

STATE OF NEW JERSEY  
PUBLIC EMPLOYMENT RELATIONS COMMISSION  
CN 429  
495 WEST STATE STREET  
TRENTON, NEW JERSEY 08625-0429  
(609) 292-9898

In the Matter of Interest : Docket No.: IA-95-35  
Arbitration :  
 :  
 :  
 Between :  
 :  
 County of Hudson :  
 :  
 and :  
 :  
 P.B.A., Local 51 :

Appearances for the County of Hudson

Stephen E. Trimboli, Esq.  
Genova, Burns, Trimboli & Vernola

Appearances for the P.B.A.

Bruce Leder, Esq.  
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BACKGROUND

The parties are signatories to a Collective Bargaining Agreement which expired on December 31, 1993. They entered into negotiations for a successor agreement which negotiations proved unsuccessful, whereupon the parties demanded interest arbitration. Pursuant to the rules and regulations of the State of New Jersey

Public Employment Relations Commission, I was designated to hear and adjudicate this dispute.

Initially, I met with the parties at their request on a number of occasions in an attempt to mediate a settlement of this dispute. During this process, the parties resolved most of their outstanding issues.

Hearings were held before me concerning the parties' remaining open issues -- January 19, March 14, July 10, August 9, and August 16, 1995. All but the January 19, 1995 hearing were transcribed. At the hearings, the parties were afforded full opportunity to introduce evidence and argument in support of their respective positions. Each side introduced extensive evidence relevant to the statutory criteria. This included budgetary and financial information. The parties, at the hearings and in their briefs, submitted data dealing with the statutory criteria.

Thereafter, the parties submitted revised final offers followed by post-hearing briefs.

Pursuant to N.J.S.A. 34: 13a-16, I have been vested with final offer authority to resolve the remainder of this dispute. That is, after giving due weight to all of the statutory criteria, I must select one of the parties' final economic offers as the most reasonable. With respect to the non-economic issues in dispute, I

must select one of the parties' final offers on each or any non-economic issue in dispute as the most reasonable pursuant to the statutory criteria.

The criteria are as follows:

1. The interest and welfare of the public.
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 public employment in the same or similar comparable jurisdictions.
  - b. in comparable private employment, and
  - c. in public and private employment in general.
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.
6. The financial impact on the governing unit, its residents and taxpayers.
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.

**FINAL PROPOSALS**

**FINAL PROPOSAL OF THE P.B.A.**

**Economic** - Enclosed please find Final Offer of the PBA. The only issue is salary. The PBA has proposed a salary guide with increments. The increments will be effective on February 1, 1994, March 1, 1995, and March 1, 1996. Unless negotiations are concluded beforehand, increments will be payable on March 1, 1997 and every March 1 thereafter.

**COUNTY OF HUDSON AND PBA LOCAL 51**  
**SALARY GUIDE**

Step	1993	1994	1995	1996
1	21,218.*	22,491.	23,841.	23,841.
2	25,890.	24,967.	25,100.	25,271.
3	28,141.	27,443.	27,095.	26,787.
4	30,674.	29,829.	29,090.	28,662.
5	32,080.	32,514.	31,619.	30,835.
6	34,326.	34,005.	34,465.	33,516.
7	36,729.	36,045.	36,045.	36,533.
8	39,300.	38,208.	38,208.	38,208.
9	42,051.	42,500.	40,500.	40,500.
	40,634.†	43,072.	45,656.	48,395.

All police officers except those making \$21,218 and \$40,634 in 1993 move one step each year. The 1994 raise will be effective February 1, 1994. The raise for 1995, 1996 and years thereafter shall be effective on March 1.

\*Those making \$21,218 in 1993 stay at step one in 1994, 1995 and move to step two in 1996.

†Those making \$40,634 in 1993 just move across.

**ACTUAL SALARIES FOR THREE YEARS**

# of Police Officers	1993	1994	1995	1996
1	21,218.	22,491.	23,841.	25,271.
2	25,890.	27,443.	29,090.	30,835.
3	28,141.	29,829.	31,619.	33,516.
4	30,674.	32,514.	34,465.	36,533.
5	32,080.	34,005.	36,045.	38,208.
6	40,634.	43,072.	45,656.	48,395.

Non-Economic - None.

**FINAL PROPOSAL OF THE COUNTY**

Economic - REVISED

1. Duration -- January 1, 1994 to December 31, 1998.
2. Salaries -- Annual base salaries, with the exception of the starting salary, shall increase as follows:
  - 5% effective January 1, 1994
  - 5% effective January 1, 1995
  - 5% effective January 1, 1996
  - 5% effective January 1, 1997
  - 5% effective January 1, 1998

The above salary increases shall be implemented in accordance with the attached annual salary schedules, and shall take the form of advancement to the next higher salary level, which advancement shall occur on January 1 of each year of the Agreement. Officers employed by the County as of the effective date of the Arbitrator's Award will be placed upon the appropriate salary level based upon the salary they earned as of December 31, 1993, except that currently-employed Officers appointed as police officers in 1994 will be placed on salary level 1 for 1994, and shall advance to salary level 2 effective January 1, 1995, and currently employed Officers appointed as police officers in 1995 prior to the effective date of the Arbitrator's Award shall be placed on salary level 1 for 1995, and shall advance to salary level 2 on January 1, 1996.

3. Starting Salaries -- The starting salary for Officers shall remain frozen at \$21,218 for the life of this Agreement. All newly-hired Officers; that is, Officers hired on or after the effective date of the Arbitrator's Award; shall receive an annual salary of \$21,218, and shall remain at the salary of \$21,218 for their first twelve months of employment. At the completion of twelve months of employment, the Officer will advance to the next higher salary level on the salary schedule for that year. Thereafter, the Officer will advance one salary level on January 1 of each year of the Agreement.
4. Sunset Provision Regarding Incremental Movement -- There will be no automatic step movement, salary level movement or automatic salary increases beyond the expiration date of the collective negotiations agreement, i.e., December 31, 1998. All step and salary level movement shall terminate effective upon the expiration of the collective negotiations agreement, i.e., December 31, 1998.
5. Dental Plan -- The County will implement an employee-funded dental insurance upgrade option. Such upgrade will be at no expense to the County. The County will exert its best efforts to assure that employee payments for the dental upgrade are treated as pre-tax income.

6. Retroactive Effect -- The economic benefits of this Award shall apply only to those employees on the payroll as of the effective date of this Award, as well as to those who resigned in good standing, retired or were on medical leave of absence from January 1, 1994 to the effective date of this Award. Persons who were terminated for cause or who resigned not in good standing between January 1, 1994 and the effective date of this Award shall not be entitled to benefits hereunder. The parties agree that in any future collective negotiations agreement they may conclude, through interest arbitration, or otherwise, any employee who voluntarily resigns from employment with the County prior to conclusion of the agreement, regardless whether such resignation is or is not in good standing, shall be excluded from any retroactive benefits.

**PBA LOCAL 51 SALARY SCHEDULES**  
**COUNTY PROPOSAL A-2. "SALARIES"**

	1993	1994	1995	1996	1997	1998
	Salary	Salary	Salary	Salary	Salary	Salary
	Schedule	Schedule	Schedule	Schedule	Schedule	Schedule
1	21218	21218	21218	21218	21218	21218
2	25890	22279	<u>22837</u>	<u>23362</u>	<u>23887</u>	<u>24412</u>
3	28141	27185	23393	<u>23978</u>	<u>24510</u>	<u>25081</u>
4	30674	29548	28544	24562	<u>25177</u>	<u>25756</u>
5	32080	32208	31025	29971	25791	<u>26436</u>
6	36302	33684	33818	32577	31469	27080
7	40634	38117	35368	35509	34206	33043
8		42666	40023	37137	37284	35916
9			44799	42024	38993	39149
10				47039	44125	40943
11					49391	46332
12						51860

\*Underlined salaries are new salary levels, computed as follows:

- A. Calculating a hypothetical 2.5% increase in the 1993 starting salary for 1994 (\$21,749), and computing increases of 5% per year for 1995 and thereafter based on diagonal movement from the hypothetical 1994 starting salary.

- B. Calculating a \$500 increase in the hypothetical 1994 starting salary for 1995 and thereafter, and computing increases of 5% per year for each subsequent year based upon diagonal movement from the prior year's salary.

Non-Economic Offer

1. Contract Language Regarding Payment of Salaries -- Article IV, "Salaries," Section 4.3, shall be replaced with the following:

Salaries for current employees and newly-hired employees shall be paid bi-weekly on a two-week lagging basis, with the employee's paycheck to be issued two weeks after the closing date of the pay period. Subject to adjustment due to unpaid absences, bi-weekly pay shall be computed by dividing the employee's regular annual salary by the number of pay periods in the then-current calendar year. Officers shall be issued their final paychecks two weeks following their separation from employment, subject to any applicable deductions, at their applicable rate of pay.

2. Successor Bargaining --

1. The County and the PBA shall commence negotiations for a successor agreement to succeed this agreement, which expires on December 31, 1998, no later than November 1, 1997.
2. In the absence of negotiated settlement by March 1, 1998, the parties agree to jointly file for interest arbitration in accordance with the procedures established by the New Jersey Public Employment Relations Commission by March 15, 1998.
3. The parties further agree to use their best efforts to assure that a final determination in said interest arbitration proceeding is obtained on or before November 1998.



SUMMARY OF THE P.B.A.'S POSITION

The PBA believes that the interest and welfare of the public mandates that the benefits and rate of compensation be sufficient to maintain a high level of morale among the County Police Officers.

It further believes that the County's final offer of a straight five percent (5%) raise for each of the five contract years frustrates that goal by its lack of addressing either a system containing some kind of a step system and also the fact that the starting salary would remain the same through 1998.

Further, the Association believes that any additional increases needed to implement the Association's final offer will be of minimal cost considering the off-set by savings in recruiting, screening, and training costs.

The PBA holds that the control burden of having new and inexperienced police officer tending to police matters due to a high attrition rate of nearly 25% will be greatly decreased by its final offer being ordered by the Arbitrator.

Such an Award, the PBA believes will be in the best interest of the public.

Additionally, the Association believes that the work responsibilities of the County Police intimately touches, and greatly benefits the lives of the public in Hudson County.

General and specific work responsibilities occur on a daily basis within the twelve municipalities served by the County Police.

The Union believes that relevant internal and external compatibility evidence shows that the PBA's final offer is more reasonable and should be awarded.

The PBA holds that its members' wages and conditions of employment are grossly inferior to those experienced by other County Police officers performing the same or similar services. (See PBA exhibits #2 and #3).

Such external comparisons with other County Police Departments, the PBA claims, reflects poorly on wages received by its Bargaining Unit Members.

The Association claims that even if its package is awarded the 1994 starting salary will be over \$9,000.00 less than in Union and Essex Counties (PBA-3) and while the starting salary in Bergen County would be less than in Year I, of the PBA's proposal, the Year II increase in the step grade is over \$14,000 in the Bergen County guide.

The PBA suggests that even if its officers are awarded a starting salary of \$22,491.00, such a salary will be \$5,000.00 less than the average starting salaries of County Police Guides in 1994.

The Association claims that generally the County Police Officers earned less pay for more years of service than other municipal Police officers in surrounding areas (PBA-2).

The record indicates that the PBA claims that in 1994 with three years of service, its members will earn between \$17,418 and \$8,338 less than similarly situated County Police officers in Bergen and Union Counties.

The Union states that the evidence overwhelmingly shows that the County Police officers do not compare favorably with similarly situated police officers in Union, Essex, and Bergen Counties and also with comparable municipalities.

The PBA believes that the County offer if awarded would cause a greater negative gap in its members salary as compared to other police forces both County and otherwise.

The PBA also stated that it believed the County's percentage of increases concerning other County employees were not informative and also did not include the type of duties performed by such workers.

The Union indicates that fringe benefits received by its members are comparable to those received by workers in the private sector. No salary comparisons with workers in the private sector were given by the PBA.

I note here that the application of the parties final offers as stated at Page 10 of the Employer's brief is as follows:

	PBA	County
1994	5.5%	5.0%
1995	5.5%	5.0%
1996	6.0%	5.0%

Additionally, the County believes that the PBA proposal of a three year salary Guide with steps would cost the County 6.34% in 1997 and 5.76% in 1998 just for incremental adjustments alone assuming the same guide is negotiated by the parties in the next contract.

The PBA suggests that a review of exhibits C-33 and PBA-2 do not bring its members compensation any closer to compensation levels received by similarly situated employees.

The Union claims that benefits such as holidays, personal and bereavement days and vacation days are at best no better than in other County departments and therefore do not help to bridge the gap between its members benefits and those of other police departments.

The Association through PBA Exhibit 2 attempts to show that its members clothing allowances were significantly lower than that of other departments compared with in 1993.

In comparing health care benefits and insurance the PBA suggests that its police officers received average benefits (PBA-2; J-1). It also noted that Bargaining Unit Members receive a prescription plan and basic dental benefits.

Additionally, the PBA claims that no credible evidence exists to show an adverse impact to residents of the County and to tax payers of the County would occur by the awarding of the PBA package which includes salary increments.

The PBA claims that in 1994, 1995, and 1996 the rate of increases are 5.5%, 5%, and 5% due to the delayed pay out incorporated within its salary package. Based upon a current sixty-six (66) member police force, the cost of implementing the Union's offer is less than 100,000 in the salary year 1994.

The PBA claims that based upon the record of the hearing that the County is fully capable of raising the necessary revenues to meet their proposal within the limits of the County's cap.

The Union also believes that based upon testimony given at the hearings that the County is fully capable of meeting the PBA's final offer with minimal, if any, impact upon the residents and tax payers of the County.

Additionally, the PBA notes that only 45% of the revenues supporting the budget is derived from property taxes (Tr. Vol. IV, p. 98).

The Union believes that the record of the hearings show that the PBA final offer does not have a negative impact upon residents and tax payers of Hudson County and, in fact, the package being about \$100,000 apart for the 1994 year of the agreement indicates no significant difference when comparing the cost of the final offers with the cost of living.

Additionally, the Union claims that based upon testimony given by Lawrence Henderson, the County's Personnel Director, that there is no evidence to suggest that implementing the PBA's offer would negatively impact on job stability.

The PBA suggests that awarding of the County's offer would negatively impact the stability of the work force.

Awarding the County's offer, I find, will have a continued negative impact upon the stability of the work force.

While the County claims that such a present negative impact is somewhat questionable or really doesn't now exist, I find that even accepting such a fact as that, no change in the present starting salary through 1998 will increase the problems now existing in the Bargaining Unit, especially without any established step system being considered to after that time.

SUMMARY OF THE COUNTY'S POSITION (As found at pp. 13-18 of its Brief is as follows)

The County submits that the five-year contract it has proposed, containing salary increases of 5 percent per year, is more reasonable under the eight statutory criteria than the economic proposal of the PBA.

First, and as more fully discussed in Point I, the County's proposal is consistent with the pattern of settlement it has established with its uniformed bargaining units. An established internal patten of settlement is one of the most significant factors in any arbitration dispute. Here, the County's salary proposal mirrors that negotiated with PBA Local No. 109, the corrections officers union that represents what is by far the County's largest uniformed bargaining unit. Its unit is approximately six times the size of the unit represented by the PBA

herein. In addition, salary increases of 5 percent for 1994, 1995, and 1996 -- the first three years of the County's proposal to the PBA herein -- are consistent with the contract settlements negotiated by the County with the POP Lodge 127, the union that represents the County's supervisory Sheriff's officers, PBA, Local 109A, the union that represents the County supervisory corrections officers, and the PBA Local No. 51A, the union that represents the County's supervisory police officers. Approximately three quarters of the County's uniformed employees have accepted the pattern of settlement in the County's proposal to the PBA herein.

What is additionally significant about the County's pattern of settlement is that none of the settlements contains an automatic increment system. To the contrary, the County's settlement with PBA Local 109 -- the County's largest uniformed bargaining unit, consisting entirely of rank and file officers that the PBA unit herein -- expressly disclaims the creation of an automatic increment system. Its settlement with the County specifically states that all salary movement and adjustments shall terminate upon the termination of the parties' collective negotiations agreement.

The PBA's proposal herein would break this established pattern of settlement in two ways. First it would provide for negotiated



increases exceeding those negotiated by the vast majority of the County's uniformed employees, including supervisor-rank police officers. Second, the PBA proposal breaks pattern by seeking to implement an automatic step increment, a costly economic benefit enjoyed by no other County employee, and an improvement specifically rejected in the County's settlement with its largest non-supervisory uniformed bargaining unit. It would truly be a case of the "tail wagging the dog" for automatic increments to be awarded to this bargaining unit when it was denied to a bargaining unit approximately six times the size of this one. No justification has been offered by this PBA for its receipt of such a significant additional economic improvement.

The County's final offer is more reasonable under the financial impact criterion. (Point II). Hudson County is a poor County, having the third lowest per capita income in the State, the second highest number of persons in poverty, the highest percentage of population living in poverty, and the sixth lowest net valuation per capita. In contrast, its residents endure the second highest tax rate per parcel of land in the State, and have endured by far the highest average increase in total property tax (municipal,

county and school) of any county in the State. The increasing tax rate reflects a dramatic reduction in property values in the County, which have fallen by 16 percent in the past four years.

These economic limitations manifest themselves in the County's structural deficit. Although the County has been able -- and is in fact required by law -- to balance its budget each year, it has been able to do so by nearly exhausting its Fund Balance (accumulated surplus) and by utilizing one-time revenue sources. Its recurring structural deficit -- the shortfall between recurring revenues and recurring expenditures -- has ballooned to \$15 million in 1990 to \$30 million in 1995, and an estimated \$43 million in 1996. It potentially may increase as high as \$50 million. This structural deficit has persisted despite the County's attempts to reduce its costs, including the sale of two County medical facilities and a 35 percent reduction in the number of County employees.

The County's economic proposal is more reasonable in light of these economic limitations. First and foremost, given the County's heavy reliance on one-time expedients to balance its budget, an automatic increment system, especially an automatic increment system that will build in increases averaging 6.1 percent per year, is neither reasonable nor fiscally prudent. The County's

structural already is increasing; additional built-in automatic increases will only exacerbate this condition. In addition, the lower (although still competitive) salary increases proposed by the County are more consistent with the County's fiscal limitations. Over the course of the five-year contract proposed by the County, the PBA salary proposal would cost the County an additional \$223,873, the equivalent of eight new police officer positions. And in terms of new money, the greatest difference in cost impact, and the greatest challenge to the County's budget, will arise just as the PBA's proposed step system takes full effect.

The County's economic offer also is more reasonable in light of four critical legal requirements the County faces. (Point III). The elimination of budget CAP exemptions that the County previously was able to utilize seriously exacerbated the County's structural deficit, and frustrates efforts to reduce it. The statutory mandate that savings resulting from the State takeover of court costs be used to reduce the County tax levy is the second legal requirement that limits the County's fund-raising abilities. The basic requirement that the County annually prepare a balanced budget means that the County must devise one-time, stopgap expedients to bridge its structural deficit every year. Fourth, the authority enjoyed by the State of New Jersey, Division of Local

Government Services, to disallow revenue sources anticipated by the County -- a power that the State has utilized in the current budget year -- places additional limitations on the County's ability to address its structural deficit. Pending State action in this regard may cause the County's structural deficit to increase from \$43 million to \$50 million. The County's lower-cost final economic offer is more reasonable in light of these limitations on its lawful authority.

The paramount public interest in this matter is permitting the County to address and ameliorate its structural deficit by continuing what the PBA's own expert witness terms "prudent" budgeting, "wise spending", and "careful managing" of County operations. The County's lower cost final economic offer better serves this interest. ON the other hand, record evidence reveals that even at current salary levels, the County has no difficulty attracting applicants for police positions; there currently exists a sufficient number of qualified, willing applicants for County police positions to allow the County police to replace its entire police officer contingent six times over. Further, unlike other County employees County police face little likelihood of layoff. (Point IV).

The "stability and continuity of employment" criterion mandates selection of the County's economic offer. As noted, there is little likelihood of County police layoffs, in contrast to the 9 percent unemployment rate among County residents. County police are, on average, the highest paid among the County's non-supervisory uniformed employees. A significantly large pool of applications for County police positions exists. The five-year contract proposed by the County will provide labor stability and predictability for both parties. (Point V).

At hearing, the PBA attempted to cite "savings" from turnover, and from the alleged reduction in police staffing. These savings are illusory. The County budget as a whole, with its growing structural deficit, reveals no such savings. In fact, the monies that were "saved" by not filling 20 police positions -- following the County's decision to allow the department to return to its historic staffing level of approximately 65 officers -- were immediately used to fund 30 new 9-1-1 dispatcher positions. Further, as County Finance Director Abraham Antun testified, the County already estimates an annual amount of "turnover savings" (at an amount in excess of what the PBA estimated turnover savings to be), and utilizes that figure to fund police salaries at their current levels. Finally, analysis of the County's budget for 1995

reveals that there remains in the County Police Department an unexpended salary reserve of \$92,000, precisely the amount the PBA's fiscal expert calculated would be the cost of a 5 percent salary increase for that year. That salary reserve is sufficient to fund the County's economic proposal but not the PBA's economic proposal. (Point VI).

The County's final economic offer, (5 percent per year), is more consistent with -- and actually exceeds -- the prevailing level of public safety settlements in the State of New Jersey, (4.0 to 4.5 percent per year), (Point VII), and is more reasonable in light of the salary increases received by the County's nonuniformed employees for 1994 and 1995, (3 percent per year), for employees in the private sector, (2 to 3 percent per year), and for employees in the public sector generally, (0 to 3 percent per year), (Point VIII). The County's final economic offer is also more reasonable in light of the current low level of inflation (Point IX).

Hudson County police officers enjoy a competitive package of economic benefits, including a generous, traditional health insurance package. AT a time when employees throughout the State are being compelled to accept managed health care plans, the County continues to provide traditional health insurance plan for employees and their dependents. The County has absorbed to itself

all rate increases, including increases that , in the early 1990s, averaged 21 percent per year. The overall compensation received by Hudson County police officers also is competitive in light of the relatively low incomes of County residents. The annual income of the average individual County police officer is equal to or greater than the total annual income of 56 percent of Hudson County households. The overall compensation package is also reasonable in light of the relative scarcity of County police departments throughout the State. Only four of the State's twenty-one counties employ County police officers.

Under the statutory criteria, the County's final economic offer is the more reasonable, and must be selected as the Arbitrator's Award.

#### **DISCUSSION**

In reviewing the final offers presented by the parties, I realize that the County has agreements with other County Bargaining Units and that such agreements do not contain a step system.

Based upon a review of the testimony given by Mr. Antun and others at the hearing, I find that the County over the years looks at each dime it both receives and spends in order to continue County operations in a successful manner within its ability to do

so while hoping to keep the budget balanced without tax increases when possible.

This is understandably a difficult task in the light of many changing conditions which the County may or may not have control over. I was just notified March 1, 1996 by the County, for example, that its bond ratings have been lowered.

Notwithstanding the above or the fact that the PBA believes that it is relatively easy to fund its three-year proposal, I believe that the ability to accept the Union's proposal must be reviewed not only through the parties offers and their affect upon each other, but also in light of some special circumstances dealing with County police bargaining units in general.

The record indicates that State-wide less than 25% of New Jersey's Counties have "County Police."

Such work performed by County police departments are either not performed at a county level when there are not such bargaining units or are incorporated by local police departments throughout a County.

A key factor of a county police department being its support function to other local department simply would not exist without a County police unit.



My function here is not to be an advocate as to if the County of Hudson should or should not continue its County police department now or in the future. Such a decision is one which the "County Fathers" may or may not elect to address in the future.

While I have considered the County's claim that other County units have accepted increases of 5% without any kind of step system in place, such must be considered in light of the fact that half of such bargaining units are superior officers' units where a 5% raise is of considerable more value than to the rank and file unit being reviewed now.

Also I believe that the funding of the PBA's three-year agreement would not be of such a burden both financially or otherwise as suggested in testimony provided by the County or as claimed in the County's brief.

While it is true that a step system does obligate the County to some type of increments being paid in the future, the type and amount and effective date for such increments are negotiable before the end of each contract.

Such is a fact in the instant discussion where the PBA's wage offers are effective at different times causing their wage offer to be an effective wage increase of 5.5%, 5.0%, 5.0% over the period of three years.

Notwithstanding the fact that almost all police bargaining units throughout the State have some type of salary step or increments, the type of units being reviewed here, namely, a County police unit, provides the County's financial administrator great flexibility in adjusting the matter in which such monies can be allocated to pay for such levels or increment expenses.

Such options, as mentioned above, such as doing away with the County bargaining unit totally or to change or adjust the focus or mission of present bargaining unit may be looked at in the future.

Thus I feel such is an important consideration based upon the fact that other local police departments do not have any options that Hudson County have namely, to change or direct the focus or mission of its police manpower.

Whatever its mission may or may not be, common sense dictates that the County's rank and file police unit must be on a "level playing field" with other County police and local units in the State. To do otherwise creates a situation where there is not continuity of employment, no feeling of loyalty and no desire to achieve a feeling of any kind of self-worth while remaining employed as a police officer in Hudson County.

While such perceptions grow and expand in such a negative environment, the remedy here is a relatively easy one to achieve; namely, the County must realize that it must create an environment where bargaining unit members have the respect of their Employer.

Such a respect is achieved in many ways -- one basic way being the amount and method of paying its police force.

It would be more than unfair to suggest that the County has not been fair or just by settlements reached with other bargaining units in the County, such is the case.

Under the normal circumstances with such a bargaining unit there would be little or no doubt in my mind that the County's final offer should have been accepted by the bargaining unit before arbitration.

Based upon a review of the salary data provided by the parties as to other bargaining units within and outside the County, I feel that the Union's three-year proposal and method of payments of such a proposal clearly would aid the County towards establishing renewal within this County unit.

While such a thought may be usually considered a subjective one, in the case before me, the Union's proposal creates an objective result of providing renewed self-esteem and worth. It does so with little to no extra cost to the County based upon the

County's past ability to properly manage funds and to direct its work force.

I do not believe that adopting a Guide with automatic step increments will jeopardize the prudent budgeting and careful management practices that have characterized the financial operations in Hudson County over the years.

Successor negotiations can modify existing agreements over the years as has been evidenced in recent State negotiations in New Jersey.

I believe since flexibility in the scope of operations of the County's police force as compared to municipal police forces in the County is a clear and unique reality to be considered in this matter. The financial impact of awarding a step system would be of little to no consequence or financial impact on the County since the employer through its management rights has the ability to greatly change the police duties of such a unit.

As noted above, I am convinced that awarding the County's wage proposal would diminish morale among the County Police Officers and possibly lead to increased unnecessary turnovers within their ranks. That would have a negative effect on the stability and continuity of employment within the County Police Department

Thus, I find that this criterion favors awarding the increase proposed by the Association.

Accordingly, for the above reasons, I find the following statutory criteria support the Association's wage proposal over the County's wage proposal: the interests and welfare of the public, the wages paid to comparable employees and the continuity and stability of employment. However, I also find that the following statutory criteria support the County's wage proposal over the Association's wage proposal: the financial impact on the County and its residents and taxpayers and the cost of living. In addition, I find that the statutory criteria concerning overall compensation and the lawful authority of the employer equally support both parties' wage proposals. Thus, after considering all of the statutory criteria, I find that the Association's wage proposal is the most reasonable and ought to be awarded.

The non-economic language now in effect concerning the method of payments of County wages I find shall be incorporated in the parties' labor contract. Such a language change is not opposed by the PBA and, in fact, is operational throughout the County at the present time.

Therefore, the County's non-economic proposal regarding the payment of salaries is acceptable to this Arbitrator as reasonable and is hereby awarded.

If language is agreed upon by the parties concerning optional dental language to create a "pre-tax" status for employee contributions to such a dental plan, that language shall be incorporated in the parties' Collective Bargaining Agreement.

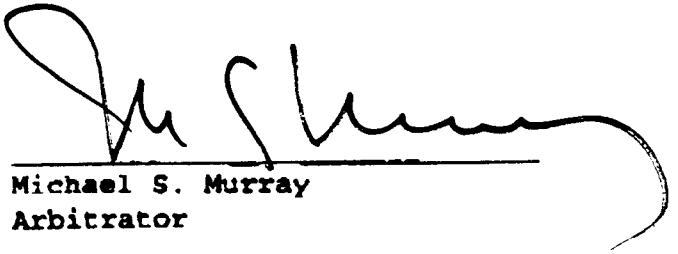
**AWARD**

1. Economic Issues

The PBA's offer is awarded

2. Non-economic Issues

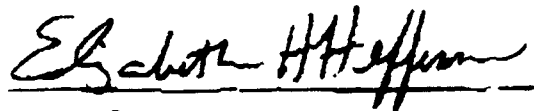
The County's proposal concerning the method of payment of salaries is awarded.



Michael S. Murray  
Arbitrator

March 12, 1996 :  
 :  
 State of New Jersey :  
 :  
 County of Essex :

On this 12th day of March, 1996, before me personally came and appeared Michael S. Murray, to me known and known to the person described herein who executed the foregoing instrument, and he acknowledged to me that he executed the same.



ELIZABETH H. HEFFERON  
 A NOTARY PUBLIC OF NEW JERSEY  
 My Commission Expires May 3, 1992

