

PUBLIC EMPLOYMENT RELATIONS COMMISSION

XX

In the Matter of the Arbitration Between)

TOWNSHIP OF WEST WINDSOR,)

EMPLOYER)

AND)

PBA 271/SOA)

UNIONS)

XX)

**INTEREST ARBITRATION
OPINION AND
AWARD**

DOCKET NO. IA-2011-020/021

**BEFORE
GERARD G. RESTAINO
INTEREST ARBITRATOR**

APPEARANCES:

FOR THE EMPLOYER

MARK RUDERMAN, ESQ.
ROBERT HARY

COUNSEL FOR EMPLOYER
BUSINESS ADMINISTRATOR

FOR THE UNIONS

DAVID DeFILLIPPO, ESQ.
PO FRANK BAL
SGT. BILL BASTEDO
PO MICHAEL McMAHON
LT. PAT McCORMICK
LT. ROBERT GAROFOLO
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COUNSEL FOR UNIONS
MEMBER OF BARGAINING TEAM
MEMBER OF BARGAINING TEAM
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MEMBER OF BARGAINING TEAM
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FINANCIAL CONSULTANT

PROCEDURAL BACKGROUND

The parties in this dispute, the Township of West Windsor and PBA Local 271 SOA, are signatories to a collective negotiations agreement that expired on December 31, 2009. The parties notified the New Jersey Public Employment Relations Commission (PERC) that they have selected the undersigned to be the Interest Arbitrator in the instant dispute. On December 30, 2010, I received formal notification from PERC that I was appointed Interest Arbitrator.

I held informal sessions on March 28 and May 3, 2011, in the hopes of reaching a voluntary successor agreement. It became apparent that a voluntary successor agreement could not be reached, and a formal interest arbitration hearing was scheduled for August 17, 2011.

A court reporter was present at the hearing, and the Arbitrator received a copy of the transcript. The parties waived submission of post-hearing briefs and relied upon the record as presented with the documentation from Mr. Ruderman, counsel for the Employer, and Mr. DeFilippo, counsel for the Unions.

The parties did not agree upon an alternative terminal procedure. Accordingly, the procedure in the instant matter will be covered by conventional arbitration. Conventional arbitration is a much more flexible process that allows the arbitrator to review all of the facts and documents submitted, as well as to review the testimony in the record and make a determination based upon the facts in evidence and not be held strictly to any component of a final offer by either party.

I am required by N.J.S.A. 34:13(a)-16(g) to separately determine whether the total net annual economic changes for each year of the Agreement are reasonable

under the non-statutory criteria set forth in subsection (g) of this section. These factors, which are commonly referred to as the statutory criteria, are set forth below:

(g) The arbitrator or panel of arbitrators shall decide the dispute based on a reasonable determination of the issues, giving due weight to those factors listed below that are judged relevant for the resolution of the specific dispute. In the award, the arbitrator or panel of arbitrators shall indicate which of the factors are deemed relevant, satisfactorily explain why the others are not relevant, and provide an analysis of the evidence of each relevant factor:

- (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.40aA:4-45.1, et. sec.).
- (2) Comparison of the wages, salaries, hours and conditions of employment of the employees involved in the arbitration proceedings with wages, hours and conditions of employment of other employees performing the same or similar services and with other employees generally:
 - (a) In private employment in general; 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 the P.L. 1976, c. 68 (C.40A:4-45.1 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 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 employees' contract in the preceding local budget year; the impact of the award for each income sector of the property taxpayers on 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 which public moneys have been designated by the governing body in a proposed local budget, or (c) initiate any new programs and services for which public moneys have been designated by the governing body in a proposed local budget.
- (7) The cost of living.
- (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 public service and in private employment.
- (9) Statutory restrictions imposed on 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 section 10 of P.L. 2007, c. 62 (C.40A:4-45.45).

FINAL OFFERS OF THE PARTIES:

For the Employer

1. Article IV — Grievance Procedure — See attached paragraphs A, B and C.
2. Article VII — Wages
 - a. 2010-1.5%
 - b. 2011 —No
 - c. Add 2 steps to the salary guide equalized between the top and the

bottom steps.

d. Maintain starting salary of \$45,832 for entry level people.

3. Article X - Longevity - Employers hired after July 1, 2011 shall not be eligible for longevity.
4. Article XIII - Educational Incentive - Reduce Educational Incentive to \$4,000 per employee per year and stipulate that the training or degree program is directly related to law enforcement. Any classes must be approved by the Chief of Police and Business Administrator before registering. Discontinue providing annual stipends for associates or bachelor degrees.
5. Article XIV - Vacation Leave - Specify vacation leave as prorated during the last year of service.
6. Article XVII - Sick Leave - Specify Sick Leave as prorated during the last year of service. Reduce sick leave allotment to 96 hours per year.
7. Article XX - Insurance
 1. Add the following as A 1(c) :

Employees hired after the signing of this agreement shall not be entitled to the family retiree health benefits. Only the employee will be covered.
 2. Add to Article B:

Employees who are terminated pursuant to N.J.S.A. 40A:14-147 shall not be eligible for retiree health benefits.
 3. Add the following:

Employer has the right to change insurance carriers through the self insurance program so long as substantially similar, but level of benefits are provided.

For the PBA

**FINAL OFFER
WEST WINDSOR PBA LOCAL #2711SOA
Docket Nos. IA-2011-020/021**

1. **Duration of Agreement.**

Four (4) year agreement commencing January 1, 2010 through December 31, 2013.

2. **Wages.**

Salary shall be increased, retroactive to January 1, 2010, across-the-board as follows:

<u>Year</u>	<u>% Increase</u>
2010	2.90%
2011	2.75%
2012	2.75%
2013	2.75%

The above salary increases shall be applied to all steps and ranks in the collective bargaining agreements and shall be applicable to each and every officer employed after December 31, 2009 regardless of whether said officer is still employed as of the date of the issuance of the Award in this matter.

3. **Longevity.**

Each step of the parties' longevity schedule shall be increased by \$100 for each year of the new Agreement.

4. **Extra Work.**

The hourly rate for security, traffic and late call in extra work assignments shall be increased by \$5 for each year of the new Agreement.

5. **Out-of-Class Assignments.**

An officer required to assume the duties of a higher rank shall be compensated at the higher rank on an "hour for hour" basis.

6. **Education Incentive.**

An additional annual compensation of \$1,500 shall be provided to officers having earned a Masters degree after completion of six (6) years of service.

7. **Personal Leave.**

- Personal leave shall be increased, retroactive to January 1, 2010, from thirty-four (34) hours to thirty-six (36) hours.
- The maximum amount of personal leave which may be accrued and reserved shall be increased from sixty-eight (68) hours to seventy-two (72) hours.

8. **Bereavement Leave.**

Currently, bereavement leave is provided in hours. Said leave shall be afforded on the basis of days instead. Accordingly, the leave provided under paragraphs A; B; C and E shall be revised as follows:

Paragraph A — ten (10) days;
Paragraph B — five (5) days;
Paragraph C — two (2) days;
Paragraph E — three (3) and two (2) days.

9. **Uniforms.**

The annual clothing allowance shall be increased, retroactive to January 1, 2010, from \$850 to \$1,000.

POSITIONS OF THE PARTIES

For the Employer

The Employer contends that a municipality's ability to pay argument usually focuses on the current expense budget appropriations. If a municipality was budgeted up to CAP, there was not need to consider long-term versus short-term budgetary strategies, capital expenses, debt services, revenues, etc. If a municipality was budgeted up to CAP, it could appropriate no additional monies within its current

expense budget (CEB). The sole focus was on whether the municipality had reasonably appropriated monies on each and every line item in the CEB.

If a municipality was not budgeted up to CAP, this did not mean that the municipality had the ability to pay. In the narrow sense, if a municipality was not budgeted up to CAP, there was room in the CEB to appropriate monies for additional expenditures. However, to narrowly focus on this fact excluded the necessary consideration of long-term versus short-term budgetary strategies, necessary capital improvements, debt service and revenues.

However, the traditional analysis became virtually obsolete when Governor Corzine signed into law Chapter 62 of the laws of 2007 which implements a property tax levy CAP limiting municipalities to a 4% increase over the previous year's amount to be raised by taxation.

Without a tax levy CAP, a municipality had greater discretion and flexibility in the revenue side of the budget because of its ability to raise revenue through taxes.

However, with the implementation of the tax levy CAP, the discretion and flexibility of the municipal budget strategies changed dramatically, with revenues playing a more significant role and expenditures becoming reactionary to the impact of revenues. This situation has been magnified for 2011 and beyond with the modification of the tax levy CAP downwards from 4% to 2%. Revenue inflexibility has also caused municipalities to consider long-range revenue projections when formulating current budgets.

Previous revenue analyses has reviewed a municipalities surplus history, state aid and "one-shot deals", indicating that the inability of these revenue sources to fund

budgetary expenditure increases left the remaining revenue burden to be shouldered by municipal taxes. With the statutory limitation on tax levy increases, there is virtually no revenue source over which the municipality has sufficient control, discretion or flexibility to count the budgetary shortfalls in other revenue sources. This lack of control and/or flexibility requires municipalities to curtail expenditures in order to balance their budgets.

Due to the restrictions in New Jersey's CAP law, PL 1986, Ch. 68, as revised by PL 1990, Ch. 89 and PL 1990, Ch. 95, limited increases within the Current Expense portion of the municipal budget to 2.5% [3.5%] with municipal approval and due to the above-referenced recent legislation limiting municipal tax increases to 4% and 2% beginning in 2011, the traditional analysis does not apply to the Borough's ability to pay. The Borough's ability to pay argument centers around the revenue portion of the Borough's budget. Additionally, there is no need to differentiate between Current Expense budgetary line items and expenditures excluded from the CAP, since Borough revenues are generated to cover both within CAP and excluded from CAP expenditures.

The Township argues that its ability to pay is evidenced by the budgetary highlights as set forth below:

1. The municipal tax revenue increased by 7% from 34.5% to 36.9% per \$100 of assessed value.
2. Despite the 2% tax levy CAP, the Township experienced increases in debt service costs and pension costs that allow the municipal levy to increase by 4.9% from \$20,978,377.00 to \$22,007,366.00.
3. The Township also experienced significant reductions as ratables based on a 2% decline (for the second year in a row) from \$6.088 billion in 2010 to \$5.969 billion in 2011.
4. Pension Costs: In 2011, PFRS increased by 24.11% from \$1,235,157 in 2010 to \$1,533,015 in 2011 and was proposed to increase another 9.97% to \$1,685,826 for 2012.

The Township argues that its ability to pay is significantly impacted by tax appeals. While the Township did not introduce any documentation in support of its position about tax appeals for the municipality, it does stand to reason that with tax appeals and a reduction in a tax base, the Township has less revenue to utilize for municipal expenses, including salary increases for police officers. The Township argues that the 2011 adopted budget clearly establishes the amount of money the Township has to utilize for the municipality which includes raises for all municipal employees. The Township argues that they are not just addressing raises for the municipal employees, they are addressing all of the costs for the municipal employees which include health insurance as well as pensions and the attached chart dramatically shows the increase in pension costs to the municipality.

The interest and welfare of public criterion is significantly impacted by the fact that residents in many municipalities throughout the State rejected a move to exceed the property tax CAP. That salary CAP was put into place to control the cost of the running of municipal government and incorporated within that was a reform to the binding arbitration statute for police and fire officers. In support of its argument, the Township introduced editorials in such areas as tax payers cannot afford salaries and benefits to continue the high cost of police officers, police contracts should be negotiated regionally eliminating the Union's ability to pit one town against another. Additionally, effective January 1, 2011, any negotiations for police and fire cannot exceed 2% of the base and that 2% includes longevity and step increments. While that is not operational here because this contract was prior to the implementation of that statute, nevertheless, the Township argues that it is a clear example of what is

occurring with legislators in Trenton and how there has been a dramatic move away from the exorbitant salary increases that police and fire officers have received for the last few decades.

2000 DEMOGRAPHICS

	<u>POPULATION</u>	<u>AREA</u>
1. Hamilton	87,109	39.45
2. Trenton	85,403	7.66
3. Ewing	35,707	15.39
4. Lawrence	29,159	22.14
5. West Windsor	21,907	26.01
6. Plainsboro	20,125	11.84
7. Hopewell	16,105	58.11
8. Princeton Township	16,027	16.71
9. Princeton Borough	14,203	1.85
10. Washington	10,225	20.48
11. Hightstown Borough	5,216	1.23

Source – Municipal Data Book

2009 MERCER COUNTY COMPARISON OF MAXIMUM POLICE OFFICERS SALARIES

<u>No.</u>	<u>Municipality</u>	<u>Date Effective</u>	<u>Salary</u>
1	Ewing	7/1/2009	\$99,991
2	Robbinsville	1/1/2009	\$99,418
3	Lawrence	1/1/2009	\$96,522
4	Hamilton	1/1/2009	\$96,154
5	Princeton Township	1/1/2009	\$93,703
6	Princeton Borough	1/1/2009	\$93,336
7	West Windsor	1/1/2009	\$91,199
8	East Windsor	1/1/2009	\$89,893
9	Hopewell Township	1/1/2009	\$89,599
10	Hightstown	1/1/2009	\$85,759
11	Trenton	1/1/2009	\$76,444
12	Pennington	1/1/2009	\$60,162

Average: \$89,515

East Windsor: Salary includes holiday pay.

2009 MERCER COUNTY COMPARISON OF STARTING POLICE OFFICERS SALARIES

<u>No.</u>	<u>Municipality</u>	<u>Date Effective</u>	<u>Salary</u>
1	East Windsor	1/1/2009	\$69,528
2	Princeton Township	1/1/2009	\$65,909
3	Princeton Borough	1/1/2009	\$51,907
4	Hightstown	1/1/2009	\$49,809
5	Hopewell Township	1/1/2009	\$49,220
6	Hamilton	1/1/2009	\$49,118
7	West Windsor	1/1/2009	\$45,832
8	Pennington	1/1/2009	\$40,108
9	Ewing	7/1/2009	\$35,190
10	Lawrence	1/1/2009	\$35,000
11	Robbinsville	1/1/2009	\$32,757
12	Trenton	1/1/2009	\$30,287

Average: \$46,222

East Windsor: Salary includes holiday pay.

2009 HOLIDAY COMPARISON – POLICE OFFICERS, MERCER COUNTY

<u>Municipality</u>	<u>No. of Holidays</u>
East Windsor	120 hours
Ewing	14 days
Hamilton	None
Hightstown	104 hours
Hopewell Township	14 days (112 hours)
Lawrence	14 days
Pennington	12 days
Princeton Borough	104 hours
Princeton Township	104 hours
Robbinsville	None
Trenton	13 days
West Windsor	104 hours

East Windsor: Receive 120 hours of holiday pay at regular hourly rates to be included in employees' annual base pay. These 120 hours of pay shall be in lieu of other compensation and time off for any holidays each year.

Ewing: Recognized that Employees of the Police Department may not enjoy paid holidays by not working on those dates. Therefore, in lieu of the holiday itself, each Employee of the Police Department will receive a full day's pay in addition to his/her regular salary for 14 holidays calculated at 9 hours per day.

Hamilton: No specific holidays granted and no additional compensation for working holidays. Recruits while in the Academy are entitled to leave with pay for 14 specified holidays.

Hopewell: Effective 1/1/09, the value of 4 holidays or 32 hours of pay shall be folded into the base pay.

Pennington: Officers who work on the holiday shall receive their normal wages for the paid holiday, plus they will be paid one and one half times their normal rate of hours worked on the holidays. Officers may opt to be paid for the holiday or receive a day off.

Trenton: Recognized that employees of the Department of Police are not able to be excused from working on the 13 holidays. Therefore, in lieu of receiving days off on such holidays, each employee of the Department of Police will receive a full day's pay in addition to his regular salary.

West Windsor: All members of the bargaining unit shall be scheduled to work on holidays. Therefore, in lieu of having specific holidays as days off, all members shall receive holiday pay prorated over the calendar year in the biweekly pay.

The Township argues that the comparisons they presented clearly establish that West Windsor is not suffering as the PBA would have the Arbitrator believe. In fact, the comparisons show that the maximum salary for police officers in West Windsor is above the County average, and close to the County average in the starting salary for police officers. That is the reason why the Township has proposed that the starting salary should be frozen and wants a restructuring of the salary guide.

The Employer also introduced editorials to dramatize that police officers are being laid off throughout the State of New Jersey because municipalities cannot afford to fund the types of salary increases that had been awarded to them in the past. The Township is not suggesting that they are going to lay off any police officers; they are just dramatically pointing out to the Arbitrator the types of problems that exist in the State of New Jersey.

The Township also introduced evidence to show that there is a sharp slow down in the Gross Domestic Product and that the recovery from the federal government is starting to stall. Unemployment creeps up to at least 9.2% to 9.3% and does not show that those numbers will be reduced by the ending of this year. More importantly, in May of 2011, only 54,000 jobs were added nationally. That does not bode well for positions advanced with respect to salary increases for police officers.

The Township contends that the Consumer Price Index establishes that while inflation rose in April at the lowest rate since the 1960's, does not mean that the Township can afford to pay the types of salary increases being asked for by the Unions. While inflation appears to be starting to get under control, consumer prices are rising. The Township argues that they don't have the financial wherewithal to fund the type of

settlement being proposed by the PBA, whether it is for the rank-and-file/Sergeant group or for the Lieutenant/SOA group.

The Township argues that the evidence in the record and the documentation submitted at the hearing clearly establishes that the position they have advanced must be awarded by the Arbitrator to prevent the Township from having any further financial problems.

For the Unions

The Unions argue that *"The Township had \$203,625 left in reserve from Police salaries and wages and \$8,437 left in reserve from Police other expenses totaling \$212,062 from the 2010 year."*

Additionally, since 2005, Police salaries and wages and other expenses budgetary line items have resulted in reserves. For the 2010 year, the Township spent \$212,062 less than budgeted for the police salaries and wages and other expense line items. For the 2009 year, the Township spent \$173,078 (\$171,890 + \$1,187,000) less than budgeted for the Police salaries and wages and other expenses line items.

The change from the amount paid in 2010 to the amount budgeted in 2011 is \$248,046 (\$5,606,875 less \$5,258,829) or a 4.629% increase over the 2010 year's spending. The change from the amount paid in 2009 to the amount budgeted in 2010 is \$159,444 (\$5,562,454 less \$5,403,009) or a 2.951% increase over the 2009 year's spending. The changes for 2011 and 2010 represent a total increase of 7.58% (4.629 + 2.95) in budgeted police salaries and wages compared to actual spending.

The Unions argue that the 2011 budgeted police salaries and wages have increased by 0.80% while all other salaries and wages have increased by 10.89%.

(See Financial Data, Tab 2).¹ The Township also argues that the documentation source for its charts with 2011 budget sheets 15, 17 and 25.

The Unions assert that the Township has continually generated surplus each year as evidenced by the 2011 budget, the 2010 unaudited financial statements, the 2006-2009 audited financial statements. Support for this can be found in the post-hearing brief at Tab 3.²

Since 2005, the Township has continually been able to generate fund balances. In 2008, the beginning fund balance was \$8,251,378, of which the Township utilized \$4,200,000 as surplus revenue in the 2008 budget. This enabled the Township to stabilize the tax levy while complying with the Ch. 62 laws of 2007's tax levy CAP. After utilizing \$4,200,000 of the fund balance as surplus revenue, the Township still had a remaining available fund balance of \$7,817,831 as of December 31, 2008.

In 2009, the beginning fund balance was \$7,817,831 of which the Township utilized \$4,200,000 as surplus revenue in the 2009 budget. After utilizing \$4,200,000 as surplus revenue, the Township ended the year with a regenerated fund balance of \$7,343,136 on December 31, 2009. This enabled the Township to stabilize the tax levy while complying with the Ch. 62 laws of 2007's tax levy CAP.

In 2010, the beginning fund balance was \$7,343,136 of which the Township utilized \$4,400,000 as surplus revenue in the 2010 budget. This left the Township with an available fund balance of \$2,943,136 (\$7,343,136 less \$4,400,000). In 2010, the Township was able to regenerate \$3,902,427 of fund balance and the Township ended the year with a regenerated fund balance of \$6,845,560 on December 31, 2010. This

¹ PBA/SOA Financial Data Book

² *ibid.*

enabled the Township to stabilize the tax levy while complying with the Ch. 62 laws of 2007's tax levy CAP.

The fund balance of \$6,845,560 is available for the 2011 budget to hold down taxes and to fund the requested police salaries and wages proposal. The 2011 budget indicates the utilization of \$4,435,000 of fund balance of surplus revenue. After utilizing \$4,435,000 as surplus revenue, the Township will still have a remaining surplus balance of \$2,410,560 (\$6,845,560 less \$4,435,000) available.

The Unions argue that the municipal tax portion of the average residential tax bill increased by \$22.89 from 2010 to 2011. Of the average increase of \$22.89, only \$4.92 annually or \$0.41 per month was allocated to the cost of the police department.

The Unions argue that the actual revenue raised by taxation has exceeded the estimated revenue to be collected by taxation every year since 2005. Support for this position can be found in the 2011 and 2006 budget, the 2010 unaudited financial statements, and 2006-2009 audited financial statements. Additionally, since 2005, the percentage of collections has exceeded the budgeted amount every year. The Township's actual revenue collected from taxation has exceeded the budgeted amount every year since 2005. The Unions' financial analysis and in particular Tab 4(b)³, shows that since 1995 the percentage of collection rates is 99+%, which means that the Township has maintained a high collection percentage level.

The Unions argue that the Township has enjoyed continued revenue growth that exceeds the requested salary increases proposed, despite the State aid reductions. The Unions argues that the State has continually reduced State aid which was funded by the Energy Receipt tax and resulted in an increasing tax burden on the local

³ *ibid.*

taxpayer. The Consolidated Municipal Property Tax Relief Aid (COMPTRA) is comprised of municipal property tax relief programs. The COMPTRA statute mandates inflationary adjustments. The State is attempting to shift the tax responsibility by using the revenues generated by the Energy Receipt tax, which is an estimated 13.5% (see Tab 5(a)⁴, the cost of utility service has significantly increased over time, yet the revenues related to those increases have not been provided for property tax relief as required by State statute.

The Unions contend that the December 31, 2010, appropriation reserves balance of \$922,640 is available for future spending in 2011. The unexpended appropriation and encumbrance reserves (see Tab 8)⁵ shows that the Township can apply these unexpended appropriation reserves to future budget periods. Any encumbrance canceled and appropriation reserves that are left after one year generate surplus. The Unions argue that the Township cannot be arguing an inability to pay based upon the information presented in the financial analysis section of its presentation.

Furthermore, the Township has continually had additional revenues it did not anticipate and per the unaudited annual financial statement as of December 31, 2010, the Township had additional revenue of \$487,403. Moreover, the Township has had the ability to generate significant excess results from operations which became available for future years' budgets. The Township has historically generated excess results from operations. This means that there was more revenue being collected than budgeted and/or less appropriations being spent not budgeted. (Unexpended appropriations).

⁴ *ibid.*

⁵ *ibid.*

Additionally, the Unions argue that the Township maintained cash balances of \$20,465,955 as of December 31, 2010. This means that the Township has consistently maintained a strong cash position and that represents cash available after completion of the budget cycle for 2010. This amount represents 51.13% of the 2010 realized revenues. The Unions argues that after deducting \$13,620,490 of cash liabilities, the Township still had a remaining cash surplus balance of \$6,845,465 on December 31, 2010.

The Unions argue that the differences between the parties for 2010 through 2013 are as follows:

Year to Year Differences

The difference between the Township and PBA 2010 cost proposal	\$ 51,103.22
The difference between the Township and PBA 2011 cost proposal	\$ 115,365.62
The difference between the Township and PBA 2012 cost proposal	\$ 196,986.75
The difference between the Township and PBA 2013 cost proposal	\$ 284,275.84

Cumulative Differences

The Cumulative difference between the cost proposals	\$ 647,731.43
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**MERCER COUNTY TOP PATROLMAN AFTER 10 YEARS
Base Salary for 2009**

Municipality		2009 Salary
1	Ewing	99,991
2	Robbinsville	99,418
3	Hamilton	99,279
4	Lawrence	96,522
5	Princeton Township	93,703
6	Princeton Borough	93,336
7	West Windsor	93,199
8	East Windsor	89,893
9	Hopewell Township	89,599

10	Hightstown	85,759
11	Trenton	76,444
12	Pennington	60,162
AVERAGE		89,775

MERCER COUNTY TOP PATROLMAN AFTER 10 YEARS
Base Salary for 2010

Municipality		2010 Salary
1	Ewing	103,991
2	Hamilton	102,505
3	Robbinsville	99,418
4	Princeton Township	97,451
5	Lawrence	96,522
6	Princeton Borough	94,736
7	Hopewell Township	92,342
8	East Windsor	89,893
9	Hightstown	85,759
10	Trenton	79,311
AVERAGE		94,193

MERCER COUNTY TOP PATROLMAN AFTER 10 YEARS
Base Salary for 2011

Municipality		2011 Salary
1	Ewing	108,151
2	Hamilton	106,093
3	Robbinsville	103,385
4	Princeton Township	101,349
5	Lawrence	99,273
6	Princeton Borough	97,009
7	Hopewell Township	95,020
8	East Windsor	91,241
9	Hightstown	86,831
AVERAGE		98,706

**MERCER COUNTY TOP PATROLMAN AFTER 10 YEARS
Base Salary for 2012**

Municipality		2012 Salary
1	Ewing	112,477
2	Hamilton	109,806
3	Princeton Township	103,883
4	Lawrence	102,102
5	Princeton Borough	99,338
6	Hopewell Township	97,776
7	East Windsor	93,522
8	Hightstown	83,133
AVERAGE		100,880

**MERCER COUNTY TOP PATROLMAN AFTER 10 YEARS
Base Salary for 2013**

Municipality		2013 Salary
1	Ewing	116,976
2	Hightstown	89,676
AVERAGE		103,326

**MERCER COUNTY TOP SERGEANT
Base Salary for 2009**

Municipality		2009 Salary
1	Princeton Borough	113,336
2	Ewing	111,155
3	Robbinsville	109,574
4	Hamilton	109,533
5	Lawrence	108,104
6	Princeton Township	107,758
7	West Windsor	103,776
8	Hopewell Township	103,642
9	East Windsor	93,391
10	Hightstown	93,391
11	Trenton	90,350
12	Pennington	64,374
AVERAGE		101,563

**MERCER COUNTY TOP SERGEANT
Base Salary for 2010**

Municipality		2010 Salary
1	Ewing	115,601
2	Princeton Borough	115,036
3	Hamilton	113,093
4	Princeton Township	112,069
5	Robbinsville	109,574
6	Lawrence	108,104
7	Hopewell Township	105,322
8	East Windsor	103,642
9	Trenton	93,738
10	Hightstown	93,391
AVERAGE		106,957

**MERCER COUNTY TOP SERGEANT
Base Salary for 2011**

Municipality		2011 Salary
1	Ewing	120,225
2	Princeton Borough	117,797
3	Hamilton	117,051
4	Princeton Township	116,551
5	Robbinsville	111,765
6	Lawrence	111,185
7	Hopewell Township	108,376
8	East Windsor	105,197
9	Trenton	97,019
10	Hightstown	94,559
AVERAGE		109,972

**MERCER COUNTY TOP SERGEANT
Base Salary for 2012**

Municipality		2012 Salary
1	Ewing	125,035
2	Hamilton	121,148
3	Princeton Borough	120,624
4	Princeton Township	119,465
5	Lawrence	114,354
6	Robbinsville	113,833
7	Hopewell Township	111,519
8	East Windsor	107,827
9	Trenton	100,415
10	Hightstown	95,977
AVERAGE		113,020

**MERCER COUNTY TOP SERGEANT
Base Salary for 2013**

Municipality		2013 Salary
1	Ewing	128,996
2	Hightstown	97,657
AVERAGE		113,327

**MERCER COUNTY TOP LIEUTENANT
Base Salary for 2009**

Municipality		2009 Salary
1	Princeton Borough	127,678
2	Hamilton	123,435
3	Ewing	122,580
4	East Windsor	121,707
5	Lawrence	121,078
6	West Windsor	119,293
7	Robbinsville	117,244
8	Hopewell Township	117,000
9	Trenton	103,906
10	Hightstown	96,847
AVERAGE		117,077

MERCER COUNTY TOP LIEUTENANT
Base Salary for 2010

Municipality		2010 Salary
1	Ewing	127,483
2	Hamilton	127,447
3	East Windsor	121,707
4	Lawrence	121,078
5	Robbinsville	117,244
6	Hopewell Township	117,000
7	Trenton	107,802
8	Hightstown	96,847
AVERAGE		117,076

MERCER COUNTY TOP LIEUTENANT
Base Salary for 2011

Municipality		2011 Salary
1	Ewing	132,582
2	Hamilton	131,908
3	Lawrence	124,529
4	East Windsor	123,516
5	Robbinsville	119,589
6	Hopewell Township	118,380
7	Trenton	111,575
8	Hightstown	98,058
AVERAGE		120,017

MERCER COUNTY TOP LIEUTENANT
Base Salary for 2012

Municipality		2012 Salary
1	Ewing	137,886
2	Hamilton	136,525
3	Lawrence	128,078
4	East Windsor	126,575
5	Robbinsville	121,801
6	Trenton	115,481
7	Hightstown	99,529
AVERAGE		123,696

MERCER COUNTY TOP LIEUTENANT
Base Salary for 2013

Municipality		2013 Salary
1	Ewing	143,401
2	Hamilton	101,271
AVERAGE		122,336

Additionally, there are six potential retirements during the contract period of 2010 through 2013 which would provide a future potential annual saving of \$986,327.

The Unions also argue that Ch. 2, P.L. 2010 requires a minimum of 1.5% contribution for healthcare insurance which would be a savings to the Township and available to fund the Unions' requested salary increases. The Township has no levy CAP limitation related to the increase in healthcare costs. The former CAP law provides for the healthcare increase to be excluded from the CAP calculations. In 2007 the legislature approved and the Governor signed into law P.L. 2007 c.62 creating an additional CAP exception for group health insurance. The new legislation, effective July 1, 2011, now mandates that all employees are required to contribute a percentage of

their healthcare premium or 1.5% of base salary, whichever is greater. That statute clearly establishes that at no time will an employee pay less than 1.5% of their base salary for health benefits. This will provide the Township with significant increased savings to offset future healthcare costs.

Another area where the Township will save money is the fact that police officers will now contribute 10% of the pensionable base salaries. These increased pension contributions will diminish the disposable income of each PBA member, which will result in an annual savings to the Township of \$55,218.56 based on 2010 base salaries (see Tab 25).⁶

The Unions argue that the financial data submitted clearly establishes that the positions they have advanced are well within the financial means of the municipality, and shows without reservation that the Township does not have an inability to pay argument. Additionally, and most importantly, the interest and the welfare of the public have not been set aside by the Unions' proposals. An analysis of the overall compensation received by the PBA members, as well as comparisons of other municipalities, clearly establishes the Unions' positions are proper and correct.

The lawful authority of the Employer has not been modified, and the financial impact on the governing unit, its residents and taxpayers is minimal at best. The analysis presented clearly establishes that the Township has the wherewithal to fund the Unions' proposals and at the same time maintain a reserve balance for the municipality.

The Unions argue that their position should be awarded by the Arbitrator based upon the financial data submitted.

⁶ *ibid.*

CURRENT

ARTICLE 7

WAGES

A. The annual salaries of the employees shall be as follows:

PRESENT PATROLMEN & SERGEANTS

	<u>2007</u> <u>3.50%</u>	<u>2008</u> <u>3.75%</u>	<u>2009</u> <u>3.95%</u>
<u>Patrolmen</u>			
Entry Level			
Completion of Academy	49,405		
Beginning Second Year	64,572	66,993	
Beginning Third Year	69,891	72,512	75,377
Beginning Fourth Year	75,664	78,501	81,602
Beginning Fifth Year	81,894	84,965	88,322
Beginning Sixth Year	86,417	89,658	93,199
Sergeant	96,224	99,832	103,776

* First Year Sergeant will start \$500 below Sergeant scale.

PATROLMEN & SERGEANTS HIRED AFTER JANUARY 1, 2007

	<u>2007</u> <u>3.50%</u>	<u>2008</u> <u>3.75%</u>	<u>2009</u> <u>3.95%</u>
<u>Patrolmen</u>			
Entry Level	44,090	44,090	45,832
Completion of Academy	49,405	49,405	51,356
Beginning Second Year	59,647	61,884	64,328
Beginning Third Year	64,572	66,993	69,639
Beginning Fourth Year	69,891	72,512	75,377
Beginning Fifth Year	75,664	78,501	81,602
Beginning Sixth Year	81,894	84,965	88,322
Beginning of Seventh Year	86,417	89,658	93,199

B. It is understood that the Township agrees to pay all employees of the bargaining unit on Thursdays unless there are unforeseen circumstances which delay the processing of checks. In which case payment will be made as soon as possible after the Thursday schedule.

ARTICLE 3

WAGES (SOA)

- A. The annual salaries of the employees shall be as follows:

Lieutenant	2007	\$110,613
	2008	\$114,871
	2009	\$119,293

- B. It is understood that the Township agrees to pay all employees of the bargaining unit on Thursdays unless there are unforeseen circumstances which delay the processing of checks. In which case payment will be made as soon as possible after the Thursday schedule.
- C. Employees shall be paid on a bi-weekly pay schedule.
- D. Salaries shall be computed on a calendar year basis from January 1 through December 31. Payment of salary will be based on dividing the annual salary by the number of work hours in the calendar year. Each employee shall be paid for the following number of work hours per year as specified below:

2007	2088 work hours
2008	2096 work hours
2009	2088 work hours

- E. In any year where an employee is required to work in excess of the 2080 hour normal work year, the employee will have the option to be paid for this time or to schedule the time off at straight time.

If an employee elects to be paid, said payment will be in the form of a separate check issued the pay period closest to the first of December.

If an employee elects to take compensatory time off, it shall be scheduled in the same manner as other time.

DISCUSSION AND OPINION:

The Arbitrator by statute is required to separately determine whether the total annual economic changes for each of the Agreement are reasonable under the nine statutory criterions. Each criterion must be considered, and those deemed relevant

must be explained. The Arbitrator is also required to provide explanation as to why any criterion is deemed not to be relevant.

I have carefully considered the evidence which has been presented, as well as the arguments of both parties. I have considered the evidence and arguments in light of the statutory criterion. I have considered each criterion and have found, with the exception of a stipulation of the parties, each to be relevant, although the weight to be given to the factors varies as discussed. It is appropriate to set forth the terms of the Award at this time, which will allow anyone reviewing this Award to follow the analysis which led to the Award.

The parties, by necessity, based their arguments on and correlated the evidence they presented to the office of the other party. I have the authority and responsibility to fashion the terms of the Award in this conventional arbitration proceeding.

It is axiomatic in interest arbitration and/or in collective negotiations that in consideration of wages, hours and conditions of employment, that the party seeking a change in an existing term and condition of employment bear the burden of showing the need for such change. That guiding principle has been followed throughout this Award.

DURATION

A three year contract with a duration of January 1, 2010, through December 31, 2012.

WAGES 2010:

Effective January 1, 2010	2.5% across-the-board increase
Effective January 1, 2011	2.0% across-the-board increase
Effective January 1, 2012	2.0% across-the-board increase

All patrolmen hired after January 1, 2012, shall have an additional step added to the salary guide. The same maximum salary will be in effect as the other salary guides, but it will take new patrolmen one more year to reach the maximum salary.

LONGEVITY:

CURRENT LANGUAGE

The Township agrees to provide each full-time regular employee with a longevity payment as set forth below:

Beginning the sixth (6 th) year until the end of the tenth (10 th) year	\$1,011.00
Beginning the eleventh (11 th) year until the end of the fourteenth (14 th) year	\$1,516.00
Beginning the fifteenth (15 th) year until the end of the nineteenth (19 th) year	\$2,021.00
Beginning the twentieth (20 th) year until end of the twenty-fourth (24 th) year	\$2,526.00
Beginning the twenty-fifth (25 th) year and beyond	\$3,032.00

Longevity payments will be prorated over the calendar year and be paid bi-weekly for continuous and uninterrupted service after an employee reaches his anniversary date.

The current longevity schedule is part of this Award. Effective January 1, 2012, for all new hires, reduce each dollar amount set forth above by 50%, which will result in the following:

\$ 505.50
\$ 758.00
\$1,010.50
\$1,263.00
\$1,516.00

CURRENT EDUCATIONAL INCENTIVE:

ARTICLE 13

In addition to other compensation provided for in this agreement, officers who have earned college credits leading to a degree shall receive additional compensation in accordance with the schedule below. All current employees may continue to pursue a degree and qualify for "A" or "B" below.

- A. Officers who have earned an Associate Degree or at least sixty (60) credits in a Bachelor of Science or Bachelor of Arts program shall receive additional compensation in the sum of \$500.00 per year each calendar year commencing after completion of at least two (2) years of service.
- B. Officers who have earned a Bachelor of Arts Degree or a Bachelor of Science Degree shall receive as additional compensation the sum of \$1,000.00 each calendar year commencing after completion of four (4) years of service.
- C. All employees currently receiving stipends in Paragraph "A" or "B" of this Article will continue to do so.
- D. All degrees from accredited colleges or universities are eligible for this program.
- E. College-incentive payments will be prorated over the calendar year and be paid bi-weekly.
- F. Educational Cost Reimbursement:
The Township shall reimburse an employee for 100% of the cost incurred for courses taken. These courses may be taken at accredited four-year colleges, accredited two-year colleges, extension divisions of accredited colleges, county community colleges, technical or business schools, and/or through continuing education programs. For the purposes of establishing an annual budget amount, employees shall request the needed reimbursement by December 1 of the year prior to enrolling in the requested course(s).

PROCEDURE:

1. For Undergraduate and Graduate Level College Courses:
Definition – Any undergraduate or graduate level course that can be used as credit in any associates, bachelors or masters degree-producing program only. Employees enrolled in a higher level degree program as of the signing date of this contract shall be allowed to complete their current degree program.

These courses are automatically approved. Notice must be given to the Chief of Police stating the courses/credits that will be taken, the anticipated date of attendance (semester, etc.) and estimated cost of the course, fees and books.

Actual costs should be submitted as soon as they are specifically identified.

2. For Non-College Level Courses:

Definition – Any course not earning college credits, examples, on-day seminars, continuing education classes, etc.

These courses must be approved by the Chief of Police or his designee on a case-by-case basis. Approval will be based solely upon the relevancy of the course to the position of the applicant.

Upon completion of the course, the employee shall be reimbursed for the cost of tuition, fees and books. Reimbursement will occur after the employee submits proof of the following: passing grade(s) (C minimum) and/or certificate of attendance and record of payment of all costs incurred.

Any employee, who voluntarily terminates employment other than retirement with the Township prior to the completion of eighteen (18) months of service, shall reimburse the Township for tuition, fees and books.

The current Educational Incentive Program is made part of this Award with the following modifications:

Effective January 1, 2012, the following change is awarded for

Educational Incentive: In addition to other compensation provided for in this Agreement, officers who have earned college credits for a degree in Police Science, Police Administration, Public Safety, Criminal Justice or similar police-related courses of instruction, are entitled to the Educational Incentive/Reimbursement Program of the Township.

However, all those officers currently enrolled in a degree program, shall be grandfathered or otherwise exempt from the new language effective January 1, 2012, for Educational Incentive.

While in other municipalities I have awarded more than a three year agreement, after listening to the presentations of the parties, it became obvious to me that anything beyond a three year agreement was not going to be acceptable to the Township and, more importantly, would have seriously impacted upon the ability of the parties to

compromise/modify their positions before they gave me their final offers. While I fully recognize that a three year agreement simply means that sometime after January 1, 2012 the parties will begin to meet to negotiate a successor agreement, I think the variables established by new State statutes make it a lot clearer for the parties to reach a successor agreement.

My wage offer is higher than the Township wanted and less than what the PBA asked for. The PBA proposed a four year agreement with salary increases ranging from 2.9% to 2.7% over the four years. That equates to 2.79% each year. I awarded 6.5% over three years, which equates to 2.2% each year.

The CAP law has undergone a series of revisions from its initial inception in 1976. P.L. 2007, c.62 allowed the Township to increase its tax levy by 4%. That was changed in 2010 with the creation of P.L. 2010, c.44 which reduced the 4% tax levy to 2%. Excluded from that 2% are and pension liabilities in excess of the 2%, as well as health insurance increases in excess of 2%.

Also in 2010 P.L. 2010, c.2 established that all public employees must pay 1.5% of their base salary for health insurance. That was recently increased in 2011 with c.78 which requires a percentage increase of the healthcare premium or 1.5% of the base salary, whichever is greater. The impact of that statute establishes that at no time will an employee pay less than 1.5% of their base salary for health benefits.

I have factored the healthcare component into my determination based upon the following analysis:

The total 2009 base for both bargaining units, which includes patrolmen, detectives, sergeants and lieutenants, is \$4,719,433. Increasing that amount by 2.5%

for 2010 generates \$4,837,418. Add 2% on top of that for 2011 generates \$4,934,167 and an additional 2% for 2012 generates \$5,032,850.

Utilizing the 1.5% from P.L. 2010, c.2, shows the following:

$$2010 \quad \$72,561 \div 12 = \$6,047 \text{ per month}$$

That statute went into effect toward the latter part of May in 2010. From June through December of 2010, that generated \$36,282.00 that bargaining unit members must pay. In 2011, the total is \$74,012 and using the same 1.5% for 2012, generates \$75,492. From May of 2010 through December of 2012, bargaining unit employees will pay a total of \$185,786 for health insurance. That amount of money is reduced from the Township's obligation for health insurance. That amount may be higher based upon the salary of individuals as it relates to c.78. However, I am not sure what the total amount will be. Nevertheless, the \$185,786 is a savings to the municipality. Additionally, there is a savings to the municipality with the increase in pension contributions that employees are obligated to make. Police officers will now contributed 10% of their pensionable base salaries.

Using Tab 25 from the PBA's financial analysis shows that in 2010 the Township would have a savings of \$55,218.56. in pension obligations. That amount of money will increase throughout the term of the Agreement, as well as into the future.

The evidence in front of me shows that the Township has appropriation reserves indicating that they have spent less than budgeted. The documents submitted show that after utilizing the \$4,435,000 of surplus revenue in the 2011 budget, the Township still had a remaining surplus balance of \$2,410,560 available. The record does reflect that since 2005, the Township has generated fund balances and generated excess

results from operations to enable the use of fund balance as surplus revenue and in turn, hold down taxes. It is not unusual for a municipality to regenerate surplus each year. In fact, it is compliment to the Township that they are able to creatively develop a municipal budget and reducing the impact on the taxpayers.

One of the most compelling documents submitted is Tab 7⁷ from the financial data submitted by the PBA. That document shows of the average increase of \$22.89 per residential property tax bill, \$.041 per month was allocated to the cost of the police department. The budgetary mechanisms in place, which are not generally known to the public and sometimes not fully understood by the public, does show that the Township has the ability to pay what I have awarded and it does not have a deleterious impact upon the financial basis for the municipality. Additionally, the actual revenue raised by taxation has exceeded the estimated revenue to be collected by taxation every year since 2005. The following chart shows what the impact of that is:

YEAR	Estimated Revenue to Be Raised by Taxation	Actual Revenue Collection from	Excess (Deficit)
2011 CY	\$22,011,354.45		
2010 CY	\$20,978,376.61	\$22,618,360.76	\$1,639,984.15
2009 CY	\$20,581,456.14	\$22,900,262.36	\$2,318,806.22
2008 CY	\$19,588,268.23	\$22,213,100.31	\$2,624,832.08
2007 CY	\$17,651,950.59	\$20,604,682.56	\$2,952,731.97
2006 CY	\$17,206,079.44	\$18,502,548.72	\$1,296,469.28
2005 CY	\$15,645,855.64	\$17,859,155.19	\$2,213,299.55
Document Supports: 2011 & 2006 Budget, 2010 Unaudited Financial Statements, 2006-209 Audited Financial Statements			

⁷ ibid.

The following shows the cost to the Employer over the three year period from January 1, 2010 to December 31, 2012 after deducting the 1.5% health insurance contribution:

2010 \$4,837,418

2009 \$4,719,433

Difference \$177,985 – \$36,282* = \$81,703

2011 \$4,934,167

2010 \$4,837,418

Difference \$96,749 – \$74,012* = \$22,737

2012 \$5,032,850

2011 \$4,934,167

Difference \$98,683 - \$75,492* = \$23,191

TOTAL INCREASE: \$127,631 over the 2009 base of \$4,719,433.

*** Total Health insurance contributions by all bargaining unit members**

PERC INTEREST ARBITRATION SALARY INCREASE ANALYSIS

YEAR	NUMBER OF AWARDS	AVERAGE SALARY INCREASE OF AWARD	VOLUNTARY SETTLEMENTS	AVERAGE SALARY INCREASE OF SETTLEMENTS
2009	16	3.75%	45	3.60%
2010	9	2.88%	45	2.65%
2011*	13	2.39%	21	2.09%
2011**	23	2.29%	28	1.96%

* January 1, 2011 through June 30, 2011

** January 1, 2011, through October 21, 2011

My award of 2.5% (2010), 2.0% (2011) and 2.0%, (2012) is in compliance with the above PERC analysis.

SUMMARY:

I have carefully considered the evidence and arguments of the parties in relation to the statutory criteria. My Award does not interfere with the lawful authority of the Employer, and furthermore, the Award is consistent with the interests of the public and will not have deleterious impact on the governing unit or its residents and taxpayers. The municipality will not have a CAP problem. Into the future round of bargaining, P.L. 2010, c.105, mandates that the salary base cannot exceed 2%, which includes longevity and increments.

My Award protects the continuity and stability of employment and offers a competitive salary. I respectfully enter the terms of the Award as a reasonable determination of the issues in dispute based upon the facts in evidence. **Accordingly, I hereby issue the following Award:**

DURATION: Three year agreement – January 1, 2010 through December 31, 2012

WAGES 2010:

Effective January 1, 2010	2.5% across-the-board increase
Effective January 1, 2011	2.0% across-the-board increase
Effective January 1, 2012	2.0% across-the-board increase

All patrolmen hired after January 1, 2012 shall have an additional step added to the salary guide. The same maximum salary will be in effect as the other salary guides, but it will take new patrolmen one more year to reach the maximum salary.

LONGEVITY:

Effective January 1, 2012, the following change is awarded for

Educational Incentive: In addition to other compensation provided for in this Agreement, officers who have earned college credits for a degree in

Police Science, Police Administration, Public Safety, Criminal Justice or similar police-related courses of instruction, are entitled to the Educational Incentive/Reimbursement Program of the Township.

However, all those officers currently enrolled in a degree program, shall be grandfathered or otherwise exempt from the language effective January 1, 2012 for Educational Incentive

New Salary Schedule with the additional step for January 1, 2012 is attached as Appendix A.

PRESENT PATROLMEN AND SERGEANTS

2009	2.5% 2010	2.0% 2011	2.0% 2012
\$75,377	\$77,261	\$78,801	\$80,383
\$81,602	\$83,642	\$85,315	\$87,007
\$88,322	\$90,530	\$92,341	\$94,187
\$93,199	\$95,529	\$97,480	\$99,388

PATROLMEN AND SERGEANTS HIRED AFTER JANUARY 1, 2007

2009	2.5% 2010	2.0% 2011	2.0% 2012
\$45,832	\$46,978	\$47,917	\$48,876
\$51,356	\$52,639	\$53,693	\$54,767
\$64,328	\$65,936	\$67,255	\$68,600
\$69,639	\$71,381	\$72,809	\$74,265
\$75,377	\$77,261	\$78,801	\$80,383
\$81,602	\$83,642	\$85,315	\$87,007
\$88,322	\$90,530	\$92,341	\$94,187
\$93,199	\$95,529	\$97,440	\$99,388

PATROLMEN HIRED AFTER JANUARY 1, 2012*

2012
41,288
48,638
55,888
63,138
70,388
77,638
84,888
92,138
99,388

*Equal increment pattern with nine step guide and lower starting salary

LIEUTENANT

2009	2010	2011	2012
\$119,293	\$122,275	\$124,721	\$127,215

All other issues not addressed herein are rejected.

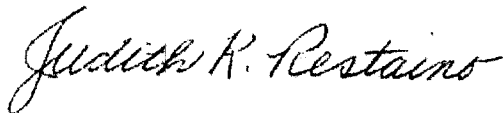
Dated: November 23, 2011


Gerard G. Restaino, Arbitrator

State of Pennsylvania)

County of Wayne) ss:

On this 23rd day of November, 2011, before me personally came and appeared GERARD G. RESTAINO to me known to be the person who executed the foregoing document and he duly acknowledged to me that he executed the same.



Notary Public
Lake Twp., Wayne County
My commission expires on November 10, 2013.