

PUBLIC EMPLOYMENT RELATIONS COMMISSION
OPINION AND AWARD

In the Matter of the Interest Arbitration

between

TOWNSHIP OF BERNARDS

and

BERNARDS TOWNSHIP POLICEMEN'S ASSOCIATION
BERNARDS TOWNSHIP SUPERIOR OFFICERS ASSOCIATION

Docket Nos. IA 96-059; IA 96-058

Consolidated for hearing

BEFORE: Barbara Zausner Tener

AWARD DATED: April 28, 1997

APPEARANCES:

Ruderman & Glickman
Attorneys for the Town
By, Mark S. Ruderman, Esq.
Ellen M. Horn, Esq., on the Brief

Loccke & Correia
Attorneys for the Union
By, Richard D. Loccke, Esq.

PROCEDURAL HISTORY

I was appointed interest arbitrator by the Public Employment Relations Commission. The PBA and SOA proceedings were consolidated by agreement. I met with the parties on June 29, 1996 and January 9, 1997 on which dates the parties' proposals were reviewed and discussed and positions were narrowed. Documentary evidence, testimony and argument were submitted during the formal hearing on January 9. I had received both parties' briefs by March 19, 1997 and closed the record on that date.

The parties have not agreed on an alternate arbitration procedure. Therefore, the decision in this matter is by conventional arbitration.

OFFERS

Term: January 1, 1996 through December 31, 1998

PBA

Wage increase:

1/1/96	6% across the board salary increase
1/1/97	6% across the board salary increase
1/1/98	6% across the board salary increase

Clothing allowance:

\$50.00 increase each year.

The annual allowance shall be paid and not vouchered. This proposal is prospective in nature.

Dental Coverage:

The PBA shall receive the same dental program as is presently provided to other township employees.

Shift Commander Pay:

Whenever a patrolman works as a shift commander the patrolman shall receive one half the difference between top patrolman's pay and the sergeant rate.

On call pay:

Whenever an employee is placed on call and for each day of on call status the employee shall be provided with two hours of compensatory time to be used at some future time.

The PBA also proposes a new "discipline procedure". (P-1).

TOWNSHIP

Wages:

Effective January 1, 1996 the Township proposes to implement a merit pay system for each year of the contract. The range of merit increase shall be between 0.0% and 5.0% with a cap of 3.0% of Township payroll costs per year. Supervisors retain the discretion of rolling up to a maximum of 3.0% of the merit pay increase into the employee's base salary each year. The portion of the merit pay increase which exceeds 3.0% will be paid as a bonus. Employees on step are not eligible for merit pay increases. Merit pay determinations are not grievable. The Township will meet with the PBA to develop a Performance Appraisal System. (Brief, p. 9; Tp. Exh. 1).

Effective January 1, 1997 the guide shall have two new steps for a total of nine. The Township also proposes a reduction in the starting salary from \$28,777.23 to \$25,000. The steps are to be added at the bottom of the guide and increments between steps will be equal.

Longevity:

Employees hired after January 1, 1996 shall not be eligible for longevity. Current employees will have longevity rolled into base salary.

Medical insurance:

Blue Choice Deductible

\$250/Individual

\$500/Family

Copay - Threshold increases from \$1,500 to \$5,000.

Prescription - 80% copay with no maximum threshold.

Each employee pays 50% of any increased premium as of 12/31/96.

Chiropractic maximum of \$1,000.

Effective 1/1/97 employees must use medical plan for yearly physicals.

Education:

Employees hired after January 1, 1997 shall receive the educational stipend as a one time payment.

DISCUSSION AND OPINION

Procedural Issues

The PBA argues that the Employer's longevity proposal, which was submitted at the hearing as part of the Employer's final offer, is not arbitrable because it is untimely raised. The issue was not listed on the PBAs' November 21, 1995 petition for interest arbitration or on the Employer's response to the petition which is dated December 4, 1995. The Employer notes that the issue was discussed by the parties in a negotiations session in November 1995.

The PBA cites a recent PERC decision in Middlesex County (PERC No. 97-63, re: IA 96-115). The decision followed Arbitrator Kurtzman's interim award "limiting the arbitration to those issues contained in the PBA's petition." Arbitrator Kurtzman found that the County had failed to respond timely to the PBA's petition. He cited NJAC 19:16-5.5. He concluded that the County had agreed to interest arbitration as in the petition by the PBA. (Slip opinion, pp. 2-3).

Rule 19:16-5.5(a)1 provides:

(a) In the absence of either a jointly submitted notification or joint petition requesting the initiation of compulsory Interest Arbitration, the respondent shall file within seven (7) days of receipt of such notification or petition, a statement of response setting forth the following:

1- Any unresolved issues to be submitted to arbitration.

PERC held that there were not "sufficient extraordinary circumstances to warrant an interlocutory appeal" of Mr. Kurtzman's decision. The Commission "assume[d] that the time periods prescribed in NJAC 19:16-5.5 may be relaxed where unusual circumstances or good cause exists and where strict compliance would work an injustice or unfairness." Further, the time periods "may be extended where strict adherence will work surprise or injustice or interfere with the proper effectuation of the Act." (*Id.*, at 9). Neither standard was met in the Middlesex County case; the employer had "not demonstrated why the requirements of [the rule] should be relaxed."

The PBA also cites a number of early PERC rulings and arbitration decisions which uphold the principle that issues must be timely presented and which limit the scope of arbitration to those issues which are timely listed by one party or the other. Applying those rulings and the decisional criteria set forth in PERC 97-63 as quoted above, I conclude that the longevity issue was raised too late and will not be entertained.

Introduction

The conventional arbitration procedure which applies to this dispute does not require me to select the final offer of one of the parties. My responsibility is to award the most reasonable resolution of each issue in dispute and to justify the results in terms of the statutory criteria.

The uniformed police department consists of twenty patrolmen, four sergeants, three lieutenants, a captain and the chief. Twenty-one police officers either currently hold degrees or are in degree programs. (Tr., p. 23). Total compensation as of 1/1/95 (base, plus longevity, shift commander, military, education and detective stipends) for the patrol officers cost \$920,104. (T-2, Tab 7). For convenience, and because the bulk of the data is about rank and file police units, I have not cited comparisons of superior officers. I have, however, taken these into account, to the extent that information is available.

Review of the Record Evidence

PBA Exhibits 27 through 45 inclusive are collective bargaining agreements and some interest arbitration awards from around Somerset County (excluding P-42, a contract between the State of New Jersey and the STFA). P-44 and -45 are contracts between the Township and school employees. Comparative data are also offered by the Employer. (T-2, Tab 4). These exhibits are discussed in the section dealing with comparisons.

Exhibit P-2 shows a steady increase in calls for service, from 16,074 in 1993 to 21,224 in 1996. Domestic violence calls have more than doubled from 1994 to 1996. Arrests have increased over the past two years, from 497 in 1995 to 601 in 1996. Traffic summonses have also increased. In 1994 there were 3012; 3208 in 1995 and 3309 in 1996. (Tr., p. 24). First aid calls which are covered by EMT trained officers, have also increased. (P-4). Other services, such as traffic safety, the D.A.R.E. program, crime prevention, and emergency management have increased.

The Township serves a large daytime office population. Permits for residential units have increased slightly over the past four years; certificates of occupancy increased from 186 in 1995 to 299 (as of November 30) in 1996. There are ongoing residential and commercial projects. (Tr., pp. 42-43; P-11).

PBA Exhibits 13, 14 and 15 are the municipal budgets for 1994, 95 and 96, respectively. P-19, 20, and 21 are the audits and other financial statements. The Township publishes a newsletter, "Talk of the Township" which provides information, including budget information, to township residents. The April 1995 issue expresses the general philosophy

that debt burden be reduced while maintaining the present infrastructure and service levels, reducing costs and increasing productivity.

The Township has also moved to a policy of funding projects on a "pay as you go" approach to reduce the percentage of the total budget "dedicated to the retirement of long term debt." (P-22). The document reviews the tax rate history (showing a small decrease in the municipal rate from 1990 to 1995). 14.9% of the 1995 budget was devoted to "public safety." Among the management goals is "to 'rein in' labor costs." In summary, the Municipal Purpose tax rate for 1995 increased by 4.06% over the previous year to \$0.386. (P-22).

The November 1995 issue of "Talk of the Township" shows Bernards Township among the "lowest taxed communities" in the area. (P-23). A newspaper article dated March 13, 1996 indicates that the Township's \$22 million municipal budget showed a slight decrease for taxpayers. It quotes Dorothy Stikna, chief financial officer for the township, who "said taxes in the township have remained flat for the last five years." (P-24). Another article indicates that taxes would remain "stable despite a number of spending increases." The tax rate dropped by 2.97%. Actual spending would increase by 7.2%. The article details spending increases. (P-24, dated February 14, 1996).

Township Exhibit 2, Tab 2 contains demographic data. These show that "all crime" has decreased by 33% in Bernards Township. In adjoining towns, that figure has increased in Bridgewater (135%) and decreased in Bernardsville (7%) and Warren (32%). Somerset

County towns which showed larger decreases are Manville (41%), Franklin (43%), and N. Plainfield (64%).

Bernards Township reports a 1990 population of 17,199, about the size of N. Plainfield Borough (18,820) and larger than sixteen of the remaining 21 towns in the county. Manville (10,567), Warren (10,830), Branchburg (10,888), Somerville (11,632), Hillsborough (28,808) Bridgewater (32,509) and Franklin (42,780) are large enough to offer meaningful comparison within Somerset County. Bernards also covers a large land area (ranking 6th largest at 23.99 square miles).

Bernards has the third highest net valuation taxable (\$2.3 million), and the third highest state equalized valuation. 25.53% is in commercial property. Warren (22.11%) and Somerville (27.78%) are similar. Only 3.39% of the land is vacant. The average in the county is 3.05%. The median value of a single family home (1990 figures) is \$287,500. The county average is \$228,350. Bernardsville and Montgomery are within \$30,000. Per capita income in 1989 was \$33,458. Warren, Montgomery, Peapack-Gladstone, and Watchung are within \$5,000. The tax levy per capita (1991) is \$2,040, about \$300 over the county average which ranges from \$1,131 (South Bound Brook) and \$3,094 (Peapack & Gladstone).

About half the towns in the county collected at least 96% of the tax levy in 1991. Bernards Township's 1991 debt service per

capita was well above the average and ranked first in 1991 at 155.99

T-2, Tab 3 is offered in support of the Township's merit increase proposal. An October 1995 article in the Washington Post reflects an increase in such systems for "ordinary employees." The Employer has a comprehensive system in place for non-uniformed employees. It has negotiated merit pay programs with Local 911 non-supervisory white collar employees, the supervisory unit, and sewerage authority employees; and with Local 866 blue collar employees. These plans provide for a maximum 3% increase to the base and additional compensation to be paid in a lump sum as a bonus. The plans are similar to what is proposed for these police units.

The Employer cites national trends or slower growth in wage rates. These figures show an average "all-industries" wage increase of 3%. Salary and benefit figures are presented for major metropolitan areas including New York, Philadelphia, Chicago, Detroit and Los Angeles. A number of articles show wage concessions in major cities. BNA data show 1995 increases for "state and local government workers" at 3.2%, up slightly from the year before. Federal sector wages were up 2.4% in 1996. Private sector wage and salary rates rose 2.8% in 1995; union workers' wages increased slightly more. Unemployment and layoffs continue to be a factor in Central Jersey. (Tab 8).

There has been an increase of employees joining managed care programs. There has also been an increase in employee contributions to the cost of health care.

Wages

The primary component of the economic issues is the wage increase. The Employer's proposal is radically different from that of the PBA. Thus, the wage issue is compounded. The first question is whether or not a merit increase program should be imposed. If not, there is a question as to what wages in succeeding years should be.

The PBA argues against the merit program on several grounds. First, the proposal impacts pensions, an issue on which the arbitrator may not rule under the statute. Second, the proposal "is imprecise and does not constitute a 'final offer on each economic and non-economic issue in dispute' as is required by subsection f(1) of the Act. [It] is not subject to complete analysis or evaluation under the ... statutory criteria ..." and the proposal would require the arbitrator to direct negotiations "on critical elements" of the wage proposal. The PBA argues that bargaining orders are the exclusive province of PERC. (Brief, p. 5).

The Employer points to the cost of the PBA's economic demands. "The compounding cost equals 1.10%" across the three years of the contract above the 18% in across-the-board increases. Step increases will cost 3.38% of base salary for patrol officers' salaries ... in 1996." The figure for 1997 is 5.16%; 2.73% in 1998. (Brief,

p. 4; Exhibit T-2, Tab 7). Most of the patrol unit is on step and will receive increments.

Lieutenant salaries range from \$60,950 to \$64,482. Base salary for superior officers was \$482,500 in 1995.

The combined clothing and maintenance allowance equals \$875 per year. Dental insurance costs \$22.27 per month for single coverage. It would cost an additional \$5,345 to cover the 20 patrol officers plus another thousand dollars for sergeants. Shift commander pay would also add to compensation costs depending on the Department's need to assign patrol officers as shift commanders. The added cost of the on-call proposal also depends on staffing needs. According to the Township, the total cost of the units' economic demands amounts to 31.20% for the patrol group and 20.15% for the superior officers over the three years of the contract. (Brief, p. 8).

The PBA argument that the issues do not lend themselves to evaluation under the statute also applies to the Employer's proposed insurance co-payment.

The Township argues in favor of a merit pay program "to reward solid employees by linking salary increases to performance." (Brief, p. 14). The Township also contends that the PBA/SOA demand "will increase base salaries by \$398,871.44 or 28.94 % over 1995 base salaries." (Brief, . 15).

Focusing on the significant cost burden which the Unions' salary demand represents, the Township notes that the PBA has received wage increases over the past fourteen years "which substantially outpaced the cost of living and ... wage increases in the private sector." (Brief, p. 15). From 1982 to the present, the average salary increase to this unit has been 6.78% per year. These wage increases "leav[e] the Township with an increasingly smaller percentage of its budget for other essential services." (Brief, p. 16).

For reasons discussed below I have concluded that the Employer's proposed merit increase program should not be awarded. Imposition of a comprehensive and new approach to compensation frustrates a primary purpose of the Act. The merit pay program depends on employee input to help develop evaluation criteria. The PBA points out that it is somewhat more difficult to do that in public safety units which function along para-military lines. The success of the program depends on mutual input and cooperation and should not be imposed at arbitration in the absence of compelling evidence.

Comparative wage data have historically been used by interest arbitrators as an indication of compensation paid, primarily to similarly situated employees. A going rate of pay, if one can be discerned, shows how much it costs area consumers to obtain the same service. Police service, in this case. If Bernards Township paid significantly less than other jurisdictions, both the stability and quality of service would likely be affected. Therefore, it is in the public

interest to provide compensation sufficient to maintain a qualified and motivated police force. In this context, it is worth noting that no other police department has a merit pay program.

APPLICATION OF THE STATUTORY CRITERIA

THE PUBLIC INTEREST

As Arbitrator Brent noted in his October 1996 interest arbitration award between Montgomery Township and the PBA,

Every interest arbitrator recites the importance of having adequate police protection provided by thoroughly trained, dedicated law enforcement professionals who are fairly compensated for their specialized skills, the stress and danger of their work, and their contribution to the safety and well-being of the public. The public interest is well served neither by scrimping on the salaries and benefits paid to police officers nor by providing remuneration in excess of the amount justified by the characteristics of the job or by comparisons to other employees in the private and public sectors, both in the Township ... and elsewhere in the region. (P-43B, p. 9).

Arbitrator Brent found the Township's 4% offer for 1996 to be "adequate"; it "exceeds the rate of inflation ... and ... will permit the bargaining unit to retain its relative position at or near the top of the municipalities in Somerset County [and contiguous jurisdictions]." (Id.) He awarded 5% in 1997 in order "to maintain comparability" and due to "the growth of the work load." In Arbitrator Brent's opinion, "[t]he public interest is not well served when police officers experience a substantial decline of the purchasing power or

standing relative to police officers in other comparable jurisdictions."
(Id., p. 11).

The PBA points out that the department "is known for exceptional professionalism and performance and a very high degree of productivity. The township is a fast growing community with increasing population and resultant requirements for police service." (Brief, p. 21). Further, this high level has been maintained "during a period of reduced manpower." (Brief, p. 22). The PBA argues that the level of service is an important aspect of the interest and welfare of the public and that it should "weigh heavily in favor of properly compensating this police department." (Brief, p. 25). The Employer argues that the award "must consider the effect [it] will have on the citizens and taxpayers of the Township." (Brief, p. 24).

This factor weighs more heavily than the others in this decision.

COMPARISONS AND OVERALL COMPENSATION

Comparative wage data and the current compensation of these units weigh as heavily as does consideration of the public interest in this arbitration decision.

Wages in private employment are "significantly below the 6% per year increase sought by the PBA and SOA." (Er. Br., p. 27). The

median wage increase for all industries in contracts negotiated at the beginning of 1996 is 3%. Lower figures are reported in the record. (T-2, Tab 5). Private employers in this geographic area have negotiated considerably lower wage increases with their employees. Those employers have also succeeded in negotiating cost cutting measures in employer-paid health benefits. (T-2, Tab 10). Government workers' wages are also well below the 6% sought by the bargaining units.

The discussion of area police compensation relies on the contracts and interest arbitration awards in the record and the summary exhibits provided by the Township (T-2, Tab 4). The current compensation of the Bernards Township police force is well above the Somerset County average. The Department has moved from the third ranked position in 1986 (\$2200 above the average which was then \$28,136) to second place between 1987 and 1992. It was the highest paid department in 1993 and 94. The top patrol officer salary in 1995 is \$51,975; \$3,000 above the average salary of \$48,482. The 1996 top patrolman base salary in the county is paid in Manville: \$54,277. If the PBA's 6% demand were awarded, the 1996 top base patrol officer's salary in this unit would be \$55,093. That figure is nearly \$5,000 above the average of 12 towns reported in Exhibit T-2, Tab 4. Additional figures which became available after the exhibit was prepared add up to a lower average. The number of steps to maximum is 6 in Bernards Township, about the average which is 5.46. (PBA Brief, p. 31).

Bernards Township police officers have 12 paid holidays (a little below the average 12.8); 3 personal days (average, 2.71); and a generous educational incentive (\$1,000 per year for a bachelors degree). "The employees here receive fully covered medical insurance premiums and benefits which are better than "most of the largest companies in the United States." (Er. Br., P. 31). The Township cites this fact in support of its proposal to "reduce costs by requiring new hires to pay all of their dependent care coverage during the first two years of service and 50% of dependent care coverage during the third and fourth years of employment. At the fifth year of service, the Employer will pay the full cost of premiums for both single and dependent coverage.

The PBA argues that the units' offer "will keep their compensation program competitive with like towns in the area." (Brief, p. 25). It also cites average "base rate increases" of 4.692% in 1996 and slightly lower raises in 1997 and 1998. (Brief, p. 33, Chart 3). Local teaching employees have also received wage increases in excess of those negotiated by law enforcement agencies in the County. (P-44, 45 contracts). The PBA points out that "more taxpayer money goes to the tax levy for education than to run the municipality."

Comparison of percentage increases is meaningless where there is a wide range of salaries and relative wealth in the area. Further, the rate achieved by teachers and other employees is

applied to considerably lower base rates. It makes more sense to compare the resulting top patrol officer salary.

Comparisons show that these bargaining units enjoy current compensation superior to that of most similarly situated police officers in the area. The 1995 maximum patrol officer's salary, including longevity, is \$54,624 ranking highest in the county and \$1200 higher than Manville which is ranked second. Absent evidence that current compensation is not sufficient to retain a competent and motivated police force, economic considerations and the public interest in controlling labor costs dictate a wage increase around the level of the cost of living to maintain the unit's position and to keep up with inflation.

STIPULATIONS

There are no stipulations bearing on this decision.

LAWFUL AUTHORITY OF EMPLOYER AND FINANCIAL IMPACT

By implication, the Employer's merit increase offer is worth an average 3% added to base salaries with additional increases (up to 5%) possible depending on individual performance. The Employer's offer would cap its payroll costs at 3%. It does not raise a claim that cap law considerations preclude paying more than its offer. The Employer would have to "reduce other expenditures which fall within the Cap to the extent the cost of the economic package exceeds 5%." (Er. Br., p. 52):

"Layoffs in the Northeast directly affect Bernards' economy." (Er., Br., p. 53). While the area is "wealthier" than other jurisdictions in the County, it has faced severe reverses as a result of staff reductions by the area's largest employers. (T-2, Tab 8). Other employers are moving away from the area. Most residents are private sector employees whose wage increases have been at or below the cost of living and well below inflation. Some of them have lost their jobs. For these reasons, and because the unit is already handsomely compensated, the Township cannot be required to fund police wage increases at or above the county average. Wage increases which are close to the average increase will generate top patrol officer salaries as follows:

<u>1996</u>	<u>1997</u>	<u>1998</u>
3.5%	3.75%	4%
\$53,793	\$55,810	\$58,042

These results, when the current maximum longevity benefit is added to the base, maintain the PBA unit in the first ranked position with a top patrol officer salary above \$60,000 through 1998 (insofar as wages are reported). Superior officers' pay will also increase by the same percentages. Top patrol officer pay (with longevity) in Manville (ranked number 2 in 1995), where raises were 4% each year between 1996 and 98, remains more than \$700 lower.

COST OF LIVING

The record evidence supports wage increases at about the level of actual (and reasonably projected) increases in the cost of living. This factor (an important one in determining what are fair wage rates) weighs heavily in favor of increases which are considerably lower than those demanded by the PBA and SOA units. Many of the Township's residents (that is, taxpayers) have seen wage increases well below the cost of living. It is not reasonable in these economic times to continue granting well paid public safety employees at levels far above the cost of living.

Continuity and Stability of Employment

This factor is given very little weight in this decision because there is no evidence that either party's offer would adversely affect the continuity and stability of employment. The parties have had a good experience in obtaining and maintaining a qualified, highly motivated and productive police force.

DISCUSSION OF OTHER ECONOMIC PROPOSALS

New Steps on Guide

There is no record support for an increase in the number of steps. While I agree that it would be advisable to even out increments on the guide, the only criterion for which there is record support, that is, comparison with similarly situated employees, does not support the Employer's proposal to increase the time it takes

police officers to achieve maximum salary. This would be another fruitful area for future negotiations. Most of the current employees will have reached the maximum step by the time this contract expires. Assuming there are no new hires, the time would be ripe for change at the end of this contract in 1998.

Clothing Allowance

I agree with the bargaining units that this annual allowance should be paid and not vouchered. That decision increases the discretionary amount available to unit members. There is no evidence that unit members should not have discretion in this area. On the other hand, the existing combined allowances are well within the range of similar allowances to other units in the area. Further, the Employer has documented the compounded and relatively high costs of compensating these units. Therefore, I have not increased the amount of the allowances.

Medical and Dental Benefits

The evidence is that the only township employees who do not enjoy the dental benefit is the PBA unit. The SOA unit is covered as are the other Township employees. I believe it would be advisable and economically sound for the Employer to provide the benefit to this unit in exchange for several of its proposals which will even out the impact. Therefore, I shall award the chiropractic maximum of \$1,000 proposed by the Employer and the requirement

that employees use the medical plan for yearly physicals. To the extent that the Employer requires certain examinations which are not covered by the employee's insurance, the Employer must pay the cost. The record evidence on the other insurance proposals is too vague to permit detailed analysis. Therefore, the proposals are not awarded.

Longevity

For reasons detailed above, the Employer's proposal will not be entertained.

Education

This benefit would not affect any existing member of the department. If the Employer were contemplating a number of new hires, there would be more support for making a change during the life of this contract. However, there is no independent support, short of prospective and speculative cost savings, for changing this benefit.

As the Union points out, the creation of two-tiered benefits has a deleterious impact on the stability of employment. Without some basis for making the change, I find no reason to alter this benefit.

Shift Commander Pay

There is no support in the record for awarding this benefit which has an unknown cost impact. There is no indication that patrol officers are routinely required to work in higher titles without compensation. Comparative data do not support the proposal.

On call pay

For reasons detailed immediately above, I have not awarded the compensatory time sought by the bargaining units. The record does not provide support for the proposal and the cost impact cannot be assessed.

Non-economic proposal (Discipline Procedure)

The procedure proposed by the bargaining units is a sound one which is consistent with existing statutory protections and with plain common sense. It does not impose any undue burden on the Employer but rather codifies sound and fair procedures for satisfying the Employer's due process obligation. There is no evidence or argument against including the procedure. Therefore, it shall be awarded.

CONCLUSION

I have concluded that the Employer should continue its efforts to change the compensation program to a merit pay program through negotiations and discussions with the police units. I have also concluded that wages should be increased by 3.5% in 1996 by 3.75% in 1997 and by 4% in 1998. These figures are at about the cost of living and are slightly less than average raises achieved by similarly situated police employees. The raises maintain these units as the highest paid in the County.

I have provided for higher increases in the last two years because by that time, more officers will have reached top step and increment costs will be lower. If the Township cannot afford to hire additional police officers, the workload on the existing staff will continue to increase as it has in recent years. To some extent, that fact also supports the pay increases. As the parties have not been able to negotiate agreement on a merit pay program, the level of compensation set by this award takes productivity increases into account. The award also considers the Township's favorable socio-economic situation.

AWARD

Term: 1/1/96-12/31/98

Wage increase:

Effective 1/1/96	3.5% across the board
Effective 1/1/97	3.75% across the board
Effective 1/1/98	4.0% across the board.

Clothing:

The Employer will pay the annual allowances at a mutually agreeable time in the work year, commencing with the 1998 contract year.

Dental Coverage:

This unit shall be provided the same coverage enjoyed by other employees of the Township.

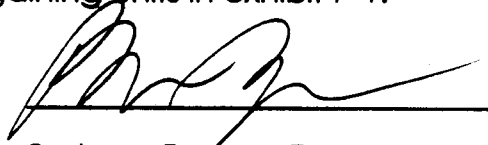
Health insurance:

The maximum for chiropractic services shall be \$1,000 as proposed by the Employer. Effective January 1, 1998 employees must use the medical plan for their yearly physicals. If the plans do not cover examinations which are required by the Employer, the Employer is responsible for the cost.

Discipline Procedure

The parties shall include the procedure proposed by the bargaining units in exhibit P-1.

By:



Barbara Zausner Tener

Sworn to and affirmed before me on April 28, 1997.

