

STATE OF NEW JERSEY
PUBLIC EMPLOYMENT RELATIONS COMMISSION

IN THE MATTER OF THE IMPASSE

Between

BOROUGH OF PARAMUS
EMPLOYER

-and-

P.B.A. LOCAL # 186
EMPLOYEE ORGANIZATION

COMPULSORY INTEREST ARBITRATION AWARD
LAWRENCE I. HAMMER, ARBITRATOR
PERC # IA 97 - 131

In June, 1997, a petition was filed by the P.B.A. with the Public Employment Relations Commission seeking to initiate Compulsory Interest Arbitration pursuant to P.L. 1995, c.425.

Under date of July 15, 1997, pursuant to such petition, 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 BOROUGH

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(by) Mark S. Ruderman, Esq.
Cliff Genneralli
Dan Cirulli
Mike De Marse
Ian Shore

Counsel
Mayor
Councilman
Councilman
Borough Clerk

FOR THE P.B.A.

Loccke & Correia, P.A.
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Christopher Brock
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John Scully
Vincent J. Foti

Hearings under the subject impasse were held at Borough Hall located on Route 17 in Paramus, New Jersey. Said hearings took place on August 19, and October 17, 1997 and February 4, 1998.

At the conclusion of the hearings, the parties sought an opportunity to submit post hearing briefs, with same to be post-marked on or before April 1, 1998. Said time was extended through April 28, 1998. All documents were timely received, and the hearings on May 1, 1998 were closed.

At the initial session, at the request of both parties, an attempt at mediation was undertaken, but with only moderate success.

While preliminary final offers were presented during the mediation session, the parties, prior to the October 17, 1997 session, presented their respective final offers. Same took the following form:

FINAL POSITION OF THE P.B.A.

1. **WAGES** – the P.B.A.'s proposal sought an annual increase of 5% on January 1, 1997, January 1, 1998 and January 1, 1999. All increases would be across the board and effective at each rank, step, and position covered by the agreement.
2. **HOLIDAYS** – that whenever an officer works on a designated holiday, his compensation shall be, in addition to other benefits, eight (8) hours of compensatory time off [instead of the current four (4) hours].
3. **PERSONAL LEAVE DAY** – that each officer be permitted annually one (1) special personal day (hereinafter to be referred to as SPD), with any such designated day not being subject to denial by the Borough on the basis that its granting would result in an overtime expense to the Borough.

4. CLOTHING ALLOWANCE PAYMENT PROCEDURE – that the current value of the clothing allowance be folded into and be included in all calculations to determine overtime, daily rate of pay, hourly rates of pay, pension, etc.

5. EDUCATION INCENTIVE – that deleted from Article 37 of the 1994/96 Collective Bargaining Agreement should be the last paragraph of Section 5 which states:

“The contract shall remain as written for all employees appointed prior to January 1, 1981. All persons employed after January 1, 1981, shall not be compensated for any college credits or degree.”

This proposal would have the entire Article 37 titled “Higher Education and Technical Training Incentive Programs” inure for the benefit of all members of the Department, not only for those who joined the Department prior to January 1, 1981. ¹

In addition to the above five (5) purely economic proposals, the P.B.A. proposed a single **NON-ECONOMIC** item, one involving disciplinary notices. Specifically, the P.B.A. proposed the addition of a new provision in the contract which would require the Borough to provide copies of all disciplinary notices sent to bargaining unit members, as well as it being, advised as to the details of the discipline and the end results thereof.

FINAL POSITION OF THE BOROUGH

1A. WAGES –

January 1, 1997, 2% wage increase ²

¹ While the demand was placed on the table, there were no arguments, evidence or data placed into evidence by the P.B.A. in support thereof, or to justify an affirmative award on point.

² In negotiations for the 1994/1996 agreement, effective July 1, 1996, the PBA received a 2% salary increase. Because this 2% increase occurred on July 1st instead of January 1, 1996, the Borough paid only 1% or ½ of the 2% 1996 wage increase during calendar year 1996. The other half, or 1%, was paid during 1997, even though the parties had not (and still have not) concluded a 1997 agreement. The Borough did not include this 1% when making its 2% January 1, 1997 wage offer.

January 1, 1998, 2% wage increase

January 1, 1999, 2% wage increase

1B SUPERIOR OFFICERS

The Borough sought the creation of a 3 – step salary guide for all superior officer positions, starting the first year's salary at 50% of that level between the lower titles and that particular title with equal increments for employees promoted after January 1, 1998.³

2. SALARY GUIDES

The Borough proposed adding three (3) steps to the present seven (7) step guides, expanding same to ten (10) steps.

In addition, the Borough sought to reduce the current \$33,735.00 starting salary to \$25,000.00 and to keep same at \$25,000.00 through December 31, 1999.

3. LONGEVITY

The Borough proposed eliminating longevity for employees hired after January 1, 1997. Employees hired prior to January 1, 1997 would continue to receive longevity benefits in accordance with the schedule contained in Article XXII of the 1994/96 Collective Bargaining Agreement.⁴

³ While the demand was placed on the table, little argument, or data was placed into evidence by the Borough in support thereof, and/or to justify an affirmative award on point.

⁴ Because police officers do not qualify for longevity stipends until they have completed five (5) years of service, the Borough would not realize any monetary savings during the terms of the contract involved in these proceedings.

4. SICK LEAVE

The Borough proposed reducing the number of paid sick days per year for employees hired after January 1, 1997 from the current rate set forth in Article 26 (1-1/4 sick days per month) to ½ day per month.

Current employees would be "grandfathered" and continue to receive 1-1/4 days per month or 15 days annually.

5. TERMINAL LEAVE

The Borough proposed eliminating the sick leave buyout for employees hired after January 1, 1997 AND capping terminal leave benefits at one-hundred days for present employees.

The Borough also proposed that terminal leave benefits be payable at the rate of pay that the employee earned at the time the benefits accrued.⁵

XXXXXXXXXX

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 caused by a myriad of reasons.

When the hearings concluded on February 4, 1998, it was agreed that the official transcript would be forwarded by February 28, 1998, and briefs to be submitted postmarked by April 1, 1998. Said time was ultimately extended through April 25, 1998.

The brief of the Borough was transmitted on April 24th and received by the arbitrator on April 27, 1998. The brief of the P.B.A. was transmitted on April 18, 1998 and received on May 2, 1998, at which time the hearings were declared to be closed.

⁵ Upon retirement, pursuant to Article 26, officers presently receive payment for one-half of their accrued but unused sick days, payable at the rate the officers earned at the time of retirement.

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, satisfactorily 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. 1967. C.68 (C.40A:4-45.1 et seq.).
- (2) Comparison of wages, salaries, hours and conditions of employment of the Borough of Paramus 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. ⁶

⁶ 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.

- (6) The financial impact on both the Borough and its residents and taxpayers.

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

- (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 for 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 Borough of Paramus is located in central Bergen County, surrounded by Ridgewood, Washington Township, Emerson, Oradell, River Edge, Hackensack, Maywood, Rochelle Park, and Fair Lawn.

Based upon 1994 figures, the Borough had a population of some 25,142 persons of whom some 9 – 12% were over the age of 65 years.

The Borough, classified as "suburban" covers 10.57 square miles, averaging 2,378 persons per square mile full time residents.

The above population figures do not, however, tell the whole story. There is more that must be considered.

While 25,142 persons "foot the bill" for the Borough's government, including its Police Department, far more are served and reap the benefits of the Department's diligence and work.

Two of the largest highways in the Northeast cross within the County, Route 4 and Route 17. A recent study made by the New Jersey Department of Transportation showed that some 240,000 motor vehicles pass through the Routes 4 /17 intersection between a normal Monday through Friday. More come on Saturday, a prime shopping day, there being many major shopping centers in this area. There are parks; there is a zoo; there are museums; golf courses, hospitals, detention centers, a community college ⁷, all within the Borough. One cannot really put a figure on the total number of persons that pass through and come to Paramus on any given day.

There are 47 police officers in the Department, plus 10 sergeants, 10 lieutenants, 3 captains, 16 detectives and 3 traffic persons. There are also some two (2) dozen civilian employees. The latter are not in the P.B.A. bargaining unit.

The parties most recent Collective Bargaining Agreement covered calendar years 1994, 1995, and 1996.

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 the 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.

⁷ Bergen County Community College has an enrollment in excess of 14,000 and represents an entire complex of structures within the Borough.

For years when such an 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 the State. Unemployment had increased. Wage increases (except for police, fire and other public sector employees), 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 Borough of Paramus 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, mandate recommending a proposal which in itself may be somewhat below, or even above, what earlier settlements have produced?

It is most interesting to note that the Borough 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 Borough.

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 aforestated demographics. Once, however, should be sufficient.

One cannot overlook the fact that it would be most common and most appropriate to give considerable amount of weight to settlements already negotiated with other employees of the same Municipality, if same were made known. 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. Unfortunately, no concrete data was presented as to other settlements, if any, involving other Borough personnel.

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.

It is most important to ascertain if the P.B.A. proposal calls for 5% or does it actually amount to, and would cost the Borough much more. It is equally important to dissect the Borough's 2% stand. Is it really 2% or something less?

The Borough, of course, insisted that the P.B.A. package would in actuality cost much more than 5% annually if their entire package was awarded. No one will dispute such contention, not when 5% represents a basic wage increase only. Other benefit changes, as proposed, do cost money.

There are some 48 police departments within Bergen County. The benchmark wage, the maximum base wage that a police officer can earn, is of most concern to all involved.

The highest 1996 benchmark, the last year in which a collective bargaining agreement existed in Paramus showed the Paramus benchmark at \$68,963.00, the absolute highest in Bergen County. Some \$2,107.00 above the second highest, Mahwah Township, some \$15,219.00 above the lowest paid Haworth Boro, and some \$7,827.00 above the Bergen County average.

While not much data was presented for the department outside of Bergen County the P.B.A. did not dispute the contention of the Borough that its \$68,963.00 benchmark exceeded the top pay in Chicago (\$55,794.), Los Angeles (\$49,452.) and New York City \$46,593.) making the police in Paramus the highest in the country.

The annual increases sought by the P.B.A. would increase the benchmark in 1997 to \$72,411.15, to \$76,031.71 in 1998, and to \$79,833.29 in 1999. The 2% annual increases proposed by the Borough would in itself increase the benchmark to \$70,342.26 in 1997, \$71,749.05 in 1998 and to \$73,184.09 in 1999.⁸

Amongst the 39 Bergen County departments that have settled their contracts for 1997, the benchmark stands at \$69,864 in Mahwah Township, down to \$56,163 again in Haworth Boro.

The \$2,107.00 difference in 1996 between Paramus and number two ranked Mahwah would be cut to \$478.00 if the Paramus raise was 2% or rise to \$2,547 if the P.B.A.'s 5% was awarded.

While some diminution of difference can be expected, a \$1,629.00 reduction is a bit much.

The 1998 benchmark amongst the 23 departments that have to date settled, stands at \$70,531.00 in Closter Boro, while the County average rests at \$65,971.00.

Neither the Borough's 2% offer, nor the P.B.A.'s 5% demand, took into consideration the compounding affect of 5% on top of 5% on top of a third 5%, or 2% on top of 2% on top of 2%. The 5% + 5% + 5% compounds out to 15.76%. When divided, if divided equally against the 1998 and 1999 percentages, the 1998 5% becomes 5.253% as does the 1999 5% figure. Compounding at 2% + 2% + 2% under the Borough's offer comes to 6.12% and not just 6%.

In addition, actual costs as argued by the Borough involved "salary increments" as officers move through the current seven (7) step guide, their wages increase.

In 1997, such guide movement will cost the Borough an additional 1.22%, involving 11 officers. The same offers' movements in 1998 will cost an additional .92% (92/100 of 1%) and .62% (62/100 of 1%) in 1999.

A third item that raises the 5% P.B.A. demand is the "roll-over" effect of the 1996 increase of 2% which became payable on July 1, 1996, resulting in only

⁸ The mathematics of the Borough and that of the arbitrator do not jibe. The Borough at page 3 of its brief claims that the annual 5% sought by the P.B.A. would raise the benchmark from \$72,146 to \$75,753 in 1997, to \$79,541 in 1998 and to \$83,518 in 1999. The difference seems to be in precisely what the 1996 benchmark was. Was it \$68,963 as shown on Borough # 3 or \$72,146 as used in their brief? The answer is that both figures are probably correct, as it appears [see page 35 of the Borough's brief] that the Borough has rolled the value of holiday pay into base salary, which in turn raises one's salary. The figure that consequently results is not a true base wage benchmark, but an inflated benchmark. There is no indication that all other departments in calculating their benchmark include the value of holiday pay.

half or 1% of the 1996 pay raise being paid and received in 1996, with the other half first becoming payable in 1997.

It was not disputed that the Borough, when concluding their 1994/1996 P.B.A. settlement took credit for a then modest 2% wage increase, rather than the ½ thereof, or 1%, actually paid out. The Borough seeks credit twice for the "rollover" one (1%) percent. First it claimed credit in 1996 when such percentage wasn't actually paid by the Borough nor received by members of the department. It seeks credit again for the same percentage for 1997, the year in which it was actually paid out and received.

In calculating its offer, the Borough pointed to the fact that in addition to the "rollover", one could not ignore the costs of wage increments, the sum received by those officers not yet at the benchmark plateau. This, it was contended, represented an additional 1.22%. When the compounding effect is added (another 4/100 of 1%), the projected cost of the Borough's offer is well above the two (2%) percent.

Thus it is that the Borough contends that its offer of 2% annually is in reality equal to 4.26% in 1997, 2.96% in 1998 and 2.66% in 1999.

By the same token, the Borough computed the actual value of the P.B.A. proposal to be 8.42% in 1997, computed to include, beyond the base 5% proposed, ¼ of 1% for compounding, 1.22% for increments, 1% for the 1996/97 "rollover", 62/100 of 1% for the ultimate effect of adding four (4) hours compensatory holiday time, and 1/3 of 1% for the added Special Personal Day.

Carried further, the projected value of the P.B.A. proposal, according to the Borough would equate to 6.17% in 1998 and 5.88% in 1999, for a three year (1997, 1998, 1999) average of 6.82%.

While there is merit in the Borough pointing to increments as a "new" cost in any year, it must be noted that police and fire settlements generally, not always, but in the vast majority of cases do not include the cost of increments in determining the settlement. Thus, if incremental costs were considered, when comparing other area police settlements, the figures would be higher.

With the costs of increment, compounding and the 1996 "rollover", the P.B.A. demand is, as pointed out above, well in excess of 5%, while the Borough's position is greater than the base 2%, notwithstanding the sums that would be saved by freezing the starting wage through 1999.

While other settlements are not too germane, it is still necessary, under the Statute, to look at and give some consideration thereto. For purposes of comparison, the parties could not agree upon which of its neighbors it should be compared with.

The P.B.A. sought comparison with the following Bergen County police departments: City of Englewood; Borough of Fair Lawn; City of Hackensack; Borough of Hasbrouck Heights; Township of Mahwah; Village of Ridgewood; Township of Saddle Brook; Borough of Bergenfield; Borough of Bogota; Borough of Carlstadt; Borough of Cresskill; Borough of Closter; Borough of Fort Lee; Borough of Haworth; Borough of Hillsdale; Borough of Hohokus; Borough of Little Ferry; Borough of Moonachie; Township of Rochelle Park; Township of South Hackensack; Township of Teaneck; Borough of Waldwick; and Borough of Wallington.

It also referenced eight departments scattered through Ocean County, Mercer County, Morris County, Essex County and Passaic County.

The Borough sought comparisons only with departments within the County of Bergen, contending that such comparisons are much more valuable than are comparisons with departments outside the County, and that in past negotiations, the P.B.A. sought comparison only with contiguous communities.

The arbitrator must agree with the position thereon taken by the Borough. Bergen County comparisons are of much greater value than comparisons elsewhere in the state would be. However, there is no great harm in looking outside of Bergen County to see how other municipalities treat their police, especially, in view of the fact that the Borough made much of the fact that Paramus police salaries are the highest in the country, as well as in the State. Further, it should be noted that the Statute does not restrict comparisons to the County, but refers to "similar comparable jurisdictions".

Based upon comparisons set forth by the P.B.A., 1997 settlements ranged between 4% (in some 9 municipalities) namely: Mahwah, Moonachie, Closter, West Caldwell, Essex Falls, Wayne, No. Caldwell, Hackensack, and Passaic, and to 5% in Waldwick, Saddlebrook, Hillsdale, Little Ferry, Wallington and Ridgewood. The last two were in actuality 2%/3% split raises.

In addition, there were several 4-1/4%, 4-1/2% and 4-3/4% settlements. The lowest? 3.75% in Hasbrouck Heights. The County 1997 average? 4.419%.

Again, in 1998, settlements ranged between a repeat of the 3.75% in Hasbrouck Heights to 5.5% in Bergenfield (this being a 3.5%/2% split). The only other 5% settlement was the 3%/2% split in Waldwick, all others being in the 4% or 4%+ a fraction range. The County 1998 average? 4.14%.

Limited 1999 settlements, only 13 were reported, seven called for 4% increases, five ranged between 4.25% in Englewood to 4.75% in Dover, which was exceeded only by the Bergenfield 6%, resulting from a 2%/4% split raise. The County average for 1999? 4.32%.

As police work is rather unique, there is no way that such work can be compared, and thus wages be compared, with any private sector employment, unless one wants to consider private "security guards" to be in the same vein, which this arbitrator does not.

There is little doubt that no "security" personnel, or for that matter, any private sector personnel are receiving 5%+ settlements as sought herein by the P.B.A.

Wage data compiled by the Bureau for National Affairs showed that newly negotiated labor contracts (early 1998) median increases were 3%, with the weighted average increase being 2.6%, down from the 2.8% in 1997.

The Port Authority P.B.A. recently settled for annual increases of 3.5% through January 20, 2003, but gave up some lucrative work rules that produced overtime bonanzas.

Most communities, Paramus included, have a fair amount of seniors amongst their taxpayers. Retired seniors received for 1998 a 2.1% increase in their Social Security benefits.

PATH workers settled for annual percentages similar to the Port Authority P.B.A.

No matter when one looks, no where are wage increase found to exists, anywhere near the figure sought by the P.B.A.

In view of the undisputed fact that the Paramus benchmark ranks first in Bergen County, and because the difference between number one and number two is so great, there is no reason why the police in Paramus must be awarded a sum equal to the average settlement within the County. Room for a little "catch up" by those departments behind Paramus, must be allowed.

As indicated earlier, the Statute established 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 Borough of Paramus and the P.B.A. and has taken into consideration each of the items set for 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 Borough 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 served by the governmental body spending less. That 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 rates 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 Borough of Paramus, 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 Borough of Paramus police department has been serving the citizen of the Borough in a most commendable manner.

In spite of decreasing manpower in the department, the workload has increased and has been admirably handled. In 1987 there were 16 more persons in the department than there currently are. In spite of this reduction, the police in Paramus have, in 1997, responded to, or handled some 23.2% additional robberies; 9.3% more stolen property cases; and arrested 10.1% more adults as well as a whopping 60.3% more juveniles. They have also recovered 25-1/2% more stolen goods.

The number of calls responded to has also jumped and been handled by the lesser amount of personnel. In 1987, the Paramus police responded to 27,016 happenings or events. In 1997, the figure soared to 48,119, up over

78%. Included herein are some 4,000 annual motor vehicle accidents responded to.

While Paramus does not boast the largest police department in Bergen County, it appears to boast the most active.

The three departments larger than Paramus are the City of Hackensack (107 in the department), Fort Lee (91 in the department) and Teaneck (95 in the department). The Crime Index Total of 3,372 outstrips the other three of 2,059 (Hackensack), 1,228 (Fort Lee) and 1,013 (Teaneck).

In this vein, it must be noted that area-wise, the 10.57 square miles patrolled by the Paramus police, exceeds the area patrolled by all other Bergen County departments except for the 25.7 square miles in Mahwah Township.

It should also be acknowledged that the citizenry of Paramus have treated their police in a fair and commendable manner. What else can be said for taxpayers who pay their police more than does any other community in the county, the state, and maybe even the country?

The P.B.A 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 lever 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 earner, is common. No matter what the salary earned is, most families, most households, are made up of multiple wage earners.

2 COMPARISONS OF WAGES AND OVERALL COMPENSATION AND CONDITIONS OF EMPLOYMENT

This portion of the Statute requires that an 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.

As pointed out on several occasions earlier herein, the comparability of wages, the top salary or "benchmark" that a police officer can earn, shows that those employed in the Borough of Paramus earn much more than their brethren employed most elsewhere.

The current 1996 starting wage is \$33,735.00 with an officer reaching the benchmark in his seventh year. The Borough seeks to reduce for new hires, the starting wage to \$25,000.00 and retain same until the new millenium.

There are 9 municipalities in the County that start their police at less than \$25,000, while the average County starting wage is \$30,131.00. So long as the Borough feels it can fill vacancies as same may arise at the \$25,000 figure, there is no reason why they should not be allowed to do so contractually.

The Borough also seeks to increase the current seven (7) step guide to one of ten (10) steps, resulting in no new hire reaching the benchmark until he has served the municipality for ten (10) years.

Of 25 municipalities on which data was presented, six (6) including Paramus, have seven (7) step guides, while only two (2), Moonachie Boro and Ho-Ho-Kus Boro have more, nine (9) and eight (8) respectively.

An increase in the number of steps to benchmark will not affect any current officer, only new hires.

Under the Borough's proposal, the ten (10) step guide would appear, when compared with the 1996 schedule, as follows: ⁹

	1996 SALARY (as of 12/31/96)	1997 SALARY	1998 SALARY	1999 SALARY
Police Officer A	\$35,292	\$25,000	\$25,000	\$25,000
Police Officer B	\$41,433	\$30,399	\$30,562	\$30,729
Police Officer C	\$46,172	\$35,798	\$36,125	\$36,458
Police Officer D	\$54,274	\$41,196	\$41,687	\$42,187
Police Officer E	\$57,835	\$46,595	\$47,249	\$47,916
Police Officer F	\$61,415	\$51,994	\$52,812	\$53,646
Police Officer G	\$72,146	\$57,393	\$58,374	\$59,375
Police Officer H	n/a	\$62,791	\$63,936	\$65,104
Police Officer I	n/a	\$68,190	\$69,499	\$70,833
Police Officer J	n/a	\$70,589	\$75,061	\$76,562

The expansion of the guide to a ten (10) step guide. Those hired hereafter would, after ten years on the job, earn the same maximum, the same benchmark, as those currently on the force would have earned after seven (7) years.

⁹ Figures based upon the Borough's 2% per annum wage offer. Though the concept would remain the same, the figures would be higher if the P.B.A's 5% position was upheld, or if any in-between percentage was awarded.

So long as all members of the department at maximum earn the same rate of pay, there can be no ill feeling amongst members. It would be an entirely different situation if the benchmark for new hires differed from that for current employees.

3. COMPENSATION AND FRINGE BENEFITS

A contract does not involve compensation, in the form of wages alone. When contracts between different municipalities and their police are compared, more than wages must be considered. Health insurance, sick leave, holidays, differentials, personal leaves, vacations, clothing allowances, etc. Fringes all, but a major cost and benefit, all of which must be considered. Wages alone do not a contract make.

The most recently expired Collective Bargaining Agreement involving the parties here, as pointed out elsewhere, covered calendar years 1994, 1995, and 1996.

Aside from the question of compensation, the last agreement included benefits covered by just about all kinds of fringes imaginable. In none of the fringe categories are the Borough of Paramus police either over indulged or severely put upon, even though in some categories they may be somewhat below the County average. Overall, their benefits compare favorably. They are, for the most part, 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 items upon which one party or the other seeks a change are the following:

A. Holidays

The police in Paramus enjoy twelve (12) paid holidays annually, though the County average comes to 13.47 days, with all other departments on which data was presented, having 13 – 15 days.

Under Article 18 of the Collective Bargaining Agreement all department members receive compensation for twelve (12) days at regular compensation rates in lieu of receiving time off for the holiday. Such holiday pay is included in their base pay for the purpose of computing their hourly or daily rate of pay, which in turn affects other fringe benefits. Members of the patrol division who work on a holiday receive, in addition, four hours time back.

Approximately twenty (20) officers and three (3) superiors work on each holiday, meaning that the Borough currently provides some 1,104 hours back to

the officers for each holiday or 13,248 hours annually. Multiplying the officers' hourly rate of pay would establish the cost to the Borough.

The P.B.A.'s proposal, seeking eight (8) hours time back would thus double the number of hours involved, and double the cost to the Borough. The Borough put a projected cost on this at .62% (62/100 of 1%) in 1997. This sum could, vary downward, depending upon the actual wage of the officers involved, as it is certain that not all officers working on all holidays would be compensated at benchmark rates, which was the premise used by the Borough. The figure could, however, increase as base wages increased annually.

B. Clothing Allowances

Police in Paramus receive a \$600.00 yearly clothing allowance. Elsewhere, amongst the seventeen (17) departments used by the P.B.A. for purposes of comparison, ranged between \$450.00 in Wallington and \$1,325.00 in Carlstadt. County average? \$755.00.

While the P.B.A. sought no increase in the \$600.00 figure, and none was offered by the Borough, the P.B.A. sought to have the \$600.00 folded into and to be included into all calculations to determine their individual hourly rates, which, in turn, would increase overtime, holiday pay, pensions, etc.

The value, or added cost? While nominal, (slightly under 2/3 of 1%), it still represents, as pointed out earlier herein, a small increase in the total cost of the P.B.A.'s package proposal.

C. Longevity

Members of the department received varying percentages of their base pay in the form of a longevity stipend, depending upon the number of years of service completed. The maximum possible longevity stipend is 10% in Paramus.

Some other departments have higher maximums (Rochelle Park, 12%), some have lower maximum (Carlstadt, 8%) and some have no maximum at all.

Amongst such departments is Mahwah, where longevity is \$125.00 for each year of service. Would the Paramus police really like this better? After 30 years in the department, longevity would equal \$3,750.00 per year, a sum far less than the 10% maximum that is produced in Paramus. Thus, merely, because there is no maximum, it is not necessarily true that same is better, greater or more beneficial.

The Borough sought to eliminate all longevity stipends to new, or post January 1, 1997 hires.

D. Sick Leave

Article 26 of the Collective Bargaining Agreement allows 1-1/4 days per month sick leave, full cumulative if not used.

The Borough sought herein to reduce same for those officers hired after January 1, 1997, whereby such individuals would be eligible for 6 paid sick days annually or ½ day per month.

How does the present 15 days per year compare? Lack of presented data, precludes a detailed analysis. Experience alone, however, enables the undersigned to conclude that the 15 days compare most favorably.

What department, if any, offer as a benefit only 6 paid sick days annually? The arbitrator knows of none, and no data was submitted to counter such belief.

E. Terminal Leave

Present employees, at retirement, are compensated for 50% of all unused accumulated sick leave, payable at the individual's rate of pay in the year of retirement.

This benefit varies amongst County departments. The most generous? Englewood City and Alpine Borough, both of whom pay for all unused day, followed by Saddlebrook Township payout for 85% of all accumulate days.

The fourth most generous amongst the 49 departments on which data was presented is Paramus Borough, notwithstanding that its wage scale is the highest.

The Borough has "cut-back" proposals herein, seeking to eliminate any buyout for unused days to new hires, those hired after January 1, 1997. For current employees, it proposed capping terminal leave benefits in two ways. First, pay for only 100 such days, and secondly, pay for same at the rate of pay that existed in the year accumulated.

While eleven (11) departments have no terminal leave provision, it is not clear precisely what kind of sick leave benefit appears in their respective contracts. Very likely, many of them have no terminal leave provision mainly because they have no limitation on sick leave usage.

There is no known department that has a limit on annual sick leave, and then on retirement, pays absolutely nothing for such unused days. "Use it or lose it" will never be a benefit or cost savings measure to a municipality.

F. Personal Leave

Article 19 covers one's entitlement to personal leave days. They presently receive one (1) such day per year to be specified by mutual agreement between the chief and the officer.

The P.B.A. proposal on point sought an additional day, a day which could not be denied merely because the granting of same would entail the payment of overtime.

Has the use of the present personal day been a problem to the P.B.A.? Have officers been repeatedly and routinely denied the day, making its contractual existence a "sham"? Questions which the arbitrator cannot answer.

The Borough, rightfully, placed a monetary value on such day, a value or cost which must be considered in the overall cost of any settlement, be it through an award or purely voluntary.

A day is worth about 3/10 of 1%.

G. Educational Incentive

This topic is covered in Article 37 of the Collective Bargaining Agreement.

Article 37 covers some half dozen typewritten pages in the 1994/96 Collective Bargaining Agreement.

Section 5, of Article 37 specifically limits the benefits thereof to those members of the department who were appointed prior to January 1, 1981, and specifically excludes from compensation for any college credits or degrees all persons employed subsequent to January 1, 1981.

4. STIPULATIONS

There was only one stipulation entered into, except for certain procedural agreement, none of which have any impact on the substantive outcome of these proceedings.

The only non-procedural stipulation appears in Transcript # 1 at page 123 on lines 3-5 wherein counsel to the Borough stated: "I'm willing to stipulate that we exercised 2.5 [%] and we can go to the statutory max of five percent".

Counsel was not willing, however, to stipulate that CAP "is not an issue in this case". Precisely how the CAP can be a real issue in these proceedings,

while the Borough prepared its budget using a less than maximum percentage, is not clear.

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

The Borough'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 Cap Law provides a formula for a limitation on spending by municipalities and counties. The formula is based on qualifying expenses in the preceding year multiplied by the 5% cap. Each year the Division of Local Government Services, a function of the State of New Jersey, provides an initial "index rate". This index rate is a start point for municipal budget drafting. A public employer may draft a budget which provides for an application of the index rate or a rate as high as 5%. If a municipality adopts a budget which utilizes less than the allowable rate then the amount which is not utilized is carried forward into the succeeding year as a "cap bank" for a future year flexibility.

N.J.S.A. 34:13l-16g (5) requires the interest arbitrator to consider the "lawful authority of the employer: in determining a conventional award. The Reform Act specifically requires the interest arbitrator to consider, in evaluating this factor, "the limitations imposed upon the employer by ..." the New Jersey CAP Law.

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 Borough to grant unlimited wage increases to its employees is restricted.

In enacting the CAP Law, the Legislature declared it to be "the policy of the [State] that the spiraling cost of local government must be controlled to protect the homeowners of the State and enable them to maintain their homesteads". The Legislature also recognized the fact that "local government cannot be constrained to the point that it would be impossible to provide necessary services to its residents."

The 1990 amendments to the CAP Law were 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 Borough 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 Borough never contended it could not, or did not have the ability to meet the police demand. The Borough is within its CAP and has not sought, nor is contemplating a waiver.

The Borough, in fact, stipulated that it has utilized less CAP flexibility than was allowable under the law in its 1995, 1996 and 1997 budgets.

While the Borough would not stipulate that the CAP Law limitation of 5% was not an issue, it offered no explanation as to how or why it prepared its budget using less than the maximum 5% available, if it were a problem and an issue. The fact remains that Paramus elected to use a 2.5% lower index rate and thus waived over one half million dollars in flexibility that would have been available had it gone to the maximum.

6. THE FINANCIAL IMPACT ON THE MUNICIPALITY AND THE TAXPAYERS

N.J.S.A. 34:13A-16g(6) requires the interest arbitrator to consider the economic offer's financial impact on the governing unit, its residents and taxpayers in determining a conventional award. The considerations under this factor "do not equate with a municipality's ability to pay". Nor do the considerations therein require the municipality, the Borough herein, to prove a financial inability to meet the P.B.A.'s demands.

The Borough's economic proposals endeavor to consider the financial impact an award will have on the governing unit, its residents and taxpayers. In this vein, the Borough pointed to the May, 1997 unemployment rate in New Jersey which edged upward from 5.2% in April 1997 to 5.3% and contended that the New Jersey's unemployment rate continues to lag behind the May 1997 national unemployment rate of 4.8% by ½ of 1%. Although the gap between the national unemployment rate and New Jersey's unemployment rate narrowed, New Jersey still lags behind the national rate.

In spite of strong competition for qualified workers, businesses continue to downsize and layoff seasoned employees. Job cuts not only affect the national economy, but the state's economy as well as the economy of each and every township and borough.

Rickel Home Centers, in October, 1997, announced its intention to liquidate its remaining stores, 38% of which are in New Jersey, and would affect an approximate 2000 positions in the state.

Delphi Interior and Lighting, a subsidiary of General Motors planned to eliminate some 900 New Jersey jobs, affecting some 23% of New Jersey's GM workers. Many other New Jersey based firms have announced contemplated job eliminations.

Cutbacks also have affected the public sector.

On the other side of the coin, one cannot lose sight of the fact that the Borough of Paramus, using assessed valuation – taxable value as a standard, is the wealthiest town amongst the entire 70 municipalities in Bergen County. Paramus has a taxable value of aggregate assessed value at \$3,111,569,850.00. Paramus is the only municipality in the entire county that has more than 3 billion dollars in ratables. The next closest town, Teaneck, has almost \$700,000,000. less ratables. In the entire seventy municipality county only 7 municipalities have 2 billion dollars in ratables. No municipality is even close to Paramus.

The Borough has one of the lowest tax rates in the County, and in this age of spiraling costs and taxes, the Paramus tax rate was actually for 1997 reduced by 2 cents from \$1.99/\$100 AV to \$1.97/\$100 AV. This actually represented a 4 cent decrease, which more than offset a 2 cent school tax increase.

If finances were really an issue in offering the Paramus police a comparable wage increase, cuts in other municipally funded non-essential areas could be effected. It would be almost impossible to attempt to justify the maintenance of an extensive municipal golf course complex and the Borough's effort to keep golfer's green fees low, as reason not to grant proper police wage increases. Fortunately, this is not the case. The Paramus tax rate allows for continuation of all services, even those considered as luxurious, as well as comparable police wage increases.

One penny on the tax rate generates some \$311,945.00. Based thereon, the difference between the parties will have absolutely no adverse effect on the taxpayers.

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 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 in wages keep pace with the increase in the Cost of Living so that he can continue to maintain the same standard of living?

The Consumer Price Index, the most commonly cited gauge of inflation, rose 1.7% in 1997, the lowest annual rate increase since 1986.

It is interesting to note in connection with the Cost of Living Index/Consumer Price Index, that over the 14 years involved between 1983 and 1996, police wages in Paramus averaged an increase of 7.13% annually while the CPI increased by an average of 4.04%. Certainly, wages in Paramus increased beyond the rate of inflation.

If one was to carry into the equation, the 3% 1998 CPI increase and the 2.1% 1997 CPI increase and the Borough's 1997/1998 offers of 2%, wage increases would still outstrip inflation, 6.48% against 3.85%.

In computing the CPI, one cannot overlook the fact that it includes medical expenses, expenses which the police do not pay, as premiums for medical insurance are fully paid for by the Borough.

8. THE CONTINUITY AND STABILITY OF EMPLOYMENT

N.J.S.A. 34:13A-16g (8) requires the interest arbitrator to consider 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.

The Borough argued that the P.B.A.'s economic demands would impose unanticipated additional expenditures, which could force the Borough to reduce personnel, which in turn could hamper its ability to maintain continuity and stability of employment in the department.

There has been no evidence offered that would indicate that, while the department has shrunk by some 16 persons since 1987, same was caused by any reason other than not filling positions when someone retired or otherwise left the department.

Quite the contrary. The Borough has been endeavoring under the "U.S. Department of Justice COPS Universal Hiring Supplemental Award" to hire by March 31, 2000 some 14 additional police officers. This would restore the department to its 1987 level of 101 persons. The major personnel loss over the years has been in the area of supervision with two lieutenants, two sergeants and two captains leaving.

Services and workloads have increased since 1987, especially in view of Drug Abuse Resistance Education (DARE) participation, security analysis of residential homes, the neighborhood watch program (which involves 1 lieutenant, 2 sergeants and 5 officers) and the Bicycle Patrol covering fairs, events and high crime areas. All recent undertakings.

The fact that the Borough is seeking to reduce the starting wage and to maintain same at the reduced figure of \$25,000 through the end of 1999 tends to support the belief that employment in the Borough is safe.

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FURTHER COMMENTS AND CONSIDERATIONS

1. As pointed out earlier herein the P.B.A. has as a proposal a NON-ECONOMIC item, one involving disciplinary notices. Specifically, the P.B.A. proposed the addition of a new provision in the contract which would require the Borough to provide it with copies of all disciplinary notices sent to bargaining unit members, as well as being advised as to the details of the discipline and the end results thereof.

Beyond their acknowledging the existence of the proposal (Page 7 in the Borough's brief) and their verbal rejection of the proposal on the record [transcript # 1, pages 11 – 12], the Borough argued that "the P.B.A. did not introduce any evidence in support of its request of a disciplinary notice proposal and did not introduce any support for its need in the Borough ... a request for a disciplinary notice proposal is not one which readily lends itself to resolution by an arbitrator ..." [Borough brief, Page 14].

The P.B.A. in making its presentation, relied almost exclusively upon a decision on point rendered by the Public Employment Relations Commission. Such decision was attached to the post-hearing brief, as requested by the arbitrator.

The decision of the Public Employment Relations Commission issued under date of November 22, 1988 can best be summarized as follows: "... that the City of Atlantic City violated the New Jersey Employer – Employee Relations Act when it refused to provide the International Brotherhood of Teamsters, Local # 331 copies of disciplinary notices provided to employees ...".

Based upon the PERC decision, coupled with the lack of a more cogent argument as to why it, the Borough of Paramus, should not furnish like information and data to P.B.A. Local # 186, there exists no reason not to make an affirmative award on the sole non-economic matter involved herein.

Such affirmative Award will refer to concept only, and leave the precise wording of the provision to the parties themselves.

2. The Borough's post-hearing brief stated at Page 63 "... the P.B.A.'s economic demands would ... devastate morale and destroy the chain of command by creating a salary structure which pays the rank and file more than the superior officers who supervise them ...".

While such contention was not further elucidated upon, the Borough's brief set forth its proposed ten (10) step 1997 – 1999 salary guides, as well as the seven (7) step guides which would result from the P.B.A.'s 5% annual proposal.

Under the Borough's proposal, it would certainly appear, if sergeants were considered to be a superior, a first year sergeant would earn the same \$73,589 as would a police officer on step 10.

If sergeants were considered as rank and file, the lowest paid lieutenant would earn \$81,005, a figure exceeded by a third year sergeant (\$81,135), third year traffic sergeant (\$82,895) and a third year detective sergeant (\$84,711). A first year patrol lieutenant (\$81,102) would also be paid less than the same three sergeants.

There should be no question but that superior officers, even a superior in his first year in the position, must earn more than do the officers they supervise.

Salary guides, when mutually developed, should be promulgated to grant supervisors a wage in excess of what anyone under their command would earn.

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 police wages, effective (retroactively to) January 1, 1997 be increased by an across the board sum equal to 3.6%.
2. That retroactive to January 1, 1998, the base wage rate shall be increased, across the board, by 3.8%.
3. That effective January 1, 1999, the base wage rate shall be increased by 4.0%.
4. That a new salary guide, increasing the 1996 seven step guide to a ten step guide for 1997 and beyond, be promulgated.
5. That such guide shall reflect a starting wage of \$25,000 for any hire who joins the department on or after the receipt by the parties of this award.
6. That such starting wage shall continue to the end of the contract on December 31, 1999.
7. That such guide must have as its benchmark (step 10) the same figure as the benchmark earned by those already in the department.
8. That those officers earning the 1996 benchmark of \$72,146.00 be advanced to the tenth step 1997 benchmark.
9. That the current method of compensating those officers who work on a holiday, including traffic officers, continue as is.
10. That the clothing allowance provision in the contract, continue as is, and the value thereof not be added to one's base wage as proposed.
11. That the current longevity provisions continue as is for current members of the department.
12. That new hires be entitled to longevity stipends at 50% of the rates current employees are entitled to (i.e. 5 years of service 1%; 6 years of service, 1.2%; 7 years of service 1.4%, etc. etc.) until their 15th year in the department, when they shall receive the same longevity as do current members of the department.
13. That current sick leave contractual benefits continue for all members of the department.

14. That new hires, be paid at retirement for 50% of all unused accumulated sick leave, payable at the rate of pay that existed in the year accumulated.

Accumulated days shall be used in the order of their accumulation, (i.e. first accumulated, first used).

15. That terminal leave benefits for current members of the department shall continue as is.

16. That personal leave day entitlement shall continue as is.

17. That Educational Incentive language as appears in Article 37 shall remain as is.

18. That the concept of the sole non-economic proposal herein, pertaining to disciplinary notice, be incorporated into the Collective Bargaining Agreement effective July 1, 1998.

The precise wording of the provision shall be mutually developed.

Dated: May 28, 1998
Jamesburg, N. J.

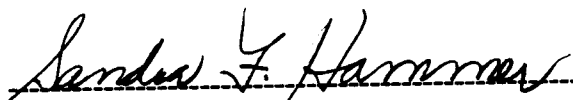

LAWRENCE I. HAMMER, Arbitrator

State of New Jersey

SS:

County of Middlesex

On the 28th day of May, 1998, before me came LAWRENCE I. HAMMER, to me known and known to me to be the individual who acknowledged to me that he executed the foregoing award.


SANDRA F. HAMMER
NOTARY PUBLIC OF NEW JERSEY
Commission Expires July 30, 2001

