1999, for each of its 9 or 10 detectives. This would increase the detective's pay by something in the neighborhood of 30%. No one receives a 30+% increase today over a three or even four year period.

Proposals also involved Senior Officer Stipends. The Police sought to increase these stipends by \$250.00 per year, over the existing \$1,000.00. The Township sought merely to continue the status quo. A Senior Officer is one with 20 or more years of service, assigned to patrol (and are not detectives).

In 1995 they earned \$48,984.00 (or the \$47,987 benchmark + \$1,000.00). These persons also receive longevity which, after 20 years of employment represents an additional 12% (based upon the 1995 wage scale, \$5,758.00).

It is obvious that a basic contract involves more, much more than merely wages. Thus the Statutory mandate that all other fringes and benefits be taken into account.

The current contract allows for the accumulation of unused sick leave which can be used on a day to day basis as terminal leave on retirement. The Township proposed a provision to "limit" the use of terminal leave for pre-1988 hires to a one year period and to permit officers to sell back up to 17 days of sick

leave per year for three consecutive years in the 23rd through 25th years of employment.

Their precise proposal states:

"For those entitled to the terminal leave option (pre-1988 hires), the terminal leave language is modified to permit pre-1988 hires to use up to a maximum of 2080 hours of accumulated sick time for terminal leave. Officers on terminal leave shall receive base pay, longevity, college credit pay and medical coverage but shall not earn, receive nor accumulate uniform allowance, shift differential, sick, holiday and/or vacation time, or any other benefit.

The remainder of accumulated sick time shall be paid out upon retirement at 100% of the rate in effect at retirement. Payment to be over a three year period commencing in the year following the officer's retirement.

Language remains the same as to post 1988 hires as there is no terminal leave option for this group.

In the 23rd, 24th, and 25th years of employment, and provided the employee has a minimum of 60 banked sick day, the employee shall be entitled to sell back in three (3) consecutive years up to 17 days of sick leave per year accrued from the prior year. The total shall not exceed 51 days over the three year period. For example, in 1999 an employee would be paid, along with his 1999 pay, for 17 days accrued at the 1998 rate.

Payment shall be paid along with base pay (but not included in base pay for calculation of such benefits as longevity, holiday pay, overtime, pension, etc.) over a one year period. An officer shall make written notification to the Township at least one year in advance of the designated anniversary date of election of this option, and shall give such timely notice for each additional annual renewal."

This proposal is similar to that negotiated with the Superior unit, except that the Superiors have the option to start their sell back after completing 22 years of service, and can continue beyond 25 years.

The Police Committee's proposal thereon sought the same benefit as the Gloucester Township SOA negotiated for, and obtained from the Township. Prior to the newly negotiated SOA contract, both units enjoyed the same language on point in their respective agreements. Under the finalized SOA agreement, terminal leave is restricted to one year as terminal leave and the officer must have a hiring date prior to January 1, 1988. Officers after January 1, 1988 shall be paid at 100% of a full days pay for each day of accumulated unused sick time

The major and significant difference in the Township proposal to the Patrolmen and Detective Unit is that the Township seeks a sunset clause. The Township seeks to limit the benefit to the 23rd, 24th, and 25th years of employment. The existing Memorandum of Agreement between the SOA and the Township specifies the completion of the 22nd year on. In essence, the Township seeks an imposition of a cap with a sunset specification. The interruption of this provision is solely to deny any officer or detective in excess of twenty-five years this benefit as he would not qualify for this application.

The Police Committee seeks the same provisions as agreed between the SOA and the Township and not the imposition of a sunset provision limiting the application of this benefit to the 23rd, 24th, and 25th years of employment only.

More benefits, more proposals.

The Township proposed eliminating the last step of the longevity schedule, which takes effect in the 20th year of employment, for new hires. The remaining longevity for new hires under such proposal would max out at 10% of salary or \$5,000.00. The effect of this proposal would mean absolutely nothing, to either party, until the year 2018. Do we really have to worry about something 20 years or so away? Even if the proposal was recommended and awarded, the chances are that the 12% - 20 year provision, would, over the years to come, be renegotiated.

The Township proposed a Sick Leave & Buy Back Program wherein "accrued sick leave on retirement be paid out at 70% of the total accrual". Here, too, we have a proposal that can have no effect for at least a quarter of a century, as no one hereafter hired will be eligible to retire until 2022. Again, the proposal is meaningless, and if awarded, would probably be renegotiated several times during future contract negotiations.

Now to a more meaningful and current proposal which must be considered, namely, one involving Health Insurance. The Township has proposed that all new post June 1, 1997 hires contribute 15% of the cost of all applicable health insurance premiums. Current benefits pertaining thereto are covered in Articles 12, 23, and 30 and involve specifically Hospitalization, Dental, Prescription, and Vision insurance.

The Township currently provides a State of New Jersey Health Plan type similar to Blue Cross / Blue Shield or HMO with Major Medical benefits for the employee and his dependents, and retirees until Medicare kicks in. All premiums are paid by the Township.

The Dental Plan too, covers the employee and dependents at no cost to the employee. A Prescription Plan calling for a maximum reimbursement of

\$300.00 is also provided at no cost to the employee. Vision insurance, to \$300.00 annually is also provided, at no employee cost.

While opposing any contribution, the Police sought no improvements, happy to continue the status quo. The current full family premiums under the IDA are \$7,836.00 or \$3,456.00 for single coverage. The HMO premium is between \$6,554.00 and \$6,640.00.

Until 1991, the Township was in the State Health Plan, but because of lower annual rates, switched to its current plans. A switch back to the State Health Plan would result in lower rates than are currently paid.

All non-uniformed personnel have agreed to a new hire 5 – 25 percent co-pay, depending upon salary range. The SOA has not agreed to a co-pay for new hires, but has stated that if the Police Committee agrees, it will too. One must note that the effect of a contribution on new hires in the SOA is almost meaningless. One becomes a Superior Office only after promotions from within the Department.

What cannot be ignored, however, is that contributions towards insurance premiums, especially for persons not yet employed, is getting more and more common. The arbitrator will establish a CAP on premiums, which, if the CAP is exceeded, a portion of such excess will be paid by the employee.

While settlements negotiated elsewhere no longer need be given prime consideration, same cannot, under the revised Statute, be totally ignored either.

During 1997 there had been through late November, some 89 Police or Fire settlements. Almost 2/3 of which were voluntary, not requiring the issuance of an award, while 31 required an award.

While both parties herein are proposing 3% increases for 1996, those municipalities where an award under the Statute was necessary, averaged out to 3.66%. For 1997, where the parties are ¼ of 1% apart (3.5% vs. 3.75%) the average award called for increases of 3.63%. For 1998, where the parties are again only ¼ of 1% apart (4% vs. 4.25%) the awards averaged 3.55%.

For 1999, while only a single award has been issued [Lawrence Township & PBA # 119; IA 96/159] same calls for a 4.5% wage increase.

Where voluntary settlements have been reached for 1999, the numbers are far greater. There are 23 settlements calling for straight percentage increases, and 2 more where 1999 calls for split (January & July raises). These settlements average between 3.79% and 3.85%.

The overall difference between the parties so far as base salaries are concerned equates to \$7,101.00 in 1997 and \$16,297.00 in 1998. These figures become higher, however, when one considers the longevity which members of the unit earn, ranging up to 12% depending upon one's years of service. It also reflects the value for shift differentials and accrued sick leave.

Much consideration must be given to the undisputed fact that the Township has settled with all others in its employ. The four non-police bargaining units all settled for 3% annual increases, as have non-represented employees.

The Township's proposal herein to the Police is in excess of such pattern, but is allegedly identical to the settlement reached with the Police SOA. But is it really identical?

While the 3%, 3-1/2%, 4% figures are the same, it must be noted that the SOA also received in addition for 1997, the sum of \$1,000.00 added to their base. When one considers this \$1,000.00 so far as Sergeants and Lieutenants are concerned, the 1997 settlement is not a true 3-1/2%, but more like 5.32% for Sergeants and 5.2% for Lieutenants.

The Township has already created its own morale problem by settling with the SOA at a figure beyond that given to the non-uniformed personnel. Does it really want to create discontent amongst the uniformed personnel as well?

4. STIPULATIONS

There were no stipulations entered into, except for package costings.

5. THE TOWNSHIP'S AUTHORITY TO GOVERN, RAISE TAXES, PASS ORDINANCES AND TO ENTER INTO CONTRACTS

The Township's lawful authority so far as the budget is concerned, was and is restricted by the New Jersey CAP Law. The neutral interest arbitrator is statutorily and constitutionally required to consider CAP restraints imposed upon the governing body.

The CAP Law has been in existence for some fifteen or sixteen years in one form or another. Said law is aimed at limiting local governmental costs and at the same time limiting the tax burdens on the home owner.

The New Jersey Local Government CAP Law [N.J.S.A. 40A: 4-45.1et seq.] restrains the lawful authority of the employer by limiting overall budget increases. By limiting such budget increases, the ability of the Township to grant unlimited wage increases to its employees is restricted.

The 1990 amendments to the CAP Law was intended to slow the rate of increase in local property taxes. These amendments eliminated certain heavy expenditures from heretofore exceptions when computing the possible tax increase.

While the CAP Law does not impose a line item by line item limitation, it places a limit on the overall budget to the extent that it is subject to the CAP Law. Because salary expenditures fall within the CAP, the Legislature in a not so round about way has attempted to limit the maximum amount the Township or any municipality may increase taxes for the purpose of covering salary expenditures.

Costs incurred to fund a possible adverse interest arbitration award must be taken into account by the municipality in determining whether overall budgetary appropriations exceed the ceiling imposed by the CAP. Again, it must be remembered, that the Township never contended it could not, or did not have the ability to meet the Police demand. The Township is within its CAP and has not sought, nor is it contemplating a waiver.

6. THE FINANCIAL IMPACT ON THE MUNICIPALITY AND THE TAXPAYERS

There is little that could be stated under this criteria that has not been stated under criteria # 5 above, or elsewhere in overall discussions herein.

7. THE COST OF LIVING

N.J.S.A. 34:13A-16g (7) requires the interest arbitrator to consider the consumer price index in determining reasonableness of the party's economic proposals. The CPI measures a wage earner's purchasing power. When a wage earner receives a salary increase which equals the CPI increase, the wage earner theoretically will be able to continue to maintain his or her standard of living.

The Cost of Living Index or the Consumer Price Index has for many years been used in order to justify large wage increases. The effect of changes in the Cost of Living on one's purchasing power is of prime importance to any worker. Will the increase keep pace with the increase in the Cost of Living so that he can continue to maintain the same standard of living?

There are actually two C.P.I.'s issued. One covers "All Urban Consumers". This is the C.P.I.-U. The other covers "Urban Wage Earners & Clerical Workers". This is the C.P.I.-W.

While rising a bit lately, the national average cost of living increases as evidenced by the C.P.I.-U. for New York – Northeast New Jersey for the year 1996 totaled 3%, only 2/10 of 1% above the 1995 increase.

It is interesting to note that the tax rate per \$100.00 A.V. has not varied to any great extent in the Township over the past five years. In fact, 1996 produced a slight reduction, with a further reduction to \$5.47 / \$100 A.V. for 1997/98.

The Township has not sought a CAP waiver in years past, and is not expected to do so in the foreseeable future. With 300 – 400 new homes joining the tax rolls, representing an approximate \$48 million increase in rateables, of which some \$280,000.00 remains in the Town. Admittedly, the 3% wage offer will not utilize all of their new funds.

One penny on the tax rate generates some \$205,561.00. Based thereon, the difference between the parties will have absolutely no adverse effect on the tax payers.

In computing the C.P.I., one cannot overlook the fact that it includes medical expenses, expenses which the Police do not pay, as premiums for medical insurances are fully paid by the Township. Even though no data was presented as to what percentage police raises were over the past decade, it is almost certain that their raises exceeded the under 4% C.P.I. average increase between 1987 and 1996.

8. THE CONTINUITY AND STABILITY OF EMPLOYMENT

There is absolutely no question but that the continued employment of members of the Township Police Department is secure and will continue. One could, in fact, almost state that such continuation is guaranteed, else there would be no reason for the Township's proposing to retain the 1995 starting wage or for proposing, and the Police agreeing to adding steps to the salary guide for "new hires".

XXXXXX

FURTHER COMMENTS

Three matters remain to be discussed.

The first involves the duration of the agreement. The Gloucester Township Police have been working without a new contract since January 1, 1996. Thus, they are only days away from entering their third year without a contract.

A three year contract, as proposed by the Township, would require that the parties return to the negotiating table almost before the ink is dry on the successor to the 1993/95 contract.

The Statute mandates that the parties must begin negotiations at least 120 days prior to the expiration of their contract. If a three year contract is entered into, the parties will have to begin negotiations no later than August 31, 1998, and then must meet at least three times prior to the contract's expiration. When the parties have been negotiating for better than two years, common sense dictates that they should not be required to start all over again, eight months hence. Both parties deserve a respite from the rigors and stress that evolve from a prolonged negotiation.

One must consider, however, the legality of a four year contract, as well as whether the parties themselves considered, during the course of negotiations, the possibilities of a four year contract. Such a possibility was discussed and considered, especially during the several mediation sessions that preceded the formal commencement of the hearings.

An examination of sundry Interest Arbitration Awards issued during 1997 brings forth the fact that in some 6 – 8 instances, four or more year agreements had been awarded, including the State of New Jersey itself and the SLEU [PERC # IA 96/13].

The Township argued that it was not appropriate for a fourth year to be considered as no formal proposal including a fourth year was set forth until the time the Police submitted its formal "final offer", and that it never had the opportunity to truly consider or respond to a proposal to extend the term for an additional year.

The Police "final offer" was submitted back in June, though the first formal hearing did not occur until mid-August. Certainly there was sufficient time for the Township, between then and the close of testimony, to consider, evaluate and perhaps respond, rather than to ignore the proposal and comment in their brief.

The Township made much of the fact that its Collective Bargaining Agreement with its Police Superiors covered only 1996-98 and that both Police contracts have always been negotiated in tandem.

The second item involves the continuation of all portions of the expired agreement that neither party has sought to change.

Under such proposal (#7 of the Police), it was stated: "It is expressly understood that the Police Association's request for incorporation of the existing hours of work and schedules of all affected sections has been agreed to and is not part of these proceedings".

At no point has the Township ever countered or contested the reference made in the Police final offer as to the incorporation of the existing hours and work schedule into the contract.

The Arbitrator will not, absent specific comment thereon by the Township, direct that the hours and work schedule be written into the contract, but will direct that the existing hours and work schedule be retained as a "practice".

The third and final point to be discussed and considered evolves around the total cost of the respective parties.

Included in the briefs submitted was a five page "cost-out" of each side's proposals. The representative of the Police, in his letter covering the submission of his brief, referenced same in the following matter:

"I am attaching the Fax Transmission received from Mr. Rosner addressing the cost projections which he addressed at our last meeting and which we agreed to exchange. The data was secured by Mr. Rosner through the department and does accurately reflect the nine officers hired in 1995 which was the expiration year of the last agreement. In light of the fact both economic offers are increases exclusive of increment, I find his cost figures to be acceptable. I enclose these so your files are reflective of this point".

Included therein was data establishing that in 1995 there were 55 officers in the department. This number increased to 60 for 1996 with the addition of 6 hires and 1 departure; to 66 officers in 1997 as a result of 9 hires and 3 departures; and to 72 projected for 1998. The latter figure anticipates 7 planned "new hires" less 1 anticipated departure.

The ultimate cost projections established that "the total number of months in each step of the guide each year for all officers in guide is as follows:"

<u>Step</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
0-6	28	36	52	52	-
6-1	24	42	46	69	7
1-2	45	52	78	98	121
2-3	65	45	52	78	118
3+	26	43	28	32	18

In addition to the above guide, the number of officers at maximum for the entire year, adjusted for "departures" is as follows:

Max ⁵	36	40	44	46	50
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⁵ Number of officers at Max decreased in 1997 by 1 and by 3 in 1998 to account for one officer going off the payroll in 1996 and 3 departing in 1997.

However, a summary as to differences can simply be stated, as indicating that on base wages the Police proposal would cost the taxpayers of the Township an additional \$23,398.00 over the 1996-98 period. A copy of the data, as agreed upon, is attached hereto.

When the differences in Senior Officer stipends and Detective stipends are added thereto (\$23,010.00 being the difference) the total difference comes to \$46,408.00 over the years 1996-98, or an average of \$15,469.33.

As one penny (1/100 of \$1.00) on the tax rate produces, according to the sworn testimony of Charles G. Palumbo, the Township's Tax Assessor, \$205,561.00, the annual difference between the parties would involve almost a miniscule sum, certainly not enough to cause any sort of hardship.

It must be noted that these projections are based upon the wage percentiles as proposed. The undersigned arbitrator, by not awarding anything but a base wage increase for 1996; by not awarding any increase to the Senior Officer stipend for the three years under discussion; by not increasing the clothing-maintenance allowance until 1997, even the differences projected under the parties' agreed upon projections are reduced.

The recommendation for, and the awarding of a fourth year at a 3.80% increase, is an award almost on target of the current average 1999 settlements, 3.79% - 3.85%. Certainly the Township cannot reasonably expect to settle for less in the future, more, maybe.

NOW THEREFORE, as the duly selected Arbitrator, having heard all of the testimony offered, and having considered all of the documents and evidence submitted, and after evaluating the positions and arguments of the parties, and after having carefully considered and given due weight to each of the Statutory criteria set forth in P.L. 1995, c. 425, I make the following:

AWARD

1. That a contract covering calendar year 1996 only be entered into, continuing all of the contractual terms set forth in the 1993-95 Agreement, except increasing salaries by the 3% offered and sought by the parties.
2. That a successor to such contract be entered into covering calendar years 1997, 1998, and 1999.
3. That the Township's proposal relating to college credits be implemented for those persons first hired on or after January 1, 1998.

4. That the Township's proposal to increase Detectives' stipend by \$75.00 be implemented for 1997, and by \$100.00 in 1998 be implemented.
5. That Detectives' stipend be further increased by \$85.00 in 1999.
6. That the Senior Officers' stipend shall continue at \$1,000.00 throughout the duration of the contract.
7. That the Terminal Leave – Sell Back provision, as negotiated by the Township with the SOA, be incorporated into the parties' contract, effective with calendar year 1998.
8. That existing longevity provisions continue without change, except for "new hires" who shall max out at 10%.
9. That the existing contractual value placed on accrued sick leave remain as is.
10. That for calendar year 1997, retroactive to January 1, 1997, all wages be increased by a sum equal to 3.65%.
11. That for calendar year 1998, all wages be increased by a sum equal to 4.15%.
12. That for calendar year 1999, all wages be increased by a sum equal to 3.80%.
13. That clothing and maintenance allowances be increased by \$25.00 in 1997; by \$50.00 in each of years 1998 and 1999.
14. That a "new hire" salary guide be developed for those hired on or after January 1, 1998, which shall require an additional three years in order for said "new hire" to reach maximum.
15. That the maximum for new hires and those already in the Department shall max out alike.
16. That the terminal leave provision as proposed by the Police Committee shall be implemented effective with the year 1998, except,
17. That officers on terminal leave shall, effective immediately, receive base pay, longevity, college credit pay and medical coverage, but shall not earn receive or accumulate uniform/maintenance allowances, shift differential, sick leave, holiday or vacation pay, or any other benefit.
18. Stipends normally paid in the first week of any quarter shall, effective in 1998, be paid in the second week.

Township Proposal (3.0/3.5/4.0)

1995					
A	B	C	D	E	F
Step	Salary	Incr.	Months	Total Sal.	Total Incr.
0-6 mo	24014		28	58032.67	
6-12 mo	26524	2510	24	53048	5020
1-2 yrs	29032	2508	45	108870	9405
2-3 yrs	34051	5019	65	184442.9	27186.25
3+ yrs	47984	13933	26	103965.3	30188.17
Total In Guide				506358.9	71799.42

		No@Max	Total Sal.
Max	47984	36	1727424
Total in guide + Total Max			<u>2233783</u>

1996					
A	B	C	D	E	F
Step	Salary	Incr.	Months	Total Sal.	Total Incr.
0-6 mo	24734		36	74202	
6-12 mo	27320	2586	42	95620	9051
1-2 yrs	29903	2583	52	129579.7	11193
2-3 yrs	35074	5171	45	131527.5	19391.25
3+ yrs	49424	14350	43	177102.7	51420.83
Total In Guide				608031.8	91056.08

		No@Max	Total Sal.
Max	49424	40	1976960
Total in guide + Total Max			<u>2584992</u>

1997					
A	B	C	D	E	F
Step	Salary	Incr.	Months	Total Sal.	Total Incr.
0-6 mo	25800		52	110933.3	
6-12 mo	28275	2675	48	108387.5	10254.17
1-2 yrs	30949	2674	78	201188.5	17381
2-3 yrs	36301	5352	52	157304.3	23192
3+ yrs	51154	14853	28	119359.3	34657
Total In Guide				697153	85484.17

		No@Max	Total Sal.
Max	51154	44	2250776
Total in guide + Total Max			<u>2947929</u>

1998					
A	B	C	D	E	F
Step	Salary	Incr.	Months	Total Sal.	Total Incr.
0-6 mo	26624		52	115370.7	
6-12 mo	29408	2782	69	169084.5	15996.5
1-2 yrs	32187	2781	98	262860.5	22711.5
2-3 yrs	37753	5568	78	245384.5	36179
3+ yrs	53200	15447	32	141866.7	41192
Total In Guide				934576.8	116079

		No@Max	Total Sal.
Max	53200	46	2447200
Total in guide + Total Max			<u>3381777</u>

GTPA Demand (3 0/3.75/4.25)

1995					
A	B	C	D	E	F
Step	Salary	Incr.	Months	Total Sal.	Total Incr.
0-6 mo	24014		28	56032.67	
6-12 mo	26524	2510	24	53048	5020
1-2 yrs	29032	2508	45	108870	9405
2-3 yrs	34051	5019	65	184442.9	27186.25
3+ yrs	47984	13933	28	103965.3	30188.17
Total In Guide				506358.9	71799.42

		No@Max	Total Sal.
Max	47984	36	1727424
Total in guide + Total Max			<u>2233783</u>

1996					
A	B	C	D	E	F
Step	Salary	Incr.	Months	Total Sal.	Total Incr.
0-6 mo	24734		36	74202	
6-12 mo	27320	2586	42	95620	9051
1-2 yrs	29903	2583	52	129579.7	11193
2-3 yrs	35074	5171	45	131527.5	19391.25
3+ yrs	49424	14350	43	177102.7	51420.83
Total In Guide				608031.8	91056.08

		No@Max	Total Sal.
Max	49424	40	1976960
Total in guide + Total Max			<u>2584992</u>

1997					
A	B	C	D	E	F
Step	Salary	Incr.	Months	Total Sal.	Total Incr.
0-6 mo	25662		52	111202	
6-12 mo	28344	2682	46	108652	10281
1-2 yrs	31024	2680	78	201656	17420
2-3 yrs	36389	5365	52	157685.7	23248.33
3+ yrs	51277	14888	28	119646.3	34738.67
Total In Guide				696842	85688

		No@Max	Total Sal.
Max	51277	44	2256168
Total in guide + Total Max			<u>2955030</u>

1998					
A	B	C	D	E	F
Step	Salary	Incr.	Months	Total Sal.	Total Incr.
0-6 mo	26753		52	115929.7	
6-12 mo	29549	2796	68	169906.8	16077
1-2 yrs	32343	2794	68	264134.5	22817.67
2-3 yrs	37935	5592	78	246577.5	36348
3+ yrs	53456	15521	32	142549.3	41389.33
Total In Guide				939097.8	116632

		No@Max	Total Sal.
Max	53456	46	2458976
Total in guide + Total Max			<u>3398074</u>

GTPA Demand
Senior Off. Stipend

Year	No. Of	Stpnd.	Incr.	Total
1995	4	1000	-	4000
1996	5	1250	250	6250
1997	5	1500	250	7500
1998	5	1750	250	8750
1999	9	2000	250	18000

GTPA Demand
Detective Stipend

Year	No. Of	Stpnd.	Incr.	Total
1995	10	2479	-	24790
1996	10	2729	250	27290
1997	10	2979	250	29790
1998	10	3229	250	32290

Township Proposal
Detective Stipend

Year	No. O	Stpn	Incr.	Total
1995	10	2479	-	24790
1996	10	2554	75	25540
1997	10	2628	75	26280
1998	10	2728	100	27280