

STATE OF NEW JERSEY
PUBLIC EMPLOYMENT RELATIONS COMMISSION

-----X
: IN THE MATTER OF THE IMPASSE :
: :
: Between : COMPULSORY INTEREST
: : ARBITRATION AWARD
: :
POLICEMEN'S BENEVOLENT ASSOCIATION, : LAWRENCE I. HAMMER
LOCAL #184 [BOROUGH OF FAIR HAVEN] : ARBITRATOR
: :
- and - : PERC #IA 95/093
: :
BOROUGH OF FAIR HAVEN :
-----X

Under date of February 28, 1995 the undersigned was designated by the Public Employment Relations Commission of the State of New Jersey to serve as the Interest Arbitrator in an effort to resolve the continuing impasse involving the above indicated parties.

Said appointment was made by the Public Employment Relations Commission after giving recognition to the designated order of preference, if any, expressed by the parties.

APPEARANCES

FOR THE BOROUGH

| | |
|-----------------------------|---------------|
| Ruderman & Glickman, P.C. | Counsel |
| (by) Mark S. Ruderman, Esq. | |
| Mike Pellechio | Administrator |
| Ray Doody | C.P.A. |
| George Berry | Councilman |
| Joseph McCarthy | Councilman |
| Andy Trocchia | Councilman |

FOR THE P.B.A.

| | |
|----------------------------|-----------------|
| Klatsky & Klatsky, Esqs. | Counsel |
| (by) Fred M. Klatsky, Esq. | |
| William Schnitzel, Esq. | |
| Chris Parton, Esq. | |
| Paul McCue | P.B.A. Sergeant |
| James Kirman | Patrolman |
| William Heath | Patrolman |

Hearings under the subject impasse took place on May 10, July 25 and September 11, 1995. The initial session (at which an effort at mediation was undertaken) as well as the final session were held at the Borough of Fair Haven Municipal Building. The July 25 session was held at the offices of the P.B.A. Counsel located at 320 Broad Street in Red Bank, New Jersey. At these sessions both sides were afforded a full opportunity to present testimony, offer evidence and to advance arguments in support of their respective positions, as well as to cross-examine each other.

At the initial May 10, 1995 session the parties discussed procedures and/or groundrules that would govern the conduct of the entire process, resulting in the following agreement:-

1. At the commencement of the first hearing on July 25th, both parties shall submit written fair and final offers in support of their position.
2. The P.B.A. shall then present whatever argument it may have in terms of documentary evidence and/or testimony from whatever witnesses it wishes to call with respect to any of the eight statutory criteria.
3. The Borough shall then present whatever documentary and/or testimony evidence it wishes to present in support of its position.
4. At the conclusion of the Borough's case, both parties shall then submit a written fair and final offer to be filed by briefs.
5. At any time, the arbitrator reserves the right to attempt to mediate the dispute between the parties.
6. The parties shall agree to split the cost of a court reporter.

Pursuant to the ground rules agreed upon at the inception of the hearings, the parties were able to revise their "Last Offer-Best Offer" (hereinafter referred to as the "LOBO") at the conclusion of the matter and before establishing a briefing schedule.

The P.B.A. at such time presented a reduced and modified LOBO, making more concessions than were ever indicated during the course of the Arbitrator's efforts at mediation.

The Borough at such point in time also increased their LOBO.

The result of these last minute movements meant that during the two full days of oral arguments, the presentation of documentation and the testimony and cross-examination of witnesses, the parties were (especially the PBA) supporting and arguing a position which was not really their position, their LOBO.

The briefing schedule established on September 11 called for both sides to submit their data to the undersigned on or before November 1st, at which point the Arbitrator would exchange materials submitted.

With extensions of time sought and granted, the brief of the Borough was received on November 20, 1995 and that of the P.B.A. on December 8, 1995, with the exchange being made on December 11, 1995.

Under date of December 22, 1995, the Arbitrator was advised that the PBA had sought, and received permission from the Borough's Attorney to file a short Reply Brief, if the Arbitrator would accept same.

The Arbitrator agreed, and in addition, allowed the Borough to submit a similar document.

All such additional materials were received prior to January 12, 1996, the allowable time all parties had agreed upon, whereupon the hearings were declared to be closed.

The Statute calling for Police and Fire impasses to be determined by a binding Interest Arbitration, states that "the Arbitrator....shall decide the dispute based upon a reasonable determination of the issues, give due weight to those factors...judged relevant for the resolution of the specific dispute."

The Statute sets forth specific factors that are to be considered in the making of any Award. Specifically said factors are:-

1. The interests and welfare of the public.
2. Comparisons of the wages and overall conditions of employment of the Borough of Fair Haven Police Department with the wages and terms and conditions of employment of other Police Departments in the County, and in the State as a whole.
 - a. In public employment in the same or similar comparable jurisdictions.

- b. In comparable private employment.
 - c. In public and private employment in general.
3. The overall view of compensation received by members of the Department, including direct wages or salaries, vacations, holidays, personal leave, insurances, pensions, clothing allowance and all other benefits capable of an economic assessment.
 4. Stipulation of the parties.
 5. The employers authority to govern, raise taxes, pass ordinance and to enter into contracts.
 6. The financial impact on both the Municipality and its residents and taxpayers.
 7. The Cost of Living for the area as published by the B.L.S.
 8. The continuity and stability of employment which are ordinarily considered in the determination of wages, hours and conditions of employment through collective bargaining and negotiations, in both public service and private employment.

The Statute, governing Public Employer-Public Employee disputes over the terms and conditions of their contract permits the parties to agree upon one of several means of allowing the neutral arbitrator to select and fashion a remedy. The Statute, however, mandates that if the parties cannot reach and agree upon an amicable method of resolution, the differences between the parties, so far as the economic issues are concerned, be determined by the arbitrator selecting the last offer of the Municipality or the last offer of the Union, as a single package. So far as non-economic matters are concerned, the arbitrator must make a choice, the last offer of one side or the other, on an issue by issue basis.

The parties at the inception of the hearings were not able to agree upon any means for rendering an Award herein except for that mandated by Statute where agreement could not be reached, namely the Last Offer-Best Offer of one side or the other, as a single economic package.

A. ECONOMIC PROPOSALS

The LOBO submitted by the P.B.A. covered the following items:-

1. WAGES -

| | |
|------|------|
| 1995 | 4.3% |
| 1996 | 4.4% |
| 1997 | 4.4% |

2. GUIDE STEPS

Add one step to the guide in 1995, so as to go from the current 6 steps [5 steps plus a probationary step] to 7 steps [6 steps plus a probationary step].

3. WIDOW'S BENEFITS [1]

The P.B.A. proposed that the widow and children receive the same benefits as if the employee had retired either with the appropriate twenty-five years of service or on disability. Therefore, the widow and the children would receive medical benefits for the life of the contract, or for one year minimum.

[1] At the present time if an officer should die while employed, his widow and children will receive no medical benefits.

4. LONGEVITY

The P.B.A. sought to increase current longevity entitlements to the following:-

| <u>SERVICE COMPLETED</u> | <u>1995</u> | <u>1996</u> | <u>1997</u> |
|--------------------------|-------------|-------------|-------------|
| 5 years | \$ 875 | \$1,085 | \$1,085 |
| 10 years | 1,335 | 1,535 | 1,735 |
| 15 years | 1,785 | 1,985 | 2,185 |
| 20 years | 2,185 | 2,400 | 2,600 |
| 25 years | 2,700 | 2,900 | 3,200 |
| 30 years | 3,000 | 3,200 | 3,500 |

5. PAYMENT FOR ACCUMULATED SICK DAYS EARNED BUT NOT USED [2]

Increase the \$35.00 per day to \$50.00 per day in 1995, to \$65.00 per day in 1996 and to \$75.00 per day in 1997.

Increase the \$10,000.00 CAP to \$11,000.00 in 1995, to \$12,000.00 in 1996 and to \$13,500.00 in 1997.

6. CLOTHING ALLOWANCE

Increase the \$350.00 clothing allowance voucher to \$450.00 in 1996 and to \$550.00 in 1997.

The LOBO submitted by the Borough covered the following items:

1. WAGES

| | |
|-----------------|-------|
| January 1, 1995 | 4.25% |
| January 1, 1996 | 4.0% |
| January 1, 1997 | 4.0% |

[2] Under the present contract employees receive \$35.00 per day for all earned and unused sick days at retirement, with a \$10,000.00 maximum CAP.

2. GUIDE STEPS

Lower Class 1 to \$25,000 for employees hired after September 1, 1995. For Class 2, go to \$29,000 (total of 7 classes).

3. WIDOW'S BENEFITS

For employees who die while employed by the Borough the Borough will continue health insurance coverage under the plan then in existence for an additional twelve (12) months at no premium cost to survivor. After one year, the employee/survivor will be able to continue benefits at his/her own expense.

4. LONGEVITY

1996 Add \$100.00 to each step.

1997 Add \$100.00 to each step.

B. NON-ECONOMIC PROPOSALS

The LOBO submitted by the PBA sought the following:

1. GRIEVANCE PROCEDURE [3]

Add an additional step to the Grievance procedure whereby the final step, after the Mayor and Council, would be Arbitration, with the Arbiter being appointed through the auspices of the Public Employment Relations Commission or the New Jersey State Board of Mediation.

[3] The final step in the current grievance procedure is an Appeal to the Mayor and Borough Council.

The LOBO submitted by the Borough contained no non-economic proposals.

GENERAL ECONOMIC COMMENTS

While the Statute controlling Compulsory Interest Arbitrations sets forth some eight guidelines for the neutral arbitrator to examine, consider and weigh, the one heretofore usually given the greatest weight involved wage comparabilities.

This emphasis has been over the past several years, subjected to judicial criticism. Criticism that far too much weight was being given to comparabilities, while not enough consideration, in fact far too little weight was being given to the ability of a Municipality and its citizens to pay the sums awarded through the Compulsory Interest Arbitration process.

Until most recently patterns would develop. Each Award would grant increases financially similar to those awarded in earlier cases or similar to those instances where no Award was involved, but where the parties were able to amicably resolve their differences and agree upon wage increases.

In the past if a Municipality, offering an economic package much below that representing earlier settlements, defended its offering upon the financial restraints of its budget and the ability of its taxpayers to bear a bigger burden, it rarely was successful.

For years when such argument was made by the employing Municipality, it may well have been a case of the governing body crying "wolf" needlessly. The 1980's evidenced an economic boom. Most governing bodies, in the form of either local surpluses or in the form of ever increasing State Aid, were able to fund the settlement awarded.

With the real estate markets hitting all time highs, with unemployment hitting new lows, the overall economic environment was such that the statutory criteria concerning the ability to pay became less and less crucial.

During the past couple of years a vast economic change has developed. Unemployment, especially in New Jersey has increased. Wage increases, where there are increases, have come down. The spiralling real estate market had all but collapsed, though some signs of recovery appear underway, though real estate, an item representing a good portion of one's wealth, simply cannot be sold at anything near expectations. Employee benefits are being cut back by hard pressed employers. In short, the economic climate of the 90's is vastly different from that which prevailed during the 80's.

The ability of a Municipality to find a way to pay wage increases can no longer be accepted as a "given."

The budgetary problems of the State has cut into and diminished the flow of State Aid. No longer can such aid be anticipated so as to offset financial plights of local governments.

Thus, far more weight to the ability to pay criteria, and the effect thereof on the taxpayers must be given.

Does the Borough of Fair Haven have the financial ability to fund a settlement in excess of what it has offered? Do the other Statutory criteria, cumulatively, while considering the ability to pay, warrant recommending a proposal which in itself may be somewhat above what earlier settlements have produced?

DEMOGRAPHICS

Fair Haven is a small Borough located in the Northeastern part of Monmouth County.

During the course of these proceedings, the Borough sought to compare itself with Red Bank, Rumson, Little Silver, Monmouth Beach, Shrewsbury and Sea Bright, all adjacent to Fair Haven, and often referred to as the Two Rivers Communities.

The PBA on the other hand sought comparisons with Middletown, Howell, Ocean, Aberdeen, Tinton Falls, Holmdel, Rumson, Oceanport, Little Silver, Belmar, Neptune City, Frielle, Spring Lake, Monmouth Beach, Sea Girt and Deal.

Fair Haven has a population of between 5,270 and 5,433 persons within its 1.55 square mile area. [4]

The municipalities used by the Borough are all somewhat similar populationwise, with Red Bank being the most populated with 10,636 inhabitants.

The Fair Haven Police Department has 12 in the Department, making it the second smallest Department amongst the PBA comparables, with the average standing at 35, though the range is 11 in Monmouth Beach and 119 in Middletown.

Amongst the thirteen persons in the Department there are eight Patrolmen, two Sergeants, one Captain, one Lieutenant and the Chief.

Family median income in the Borough, based upon 1990 census figures is \$61,496, somewhat below the Two Rivers Communities average of \$63,492.00.

Are members of the Department involved in many crimes, be they of a violent or non-violent nature?

[4] Depending upon whose demographic data is more accurate.

Total crime reports per 1000 population for the last year that figures were available was 15.6 or less than ½ the average amongst the 16 communities used by the PBA for comparison purposes.

Non-violent crimes stood at 75, about 1/5 of the average, while there were only two instances of violent crimes, about 10% of the overall average.

1. WAGES

The positions (demands of the PBA as opposed to the offer of the Borough) have been set forth under each parties final LOBO submission.

It should be noted that with a Department of only 13, which number includes two Superior Officers and the Chief, the Borough has what appears to be the second smallest Department in the County.

During the most recently expired Collective Bargaining Agreement, the one that expired on December 31, 1994, a Fair Haven Police Officer reached his/her maximum salary, commonly known as the benchmark (\$47,480.00) after completing five years in the Department. During the first year the Officer earned a Probationers' salary [5].

The 1994 wage scale for the entire Department was:-

in class [6]

| | | |
|---|------------------------------|--------------|
| 1 | Captain. | \$56,963.00 |
| 1 | Lieutenant. | .\$53,271.00 |
| 2 | Sergeant. | .\$50,125.00 |
| 6 | Patrolman Class V | .\$47,480.00 |
| 0 | Patrolman Class IV | \$43,559.00 |
| 0 | Patrolman Class III. | \$40,336.00 |
| 2 | Patrolman Class II. | .\$36,540.00 |
| 0 | Patrolman Class I. | \$33,318.00 |

[5] Each new Police Officer is required to serve a probationary period of a minimum of eleven (11) months. Regular appointment is then contingent upon satisfactory completion of the basic Police Training Program recognized by the New Jersey Police Training Commission and the recommendation of the Chief.

[6] The "Class" designation shall refer to the number of years a patrolman has been a member of the Police Department, i.e. Class I has completed one (1) year of service; Class II - two (2) years; Class III - three (3) years; Class IV - Four (4) years; Class V - Five (5) years and thereafter.

Amongst the Two Rivers Communities, the Fair Haven benchmark was exceeded only by that in Rumson (\$51,844.00) and Red Bank (\$47,708.00). The others were not more than \$1,060.00 lower. The average? \$47,685.00.

Monmouth County is made up of much more than the Two River Communities selected by the Borough. The PBA presented data on some two dozen other Monmouth County Police Departments. Twenty-five if Fair Haven itself is included.

The 25 communities used by the PBA center around Fair Haven, in the Two River area, extending north to Aberdeen and south to Brielle.

Why submit data on only 25 communities when there are some 40 odd communities in Monmouth County? Whatever the reason, it is better to use 25 than only 6 or 7.

While the Fair Haven benchmark was the third highest amongst the Two River Communities, its \$47,480.00 ranked 18 of the 25 Departments used by the PBA for purposes of comparison.

Other benchmarks are as follows:

| | |
|-------------------|-------------|
| Howell | \$53,952.00 |
| Brielle | 53,300.00 |
| Wall | 53,280.00 |
| Middletown | 52,998.00 |
| Freehold Township | 52,700.00 |
| Eatontown | 52,234.00 |
| Rumson | 51,844.00 |
| Belmar | 49,305.00 |
| Ocean | 49,112.00 |
| Tinton Falls | 49,042.00 |
| Spring Lake | 48,606.00 |
| Sea Girt | 48,275.00 |
| Manasquan | 48,070.00 |
| Neptune City | 47,892.00 |
| Oceanport | 47,842.00 |
| Marlboro | 47,766.00 |
| Red Bank | 47,708.00 |
| Fair Haven | 47,480.00 |
| Sea Bright | 47,073.00 |
| Bradley Beach | 46,960.00 |
| Little Silver | 46,773.00 |
| Holmdel | 46,751.00 |
| Aberdeen | 46,818.00 |
| Monmouth Beach | 46,499.00 |

Of the above, Middletown, Rumson, Red Bank and Little Silver are all contiguous to Fair Haven.

The average benchmark amongst the twenty-five Departments set forth above comes to \$49,229.00.

Based upon settlements that have been coming in for 1995, the Fair Haven Police will not receive an increase in wages commensurate with other Departments, and thus will probably fall lower, whether the Borough's position is upheld, or that of the PBA is upheld.

The benchmark increases offered by the Boro under its 4 $\frac{1}{4}$ % + 4% + 4% as opposed to the PBA's 4.3% + 4.4% + 4.4% would produce the following comparisons over the years 1995/97:

| <u>BORO'S OFFER</u> | | <u>PBA DEMAND</u> |
|---------------------|------|-------------------|
| \$49,497.90 | 1995 | \$49,521.64 |
| \$51,477.82 | 1996 | \$51,700.59 |
| \$53,536.93 | 1997 | \$53,975.42 |

Thus using the benchmark, the parties on base wages are only apart, per person at benchmark, by \$23.74 in 1995, \$222.77 in 1996 and by \$438.49 for 1997 or only \$685.00 over the life of the proposed contract.

Similarly, the Sergeants' wage would under the different offers, go up to:

| <u>BORO'S OFFER</u> | | <u>PBA DEMAND</u> |
|---------------------|------|-------------------|
| \$52,255.31 | 1995 | \$52,280.38 |
| \$54,345.53 | 1996 | \$54,580.71 |
| \$56,519.35 | 1997 | \$56,927.68 |

Thus, so far as each of the two Sergeants are concerned, the difference between the parties is \$25.07 in 1995, \$235.18 in 1996 and \$408.31 in 1997, for a total of \$668.58.

The Lieutenants' difference is as follows:

| <u>BORO'S OFFER</u> | | <u>PBA DEMAND</u> |
|---------------------|------|-------------------|
| \$55,535.02 | 1995 | \$55,561.53 |
| \$57,756.42 | 1996 | \$58,006.37 |
| \$60,066.67 | 1997 | \$60,558.65 |

With annual differences of \$26.51, \$249.95 and \$491.98, the total 3 year difference amounts to \$768.44.

So that the Captain not feel slighted, the same comparisons would show the following:-

| <u>BORO'S OFFER</u> | | <u>PBA DEMAND</u> |
|---------------------|------|-------------------|
| \$59,383.93 | 1995 | \$59,412.41 |
| \$61,759.29 | 1996 | \$62,026.55 |
| \$64,229.66 | 1997 | \$64,755.72 |

Based upon annual differences of \$28.48, \$267.26 and \$526.06, the 3 year difference computes to \$821.80.

Even with compounding the annual percentages, which the above computations already do, the difference between the parties is, over the 3 years involved, less than 1%. To be precise the difference is 92/100 of 1%.

In no instance, based upon base salaries only, does the difference appear to be too large. If this was the only economic matter on the table, there is little doubt but that the parties could have come to an accommodation with each other.

But, as we will see, economics involves more than just base wages.

One of the items that should in fairness be looked at, though the amount of weight that need be given thereto need not be too great, is how have other Police Departments, not only within the County, but elsewhere in the State fared.

Though there are 1995 contracts in existence that were negotiated back in 1992 and 1993, same were negotiated under an entirely different economic climate. Where 1995 is the tail end of a three year multi-year pact negotiated some years back, the figures are higher. Higher than settlements coming in within very recent months. Thus much more weight must be given to the more recent settlements.

For such purposes the Arbitrator will use only those contracts that commenced in 1994 or 1995, but which were not concluded, be it voluntary or by an Award until some time in 1995.

The Borough contended that all of the Two Rivers Community settlements were concluded in either 1992, 1993 or 1994.

The Borough thus, to buttress its position, endeavored to rely upon interest arbitration awards, voluntary settlements, including mediated settlements reached outside the County. This, though the Borough's initial listing of Municipalities to compare itself with was those comprising Two River Communities.

As the hearings herein were concluded in early September, I will look no further than settlements effected prior to September, 1995.

In August an Arbitrator awarded 5% increases in Carlstadt for 1995 and 1996; 4% for 1994 and 1995 in Woodbridge; 4.75% and 4.9% in Chatham Township and 3.75% for 1995 in Franklin Township.

June produced four Interest Arbitration Awards, two of which were conventional. Those on which one LOBO or the other was selected involved the Morris County Sheriffs where 4.5% for 1994 and 4.95% for 1995 was Awarded, and in Irvington where 6% for 1994 and 4.5% for 1995 was Awarded. The two conventional Awards covered Orange Township where 4% settled 1995 and 5.5% for 1996, and in Fairview where 5½% was called for for both 1995 and 1996.

Between January and May, Awards for the years 1995 and 1996 were issued for:

| | <u>1995</u> | <u>1996</u> |
|---------------------|-------------|-------------|
| Cresskill | 5% | 5% |
| Montvale | 4% | 4% |
| Roxbury | 5% | 5% |
| Carney Point | 4% | N/A |
| Long Beach Township | 5% | 5% |
| Morristown | 4% | N/A |
| North Caldwell | 5% | N/A |
| Newark | 4.5% | N/A |
| Somerville | 4% | 4.5% |
| Holmdel | 4% | N/A |
| So. Brunswick | 4.25% | 4% |
| Carteret | 5% | N/A |
| Highland Park | 4% | N/A |
| Aberdeen | 4.5% | 4.5% |
| So. Amboy | 5% | N/A |
| Mt. Laurel | 4% | 4% |

In addition, conventional Awards in Ocean County called for 5.2% in each of 1995 and 1996, and in Lincoln Park where 5% and 5.5% settled 1995 and 1996.

The average for all Interest Arbitration Awards issued in 1995 came to 4.66% for 1995 and 4.83% for 1996.

Not all new contracts necessitated the issuance of an Award.

Hawthorne settled for 1995-1997 3% annually....Dunellen effected a July 1, 1994 to June 30, 1995 wage freeze [7] followed by 5.5% on July 1, 1995 and 4.5% increases on July 1 of 1996 and 1997. The undersigned recognizes this as a 4.83% three year average, not a 3.75% four year average as contended by the Borough.

It is interesting to note based upon the foregoing that the average Interest Arbitration Award is higher than what has been proposed by the P.B.A., so far as base wages are concerned.

In presenting their respective proposals, neither party made an issue over the costs of increment. In fact, lest there be no mistake about it, the percentages proffered by both the Borough and the PEA was over and above any increment costs.

In 1995, two Officers, those who were "class 2" Officers, and earned \$36,540.00 in 1994, advanced to "class 3" in 1995 and would, without any negotiated wage increase, advance to \$40,336.00. They will in actuality earn more in 1995 as the "class 3" category will increase to either \$42,050.28 or \$40,070.45 depending upon whose position is upheld in these proceedings.

These same two Officers will for 1996 again move up the scale and become "class 4" Officers where their wages, again regardless of whose position prevails, will rise again. Ditto for 1997 when they would go to a "class 5" grade.

While increments do cost money, and in this case it comes to about 1.34% for 1995, and to 1.12% in 1996 and 1.35% in 1997, same is what occurs throughout the State until such time as an Officer reaches the pinnacle. That is a part of the price that must be paid when circumstances dictate that more Officers be hired, or where a new hiree replaces a veteran, top of the scale, retiree.

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[7] Special circumstances involving a change in contract years and rollovers from a prior contract were involved, and this wage freeze must be discarded from any consideration.

2. GUIDE STEPS

The Borough proposed modifying the current salary guide by expanding the salary guide from five to seven steps and by reducing the starting salary. Specifically, the Borough's offer adds two steps at the bottom of the present five step guide for employees hired after September 1, 1995. The first step, Class I, for officers who have completed one year of service, and there is currently no one in the Department in such a position who would have a \$25,000.00 starting salary in 1995. The second step, Class II, would have a \$29,000.00 salary in 1995. The third through the seventh step would reflect the current salary guide plus the proposed wage increase.

The PBA was not opposed to adding a step, but only one step, to the current guide.

The PBA proposal included making the salary guide a 6 step guide for anyone hired on or after September 1, 1995.

The PBA, like the Borough intended for the current Probationary step to continue to be a place on the guide not counted within current classifications.

The current probationary step calls for \$21,000.00 which the PBA is willing to freeze for 1995, but to have same increased by 4.4% in each of 1996 and 1997, along with all other wages.

This added step would produce, based upon the PBA's 4.3% + 4.4% + 4.4% demand the following salary schedule:-

| | <u>1994</u> | <u>1995</u> | <u>1996</u> | <u>1997</u> |
|--------------|-------------|-------------|-------------|-------------|
| Probationary | \$21,000 | \$21,000 | \$21,924 | \$22,888 |
| 1 | 33,318 | 29,500 | 30,798 | 32,153 |
| 2 | 36,540 | 34,750 | 36,279 | 37,875 |
| 3 | 40,336 | 38,111 | 39,787 | 41,538 |
| 4 | 43,559 | 42,070 | 43,921 | 45,535 |
| 5 | 47,480 | 45,432 | 47,431 | 49,518 |
| 6 | N/A | 49,521 | 51,700 | 53,975 |

The Borough's proposal would enable it to save a fair amount from salaries in future years of persons who are not currently in the Department and this not even represented by the P.B.A.

The P.B.A.'s proposal, depending upon how many, if any, new Police Officers are hired in 1996 and beyond, could have the effect of saving the Borough some money. Its position would keep the probationary wage to under \$22,000.00 in 1996 and to under \$23,000.00 in 1997.

On the other hand, under the Borough's proposal, a low sum would be paid to a Class I Officer in 1996 and 1997.

If the Borough can hire, and pay a Class I Officer \$25,000.00 or a Class 2 Officer \$29,000.00 in 1995 why should it even be asked to pay \$29,500.00 and \$34,750.00 respectively?

Neither the Borough's nor the P.B.A.'s guide change proposal would effect anyone currently in the Department. They will all reach the benchmark as though no steps were added.

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3. WIDOW'S BENEFITS

Hallelujah! Both parties are in accord, at least basically on this.

Both the Borough and the P.B.A. are desirous of taking care of widows of Police Officers, so far as Health Insurances are concerned.

Where the proposals differ, is for how long widows should receive such benefit under the Collective Bargaining Agreement.

The Borough proposes that it pay the premiums for a 12 month period, after which the widow or widower (and children) could continue the benefit, but by paying the group rate themselves.

The P.B.A. proposed that the widow or widower, and children, should receive the same benefits as if the employee had died either with the appropriate 25 years of service or on a disability. Under such circumstances the surviving spouse and children would receive medical benefits, for the life of the contract, with a one year minimum period.

The only difference between the parties is where death occurred at a time where more than one year on the Collective Bargaining Agreement remained.

It is too bad that this must be counted in and as a part of an overall total economic package. It is a benefit that should stand alone and be capable of an award on its own.

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4. LONGEVITY

Members of the Department currently receive, in addition to base salaries, added stipends, known as longevity payments, with the amount dependent upon the number of years in the Department.

The 1994 longevity stipend was computed as follows:-

| | |
|---|------------|
| After the completion of five years service..... | \$ 785.00 |
| After the completion of ten years and through fifteen full years of service..... | \$1,135.00 |
| After the completion of fifteen years and through the twentieth full year of service..... | \$1,535.00 |
| After the completion of twenty years and through the twenty-fifth year of service..... | \$1,935.00 |
| After the completion of the twenty-fifth year through thirty full years of service..... | \$2,435.00 |
| After the completion of the thirtieth year of service..... | \$2,700.00 |

Both parties had proposals that would increase to some degree certain longevity stipends. A comparison of positions is set forth below.

| After _____ Years of Service | <u>P.B.A. Demand</u> | | |
|------------------------------|----------------------|-------------|-------------|
| | <u>1995</u> | <u>1996</u> | <u>1997</u> |
| 5 | \$ 875.00 | \$1,085.00 | \$1,085.00 |
| 10 | 1,375.00 | 1,535.00 | 1,735.00 |
| 15 | 1,785.00 | 1,985.00 | 2,185.00 |
| 20 | 2,185.00 | 2,400.00 | 2,600.00 |
| 25 | 2,700.00 | 2,900.00 | 3,200.00 |
| 30 | 3,000.00 | 3,200.00 | 3,500.00 |

The position of the Borough was to carry the 1994 figures through without change in 1995 and then to increase each entitlement as follows:

After _____ Years of Service

P.B.A. Demand

| | <u>1994/95</u> | <u>1996</u> | <u>1997</u> |
|----|----------------|-------------|-------------|
| 5 | \$ 785.00 | \$ 885.00 | \$ 985.00 |
| 10 | 1,135.00 | 1,235.00 | 1,335.00 |
| 15 | 1,535.00 | 1,635.00 | 1,735.00 |
| 20 | 1,935.00 | 2,035.00 | 2,135.00 |
| 25 | 2,435.00 | 2,535.00 | 2,635.00 |
| 30 | 2,700.00 | 2,800.00 | 2,900.00 |

Without any increase in longevity, longevity would cost the Borough \$44,220.00 over the life of the Agreement.

The Borough's offer increases their obligation in 1996 by 18/100 of 1% and by 42/100 of 1% in 1997.

Of the two dozen or so Departments used by the P.B.A. for purposes of comparison, the \$765.00 due after five years of service represented 1.65% of annual salary and ranked ahead of only Neptune City, Aberdeen, Rumson, Oceanport and Sea Girt. The situation does not change after completing any of the subsequent years of service.

The average longevity percentage and dollar amount after five years came to 2.37% and \$1,167.00; after ten years to 3.96% and \$1,973.00; after fifteen years to 5.4% and \$2,693.00; after twenty years 6.95% and \$3,467.00 and after twenty-five years 7.67% and \$3,806.00.

The P.B.A. proposal would raise their placement to 16th from the earlier 20th in 1995.

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5. PAYMENT FOR ACCUMULATED UNUSED SICK LEAVE DAYS

The P.B.A. currently receives \$35.00 per day on retirement for each earned but unused accumulated sick leave day, to a maximum of \$10,000.00.

The P.B.A. sought to increase such sum by \$15.00 per day in 1995, by another \$15.00 per day in 1996 and still another \$15.00 per day in 1997.

It also sought to increase the CAP to \$11,000.00 in 1995, \$12,000.00 in 1996 and \$13,500.00 in 1997.

Most Municipalities pay in full on retirement for each unused sick leave day that an Officer has accumulated through the years, on retirement. Only a handful of Municipalities set a CAP, recognizing that for any day an ill Officer works, it saves the Department overtime costs, which can often times exceed the per diem value of the day.

With the current maximum set at \$10,000.00 and the average daily salary approximately \$200.00, at the current daily rate of \$35.00 an Officer would have had to accumulate some 285 days to receive the maximum. How many come even close?

An examination of submitted data brings forth the undisputed fact that only five Municipalities pay less at maximum than does Fair Haven. Such Districts are Little Silver \$10,000.00, Spring Lake and Aberdeen \$7,500.00 and Holmdel \$7,000.00, a far cry from the \$69,411.00 Middletown maximum. Why is there even a maximum in Middletown? Because they pay 100% of all accumulated days, and that is what its 1995 records compute out to.

The average? \$26,960.00.

For all practical purposes, the Borough must look at this not as a \$1,000.00 CAP increase, but as a \$3,500.00 increase, as most future retirees will not be before 1997, only a year away.

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6. CLOTHING ALLOWANCE

Members of the Department currently receive an annual clothing allowance of \$350.00 in voucher form.

The P.B.A. proposed \$100.00 increases in 1996 and 1997.

The Borough objected herein based upon the fact that the P.B.A. proposal would add an additional \$1,200.00 to current costs, a sum it projected as being equal to 21/100 of 1% of wages.

The \$350.00 received as a clothing allowance in 1994 represents a sum exceeded by each and everyone of the Departments within the County (except Rumson), amongst those that do anything other than providing what is needed. It is also interesting to note that each Department, including Fair Haven, pays in addition a maintenance allowance.

The combined figure in Fair Haven comes to \$600.00, less than that paid by any other Municipality in the County.

The averages for clothing only is \$596.00; for clothing and maintenance \$919.00.

No matter how one examines the overall picture, the sums currently received by the Fair Haven Police Officers, or what they would receive if their position is ultimately the subject of a favorable Award, would not be out of line or excessive, when one considers that a complete outfit costs out at over \$800.00, without any duplication of items.

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7. GRIEVANCE PROCEDURE

The present grievance procedure is a very long process.

An alleged grievance must initially be submitted by the Grievant's next Superior Officer. If not resolved, it then goes to the Superiors next highest ranking Officer; if still not resolved, it moves to the Chief of Police for resolution; then to the Borough Administrator; then to the Police Committee and then if still not resolved, to the Mayor and Counsel.

All Municipalities used for purposes of comparison by the P.B.A., as well as at least four of the six (the Two Rivers Communities) relied upon by the Borough offer as a final step to its grievance procedure, final and binding arbitration.

The purpose of a grievance procedure in any Collective Bargaining Agreement is to resolve a contention that one of the parties thereto, usually Management, violated, misinterpreted or misapplied a particular section of the Agreement.

Under the language that appears currently in the Agreement, the Police Officer who is grieving, in essence is asking a representative of Management to agree that Management's representative did wrong, that its underlings were wrong.

While a grievant under such an arrangement can prevail, the chances of Management holding against itself, is not too great.

It is an impossibility for Management to interpret the contract, then act as the defense attorney and finally to be the Judge and Jury to determine if it, and its agents were correct to begin with. Only a neutral having no interest in the matter one way or the other, can truly determine whether the Grievant is correct or not, whether the contract has or has not been violated.

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ECONOMIC DISCUSSION

We could at this point reiterate most of the comments set forth under "General Economic Comments" above, as well as the data set forth under the aforestated demographics. Once however should be sufficient.

While data was not presented concerning wage increases negotiated with other Fair Haven employees for 1995 or beyond, apparently no post 1994 settlements have been concluded, evidence was offered as to how the Borough treated the Police as against others over the ten year 1984-1994 period.

While the Police benchmark rose 99.82% between 1984 and 1994, Electrical Inspectors employed by the Borough rose 246%, the Borough Administrators wage rose 212.98%, the wage for Mechanics rose 111.46%, the Librarian increased by 105.71%. Even the Chief's salary went up by 102.72%.

Is this a trend that will continue for 1995, 1996 and 1997?

Some of the Borough's projections as to revenue may have been understated, or its expenditures projection may have been understated.

That however, is not the true or prime concern before us. The real question, in light of everything, and carefully considering the Statutory criteria set forth in the Interest Arbitration statutes, whose "last offer-best offer" is more reasonable.

As indicated earlier, the Statute establishes eight points, criteria or guidelines for consideration by the neutral arbitrator in considering the LOBO's presented. The undersigned Arbitrator has examined the voluminous data presented by both the Borough of Fair Haven and the Fair Haven P.B.A. Local #184, and has taken into consideration each of the items set forth by the Legislature.

Some comments relating to each of the criteria is worthy of note and must be set forth.

1. INTEREST & WELFARE OF THE PUBLIC

The interest and welfare of the public demands a high caliber of Police protection which must be considered along with the needs of those making up the Police Department.

While members of the Department evidence their interest and support for the Community it serves by putting forth its best efforts to protect the citizenry, the Borough and its taxpayers have only a single way of exhibiting its support to and appreciation of its Police, namely by granting each and everyone of them an equitable and reasonable salary increase.

A very simplistic view of this "interest and welfare of the public" criteria of the Statute might well be that the public is always best served by the governmental body spending less. This is not, and should not be inferred by the Statute or the intentions expressed by the Legislature.

The public is best served by a professional and well functioning Police Department. Productive and well motivated employees best serve the public and their interests, not employees who work for the cheapest rate possible. This, notwithstanding that too many contracts involving safety are awarded to the lowest bidder.

A public employer best serves the public interest and public welfare by striking a balance between satisfying its employees, thereby avoiding labor strife, and maintaining a stable level of government services. While a Municipality, the Borough herein, may have difficulty balancing these competing interests with its budgetary financial restraints, it should not sacrifice fairness to its employees.

By the same token, a Municipality, any Municipality, should not reduce essential governmental services merely to satisfy the economic demands of its employees.

There can be absolutely no doubt but that the Borough of Fair Haven Police Department has been serving the citizenry of the Borough in a most commendable manner.

The activity reports, those reports indicating the types and frequency of crimes or incidents handled by the Department establishes that the calls for service are both varied and numerous, involving those of both a violent and non-violent nature. While the frequency of such cases, when compared with that of other Departments and other Communities is not great, the fact remains that crime does exist and the Department is doing its job.

The P.B.A. argued that too many of its members are required to work multiple jobs and/or that their households require multiple incomes and thus create a stress level that could likely affect productivity and performance.

That households today, probably the vast majority of households, be they Police families or not, require multiple wage-earners, is common. No matter what the salary earned is, most families are made up of multiple wage-earners. The Police are not unique in this respect.

2. COMPARISON OF WAGES AND OVERALL COMPENSATION AND CONDITIONS OF EMPLOYMENT.

This portion of the Statute requires that the Interest Arbitrator consider a comparison of the wages, salaries, hours and conditions of employees involved herein with the wages, salaries, hours and conditions of employment of other persons performing the same or similar services in public employment in comparable jurisdictions, in comparable private employment [7], and in public and private employment in general.

The benchmark salaries in the Fair Haven department have been discussed earlier under the "wage" presentation.

Minimum salaries, while not discussed in detail, must be noted because of the similar proposals of both parties, namely their proposals pertaining to a new hiree rate.

Aside from an agreement to add at least one step, there was no real discussion on the minimum wage.

All wage materials, and data for comparisons centered on the maximum figure. Unless each and every Collective Bargaining Agreement was to be scrutinized, there is no way to compare minimums.

When all of the Department's Class I's through Sergeant are lumped together, the average wage in the Department computes out to \$45,821.00. This is a wage that is highly comparable with average Private and Public Sector wages in non-Police fields.

[7] There are no real private sector Police Departments, unless one wants to consider private security firms or Private Investigators. In any event, no data thereon was offered.

Starting wages in many fields are far below the starting Police wage in Fair Haven.

Settlements in private industry are not any greater than those in the public sector, if even as high.

"Give backs" are most common in private industry, just as there are many instances of wage reductions.

With the high rate of unemployment, something that has escalated over the past few years, many persons in both public and private sectors are happy to have a job. Wage increases are secondary. As will be pointed out under criteria #8 hereafter discussed, job security is not a question or concern within the Borough of Fair Haven's Police Department.

State of New Jersey employees recently concluded a four year Agreement that included a two year freeze which, with the exception of a \$250.00 one time bonus to be paid in April 1997, will end in mid 1998.

Depending upon the type of health insurance coverages the State employee opts for, he may have to contribute towards a portion of the monthly premium.

Similar settlements have been reached by the State with Unions representing some 48,000 workers, whose average salaries of between \$26,400.00 (AFSCME) to \$34,000.00 (CWA) are well below what is earned by the Fair Haven Police.

Bell Atlantic recently settled a five year contract with its electrical workers, wherein 14.5% wage increases would be had. That's less than 3% per annum, average.

Even teacher settlements, which for years have been outdistancing Police settlements, are falling back into the 3 or 4% ranges.

New York City concluded a 39 month contract with its Municipal employees calling for an overall 8.25% wage increase. Over 39 months this represents an annual 2½%.

Federal employees for 1995 were to receive a 2.8% increase, the same percentage that Social Security rose.

Data was presented on innumerable other New Jersey Public Sector contracts, none of which called for annual increases much in excess of 4%.

Private Sector settlements have not reversed the trend. The Bureau of National Affairs reported that major union contracts completed during 1994 provided for wage increases which averaged less than 3% annually.

In Philadelphia, a not too distant place, Police Officers received a 2% wage increase for 1995 and will receive 3% for 1996.

3. COMPENSATION & FRINGES

A contract does not involve compensation alone. A contract covers many other benefits as well, including vacations, personal days, holidays, sick leave, overtime, clothing and/or maintenance allowances, insurances, etc., etc.

While it would be beneficial to be able to compare each and every Municipality-Police Department contract with the various contractual components, this is not possible, though comparisons can be made with all of the Monmouth County Municipalities and a few outside the County, based upon the Municipalities that the parties themselves submitted for purposes of comparison.

Most Departments enjoy personal days as a benefit. Fair Haven is one of only two that have no such benefit, with the average being 2.8 days annually.

The Fair Haven clothing and maintenance allowance has already been discussed in more detail earlier herein.

Terminal leave, the cash value paid at retirement for unused accumulated sick leave days, also has been discussed earlier herein. What the Fair Haven Police Officer can receive on retirement does not compare favorably.

Their comparisons on longevity stipends has also been discussed earlier herein.

While there are a lot of fringe benefits contained in the contract, none of them are unique. Other Departments enjoy like benefits, and many of them far outdistance that received by the Fair Haven Police Officer.

4. STIPULATIONS

The criterion of stipulations of the parties need not be considered in this case. The primary stipulations of the parties were procedural in nature. The parties stipulated various issues regarding the dates and place of hearing. The manner and method of presentation of proofs were the subject of various agreements by counsel during the course of proceedings which the undersigned accepted.

In addition some 12 stipulations as to exhibits and comments of the parties appear in the transcripts between pages 28 and 146.

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

N.J.S.A. 34:13A-16g(5) requires the Interest Arbitrator to consider the "lawful authority of the employer" in determining whether the municipality or the union has proposed the more reasonable economic package.

The Borough's lawful authority so far as the budget is concerned is restricted and governed by the New Jersey Local Government Cap Law (N.J.S.A. 40A:4-45.1 et seq.), commonly referred to as the CAP Law, which restrains the lawful authority of the employer by limiting overall budget increases. It thereby has the effect of restricting a Municipality's ability to grant, perhaps unreasonable, wage increases to its employees.

The CAP Law has been in existence for some sixteen or so years in one form or another. Said Law is aimed at limiting local governmental costs and at the same time limiting the tax burdens on the homeowner.

The CAP Law controls the cost of local government by prohibiting a municipality from increasing its tax levy by more than the index rate over the previous year's tax levy. A municipality may increase its tax levy up to 5% only if it approves an ordinance or referendum. N.J.S.A. 40A:4-45.14(b). N.J.S.A. 40A:4-45.2 states, "[b]eginning with the tax year 1991 municipalities, other than those having a municipal purpose tax rate of \$0.10 or less per \$100.00.... shall be prohibited from increasing their final appropriations by more than 5% or the index rate, whichever is less, over the previous year....."

While the CAP Law does not impose a line item by line item limitation, it places a limit on the overall budget to the extent that it is subject to the CAP Law. Because salary expenditures fall within the CAP, the Legislature in a not so round about way has attempted to limit the maximum amount the Borough or any Municipality may increase taxes by for the purpose of covering salary expenditures.

Costs incurred to fund a possible adverse interest arbitration award must be taken into account by the Municipality in determining whether overall budgetary appropriations exceed the ceiling imposed by the CAP.

The neutral Interest Arbitrator is statutorily and constitutionally required to consider CAP restraints imposed upon the governing body. If the Interest Arbiter was to fail to consider the impact of the CAP Law on a Municipality prior to rendering an Award, the Award would be subject to being vacated by the Courts.

The Borough of Fair Haven, to quote from its brief "increased its expenditures almost to the maximum 5% CAP." The key word therein being "almost." While there is nothing in any Statute that mandates that a budget must be at CAP in order to plead an inability to pay, it certainly makes the argument more meaningful.

The 1994 tax rate in Fair Haven, \$245/\$100.00 A.V. was exceeded amongst the Two Rivers Communities only by Red Banks' \$2.90/\$100.00 A.V.

The Arbitrator cannot help but feel that comparisons solely with a half dozen other communities is a bit restricted, especially when the Boro drifts between their half dozen and the approximately two dozen other Monmouth County Municipalities, depending upon how it meets its needs.

The only fair way to compare Fair Haven's tax rate to that of any other Monmouth County town is to use equalized tax rates. The equalized tax rate in Fair Haven in 1995 was \$2.29/\$100.00 A.V. which is below the Monmouth County average of \$2.37/\$100.00 A.V.

The Borough pointed to a December 31, 1994 surplus balance of \$663,425.00, a decrease from the 1993 surplus of \$46,352.00, which in turn was \$84,040.00 lower than existed on December 31, 1992. Was this a pattern that would continue?

On January 1, 1994 Fair Haven had a surplus of \$802,211.00, of which \$695,000.00 was diverted to 1994 revenue. A similar pattern had been followed in 1992 and 1993. Surplus at years end diverted to revenue in the following year. Is this not too a trend?

The Borough also pointed to its having suffered a 2.5% loss in State Aid (\$119,047.00) for 1995 from 1994.

Despite it all, the Borough never through the testimony of any of its witnesses, nor any of its exhibits, came straight out and contended that the Borough of Fair Haven did not have the ability or means of meeting the PBA demands.

6. THE FINANCIAL IMPACT ON THE MUNICIPALITY AND THE TAXPAYERS

There is little that could be stated under this criteria that has not been stated under criteria #5 above, or elsewhere in the overall discussions of the demands and positions of the parties, except that the Borough appears to be growing, at least according to new construction which will translate in the future to increased rateables.

During calendar years 1994-95 there were numerous construction permits issued, including some 12 that produced an added \$142,648.00 real estate tax revenue.

7. THE COST OF LIVING

The Cost of Living Index or the Consumer Price Index has for many years been used in order to justify rather large wage increases.

The effect of changes in the Cost of Living on ones purchasing power is of prime importance to any worker. Will the increase keep pace with the increase in the Cost of Living so that he can continue to maintain the same standard of living?

Accordingly, the Statute mandates that the Arbiter when rendering his Award consider the costs of living.

The CPI, in the New York metropolitan area which includes the Monmouth County area of New Jersey, rose 2.9%, while it rose nationally 3.2% for the May 1994-May 1995 period.

For the July 1994-July 1995 period the CPI rose only 2.6% in the metropolitan area and 2.8% nationwide.

For the entire calendar year of 1994 the CPI rose by 2.7%.

One very often looks to see how the increases gained by labor compared with the Cost of Living increases. Did labors wages keep pace with inflation?

From 1980 through and including 1994, the year the most recent Collective Bargaining Agreement between the parties expired, one finds that the Fair Haven Police received average wage increases of 7.2%, while the Cost of Living, for the same 1980-1994 period rose an average of 5.04%. Yes, wages earned by the P.B.A. kept abreast of inflation, with some room to spare.

In computing the CPI, one cannot overlook the fact that it includes medical expenses, expenses which the P.B.A. does not pay, as premiums for medical insurance is fully paid for by the Borough.

8. THE CONTINUITY & STABILITY OF EMPLOYMENT

There is absolutely no question but that the continued employment of members of the Borough's Police Department is secure and will continue, even though the Borough contended that the P.B.A.'s economic package would impose unanticipated additional expenditures upon the Borough, which in turn could force the Borough to reduce personnel.

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DIFFERENCES IN PROPOSAL COSTS

What precisely is the economic differences between the parties which leads the Borough into conjecturing a possible reduction in force:-

We will first look at he differences as alleged to exist according to the analysis of the Borough.

For 1995 the parties are .05% or \$289.00 apart on basic salaries. Longevity will cost, under the P.B.A. proposal an additional \$1,930.00. The total 1995 difference? \$2,219.00.

For 1996 the parties are .4% (4/10 of 1%) or \$2,736.00 apart on basic salaries. Longevity would cost \$3,295.00 more under the P.B.A. proposal. The clothing allowance would add \$1,200.00 to the difference between the parties, making the total 1996 difference in package costs of \$7,231.00.

For 1997 the parties are again .4% (4/10 of 1%) apart on basic salaries. The P.B.A.'s position, including increments and compounding, costs the Borough alleged, \$5,457.00 more than the Borough had offered. Longevity would add \$4,645.00 more to the equation, plus \$2,400.00 for the clothing adjustment. Total 1997 difference in packages? \$12,502.00. The 3 year package difference is \$21,952.00 or to quote the Borough "3.86% more than 1994 base salaries."

The P.B.A. without too much surprise does not agree that the difference is as alleged by the Borough.

For 1995 the P.B.A. contends that the wage and longevity difference comes to \$388.00 and \$1,930.00 respectively, for a total \$2,318.00 difference.

For 1996 the P.B.A. contends that its salary and longevity package would cost \$653,105.00 while the Borough's would cost \$647,077.00, a difference of only \$6,028.00.

1997, if the P.B.A. calculation was followed, its proposal would represent a \$695,747.00 salary/longevity package as opposed to the Borough's \$685,550.00, a difference of \$10,197.00.

The 3 year difference according to the P.R.A. is \$18,543.00, and not \$21,952.00.

What the P.B.A. conveniently or otherwise overlooked was the fact that a part of its economic package was a clothing adjustment, which in itself would cost \$1,200.00 in 1996 and another \$2,400.00 (the 1996 \$1,200.00 paid again in 1997 plus the proposed \$1,200.00 1997 increase) in 1997.

What neither party took into consideration in costing out the actual cost or value of both their own proposals and the proposals of the other side, is the issues involving the buyout cost on unused accumulated sick leave days.

The proposal of the P.R.A. is a valid and deserving one. The \$10,000.00 current maximum is low, very low. The value of a day not used, a day where the Borough avoids scheduling another Officer for overtime, has to be worth more than \$35.00 to the Borough.

Though not to be considered as a current cost, and not likely a cost during the life of the contract, the potential cost, up to \$3,500.00 more to any retiree, cannot be buried as non-instant.

NON-ECONOMIC ISSUE

While both parties submitted voluminous data, data totalling some 23 pounds,, on the economic items involved, nothing really was presented so far as the single non-economic issue was concerned, beyond the inclusion thereof in the P.R.A. LOBO.

Regardless of how the Arbitrator feels about the Mayor and Council being the Court of Last Resort so far as a grievance is concerned, the positions pro and con as the case may be, should be supported, as in the case with economic items, by substantial credible evidence to justify or warrant an Award leading to a change from what currently exists.

Because of a total lack of evidence being presented thereon which would warrant or justify a change from the status quo, rather than based on any argument offered by the Borough, the sole non-economic item sought will be denied.

CONCLUSION

The undersigned Arbitrator, in reaching a decision hereon, has after hearing all of the testimony offered, and having considered all of the documents and evidence offered, the greatest weight is being placed upon (1) the interests and welfare of the public, (2) the lawful authority of the Borough and the financial impact upon the Borough's governing body, the taxpayers and residents thereof, and (3) the comparability criteria with special emphasis on comparable wages and overall benefits for Police in comparable other jurisdictions.

