

NEW JERSEY PUBLIC EMPLOYEE RELATIONS COMMISSION

In the Matter of Interest Arbitration Between:

MIDDLESEX COUNTY SHERIFF'S OFFICE

"Public Employer,"

- and -

PBA LOCAL 165

"Union."

Docket No. ^{IA} ~~2007~~-2007-024

**FINAL OFFER
OPINION
AND
AWARD**

**Before
James W. Mastriani
Interest Arbitrator**

Appearances:

For the County:

Frederick T. Danser, III, Esq.
Apruzzese, McDermott, Mastro & Murphy

For the Union:

Dominic Cerminaro, Esq.

This proceeding concerns the County of Middlesex (the Sheriff's Office) [the "County"] and Sheriff's Officers of Middlesex County, PBA Local 65 [the "PBA"]. The PBA is the majority representative of Sheriff's Officers of the Courts, Transportation, Investigations, Identification, Process Servers, Administrative, Communications, and the Sheriffs. There are 169 officers in the bargaining unit. They are parties to a collective negotiations agreement [the "Agreement"] effective January 1, 2000 through December 31, 2004.

After a lengthy direct negotiations process, a petition for interest arbitration was filed resulting in my designation to serve as arbitrator. Pursuant to that designation, I conducted a pre-interest arbitration mediation session on December 13, 2006. Because the positions of the parties were unable to be resolved, a formal interest arbitration hearing was scheduled on February 28, 2007. After the formal hearing was scheduled, the parties mutually agreed to employ an alternative terminal procedure set forth in N.J.S.A. 34:13A-16.C(2). This subsection provides for:

Arbitration under which the award by an arbitrator or panel of arbitrators is confined to a choice between (a) the last offer of the employer and (b) the last offer of the employees' representative, as a single package.

An interest arbitration hearing was held in New Brunswick, New Jersey on February 28, 2007. At the hearing, the parties argued orally, examined and cross-examined witnesses and submitted substantial documentary evidence into

the record. Testimony was received from Sheriff Joseph C. Spicuzzo, Assistant Comptroller Joseph Pruiti, and Sheriff's Officers Robert Rittenhouse and Paul Lucarelli. A schedule for the submission of post-hearing briefs was provided and, in accordance with that schedule, briefs were filed and exchanged on or about April 20, 2007.

As set forth above, the parties agreed to have an award issued that confines the arbitrator to a choice between the last offer of each of the parties on a single package basis. As required by statute, each party submitted its last and final offer prior to the hearing. I set them forth as follows:

FINAL OFFER OF THE COUNTY OF MIDDLESEX

1. **Term of Contract** – The County proposes a four (4) year contract from January 1, 2005 through December 31, 2008.
2. **Salaries** – Exhibit A attached hereto sets forth the salary schedule for employees hired on or before December 31, 2006. This salary schedule provides for Negotiated Wage Increases (NWIs) as follows:

1/1/05	3%
1/1/06	3.5%
1/1/07	4.0%
1/1/08	4.0%

Exhibit B attached hereto sets forth the salary schedule for employees hired on or after January 1, 2007. This new salary schedule provides for maximum salary and senior pay consistent with Exhibit A for calendar year 2007 and for an NWI of 4% in 2008.

Step Movement – Employees hired on or after January 1, 2007 will be on a Training Step for their initial 6 months of employment and shall then move to Step 1 for the next 6

months. At the first anniversary date these employees shall move to Step 2 and they shall move to the next salary step each year thereafter on their anniversary date. The NWI for 2008 will be paid effective on January 1st of that year. All employees hired on or before December 31, 2006 shall maintain the existing step movement system.

Senior Officer Pay – Effective 1/1/07 the Senior Officer Pay of 4% over base salary for employees who have completed 20 years of service with Middlesex County (employees hired after September 6, 2001 must have completed 20 years of service with the Middlesex County Sheriff's Department) shall be revised as follows:

- a). Employees who have completed 15 years of service with Middlesex County (15 years of service with the Middlesex County Sheriff's Department for those hired after September 6, 2001) shall receive 2% over base salary starting with their 16th year of service,

and;
- b). Employees who have completed 20 years with Middlesex County or 20 years with the Middlesex County Sheriff's Department for those hired after September 6, 2001, shall receive an additional 2% over the 15 year base salary starting with their 21st year of service.

3. **Longevity** - Effective January 1, 2007 Article XIV, Longevity, shall be modified to provide:

All eligible employees are entitled to receive longevity based upon their base salaries (maximum base \$30,000.00) as of December 31st of the previous calendar year starting with completion of the 8th year of service as follows:

9 through 15 years of service	-	4%=\$1200
16 through 20 years of service	-	6%=\$1800
21 years and over	-	8%=\$2400

4. **Uniforms** - Modify Article X, Uniforms, to provide as follows

- a). Effective 1/1/07 the clothing allowance shall be increased by \$600.00 per annum to \$1100 per annum.

EXHIBIT A

Salary Guide for Employees Hired On or Before December 31, 2006

	2004 Prior Contract	3.0% 1/1/05	3/5% 1/1/06	4.0% 1/1/07	4.0% 1/1/08
Training	34,341	35,371	35,371	35,371	35,371
1 st Year	39,747	40,939	42,372	44,067	45,830
2 nd Year	42,445	43,718	45,248	47,058	48,940
3 rd Year	45,973	47,352	49,009	50,969	53,008
4 th Year	53,168	54,763	56,680	58,947	61,305
5 th Year	66,664	68,664	71,067	73,910	76,866
Start of 16 th Year Senior Pay	N/A	N/A	N/A	75,388	78,404
Start of 21 st Year Senior Pay	69,331	71,411	73,910	76,896	79,972

EXHIBIT B

Salary Guide for Employees Hired On or After January 1, 2007

	1/1/07	4.0% 1/1/08
Training (6 Months)	35,371	35,371
Step 1 (6 Months)	40,371	41,986
Step 2 (1 st Anniversary)	45,371	47,186
Step 3 (2 nd Anniversary)	50,271	52,386
Step 4 (3 rd Anniversary)	55,371	57,586
Step 5 (4 th Anniversary)	60,371	62,786
Step 6 (5 th Anniversary)	65,371	67,986
Step 7 (6 th Anniversary)	73,910	76,866
Start of 16 th Year Senior Pay	75,388	78,403
Start of 21 st Year Senior Pay	76,896	79,972

FINAL OFFER SUBMITTED BY PBA LOCAL 165

Salary

	<u>2004</u> (Prior Contract)				
Training	\$34,341				
1 st Step	\$39,747				
2 nd Step	\$42,445				
3 rd Step	\$45,973				
4 th Step	\$53,168				
5 th Step	\$66,665				
	<u>2005-3%</u>	<u>2006-3.5%</u>	<u>2007-4%</u>	<u>2008-4%</u>	<u>2009-4.5%</u>
Training	\$35,371	\$36,610	\$38,074	\$38,074	\$38,074
1 st Step	\$40,939	\$42,373	\$44,067	\$45,830	\$47,892
2 nd Step	\$43,718	\$45,248	\$47,058	\$48,940	\$51,142
3 rd Step	\$47,352	\$49,009	\$50,969	\$53,008	\$55,393
4 th Step	\$54,763	\$56,680	\$58,947	\$61,305	\$64,064
5 th Step	\$68,664	\$71,076	\$73,910	\$76,866	\$80,325
10 th Year	N/A	N/A	\$78,946	\$82,021	\$85,712

Longevity:

9-15 years 4%	\$1,200
16-20 years	\$1,800
21+ years 8%	\$2,400

Uniforms:

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$500	\$500	\$1,100	\$1,100	\$1,100

Increase Shift Differential

2nd Shift from \$.65 to \$.70

3rd Shift from \$.70 to \$.75

Weekend shift additional \$1.00 per hour

Concessions:

1. Freeze training step at \$38,074 for term of contract.
2. Add 10th year step in 2007, completion of 9th year start of 10th year.
3. Increase in longevity to start in year 2007.
4. Increase in uniform to start in year 2007.

BACKGROUND

The County of Middlesex is located in northern central New Jersey and has a population slightly above 600,000 residents. In 2005, there were 267,854 households in the county with a median household income of \$68,080 and a mean household income of \$81,695. Official documents reflect that the County's finances are in proper order. It has the AAA bond rating from Standard and Poors and an Aa1 rating from Moody's. The County's estimated equalized property tax rate for 2005 was \$.268 per \$100 of equalized valuation and this figure was reduced to \$.265 per \$100 of equalized valuation in 2006. The 2005 budget was \$332,594,000, a level that increased to \$343,557,000 in 2006. The County has the second lowest per capita cost for county government of the 21 counties in the State of New Jersey. The 2006 budget is \$24 million beneath the amount that the County could have raised under the Cap Law of the State of New Jersey. While reducing the equalized County property tax rate, the County has also been able to increase its level of retained surplus. In 2006, that figure was increased to slightly over \$15 million.

The Sheriff's Officers perform broad law enforcement functions. In general, they maintain order and security in the courtroom, serve court processes, perform criminal identification, ballistics and various investigations and apprehend violators of the law. The office of the Sheriff is divided into four

main divisions: Administration, Courts, Transportation and Investigations. A recent Table of Organization reflects the following:

Administration:	1 Sheriff 1 Chief Sheriff's Officer 1 Chief Warrant Officer 1 Director 1 Sheriff's Officer (Training Officer)
Courts:	1 Captain 4 Lieutenants 6 Sergeants 52 Sheriff's Officers (Main) 44 Sheriff's Officers (Family)
Transportation:	6 Lieutenants 2 Sergeants 31 Sheriff's Officers
Investigations:	1 Sergeant (Process) 10 Sheriff's Officers (Process) 1 Sergeant (BCI) 4 Sheriff's Officers 1 Sheriff's Officer (special Assignment) 1 Sergeant (Investigations) 2 Sheriff's Officers 26 Investigators 1 Recruit

Sheriff's Officers Lucarelli and Rittenhouse testified to many of their specific duties that include, among other things, providing security at County facilities, collecting and preserving evidence, K-9, executing bench warrants, guarding prisoners in the courtroom, collecting monies to satisfy legal debts, taking fingerprints and photographs, exchanging information between federal, state, county and municipal law enforcement authorities, and locating and

apprehending violators of the law. Officer Lucarelli testified to documents reflecting comparisons in terms and conditions of employment between those employed by the County of Middlesex and those in other counties, and in particular, the County of Monmouth. His conclusion as to these documents is that they reflect that the County of Middlesex does not provide terms and conditions of employment as attractive as those employed in certain counties that he identified, including Bergen, Passaic, Ocean, Union, and Monmouth counties.

Sheriff Spicuzzo offered testimony concerning the management of the department and the administration of the office. He commended the professionalism of the Sheriff's Office. Presently, there are two work shifts, 8 a.m. to 4 p.m. and 3 p.m. to 11 p.m. A midnight shift has been eliminated to provide more staffing at the courthouse. He testified that staff has been decreased leading to more overtime and greater emphasis has been placed on providing security at the courthouse. He believes that Sheriff's Officers are not compensated as well as municipal police officers in comparable terms and that the Sheriff's Officers in Middlesex perform comparable functions as those performed in Monmouth and Ocean counties. Sheriff Spicuzzo testified that Sheriff's Officers must be highly trained due to the highly comprehensive scope of their duties. Over the last several years, there have been increases in duties and responsibilities including anti-terrorism training, the creation of a rapid reaction task force and participation in a rapid deployment team. In 2000, an additional courthouse for Superior Court was opened for family matters

duplicating duties and responsibilities carried out at the main courthouse where criminal and civil matters are heard. The family courthouse contains prisoner holding cells where four Sheriff's Officers are assigned. The officers administer security through the monitoring of surveillance cameras, metal detectors and x-ray machines. He acknowledged that turnover is not greater than it has been in the past and that the office has no problem recruiting new officers.

There are six law enforcement units who have labor agreements with the County of Middlesex. These include this unit of Sheriff's Officers (PBA Local 165), the Superior Sheriff's Officers Association, County Correction Officers (PBA Local No. 152), County Corrections Officers Superiors and Prosecutors, Detectives and Investigators (PBA Local 214) and the Prosecutor's Superior Officers. All of these units have agreements with effective dates of 2000-2004 except for the County Corrections Officers, and the two Prosecutor's units who have negotiated new agreements dated January 1, 2005 through December 1, 2008.

The issues in dispute in this proceeding are all economic in nature. They include salaries, step movement, senior officer pay, longevity, uniform allowance, and shift differential. Contract duration is also an issue in dispute. When the respective final offers of the parties are reviewed, they reflect some differences and some similarities.

The first difference is contract duration; the County proposes four (4) years while the PBA proposed five (5). The second difference is in salary structure; the County proposes a new salary schedule for employees hired after January 1, 2007 containing extra step at Step 6 (after 5 years) and Step 7 (after 6 years) with the same maximum pay as the schedule for existing employees while the PBA proposes a new Step 10 (after 9 years) effective January 1, 2007 \$5,036 above the former maximum rate of pay; another salary structure difference is the County's proposal to split the existing 4% senior step at the twenty (20) year level to 2% at fifteen (15) years and an additional 2% at twenty (20) years. The parties agree on a \$600 increase in the clothing allowance from \$500 to \$1,100 effective January 1, 2007 and on increases in the longevity percentages at each existing level of the three step schedule also effective January 1, 2007. Under the parties' Agreement, longevity is calculated on a maximum base of \$30,000. While that cap would remain, the percentages on that maximum base would increase from 2% (at 9-15 years) to 4%, from 5% (at 16-20 years) to 6% and from 7% at 21 years to 8% yielding payments of \$1,200, \$1,800 and \$2,400 compared to \$600, \$1,500 and \$2,100 respectively under the old schedule.

Based upon this general overview, I set forth the support offered by the County and the PBA in support of their respective positions. Because of the comprehensive nature of the parties' submissions, their contentions will be provided by way of general summary.

Position of the County

The County contends that its final offer must be adopted because it believes it to be the more reasonable determination of the issues with due regard for the application of the statutory criteria. It asserts that its proposal is consistent with a pattern of settlement that has been established with its other law enforcement units in contrast with the PBA's final offer that it believes constitutes a substantial deviation from that pattern. The County points out that the prior collective negotiations agreements in its six units between 2000 and 2004 contained consistent terms and that three of the six units have already reached agreements with the County where, historically, the element of consistency has been maintained. These units include the Corrections Officers (PBA Local 152), Prosecutor's, Detectives and Investigators (PBA Local 214) and the Prosecutor's Superior Officers Association. In support of "pattern of settlement," the County offers into evidence prior interest arbitration awards that are said to support the argument it has taken in this proceeding.

The County contends that the PBA's final offer is inconsistent with internal comparability for several reasons. The first is that its economic proposals substantially deviate from voluntary settlements it has voluntarily negotiated, that the increases proposed would produce negative financial impact, and that the proposed 4.5% increase for calendar year 2009 represents a fifth year of contract

duration while the three settled units have contracts with a four year duration with consistent percentage increases:

**Percent Salary Increases of all County of Middlesex Bargaining Units
2000-2008**

	Sheriff's Officers	Sheriff's Superior Officers	Corrections Officers	Corrections Superior Officers	Prosecutor's Det. & Investigators	Prosecutor's Superior Officers
2000	3.5	3.5	3.5	3.5	3.5	3.5
2001	3.75	3.75	3.75	3.75	3.75	3.75
2002	4.75	4.75	4.75	4.75	4.75	4.75
2003	4.75	4.75	4.75	4.75	4.75	4.75
2004	4.75	4.75	4.75	4.75	4.75	4.75
2005			3.0		3.0	3.0
2006			3.5		3.5	3.5
2007			4.0		4.0	4.0
2008			4.0		4.0	4.0

The County asserts that the fifth year would break pattern, become a floor for the next round of negotiations between it and its other law enforcement units and further that the 4.5% increase could, in the year 2009 be inconsistent with governmental efforts to contain costs and provide tax relief and cause adverse financial impact. The County foresees that differentiated treatment with this unit would undermine its policy, create the possibility of whipsawing and create dissension among its units, all of which would not serve the interests and welfare of the public.

The County further submits that its economic proposals are not only consistent with the economic terms of the settled agreements, but that they are reasonable on their face. The terms of its final offer include several points. First, is a salary increase of 3.0% for 2005, 3.5% for 2006, 4.0% for 2007 and 4.0% for

2008. In addition, the County proposes a clothing allowance improvement of \$600 effective January 1, 2007, an increase that would bring the allowance from \$500 to \$1,100 and make this allowance consistent with the clothing allowance provided to the Correction Officers. The County notes that the Correction Officers received a \$300 increase in 2006, 2007 and 2008, yielding a cumulative effect of \$900 while its \$600 proposed increase for 2007 and 2008 for Sheriff's Officers yields a sum of \$1,200 and places each unit on an equal footing going forward. The County further notes that its proposal concerning longevity is consistent with the improvement made to this issue in other units. An increase in compensation at the various longevity steps yield an additional \$600 or \$300 per employee depending upon the level of longevity achieved under the schedule. An additional improvement pointed out by the County is the increase in Senior Officer Pay. That pay is currently 4% after 20 years. The County submits that Senior Officer Pay will be improved by providing a 2% increase after 15 years and then compounding that 2% by another 2% after the 20th year. The County acknowledges that it has proposed a new hire salary scale and two additional steps but contends that this proposal is reasonable given the existing compressed five year salary schedule and the large "bubble" steps that would be eliminated under its proposal. It points out that the maximum pay to be received by a new hire would be identical to that of an existing employee, thus eliminating concerns about disparate treatment.

The County further contends that its proposal is more reasonable than the PBA's in terms of financial impact. It points to the testimony and documentation authenticated by Assistant Comptroller Pruitti.¹ The County submits that its final offer has a cumulative financial impact of \$5,677,272 compared to the 2004 annual base salary cost. This is in comparison to its calculation of the PBA final offer that yields \$6,617,064, a difference of \$939,792. The increased costs are associated not only with the value of that step but the fact that the existing 4% Senior Officer Pay would then be calculated on the higher amounts. The County stresses that future costs would be involved as additional Sheriff's Officers complete their ninth year of employment in the future and receive this substantial increase. The County also points out that the improvements in longevity and the clothing allowance add to the overall costs of the proposals. The County points out that there is no cost difference in the final offers of the parties for year 2005 and 2006 and that the \$939,792 cost difference is mainly attributable to the PBA's proposed new step in the salary guide after 9 years of service that is \$5,036 above Step 5 in 2007 and then increases to \$5,155 in 2008. The County notes that the 10th step alone represents close to a 4% increase above the 4% across the board increase.

The County does not argue that the cost of the PBA's proposal would compel it to exceed its statutory spending limitations. However, the County points to a new ninth criterion that requires the arbitrator to assess the new 4%

¹ The County's post-hearing submission of an amended document relating to Pruitti's testimony has not been considered given the PBA's inability to conduct further cross-examination of him on the amended document.

property tax levy caps on the County, coupled with the existing budgetary cap of 2.5%. It asserts that the increased costs to the County would escalate if the PBA's final offer were to be adopted and then pursued by its other law enforcement units who would then seek to catch up with the levels of a contract that has broken the existing pattern of settlement.

The County raises additional points in support of its final offer. The County asserts that its position is more in line with the consumer price index (CPI). The County acknowledges that both parties proposed a 4.0% increase in 2007 and 2008, both of which are above the CPI, but that the PBA's proposal for a tenth year salary step makes the County more reasonable under the cost of living criterion. The County submits a chart showing that the Sheriff's Officers have received increases measuring 16.7% beyond the CPI from 1995 through 2006.

The County also views the stability of employment within the sheriff's department as support for the salary and benefit program it has maintained. The County acknowledges that the continuity and stability of employment is one of the criteria that needs to be examined. It submits the following argument in connection with this criterion.

"As to the stability of employment within the Sheriff's department, Exhibit C-87 shows that of the approximately 160 Sheriff's Officers and Sheriff's Investigators a total of 37 have left employment with the department between 2003 and 2006. During that 4 year period 11 of those departures were due to retirement and 2 were

terminated. There were no layoffs and the remainder of those who left transferred to other departments either in or out of the County. Thus, the total leaving for reasons other than retirement or termination over the four-year period was 24 or approximately 3.75% per year. Hardly what could be described as an exodus at a level that would even raise a mild concern thereby providing testament to the competitive salary and benefit program provided to the officers.

Further, the testimony of sheriff Spicuzzo confirmed that he has had no recruitment problems in his department. This is true even though experts say New Jersey has gone from a slow growth state to a plateau level despite job growth generally throughout the country. (See Exhibits C-88 through C-90).

Accordingly, the existing wage and benefit package provided to sheriff's offices in Middlesex County has resulted in a continuity and stability of employment that has been and continues to be beneficial to the County. The final offer by the County will enhance those wages and benefits significantly but responsibly. The PBA final offer on the other hand would have an extremely long lasting negative impact on the continuity and stability of employment in the department due to the excessive cost of its proposed 10-year step which could result in position attrition if not out right layoffs. Furthermore, its negative implications on labor relations generally in the County because of the proposed 5th year also mitigate against maintenance of continuity and stability of employment due to the potential whipsawing and poor morale factors that may flow from this aspect of its final offer. Without question, therefore, this criterion supports an award of the final offer submitted by the County."

Based upon the above, the County submits that its final offer is more consistent with the statutory criteria and should be adopted.

Position of the PBA

The PBA offers many arguments, and evidence in support of those arguments, in support of selecting its final offer over that of the County. The PBA submits that the Sheriff's Officers have had a decline in manpower coupled with

increased duties and responsibilities that justify the final offer that it has proposed. It provides a chart depicting manpower reductions:

<u>Year</u>	<u>Number of Officers</u>
2003	171
2004	165
2005	162
2006	159
2007	156

According to the PBA's calculations, the reductions in the number of Sheriff's Officers has saved the County almost \$500,000.

In parallel with these reductions, the PBA points out, as shown in its exhibits, that Sheriff's Officers perform many, and more complex duties, than they have performed in the past. These are due to increased security measures since September 11, 2001, a new courthouse, participation in taskforces and initiatives, participation in complex and sophisticated training, and increased interactions with all other levels of law enforcement agencies at the local, county, state and federal levels.

The PBA contends that if internal comparisons are to be made, that Sheriff's Officers compare more favorably to Detectives and Investigators in the Prosecutor's office. The PBA submits that it provides many services to the Prosecutor's office including the following functions:

- Process all crime scene photographs

- Process trial presentation photographs
- Adjust, correct and resize photographic images
- Process and fingerprint all individuals arrested by their dept
- Analyze and compare latent fingerprint lifts from crime scenes
- Perform all video enhancements
- Create video enhancements
- Create video presentations used for trial
- Create working copies of analog and digital video
- Prepare digital mugs hot line-ups
- Process all candidates for new hire by their dpt

In addition to providing the above services, the PBA submits that it shares many services with the Prosecutor's office including the following:

- Transport individuals arrested by the Prosecutor's Office
- The Explosives Detection K-9 Teams work in conjunction with the County Prosecutor's Office on any and all bomb calls at government buildings, schools and private establishments as well as conduct searches for guns used in the commission of a crime.
- Domestic Violence
- Plea Day
- Pre-Trial Intervention Program (PTI)
- Probation
- Gang awareness training
- Juvenile Youth Academy "Detention Boot Camp"
- Participation in Raids
- County Special Operations Response Team (SORT) Team; 10 Sheriff's Officers are assigned to the County SORT team under the command of the County Prosecutor's Office. This team responds to hostage situations, barricaded suspects, high risk drug raids and any other unusual circumstances where specialized tactics are required.
- Rapid Reaction Task Force
- Missing Persons searches

In support of the above, the PBA points to the testimony of Sheriff Spicuzzo. Sheriff Spicuzzo testified that frequently sheriff's officers are loaned to the Prosecutor and perform duties comparable to the Investigators. He

confirmed many of the services and shared services provided by his department with the Prosecutor. Notwithstanding these similarities, the PBA submits charts depicting that disparities in pay exist between Sheriff's Officers and Investigators at the starting salary and maximums salary levels and that these disparities would continue to exist even if its final offer were adopted.

Starting Salary Comparison

Year	Middlesex Sheriff's Salary	Middlesex Prosecutor's Salary
2004	\$34,341	\$36,780
2005	\$35,371	\$37,883
2006	\$36,610	\$39,209
2007	\$38,074	\$40,778
2008	\$38,074	\$42,409

Maximum Salary Comparison

Year	Middlesex Sheriff's Salary	Middlesex Prosecutor's Salary
2004	\$66,664	\$89,150
2005	\$68,664	\$91,825
2006	\$71,076	\$95,048
2007	\$78,946	\$98,840
2008	\$82,102	\$102,795

The other area of comparison that the PBA believes is relevant is out of County comparisons with Sheriff's Officers and, in particular, with those employed in Ocean and Monmouth counties. Asserting that these counties are in close proximity to Middlesex and similar in demographics and population, the PBA contends that these counties offer proper comparisons. The PBA cites Sheriff Spicuzzo's testimony that the job duties in these counties are comparable

and that weight should be given to salary comparisons among these three counties. The PBA submits contracts and charts depicting these comparisons which, in its view, reflect that Sheriff's Officers in Middlesex County are not properly compensated. The comparisons are based upon the adoption of the PBA's final offer.

Starting Salary Comparison

Year	Middlesex	Ocean	Monmouth
2004	\$34,341	\$34,472	\$28,000
2005	\$35,371	\$35,764	\$30,600
2006	\$36,610	\$37,195	\$32,740
2007	\$38,074	\$38,628	\$33,968
2008	\$38,074	\$40,230	\$33,968

Maximum Salary Comparison

Year	Middlesex	Ocean	Monmouth
2004	\$66,664	\$71,389	\$70,000
2005	\$68,664	\$74,075	\$74,180
2006	\$71,076	\$78,539	\$79,367
2007	\$78,946	\$81,620	\$82,343
2008	\$82,102	\$84,824	\$85,434

The PBA further notes that the Middlesex County longevity pay program, despite the fact that it will increase under the County's offer, is well below the amount of longevity pay provided in Ocean County. The PBA submits calculations reflecting that among Sheriff's Officers in Ocean County having 7 to 11 years of service, they will receive \$445 more than the highest amount in Middlesex County Sheriff's Officer will be paid, while the difference between maximum longevity amounts is \$4,092. The PBA argues that the County's benchmark for the CPI is inappropriate and that the "U.S." city average submitted

by the County should give way to either the New York – Northern New Jersey – Long Island index or the Philadelphia – Wilmington – Atlantic City index. The latter two indexes provide 3.8% or 3.9% increases in the CPI in 2006 compared to the U.S. city average percentage increase of 3.2%.

The PBA disputes the County's position that the PBA's final offer would cause adverse financial impact on the taxpayers. The PBA's calculations reflect agreement on cost for 2005 and 2006 as both parties agree on the increases for the first two years. The PBA calculates its salary proposal for 2007 as being \$402,880 more than the County's due to the adding of a tenth year step increase of \$5,036 and \$453,640 more than the County's in 2008 due to the tenth year step increase being worth \$5,155 for that year. According to the PBA, the cost difference of \$856,520 is justified on its own merits. Moreover, the PBA points to the existence of funds in the County's reserve accounts that would fund the proposal. The PBA submits many arguments in support of its proposition that the cost differences are negligible when all of the budgetary evidence concerning the County's finances is considered and weighed.

The PBA contends that the County has had a total cap surplus of \$1,850,000 over a three year period encompassing 2004, 2005 and 2006. The PBA points to the budgets for those three years wherein the County has commented that the years represent the 11th, 12th and 13th consecutive years of reduction in equalized County property tax rate without reducing the level of

services provided by the County. Among the other budget factors in the PBA's favor include the AAA bond ratings, the retention and increases in surplus to over \$15 million in 2006, and spending levels that are well within the statutory spending limitations. The PBA further notes that there have been significant amounts of reserved monies in the line items for the Sheriff's Officers salaries and wages. The PBA submits a chart reflecting this along with interest rates provided to it by the County Treasurer.

Sheriff's Officers Salaries and Wages

<u>Fiscal</u> <u>Year</u>	<u>Reserved</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Earned</u> <u>Interest</u>	
2004	\$822,330	1.01%	\$8,305	
2005	\$297,447	2.09%	\$6,217	
2006	\$864,878	4.06%	\$35,114	
Total	\$1,984,655	+	\$49,636	= \$2,034,291

The PBA submits arguments as to why a five year agreement should be adopted over a four year agreement. The main argument in support of this proposal is set forth by the PBA as follows:

PBA Local 165 is proposing that a 5 year contract be signed at this time rather than a 4 year contract. The negotiating parties are now 2 years and 3 months past the expiration of the last contract. It is quite likely that by the time of the arbitrator's decision in this matter, 2 years and 6 months will have past.

There are many reasons for this delay, cause in part by the great number of settlement negotiating sessions that have taken place between the parties. Another reason for the delay is due to the long wait incurred by the County while they had to review the Union's proposal and to then formulate their own proposal. Much time was consumed because of the 4-step procedure that is employed by the County, which is as follows:

Step 1 – Labor Attorney,
Step 2 – Assistant County Counsel
Step 3 – County Counsel, and finally,
Step 4 – Review by the Board of Chosen Freeholders.

These long delays have been the source of many Union members feeling that these delays have purposely been employed to delay their contract benefits and simultaneously allow the County to utilize funds that were appropriated for Sheriff's Officer's salaries and wages for other purposes elsewhere throughout the County.

The 4-year contract will expire on December 31, 2008 and negotiations for the next contract would re-open 120 days prior to the expiration; that would be in August of 2008! Unless a 5-year contract is approved, it will be time to resume negotiations for our next contract in approximately one year!

Based upon the above, the PBA submits that its final offer is more consistent with the statutory criteria and should be adopted.

DISCUSSION

I am required to issue an award based upon a reasonable determination of the unresolved issues after giving due weight to the statutory criteria which I deem relevant for the resolution of the dispute. The County and the PBA have made forceful presentations offering testimony and considerable documentary evidence and argument on each statutory criterion in support of their respective positions. All of the evidence and arguments have been carefully reviewed and considered.

The factors set forth in N.J.S.A. 34:13A-16g (1) through (8), commonly called the statutory criteria, are as follows:

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

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

(a) In private employment in general; 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 et seq.).

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

comparison of the percentage of the municipal purposes element, or in the case of a county, the county purposes element, required to fund the employees' contract in the preceding local budget year with that required under the award for the current local budget year; the impact of the award for each income sector of the property taxpayers 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 for which public moneys have been designated by the governing body in a proposed local budget, or (c) initiate any new programs and services for which public moneys have been designated by the governing body in its proposed local budget.

(7) The cost of living.

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

In addition to the above, the legislature amended the statute by adding a ninth (9th) criteria. This occurred after the close of the hearing. This criterion requires the arbitrator to consider "statutory restrictions on the Employer" including, stated simply, the Employer's requirement to limit the amount of increase in its tax levy by 4% subject to certain waivers and exclusions. This new criterion is technically applicable to this proceeding but, in the absence of record evidence as to its relevance to the developed record, it has not been given weight in my evaluation of the final offers.

At the outset of this analysis I emphasize that this is, by mutual agreement of the parties, a last or final offer proceeding on a single package basis. The significance of this is that the arbitrator is confined to selecting the proposal of

the County or the proposal of the PBA in its entirety. This process does not grant me the discretion to select between individual proposed issues or to fashion an accommodation on a disputed issue that differs from the precise proposal stated in the final offers. This process is one contemplated by the statute that allows for mutuality in the voluntary selection of the terminal process. In this case, the County and the PBA have developed each last or final offer in a manner that each contends is the one that is more justified after applying the statutory criteria. In each party's effort to enhance the potential for selection of its last offer in its entirety, each party has offered proposals that cannot be deemed unreasonable.

Clearly all of the statutory criteria are relevant and must be considered although greater weight may be accorded to one or more factor over another.

I note initially that there are overlaps in each final offer. This reflects the narrowing of issues through the negotiations and mediation process and the positive impact final offer package selection has on reducing the differences of the parties. These include the "across the board" wage increase portion of the offers for contract years 2005, 2006, 2007 and 2008 that are proposed as 3%, 3.5%, 4% and 4% respectively for each of those years. Moreover, with the sole exception of the amount to be paid at the "training" step (\$35,371 vs. \$36,610) for 2006, the final offers for contract years 2005 and 2006 are identical. Additional similarities in the last offers include increases to existing benefits that concern the clothing allowance and longevity. Clothing allowance was set at \$500 in the

prior contract and would increase by \$600 to \$1,100 in contract year 2007 and remain at that level in 2008 under both last offers. Under both last offers, longevity, capped at a \$30,000 maximum base salary, would increase at 9-15 years from 2% to 4%, at 16-20 years from 5% to 6% and at 21 years from 7% to 8% yielding dollar payments of \$1,200, \$1,800 and \$2,400 compared to \$600, \$1,500 and \$2,100 respectively under the old schedule. The remaining portions of the last offers differ.

Some of the differences in the final offer proposals, on an issue by issue basis, are more significant than others. While these issues have been articulated independently, in the final analysis they must be considered in their totality coupled with the issues that the parties have agreed upon in order to assess the merits of each last offer because the final offers must be considered on a single package basis leading to the selection of the County's or the PBA's.

One issue of lesser significance is the PBA's proposal to increase the shift differential. Currently, the Agreement provides for the following shift differential:

Section D.

(6.) Shift Differential:

- a. It is further understood and agreed to that employees working the second shift shall receive sixty-five (\$.65) per hours in addition to their regular straight time rate for the hours worked during the second shift.
- b. Employees working the third shift shall receive seventy cents (\$.70) per hour in addition to

their regular straight time rate for the hours worked during the third shift.

- c. These differential rates will be paid only to the employee scheduled, assigned, and actually working such shifts.

The PBA proposes to increase the second shift payment from \$.65 to \$.70 per hour, to increase the third shift payment from \$.70 to \$.75 per hour and to add a new payment of an additional \$1.00 per hour for working on weekend shifts. The County does not propose an increase in the existing shift differential payments. The record does not reflect the economic cost of this proposal but it is easily calculable from 2004 records that would reflect the deployment of officers on the various shifts and on weekends.

Another difference of lesser significance is how the training step is to be adjusted under the proposed "across the board" increases. Each party proposes a 3% adjustment in this step to \$35,371 in contract year 2005. The County proposes no additional increase in that step in contract years 2006, 2007 and 2008. The PBA proposes to increase the training step in contract year 2006 by 3.5% to \$36,610 and to increase that step by 4% in contract year 2007 to \$38,074. The PBA proposes no additional increase in that step in contract years 2008 and 2009. The differences here are not significant. The County has not had difficulty in hiring new officers suggesting that the starting salary need not be increased to the level sought by the PBA. On the other hand, the potential costs of the PBA's proposal are not so substantial that it would cause its entire last offer to be unreasonable.

The remaining differences in the respective final offers are far more significant and, given all of the above, form the basis for the selection of one or the other last offer. One such issue is the County's proposal for there to be a new salary guide for employees hired on or after January 1, 2007. The PBA seeks to maintain a single salary guide and thus, opposes the County's proposal. The County's proposal would add two steps for new hires thus requiring maximum pay to be achieved after six years of employment at the same maximum pay that would exist for current employees. The County's proposal is set forth in Exhibit B of its proposal:

EXHIBIT B

Salary Guide for Employees Hired On or After January 1, 2007

	1/1/07	4.0% 1/1/08
Training (6 Months)	35,371	35,371
Step 1 (6 Months)	40,371	41,986
Step 2 (1 st Anniversary)	45,371	47,186
Step 3 (2 nd Anniversary)	50,271	52,386
Step 4 (3 rd Anniversary)	55,371	57,586
Step 5 (4 th Anniversary)	60,371	62,786
Step 6 (5 th Anniversary)	65,371	67,986
Step 7 (6 th Anniversary)	73,910	76,866
Start of 16 th Year Senior Pay	75,388	78,404
Start of 21 st Year Senior Pay	76,896	79,972

Another proposal by the County that is of significance is the modification it has proposed to Senior Officer Pay. Article VII, Section C currently provides for Senior Officer Pay as follows:

Employees who have 20 plus years of service with the County of Middlesex shall receive the negotiated wage increase plus 4% over their base salary. Employees hired after September 6, 2001 are required to have 20 plus years with the Middlesex County Sheriff Dept. to receive Senior Officer Pay of 4% to sworn personnel.

The County proposes to modify the above provision by providing a new payment of 2% over base salary for employees who have fifteen (15+) plus years of service. Currently, employees must have completed twenty years of service to qualify for Senior Officer Pay at a 4% level. Under the County's proposal, those employees who have completed twenty (20) years of service and who now receive 4% over Step 5 base pay would instead receive an additional 2% over the fifteen (15) year base salary starting with their twenty-first (21st) year of service. In practical terms, the twenty-year employees would retain the existing dollar amounts of Senior Officer Pay with a slight enhancement due to compounding of the 2% on the 2% while employees who have completed fifteen (15) years of service would receive a new payment of 2% of base salary starting with their sixteenth (16th) year of service. The PBA does not accept this proposal but, in its final offer, it proposes its own change that is similar to Senior Officer Pay because it also rewards an officer for additional years of service. Its proposal would add a tenth (10th) year step (after nine years of service) at \$5,036, or 6.81%, above the previous fifth (5th) step maximum in year 2007. In

2008, the tenth (10th) year step would be \$5,155 above the fifth (5th) step and in 2009, the tenth (10th) year step would be \$5,387 above the fifth (5th) step. The PBA would retain the 4% Senior Officer Pay after twenty (20) years of service and that amount would be calculated on the new tenth (10th) step rather than the five (5) year step. The County opposes this proposal.

The last major difference is in contract duration. The PBA proposes a 4.5% increase at all steps in 2009, the proposed fifth year of the Agreement, while the County, because it seeks a four year agreement extending through 2008, offers no proposal for 2009.

As previously stated, my authority is to choose between the last offer of the County and the last offer of the PBA as a single package. For the reasons that follow, my statutory obligation to "decide the dispute based on a reasonable determination of the issues" compels me to select the County's last offer after giving due weight to those factors set forth in the statutory criteria that are relevant for the resolution of this specific dispute. While each party has made an excellent presentation, the County's final offer is more clearly aligned with the application of the statutory criteria.

The respective proposals of the parties each seek primary support based upon considerations of comparability. But the comparisons sought by each involve different sets of employees and jurisdictions. Because of this, each

believes that its last offer is the more reasonable depending upon which groupings are chosen for comparability purposes. The County places focus on annual adjustments in salary and benefits that have been achieved internally among its law enforcement units while the PBA's focus is on salary and benefit levels that exist in the Middlesex County Prosecutor's Office and for Sheriff's Officers in various other counties including Monmouth and Ocean counties.

From the County's perspective, its proposals are consistent with Agreements it has voluntarily negotiated during the 2005 to 2008 contract period with its Correction Officers and with Investigators in the Prosecutor's Office and are an extension of a pattern of settlement for all law enforcement units during the 2000-2004 contract term. The County submits that an internal pattern of settlement within its law enforcement units would be broken by the selection of the PBA's last offer that includes a fifth year in 2009 and an additional step after nine years of service at an additional \$5,036 that would apply to over one-third of the bargaining unit. The PBA does not dispute what that the County's last offer represents but vigorously argues that the economic terms it seeks are justified because the Sheriff's Officers should be more closely aligned with existing terms and conditions of employment enjoyed in the Prosecutor's Office. Differential treatment is also asserted to be justified by disparities that are said to exist with Sheriff's Officers employed in Monmouth and Ocean counties.

Evidence concerning comparability [See N.J.S.A. 34:13A-16g(2)(a), (b) and (c)] is entitled to substantial, but not exclusive weight in this proceeding and, indeed, the parties heavily rely upon its respective choice of comparisons. Substantial, but not exclusive weight, must also be given to considerations of financial impact [See N.J.S.A. 34:13A-16g(6)]. I am persuaded by the evidence that these factors are the more significant factors that, when applied, compel the selection of the County's last offer.

The County's overall offer in its totality is consistent with economic adjustments that have been made, on average, in both law enforcement units generally and within the County [See County Ex. #60]. There is a history of reasonably consistent treatment for law enforcement units within the County and the County's last offer is within this context and the PBA's is not. The additional step after nine years of service at a cost that approaches 4% of base salaries for all officers and the fifth year of contract duration at a 4.5% increase differ in key respects with the negotiated agreements with the County's other law enforcement units. The PBA's justification for substantial deviation, while forcefully articulated, is not convincing.

The PBA has shown that the Sheriff's Officers do perform a valuable and expanding role within the County's law enforcement community. However, its reliance upon the more favorable terms that exist in the Prosecutor's Office and in counties elsewhere does not warrant the awarding of the major economic

differences sought by the PBA. There are no agreements within the County's law enforcement units for contract year 2009. Even assuming that an additional contract year would now be feasible, the awarding of a 4.5% increase, above and beyond the additional costs contained in the PBA last offer, cannot at this time be deemed to be a reasonable determination of the salary issue for 2009 and the additional contract year cannot be decoupled from the overall last offer. Further, the amount of increase is above current levels of average increases in law enforcement generally based upon contracts in evidence. Moreover, the breaking of new ground at the 4.5% level requires that attention be paid to budgetary considerations that may exist at that time.

The PBA's emphasis upon terms that exist at the Prosecutor's Office and in Monmouth and Ocean counties also weigh against selection of the PBA's final offer. The County's last offer, when viewed as a whole, maintains reasonable relativity between the units external to Middlesex County and internal comparability. While external comparability is relevant when considering the parties' last offers, it cannot be given the substantial weight sought by the PBA. To do otherwise would cause each negotiations in each of the County's law enforcement units to turn on factors beyond the County's own circumstances. It would tend to cause less stability in negotiations as the County and the PBA (as well as all other individual units) would seek to benefit from terms negotiated elsewhere that each see as being more favorable to its own negotiations posture. The County has indeed done that here as well by arguing that the majority of

Sheriff's Officer units in the other counties have less favorable terms than exist in Middlesex County. This argument is without merit and is subordinate to what the County has done internally.

The argument concerning internal comparisons would be less persuasive if the County's last offer could not be deemed reasonable under other relevant standards. However, under the County's last offer, all Sheriff's Officers will receive reasonable increases in salary and in overall compensation. At the fifth year step (after four years of service) a Sheriff's Officer's salary will increase from \$66,664 to \$76,866, an increase of \$10,202 or 15.3% over the four years. Without compounding, the increase is 14.5% or 3.635% per year on average. This average is slightly below the average increases for law enforcement units in Middlesex County municipalities but the percentage increases are exclusive of other economic enhancements that increase the overall percentage and dollar value of the County's last offer.

In addition to the above, the \$600 increase in clothing allowance for all Sheriff's Officers represents an additional increase of approximately 0.8% as of January 1, 2007. In addition, longevity increases for employees with nine (9) to fifteen (15) years of service, effective January 1, 2007, provide an additional increase of \$600 or 0.8% for employees in that category. Employees with greater years of service than fifteen (15) will receive an additional \$300 over their existing longevity pay at a calculation of 0.25% to 0.30% for employees in that

category. The vast majority of all officers will be eligible for the longevity improvement.

Further, the County's proposal to add a new payment of 2% of base pay for employees who have completed fifteen (15) years of service would add an additional payment of \$1,478 over existing base pay effective January 1, 2007 on top of the four (4%) percent increase for the 27 eligible employees. At an additional cost of \$39,906, this represents an additional increase in the overall package of approximately 0.33%. In addition to these costs, there are 31 of the 169 Sheriff's Officers who will move through the salary schedule towards step 5. Although these costs have not been deemed to be chargeable to either package, 14 employees, by way of example, who move from step 4 to step 5 between 2006 and 2007, will result in an additional cost to the package of \$241,220 separate and apart from the across the board increases.

When all of these costs are calculated in overall percentage terms (without factoring in the cost of increments), they yield increases that are clearly comparable to the increases negotiated in municipal law enforcement units within Middlesex County and elsewhere during this contract period. According to the County's calculations, the overall cost of its proposals (without factoring the costs of the clothing allowance and the longevity increases) is \$10,606,168 in 2005, \$11,309,483 in 2006, \$12,127,474 in 2007 and \$12,823,167 in 2008.

In contrast with the County's last offer, the PBA's last offer, according to the County's calculations (without factoring the costs of the clothing allowance and the longevity increases), calculates to the same amounts for 2005 and 2006 but adds additional costs of \$443,806 in 2007 and \$495,946 in 2008 for a total difference of \$939,792. The PBA's calculations differ from the County's but the difference is not significant. The difference appears to be attributable to the number of Sheriff's Officers each anticipates being employed during the contract years. The PBA's calculations also show no differences in costs in contract years 2005 and 2006 but show additional costs beyond the County's proposal of \$402,880 in 2007 and \$453,640 in 2008 for a total difference of \$856,520 or 7.5% to 8% beyond the County's proposal.

The PBA submits that the County's budgetary posture and the existing reserves within the Sheriff's budget allow for the funding of its last offer without adverse financial impact on the County. The financial evidence in the record, notwithstanding Assistant Comptroller Joseph Pruitt's testimony to the contrary, tends to support this claim if the financial impact of awarding the PBA's last offer were to be limited solely to the costs of funding this particular Award for contract years 2007 and 2008. The County's bond rating, its surplus, the maintenance of its tax levy do reflect that the County is in very good financial condition. Funds do exist in the overall budget that would fund the PBA's last offer. But the County's ability to add an additional \$900,000 or more for this unit is too narrow a consideration when assessing the reasonableness of the PBA's last offer. The

additional \$900,000 cost for 169 employees does not accurately reflect the potential financial impact to the County of awarding the PBA's last offer. This impact could be significant and it is a relevant consideration under existing case law that relates to considering the financial impact criterion. Given the history of reasonably consistent treatment within the County's law enforcement units, the County would be susceptible, under N.J.S.A. 34:13A-16(g)(2), to present and future claims that it should also provide an average salary increase of 4.5% to all of its law enforcement employees in 2009 as well as the additional \$5,000 plus step after nine years of service to those employees as well.

I recognize that the County's offer contains a concession not present in the PBA's last offer. This fact has been carefully considered. It is the only concession of material value in the last offer. In that respect, it must be weighed against the issues that tend to make the PBA's last offer less reasonable than the County's as well as the items that the PBA asserts are concessions of its own. Its inclusion in the County's last offer does not render it to be less reasonable than the PBA's. A new hire will start at \$35,371 and the maximum will reach \$73,910 in 2007 and \$76,866 in 2008 at Step 7 after six (6) years of service. In dollars that will be negotiated upward over the next four years it takes to reach maximum at a projected hypothetical increase of 4.0%, that officer's salary would commence in 2007 at \$35,371 and reach \$89,922 after six (6) years. In addition, under the County's last offer, that officer will qualify for 2% Senior Officer Pay after fifteen (15) years and an additional 2% after 20 years. The new hire will

also benefit from increased clothing allowance and longevity contained in the revisions to this contract. Thus, the additional steps must be balanced against the overall adjustments made to the prior agreement and when doing so, this modification cannot be found to render the County's last offer to be unreasonable or less reasonable than the PBA's. An additional consideration is that even with the additional steps in the new hire guide, the guide remains attractive when measured against the number of steps in like agreements that extend beyond the County. The steps will provide some cost offsets in the future that have little financial impact during this contract term. The PBA, in its last offer, has labeled some of its proposals as concessions but upon review, even if the label is accepted as correct, they do not represent cost savings that would render its last offer as the more reasonable package. The "delay" in the longevity and clothing allowance improvements cannot be deemed as offsets to cost since the value of each benefit will be increased. Similarly, the freeze of the training step in 2008 also cannot be deemed as a significant cost offset that would tip the balance towards selection of the PBA last offer.

The remaining criteria are also relevant but they are not entitled to the same weight. The County has shown that its last offer exceeds private sector wage increase averages but little comparison can be drawn between private sector jobs and the Sheriff's Officers. The cost of living criterion also tends to support the County's last offer over the PBA's. Both proposals are above the CPI but the PBA's proposed tenth year step approaches an additional cost of

almost 4% in 2007 above the 4% negotiated wage increase and far exceeds the CPI. The economic adjustments of each last offer would maintain the continuity and stability of employment that exists in the Sheriff's Office. A review of the staffing levels reflects that more than two-thirds of the bargaining unit are at step 5. This reflects that turnover is not substantial. The terms of the County's last offer will continue to retain most officers. The fact that approximately one-third of all officers will now be receiving Senior Officer Pay after fifteen (15) years of service as well as twenty (20) years of service is an additional fact that will promote the continuity and stability of employment. When all of the factors are viewed in their totality, the interests and welfare of the public will continue to be served by the terms of the Award.

Based upon all of the above, I deem the County's last offer to represent the more reasonable determination of the disputed issues after giving due weight to the statutory criteria deemed relevant for the resolution of contract terms for 2005 through 2008 and for this reason, its last offer is selected.

AWARD

1. **Term of Contract** – The County proposes a four (4) year contract from January 1, 2005 through December 31, 2008.
2. **Salaries** – Exhibit A attached hereto sets forth the salary schedule for employees hired on or before December 31, 2006. This salary schedule provides for Negotiated Wage Increases (NWIs) as follows:

1/1/05	3%
1/1/06	3.5%
1/1/07	4.0%

1/1/08 4.0%

Exhibit B attached hereto sets forth the salary schedule for employees hired on or after January 1, 2007. This new salary schedule provides for maximum salary and senior pay consistent with Exhibit A for calendar year 2007 and for an NWI of 4% in 2008.

Step Movement – Employees hired on or after January 1, 2007 will be on a Training Step for their initial 6 months of employment and shall then move to Step 1 for the next 6 months. At the first anniversary date these employees shall move to Step 2 and they shall move to the next salary step each year thereafter on their anniversary date. The NWI for 2008 will be paid effective on January 1st of that year. All employees hired on or before December 31, 2006 shall maintain the existing step movement system.

Senior Officer Pay – Effective 1/1/07 the Senior Officer Pay of 4% over base salary for employees who have completed 20 years of service with Middlesex County (employees hired after September 6, 2001 must have completed 20 years of service with the Middlesex County Sheriff's Department) shall be revised as follows:

- a). Employees who have completed 15 years of service with Middlesex County (15 years of service with the Middlesex County Sheriff's Department for those hired after September 6, 2001) shall receive 2% over base salary starting with their 16th year of service,

and;
- b). Employees who have completed 20 years with Middlesex County or 20 years with the Middlesex County Sheriff's Department for those hired after September 6, 2001, shall receive an additional 2% over the 15 year base salary starting with their 21st year of service.

- 3. **Longevity** - Effective January 1, 2007 Article XIV, Longevity, shall be modified to provide:

All eligible employees are entitled to receive longevity based upon their base salaries (maximum base \$30,000.00) as of

December 31st of the previous calendar year starting with completion of the 8th year of service as follows:

9 through 15 years of service - 4%=\$1200
 16 through 20 years of service - 6%=\$1800
 21 years and over - 8%=\$2400

4. **Uniforms** - Modify Article X, Uniforms, to provide as follows

- a). Effective 1/1/07 the clothing allowance shall be increased by \$600.00 per annum to \$1100 per annum.

EXHIBIT A

Salary Guide for Employees Hired
 On or Before December 31, 2006

	2004 Prior Contract	3.0% 1/1/05	3/5% 1/1/06	4.0% 1/1/07	4.0% 1/1/08
Training	34,341	35,371	35,371	35,371	35,371
1 st Year	39,747	40,939	42,372	44,067	45,830
2 nd Year	42,445	43,718	45,248	47,058	48,940
3 rd Year	45,973	47,352	49,009	50,969	53,008
4 th Year	53,168	54,763	56,680	58,947	61,305
5 th Year	66,664	68,664	71,067	73,910	76,866
Start of 16 th Year Senior Pay	N/A	N/A	N/A	75,388	78,404
Start of 21 st Year Senior Pay	69,331	71,411	73,910	76,896	79,972

EXHIBIT B

Salary Guide for Employees Hired On or After January 1, 2007

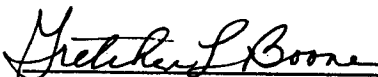
	1/1/07	4.0% 1/1/08
Training (6 Months)	35,371	35,371
Step 1 (6 Months)	40,371	41,986
Step 2 (1 st Anniversary)	45,371	47,186
Step 3 (2 nd Anniversary)	50,271	52,386
Step 4 (3 rd Anniversary)	55,371	57,586
Step 5 (4 th Anniversary)	60,371	62,786
Step 6 (5 th Anniversary)	65,371	67,986
Step 7 (6 th Anniversary)	73,910	76,866
Start of 16 th Year Senior Pay	75,388	78,404
Start of 21 st Year Senior Pay	76,896	79,972

Dated: October 13, 2007
Sea Girt, New Jersey


James W. Mastriani

State of New Jersey }
County of Monmouth }ss:

On this 13th day of October, 2007, before me personally came and appeared James W. Mastriani to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed same.



GRETCHEN L. BOONE
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 8/13/2008