

State of New Jersey
Public Employment Relations Commission

In the Matter of the Compulsory :
Interest Arbitration :
-between- : Opinion and Award
Borough of River Edge :
-and- :
P.B.A. Local 201 :
Docket No. IA-97-20 :
:

BEFORE: CARL KURTZMAN, ARBITRATOR

APPEARANCES: For P.B.A. Local 201

Loccke & Correia

By: Richard D. Loccke, Esq.

For Borough of River Edge

Ruderman & Glickman, P.C.

By: Mark S. Ruderman, Esq.

Pursuant to a petition to initiate Compulsory Interest Arbitration, filed by PBA Local 201 (PBA) on September 9, 1996, the undersigned was appointed by the Public Employment Relations Commission, pursuant to P.L. 1995, c. 425, to hear and decide the contract issues in dispute.

On April 8, 1997 and June 6, 1997, mediation sessions were conducted in the offices of the Borough of River Edge (Boro or Employer) in River Edge, New Jersey. Since minimal progress was made during the mediation sessions, an interest arbitration hearing was scheduled.

An Interest Arbitration hearing was conducted on July 8, 1997. A stenographic record of the proceedings was taken and the arbitrator was provided with a copy of the transcript of the proceedings. At the Interest Arbitration session, the Borough indicated that it was proposing an \$8,000 yearly payment to each officer from the 25-year retirement date to age 65. PBA Counsel stated:

We maintain that's an illegal subject. That will be in our brief. Borough Counsel indicated that the Borough would like to conclude the hearing and then write to the Public Employment Relations Commission to seek a ruling concerning the timeliness of PBA's objection to the legality of the issue raised by the Borough. On July 21, 1997, Borough Counsel submitted the issue to the Commission. On September 10, 1997, the Commission Director of Arbitration advised the parties, as follows:

The conduct of an interest arbitration proceeding is under the exclusive jurisdiction of the arbitrator. N.J.A.C. 19:16-5.7 (a).

Neither the Borough nor the PBA has filed a scope of negotiations petition with the commission. Nor is there any other matter involving this interest arbitration pending before the commission. In these circumstances, there is no basis for Commission action.

After being advised of the Commission position, the undersigned outlined a briefing schedule, including provision for reply briefs. Initial briefs were timely filed and the Borough filed a reply brief by Dec. 31, 1997. The arbitrator requested, and the parties approved, an extension to Feb. 15, 1998 for the filing of the Award in this matter.

The Public Employment Relations Commission has advised that these arbitration proceedings shall be conducted in accordance with the provisions of P.L. 1995, c. 425. Accordingly, since the parties in this proceeding have not agreed to a terminal procedure for resolving the contract issues in dispute, the award issued in this matter will be based on the conventional arbitration mode.

FINAL OFFERS

Borough of River Edge

Economic:

1. Duration: Jan. 1, 1996 - Dec. 31, 1998.
2. Salary: Zero Increase for 1996, Zero Increase for 1997 and Zero Increase for 1998.
3. Payment of Salary Increments
4. Modification of Salary Guide

The Borough proposes adding three steps to the salary guide and creating equidistant steps from starting salary to maximum patrol officer salary. The Borough proposes to freeze the starting salary for the three year contract term.

The Borough proposes the following schedule:

	1/1/96	1/1/97	1/1/98
Patrolman 1	\$57,512	\$57,512	\$57,512
Patrolman 2	\$53,792	\$53,792	\$53,792
Patrolman 3	\$50,068	\$50,068	\$50,068
Patrolman 4	\$46,344	\$46,344	\$46,344
Patrolman 5	\$42,620	\$42,620	\$42,620
Patrolman 6	\$38,896	\$38,896	\$38,896
Patrolman 7	\$35,172	\$35,172	\$35,172
Patrolman 8	\$31,448	\$31,448	\$31,448

Probationary (2 nd 6 mos.)	\$27,724	\$27,724	\$27,724
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Probationary (1 st 6 mos.)	\$24,000	\$24,000	\$24,000
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5. Longevity Benefits

The Boro proposes to eliminate longevity benefits for all employees hired after January, 1, 1996.

6. Severance Pay

The Borough proposes to add an \$8,000 severance payment for employees who retire with twenty-five years of service. The Borough proposes the following contractual language:

- (1) All employees who retire with twenty-five (25) years of service to the Borough of River Edge will be eligible to receive an Eight Thousand Dollar (\$8,000.00) payment as severance pay from the date of retirement until the employee reaches age sixty-five (65). The initial severance payment will be payable to the affected employee within a reasonable period of time after the actual retirement date, which period of time shall not exceed sixty (60) days. Subsequent severance payments payable to the affected employees shall be received no later than March 1 of each succeeding calendar year.**
- (2) Only employees hired prior to January 1, 1996 are eligible for the benefit articulated in paragraph 1.**
- (3) If Congressional legislation mandates employer paid retiree health benefit, the Eight Thousand Dollar (\$8,000)**

severance payment would be eliminated.

(4) The Borough reserves the right to process the payment with all deductions permitted under law, including but not limited to Federal and State income tax withholding and Social Security and issuance of all reporting forms required by law.

(5) Employees hired after January 1, 1996 shall not be eligible to receive any benefits under Ordinance 585 adopted by the governing body of River Edge on September 9, 1993.

7. Firearms Qualification: The Borough proposes to add the following language:

Employees agree to participate in required firearms qualifications on their own time and to attend annual department meetings on their own time. In addition, employees agree to attend one 4-hour training session per calendar year on their own time.

P.B.A. Local 201

Economic:

1. Duration: Jan. 1, 1996 - December 31, 1999.

2. Salary:

1/1/96: 5.0%

1/1/97: 5.0%

1/1/98: 5.0%

1/1/99: 5.0%

The increase is intended to be effective at each rank, step and position covered by the PBA agreement.

2. Longevity

PBA proposes a modification of Article 17 to provide for a new 12% longevity step added to the longevity guide, to be effective upon completion of 23 years or more of employment.

3. Uniform Allowance

PBA proposes to modify Article XXVI to provide a \$100 annual increase in each contract year.

Non-Economic:

1. Rules and Regulations Change Notice

PBA proposes a modification of Article XIII to require a 30 day notice of any rule change prior to compliance being expected, except where notification would be impossible or that the change was made due to unforeseeable emergent circumstances.

2. Light Duty Definition

PBA seeks a definition of the Borough's light duty policy and codification of that policy.

3. Scope of Contract

PBA proposes the deletion of paragraph 1 of Article XXXVII of the contract.

STATUTORY CRITERIA

The eight statutory criteria set forth in N.J.S.A. 34-13A-16G which will guide the disposition of this matter are as follows:

1. The interests and welfare of the public; considering, inter alia, the limitations imposed upon the employer by the CAP Law, N.J.S.A. 40A:4-45.1 et seq.
2. Comparison of the wages, salaries, hours, and conditions of employment of the employees involved in the arbitration proceedings with

the wages, hours, and conditions of employment of other employees performing the same or similar services and with other employees generally:

- a. In private employment in general
 - b. In public employment in general.
 - c. In public employment in the same or similar comparable jurisdictions, as determined in accordance with N.J.S.A. 34:13A-16.2.
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; considering, inter alia, the limitations imposed upon the employer by the CAP Law, N.J.S.A. 40A:4-45.1 et seq.
6. The financial impact on the governing unit, its residents and taxpayers. The arbitrator shall take into account, to the extent that evidence is introduced, how the award will affect the municipal purposes element of the local property tax; a comparison of the percentage of the municipal purposes element required to fund the employees' contract in the preceding local budget year with that required under the award for the current local budget year; the impact of the award for each income sector of the property taxpayers of the local unit; the impact of the award on the ability of the municipality to
- (a) maintain existing local programs and services, (b) expand existing local programs and services for which public moneys have been designated by

the municipality in a proposed local budget, or (c) initiate any new programs and services for which public moneys have been designated by the municipality in its proposed budget.

7. The cost of living.

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

Positions of the Parties

Borough of River Edge

Initially, the Boro costs the dollar value of the PBA proposal and notes that, after the effect of compounding and the application of the maximum longevity percentage, a police officer at maximum step will receive a \$13,633 increase over the four year contract term proposed by the PBA. The Boro, using a 1995 police salary cost of \$690,144, computes the cost of increments as follows:

Year	Increments	Tot. Salary Cost	% Increase
1996	9,000	699,144	1.30
1997	24,900	724,044	3.56
1998	31,875	755,919	4.40
1999	23,170	779,089	3.07

The Boro notes that, under the PBA longevity proposal, three patrol officers would qualify for 12% longevity in each of the four contract years. Assuming no salary increase, the longevity stipend improvement would provide \$1,150 per year to three officers or \$13,800 over the four year contract term and equals .50% of

the 1995 base salary amount.

The Boro, using a 1995 police salary cost of \$690,144, computes the cost of PBA's clothing allowance increase demand (\$100 per year for each of 17 officers) as follows:

Year	Cloth. All.	Tot. Salary Cost	% Increase
1996	1,700	691,844	0.25
1997	1,700	693,544	0.25
1998	1,700	695,244	0.25
1999	1,700	696,944	0.24

The Boro concludes that, under the PBA economic proposal, the cost is as follows:

	1996	1997	1998	1999
Salary Increase	5.00%	5.00%	5.00%	5.00%
Compounding	0.38%	0.38%	0.38%	0.38%
Increments	1.30%	3.56%	4.40%	3.07%
Longevity	0.50%	0.50%	0.50%	0.50%
Cloth. Allowance	0.25%	0.25%	0.25%	0.24%
Totals:	7.43%	9.19%	10.03%	8.69%

Four Year Total = 35.34% or 8.84% per year.

The Boro costs its own economic package as follows:

	1996	1997	1998
Salary Increase	0.00%	0.00%	0.00%
Compounding	0.00%	0.00%	0.00%
Increments	1.30%	3.56%	4.40%
Starting Salary	-----	-----	-----
Severance	-----	-----	-----

Totals: 1.30% 3.56% 4.40%

Three Year Total = 9.26% or 3.09% per year.

The Boro, in its Exhibit 1, attached to its brief, shows that, over the first three years of the new contract, the PBA's salary demand exceeds the Borough's salary offer by \$266,427, an amount that will significantly burden the Borough during the term of the new agreement and thereafter. The Boro also points out that, from 1983 through 1995, PBA salary increases averaged 7.30% per year as compared to CPI average annual increases of 4.12%. The Boro also notes that the Police Department Budget constitutes 22.0% of the Borough's total budget. The Boro also cautions that an award of the PBA package will erode the differential between maximum patrol officer and sergeant whereas the Borough proposal, reflecting the terms of the SOA agreement, will maintain the current salary differential between maximum patrol officer and sergeant.

The Borough analyzes the statutory criteria as they apply to this matter and claims that the analysis proves that the Boro's proposals present a more reasonable approach than that of the PBA. The Borough notes that the statutory revisions incorporated in the Police and Fire Interest Arbitration Reform were intended to require interest arbitrators to consider each of the eight statutory criteria instead of focusing primarily on one factor, comparability. The Boro maintains that it has provided comprehensive evidence with which the arbitrator may develop a reasonable award which is consistent with the statutory criteria whereas PBA has relied almost exclusively on documentary evidence which is insufficient to prove the statutory factors.

The interests and welfare of the public

The Boro maintains that the public's interest is served best by the striking of a balance between satisfying its employees and maintaining a stable level of

government services. The Boro believes that fairness to its employees should not be sacrificed in favor of frivolous government services but essential government services should not be reduced to meet unreasonable employee wage demands. The Boro cautions that some arbitrators fail to give this factor its proper weight in fashioning a reasonable award. The Boro emphasizes the disruptive effect on the salary differentials between rank and file and superior officers if the PBA proposal is awarded and claims it will not serve the public's interest because of lowered morale and an undermined chain of command.

Comparability and Overall Compensation

The Boro believes that its proposals comport more reasonably with these statutory criteria than the PBA proposals. The Boro indicates that Court decisions and the changes in the Reform Act compel the Interest Arbitrator to compare police salaries with other municipal police compensation packages as well as other public and private sector jobs. The Boro maintains that the arbitrator must make comparisons with private sector employment, with public employment in general and in public employment in comparable jurisdictions without overreliance on wage and benefit comparability to public employees in similar jurisdictions.

The Boro claims that the 2.5% average national wage increase in the private sector are significantly lower than the 5.00% increase demanded by the PBA. The Boro cites a New York Times report indicating that the pay and benefits of American workers increased by 2.9% in 1995, the smallest increase since at least 1980 and much less than the PBA proposal. The Boro also notes that private and public employers have been reducing health benefits by requiring employees to contribute to their health insurance premiums while the Boro, in the face of predictions of higher future medical costs, is not seeking PBA

contributions toward their health insurance premiums.

The Boro points out that unionized municipal workers in Philadelphia, Chicago, Detroit, Los Angeles and New York City have negotiated significantly less than the 5.00% average annual increase sought by the PBA. The Boro also cites a number of New Jersey public sector agreements which provide for wage freezes in the first two years and 3.5% increases in the last two years, with a cash bonus. The Boro claims that , in the light of public sector wage increases generally, its salary proposal is more reasonable than the PBA proposal.

The Boro claims that its recent settlement with the SOA and recent arbitration awards covering public safety personnel support the reasonableness of its position in this matter. The Boro cites the agreement with the Borough Police Department's superior officers which provides for a three year wage freeze and the implementation of an \$8,000 annual severance payment to superior officers who retire with twenty five years of service with the Boro. The severance benefit is not available to employees hired after January 1, 1996. However, this severance pay provision is now being offered to the rank and file police officers in this unit. The Boro references comments by other Interest Arbitrators who have emphasized the importance of uniformity of benefits and have placed significant importance on patterns in dispute settlements and the burden imposed on the party advocating alternatives to the pattern. The Boro claims that the PBA has failed to provide any reason to deviate from the SOA agreement. Accordingly, the Boro seeks an award which includes the terms of the SOA agreement because it will result in uniform benefits in th Police Department.

The Boro, in assessing Police Comparables, claims that River Edge police officers receive commensurate or above average salaries and benefits when compared with police officers in other Bergen County communities. The Boro

points out that River Edge officers' wage increases for 1994 and 1995 exceeded the County average by 1.24%. The Boro argues that the maximum longevity of 10% exceeds the maximum average longevity of 8.39% by 1.61% and is inconsistent with the PBA demand on longevity which would further add to the excess of River Edge above the average. Furthermore, the Boro's severance benefit would place this department among a small minority of Bergen County municipalities which provide severance benefits. The Boro believes these facts demonstrate the reasonableness of the Boro's offer.

The Lawful Authority of the Employer

The Boro points out that the Reform Act specifically requires the Interest Arbitrator to consider the limitations imposed on the Employer by the "Cap Law" since the CAP Law restrains the lawful authority of the employer by limiting overall budget increases and, thereby, restricting a municipality's ability to grant wage increases to its employees. Since the Cap Law permits a maximum 5% Cap allowed increase, the 8.84% average increases in the PBA package would exceed the allowable maximum by more than 3.5%. The Boro argues that this would require the Boro to reduce other expenditures under the CAP in order to keep costs under the mandatory 5% Cap. The Boro cautions that an Interest Arbitration Award which accepts the PBA demands may result in personnel layoffs or reductions in other non-payroll budgetary appropriations in order to keep the budget under the 5% Cap.

Financial Impact

The Boro maintains that the state of the economy has directly impacted on the ability of the Boro to raise taxes in order to meet the PBA proposals. The Boro cites the high unemployment rate in New Jersey which exceeds the national rate. The Boro notes the impact of substantial layoffs at a number of firms doing

business in New Jersey, as well as layoffs affecting workers in the public sector. The Boro claims that the poor economy has led to a declining surplus balance in the Boro, to declining revenues and an increasing tax rate. The Boro notes a 5.87% drop in surplus from 1995 to 1996 and a .18% drop in tax collection rate in 1996. The Boro points out that it anticipates less interest on investments in 1997. In addition, there has been a decline in court revenues. The Boro references a decrease in the assessed valuation in 1996 and 1997 and the \$.02 increase in the tax rate from 1996 (\$0.70) to 1997 (0.72). The Boro cites increased expenses due to higher pension fund contributions and a possible increase in the cost of collecting and disposing of garbage from multiple dwellings. The Boro believes that its economic proposal is more reasonable because it is more responsive to the economic condition of the Borough and the State.

Cost of Living

The Boro notes that the Consumer Price Index increased 2.5% in the New York metropolitan area and 2.8% nationwide for the twelve month period ending in March 1997. The Boro maintains that the modest increases in the CPI in recent years confirms the reasonableness of the Boro's economic proposal.

Furthermore, the Boro notes that PBA salary increases have averaged 3.18% above the CPI over the past thirteen year period and a three year wage freeze will still leave PBA more than 2.0% per year above the CPI. The Boro argues that the excess in PBA salary increases over CPI increases has resulted in a very substantial increase in purchasing power. The Boro notes that the PBA demand for a 5% increase in 1996 exceeds the 1996 CPI by 2.1% and advises the arbitrator to consider this gap when fashioning the award in this matter.

The continuity and stability of employment

The Boro believes that its proposal will permit the maintenance of a stable

work force in the Police Department while the PBA proposal would harm morale, create disciplinary problems and upset the chain of command by creating a salary structure that eliminates the differential between rank and file and the superior officers who supervise them. The Boro expresses concerns that superior officers would join other departments with traditional salary structures. The Boro also cautions that the additional expense of the PBA proposal could force the Boro to reduce personnel or services. Accordingly, the Boro seeks an award of its economic proposal because it will more reasonably protect the police officers' stability and continuity of employment than the PBA offer.

Non-Economic Issues

The Boro seeks a denial of the PBA's requests for "Rules and Regulations Change Notice", "Light Duty Policy" and "Scope of Contract" because the PBA did not introduce any evidence in support of these proposals at the hearing.

The Boro has not submitted any non-economic proposals.

In summary, the Boro seeks a conventional award supporting the Boro's proposals because the Boro's proposals more reasonably reflect the statutory criteria than does the PBA economic package.

PBA

The interests and welfare of the public

PBA argues that the interest and welfare of the public are well served by the high level of activity and varied special services provided by the River Edge police force which has managed these functions with a relatively small number of personnel. PBA cites the three year-end reports for the River Edge Police Department and the testimony of Chief Ronald Strace as proof that this police department is a well trained and proficient department which well serves the

interest and welfare of the public. In fact, PBA cites the Chief's testimony that he believes the River Edge police department stacks up well with other police departments of similar size and even bigger police departments. PBA maintains that it is seeking a wage increase which is close to the average rate of increase among comparable law enforcement agencies. PBA believes that an award of proper compensation will foster employee morale, a factor which is in the public's interest. On the other hand, PBA argues that the three year wage freeze proposed by the Boro is unsupported by the evidence in the record , will result in lesser compensation to River Edge police than other officers in comparable communities and in communities which interact with River Edge police, and, thus, will be detrimental to the interest and welfare of the public. PBA claims that the evidence in the record proves that the River Edge police force is an efficient law enforcement agency providing a high quality of service at a high level of productivity. PBA cites the turnover of five senior police officers from December 1995 to September, 1997 and the addition of only three new hires. PBA points out that due to retirements and promotions there is now less supervision for the police officers and, at the same time, the police officers are burdened with the on-the-job training of new employees. PBA complains that the rank and file's high level of productivity under these circumstances on behalf of the citizen's welfare has been "rewarded" by a proposal of a three year wage freeze.

PBA asserts that the interest and welfare of the public is best served by a motivated and properly compensated police force. PBA maintains that appropriate compensation leads to motivation and job satisfaction, goals which serve the interest and welfare of the public. PBA claims that the implementation of a harsh, unjustified three year wage freeze does not serve the public interest whereas the reasonable wage increase proposed by PBA is amply supported by

the record evidence and statutory criteria and will serve the interest and welfare of the public.

Comparison of the wages, salaries and conditions of employment

PBA compares the salaries and clothing allowance of the River Edge police with other towns placed in evidence by PBA and notes that the River Edge police conditions are deficient in these areas. PBA claims it is seeking to address these deficiencies and that the rates of change sought by the PBA are consistent with settlements and awards in comparable police departments. Based on the settlements and awards placed into evidence by the PBA at the hearing, PBA shows that, in 1996, the average increase was 4.695%, in 1997 the average increase was 4.368%, in 1998 the average increase was 4.425% and in 1999 the average increase is 4.339%. PBA has computed the rates of change in salaries in the towns selected by the employer as being appropriate comparables. PBA shows that the wage rate change in the employer's list of comparable towns shows an average increase of 4.836% in 1996, an average increase of 4.142% in 1997, a 4.358% increase in 1998 and a 4.319% increase in 1999. PBA notes that the average increases in the employer's list of comparables is quite similar to the PBA list and therefore supports the PBA position. PBA notes that the Boro proposal of a three year wage freeze is not matched in any community offered for comparison whereas the PBA proposal is within a half percent of the going rate of change for each of the four year term proposed by PBA. Based on evidence it has placed in the record, PBA shows that, even if the River Edge top step patrol officer receives the requested 5% increase in 1996, his rate would be \$60,387, \$771 less than the \$61,158 average of the other twenty three towns surveyed.

In support of its request for an increase in clothing allowance, PBA shows that its current clothing allowance benefit of \$500 is \$178 below the average

clothing allowance in twenty five other towns surveyed.

PBA points out that there are no offsetting benefits given to River Edge police that would make up for their below average base pay position. PBA illustrates this point by showing that the longevity plan in River Edge is below average and, therefore, the PBA request for a slight modification in the longevity program is justified. PBA maintains that the Boro's exhibits show that River Edge benefits are at or below average and do not establish distinguishing compensation for River Edge police.

The PBA cites the agreement negotiated by the Boro with its blue collar union for the years 1996, 1997 and 1998. PBA notes that the pay rate increases in this three year contract average over 4% per year. PBA claims that this contract indicates an acknowledgement by the Boro of appropriate wage changes for this period of time. PBA also cites a Boro ordinance, passed on April 21, 1997, which set salaries for non-union Boro personnel. PBA notes that the rates of change for the maximums in those positions all represent 5% in 1997 and, therefore, PBA questions the applicability of the three year wage freeze proposed by the Boro for the employees in this unit.

PBA maintains that the SOA settlement is a uniquely fashioned settlement which is beneficial to SOA members only and, if applied to the patrolmen, would have little or no impact. Citing Exhibit P-51, PBA shows that SOA members have 27.85 average number of years of service while patrolmen have an average of 11.76 years. PBA notes that almost all of the SOA members qualify for immediate access to the severance benefit whereas, on average, this severance benefit would not be available to patrolmen for more than a decade. Using the post-hearing data provided by the employer, at the request of the arbitrator, PBA shows that five superior officers have immediate access to the severance benefit

which will provide \$472,000 in benefits to them. On the other hand, PBA claims there is no effective cost exposure for the patrolmen's group because there are only two officers who may qualify for the severance benefit during the term of the proposed agreement. PBA points out that the \$40,000 average pay out per SOA member equates to more than 4% of the total base pay for patrolmen. In addition, PBA shows that the \$8000 per year value to supervisors, compared to the maximum patrolman pay of \$57,512, represents a 13.9% value. PBA cautions that an award of the Boro position would reduce benefits for patrolmen, provide a three year wage freeze and offer a benefit that, on average, will not be available for almost 14 years. The PBA notes that the severance pay proposal is inapplicable to the last five patrolmen hired and will become a divisive factor in the PBA unit.

PBA cites an oft quoted comment by Arbitrator Weinberg in the Ridgewood Arbitration Award, IA-94-141. Arbitrator Weinberg indicated that only slight weight should be given to the standard of comparable private employment because of the lack of specific and obvious comparable occupational categories in the private sector. Arbitrator Weinberg stated that the greatest weight should be allocated to the comparison between the unit employees and other employees performing the same or similar services and with other employees generally in public employment in the same or similar comparable jurisdictions.

Stipulations of the Parties

PBA confirms that the only stipulations were procedural and have no substantive impact on this matter.

Lawful Authority of the Employer

PBA claims that there aren't any provisions within the cap law that would place any limitation on an award of the PBA position. PBA notes that the Borough

did not use the full 5.0% permitted under the law and, instead, stayed within a 2.5% cap in 1997. The permissible amount, not utilized, has a value of \$157,909, the other 2.5% above the index rate. In addition, PBA notes that, in 1997, the Borough passed a budget that was within the cap limitation by \$325,158. Thus, PBA shows that the Boro used the lower index rate in 1997 and approved a budget which used \$325,158 less than was available under the 2.5% index rate. Accordingly, since the unused monies can be banked, PBA feels it is almost certain that there will be no cap limitation impinging on the employer's lawful authority in 1998. PBA, using 1995 statistics and not accounting for retirements or new hires who are not paid at the maximum rate, projects a base rate of \$920,192 and the cost of the 5% increase as \$46,005. Therefore, PBA maintains that there is sufficient flexibility within the cap and the banked cap funds to accommodate the PBA position.

PBA notes that the cost of implementing the PBA economic package is similar to a one year exposure for the SOA at \$8,000 per year for each of the five immediately eligible superior officers and the two additional superior officers who will be eligible to retire soon.

The Financial Impact on the Governing Unit, its Residents and Taxpayers

PBA questions the Boro argument that it is hard pressed to pay the PBA package because the \$46,005 cost for the entire PBA bargaining unit is minimal compared to the Boro's acceptance of exposure to a severance pay program for SOA that will cost \$472,000.

PBA maintains that River Edge is a fiscally sound community with an increasing tax base and a low tax rate. PBA cites the increase in assessed valuation in 1995 and 1996 as compared to stagnant or lower assessed valuation trends in other communities. PBA notes that, from 1993 to 1996, there has only

been a .006 cent tax rate increase in the municipal portion of the levy. PBA claims that the Boro's exhibits confirm a low municipal tax rate in River Edge. PBA points out that the municipal portion of the tax levy in River Edge is only 29% which shows that any significant impact on a homeowner is not driven by the municipal portion of the tax levy. PBA maintains that taxpayers would have an impact of \$1.39 for each wage point, a very small number.

PBA shows that River Edge, possibly because of its low tax rates, has consistently exhibited a high percentage of current tax payments. PBA shows that River Edge's general tax rate is the lowest among nine area towns.

PBA claims it has shown that River Edge has a low tax rate, a high current tax payment rate, an increasing tax base and ongoing construction. PBA again points out that the cost of implementing its economic package is about the same as the Boro has undertaken to fund the severance package for a small number of supervisors.

Citing voting statistics in River Edge in recent times, PBA shows that a very small percentage of voters cast a vote on the largest single element in the tax levy, the school budget. PBA argues that these facts do not support a claim that citizens are anxious or concerned about the tax levy.

Cost of Living

PBA concedes that the rate of cost of living increase is now somewhat less than the PBA position but is much closer to the PBA position than the employer's position of a three year wage freeze. PBA argues that the employer's documents show an average cost of living increase of 3.85%. PBA claims that most of the evidence on the subject in this case supports a cost of living figure in excess of 3%. PBA questions the Boro proposal in the light of current CPI data. PBA maintains that the Boro data indicates a standard deviation of more than 2%

between average PBA increases and average CPI increases over the same period. PBA argues that a continuation of this deviation factor would almost exactly support the PBA economic proposal.

Continuity and Stability of Employment

PBA maintains that it has shown that River Edge police officers are paid below the area standard for compensation in the field of law enforcement and the employer's wage proposal is not only significantly below the going rate of increases in the field of law enforcement, it is unique in its attempt to impose a three year wage freeze. PBA maintains that the Boro position is unsubstantiated by the evidence in the record and would require the arbitrator to disregard the statutory criteria and establish a new concept of compensation never previously negotiated or awarded by an arbitrator. On the other hand, PBA believes that it has supported its position by full and complete evidence.

PBA claims that the record evidence supports its clothing allowance proposal while the Boro has not offered evidence on this point. PBA seeks an increase in the longevity plan because the benefit to the affected officers is great when compared with the minimal additional cost to the Boro.

PBA claims it has made a case for a reasonable base wage increase for the patrolmen as well as the clothing allowance improvement and longevity improvement. PBA claims that the Boro offer of a three year wage freeze with a useless severance benefit should be accorded little weight.

PBA seeks an award with a reasonable wage increase consistent with the proofs.

Borough of River Edge Rebuttal

In its rebuttal, the Boro makes the following points:

1. The PBA over-emphasizes comparability to selected police units. The Reform Act evidences legislative intent to reduce overreliance on wage and benefit comparability to public employees in the same or similar jurisdictions and to increase focus on comparability to private employees in general. Arbitrator Weinberg's comments regarding giving greatest weight to comparability to other employees generally in public employment in the same or similar comparable jurisdictions were made prior to the the enactment of the Reform Act and apply a statute which has been amended.
2. The Interest Arbitrator should consider wages and benefits provided to other Borough employees, including the SOA, in rendering a conventional award. The Boro notes that applying the blue collar settlement percentages to police officers will result in substantially higher dollar increases. The Boro points out that SOA has accepted the same package now offered to the PBA. The Boro reiterates its concern over the disruptive effect of an award that will eliminate the salary differential between patrol officers and superior officers. The Boro maintains that, though it may have the legal authority to spend more than its budgeted amount for police wage increases, it does not establish a persuasive argument for higher police salaries.

The Boro points out that the total cost of implementing the PBA proposal in the first three years is \$266,427 which does not compare with the cost of the severance packages offered to SOA and PBA and does not take into account the savings which retirement will cause. The Boro estimates a saving of \$283,854 per year, the difference between the salaries of the five superior officers eligible for retirement and the \$40,000 per year cost of the severance pay package. The

Boro notes that four of the PBA members are eligible for retirement at the present time and the severance pay proposal will create vacancies in the supervisory ranks for the rank and file. The Boro emphasizes that the severance pay proposal will provide a costly annual benefit to the PBA members upon retirement and the severance benefit will place River Edge among a small minority of Bergen County towns that provide this benefit. The Boro notes that, in the short run, retirement savings have been offset by Ordinance 585 severance payments and accrued vacation time.

The Boro argues against a \$100 per year increase in the clothing allowance because PBA has received significant increases in the clothing allowance in recent years. The Boro points out that PBA members already receive \$175 per year more than superior officers do and an increase in the PBA clothing allowance will exacerbate the discrepancy.

The Boro seeks approval of its longevity proposal because other municipal employees receive flat dollar longevity benefits which do not increase as a percentage of base salary and, therefore, provide the Boro with cost control. The Boro points out that forty-one of seventy Bergen County municipalities have a higher True Value than River Edge which shows that many municipalities have more fiscally sound budgets than River Edge.

3. The PBA's non-economic demands should not be awarded because no evidence has been offered to support these proposals.
4. The Boro seeks an award which accepts its proposal because it more reasonably reflects the statutory criteria, it mirrors the SOA settlement and it will retain the traditional salary structure in River Edge.

Analysis

The Borough of River Edge and River Edge PBA Local 201, were parties to a collective negotiations agreement which expired on December 31, 1995. The negotiations unit includes all full-time employees holding the rank of patrolman in the River Edge Police Department and excludes Sergeants, Lieutenants, Captains and the Chief of Police. The unit includes the following officers, based on the information provided by the Boro on July 10, 1997, at the request of the arbitrator.

Name	Rank	Year of Hire	Base Salary 1995
Hammel, D.	Patrolman 1	1965	57,512
McDermott	Patrolman 1	1970	57,512
Kolze	Patrolman 1	1972	57,512
Westervelt	Patrolman 1	1982	57,512
Haggis	Patrolman 1	1982	57,512
Faustini	Patrolman 1	1983	57,512
Connolly	Patrolman 1	1988	57,512
Curran	Patrolman 1	1988	57,512
Naprstek	Patrolman 1	1988	57,512
Walker	Patrolman 1	1988	57,512
Whilhelm	Patrolman 1	1989	57,512
Drozba	Patrolman 5	1996	36,300
Starost	Patrolman 5	1996	36,300
Cheevers	Patrolman 5	1996	36,300
Casey	Probationary	1997	24,000
Shouldis	Probationary	1997	24,000
Total:			\$789,532

Note: The Boro Exhibit erroneously listed Patrolman Connolly twice. This was verified in a post-hearing inquiry from the arbitrator to Boro Counsel and the Business Administrator. PBA Counsel was advised of the inquiry and the correction. The total payroll amount has been modified to reflect the elimination of the duplication.

The disposition of this matter has been guided by the application of the eight statutory criteria set forth in N.J.S.A. 34-13A-16G.

1. The interests and welfare of the public; considering, inter alia, the limitations imposed upon the employer by the CAP Law, N.J.S.A 40A:4-45.1 et seq.

In analyzing and evaluating the interests and welfare of the public, the arbitrator must confront the concerns of both parties and attempt to reconcile these concerns in the development of a conventional arbitration decision which is based on a reasonable determination of the issues.

Chief Ronald S. Starace issued an Annual Report for 1996 in which he and other officers detailed the various activities which the police officers perform in order to better serve and protect the citizens of the Borough of River Edge. The report notes that the department personnel are actively involved in the prevention, correction and investigation of crime, traffic and other offenses. In addition, Police Officers are involved in many facets of community service projects including planned park renovations, school parking changes, community awareness day, adopt a cop program, the DARE program, bicycle safety programs, police reserve program, Asian connection project, school athletic programs and senior high school drinking and driving laws instruction and defensive driving classes. The Boro police participate in the Bergen County Rapid Deployment Force which responds to crisis situations such as disasters,

demonstrations and riots. Thus, it appears that the River Edge police force is involved in a full range of public safety activities, both correctional and instructional, which apparently well serve the interests of the residents of the Borough of River Edge.

It must be noted that these police activities were maintained during a period of modifications in police departmental structure. Chief Starace pointed out the following:

The retirements of Chief Quinn, Lieutenant Burke and Detective DeAngelis provided one of the more significant challenges in 1996. Their departures created a strain on manpower, as well as voids in critical positions. In addition to the every day patrol staffing dilemmas, there were three major personnel related projects: promotions, recruitment, and manpower reorganization.

In discussing manpower re-deployment, Chief Starace noted that the Council assessed the department's structure and opted to eliminate a superior officer position and advised the Chief to explore utilization of civilian personnel to fill the reduction void. Nevertheless, Chief Starace testified that the police department, as it's currently structured and currently functioning, serves the interest and welfare of the public and "stacks up well" with similarly sized departments as well as some bigger departments. Thus, it appears that, despite down-sizing and transitional problems, the River Edge police force has contributed a productive effort in maintaing the Boro's police services. Certainly, the public interest of the residents of River Edge is served by the continued maintenance of a professional police force which , as a result of high morale, is motivated to continue the productive performance of the various activities noted above. On the other hand, although the Borough residents seek

to maintain a police force which is productive in all of the above-mentioned public safety activities as well as a reduced force to meet the law enforcement needs of the Borough, the agenda of the Borough's management includes a program intended to limit the costs of its police force so that other Borough services may be preserved and, at the same time, keep the tax rate as low as possible.

Productivity and high morale are achieved and maintained when police officers receive adequate compensation for their training, experience and unique responsibilities. Morale and a commitment to dedicated performance of these unique responsibilities is dependent on a recognition by police officers that there is a reasonable correlation between their working conditions and the working conditions of other police officers in comparable communities. On the other hand, the Borough seeks a three year wage freeze in this unit coupled with a severance pay proposal, an action which it maintains would help the Borough to maintain the present salary differential structure and uniform benefits in the police department and assist in addressing the financial constraints in its budget.

PBA, citing the average 1996 top step base pay for twenty three Bergen County law enforcement agencies as \$61,158 compared to the 1996 River Edge 1996 top step base pay rate of \$60,387, notes that there will still be a \$771 deficit after applying the 5% increase requested by PBA. PBA also cites a 4.695 percent average of settlements and awards in thirty one Bergen County law enforcement agencies in 1996, 4.368% in 1997, 4.425% in 1998 and 4.439% in 1999. PBA seeks a 5.0% increase in each year in order to retain a comparable level with the officers in the Bergen County jurisdictions with which it is being compared.

PBA has analyzed the wage rate change in towns submitted into evidence

by the Borough of River Edge and notes that there was a 4.836% increase in 1996, a 4.142% increase in 1997, a 4.358% increase in 1998 and a 4.319% increase in 1999. PBA has also offered evidence of an internal settlement of more than 4% in the Public Works unit and a 5% increase to non-unionized Boro employees for comparability purposes. On the other hand, the Borough stresses the need for uniformity with the SOA settlement and the disruptive effect of a deviation from the pattern it established with the superior officers. In addition, the Borough argues that, if all of the statutory factors are considered and given appropriate weight, a three year wage freeze is justified.

Under the Borough's proposal, the River Edge Police top step rate would remain at \$57,512 for the three years of their proposed term for the new agreement. Under the Borough's proposal, only unit members entitled to step increments or higher longevity stipends due to length of service would receive higher compensation. In addition, although the level of medical benefits would remain the same, the Borough would incur higher medical insurance costs.

The undersigned does not believe that either the PBA proposal or the Borough proposal reasonably addresses the diverse concerns which must be reconciled in the development of this decision in order to be consistent with the public interests and welfare. As shown later in this decision, the PBA proposal exceeds the rate of increase in the cost of living, exceeds the average of current wage increases, exceeds the rate of increase in the private sector and the rate of increase in the significant, voluntary settlement between the Borough of River Edge and their unionized public works employees. On the other hand, the Borough proposal of a wage freeze would fail to match the recent rate of increase in the cost of living, would fall below the average of current wage increases, would be less than the rate of increase in the private sector and the wage

increase percentages contained in the significant River Edge/Local 29 Public Works agreement and the increases given to non-unionized Boro personnel. The undersigned does not believe that the Boro's severance pay proposal is applicable to the PBA unit because it provides minimal current benefits for the rank and file officers and is not an appropriate alternative to a reasonable wage increase. Accordingly, the undersigned intends to develop an Award which is more consistent with the public interests and welfare than the competing final offers submitted by the parties.

The statute requires, in the consideration of the interests and welfare of the public, that an assessment be made of the limitations imposed on the Borough by N.J.S.A. 40A:4-45.1 et seq., the CAP law. As will be noted in the "Lawful Authority" section of this analysis, the arbitrator's award will not exceed the limits imposed by the CAP law.

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

a. In private employment in general

As other arbitrators have noted, it is difficult to compare the working conditions of public sector police officers with the working conditions of private sector employees performing the same or similar services because of the lack of specific private sector occupational categories with whom a meaningful comparison can be made. The standards for recruiting public sector police officers, the requisite physical qualifications for public sector police and their training and the unique responsibilities which require public sector police to be available and competent to protect the public in different emergent

circumstances sets public sector police officers apart from private sector employees doing somewhat similar work. Accordingly, this comparison merits minimal weight.

However, the rate of wage change in the private sector generally is a consideration which must be accorded significant weight. The rate of wage change in the private sector and the rate of wage change among public sector law enforcement units are affected by the same national and local factors, such as the health of the economy, prevailing interest rates, status of unemployment, rate of inflation and the impact of tax legislation. Accordingly, this factor merits consideration in conjunction with the rate of wage change in public employment in general and public employment in the same or similar comparable jurisdictions.

The undersigned believes it is pertinent to take administrative notice of information, excerpted from the Labor Relations Reporter, 152 LRR 398, dated 7/29/96, which indicates that nationwide private sector settlements have exhibited median average increases of 3% for 1996. However, the Labor Relations Reporter notes that wage increases of unspecified amounts and cost-of-living adjustments were not included in the tabulations of the medians. Accordingly, the rate of change in the private sector appears to be somewhat in excess of 3% for 1996. The Public Employment Relations Commission has furnished the arbitration panel with a report of private sector wage changes compiled by the New Jersey Department of Labor. This report, which shows changes in the average wages of private sector jobs covered under the state's unemployment insurance system, indicates a 3.6% increase in Bergen County in 1995 and a private sector wage increase of 3.4% in the State of New Jersey in 1995. In fashioning the Award in this matter, the undersigned has given this factor significant weight.

b. In public employment in general.

The BLS Report on Negotiations, 8:310, No.1298, dated 3/2/95, published by the Bureau of National Affairs, Inc., notes that State and local government contracts (usually negotiated in 1993 and scheduled for renegotiation in 1995) showed settlement terms that yield annual wage changes (including COLA payments) averaging 2.5% in all State and Local Government contracts over their contract life. The same BLS Report notes that the rate of increase for protective services averaged 3.1%. However the BLS Report notes the following:

Recent settlements suggest a more favorable bargaining climate for at least some State and local government workers with contracts set to expire in 1995. As noted earlier, for the first time since the second half of 1990, settlements reached in the first six months of 1994 provided wage gains that were larger, on average, than those negotiated in the replaced contracts. Both first-year changes (3.0 percent) and annual changes over the contract term (3.3 percent) were at their highest level since the six month period from July 1990 to December 1990. In addition, the proportion of workers with decreases or no changes in their wage rates was considerably lower than in recent years.

Thus the BLS Report on Negotiations confirms the emergence of a more favorable collective negotiations climate in the public sector with fewer wage freezes and annual changes over the contract term increasing to 3.3 percent when parties negotiated renewal contracts for contracts expiring in 1995. This is an additional significant factor to which the undersigned has assigned weight and has been considered in the formation of the Award.

c. In public employment in the same or similar comparable jurisdictions, as determined in accordance with N.J.S.A. 34:13A-16.2.

PBA argues that the most appropriate comparison is the one between River Edge Police and the other law enforcement agencies in the Bergen County area. On the other hand, the Borough has submitted a list of 58 Bergen County communities to show that there has been an average wage increase from 1993 until 1995 of 10.80% or 1.24% less than the River Edge average of 12.04% during the same period. The Boro has also submitted the list of 58 Bergen County communities to show that average maximum longevity is 8.39% while maximum longevity for River Edge police is 10%. The Borough has not furnished 1996-1998 wage increase data for the 58 Bergen County communities. However, PBA has submitted wage rate changes in 31 of the 58 Bergen County communities utilized in the Boro's comparisons. The undersigned notes that the average wage rate change during the four years covered in the PBA comparable list is 4.46%, almost the same as the 4.50% average wage rate change during the four years covered in the list of 31 communities utilized in the Boro's comparisons. PBA also cites, for comparability purposes, the River Edge/Local 29 settlement and the salary ordinance for non-unionized employees of River Edge.

The undersigned believes that the "comparables" offered by the PBA closely conform to the requirements of N.J.S.A. 34:13A-16.2 since they measure employment conditions of law enforcement officers, offer a comparison of employment conditions of employees in negotiations units in the same Borough, contain reference to employment conditions of Borough employees who are not in negotiations units and the pattern of salary and benefit changes among the different groups of employees in the Borough. Based on the above, the undersigned believes that the comparables proposed by the PBA are

appropriate for consideration in this proceeding.

Listed below are the 1996 Base Pay Rates for Top Step Patrolmen in twenty three municipal enforcement agencies in Bergen County:

<u>Municipality</u>	<u>1996 Base Pay Rates</u> <u>Rate</u>
Saddle Brook	61,324
Paramus	68,963
Leonia	60,527
Waldwick	64,997
Northvale	60,678
Little Ferry	60,625
Hohokus	60,757
Hillsdale	60,127
Ridgewood	59,139
Dumont	56,384
Harrington Park	61,507
Oradell	58,568
Woodcliff Park	57,848
Hackensack	62,639
New Milford	56,217
Demarest	60,491
Wallington	62,333
Englewood	62,777
Norwood	61,413
Teaneck	61,010
Glen Rock	62,914

Mahwah	66,856
Fairlawn	58,539
Average:	61,158

Accordingly, the River Edge Top Step Patrolman rate of \$57,512 would require a 6.34% increase in 1996 to reach the average of the twenty three Bergen County communities. If River Edge Top Step Patrolman Rate of \$57,512 remains frozen during 1996, River Edge Top Step Patrolmen would fall \$3,646 below the average noted above or 6.34%. If, as noted above, the average top step rate are increased by 4.5% in 1997 and 1998, the averages would then be as follows:

	1996	1997	1998
Average:	61,158	63,910	66,786
River Edge:	57,512	57,512	57,512
Deficit:	3,646	6,398	9,274
% Diff:	6.34%	11.12%	16.13%

Thus, a three year wage freeze would result, in 1998, in a 16.13% lower top step rate in River Edge as compared to the average in the Bergen County communities studied above.

Accordingly, a three year wage freeze would substantially reduce the relative standing of River Edge Top Step Patrolman and the loss in earnings and standing would be significantly greater than the 1.24% deviation in wage increase enjoyed by River Edge between 1993 to 1995 and the 1.61% edge in average maximum longevity in River Edge, cited by the employer.

The PBA has offered the River Edge/ Local 29 Education settlement for public works employees as an appropriate comparable in this proceeding. The undersigned believes that the Public Works settlement is a very significant comparable and should be given considerable weight. The River Edge public

works department is funded by the same taxpayers who fund the River Edge police department. The Borough of River Edge has negotiated a three year contract with Local 29 which provides a 4% across the board increase in 1996, a \$1313 increase in 1997 and a \$1366 increase in 1998 as well as a significant adjustment for Laborer I salaries, effective 1/1/97. Based on Resolution #97-121 1997 Salary Resolution (Exhibit P-16) and the Collective Bargaining Agreement between River Edge and Local 29 and Settlement Agreement (Exhibit J-3), the undersigned has applied the increases to the Public Works employees in Arbitrator's Exhibit A and the settlement results in an increase of 4% in 1996, 5.07% in 1997 and 3.93% in 1998, an average annual increase of 4.33% (without accounting for compounding). It must be noted that the increases listed above were the result of negotiations, were voluntarily agreed to and not the product of terms imposed by a third party neutral.

The PBA has offered the wage ordinance fixing 1997 salaries for non-unionized employees of the Borough as an additional appropriate comparable in this proceeding. The undersigned has studied this comparable and notes that the Borough has provided 5% increases for the full-time positions and officers of the Borough of River Edge for 1997. Although the Ordinance lists 1996 salaries, the amount of the 1996 increase can not be determined without access to the 1995 rates. The undersigned has studied the Ordinance and has listed below the increases in maximum rates for employees earning more than \$50,00 per year, the approximate average rate of pay in the PBA unit ($\$789,532/16 = 49,346$, see page 25 above):

Title	1996	1997	Rate of Change
Police Chief	81,600	85,680	5.0%
Chief Fin. Officer	77,520	81,396	5.0%

Library Director	52,000	54,600	5.0%
Sup't. Pub. Wks.	80,070	84,074	5.0%
General Foreman	58,650	61,583	5.0%
Foreman	52,020	54,621	5.0%

The undersigned must conclude that the River Edge/Local 29 settlement and the 1997 salary ordinance for non-unionized employees are very significant comparables and should be given considerable weight because the River Edge/Local 29 voluntary settlement was the product of bilateral negotiations without recourse to interest arbitration and the 5% wage increase for non-unionized Borough employees was voluntarily fixed by the employer, in the absence of the pressure of negotiations or recourse to interest arbitration..

The undersigned, in the consideration of the statutory criterion of "Comparables" also takes administrative notice of a summary of Interest Arbitration Awards and voluntary settlements issued by P.E.R.C. since January 1, 1997 which generally cover the same time frame implicated in this proceeding. The charts below reflect only wage increases provided in 1996, 1997 and 1998, the years involved in this proceeding. The arbitration awards list all conventional arbitration awards to date. The undersigned has not included the State/SLEU conventional award because of the inability to translate bonuses and dollar amounts to comparative percentages. However, it appears that inclusion of this conventional award would lower the average because the award provides for a \$250 cash bonus in 1996 plus uniform maintenance or clothing allowance. In 1997 and 1998 a 3.5% increase is provided.

	<u>Settlements</u>					
	1/1/96	7/1/96	1/1/97	7/1/97	1/1/98	7/1/98
New Milford	2.0%	2.0%	3.5%		2.0%	2.5%
Franklin	4.0%		4.2%			4.2%
Mendham	4.0%		4.25%			
Bordentown	4.0%		4.5%			4.5%
Montclair	2.0%	3.0%	3.0%	1.75%	3.0%	1.75%
Marlboro	4.0%		4.75%		4.65%	
Hillside		2.9%		3.0%		3.5%
Hamilton		4.0%		4.0%		4.0%
Princeton	3.9%		3.9%		3.9%	
Verona	3.0%		3.0%	3.0%	3.0%	5.0%
Lebanon	4.0%		4.5%		4.5%	
Camden	3.9%*		3.9%*		3.9%*	

(Co. Pros)

*plus 1.1% for top step

After adjusting for the split increases, the average increase in 1996 is 3.8%, in 1997 it is 4.4% and in 1998 it is 4.38%.

	<u>Interest Arbitration Awards</u>					
	1/1/96	7/1/96	1/1/97	7/1/97	1/1/98	7/1/98
Far Hills	4.0%	4.0%		4.25%		
Hackettstwn	3.4%	3.5	3.5%			
Emerson	4.0%	3.5%		2.0%		
Hudson Co	5.0%	5.0%		5.0%		
Rutherford	3.75%		3.75%		2.0%	2.0%
Allendale	4.0%	3.75%		3.50%		

W. Caldwell	4.95%	4.0%	4.0%
Bernards	3.5%	3.75%	4.0%
Average:	4.19%	3.91%	3.53%

When one combines average increases in settlements and Interest Arbitration Awards, the pattern of increases for 1996, 1997 and 1998 appears as follows:

	1996	1997	1998
Settlements:	3.8	4.4	4.38
IA Awards:	4.19	3.91	3.53
Average:	4.00	4.16	3.96

It is noted that the average of Interest Arbitration Awards is on a downward slope. However, it appears that the average, between settlements and Interest Arbitration Awards, is still higher than the rate of increase in the Consumer Price Index. In addition, the composite three year increase in IA Awards is 11.63% in the three year period analyzed as compared to the composite 13% increase negotiated by River Edge and Local 29 during the same time frame. Accordingly, the undersigned believes that the above listed salary comparisons are pertinent and should provide guidance in the development of the Award in this matter.

As noted above, the Borough places great emphasis on the wage freeze which it has implemented in the Police Superior Officers unit and it proposes that the same wage freeze apply to this negotiations unit. However, as noted above, the undersigned does not believe that the Boro's severance pay proposal, modeled on the SOA severance pay package, is applicable to the PBA unit because it provides minimal current benefits for the rank and file officers and is not an appropriate alternative to a reasonable wage increase.

It must be noted that the rate of wage increases contained in the River

Edge/Local 29 settlement are somewhat higher than the current increase in the cost of living index but falls below the "going rate" of increases in 1996, 1997 and 1998 (as shown in the comparisons listed above) and follows the downward trend of settlements and awards in the most recent period and is also closely related to the rate and trend of wage increases in the private sector.

For all of the above reasons as well as the significant weight which should be accorded to an internal Borough settlement with a large bargaining unit, which is influenced by the same economic factors affecting the disposition of this matter and having a significant impact on the Borough's residents and taxpayers, the wage settlement in the River Edge/Local 29 agreement provides an appropriate guidepost for the award in this proceeding and will be utilized in the development of the Award.

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.

The consideration of this statutory criterion is based on the evidence and analysis noted above in the study of Criterion No. 2 and the conclusion reached in the study of Criterion No. 2 is equally applicable to this criterion. It should be noted that the employees in this unit receive an outstanding package of medical and hospitalization benefits. The record indicates that Employer projects an increase in the cost of providing these benefits. However, during the term of this agreement, there will be no change in the level of benefits provided to the employees. In the development of this Award, the undersigned has been mindful of the Borough's possible additional costs of health insurance.

As part of their overall compensation, River Edge police receive an annual clothing allowance of \$500 and PBA seeks a \$100 annual increase in their allowance. When an analysis is made of the clothing allowances in other Bergen County communities, it appears that River Edge police receive a lower allowance than the average of the other communities. Although a small increase in clothing allowance appears to be warranted, in developing the economic award, the undersigned has determined that only the category of salaries should be modified in this matter in order to provide employees with the maximum wage improvement within the reasonable constraints of the Borough's fiscal condition. Thus, the PBA request for an improvement in clothing allowance is not included in this award.

In the area of longevity, PBA has proposed a new 12% step to be added to the longevity guide. The Boro proposes to eliminate longevity for all employees hired after Jan. 1, 1996. The undersigned does not believe that either modification of the existing longevity program is warranted at this time. As noted above, the Boro has submitted the list of 58 Bergen County communities to show that average maximum longevity in these communities is 8.39% while maximum longevity for River Edge police is 10%. The undersigned, at this time, must reject the PBA longevity proposal because the record does not contain adequate justification for a further improvement in an above-average longevity program. Likewise, the undersigned, at this time, must reject the Boro proposal on longevity because it would eliminate longevity benefits for five current employees while not providing any savings to the Borough during the term of this agreement. There is insufficient evidence in the record to justify the approval of a seriously divisive longevity program without proof of the need for same.

The Boro proposes to add three steps to the salary guide and seeks to create equidistant steps from the starting salary to maximum patrolman salary. The Boro proposes the maintenance of the current starting salary for the three year contract term. The record does not contain adequate evidence to confirm the need for adding three steps to the salary guide or the need for the creation of equidistant steps. However, the record confirms the ability of the Boro to attract applicants for Probationary Patrolman positions in the recent past at the salary levels contained in the old contract. Accordingly, in constructing this award in this matter, the undersigned believes it is appropriate to maintain the existing starting salary and the second six months Probationary Patrolman's rate while applying the percentage increase to the other steps of the salary guide. This will permit the Borough to save money by continuing to hire at the old entry levels while permitting new hires to eventually reach the same salary levels enjoyed by the senior patrolmen.

The Borough has requested that employees agree to participate in required firearms qualifications on their own time, attend one 4 hour training session per calendar year on their own time and attend annual department meetings on their own time. However, there are insufficient proofs in the record to establish the need for these changes or evidence concerning the impact of these modifications. In the absence of the required evidence, the undersigned will deny these requested changes in this award.

Non-Economic Issues

The Boro has not raised any non-economic issues. The undersigned will not include in this Award the PBA's requests for "Rules and Regulations Change Notice", "Light Duty Policy" and "Scope of Contract" because the record does not contain sufficient evidence to support the need for these contractual changes.

4. Stipulations of the parties.

There are no pertinent, substantive stipulations of the parties which require consideration in this matter.

7. The cost of living.

Table 16 by Expenditure Category, Consumer Price Index for all Urban Consumers, indicates a 2.72% increase from January, 1995 to January, 1996 and a 3.32% increase from January, 1996 to December, 1996, amounting to a 6.2 percent increase in 1995 and 1996.

This low level of inflation has persisted for several years and, despite the improved conditions now apparent in the national economy, the inflation rate has not accelerated to date.

Under the Borough's proposal, the salaries of the police officers in this unit would be frozen at the levels set on January 1, 1995 in the previous contract. Accordingly, the salaries of these officers would not keep pace with the increase in the cost-of-living and would, indeed, result in a loss of purchasing power for these officers. On the other hand, the PBA proposal would entail annual increases which are considerably higher than the present rate of inflation. Under these circumstances, the undersigned believes that both proposals are flawed with respect to this statutory criterion. In the development of the award in this matter, the undersigned believes, as noted above, that the River Edge/ Local

29 settlement more closely tracks the cost-of-living index increase and, therefore, is more consistent with this statutory criterion.

5. The lawful authority of the employer; considering, inter alia, the limitations imposed upon the employer by the CAP Law, N.J.S.A. 40A:4-45.1 et seq.

6. The financial impact on the governing unit, its residents and taxpayers. The arbitrator shall take into account, to the extent that evidence is introduced, how the award will affect the municipal or county purposes element, as the case may be, of the local property tax; a comparison of the percentage of the municipal purposes element or in the case of a county, the county purposes element required to fund the employees' contract in the preceding local budget year with that required under the award for the current local budget year; the impact of the award for each income sector of the property taxpayers 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 its proposed local budget.

At this point, based on the factors analyzed above, the terms of the economic award will be listed and the costs calculated in order to determine how the award will comport with the two statutory criteria listed above.

As noted above, the percentage increases contained in the River Edge/Local 29 settlement provide an appropriate guidepost for the Award in this proceeding and will now be utilized. The appropriateness of the River Edge/Local 29 settlement as a guidepost is fortified by the local River Edge ordinance granting non-unionized employees a 5% salary increase in 1997. It must be noted

that the SOA severance pay arrangement has not been included in either of these salary modifications. Rather, a traditional "going rate" increase has been applied for both groups. The Borough of River Edge, apparently after consideration of its lawful authority, its constraints under the CAP Law, budget limitations and the financial impact on its residents and taxpayers, voluntarily agreed to the negotiated wage increase in the Public Works unit and unilaterally extended a somewhat higher percentage salary increase to the non-unionized employees of the Borough.

In developing the economic award, the undersigned has determined that only the category of salaries should be modified and starting salaries maintained in this matter in order to provide employees with the maximum wage improvement within the reasonable constraints of the Borough's fiscal situation.

Term:

PBA seeks a four year agreement while the Borough requests a three year agreement. The undersigned notes that, of thirty one contracts placed in the record by PBA and analyzed in Chart No. 2, there are only ten contracts with settled figures for 1999. In this proceeding, the Borough has emphasized the need for adoption of the terms of the recent SOA agreement in the PBA rank and file unit. As will be shown below, the recent personnel actions of the Borough have resulted in the creation of a transitional period. The award in this proceeding has been affected by these factors. However, there are no sound or reliable long range projections on which this arbitrator can rely in order to fashion a supportable award for 1999, The undersigned believes that a three year agreement will provide the parties with an opportunity to review their positions and demands in light of more current conditions. Although a three year agreement will result in the parties returning to the negotiations table shortly

after the issuance of this award, the undersigned believes this may prove more tolerable than coping with an award which has problematic underpinnings.

Accordingly, the term of the new agreement shall run from Jan. 1, 1996 to Dec. 31, 1998.

Salaries:

As noted above, the guidepost for the award herein is the River Edge/Local 29 agreement. The River Edge/Local 29 agreement has a three year term and includes salary rate increases totaling thirteen percent over the three years, or an average of 4.33% in each year. The undersigned noted above that the average wage rate change during the four years covered in the PBA comparable list is 4.46%, almost the same as the 4.50% average wage rate change during the four years covered in the list of 31 communities utilized in the Boro's comparisons. In developing the appropriate rate of increase in this matter, the undersigned believes a 4% annual increase during the term of the three year agreement is warranted. The undersigned believes the lower percentage of 4% (as compared to the 4.33% and 4.5% wage rate changes noted above) is consistent with the current average of settlements and Interest Arbitration Awards. However, it appears that the average, between settlements and Interest Arbitration Awards, is still higher than the rate of increase in the Consumer Price Index. In addition, the composite three year increase in IA Awards is 11.63% in the three year period analyzed as compared to the composite 13% increase negotiated by River Edge and Local 29 during the same time frame. Accordingly, the undersigned believes that the current average of settlements and Interest Arbitration awards is more closely related to the rate of increase in the Consumer Price Index and should be utilized. Furthermore, the lower percentage increase takes into consideration the possibility of increased Boro expenses due to higher pension fund contributions,

a possible increase in the cost of collecting and disposing of garbage from multiple dwellings and a possible increase in the cost of providing health benefits. Finally, the lower percentage is justified as an offset to the 1.24% excess in wage increase for River Edge police officers in 1994 and 1995, when compared with the Bergen County average for the same period.

As noted above, the Borough places great emphasis on the wage freeze which it has implemented in the Police Superior Officers unit and it proposes that the same wage freeze apply to this negotiations unit. However, as noted above, the undersigned does not believe that the Boro's severance pay proposal, modeled on the SOA severance pay package, is applicable to the PBA unit because it provides minimal current benefits for the rank and file officers and is not an appropriate alternative to a reasonable wage increase.

Although the severance pay package may have been suitable for the SOA unit because of its composition, the severance pay package does not have similar applicability or suitability in the PBA unit. In the SOA unit, all superior officers are eligible for the severance pay benefit. Five of the seven superior officers are immediately eligible or 71% of the unit. On the other hand, in the PBA unit, eleven of sixteen officers are eligible for the benefit. Three PBA unit members are immediately eligible or 19% of the unit. Significantly, five of the sixteen PBA unit members, 31% of the PBA unit, will never be eligible for the severance pay package because they were hired in 1996 and 1997, after the January 1, 1996 cut-off date for eligibility for the benefit.

In Exhibit B, attached hereto, the undersigned has analyzed the effect of the Boro severance pay proposal on a top step patrolman in the PBA unit who is 14 years from retirement (the average in the unit) and would be entitled to at least thirteen years of severance pay benefits before reaching age 65. The chart tracks

only the value of the awarded 4% annual increases, with longevity, for the remaining fourteen years of employment and notes that these increases will result in \$96,959 in earnings during this period. The chart also tracks the value of an annual \$8,000 severance payment after retirement. The exhibit shows that the severance pay package would exceed the value of the awarded current increase in year 2022, thirteen years after retirement and twenty seven years after the start of the new agreement involved in this proceeding.

In Exhibit C, attached hereto, the undersigned has analyzed the effect of the Boro severance pay proposal on a superior officer in the SOA unit who would retire after the end of the term of the current agreement. For comparative purposes, the chart tracks the value of simulated 4% annual increases, with longevity, for the three years of the agreement and notes that these increases will result in \$16,838 in earnings during this period. The chart also tracks the value of an annual \$8,000 severance payment after retirement. The exhibit shows that the severance pay package would exceed the value of the simulated annual increase in year 2001, three years after retirement and six years after the start of the new SOA agreement. Thus, in the SOA unit, those who are immediately eligible will retrieve their forfeited salary increase in the third year after retirement and benefit thereafter whereas in the PBA unit, the eight officers who will be eligible to retire in an average of fourteen years would retrieve the value of the forfeited salary increases in the thirteenth year after retirement and benefit thereafter.

Furthermore, it must be pointed out that substituting a post-retirement severance payment for base pay increases would have the effect of reducing additional compensation which is computed on the base rate, such as overtime. In addition, substituting severance pay for wage increases will diminish earnings subject to pension computation and result in smaller pensions. It also bears

noting that a fixed dollar amount for severance pay may be substantially ravaged by increases in the cost-of-living. A PBA employee, who is retiring fourteen years from now, runs a much greater risk of loss of purchasing power of the fixed dollar value of severance pay than the SOA employee who is now eligible, retires immediately and begins receiving the fixed severance pay dollar amount. Based on the above cited factors and the fact that the SOA severance pay package was not negotiated or provided to other unionized and non-unionized Borough employees, the undersigned believes that the severance pay proposal is neither applicable or suitable for the PBA unit. On the other hand, the SOA severance pay package, though uniquely tailored to the SOA unit composition, is a very valuable benefit to the superior officers. The Borough concern about the loss of rate of pay differential between patrolmen and superior officers is adequately offset by the superior officers' access and eligibility for a very valuable severance pay package. Differential should not be measured solely in base rate of pay but should take into account all working condition benefits. When wages and benefits are considered, the differential between rank and file officers and superior officers will not be eroded by the terms of this award.

In order to determine whether the terms of the Award are within the lawful authority of the employer , considering, inter alia, the limitations imposed upon the employer by the CAP Law, N.J.S.A. 40A:4-45.1 et seq. and to determine the financial impact on the governing unit, its residents and taxpayers, the undersigned has prepared, in Exhibit 1, attached hereto, a chart showing the Borough's PBA unit payroll costs for the three year term without salary increases and compared this amount with the cost of continuing the 1995 payroll for the three year term. This reconstruction of the 1995 PBA unit payroll costs was accomplished by use of the facts available in the record. The 1996, 1997 and 1998

figures include the relevant cost of increments for the five employees hired in 1996 and 1997. In 1996, one half of the annual starting rate is assigned to the employees hired in July, 1996. In 1997, the employees hired in 1997 are treated as hired on Jan. 1, 1997 and are assigned the first and second six month probationary rates. The Exhibit 1 shows that the three year payroll cost of the staff would cost \$21,998 less than the continuation of the 1995 staff for the same three years. This occurs because of the replacement of higher priced senior officers with entry level officers. This effect is further magnified when one notes that, compared to the staff of 14 senior officers in 1995, the 1996 staff contains sixteen officers (three for one-half year), the 1997 roster contains seventeen officers (one for one-half year) and the 1998 roster contains sixteen officers.

In Exhibit 2, attached hereto, the undersigned has prepared the salary schedule awarded herein. The rates for Patrolman 1 through 5 are increased by 4% in 1996, 1997 and 1998 while the 1995 Patrolman Probationary - First 6 months rate and the Patrolman Probationary - Second 6 months rate remains unchanged.

In Exhibit 3, attached hereto, the payroll costs of the salary increases in the Award are computed. The three year cost of the wage increases, including increments and two additional patrolmen, is \$2,581,172, \$165,668 more than the continuation of the 1995 payroll for three years without a wage increase.

However, it is clear that the payroll costs of the PBA unit must be linked with the payroll costs of the SOA unit in order to get an accurate and complete picture of payroll costs. Surely, the increase in the number of patrolmen, as detailed below, is related to the need to replace retiring patrolmen and patrolmen promoted to the superior officers unit to replace retiring superior officers. The Borough has elected to eliminate one superior officer position and has effectuated two promotions from the PBA unit to replace retiring superior

officers. During 1997, two additional superior officers retired. In Exhibit 4, the SOA payroll costs are listed. In 1995, the annual payroll cost of the eight member SOA unit was \$515,160 and, if this unit composition continued for the next three years, the three year payroll cost would have been \$1,545,480. Instead, as the result of retirements and attrition, the projected three year payroll cost is \$1,126,095, or \$419,384 less. Although the chart for 1998 contains only five superior officers, it is quite likely that the two vacancies will be filled by promotions internally in the SOA unit and from the PBA unit, as was done in the recent past. Although the filling of these vacancies by promotions will increase the payroll cost of the superior officers' unit, the resulting changes in the PBA unit will result in further PBA unit payroll savings because of the replacement of senior patrolmen with entry level officers.

In Exhibit 5, the undersigned has combined the projected costs of the two units. In 1995, the combined payroll cost of the two units was \$1,320,328 and the three year payroll cost of the continuation of these unit compositions without a wage increase would have been \$3,960,984. However, due to attrition, promotions and new hires, the new three year payroll cost, after including the wage increases included in this Award, will be \$3,707,268, or \$253,716 less. The record does not contain a schedule of severance payments to be paid to SOA retirees in 1997 or 1998. However, the annual \$8,000 severance payments to the recently retired SOA officers would not provide a significant offset to the savings noted above.

The statute requires, in the consideration of the interests and welfare of the public, that an assessment be made of the limitations imposed on the Borough by N.J.S.A. 40A:4-45.1 et seq., the CAP law. The record indicates considerable flexibility under the CAP because the Borough utilized the lower 2.5% index rate rather than the full 5% CAP permitted by law. In addition, the Borough has not

utilized all of the money that was permitted under the lower index rate in 1997. Accordingly, the sums not utilized are carried forward into the next year's CAP Bank and create additional flexibility in 1998. However, as noted above, the arbitrator's award will not, in any event, exceed the limits imposed by the CAP law inasmuch as the payroll costs of the award, when considered together with the relevant SOA payroll costs, will not exceed the 1995 payroll costs. The record shows that the Borough has a fairly stable and comparably low tax rate, a high current tax payment rate, a stable assessment base and some ongoing construction which will benefit future budgets. Apparently, in recognition of these economic factors, the Borough determined that it could prudently negotiate 4% plus increases in the Local 29 unit and grant 5% increases to the non-unionized employees. In any event, the award in this matter can not have any significant adverse impact on the residents or taxpayers since it does not impose higher payroll costs than were included in 1995 and the extension thereof to the following three year period. In fact, the attrition, promotions, new hires and the modest increase contained in this Award will surely contribute to the stability of the Borough budget and the maintenance of the current tax rate.

Inasmuch as evidence has not been introduced in these areas, the arbitrator need not make a comparison of the percentage of the municipality purposes element required to fund the employees' contract in the preceding local budget year; consider the impact of the award for each income sector of the property taxpayers of the local unit ; consider the impact of the award on the ability of the municipality to (a) maintain existing local programs and services, (b) expand existing local programs and services for which public moneys have been designated by the municipality in a proposed local budget, or (c) initiate any new programs and services for which public moneys have been designated by the

municipality in its proposed budget.

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

Although each party maintains that adoption of its position will enhance the continuity and stability of employment of this unit of police officers, the undersigned does not believe that there is sufficient evidence in the record to support a finding that the continuity or stability of employment would be significantly affected by the adoption of either proposal. Although the record indicates a substantial turnover of personnel, there is no evidence that prior officers have left this unit voluntarily to accept higher paying jobs in other communities. On the other hand, it appears that the Borough has been able to attract replacements when needed and to retain a competent and professional police force. The undersigned believes that the compensation package developed in this award is fair and reasonable. A fair and reasonable compensation package, applied within the confines of budgetary constraints, should promote the stability and continuity of employment in this unit by encouraging employees to persevere in their law enforcement efforts on behalf of the Borough and its taxpayers and foreclose the employer's need to consider a reduction in a force that is providing a valuable public safety function for the residents and taxpayers.

In the resolution of this dispute, the undersigned has deemed each of the statutory criteria relevant (except for the criterion relating to stipulations) and has assigned due weight to the criteria discussed above. In addition, the undersigned

has carefully considered the evidence and arguments presented by the parties. In this analysis, the undersigned has assigned considerable weight to the trend in private sector increases and other public sector increases generally as well as the current rate of increase in the Consumer Price Index. The undersigned has given great weight to an internal comparison within the Borough of River Edge, the recent River Edge/Local 29 settlement and the ordinance fixing salaries for non-unionized Boro personnel. The undersigned has considered the average rate of increases among comparable law enforcement agencies in Bergen County but has awarded a somewhat lower percentage package in light of several economic factors noted above. The undersigned believes that the arbitrator's award does not require expenditures which will exceed the Borough's lawful authority. In my role as an arbitrator with conventional authority, I have sought to develop an award which addresses and balances the concerns of both parties. The undersigned believes that the interests and welfare of the public will benefit by an Award containing a reasonable compensation package which will have a negligible, or, at worst, modest financial impact on the Borough's residents and taxpayers and contribute to the continuity and stability of employment in this negotiations unit.

Accordingly, based on an evaluation of the evidence submitted and the arguments advanced by each party and, after due consideration of each of the statutory criteria contained in N.J.S.A. 34:13A-16, the undersigned renders the following

INTEREST ARBITRATION AWARD

1. The term of the agreement shall be from January 1, 1996 through December 31, 1998.

2. There shall be across-the-board wage increases in the following percentages on the effective dates noted below:

1996:	1/1/96:	4%
1997:	1/1/97:	4%
1998:	1/1/98	4%

Schedule "A"- Annual Rate of Pay, the Salary Schedule for 1996, 1997 and 1998 shall be in accordance with Exhibit 2, attached hereto.

3. All other proposals made by both parties are denied.

4. All of the provisions of the prior agreement shall be retained in the new agreement, except as modified by this award or the agreement of the parties.

Carl Kurtzman NYS - 9/6 - 701-464-581
Carl Kurtzman, Arbitrator Dated: February 6, 1998

State of Florida)
County of Palm Beach)



On the 6th day of February, 1998, before me personally came and appeared Carl Kurtzman, to me known and known to me to be the person described herein who executed the foregoing instrument, and he acknowledged to me that he executed the same.

Miriam Greco

Payroll Costs-Public Works Unit

Exhibit A

	1996	1997	1998
	42552	43865	45231
	35455	36768	38134
	35455	36768	38134
	43002	44315	45681
	40083	41396	42762
	38359	39672	41038
	35822	37135	38501
	39671	40984	42350
	37963	39276	40642
	31922	33235	34601
	29221	31534	32900
	29221	31534	32900
	29221	31534	32900
	29221	31534	32900
	29221	31534	32900
	29221	31534	32900
	29221	31534	32900
	29221	31534	32900
	29221	31534	32900
	29221	31534	32900
	28245	29558	30924
	27968	29281	30647
	27968	29281	30647
	27968	29281	30647
	728197	765084	795137
% Increase	4	5.07	3.93

Effect of Severance Pay on PBA Unit Exhibit B

Year	New Salary	Increase	Longevity	Tot Inc	Severance
1996	59812	2300	115	2415	
1997	62205	4693	235	4928	
1998	64693	7181	287	7468	
1999	64693	7181	287	7468	
2000	64693	7181	287	7468	
2001	64693	7181	287	7468	
2002	64693	7181	287	7468	
2003	64693	7181	287	7468	
2004	64693	7181	287	7468	
2005	64693	7181	287	7468	
2006	64693	7181	287	7468	
2007	64693	7181	287	7468	
2008	64693	7181	287	7468	
2009	64693	7181	287	7468	
				96959	
2010					8000
2011					8000
2012					8000
2013					8000
2014					8000
2015					8000
2016					8000
2017					8000
2018					8000
2019					8000
2020					8000
2021					8000
2022					8000
					104000

Effect of Severance Pay on SOA Unit Exhibit C

Year	New Salary	Increase	Longevity	Tot Inc	Severance Pay
1996	64596	2484	248	2732	
1997	67180	5068	507	5575	
1998	69867	7755	776	8531	
				16838	
1999					8000
2000					8000
2001					8000
					24000

Payroll Costs Without Salary Increases - Exhibit 1

Name	Sal:'95	Sal:'96	Sal:'97	Sal:'98
Halberg Patrolman 1	57512	28756	0	0
Carridi Patrolman 1	57512	57512	28756	0
DeAngelis Patrolman 1	57512	0	0	0
Hammel, D Patrolman 1	57512	57512	57512	57512
McDermott Patrolman 1	57512	57512	57512	57512
Kolze Patrolman 1	57512	57512	57512	57512
Westervel Patrolman 1	57512	57512	57512	57512
Haggis Patrolman 1	57512	57512	57512	57512
Faustini Patrolman 1	57512	57512	57512	57512
Connolly Patrolman 1	57512	57512	57512	57512
Curran Patrolman 1	57512	57512	57512	57512
Naprstek, Patrolman 1	57512	57512	57512	57512
Walker Patrolman 1	57512	57512	57512	57512
Wilhelm Patrolman 1	57512	57512	57512	57512
Drozba Ptl. Prob.		12000	33150	39512
Starost Ptl. Prob.		12000	33150	39512
Cheevers Ptl. Prob.		12000	33150	39512
Casey Ptl. Prob.			27000	36300
Shouldis Ptl. Prob.			27000	36300
	805168	754900	814838	823768

2393506
2415504
21998

Salary Schedule - 1996, 1997, 1998

Exhibit 2

Schedule "A" - Annual Rate of Pay

Rank	,1/1/95	,1/1/96	,1/1/97	,1/1/98
Patrolman 1	57512	59812	62205	64693
Patrolman 2	51668	53735	55884	58119
Patrolman 3	46165	48012	49932	51929
Patrolman 4	42725	44434	46211	48060
Patrolman 5	36300	37752	39262	40833
Ptl. Prob.-2nd 6 mos.	30000	30000	30000	30000
Ptl. Prob.-1st 6 mos.	24000	24000	24000	24000

Payroll Costs With Salary Increases in Award

Exhibit 3

Name	Sal:'95	Sal:'96	Sal:'97	Sal:'98
Halberg Patrolman 1	57512	29906	0	0
Carridi Patrolman 1	57512	59812	31103	0
DeAngelisPatrolman 1	57512	0	0	0
Hammel, DPatrolman 1	57512	59812	62205	64693
McDermottPatrolman 1	57512	59812	62205	64693
Kolze Patrolman 1	57512	59812	62205	64693
WestervelPatrolman 1	57512	59812	62205	64693
Haggis Patrolman 1	57512	59812	62205	64693
Faustini Patrolman 1	57512	59812	62205	64693
Connoly Patrolman 1	57512	59812	62205	64693
Curran Patrolman 1	57512	59812	62205	64693
Naprstek, Patrolman 1	57512	59812	62205	64693
Walker Patrolman 1	57512	59812	62205	64693
Wilhelm Patrolman 1	57512	59812	62205	64693
Drozba Ptl. Prob.		12000	34631	43661
Starost Ptl. Prob.		12000	34631	43661
Cheevers Ptl. Prob.		12000	34631	43661
Casey Ptl. Prob.			27000	40833
Shouldis Ptl. Prob.			27000	40833
	805168	783650	873251	924272
		-2.75	11.43	5.84

2581172.
 2415504
 -165668.

Payroll Costs-SOA unit

Exhibit 4

Name		Sal: '95	Sal: '96	Sal: '97	Sal: '98
Baker	Captain	70436	70436	46957	0
Burke	Lieutenant	67082	0	0	0
Starace	Lieutenant	67082	0	0	0
McCarthy	Sergeant	62112	62112	62112	62112
Biggar	Sergeant	62112	62112	62112	62112
Sabino	Sergeant	62112	62112	31056	0
Hammel	Sergeant	62112	0	0	0
Daly	Sergeant	62112	62112	62112	62112
Hammel	Lieutenant		67082	67082	67082
Halberg	Sergeant		31056	62112	62112
		515160	417022	393543	315530

1126095.
 1545480
 419384.6

Payroll Costs-SOA unit and PBA unit

Exhibit 5

Name		Sal:'95	Sal:'96	Sal:'97	Sal:'98
SOA		515160	417022	393543	315530
PBA	W/O Increase	805168	754900	814838	823768
Total:		1320328	1171922	1208381	1139298
SOA		515160	417022	393543	315530
PBA	With Increase	805168	783650	873251	924272
Total:		1320328	1200672	1266794	1239802

3960984
 3707268
 253716

