

**STATE OF NEW JERSEY
PUBLIC EMPLOYMENT RELATIONS COMMISSION**

In the Matter of Interest Arbitration)	
)	
Between)	PERC DOCKET # IA-97-120
)	
BOROUGH OF SEA GIRT)	
)	
Public Employer)	
)	
and)	OPINION AND AWARD
)	
POLICE BENEVOLENT ASSOCIATION)	
LOCAL 50)	
)	
Employee Representative)	Before: J.J.Pierson, Esq.
)	Interest Arbitrator

Appearing for the Borough

Mark Ruderman, Esq.
(Ruderman and Glickman, P.C.)

Appearing for the PBA

Richard D. Loccke, Esq.
(Loccke & Correia, P.A.)

The Borough of Sea Girt (a public employer hereinafter referred to as the "Borough" or "Employer") and the Police Benevolent Association, Local 50 (hereinafter, the "PBA" or the "Union") are signatories to a Collective Bargaining Agreement (hereinafter, the "Agreement"). (See Joint Exhibit J-1, effective January 1, 1994 through December 31, 1996). Negotiations between the parties for a successor Agreement proved unsuccessful, an impasse resulted and the PBA petitioned the New Jersey Public Employment Relations Commission (hereinafter, "PERC") with a request for Compulsory Interest Arbitration.

The undersigned was appointed by PERC to serve as Interest Arbitrator pursuant to N.J.A.C. 19:16-5.6 (see Appointment letter dated June 3, 1997) and to resolve the impasse between the named parties. Interest Arbitration proceedings were conducted by this Arbitrator in accordance with the statutory revision to N.J.S.A. 34:13A-1 et. seq. (The New Jersey's Police and Fire Public Interest Arbitration Reform Act, A-3296, C 425 L 1995).¹

1. Contemplating the breadth of this case and recognizing that Section 3(f)(5) of the "Act" requires the Arbitrator to render an Opinion and Award within 120 days of appointment, on July 9, 1997, this Arbitrator requested the parties to execute, in writing, an extension of time to render the Opinion and Award. That extension was granted, in writing, by both parties.

BACKGROUND AND PROCEDURAL HISTORY

The Borough of Sea Girt is a residential² shore community in Monmouth County, New Jersey, with a land area of approximately 1.06 square miles and a permanent population of approximately 2,050 (as of 1994). The Sea Girt Police Department ("SGPD") is currently composed of 11 persons, including a Chief of Police, one Captain, one Lieutenant, two Sergeants, two Detectives and four patrolmen. The bargaining unit of Local 50 (and the subject Agreement) includes those nine (9) individuals holding the ranks of Patrolmen through Lieutenant. Salaries are based upon a forty (40) hour work week and, as of December 31, 1996, were distributed in accordance with the following guide:

Lieutenant	\$63,790.00
Sergeant	59,407.00
Ptl. 4th Yr.	53,840.00
Ptl. 3rd Yr.	47,046.00
Ptl. 2nd Yr.	40,789.00
Ptl. 1st Yr.	35,666.00
Prob. Ptl.	29,720.00

The Agreement between the parties expired on December 31, 1996 and, while negotiations continued, a request was submitted to PERC for the services of a Mediator. Despite the efforts of a State appointed Mediator³, subsequent attempts for a settlement reached by the parties were not successful.

The PBA petitioned the PERC Commission for Compulsory Interest Arbitration and the undersigned was appointed to serve as Interest Arbitrator (pursuant to N.J.A.C. 19:16-5.6) on June 3, 1997. During the first meeting with the parties (August 7, 1997), this Arbitrator exercised efforts

2. The municipality is 93.52% residential.

3. The parties participated a mediation session, on April 15, 1997, with PERC Mediator Thomas D Hartigan.

toward mediation⁴, whereby a number of open issues were reduced and the respective positions of the parties on those remaining unresolved issues were narrowed. However, a complete negotiated settlement could not be reached. Accordingly, the parties were instructed to prepare their Final Offers for presentation to this Arbitrator in a formal hearing.⁵

With due notice to the parties, a formal hearing was conducted on September 25, 1997 at the Sea Girt Municipal Building.⁶ The parties were afforded full opportunity to present witnesses and documents in support of their positions and both testimony and documents were introduced as evidence into the record. The hearing was concluded and the record declared closed upon receipt of the parties post-hearing briefs on December 9, 1997.⁷

Insofar as the parties did not agree upon a terminal arbitration procedure, the interest arbitration was conducted in accordance with the compulsory statutory procedure for "conventional arbitration" set forth under N.J.S.A. 34:13a-16(d)(2).

As such, this Arbitrator is directed to decide the dispute based on a reasonable determination of the issues, giving due weight to [the following statutory criteria listed under N.J.S.A. 34:13A-16g]:

4. The Compulsory Interest Arbitration Act and its implementing regulations permit a mediator in a public employment dispute to serve as the arbitrator in the event that mediation efforts are not successful. N.J.S.A. 34:13a-16a and f(3); N.J.A.C. 19:16-5.7(B).

5. The mediation session was conducted by this Interest Arbitrator on August 7, 1997. At the time of hearing it was understood that information disclosed during the mediation efforts would be held in confidence and not be relied upon nor referred to by this Arbitrator as "evidence" in the arbitration or the award. See Township of Aberdeen v. Patrolmen's Benevolent Association, Local 163, Superior Court of New Jersey, Appellate Division A-4553-94T2 (approved, but not published, as of this date).

6. Joint Exhibits are referenced herein as (J-); Borough Exhibits are referenced herein as (B-); and the PBA Exhibits are referenced herein as (A-). The hearings were also transcribed and references to the transcripts will be designated by T(date)page:line.

7. The parties were requested to send their briefs no later than 8 December 1997.

1. The interests and welfare of the public. Among the items the arbitrator...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.).⁸
2. Comparison of the wages, salaries, hours and conditions of employment of the employees involved in the arbitration proceedings with the wage, hours, and conditions of employment of other employees performing the same or similar service 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-16.1); provided, however, that 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, salaries, vacations, holidays, excused leaves, insurance and pensions, medical and hospitalization benefits and all other economic benefits received.
4. Stipulation of the parties.
5. The lawful authority of the employer. Among the items the arbitrator...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.).
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...shall take into account, to the extent the 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

8. Also referenced as the "New Jersey Cap Law", addressed in detail below.

current local budget year; the impact of the award for each income sector of the property taxpayers of the local unit; the impact of the award on the ability of the governing body to (a) maintain existing local programs and services, (b) expand existing local programs and services for which public moneys have been designated by the governing body in a proposed local budget, or (c) initiate any new programs and services for which public moneys have been designated by the governing body in a proposed local budget.

7. The cost of living.
8. The opportunity and stability of employment including seniority factors not confined to the foregoing which are ordinarily or traditionally considered in the determination of wages, hours and conditions of employment through collective bargaining between the parties in the public service and in private employment."

Notably, this statutory provision further instructs that this Arbitrator:

Shall decide the dispute based on a reasonable determination of the issues, giving due weight to [the above listed factors]...and...indicate which of the factors are deemed relevant, satisfactorily explain why other are not relevant, and provide an analysis of evidence on each relevant factor. See Id.

The statutory criteria and implementing laws additionally requires the Interest Arbitrator to "separately determine whether the total net annual economic changes for each year of the agreement are reasonable under the eight statutory criteria set forth under [N.J.S.A. 34:13A-16g]." Id.

Current Salary Levels of the Bargaining Unit (Per Article XIV)

<u>Rank</u>	<u>(# of Officers holding Rank)</u>	<u>Effective December 31, 1996 Salary</u>
Lieutenant	(1)	\$ 64,058.00
Sergeant	(2)	59,573.00
Ptl-4th yr	(6)	53,840.00
Ptl-3rd yr	(0)	47,046.00
Ptl-2nd yr	(0)	40,789.00
Ptl-1st yr	(0)	35,840.00
<u>Prob. Ptl.</u>	<u>(0)</u>	<u>29,720.00</u>
	(9)	<u>\$506,244.00</u> Total Salary Budget

FINAL OFFERS OF THE PARTIES

PBA FINAL OFFER

Economic

1. Wage increase - The PBA proposes an across the board 5% increase in each calendar year. Said increase are requested to be successive in each year and compounded upon the preceding general wage rate of the prior year.
2. Longevity Improvement - The PBA proposes that the current three step plan be modified so that the step values would be increased to 4%, 6% and 7%, with the plateau years remaining the same.
3. Shift Changes - The PBA proposes: (1) that shift changes occur only when there is a seven (7) day notice period; and (2) that there be a 16 hour gap between consecutive tours of work. The PBA further proposes that if the above noted "notice" and "gap" are not met, then the remedy shall be payment of overtime rate of pay.

Non-Economic

None

PBA Exhibits

PBA-1	List of Duties
PBA-2	List of special awards and duties
PBA-3	Calls for Detective Bureau Service
PBA-4	Reports of various police activities
PBA-5	List of on the job injuries
PBA-6	December 1996 work schedule
PBA-7	April 1997 work schedule
PBA-8	September 1995 work schedule
PBA-9	July 1994 work schedule
PBA-10	Booklet prepared by Chamber of Commerce
PBA-11	1997 Permit Fee Log Report
PBA-12	Photo Album
PBA-13	1995 Permit Fee Log Report
PBA-14	1996 Permit Fee Log Report

PBA-15	Traffic Study
PBA-16	1997 Monmouth County Equalization Table
PBA-17	1995 municipal budget
PBA-18	1996 municipal budget
PBA-19	1997 municipal budget
PBA-20	1994 Annual Financial Statement
PBA-21	1995 Annual Financial Statement
PBA-22	1996 Annual Financial Statement
PBA-23	General Tax Rate Certification Schedule
PBA-24	1996 Annual Debt Statement
PBA-25	1996 Report of Audit
PBA-26	1995-1997 Wall Township contract
PBA-27	1995-1997 Spring Lake contract
PBA-28	1997-1999 Spring Lake Heights contract
PBA-29	1996-1998 Brielle contract
PBA-30	1994-1996 Bradley Beach Contract
PBA-31	1996-1999 South Belmar contract
PBA-32	1996-1999 Belmar contract
PBA-33	1997-2000 Bay Head contact
PBA-34	Ocean Township contact
PBA-35	Little Egg Harbor contract
PBA-36A	Settlement Agreement of South Amboy
PBA-36	South Amboy contract
PBA-37	Dover contract
PBA-38	1994-1996 Seaside Heights contract
PBA-39	Opinion and Award of Arbitrator Herzman
PBA-40	1995-1997 Settlement Agreement of Asbury Park
PBA-41A	Settlement Agreement of Manasquan
PBA-41	1997-1999 Manasquan contract
PBA-42	1996-1998 Neptune contact
PBA-43	1997-1998 Neptune City contract
PBA-44	West Caldwell Award of Arbitrator Mason
PBA-45	Bogota Award of Arbitrator Aiges
PBA-46	1995-1997 Berkeley Township contract
PBA-47	1996-1998 Sea Girt Board of Education and Sea Girt Education Association contracts
PBA-48	Superintendent of Schools contract

Additionally, at the time of hearing, Douglas M. Nesbitt, Patrolman, Sea Girt Police Department, offered testimony on behalf of the PBA. (See Transcript, pages).

BOROUGH FINAL OFFER

Economic

Salaries

1. 1997 2.0%
 1998 2.0%
 1999 2.0%
2. Lower starting salary to \$25,000 for the life of the contract, and increase the number of salary steps from 4 years to 8 years for employees hired after 01/01/98, with equidistant steps from probationary starting salary to maximum step.
3. All employees hired after 01/01/98 shall not be eligible for longevity.

Non-Economic

None

Borough Exhibits

- B-1 Final Offer of Borough
- B-2 Binder containing Borough's Presentation
 (Broken down by the following categories)
 - (1) Interest Arbitration Law
 - (2) Demographics
 - (3) Comparable Community Comparisons
 - (4) National Wage Trends
 - (5) State of New Jersey Settlement
 - (6) Ability to Pay
 - (7) Interest and Welfare of the Public & Continuity/Stability of Employment
 - (8) CPI
 - (9) Interest and Welfare of the Public/Health Care
 - (10) Interest and Welfare of the Public/CAP Law

Additionally, as a post hearing submission, the Borough provided a copy of its quarterly police pension reports 1992-1997.

Additionally, Edward Sidley, Police Captain, Borough of Sea Girt Police Department, offered testimony on behalf of the Borough. (See Transcript, pages 73-79).

POSITIONS OF THE PARTIES

It was the PBA's position that the general compensation for bargaining unit members of the SGPD lags behind police departments of comparable municipalities, without offsetting benefits which might justify its lower wage standing. As a result, the PBA sought higher wage increases and a improvement to the present longevity payment.

Moreover, perceiving an avoidable "short notice" in shift changes, the PBA sought to implement a provision to secure accommodation for the officer's work schedules.

Responding to the Borough's economic proposal, the PBA submitted that the Employer's positions were insufficient with regard to wages, regressive with regard to longevity and non-competitive with regard to starting salary for new employees.

The Borough contended that PBA wage increases have substantially out paced the cost of living over the past decade and that, among their peers (police officers employed in communities of comparable demographics), Sea Girt officers enjoy a competitive compensation package. In this respect, the Borough submitted that the PBA failed to focus on accurate comparisons and, further, evidence would demonstrate that lower wage increases and austerity measures for new hires would be more reasonable. The Borough also maintained that PBA failed to give due weight to the economic "frailties" of the Borough and the negative impact of economic increases upon the public

The Borough dismissed the PBA's proposal on shift changes by asserting that the request was not one which lent itself to resolution by an arbitrator, but would be better resolved through party negotiations.

The parties presented specific arguments on the relevant criteria in support of their positions

COST ANALYSES OF THE PARTY POSITIONS⁹

Cost comparisons of the party packages were drawn in terms of both dollar and percentage figures. The figures are based upon the current status of employees within the bargaining unit and assumes that these employees will continue with the SGPD, in their present positions, throughout the term of the new Agreement.

Dollar Comparison of Party Proposals on Percentage Increases to Base Salary¹⁰

Borough of Sea Girt Proposal

<u>Rank</u>	<u>(#)</u>	<u>1997 Salary</u>	<u>1998 Salary</u>	<u>1999 Salary</u>
Lieutenant	(1)	\$65,066.00	\$66,367.00	\$67,694.00
Sergeant	(2)	60,595.00	61,807.00	63,043.00
Ptl-4th yr	(6)	54,917.00	56,015.00	57,135.00
Ptl-3rd yr	(0)	47,987.00	48,947.00	49,926.00
Ptl-2nd yr	(0)	41,605.00	42,437.00	43,286.00
Ptl-1st yr	(0)	36,379.00	37,107.00	37,849.00
Prob. Ptl.	(0)	30,314.00	30,920.00	31,358.00
TOTAL	9	\$515,758.00	\$526,071.00	\$536,590.00

PBA Proposal

<u>Rank</u>	<u>(#)</u>	<u>1997 Salary</u>	<u>1998 Salary</u>	<u>1999 Salary</u>
Lieutenant	(1)	\$ 66,980.00	\$ 70,329.00	\$ 73,845.00
Sergeant	(2)	62,377.00	65,496.00	68,771.00
Ptl-4th yr	(6)	56,532.00	59,359.00	62,327.00
Ptl-3rd yr	(0)	49,398.00	51,868.00	54,461.00
Ptl-2nd yr	(0)	42,828.00	44,969.00	47,217.00
Ptl-1st yr	(0)	37,449.00	39,321.00	41,287.00
Prob. Ptl.	(0)	31,206.00	32,766.00	34,404.00
TOTAL	(9)	\$530,926.00	\$557,475.00	\$585,349.00
Variation:		\$ 25,168.00	\$ 31,404.00	\$ 48,759.00

9. The following charts, outlined in terms of both dollar and percentage increases, were drawn from figures provided by the Borough and reviewed by this Arbitrator. The PBA did not submit a specific "cost out" of its proposal, presenting its economic analysis through comparison charts. For purposes of Salary Comparisons, however, the Article XVI salary guide (which cite salaries higher than the figures cited by the Borough) will be utilized by this Arbitrator in the Opinion below.

10. These figures were provided as an attachment to the Borough's brief. It is noted that the number of bargaining unit members in each of the respective positions will be assumed to remain constant over the term of the proposed Agreement. It is also noted that one of the Sergeants moved to the position of Lieutenant between 1996 and 1997.

Dollar Cost Comparison of the PBA's Proposal for Increased Longevity Benefits

Current Longevity Schedule (1997)

<u>Date of Hire</u>	<u>No. of Positions</u>	<u>Longevity</u>	<u>Cost</u>
2-14-84	1	\$1,419.13	\$1,419.13
12-4-84	1	\$1,512.28	\$1,512.28
1-1-86	1	\$1,419.13	\$1,419.13
1-1-88	1	\$1,046.90	\$1,046.90
12-28-88	1	\$1,046.90	\$1,046.90
7-1-90	2	\$1,046.90	\$2,093.80
4-1-92	1	\$1,046.90	\$1,046.90
9-27-92	1	\$1,046.90	\$1,046.90
TOTAL			<u>\$10,631.94</u>

Longevity Schedule Per PBA Request

<u>Date of Hire</u>	<u>No. of Positions</u>	<u>Longevity</u>	<u>Cost</u>
2-14-84	1	\$3,405.90	\$3,405.90
12-4-84	1	\$3,629.46	\$3,629.46
1-1-86	1	\$3,405.90	\$3,405.90
1-1-88	1	\$2,093.80	\$2,093.80
12-28-88	1	\$2,093.80	\$2,093.80
7-1-90	2	\$2,093.80	\$4,187.60
4-1-92	1	\$2,093.80	\$2,093.80
9-27-92	1	\$2,093.80	\$2,093.80
TOTAL			<u>\$23,004.06</u>

Annual Variation Per PBA Request \$12,372.12

Total Variation Over Three Year Agreement \$37,116.36

Percentage Comparisons

Total Cost of the PBA's Economic Package

	<u>1997</u>	<u>1998</u>	<u>1999</u>
Salary Increase	5.00%	5.00%	5.00%
Compounding ¹¹	0.25%	0.25%	0.25%
1996 Rollover ¹²	2.87%	----	----
Longevity	2.59%	2.59%	2.59%
Shift Changes ¹³	----	----	----
Total	10.71%	7.84%	7.84%

Three Year Total = 26.39% or 8.80% per year

Total Cost of the Borough's Economic Package

	<u>1997</u>	<u>1998</u>	<u>1999</u>
Salary Increase	2.00%	2.00%	2.00%
Compounding ¹⁴	0.04%	0.04%	0.04%
Starting Salary ¹⁵	----	----	----
1996 Rollover ¹⁶	2.87%	----	----
Longevity	----	----	----
Total	4.91%	2.04%	2.04%

Three Year Total = 8.99% or 3.00% per year.

11. While a wage increase occurs in one year, it is also paid in subsequent year and "compounding" costs result. Thus, the 1997 salary increase is a cost which occurs in each of three years and the salary proposal for 1998 is computed on the 1996 salary plus the 1997 increase. Similarly, the salary proposal for 1999 is computed on the 1996 base plus the 1997 increase, plus the 1998 increase.

12. The rollover accounts for a split increases which went into effect during the 1996 term, but were also partially paid in 1997. Based on Borough calculations, these increases impose a total 1997 cost of 2.87% before factoring in the increases proposed herein.

13. No figure is calculated since the cost effect of the PBA's proposed notification provisions is speculative and management determined.

¹⁴ Compounding costs result because the salary proposal for 1998 must be computed on the 1996 salary plus the 1997 increase. Similarly, the salary proposal for 1999 must be computed on the 1996 base plus the 1997 increase, plus the 1998 increase.

¹⁵ Figures are not entered under this category because the possibility that new hires may be made during the contract term is speculative.

16. The rollover results from a "split" wage increase which went into effect during the 1996 term, but were also partially paid in 1997. The Borough alleged that the increases actually impose a total 1997 cost of 2.87% before factoring in the increases proposed herein.

OPINION

With the positions of the parties analyzed above, this Arbitrator must turn to address those positions pursuant to the requirements of the "Statutory Criteria". As mandated by the inherent responsibilities of the controlling Act, this Arbitrator is mandated to reach decision based on a reasonable determination of the issues, giving due weight to the statutory criteria which are judged relevant. As such, each criterion must be considered and those deemed relevant must be discussed. Similarly, those criterion deemed not to be relevant to the decision herein must also be addressed.

In this regard, the parties provided a record of pertinent evidence and, in this Arbitrator's opinion, met their obligations imposed in Fox v. Morris County Policemen's Association, PBA 151, 266 N.J. Super. 501, 517 (App. Div. 1993), cert. denied, 137 N.J. 311 (1994).

As it was agreed to by the parties, the duration of the Agreement should be for three years, from January 1, 1997 through December 31, 1999. Negotiations on a successor Agreement should commence at least ninety (90) days prior to the expiration date of this Agreement.

Having considered the exhibits offered in the context of the relevant statutory criteria, this Arbitrator has determined that the appropriate wage increase for the three year period of the Agreement should be: effective January 1, 1997, the base salary of each bargaining unit member should be increased by three and one-half (3.5%) percent and, effective January 1, 1998, the base salary of each bargaining unit member should be modified by an additional increase of four (4%) percent and, effective January 1, 1999, the base salary of each bargaining unit member should be modified an additional increase of four (4%) percent.

The salary increases are primarily reflective of the quality of service of the SGPD and the comparability of compensation in the same or similar police departments in the geographic arena of Monmouth County. These comparisons were expressed by both the Borough and the PBA and, although the percentage increases appear below the average in evidence¹⁷, the continuity and stability of the workforce presents a legitimate basis for this Arbitrator to increase the wages expressed herein.

17. 4.63% in 1997; 4.21% in 1998; and 4.24% in 1999. (see PBA brief, at page 15).

Notwithstanding, the wage increases take note of the Borough's numerous arguments, contemplates the rollover effective of the 1996 split increase (although, perhaps, not in the dollar for dollar equivalent espoused by the Employer), considers the financial impact and budgetary goals expressed by the Borough in its evidentiary arguments, and weighs the lawful authority of the governing body of the Borough.

The salary increases shall be effective as of the date of this Award and effective retroactively to January 1, 1997. Retroactive payments shall be determined and paid to employees within a reasonable period of time.

The Borough's request to amend Article XIV by lowering the starting (probationary) salary to \$25,000 for the life of the contract and increasing the number of salary steps from 4 years to 8 years for employees hired after January 1, 1998 (with equidistant steps from probationary starting salary to maximum step) shall be denied. In this Arbitrator's opinion, lowering the starting salary for a new hire only promotes the opportunity for recurring turnover at the probationary level -- by entry at the lower salary and transfer (after training and qualification) to a department with There is always an incentive to hire a patrolmen who has completed training (saving the cost attached to training). There is also the potential for a police department to effectively become a training ground for other departments

However, if a lower starting salary is an incentive to hiring, this Arbitrator should hold the starting salary at the present rate during the term of the Agreement. The record did not reveal that the Borough intended to hire and the potential cost savings would only be in the first year of employment (since the salary guide would require the adjustment by way of a substantial increase in the second year of employment). However, if there is a potential for a new hire, the Borough could save \$3,310. (the sum of the displace 3.5% and 4% increases in base for the years 1997 and 1998). Moreover, the incentive for a new hire to remain in the employ of the Borough would find the potential for an increase from \$29,720. to \$38,578-\$40,121. would be evident.

The PBA's request for modification to Article XV, Longevity, proposing that the current three step plan be increased to 4%, 6% and 7%, with the plateau years remaining the same, should

be denied. The present benefit includes 2% longevity after the completion of five years of service, 2.5% longevity after the completion of ten years of service, and 3% longevity after the completion of fifteen years of service. While present longevity rates may be lower than the comparable communities of Spring Lake (with 12%), Spring Lake Heights (with 9%), Bradley Beach (with 12%), South Belmar (with 14%), Belmar (with 8%), Bay Head (with 5%) and Manasquan (with 8%), the longevity benefit increases in dollar value with each percentage increase in the wage schedule and has a cost effect which must be considered in overall compensation. This Arbitrator believes that the present longevity levels, stated in percentages, are at levels reasonable in relation to the overall compensation paid to bargaining unit members and the wage increases granted by this Arbitrator herein.

Likewise, the Borough's request that "All employees hired after January 1, 1998 shall not be eligible for longevity" should be denied. There have been claims that longevity has surpassed its purpose and, in recent negotiations, public employers (including the Borough) have targeted longevity for elimination from police contracts. This Arbitrator does not necessarily agree with the trend to eliminate longevity, since the payment has a recognition factor to those officers who have remained in the service of the community. Thus, while longevity percentages may remain without increases, the benefit has not been shown to be overburdensome as a budgetary nor with a compelling reason to terminate for future employees.

In addition to their arguments regarding the compensation package, the PBA also expressed problems relating to the officers' work schedule. In this connection, there was testimony that late notice of shift changes and short time gaps between consecutive shifts of work ("short swings") impacted on officer morale and caused safety concerns. Captain Edward Sidley, who testified on behalf of the Borough, explained that he was making a sincere effort to address those problems within the confines of his small department. Specifically, Captain Sidley related that he had recently implemented a steady shift schedule for the police officers --- to improve the quality of their life and help officers cope with the work schedule. (76:24-77:11). Captain Sidley also indicated that, as part of his schedule planning, he attempts to avoid placing his officers on short swings. (84:25-85:2).

While Captain Sidley did not submit to specific notification standards sought by the PBA, he forthrightly acknowledged that, when making changes to the work schedule, and if there were no unforeseen circumstances, it was possible to give seven (7) days advance notice of schedule changes. (83:18-84:18).

While the PBA's proposal regarding the work schedule may be aimed toward "achieving some measure of stability", this Arbitrator analyzed the PBA's request in light of the circumstances surrounding the function of the department. Due to the limited number of departmental personnel and the necessity for shift coverage, there is an acknowledged necessity to call in patrolmen to cover a vacant shift position (which occurs with regularity). To secure coverage during a period when a regularly scheduled officer is absent necessarily requires a replacement from those available. A degree of flexibility is obligatory on the part of the PBA.¹⁸

As a result, there may be a rational basis for the department to schedule its officers on "short swings" and cover for an employee out of work on absence or vacation. And, in this respect, there must be a balance between an officer's ability to request time off (with reasonable notice) and the Employer's ability to secure coverage for the officer's shift. Accordingly, the PBA's proposal relating to "short swings" must be denied.

However, at the same time, the PBA's request to amend Article VI by requiring a seven (7) day notice period for schedule (shift) changes should be granted. Without attempting to impede on management nor unreasonably restrict the right of management to control the scheduling of the police services, it would appear that the department can, to a large extent, determine the scheduling needs in advance, comply with seven (7) days notice of schedule changes and reduce the negative impact caused by scheduling instability. Granted, unanticipated or emergent circumstances may be beyond the control of management and should be exceptions or justifications for which the seven day notice will be excused and, accordingly, the seven day notice provision will be tempered with conditions

18. In part, the necessity for rescheduling coverage and causing "short swings" results from the ability of a bargaining unit member to secure time off from the workplace by way of contractual benefits

With the recognition that the department has attempted to stabilize schedules to the extent possible, this Arbitrator will award the PBA's seven (7) notice provision, with exceptions or justification to be caused by the Chief of Police.¹⁹ Where a seven day notice of scheduled shift change is not given, the Borough shall pay the effected bargaining unit member the overtime rate of pay for those hours worked with less than seven day notice.

All other terms and conditions of the Agreement should remain in full force and effect, without modification or amendment.

Resulting Salary Levels of the Bargaining Unit (Per Article XIV)

<u>Rank</u>	<u>(# of Officers holding Rank)</u>	<u>Effective December 31, 1996 Salary</u>
Lieutenant	(1)	\$ 64,058.00
Sergeant	(2)	59,573.00
Ptl-4th yr	(6)	53,840.00
Ptl-3rd yr	(0)	47,046.00
Ptl-2nd yr	(0)	40,789.00
Ptl-1st yr	(0)	35,840.00
<u>Prob. Ptl.</u>	<u>(0)</u>	<u>29,720.00</u>
	(9)	<u>\$506,244.00</u> Total Salary Budget

<u>Rank</u>	<u>(#)</u>	<u>1997 Salary</u>	<u>1998 Salary</u>	<u>1999 Salary</u>
Lieutenant	(1)	\$ 66,300.00	\$ 68,952.00	\$ 71,710.00
Sergeant	(2)	61,658.00	64,124.00	66,689.00
Ptl-4th yr	(6)	55,724.00	57,953.00	60,272.00
Ptl-3rd yr	(0)	48,693.00	50,640.00	52,666.00
Ptl-2nd yr	(0)	42,217.00	43,905.00	45,661.00
Ptl-1st yr	(0)	37,094.00	38,578.00	40,121.00
<u>Prob. Ptl.</u>	<u>(0)</u>	<u>29,720.00</u>	<u>29,720.00</u>	<u>29,720.00</u>
TOTAL	(9)	\$523,960.00	\$544,918.00	\$566, 715.00

19. For example, where the Chief issues a direct order, responds to an emergency, is required to provide an unanticipated, but essential, community service or is forced to mobilize the police department.

CONSIDERATION OF STATUTORY CRITERIA

N.J.S.A. 34:13-16(g)(1) requires consideration of the "interests and welfare of the public."²⁰

In focusing upon this criteria the Arbitrator is reminded that the public is a "silent party" to the interest arbitration²¹ and must inevitably carry the weight of its outcome by bearing the quality and cost of its police services.

The PBA has presented its argument under this criteria with an emphasis on the quality of police services. The PBA's evidence demonstrated that, despite its small size, the SGPD delivers a myriad of services to the public in a highly productive and efficient manner. (See PBA-1 and PBA-2). The PBA evidence also attempted to establish a trend toward increasing police duties. These facts were not contested by the Borough. Beyond addressing the work responsibilities and accomplishments of its members, the PBA also directed this Arbitrator's attention to safety concerns which impact both the general public and the individual officers. It was under this criteria that the PBA advanced the proposal regarding the work schedule. According to the PBA, the adoption of these proposed changes would dissuade management from the occasional, yet "avoidable", practice of short notice schedule changes which impacts negatively on officer morale, alertness on the job and public safety. Evidence to support that conclusion was introduced through the testimony of Officer Nesbitt and cross-examination of Captain Sidley.

The Borough's arguments under this criteria were directed toward the public interest in controlling the cost of police services and the extent to which the allocation of Borough funds might impact the public welfare. The Borough expressed concern that "Interest Arbitrators frequently do not give the factor its proper weight in deliberations" and recommended that "[i]n determining a reasonable award, the Interest Arbitrator must consider the effect the award will have on the citizens and taxpayers of the Borough of Sea Girt".

20. While the New Jersey Cap Law is referenced under this criteria, it is also addressed under subsection (g)(5), and will be discussed specifically under that section.

21. See Hillsdale PBA Local 207 v. Borough of Hillsdale, 137 NJ 71, 82-83 (1994).

Upon presenting its argument under this criteria, however, the Borough did not lead to factual conclusions that the level of increases awarded herein would negatively effect the taxpayers of Sea Girt. While the Borough offered a detailed analysis relating to the cost of the party proposals, the impact of such costs upon the public taxpayer was not found to be counter to the interests and welfare of the public.

It is this Arbitrator's belief that the interests of the public are best met when, within the policies of the governing body, compensation for uniform employees (including police personnel) adequately recognizes the functions, effectiveness and responsibilities of its officers. In this case, it may be reasonably concluded the SGPD functions at a high level of effectiveness and individual responsibility within the general confines a small force.

Being a relevant concern to the interest of the community, this Arbitrator has attempted to show the recognition relating to the functions of the department and endeavored to increase the officers' base wages within the constraints expressed by the Borough. The Award will not have a negative effect on the citizens and taxpayers of the Borough of Sea Girt.

N.J.S.A. 34:13A-16(g)(2) requires "comparison of the wages, salaries, hours, and conditions of employment of the employees involved in the arbitration proceedings with the wages, hours, and conditions of employment of other employees performing the same or similar services and with other employees generally:

- (a) In private employment in general.**
- (b) In public employment in general.**
- (c) In public employment in the same or similar comparable jurisdictions.**

Upon addressing this criteria, the PBA narrowed its focus to a comparison of wage and base salary increases extended to police officers in Sea Girt and other New Jersey communities. The comparative jurisdictions selected by the PBA included Wall Township, Spring Lake, Spring Lake Heights, Brielle, South Belmar, Belmar, Bay Head, Ocean Township, South Amboy, Little Egg Harbor, Dover, Asbury Park SOA, Manasquan, Neptune Township, West Caldwell, Berkeley

Township and Bogota. According to the PBA, comparative data drawn from these jurisdictions presented "an accurate and viable universe of comparisons for evaluation in this case".

In light of comparative data drawn from its "universe of comparisons", the PBA maintained that its officers had a maximum base rate in the third quartile of all comparisons. From these comparative sources, the PBA charted percentage increases extended to peer officers and demonstrated their average increases to be in the amounts of 4.635% in 1997, 4.21% in 1998, and 4.242% in 1999.

While the PBA directed its attention solely to comparisons with peer officers, the Borough maintained that such limited comparisons were inappropriate, particularly in light of recent amendments to this criteria. In this connection, the Borough emphasized that the criteria now listed comparisons with peer officers as the third, and no longer the first, comparative consideration. Additionally, the Borough maintained that the jurisdictions from which the PBA drew its comparisons were "random".

The Borough's presentations under this criteria were detailed and informative, submitting that national wage increases in the private sector fall significantly below the 5% three year average increase sought by the PBA. The evidence offered in support of this position was a July 30, 1997 article from the New York Times indicating that private sector non-unionized workers received wage increases which averaged 3.5% over the past year, while private sector unionized employees averaged 2.2% over the past year. (See B-2, Section 4). The Borough claimed that unionized municipal workers in major metropolitan areas have likewise received significantly less than the 5% per annum increase sought by the PBA. Evidence offered by the Borough in support of this contention was limited to figures relating to unionized workers in Philadelphia, Chicago, Detroit and Los Angeles (see B-2, section 4).

Drawing the comparison further inward, the Borough submitted that the unreasonableness of the PBA salary demands was further demonstrated when viewed in light of salary increases recently gained by unionized employees working for the State of New Jersey. Citing numerous settlements and awards (including State of New Jersey -and- State Law Enforcement Conference, PERC Docket

No. IA-96-013, issued by this Arbitrator), the Borough established that public sector employees, both municipal and state workers, received significantly less than the 5% increases sought by the PBA and, in certain instances, wage freezes during the first two years of a four year agreement.

Indeed the Borough is correct in their conclusions relating to the contracts of State employees in various bargaining units. And while the Borough's proposal exceeds the offers made by the State to the various union representing State employees, there is obvious distinction. The State budget demands, at the time of negotiations, was in great need for establishing uniform increases and benefits among varying contracts. Moreover, the ability to fund the increases to State employees would have required significant budget adjustments. In the present circumstances, neither budget demands nor budget adjustments are (or should be) required by the increases granted in this Award. Finally, while only wage increases have been awarded herein, a fuller analysis of the State contracts and Awards would lead one to conclude that other cost increases were included in the settlements with State employees.

Lastly, the Borough turned to comparisons with peer officers and submitted that "Sea Girt Police officers receive commensurate or above average salaries and benefits in comparison to those received by police officers in other comparable Monmouth County communities." Here, the Borough emphasized that, in contradistinction to the PBA submissions, comparable units were carefully selected with attention to similarities in geography, demographics, population, and department size. Specifically, the Borough focused upon compensation packages afforded peer officers in the communities of Avon by the Sea, South Belmar, Belmar, Manasquan, Spring Lake, Bradley Beach and Spring Lake Heights. According to the Borough, among these "comparable" communities, Sea Girt provides a commensurate maximum patrol officer salary. Evidence offered by the Borough in this regard demonstrated that, in 1996, Sea Girt officers at maximum step earned a comparatively high salary and would be the highest paid among their peers if the PBA proposal were adopted. (See B-2, at section 3). The Borough contended that, in 1996, Sea Girt officers received the highest percentage increase (5.68%) among what it has listed as "comparable" communities. The Borough maintained that it sought to follow the lead of comparable communities (specifically, Spring Lake

Heights, South Belmar and Manasquan) by lowering the starting salary for new officers.

In this Arbitrator's opinion, the Borough's arguments were direct and accurate. In fact, the increases awarded herein will permit the bargaining unit officers to maintain a wage level (at least at top step) comparable with those communities which the Borough cited as comparable with respect to wage levels. There is no support by this Arbitrator to find for lowering starting salaries for new officers.

There is an obvious conclusion that there few occupation in the private section which compare with that of a uniformed police officer. Nevertheless, the attempt to make comparisons with private sector employment are meaningful to the extent that private sector increases are based on profit and loss, the ability to compete economically and the result of performance.

In the public sector, while profit may not be the primary motive, the correlative incentive is constraining the means for expenditures and, more specifically, preventing cost increases or burdens to the taxpayer. Moreover, the report of private sector increases reveals a benchmark for public sector compensation improvements.

This Arbitrator concludes that the wage increases herein are within the range of private and public wage increases, in general, and do not exceed (or, perhaps, below) comparative wage increases in the public sector uniformed units within the demographic comparisons submitted by the Borough.

N.J.S.A. 34:13A-16(g)(3) requires consideration of 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."

In turning its attention to this criteria, the PBA again drew upon comparisons from its pool of peer officer contracts to demonstrate that officers in the SGPD held a lower than average standing in key benefits such as longevity and holidays. This was yet another reason advanced by the PBA to support an above average wage increase.

The Borough alternatively maintained that it "provides officers with above average or commensurate benefits in virtually every category." Again, the Borough proposed that its own list

of comparables to establish its position and oppose the "demands" of the PBA. Citing those areas where the SGPD benefits surpassed those of peers (and "comparable" communities), the Borough noted that Sea Girt officers are paid the second highest clothing allowance, have the lowest number of steps (5) on the salary guide to reach maximum officer salary and are entitled to education/tuition benefits which rival those offered by other departments. The Borough contended that, despite the rising cost of medical insurance, which has driven other employers to seek employee contributions for premiums, the SGPD continues to provide this benefit at no cost to the employee. As for its proposal to reduce longevity benefits for new employees, the Borough submitted that this method of reducing costs has already been implemented by other police departments.

For purposes of addressing this criteria, this Arbitrator has taken notice that the Agreement is a fully developed composite of terms and conditions developed through negotiation and the controlling New Jersey public sector law. For purposes of description, the Agreement covers the economic benefits of sick leave (Article IV), vacation time (Article V), overtime compensation (Article VI), minimum pay for call backs (Article VI), personal leave of 4 days (Article VII), one floating holiday (Article VII), limited expenses for use of personal vehicles in the scope of employment (Article VIII), full family coverage for basic medical and hospital insurance and major medical (Article IX),²² dental insurance (Article IX), personal liability insurance (Article IX), clothing allowance (Article X), college incentive program (Article XI), retirement benefits (Article XII), twelve holidays per year (Article XIII), additional compensation for specific categories of work (Article XIV), longevity benefits (Article XV), cleaning allowance (Article XVI). There are no significant economic benefit for police officers which is lacking in this Agreement and this Arbitrator considers the document to be of quality and substance.

N.J.S.A. 34:13A-16(g)(4) requires consideration of "stipulations of the parties."

The parties have stipulated on a three year Agreement governing calendar years 1997 through 1999.

22. The insurance is at no expense to employees hired on or before January 1, 1994. Employees hired after that date pay fifty percent (50%) of the dependent coverage.

N.J.S.A. 34:13A-16(g)(5) requires consideration of the "lawful authority of the employer."

This criteria requires the Arbitrator to consider fiscal constraints imposed upon municipalities by the State legislature under N.J.S.A. 40A:4-45.1 et. seq. (hereinafter, the Cap Law").²³ This law outlines specific guidelines "which require local governments to follow sound business principles in their budgetary practices." Morris County v. Skokowski, 86 N.J. 419, 423 (1981). The basic concept is that local government must hold yearly budget increases and expenditures within a limited range imposed by statute and, to this end, a municipality is encouraged to structure its budget by limiting increased expenditures to a specific "cap index" number. The governing body may, by majority vote and without referendum, increase the cap figure for any given year to a limit of 5% (the Cap).

Where a municipality increases its Cap to the limit of 5%, but in fact utilizes a lesser percentage within its budget considerations, it can "bank" the "percentage" difference. Through this "cap banking", a local government has the lawful authority and flexibility of carrying forward unused CAP allocations into future budgets and permit additional budget increases.

Upon referring to this criteria, the PBA has submitted that the lawful guidelines for exceeding CAP limits are not relevant in this case as the Borough has already adopted a budget which is well within the CAP formula for 1997. The Borough alternatively argued that the Cap limits were implicated because "the PBA's total (*proposed*) package averages over 8.8%/year." The Borough reasoning in this respect is that adoption of the PBA proposal would "require the Borough to reduce other expenditures which fall within the Cap to the extent the cost of the economic demands exceed five (5) percent." In fact, the Arbitrator's award negates, or eliminates, the Borough's argument, since the wage increases fit well within the Cap.

As a note, there was no proof that the Borough would lack the "lawful authority" to budget additional monies toward the PBA proposal, if needed. However, this Arbitrator would not presume

23. Notably, N.J.S.A. 34:13a-16g(5) does not necessarily limit this Arbitrator's analysis to Cap Law.

that the Borough would (or should) be required to make full use of Cap limits and flexibility. Rather, upon considering the budgetary documents of the Borough, this Arbitrator evaluated whether the Borough was able to contain its expenditures of police salaries comfortably within a budget built on fiscal prudence and budgetary planning. In so doing, it is this Arbitrator's opinion that the increases awarded will fit within the budget constraints.

N.J.S.A. 34:13-16(g)(6) requires consideration of the "the financial impact on the governing unit, its residents and taxpayers".

According to the PBA, the impact of its position being awarded would be "extremely small and almost incalculable on the average taxpayer." The PBA illustrated this point by first determining a percentage point of increase on the officers' 1996 base salaries²⁴ and then establishing a ratio of the point impact of a wage increase as compared to the preceding year's tax levy. Additionally, the PBA submitted that one could reasonably conclude that Sea Girt citizens were not unduly burdened by Borough taxes because they not only paid the lowest tax rate in Monmouth County, but also had an excellent record in collecting municipal property taxes. This Arbitrator cannot disagree to either conclusion presented by PBA although the analogy raised by Counsel (see PBA Brief, page 21) to the impact of the wage increase should now be corrected. By the award of 3.5%, 4% and 4% wage increases instead of 5%, 5% and 5% wage increases sought by the PBA, taxpayers will now be able to go to the movies accompanied by another person and purchase popcorn or candy.

Beyond asserting that the Borough could extend higher wages to its officers without significantly impacting the taxpayer, the PBA noted that the Borough did already appropriate a substantial increase on the police salary and wage line item of its 1997 budget. Here, the PBA calculated the relationship between the 1996 and 1997 budget appropriation as an increase in the amount of 7.8%.

24. As a matter of record, this Arbitrator calculated a different percentage point increase of base wage as that submitted by the PBA. While the PBA maintained that total salaries for the PBA unit was \$505,644. (one percentage point equal to \$5,056.), this Arbitrator utilized Article XIV to find the total salaries to be \$506,244. (and thus one percentage point equal to \$5,062.). These distinctions are not significant for purposes of calculations or arguments.

The Borough did not contest the PBA position regarding its low tax rate and enviable tax collection record. However, it argued that, unlike the PBA, the Borough proposals have taken into account the impact of the "past severe economic recession" upon Sea Girt's present budget. The Borough reflected upon the "lackluster" state of New Jersey's economy, its own declining revenues and ratables, and the burden it carries for increased expenses (including increased pension fund contributions for its police officers). Further, the Borough emphasized that, because it is, for the most part, a residential community, it must rely significantly more upon its homeowners for tax revenue than the average Monmouth County town.

In this Arbitrator's opinion, the financial impact of the Award entered on the governing unit, its residents and taxpayers is not beyond the fiscal forecasts or confines which the Borough blueprinted in its prior budgets. There is significant indications that ratables have increased and, while the municipality is overwhelmingly residential, there is little proof that revenues have declined. Considering the actual dollar wages increases and the total annual net economic change for the calendar year 1997 will be \$17,716.00 — the total annual net economic change for the calendar year 1998 will be \$20,958.00 — the total annual net economic change for the calendar year 1999 will be \$21,797.00 — the three year net economic change will total \$60,471.00, which relates to a twelve (12%) increase over the total 1996 salary guide.

Given the relative small size of the bargaining unit, the financial aspects of this Award will not have an adverse financial impact on the governing body or the residents or taxpayers of Sea Girt

N.J.S.A. 34:13A-16(g)(7) requires consideration of the "cost of living".

The PBA did not outline an argument under this criteria. Alternatively, the Borough argued that from 1985 through 1996, the PBA consistently received increases which dramatically exceeded the Consumer Price Index (CPI). According to the Borough, exhibits revealed that over this twelve year period the cost of living rose on an average of 3.9% per year, while PBA increases averaged 7.6% per annum over that same time period. The Borough further maintained that, even under its proposal, the PBA would remain significantly above the CPI.

In this Arbitrator's opinion, the cost of living data does not prohibit the increases within this Award.

N.J.S.A. 34:13A-16(g)(8) requires consideration of 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.

Upon addressing this criteria, the PBA reflected on earlier arguments relating to "area standards" and "prevailing rates", arguing that considerations under this criteria favored its position over that of the Borough. The Borough alternatively argued that "the elements of [its] proposal will best allow the Borough to maintain and continue a stable work force in the Police Department and throughout the municipality". The Borough further submitted that "the PBA's economic demands would impose unanticipated (additional) expenses upon the Borough which, in turn, could force the Borough to further reduce personnel and/or services."

This criterion, like the public interest, tends to raise diametric responses --- subjective in nature by most observations. As this Arbitrator noted, representatives of the Borough Council appeared at the mediation session and arbitration hearing and, while not testifying in the record, supported the positions forwarded by its Counsel. It is evident that the governing body has sought to administer the Borough in a stable and circumspect manner and there is little question that the fiscal prudence of the governing body has resulted in a conservative and discerning budget formation. One of the positions expressed was that the governing body has sought to treat employees equally, but within the constraints of the Borough's fiscal philosophy of restraint and limitation.

Reiterating the cost analysis, the total annual net economic change imposed by this Award will amount \$17,716.00 for the calendar year 1997; the total annual net economic change for the calendar year 1998 will be \$20,958.00; the total annual net economic change for the calendar year 1999 will be \$21,797.00. The three year net economic change will total \$60,471.00, which relates to a twelve (12%) increase over the total 1996 salary guide.

As the record has revealed, this Arbitrator attempted to reward the unit for their performance and duties through a reasonable and proper increase for the bargaining unit officers while closely considering the fiscal ability and financial constraints sought by the Borough. The previous review of the relevant statutory criteria supports this Award and meets the goals of the parties within the criteria. Having considered the evidence in the context of the relevant statutory criteria, this Arbitrator issues the following:

AWARD

1. **Article XIV, Salaries**, of the Agreement shall be amended to reflect:

A three and one-half (3.5%) percent across the board increase on base salaries effective January 1, 1997; a four (4%) percent across the board increase on base salaries effective January 1, 1998; and a four (4%) percent across the board increase on base salaries effective January 1, 1999. The salary increases shall be effective as of the date of this Award and effective retroactively to January 1, 1997. Retroactive payments shall be determined and paid to employees within a reasonable period of time.

2. The Borough's request to amend Article XIV by lowering the starting (probationary) salary to \$25,000 for the life of the contract and increasing the number of salary steps from 4 years to 8 years for employees hired after January 1, 1998 (with equidistant steps from probationary starting salary to maximum step) shall be denied.

Notwithstanding Paragraphs 1 and 2 above, the starting (probationary) salary within the salary guide shall remain fixed at \$29,720 00 through the duration of the 1997-1999 Agreement.

3. The PBA's request for modification to Article XV, Longevity, proposing that the current three step plan be increased to 4%, 6% and 7%, with the plateau years remaining the same, shall be denied.
4. The Borough's request that "All employees hired after January 1, 1998 shall not be eligible for longevity" shall be denied.
5. The PBA's request to amend Article VI, **Scheduling, Shifts and Overtime**, proposing that shift changes occur only when there is a seven (7) day notice period shall be granted. Where a seven day notice is not given, the Borough shall pay the effected bargaining unit member the overtime rate of pay for those hours worked inside of the seven day notice requirement.

6. The PBA's request to amend Article VI by proposing "that there be a 16 hour gap between consecutive tours of work" shall be denied.
7. **Article XVI, Duration of Agreement**, of the Agreement shall be modified to read:
- THIS AGREEMENT shall be in full force and effect from January 1, 1997 through December 31, 1999. In the event a successor Agreement has not yet been made, then if the parties mutually agree, this Contract shall remain in effect until a new Agreement is executed. Negotiations on a successor Agreement will commence at least ninety (90) days prior to the expiration date of this Agreement.
8. All other terms and conditions of the Collective Bargaining Agreement which expired on December 31, 1996 shall remain in full force and effect, without modification or amendment.

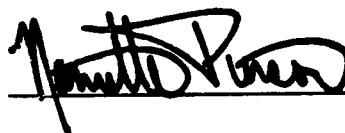
Dated: December 20, 1997



J. J. Pierson, Esq.
Arbitrator

State of New Jersey)
) ss
County of Morris)

On the 20th day of December, 1997, before me personally came and appeared J.J. Pierson, Esq., to me known and known to me to be the person described herein who executed the foregoing instrument, and he acknowledged to me that he executed the same.



NANNETTE PIERSON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar 5, 2001

