

**NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION**

In the Matter of Interest Arbitration Between

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**TOWNSHIP OF PENNSAUKEN,**

"Public Employer,"

-and-

**FRATERNAL ORDER OF POLICE,  
GARDEN STATE LODGE #3,**

"Union."

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**INTEREST ARBITRATION  
DECISION  
AND  
AWARD**

Docket No. IA-97-107

**Before  
James W. Mastriani, Arbitrator**

**Appearances:**

**For the Public Employer:**

David A. Luthman, Esq.  
Toll, Sullivan & Luthman

**For the Union:**

James Katz, Esq.  
Tomar, Simonoff, Adourian, O'Brien,  
Kaplan, Jacoby & Graziano

The Township of Pennsauken [the 'Township'] and the Fraternal Order of Police, Garden State Lodge #3 [the 'FOP'] are parties to a collective negotiations agreement which expired on December 31, 1996. After direct negotiations did not produce an agreement for a new contract, the parties jointly filed a Petition to Initiate Compulsory Interest Arbitration with the New Jersey Public Employment Relations Commission on March 31, 1997. I was appointed interest arbitrator on April 25, 1997.

In accordance with the provisions of P.L. 1995, c. 425, I conducted pre-arbitration mediation sessions on July 14 and August 25, 1997. Despite the good faith efforts of the Township and the FOP, a voluntary agreement could not be achieved and a formal interest arbitration hearing was held in Pennsauken, New Jersey on November 20, 1997. The mandatory terminal procedure of conventional arbitration was used to decide all issues in dispute. Under this procedure the arbitrator has the authority to fashion an award which he believes represents the most reasonable determination of the issues in dispute after application of the relevant statutory criteria.

At the arbitration hearing, each party submitted extensive documentary evidence into the record and argued orally. Post-hearing briefs were received on December 3, 1997.

The FOP represents 74 employees employed by the Pennsauken Police Department. All of the employees in the bargaining unit are patrol officers. There is also a separate negotiating unit of superior officers from the rank of sergeant through senior captain. This proceeding involves only the patrol officers.

### **FINAL OFFERS OF THE PARTIES**

Before the commencement of formal hearings, the Township and FOP submitted the following final offers:

#### **TOWNSHIP OF PENNSAUKEN**

1. The starting point for the Township's position with respect to Salaries and Wages is the Salary Schedule in effect as of the end of the prior collective bargaining agreement, i.e., those salaries in effect as of January 31, 1996.

2. The Township proposes an increase for all steps within the salary scale commencing on January 1, 1997, in an amount equal to four percent (4%). For those members of the unit at the top pay in the salary scale or at Senior Officer status, please note that the 4% increase is reduced by a 2% credit in accordance with the prior collective bargaining unit.

3. In 1998, the Township proposes an additional increase of 3% for all steps inside the scale for those Officers who have reached top pay or Senior Officer status.

4. In 1999, the Township proposes that each Officer having not yet attained top pay, skip one (1) step in the salary guide with no percentage increase within the guide and a 3% increase for all Officers at top pay or Senior Officer status. This offer of a step skip shall be applied to all members of the unit who were members as of January 1, 1997, only.

5. For Years 2000 and 2001, the Township proposes a 3% salary increase across the board.

6. In addition to the salary proposal set forth above, the Township has agreed that it would adopt an Ordinance allowing for credit toward twenty-five (25) years of service for time served in other police units for the purpose of obtaining lifetime medical benefits for retirees.

7. The Township has requested a change in language as it relates to educational credits to limit the applicability of educational credit compensation for all Officers hired subsequent to January 1, 1997, to those credits earned while in the employ of the Township of Pennsauken's Police Department. For all Officers hired prior to January 1, 1997, the past practice shall prevail.

8. The Township seeks to expand its ability to negotiate terms of employment with new hires. Specifically, the Township is now permitted to negotiate the level of starting compensation for any new hire. The Township further proposes that it be permitted to negotiate the amount of credit for time served in other departments as it relates to the accrual of entitlements to vacation, sick time, longevity and attainment of Senior Officer status with all new hires.

### **FOP GARDEN STATE LODGE 3#**

1. Five Year Contract.
2. Salary including top pay, increased 4% annually for the life of the contract, commencing January 1, 1997. This applies to all officers, except those below the top rate, whose proposed wage increase is described in paragraph 3 below.
3. The FOP accepts the new salary scale originally proposed by the Township. This scale shall be increased 4% per year, for the life of the contract commencing in January 1, 1998, is consistent with the raises provided all other officers in the bargaining unit. The new pay scale as of January 1, 1997, will be as follows:

<b><u>CLASSIFICATION</u></b>	<b><u>BASE SALARY</u></b>
CADET	\$27,318.00
PATROLMAN (beginning of 2nd year)	\$28,957.00
PATROLMAN (beginning of 3rd year)	\$31,143.00
PATROLMAN (beginning of 4th year)	\$33,874.00
PATROLMAN (beginning of 5th year)	\$37,153.00
PATROLMAN (beginning of 6th year)	\$40,431.00
PATROLMAN (beginning of 7th year)	\$43,709.00

PATROLMAN (beginning of 8th year) TOP PAY

4. As of January 1, 1998, each officer in the bargaining unit who is below the top rate shall be bumped up to the next step in the salary scale. The language in Article X, Section B of the parties' contract, where it refers to the salary scale, should be changed from year to step, in order to effectuate the provisions of the bump.

5. Add provision to the contract similar to the provision in the Superior Officers' contract, which in addition to selling back holiday and vacation (presently allowed) would permit the annual sell back of sick days, up to the maximum sell back days presently allowed in the parties' contract.

A. A Police Officer may sell back unused compensation days equal to the number of days he/she earned or would have earned in each category (holidays, vacation, sick) of compensation days in a contract year, pursuant to the existing limits established in the current contract.

B. The police officer will be paid for his unused compensation days on December 1st, by separate check.

6. Any officer who is eligible for retirement under the Police and Firemen's Retirement System, shall be credited for years of service with jurisdictions other than Pennsauken, for purposes of receiving retiree medical benefits to be paid for by the Township.

7. All contractual changes, including salary increases, shall be retroactive to January 1, 1997.

8. For all other matters, the current contract language would remain the same.

### **BACKGROUND**

The Township is located in the County of Camden and is approximately 12 square miles in area. It is populated by approximately 35,000 residents. It has a labor force of 17,800 workers and its unemployment rate has steadily decreased throughout the 1990's to 4.4% in 1996. The Delaware River makes up two miles of its western border where many industrial plants are located. Major roads, such as Routes 130 and 73 and Haddonfield Road, run through the Township. It is adjacent to the City of Camden and within easy access to Philadelphia. The Township houses many commercial and industrial operations. Commercial and industrial tax assessments represent 43% of the Township's assessed valuations in 1997.

The Township is well governed. The municipal portion of its tax rate for 1996 at \$1.718 was less than 20% of the Township's total tax rate and is less than what it was in 1992 in both dollar and percentage terms. Delinquent taxes, as a percentage of tax levy, decreased from 9.92% in 1992 to 4.38% in 1996. In the same time period, its percentage of

collections increased from 90.91% to 95.61%. The Township has had substantial fund balances in each of the last several years and uses a portion of the amount of fund balance in each succeeding budget year. For example, slightly more than 20% of a fund balance of \$6,739,261.75 in 1996 was utilized in calculating the 1997 budget. A substantial amount of record evidence was introduced concerning the municipal finances of the Township. Although I have concluded below that this evidence is relevant to making a reasonable determination of the issues in dispute, the Township and the FOP have recognized that the Township's ability to pay is not an issue in this proceeding.

The record reflects that maintaining the public's health, welfare and safety places substantial demands on this police department and that it is an effective and productive department. The number of violent crimes rose by 18% from 1990 to 1996 while it decreased 15% statewide. There were 2,150 total arrests in 1996, an increase of 13.9%. Through October of 1997, there were 2,377 total arrests yielding an annualized figure of 2,852, representing a 32.7% annualized increase over 1996. Next to the City of Camden, the crime rate is among the highest in Camden County. Service calls increased from 62,286 in 1995 to 66,384 in 1996. In 1997, service



calls grew an additional 8.1% based on annualized figures through October 1997. Total citations issued by the police department have also increased substantially. 18,777 citations were issued in 1995 and this figure grew at an annualized rate of 26.3% in 1996 and an 8.4% in 1997.

The primary issue in dispute during negotiations for the new agreement is compensation. This issue concerns both the amount of salary increases and the salary structure. Much of this dispute, and the parties' positions thereto, have been affected by recent changes in the salary structures in prior labor agreements.

The labor agreement which expired on June 30, 1992 contained a three-step salary guide for patrolmen. Effective on July 1 of each contract year there was an increase on each step of the guide. In 1991 the salary guide was as follows:

Classification	Base Salary
Patrolman (starting)	\$32,251.00
Patrolman (second year)	\$34,728.00
Patrolman (third year)	\$38,085.00

In addition, there was a Detective classification at an annual salary of \$41,139.00. The agreement also included the classifications of Senior Patrolman and Senior Detective. After 22 years of service, each employee, depending upon their assignment, would attain one of these two classifications. The respective rates of pay in 1991 were \$44,663 for the Senior Patrolman and \$48,225 for the Senior Detective, a difference of \$3,562.

The next agreement was effective on July 1, 1992 through December 31, 1996. In this agreement, the Township and FOP made two substantial changes to the salary schedules. The first change created a new wage scale for any police officer hired subsequent to January 1, 1994. A new police officer would now be hired at an annual salary of \$25,000.00 and would move to a top rate of \$44,807.00 beginning in the 8th year of service. Although the top rate increased annually during the remainder of the term of the contract, in accordance with percentage increases to other officers, the remaining rates (Cadet through Beginning 7th Year) were to remain frozen for the duration of the contract. Although each new hire would receive an annual increment on the guide reflecting another year of experience, the salary steps remained frozen.

The second significant change in the salary structure eliminated the classifications of Senior Patrolman and Senior Detectives effective July 1, 1995. In their place a new classification was created entitled Senior Officer. Effective July 1, 1995, the rate of pay for the Senior Officer was \$58,059.00. A Senior Detective paid at a rate of \$55,826.00 in 1994 moved to the new Senior Officer pay and a Senior Patrolman paid at a rate of \$51,703.00 also moved to the new Senior Officer rate of pay. Thus, the Senior Detective who moved to the Senior Officer classification received a 4% increase and the Senior Patrolman who moved to the Senior Officer classification received a 12.3% increase.

The changes in the salary schedules in the prior agreement have impacted dramatically on these negotiations. The wage scale for new employees requires a greater length of time to reach top pay. There were three steps and now there are eight. Also, these steps were frozen for the life of the Agreement. The freezing of the new and lower salary steps has resulted in dramatically lower pay for police officers hired after January 1, 1994 compared to police officers within Camden County and surrounding counties. Each party's position reflects an attempt to address these

concerns although there is a disagreement as to the proper approach. Although the Township is responsive to some of the FOP's arguments with respect to the inequities created by this new wage scale, it contends that any examination of this issue must also take into consideration the voluntary trade-offs which were made by the agreement to provide for the new Senior Officer classification. The record does support the fact that the prior negotiations committee of the FOP voluntarily agreed to the trade off between the two-tiered salary guide and the creation of the Senior Officer classification.

Before addressing and deciding the issues in dispute and reviewing the parties' positions with respect to those issues, I set forth below issues which are not in dispute and the stipulations of the parties.

At the hearing, the Township and the FOP stipulated to the following:

1. All wage increases shall be retroactive to January 1, 1997.
2. The Township of Pennsauken is not claiming that ability to pay is an issue in this proceeding or that it is related to either of the proposals advanced by the Township or the FOP.
3. The parties have agreed that the prescription co-pay under Article XII of the

Contract shall be increased from three dollars (\$3.00) to five dollars (\$5.00). The FOP should be credited for the savings to the Township which results from this increase.

4. The parties have agreed that the Township may elect to provide major health care coverage through the selection of Blue Cross/Blue Shield-Blue Select coverage and the Township has also agreed that the benefits to be provided will be equivalent or better than current benefits. The FOP shall be credited with the cost savings to the Township for this change in health care providers.

5. In 1997, for the increase to all officers at top rate or above, the Township shall be credited for a salary increase to members of the bargaining unit equal to one half of the percentage increase which began on July 1, 1996 and was provided in the Contract which expired on December 31, 1996. There is no credit for any increase given in 1997 for officers below the top rate.

In addition, a review of the parties' respective positions reflects agreement with respect to the following issues. Each proposes a five year agreement commencing January 1, 1997 through December 31, 2001. Each party also agrees that there be a 4% wage increase commencing on January 1, 1997 to be applied to all steps in the salary scale, top pay and at Senior Officer level. For those unit members at top pay in the salary scale or at Senior Officer status, there is a 2% credit as reflected in the prior collective

negotiations agreement. The parties' positions also reflect that there be a one- time "bump" for each police officer within the first seven steps of the salary guide during one year of the new agreement. The positions on this issue are responsive to the freezing of the salary guide for new police officers in the last agreement and that this single bump would permit the affected officers to reach top sooner. There is a dispute over the timing of the bump. The FOP proposes that the bump occur in 1998 and the Township in 1999. The Township does not want the percentage increases to apply to the steps during the year of the bump. Lastly, the parties' positions reflect an understanding that any officer eligible for retirement under the Police and Firemen's Retirement System, should be credited for years of service with jurisdictions other than Pennsauken for purposes of receiving retiree medical benefits to be paid by the Township, and the Township has agreed to adopt a municipal ordinance to permit such crediting.

#### **POSITION OF THE FOP**

Notwithstanding the fact that this dispute is to be resolved by conventional arbitration, the FOP urges that its economic proposal be

accepted in its entirety. The FOP cites many considerations and evidence which support its view as well as the relevant statutory criteria.

The FOP believes that the interests and welfare of the public would be served by adoption of its final offer. It cites the nature and the increase in its workload and asserts that its unit members should receive a salary commensurate with these increased demands and responsibilities. It points to the evidence concerning the increases in crime, arrests, service calls and citations and also the Township's acknowledgment that the police force has become increasingly productive thereby producing increased revenue for the Township. The FOP also cites what it terms unprecedented decreases in salaries resulting from the wage scale reduction in 1994. These modifications are alleged to have resulted in detriment of the morale and spirit of those officers which is inconsistent with the requirement that the interests and welfare of the community and the safety of the public be served. The FOP also contends that a comparison of wage and benefits with other police employees in the Township, other employees in comparable jurisdictions and similarly situated employees performing the same or similar functions in the private sector support the FOP's position. It points to a 4% wage increase already granted to Superior Officers in 1997

and 1998. It also points to a 4% increase which non-bargaining unit employees received in 1997.

The FOP has also proposed 10 jurisdictions which it believes are comparable to Pennsauken in terms of size of the department, population, area and other relevant criteria. These include Burlington Township, Camden, Cherry Hill, Evesham, Gloucester Township, Medford, Moorestown, Voorhees, Willingboro and Winslow. The FOP focuses on comparable salaries at various years of service. Summarizing this data, the FOP asserts that its salaries are 32.7%, 19.2% and 17.5% below the average salary of the comparable communities at three, six and seven years of service.

The FOP contests the Township's reliance on comparing top pay. The FOP contends that the Township ignores the length of time it now takes for an officer to receive top pay. It also asserts that an examination of wage packages over the last several years yields disparities in wage packages. The FOP submits evidence reflecting lower pay for its unit members from starting salary to the 22nd year when compared with Cherry Hill, Gloucester Township, Voorhees and Winslow. The FOP vigorously protests the



Township's reliance upon wages paid to Senior Officers as a reflection of the fairness of the present salary schedule and that the Township places too much weight on the tradeoff as a justification for the low wage structure for new hires. By emphasizing the annual salary of the Senior Officers, the FOP contends that the Township ignores the fact that the Senior Officers, during their 23rd year of employment, must convert longevity and vacation benefits to base salary.

The FOP asserts that the adoption of its final offer will not effect the lawful authority of the Township. The FOP points to the annual budget which reflects anticipated expenditures \$1.4 million below its CAP limitation. The FOP also contends that its proposals will not have an adverse financial impact on the governing unit, its residents and taxpayers. It cites the stipulation that ability to pay is not an issue nor related to either its proposals or those advanced by the Township.

The FOP also asserts that its proposal is not inconsistent with the rise in the cost of living. Although it acknowledges that the average increase in the cost of living has been below 3% during the last four years, it cites two factors which it believes undermines reliance on this criterion. It highlights

the freezing of the salary guide for three years during the period of time when the cost of living increased and that the cost of living should not be a dispositive factor in the context of the overall statutory criteria.

The FOP also asserts that the continuity and stability of employment criterion weighs in favor of adoption of its final offer. The FOP asserts that there will be a turnover of almost 1/3 of the bargaining unit during the life of the new agreement. The FOP believes that the Township's ability to attract qualified police officers will diminish in light of the previous three-year freeze in the wage scale, the eight step schedule and the parties' agreement to increase the co-pay in the prescription drug plan from \$3.00 to \$5.00.

The FOP also submits data concerning private sector wage increases. It cites projections by the Consumer Research Center of the Conference Board that there will be increases averaging 4% in major industries in 1997 and 1998. It submits similar results and projections from the American Compensation Association with respect to salaried and non-union hourly employees. The FOP believes its wage proposal is consistent with these projections.

The FOP also urges the adoption of its proposal to "sell back" sick days up to the maximum number of sell back days allowed in the labor agreement. It cites numerous reasons in support of this proposal. It cites Article V of the Superior Officers' contract which contains an identical provision. It also cites a provision in the Township's contract with its clericals which provides a sell back of up to 15 sick days each year with payment on or about January 15 of the succeeding year. It also cites provisions for the sell back of sick leave time, either at the end of each year or at retirement, in other agreements in comparable jurisdictions.

The FOP also urges rejection of the Township's proposal to negotiate terms and conditions of employment for new police hires who have prior police experience. It points to an existing provision which permits the Township to place a police officer with experience and/or a college background in police affairs at a higher level on the salary scale than the starting position. The FOP also asserts that this proposal would "eviscerate" Article IX of its agreement which requires that the Township credit time spent in other jurisdictions for purposes such as longevity, vacation and Senior Officer status. It seeks to avoid the possibility that future police officers with similar experience would result in a variety of benefit levels thereby

undermining the union's role as a bargaining representative. The exercise of such authority would allegedly affect the spirit and stability of the bargaining unit by creating disparities in benefits. It also urges rejection of the Township's proposal because it seeks to permit the Township to negotiate all terms of employment without limitation or restraint. The FOP also contends that the Township has not offered any justification for its proposal.

The FOP also urges rejection of the Township's proposal to eliminate Article XXIV which allows officers who have earned college credits in other jurisdictions to be paid at the rate of 25 cents per credit per week for two years from the date of obtaining such credits. The FOP points to a grievance arbitration award in which it prevailed on this issue and asserts that the Township should not be able to achieve in this proceeding what it was not able to achieve in a prior grievance arbitration.

### **POSITION OF THE TOWNSHIP**

The Township vehemently opposes consideration of the FOP's proposal to afford unit members the opportunity to sell back sick time. It

objects to the timing of the submission of this issue to arbitration inasmuch as the specific proposal was submitted immediately prior to arbitration. Thus, it did not have sufficient opportunity to review and analyze the economic impact of the issue. The Township points to the existing agreement which does provide for the annual sell back of vacation leave and holidays annually equal to the number of days earned and the sell back of these days up to 100 upon retirement at the rate of pay in effect as of the date of retirement. The Township seeks no change to those agreements, but it does not want to extend sell back of days to sick days. Although the Township did not have the opportunity to undertake a cost analysis of this proposal, it believes the potential financial exposure to the Township would be substantial. This view is based upon existing evidence concerning the selling back of vacation and holidays and the anticipation that for patrol officers it could lead to every officer receiving a maximum sell back at retirement involving great cost to the Township.

The Township believes that its proposal to provide that educational credits apply only to those earned while employed in the Township is

reasonable. The Township asserts that its proposal would encourage existing employees to further their training and job performance by use of higher education after they have been employed by the Township. This is more consistent with the objective of this benefit. Because the Township is bound by Civil Service regulations for new hires, it does not have the ability to impact on job training prior to employment. Further, the Township points to Cherry Hill, Evesham and Willingboro which reward education taken subsequent to employment with each of those municipalities.

With respect to salary increases and salary structure, the Township has focused mainly upon the data concerning comparable municipalities. It offers substantial evidence in support of its contention that its proposal is more consistent with the comparability evidence than that of the FOP. A summary of its position as reflected in its post-hearing submission is incorporated herein. It states the following:

The FOP submitted various exhibits which purport to compare base salaries of Police Officers in Pennsauken with comparable municipalities in the Camden/Burlington County vicinity. In each of these exhibits, the FOP neglects to include the Pennsauken salaries for Senior Officers. With reference to FOP Exhibit 7, the significance of this omission becomes readily apparent. Any Officer show with a salary as of

December 31, 1996, of sixty thousand three hundred eight-one dollars (\$60,381.00) is enjoying that Senior Officer benefit. As of the end of last year, that was fifteen (15) individual Officers. In 1997, they are joined by two (2) more Officers and prior to the end of the proposed contract term, there will be another seven (7) Officers (minimum, potentially Officers Sampson and Wilson will join their colleagues) who will enjoy that enhanced rate of pay. These are not insignificant numbers as they relate to the collective bargaining unit by any stretch of the imagination.

The FOP further provides Exhibit 37 to demonstrate prior salary increases given to the Pennsauken Sewerage Authority. What the F.O.P. has failed to mention is that it has listed in its table four (4) positions which are not within the collective bargaining unit, that being the Treasurer, Executive Director, Superintendent and Maintenance Supervisor. It also fails to mention that there had previously been two (2) collective bargaining units at the Pennsauken Sewerage Authority. One was for the clerical or officer staff consisting of four (4) positions, those being Accounts Receivable/General Clerk, Accounts Payable/Collection Clerk, Administrative Secretary and Billing Coordinator. The second bargaining unit was the maintenance staff, Truck Operator, Maintenance Operator and Maintenance Mechanic. These two (2) units were combined and the clerical staff employees received much larger increases due to the demonstrable and clearly evidence lack of parity with the other unit. In addition, this is a unit that has remarkable length of service experience. There are sixteen (16) total people in the unit, four (4) having more than twenty-five (25) years of service, three (3) with twenty (20) years of service and an average of over fifteen and one-half

(15 1/2) years of service. The most senior members of the unit is the Billing Coordinator with a date of hire of October 21, 1968 (29 years of service) and a 1997 salary of thirty-four thousand two hundred forty-two dollars (\$34,242.00), a far cry from the 1997 Senior Officer pay of sixty-one thousand five hundred eighty-eight dollars and 62/100 (\$61,588.62).

The Township has previously addressed its analysis of other municipal police contracts in its prior submission. However, reference to F.O.P. exhibits further demonstrates the favorable position of Police Officers in Pennsauken Township.

The Cherry Hill contract for example provides for a base salary increase of 3% in 1995, 3.5% in 1996, 3.5% in 1997 and 4% in 1998. In addition, it is instructive to note that the \$25,000.00 starting salary was frozen from 1995 and 1996 and did not enjoy the percentage increase until 1997. Inasmuch as the Township has offered to increase that starting salary by 4% in 1997, a starting Officer in Pennsauken will make slightly more than a colleague in Cherry Hill.

Throughout the balance of those contracts, offered by the F.O.P. for comparison, Pennsauken compares very favorably.

If the Township's proposal is adopted in 1997, a Cadet Officer will make \$26,000.00, a first year Officer \$27,560.00, the Officer at the Top of the scale will make \$48,637.68 and Senior Officers \$61,588.62. By comparison, in Moorestown the 1997 starting salary is \$29,120.00 but the absolute top pay is \$50,901.00. There is no senior officer status. While it might be argued by the F.O.P. that the difference is made up in



longevity pay, the Moorestown contract provides for a maximum longevity pay after twenty (20) years of \$5,084.00. This means that the maximum base salary plus longevity is \$55,985 (F.O.P. Exhibit 88, Article XII). In the Township of Evesham, there are seven steps with a starting salary of \$33,000.00 and a top pay of \$51,833.00. There is no provision for longevity pay in Evesham Township and no senior officer status (F.O.P. Exhibit 85)

In Willingboro, new officers start at \$27,581.00 in 1997, and the top pay is \$49,950.00. There is no senior officer status. In addition, the contract added an additional step as of September 1, 1994, for new hires and for every officer hired after that date, the salary within the guide is significantly lower than for colleagues hired prior to that date until the last two (2) steps. It should be noted that officers hired who have not yet completed their academy training are not included in the salary guide and are not members of the collective bargaining unit. Further, longevity does not come close in Willingboro to making up the difference between top pay and senior officer status as enjoyed in Pennsauken. For officers hired before December 31, 1984, the maximum longevity pay was \$4,000.00. For officers hired after January 1 1985, the maximum longevity pay is \$2,000.00 (F.O.P. Exhibit 90)

The Medford agreement provides for eleven (11) steps. This is subsequent to recruit. The starting recruit salary for 1997 is \$27,196.00 and the last step on the salary guide tops out at \$52,307.00. There is no senior officer status. Longevity pay tops out at Year 25, at \$2,500.00. Just by way of comparison, an officer in the 23rd Year in Medford Township in 1997 would earn \$54,607.00 in combined salary and longevity

while an Officer in Pennsauken in Year 23 would earn \$61,588.62.

Winslow has 28 steps in the salary guide. The last year within the contract (F.O.P. Exhibit 91), is 1996. In that year, the beginning salary for patrolmen is \$29,021.00 and the top pay at Year 28 is \$53,662.00. There is no provision for longevity and no senior officer status.

The Final issue the Township of Pennsauken wishes to address is with regard to the difference between the F.O.P.'s proposal and the Township's proposal with respect to the year in which a skip in steps is proposed. The FOP proposes that the step skip occur in 1998 and the Township proposes that it occur in 1999. Exhibit G is an analysis of F.O.P. member salaries under the Township's proposal. Close examination of this schedule shows years in which the salary for a particular officer is actually less than the total for the year before. This occurs because, in fairness, the Township has assumed that any Officer eligible for retirement will in fact retire. Accordingly, the salary reflected in the year of retirement at the higher end is calculated only through retirement eligibility and assigns an entry level rate of pay for the balance of that year. In the next succeeding year, the salary further decreases in most instances to pick up the entry level salary for that full year. By looking at this schedule, it is evidence that only three (3) Officers will be eligible to retire in 1998. An additional eight (8) Officers will be eligible to retire in 1999. The largest potential savings from this "breakage" is in 1999 which will assist in offsetting the additional salary requirements imposed upon the Township should a step skip be permitted.

## **DISCUSSION**

I am required to make a reasonable determination of the above issues giving due weight to those factors set forth in N.J.S.A. 34:13A-16g(1) through (8) which I deem relevant to the resolution of these negotiations. I am also required to indicate which of these factors are deemed relevant, satisfactorily explain why the others are not relevant and provide an analysis of the evidence on each relevant factor. These factors, commonly called the statutory criteria, are as follows:

(1) The interests and welfare of the public. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by P.L. 1976, c. 68 (C. 40A:4-45.1 et seq.).

(2) Comparison of the wages, salaries, compensation, hours and conditions of employment of the employees involved in the arbitration proceedings with the wages, salaries, compensation, 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; provided, however, each party shall have the right to submit additional evidence for the arbitrator's consideration.

(b) In public employment in general; provided, however, each party shall have the

right to submit additional evidence for the arbitrator's consideration.

(c) In public employment in the same or similar comparable jurisdictions, as determined in accordance with section 5 of P.L. 1995, c. 425 (C.34:13A-16.2) provided, however, each party shall have the right to submit additional evidence concerning the comparability of jurisdictions for the arbitrator's consideration.

(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. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by P.L. 1976, c. 68 (C.40A:4-45 et seq.).

(6) The financial impact on the governing unit, its residents and taxpayers. When considering this factor in a dispute in which the public employer is a county or a municipality, the arbitrator or panel of arbitrators shall take into account to the extent that evidence is introduced, how the award will affect the municipal or county purposes element, as the case may be, of the local property tax; a comparison of the percentage of the municipal purposes element, or in the case of a county, the county purposes element, required to fund the employee's 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 a proposal local 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.

The Township and the FOP have each clearly and capably articulated their positions on each issue and submitted evidence and argument in support of the respective positions taken. The evidence and arguments have been carefully considered and weighed. I conclude that all the statutory criteria are relevant to the resolution of the dispute, although, as set forth below, not all have been accorded the same weight.

I first address the economic issues each party has submitted which do not involve salary or salary structure. Those include the sick day sell back proposal of the FOP and the Township's proposals for changes in language

concerning educational credits and the expansion of its ability to negotiate certain terms and conditions of employment for new hires.

I do not conclude that the FOP or the Township has submitted sufficient justification for the modifications sought on the sell back proposal or the expansion of the right of the Township to negotiate terms for new hires. It is a well-accepted principal that the burden for change is on the proposing party and I do not find that the burdens have been met with respect to these proposals.

The financial impact of the sell back proposal is a significant factor in the evaluation of its justification, and the timing of its introduction into the process serves to undermine the focus of the dispute which has centered on salary and salary structure. The Township's contention on the timeliness of this proposals has merit and this proposal is therefore denied.

I also do not grant the Township's proposal to expand its authority to negotiate terms and conditions of employment beyond the starting salary for new hires with time served in other departments. Although such authority could result in lower costs for new hires with prior law enforcement

experience, the many variations in contractual benefits which could arise as a result of this authority could serve to negatively impact on the morale of the workforce and could cause harm the interests and welfare of the public. The Union's role in the maintenance of the continuity and stability of employment could also be subverted by having to represent employees with potentially vast differences in their employment benefits. Future collective negotiations could be harmed by the parties having to deal with demands to equalized differences. Thus, I deny this proposal. For similar reasons, I do not grant the Township's proposal with respect to a change in the language regarding educational credit compensation.

I next turn to the issues concerning salary and salary structure. Each are intertwined. The differences are in the amounts of increases in the salary schedule in years 1998, 1999, 2000, and 2001, and whether and when those officers below top rate receive an additional bump in guide movement.

Each party acknowledges that a four percent (4%) increase in the 1997 schedule is warranted. Because a two percent (2%) flow through must be charged for an adjustment in the prior agreement for unit members at the

top pay or a Senior Officer status, the four percent (4%) increase shall be adjusted by a two percent (2%) credit.

The 1997 adjustment as described above shall apply to all steps of the salary schedule. The proposals of the FOP to grant the 1997 pay scale proposed, but withdrawn by the Township, for those unit members below top pay is denied. That proposal deals with equitable treatment for those unit members not at top pay who were affected by an agreed upon freeze in the salary guide. Those employees will receive the four percent (4%) adjustment in addition to their contractual step movement in 1997 and future salary treatment in response to their prior "freeze" will be addressed below.

For contract years 1998 and 1999, I also find that increase in the salary schedule of four percent (4%) in each year are warranted. The Superior Officer agreement provides for a four percent (4%) increase in 1998 and the record, as a whole, does not justify less than this increase for 1998 and 1999. For contract years 2000 and 2001, a reasonable determination, with due regard for all of the relevant statutory criteria, is that the salary schedule, be adjusted by an additional three and three fourths percent (3.75%).



These increases are justified in substantial part by the increase in workload and productivity of the police force, the increase in violent crime, the ability of the Township to pay the increases, the absence of interference with the Township's lawful authority to fund the increases, the comparability data in 1997, 1998 and 1999 which reflect that these increases are not unreasonable, the interests and welfare of the public which will continue to be served by a competent and productive police force, and the continuity and stability of employment which benefits from a long-term agreement which overcomes the internal conflicts among employees created by the prior agreement.

The prior agreement is a relevant consideration in the determination of wages during this Agreement. The prior agreement was reached voluntarily. The trade offs were agreed upon and there is merit to the Township's assertion that it should not be penalized by engaging in an agreement which its partner in the process now describes as a bad deal because of the impact on the younger workforce. The FOP must recognize that whatever the effects of the prior agreement, it now enjoys higher Senior Officer pay because of the trade off.

The Township must also acknowledge that the prior agreement will inure to its benefit for many years. An eight step schedule compared with a three-year schedule will result in cost savings. Many Senior Officer personnel will retire during the life of this agreement creating further savings. The hiring of police officers during the last agreement on the new scale, and the freezing of the salary schedule for three years, will benefit its financial interests.

The Township and the FOP each recognize that an adjustment during the life of this agreement for new hires who only received step movement on a frozen scale is warranted. Each has offered an approach to ameliorate, in part, the effects of the prior agreement. After careful review and consideration, I conclude that the proposal of the FOP to advance each police officer below top step an additional step beyond what would normally be received, in addition to the across-the-board percentage, is the more reasonable and equitable approach. To freeze the salary guide in the year of the bump would, in effect, recreate the inequity the parties are in good faith attempting to remedy.

Thus, I conclude that each officer presently employed beneath the top rate on the date of this award shall receive an additional increment. The timing of the additional step shall be January 1, 1999. It is appropriate that the timing of the skip be in the middle year of the new agreement. The timing represents a balance between a reasonably prompt response to the past and a financially prudent expenditure during the course of the five-year agreement.

Accordingly, I enter the following award.

#### **AWARD**

1. There shall be a new collective negotiations agreement for the dates January 1, 1997 through December 31, 2001.
2. All increases shall be retroactive except for employees no longer employed unless retired after January 1, 1997.
3. All employees shall receive their normal incremental step movement except as modified by this Award.

4. The Township, as agreed, shall adopt an Ordinance allowing for credit toward twenty-five (25) years of service for time served in other police units for the purpose of obtaining lifetime medical benefits for retirees.

5. Each step of the salary schedule shall be adjusted by the following amounts for each respective years.

January 1, 1997            4% - with a 2%  
credit for those at top pay in the salary scale  
or at Senior Officer status.

January 1, 1998            4%

January 1, 1999            4%

January 1, 2000            3.75%

January 1, 2001            3.75%

6. On January 1, 1999, each police officer presently employed shall receive an additional step on the salary schedule in addition to the step received as a result of normal step movement.

7. The prescription co-pay under Article XII of the Contract shall be increased from three dollars (\$3.00) to five dollars (\$5.00).

8. The Township may elect to provide major health care coverage through the selection of Blue Cross/Blue Shield-Blue Select coverage and the Township has also agreed that the benefits to be provided will be equivalent or better than current benefits.

9. All other terms of the prior agreement not affected or modified as a result of this Award, or by mutual agreement of the parties, are incorporated herein and shall be carried forward.

Dated: February 9, 1998  
Sea Girt, New Jersey

  
James W. Mastriani

State of New Jersey }ss:  
County of Monmouth }

On this **9th** day of **February** 1998, before me personally came and appeared JAMES W. MASTRIANI to me known and known to me to be the individual described in and who executed the foregoing and he acknowledged to me that he executed same.



**KARI LEE DONOVAN**  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires Oct. 3, 2000