

STATE OF NEW JERSEY
PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of Interest Arbitration Between:

TOWNSHIP OF PISCATAWAY
“Township”

- and -

Docket No. IA-2019-006

PBA LOCAL 93
“PBA or Union.”

Before: Brian W. Kronick, Esq., Interest Arbitrator

Appearances:

For the Township:

Louis N. Rainone, Esq.
Rainone Coughlin Minchello

For the PBA:

Leonard C. Schiro, Esq.
Mets, Schiro McGovern LLC

PROCEDURAL HISTORY

Police Benevolent Association Local 93 (the “PBA”) and the Township of Piscataway (the “Township”) are parties to a Collective Negotiations Agreement with an effective term of January 1, 2011 through December 31, 2016.

According to the Petition to Initiate Compulsory Interest Arbitration (the “Petition) filed by the Township, the parties met for negotiations on ten (10) separate occasions from October 5, 2016 through February 22, 2018. The parties requested mediation which was held by a New Jersey Public Employment Relations Commission (“PERC”) appointed mediator on July 19, 2018. On September 13, 2018, the Township filed the Petition with PERC. On September 17, 2018, PERC appointed me to hear and decide the Petition pursuant to N.J.S.A. 34:13A-16e(1). Consistent with N.J.S.A. 34:13A-16b(3), a mediation session was held and was unsuccessful. A hearing was held on November 19, 2018 at which the parties were given the opportunity to present testimony and documentary evidence in support of their final offers. The following joint exhibits were admitted in evidence: Joint Exhibit 1 (J-1)(2011-2016 Collective Negotiations Agreement); Employer Exhibit 1 (E-1) (Scattergram of 2016 PBA 93 earnings); Employer Exhibit 2 (E-2)(Scattergram PBA 2017 changes in steps/longevity); Employer Exhibit 3 (E-3)(Scattergram 2018 changes in steps/longevity); Employer Exhibit 4 (E-4)(Scattergram 2019 projected step and longevity increases); Employer Exhibit 5 (E-5)(Scattergram 2020 projected step and longevity increases).; Employer Exhibit 6 (E-6)(PBA summary sheet); Employer Exhibit 7 (E-7)(Spreadsheet of summary of step/longevity increases for 2017-2020); Employer Exhibit 8 (E-8)(Prescription plan costs).

Both parties submitted post-hearing position statements and internal comparables in support of their respective Final Offers. The parties were each professional and comprehensive in their arguments and presentations throughout this proceeding.

This proceeding is governed by the requirements set forth in the Police and Fire Interest Arbitration Reform Act, N.J.S.A.34:13A-16 through N.J.S.A.34:13A-16.9 as amended on June 24, 2014 by P.L. 2014, c.11 (the “Act”). The Act requires the use of conventional arbitration and imposes strict limits on the amount of base salary increases that can be awarded and on the awarding of new non-base salary economic items. This Interest Arbitration Award is issued in accordance with the 2% hard cap limitation and the 16g interest arbitration criteria to the extent deemed relevant. See, N.J.S.A. 34:13A-16.7(b) and N.J.S.A. 34:13A-16g.

It is important to note that the parties agreed that the Township’s base salary calculation of \$6,385,097.00 as of December 31, 2016 satisfies the requirement in N.J.S.A. 34:13A-16.7(b) that a baseline be established for the aggregate amount expended by the Public Employer on base salary items for the twelve months immediately preceding the expiration of the collective negotiations agreement that is subject to arbitration (E-1). The 2% hard cap on base salary increases is calculated off the gross base salary payments made to unit employees during the year of contract expiration. The parties also agreed on calculations as to the amounts of base salary up to 2% that can be increased in the years upon which the base salary calculation is applied although they acknowledge that the term and distribution of those amounts are at issue and are within the discretion of the arbitrator.

The Award must also be in compliance with the appropriations and tax levy limitations in P.L. 1976, c. 68 (C. 40A:4-45, et. seq.) and Section 10 of P.L. 2007, c. 62 (C. 40A:4-45:45), and

the arbitrator is precluded from awarding a non-salary economic issue that was not included in the prior collective negotiations agreement.

Pursuant to P.L. 2014, c. 11, the arbitrator has 90 days from appointment, or by December 17, 2018, in which to render an award. This has resulted in a greatly compressed time period for issuance of an award.

PARTIES FINAL OFFERS

TOWNSHIP FINAL OFFER

1. **TERM:** January 1, 2017 to December 31, 2020

2. **ARTICLE VII - WAGES**

Aggregate 2% base salary increase inclusive of step advancements, longevity and all other salary adjustment calculate in accordance with the Interest Arbitration Cap Law, P.L. 2010, c. 105 and P.L.2014, c 11 (N.J.S.A. 34:13A- 16.7).

3. **ARTICLE V(A) – PATROL SECTION**

Amend the First Paragraph of Section 2 to read as follows:

The Patrol Section of the Piscataway Police Department shall be based on a two-platoon system designated as Platoon One and Platoon Two. Each Platoon will be overseen by one (1) Platoon Lieutenant and shall initially consist of six (6) Sergeants and twenty-one (21) patrol officers.

Amend Sections 13 to read as follows:

When off-duty personnel are needed, the first squad to be called shall be the off-duty squad working the same designated tour of duty as the squad requiring additional manpower. If no member of the off-duty squad volunteers, the next squad shall be called in the order of their designated tours. If no member of the three off-duty squads volunteers, the next to be called will be members assigned to the Traffic/Safety section followed by members assigned to the Support Services sections. If no members have volunteered, then the tour will be split between holding over an officer from the current on-duty squad and calling in an officer early from the squad coming on duty. Neither assignment shall exceed 5.25 hours.

4. ARTICLE XIA – TUITION REIMBURSEMENT

Article XIA shall be amended to read as follows:

Effective January 1, 2001, the amount of tuition reimbursed by the Township shall depend upon the final grade received by the employee as follows:

<u>Grade</u>	<u>Amount Reimbursed</u>
A	50% Tuition Refund 100% Registration Fees 100% Required Books
B	50% Tuition Refund 50% Registration Fees 50% Required Books
C	50% Tuition Refund No Registration Fees No Required Books
Below C	No Reimbursement

Any course on which only a "Pass or Fail" Grade shall be reimbursed as though the course grade was an "A". Tuition reimbursement for post graduate courses shall be 35%.

Tuition reimbursement shall be limited to courses relevant to police service.

Cost of tuition (cost/credit hour) may not exceed the average cost per credit of attending a similar class at Rutgers University or Seton Hall during the same semester.

5. ARTICLE XVII – CONTINUATION OF BENEFITS

The Township may, in its discretion, provide health benefits through the State Health Benefits Program conditioned upon the Township providing access to the full complement of plans associated with the State Health Benefits Program.

6. WELFARE AND PENSION BENEFITS

The following shall be added to Section 1:

Employees receiving medical health insurance through the Township shall continue to pay contribution to premium in accordance with the premium cost sharing terms and conditions set forth in P.L. 2011, c 78 (the Chapter 78 Contributions) put into effect on June 28, 2011. Such amount shall be deducted from an employee's paycheck and applied to the premium. Notwithstanding the foregoing, the Township may require additional contributions to medical health insurance premiums. Any employee opting for the lower cost premium HSA (Health Savings Account) or OMNIA health plan will contribute to the Township the difference of the Chapter 78 contribution if they would have chosen the higher premium PPO health plan.

Effective upon the date of award any newly hired employee will only have the health benefit option of either the Horizon OMNIA Plan or the Horizon PPO HSA and will pay chapter 78 contributions.

Effective January 1, 2019 the prescription co-pay plan for all employees and retirees shall be a 3-tier plan of \$10 generic/\$25 preferred/\$50 Non-Preferred.

7. ARTICLE IV, SECTIONS 2e,2f and 2g - GREIVANCE PROCESS

- a. All references to the Mayor shall be followed by the phrase "or his designee"
- b. Delete reference to the New Jersey Board of Mediation in Section g.

PBA 93 FINAL OFFER
NON-ECONOMIC ISSUES

A. GENERAL

Change dates throughout the Agreement to coincide with the new term and general clean up.

B. ARTICLE V(A) – PATROL SECTION

Amend the First Paragraph of Section 2 to read as follows:

The Patrol Section of the Piscataway Police Department shall be based on a two-platoon system designated as Platoon One and

Platoon Two. Each Platoon will be overseen by one (1) Platoon Lieutenant and shall initially consist of six (6) Sergeants and twenty-one (21) patrol officers.

When off-duty personnel are needed, the first squad to be called shall be the off-duty squad working the same designated tour of duty as the squad requiring additional manpower. If no member of the off-duty squad volunteers, the next squad shall be called in the order of their designated tours. If no member of the three off-duty squads volunteers, the next to be called will be members assigned to the Traffic/Safety section followed by members assigned to the Support Services sections. If no members have volunteered then the tour will be split between holding over an officer from the current on-duty squad and calling in an officer early from the squad coming on duty. Neither assignment shall exceed 5.25 hours.

Add: Thirteen (13) hours of annual training shall be scheduled for officers on a 4 and 4 schedule on off duty hours on an overtime basis.

C. ARTICLE XXVIII: DURATION OF AGREEMENT

Section 1. This Agreement shall continue through the period retroactively from January 1, 2017 through December 31, 2018.

D. The Union consents to E(7) data set forth in Exhibit Employer 7.

ECONOMIC ISSUES

A. ARTICLE VII, WAGES

Section 1: Add the following:

January 1, 2017	1.0% add “full guide movement and full longevity with 1.07 on top of guide”
January 1, 2018	1.0% add “full guide movement and full longevity with .74 on top of guide”

BACKGROUND

The parties to this proceeding are the Township of Piscataway and Police Benevolent Association Local 93.

I. Township of Piscataway

A. Background and Demographics

Piscataway is home to 57,887 residents located on 18.81 square miles of suburban communities in the eastern central part of New Jersey.¹ Located in Middlesex County, the Township is 35 miles from New York City, and is within 250 miles of one-quarter of the nation's top population. Further, 18.0% of the Township's population is under the age of 18 and 10.9% of the population is over the age of 65. Furthermore, the Township consists of 16, 253 households, with the average person per house hold being at 2.92.²

As of 2017, the median family income in the Township was \$89,244. The per capita income was \$30,760. The current poverty rate in the Township is 7.0% which has recently increased. The Township's residents are relatively well off, as fifty percent (50%) of residents have a bachelor's degree. In addition, 92.5% of the population have obtained a high school degree. The Township has a fair number of apartments, condominiums and townhouses although most housing accommodations are single-family dwellings. 45.8% of housing units are valued between \$300,000-\$499,999 and 37.1% are valued between \$200,000-\$299,999. In 2018, the Township tax rate has been lowered by 12.81%.

The Township is home to a significant portion of Robert Wood Johnson Medical School and the Busch and Livingston campuses of Rutgers, the State University of New Jersey. Since the

¹ <http://www.piscatawaynj.org/gov/>

² <https://www.census.gov/quickfacts/piscatawayTownshipmiddlesexcountynewjersey>

opening of Interstate Highway 287 in 1960, The Township has proven a highly desirable location for suburban development and many notable corporations including American Standard, Chanel, Ericsson, Johnson & Johnson Health Systems and Pepsi as well as the Colgate Palmolive Technology Center. Id.

The Township's prime location with its easy access to the New Jersey Turnpike, the Garden State Parkway, I-78, I-287 and Routes 18, 22 and 27 make it especially attractive to commuters and corporations. In 2008, *Money* Magazine ranked the Township 23rd out of the top 100 places to live in America. In 2014, the magazine ranked Piscataway 27th out of the top 50 places to live in America.

II. Piscataway Police Department

A. Department Personnel

The Piscataway Police Department's mission is to provide a professional community-orientated police service and to serve the public with honest, integrity and professionalism.³ The Department is committed to creating and maintaining an active community partnership and assisting citizens in identifying and solving problems to improve the quality of lives in the neighborhood. In addition, the Department is dedicated to its residents to provide the best police services possible. PBA Local 93, is comprised of sixty-two (62) patrolman and senior patrolman. (E-3).

The Department provides many community programs to the residents of the Township. The Department has implemented the Citizens Police Academy ("CPA"), which offers residents a new insight into how police officers perform their duties; as well as how their police department serves the community. The mission of the program is to foster better communications between the

³ http://www.piscatawaynj.org/police_dept/police-department

residents and police through education. The Department also offers the Drug Abuse Resistance Education ("D.A.R.E.") program to young students in the Township in order to shed light into drug abuse and violence prevention. The D.A.R.E. program gives children the skills needed to recognize and resist the subtle and overt pressures that cause them to experiment with drugs or become involved in gangs or violent activities.

B. Department Bureau, Duties, and Responsibilities

The Department is divided into two separate divisions; Operations Division and Support Division. The Operations Division is comprised of the Patrol Section and Traffic Safety Section. The Patrol Section's primary function is the preservation of life and property. The personnel in the Patrol Section aggressively enforces motor vehicle laws to improve the flow of traffic. Furthermore, they also patrol the Township to preserve law, keep peace, prevent and discover the commission of a crime. An officer in the section, will be the first responder to handle a variety of calls which provide assistance to the general public such as; assisting the sick or injured, answering calls and complaints, domestic disputes, fires, thefts, accidents, and conduct preliminary investigations.

The Traffic Section's goal is to provide for the safe and expeditious travel of citizens within and throughout the Township. It is the duty of all officers assigned in the Traffic Section to provide assistance to citizens with all matters pertaining to motor vehicles and safety on the roadways. This will include, the investigation and remediation of all traffic complaints, parking issues, abandoned vehicles, traffic engineering and regulatory matters. In addition, the Traffic Section oversees the School Crossing Guards, inspect roadway work zones, review all crash reports, review road opening permit applications, review block party permit applications, inspect child car seats, review soliciting and parade applications, investigate and oversee rotation wrecker and taxi

applicants. Furthermore, the officers also investigate all types of motor vehicle crashes including serious and fatal motor vehicle crashes, hit and run crashes, police vehicle crashes and police vehicular pursuits.

The Support Division is comprised of three sections; General Investigations Section, Service Section and Central Records Section. The General Investigation Section is responsible for conducting investigations for crimes that are committed within the boundaries of the Township. This includes incidents ranging from minor disorderly conduct offenses to major criminal investigations. Officers assigned to the division, have the responsibilities to manage a number of cases at one time, develop leads, recover stolen property, tracking and arresting suspects. The General Investigations Section is also complied of the Special Victims Unit, which has the responsibility for investigations of crimes involving the juvenile population, either as a victim or as suspect, and any vulnerable adults. This includes missing persons, domestic violence incidents, sexual assaults and sex related crimes. The Vice/Narcotics Unit is responsible for investigations involving vice and drug related offenses within the Township.

The Service Section supports the department's overall mission by providing members with well-maintained equipment, along with auxiliary services that may assist in the delivery of the highest quality police services. The section is also responsible for Special Law Enforcement Class I and II officers. The Records Section is responsible for maintaining all official police reports and documents.

C. Prior Contracts and Superior Officers' Contracts

The PBA has an expired contract. (Exhibit J-1). The duration of that contract was six (6) years. PBA Local 93A, the Superior Officers bargaining unit (the "SOA"), currently negotiated a new contract extending from January 1, 2017 through December 31, 2020. (Exhibit U-1; E-9).

POSITION OF THE PARTIES

The Township's Position

The Township submits that the negotiations involved a number of non-economic issues that are outlined in the Township's Final Offer and seek to conform the PBA agreement with the non-economic terms contained in the voluntary settlement reached with the Township and the SOA. The Township contends that, except for the proposed adjustment in prescription co-pays and the proposed 2% aggregate wage increase, the Township's proposal seeks to maintain the status quo on all other economic issues, including the "Chapter 78" (P.L .2011, Chapter 78) Medical co-pays.

In addition to the agreement with SOA, the Township argues that the Township's Final Offer is also consistent with internal comparable contracts negotiated with the Township's other bargaining units and changes in economic and non-economic terms and conditions of employment for non- union employees.

The Township argues that contrary to the Township's comprehensive Final Offer, the PBA, as of the close of the hearing, simply sought the "maximum" contract under the arbitration cap. The Township submits that the Union does not dispute that the non-economic issue proposed by the Township constitute a pattern of settlement and conform with the contract the PBA has negotiated with the SOA, nor, apparently, do they contest the Township's calculation of the Base Year and subsequent maximum increases outline in the Township's submission. Thus, the Township argues, their true position in this arbitration remains a mystery.

The Township maintains that its Final Offer is consistent with the pattern of settlement and the Act. The Township submits that the agreements universally contained four (4) or five (5) year

terms, a continuation of the Chapter 78 medical co-pays, and salary increases that equate to 2% annually.

The Township submits that its Final Offer is consistent with the “hard” 2% cap found at N.J.S.A. 34:13A-16.7a. The Township argues that in order to maintain an increase, the Township has proposed *status quo* on all other economic issues. This position, says the Township, is consistent with internal comparables for wage increases given to all other units. The variation in the settlement with the SOA, the Township argues, reflects the reduced effects of longevity and step advances on the 2% calculation.

The Township maintains that there is no dispute that the base year number, as found on E-1 is \$6,385,097. As laid out in E-2-E5 and summarized on E-7, step and longevity increases substantially reduce yearly increases, but the net effect remains the aggregate 2% per annum increase mandated by the Act.

The Township argues that the proposed changes in the prescription co-pays are consistent with the increase in co- pays for the AFSCME, Public Works Supervisors, Allied Public Workers units and non-union employees and offsets the economic effect of yearly increases in medical costs. The Township notes that given the effect of the Chapter 78 co-pay based on percentages of medical premium, the savings that comes with modified co-pays is passed on the PBA unit members by reduced contributions.

The Township maintains that a review of the statutory criteria is largely unnecessary in this matter given the application of the hard cap and the Township’s Final Offer which proposes an award consistent with that cap.

On the most significant economic issue other than wages, the Township proposes the continuation of Chapter 78 contributions. According to the Township, any reduction in these contributions must, by operation of the 2% cap, be reflected in a reduction in the wage award. More importantly, says the Township, any alteration in the medical contributions would make this contract inconsistent with the internal comparables for public safety and non-public safety agreements, all of which continued the Chapter 78 contributions.

On the issue of the term of the agreement, all the above agreements, as has been the historical pattern, are four (4) or five (5) years argues the Township. The Township also argues that most importantly, the PBA and SOA always run coterminous for practical reasons and there is no justification for a shorter or different term herein. The Township argues that the concept that the PBA will do “better” after the expiration of the 2% cap is hardly an appropriate rationale for a “stop-gap” agreement.

The Township argues that the Township’s Final Offer should be awarded in its entirety. The Township argues it has proposed an award that is consistent with terms and conditions of employment for all its employees non-union and union alike. They argue that the outcome here is, largely, dictated by the math, the remainder is a product of sound labor relations and parity amongst employees.

The PBA’s Position

The PBA argues that the Arbitrator must award the PBA’s Final Offer in its entirety. The PBA submits that it’s Final Offer is reasonable considering the statutory criteria, applicable case law, current economic conditions and the Township’s financial situation. Economically, the PBA

seeks the statutory 2% for its members, with full longevity and increment steps for patrolman and senior patrolman. (E-3).

The PBA argues that the Township's Final Offer will negatively impact the morale of the unit by binding the unit members to a four (4) year contract. The PBA argues that with the current trend of increased costs and salaries not increasing to keep on par with the rising costs of living, health benefits, and education, and the future being uncertain, a four (4) year contract will only harm the unit members. The PBA also argues that the Township's four-year proposal includes cuts and financial liability for health insurance. The PBA maintains that the Township's position creates great disparity between the SOA and PBA in pay and health benefits. The PBA notes the SOA's recent agreement provided for: Lieutenants receiving \$813 and an additional 1% increase (1.8% raise); 4 platoon lieutenants receiving more than a 2.5% increase; Sergeant's receiving a 1.6% increase and Captains a 1.4% increase for 2017; holiday pay folded into base salary effective January 1, 2018 and an additional 1.25% increase. The PBA notes that the percentage increase from 2017 to 2018 for the SOA was 6.7% for Sergeants 6.7% for the Lieutenants over 7% for Platoon Lieutenants and 6.7% for Captain's.

The PBA submits that the evidence presented by the parties at the interest arbitration hearing before the Arbitrator strongly supports awarding the PBA's final offer in its entirety.

DISCUSSION AND ANALYSIS

A. The Arbitrator's Authority

Public employers and public safety unions are statutorily mandated to resolve their labor disputes pursuant to N.J.S.A. 34:13A-16. By enacting the Act, the Legislature recognized the unique and essential duties police officers and firefighters perform and the life-threatening dangers they face. The purpose of the interest arbitration procedure is to promote the well-being and benefit of New Jersey citizens as well as the high morale of employees and the efficient operation of police and fire departments.

B. Statutory Criteria

In rendering an award, the Arbitrator must consider the following nine (9) factors:

1. The interest and welfare of the public;
2. Comparison of wages, salaries, hours and conditions of employment of the employees involved in the arbitration proceedings with wages, hours and conditions of employment of other employees performing the same or similar services and with other employees generally:
 - a. In private employment in general;
 - b. In public employment in general;
 - 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)
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. The stipulation of the parties;
5. The lawful authority of the employer;

6. The financial impact on the governing unit, its residents and taxpayers;

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 negotiations and collective bargaining between the parties in the public service and in private employment.

9. Statutory restrictions imposed on the employer. Among the items the arbitrator or panel of arbitrator shall assess when considering this factor are the limitations imposed upon the employer by section 10 of P.L. 2007, c.62 (C. 40A:4-45.45).

The Arbitrator must render an award based on the evidence on the record in light of the statutory criteria set forth above. The opinion and award must clearly address the criteria. It must include a discussion of the evidence as it relates to the statutory criteria, the weight accorded to each criterion and the reason for the decision. The opinion and award must also explain whether any of the criteria were deemed to be irrelevant and why.

This Award will be issued under concept of "conventional authority" pursuant to N.J.S.A. 34:13A-16d; and, N.J.A.C. 19:16-5.7(e). Under conventional authority, an arbitrator's award is not limited by either party's final offer. Rather, the arbitrator has the power to select from either party's last offer or, alternatively, the arbitrator may use his or her judgment and grant an award that he or she feels is more reasonable than any offers made by the parties. See, e.g., Hudson Township Prosecutor and PBA Local 232, Docket No. IA-96-178 (July 28, 1997) (Arbitrator did not err by establishing third year salary for Township prosecutor investigators which was lower than the employer's offer).

N.J.S.A. 34:13A-16g(8) requires consideration of those factors ordinarily or traditionally considered in the determination of wages, benefits, and employment conditions. One such consideration is that the party proposing a change in an employment condition bears the burden of justifying the proposed change. The burden must be met by sufficient evidentiary support. No proposed issue can be deemed presumptively valid in the absence of justification that is supported by credible evidence. Moreover, any decision to award or deny any individual issue in dispute, especially those having economic impact, will include consideration as to the reasonableness of that individual issue in relation to the terms of the entire award. A decision on an individual issue will include consider the reasonableness of awarding that issue in relation to the overall terms of the award. Indeed, there may be merit to awarding or denying a single issue if it were to stand alone, but a different conclusion is reached when considered within the context of the entire award. I am also required by statute to determine the total net annual economic cost of the terms required by the award.

The parties have submitted documents and position statements addressing the statutory criteria which I have reviewed and considered under the 16g criteria. At the outset, and as noted by the Township “a review of the Statutory criteria is largely unnecessary in this matter given the application of the hard cap and the Township’s Final Offer which proposes an award consistent with that cap.” The PBA also notes that “the position of both the Township and the PBA are congruent. With E-7 agreed upon and stipulated by the parties the ultimate cost of either proposal is the same. The PBA simply specifies location and direction of money.”

Nevertheless, as to the statutory limitations or restrictions on the Township (N.J.S.A. 34:13A-16(g)(1), (5) and (9))(the “Public Interest Criteria”), these criteria are critical to the evaluation of any salary or economic benefit individually or collectively because of its potential

impact with the appropriations cap or tax levy cap limitations. Here, the record reflects that the costs of the parties' proposals can be accommodated within the spending and tax levy lawful limitations and neither party contends otherwise. Thus, while the Public Interest Criteria are very relevant criteria and given great weight, none of the criteria regarding the statutory limitations on the employer needs to undergo more extensive analysis in rendering a reasonable determination of the economic issues because the parties proposals do not impact this criterion and the 2% hard cap requires the award be cap compliant.

The issues in dispute are both economic and non-economic. The parties positions addressed the statutory criteria. Each issue in dispute will be addressed below and will include an analysis of the issue and an award resolving that issue.

APPLICATION OF THE 16g CRITERIA

Public Interest Criteria 16g (1), (5), (6) & (9)

The Interest and Welfare of the Public, N.J.S.A. 34:13A-16g(1); The Lawful Authority of the Employer, N.J.S.A. 34:13A-16g(5); The Financial Impact on the Governing Unit, Its Residence, The Limitations Imposed Upon the Local Unit's Property Tax Levy, and Taxpayers, N.J.S.A. 34:13A-16g(6); and Other Restrictions Imposed on the Employer, N.J.S.A. 34:13A-16g(9).

The Public Interest Criteria is seen as the most significant of all statutory factors to be considered and an Arbitrator must give due weight to the interest and welfare of the public when issuing an award. It is a criteria that includes the financial impact of the awarded increases and the desirability of maintaining employee morale for the Township's police officers. Indeed, the criteria recognizes the interest of the public in knowing that its police department is staffed by competent, dedicated personnel possessing good working morale, and the interest of the public in avoiding

higher taxes and/or diminished services. As Arbitrator Mastriani recognized in Point Pleasant and PBA Local 106, IA-2012-001 (September 19, 2011): “The interest and welfare of the public is entitled to the most weight because it is a criterion that embraces many other factors and recognizes their interrelationships, including the financial impact of an award on the governing body and taxpayers.” See also Borough of Seaside Park and PBA Local 182, IA-2012-022 (April 9, 2012) (“The interest and welfare of the public is not only a factor to be considered, it is the factor to which the most weight must be given.”). “Arbitrators have reviewed the public interest as encompassing the need for both fiscal responsibility and the compensation package required to maintain an effective public safety department with high morale.” See Sayreville and PBA Local 98, IA 2006-047 (November 5, 2008).

The interest and welfare of the public criterion also specifically includes limitations that have been imposed upon the employer by law. The statutory limitations are specifically referenced in other criteria as well including the lawful authority of the employer and the statutory restrictions upon the employer. As previously mentioned, since the enactment of the 2% hard cap the Public Interest Criteria and statutory restrictions on the employer are less relevant since the law requires the award be cap compliant. For the reasons which follow, an analysis of the Public Interest Criteria, in my opinion as and agreed to by the parties supports a maximum salary award to this group under the 2% hard cap. Impressively, I note that Township tax rates have decreased in 2018 by 12%.

Comparability 16g (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 C.34:13A-16.; provided, however, that each party shall have the right to submit additional evidence concerning the comparability of jurisdictions for the arbitrator's consideration.

Internal Comparisons

Internal comparability can be broken down into two general categories consisting of uniformed and non-uniformed employees within the same jurisdiction. An internal pattern of settlement in the same jurisdiction involving both uniform and non-uniform employees is a significant factor in the determination of a salary award because it usually corresponds to a public employer's budgetary capabilities and connotes uniform treatment.

In this matter, the Township submitted the following collective negotiations agreements for internal comparisons: PBA Local 93A (SOA)(2017-2020)(E-9; U-1); AFSCME Local 3274 (Prof., Tech & Clerical)(2015-2019)(E-10); Prescription Benefits Side Bar Agreement with AFSCME (E-11); Public Works Supervisors (2015-2019) (E-12); Prescription Benefits Side Bar Agreement with Public Works Supervisors (E-13); Allied Public Works Employees of Piscataway (2015-2018)(E-14); Prescription Benefits Side Bar Agreement with Allied Public Works Employees (E-15);. The Township relies heavily on this criterion in support of its Final Offer proposals regarding duration and health insurance and argues the arbitrator should place great weight on this criterion in this proceeding. The PBA also relies heavily on this criterion with emphasis on the comparison and disparity created with the SOA.

External Comparisons

External comparability consists of comparisons between the group subject to the petition and other public safety employees in similar jurisdictions, other public employees, generally, and private sector comparisons. In weighing salary statistics introduced by a party, I observe that PERC has promulgated guidelines that may be broken down into the following five general categories:

1. Geographic comparability, contiguous jurisdiction or nearby, size of jurisdiction, and nature of employing entity;
2. Socioeconomic considerations, basically a comparison of the type of statistics found in the New Jersey Municipal Data Book and the UCR, such as population density, cost of living, crime rate, violent crime rate, fire incident and crime rate, etc.;
3. Financial considerations, such as the tax collection rate, state aid, budget surplus, surplus history, ratios of tax revenue to total revenue, etc.;
4. Compensation/benefits provided to employees of the comparison group; and
5. Any other comparability considerations deemed relevant by the arbitrator.

Salary

Since 2011, comparability of percentage increases for interest arbitration has been less relevant considering the 2% hard cap. Neither party argued this criterion and it is given little weight.

According to the 2018 Biennial Report on the Police and Fire Interest Arbitration Reform Act Interest PERC, the number of interest arbitration petitions decreased since the implementation of the 2% hard cap. After enactment of the law, there were twenty (20) petitions in 2015, nine (9) in 2016, and twenty-nine (29) in 2017. The number of interest arbitration awards issued over the

last two years remained low (8 in 2016; 4 in 2017). For the years 2008 through 2017, the average annual salary increases in interest arbitration awards were: 2008-3.73%; 2009-3.75%; 2010-2.88%; 2011-2.05%; 2012-1.98%; 2013-1.89%; 2014-1.69%; 2015-1.71%; 2016-1.94%; 2017-2.05%.

Private Sector Wage Data

Although an arbitrator must consider the general level of wage increases in the private sector, an arbitrator is not required to accord such statistics any particular weight. Indeed, unless a party presents credible evidence comparing a private sector classification to a public sector classification, the private sector comparison will be considered but not given much weight. Here, neither party submitted evidence on this criterion and it is afforded little weight.

On July 11, 2019, PERC published its most recent report of private sector wage changes based on data compiled by the New Jersey Department of Labor and Workforce Development. For the fiscal year period July 1, 2016 through June 30, 2017, according to PERC's reporting, private sector wages increased 2.1%; government wages increased 1.9%; and total average annual wages increased 2.1%. Therefore, the PERC study of private sector wage increases supports an award of a 2% or maximum cap salary increase as proposed by both parties.

Overall Terms and Conditions of Employment 16g(3)

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.

The Township presented E-1 that sets forth the 2016 earnings for members of the bargaining unit. The Exhibit includes the overall compensation for the group including base salary,

longevity, holiday pay, shift allowance, uniform cleaning allowance, and uniform allowance. The Township also presented evidence of the prescription drug costs for this unit and the SOA (E-8). The evidence considered by the Arbitrator encompasses the *status quo* terms and conditions of employment, and note that that this unit receives: step increases paid on the anniversary of the date of hire; longevity increases paid on the anniversary of the date of hire based on hire date (prior to or after July 2012) and years of service; 14 paid holidays paid in two installments; and senior patrolman pay differential based on hire date (prior to or after July 2012). E-6. The unit also receives a uniform allowance, uniform cleaning allowance, tuition reimbursement, overtime, compensatory time, special duty pay, vacation leave and sick leave. (J-1).

The Stipulation of the Parties, N.J.S.A. 34:13A-16g(4)

The parties stipulated the following: (1) E-1 Scattergram is the December 31, 2016 baseline to be used for calculations under the 2% hard cap; and (2) Exhibit E-7 reflects a summary of the gross step and longevity increase from 2017-2020.

Cost-of-Living Criterion, N.J.S.A.34:13A-16g(7)

Cost-of-living statistics can be obtained from a variety of sources. One source compiled and published the by the Federal Bureau of Labor Statistics (“BLS”), the Consumer Price Index (“CPI”), documents and represents changes in prices of goods and services purchased for consumption by American households. Neither party presented CPI as a critical factor underlying their respective positions in this proceeding and, hence, I do not accord CPI significant weight.

Continuity and Stability of Employment, N.J.S.A. 34:13A-16g(8)

N.J.S.A. 34:13A-16g(8) provides for 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 bargaining between the parties in the public service and in private employment.

The continuity and stability of employment criteria incorporates several concepts. The first providing a competitive compensation and benefits package that alleviates excessive turnover thus maintaining "continuity and stability in employment." The second is the concept of the "relative standing" of a negotiations unit with respect to other units of similar employees. Last, the continuity and stability of employment criteria incorporates the consideration of internal settlements and comparability, since deviation from such settlements can undermine morale, discourage future settlements, and affect labor relations stability.

ANALYSIS AND AWARD

The Final Offers and Award in this proceeding are analyzed and discussed below.

DURATION

The Township has proposed a four-year term from January 1, 2017-December 31, 2020.

The Township notes that its Final Offer is consistent with the pattern of settlement and the Act. The Township agreements all are for four (4) or five (5) year terms, and the Township submits they have historically been that long. The internal comparables submitted by the Township are as follows: SOA (E-9)(Term of Agreement - January 1, 2017 through December 31, 2020); AFSCME Local 3274, Professional, Technical and Clerical (E-10)(Term of Agreement: January 1, 2015 through December 31, 2019); (Prescription Benefits Sidebar dated November 2, 2017 (E-11); AFSCME, Public Works Supervisors (E-12)(Term of Agreement – January 1, 2015 through December 31, 2019);(Prescription Benefits Sidebar dated December 5, 2017)(E-13); Allied Public Works Employees of Piscataway (Exhibit E-14)(Term of Agreement: January 1, 2015 through December 31, 2018);(Prescription Benefits Sidebar, dated November 30, 2017)(E-15).

On the issue of the term of the agreement, the Township argues that all of the above agreements, as has been the historical pattern, are four (4) or five (5) years. The Township also argues that most importantly, the PBA and SOA always run coterminous for practical reasons and there is no justification for a shorter or different term herein. The Township cites to In the Matter of Jersey City and Jersey City Police Officers Benevolent Association (Docket No IA-2017-012), where Arbitrator Mastriani spoke of duration and pattern of settlement finding:

The City has established that there is a pattern of settlement on the issue of contract duration. Insufficient credible evidence has been provided that would warrant a deviation from the contract period that has been accepted by the City and all of its other public

safety bargaining units. The speculation that a two-year contract expiring on December 31, 2018 might provide a more attractive legal environment for which the POBA could engage in negotiations with the City does not justify a deviation given the fact that all four public safety unions, including the POBA, have had full opportunity to engage in negotiations under the existing law and reach agreements that extend over a common time period. The fact that settlements were reached on more favorable salary terms for the other three public safety units is not persuasive evidence to award a two-year contract given the fact that the record shows that more favorable salary terms were available here if a voluntary settlement had been entered into between the City and the POBA. The record clearly reflects that this is not a case where the City has targeted an individual employee organization for the purpose of imposing lesser terms. Instead, the pattern of contract duration is department-wide, extending to firefighters, fire superiors and police superiors.

The Township argues that the concept that the PBA will do “better” after the expiration of the 2% cap is hardly an appropriate rationale for a “stop-gap” agreement. The Township stresses the pattern of settlement as to the duration of the agreements, particularly the SOA, and argues that great weight be given these criteria in the analysis of an award.

The PBA’s Final Offer is for a two-year term, January 1, 2017-December 31, 2018. The PBA argues that the four-year contract proposed by the Township will have a detrimental impact on “all” police officers and asserts that after expiration of the 2% cap a more realistic negotiating environment will exist. The PBA notes that the parties have an expired contract which had a duration period from January 1, 2011 through December 31, 2016. (J-1). The PBA argues that the PBA’s interest and the interest of the Township are best served by a contract that allows them to be able to negotiate a successor contract in the very near future rather than be bound by a long-term contract with statutorily imposed unfavorable terms to the bargaining unit members. The PBA submits that if the Arbitrator was to award the four-year contract proposed by the Township, PBA members would be confined to a long-term contract out of sync with the state of the law. Therefore, the PBA argues a two-year contract would allow bargaining unit members the

opportunity to bargain in good faith with the Township and allow members to receive wage increases consistent with cost of living.

The PBA maintains that the prior contract had its wage increases obliterated by the statutorily imposed Chapter 78 contributions. The PBA argues its members suffered inadequate raises in pay due to the statutory obligation to pay for health benefits. The PBA argues that a contract of a longer duration would handcuff them from negotiating these debilitating and diminishing economic affects.

The PBA further argued that the Township's proposal of a four-year contract duration would create an additional and substantial diminution in their salary expectancies through the coming years. The PBA's offer, they argue, would allow the Township time to explore solutions to the core financial issues that resulted from contracts incapable of keeping up with the cost of living.

As such, the PBA argues, the Township's proposal of a four-year contract, would harm the current and future members of the PBA by confining them to a contract for an extended period while the future is uncertain with the current financial markets in disarray and the economy near another recession.

The PBA notes that the duration of a contract had been addressed in In the Matter of the Interest Arbitration between County of Hudson and Hudson County Sheriff's Officers PBA Local 334, Docket No. IA-2014-004 (December 30, 2013) where they argue Arbitrator Osborn was presented with a remarkably similar contract duration issue. Arbitrator Osborn's Award in the Hudson County matter, they argue placed a heavy emphasis on the principles exposed in Borough of Midland Park and Midland Park PBA Local 79, Docket No. IA-2013-013 (2013), wherein, Arbitrator Osborn concluded:

There was not much doubt that a longer contract provides a period of labor peace and stability which is beneficial to the parties and furthers the public interest ... However, both in New Jersey and nationally, we are in a period of economic uncertainty. Indeed, it is difficult to predict whether economic conditions will improve, deteriorate or remain stable. More importantly, I note that the provision of N.J.S.A. 34:13A-16.7 (b), which restricts an arbitrator's award to 2% ("the hard cap"), is due to sunset in 2014. Is impossible to predict whether that legislation will be re-enacted, with or without modification, or be permitted to sunset. Because of the extreme impact of the hard cap on my ability to award a salary benefits package which would more appropriately recognize the relevant statutory factors as set forth immediately above, I reluctantly conclude that the parties and the public interest would be better served if the parties were in a position to renegotiate the contract sooner rather than later.

The PBA argues that, due to the 2% cap expiring on December 31, 2017 and this contract under their proposal expiring at year-end, it would serve the best interest of the bargaining unit members if they were to be granted a two-year contract in order to allow the members to negotiate a successor agreement sooner rather than later. The PBA argues that the Arbitrator must keep in mind, that due to increasing costs of living, and the uncertainty of the economy, as well as Arbitrator Osborn's Award in the Midland Park case, it would serve the best interest of the public if the Arbitrator was to award a two-year contract for the PBA.

The PBA further notes that in Hudson County, Arbitrator Osborn stated, "A long-term freeze of members' salary guide movement – an almost inevitable outcome of applying the hard cap over five-year contract – would be demoralizing and would contribute to further attrition." In that case, the PBA submits, the PBA argued that the County had offered no support for its' five-year contract term other than to point to the settled superiors' contract. In this case, the PBA notes that the Township has not provided any reason as to why the proposed four-year contract term should be granted.

The PBA also cites to the U.S. Inflation Calculator (*see usinflationcalculator.com*) that indicates an inflation rate of 3.2% from 2017 to 2018. The PBA notes that the two years of 2017

and 2018, with the PBA proposal would only provide 1.07% in 2017 and .74% in 2018 for top step employees, with no increases on the guide. As such, the PBA argues its members at the top of the guide would lose 1.78% of their buying power, without factoring in the further diminutive effect of this salary from health benefit contributions and diminished health care benefits resulting in higher out of pocket costs and prescription costs. The PBA submits that the effect of the salary offer is even more devastating on the salary guide and starting pay as those numbers would remain unchanged since 2011. The PBA maintains that the devastating effect of the 2% hard cap cannot be ignored due to the negative affect on PBA members' ability to keep up with the cost of living.

The PBA also stresses that binding the parties to a four-year contract term will do more harm than good for the members of the bargaining unit. They point out that Arbitrator Osborn held in Hudson County, "the longer the period of compliance with the current limitations, the longer officers will be forced to either do without step movement or do without cost of living raises. Either way, employee morale will suffer and will make recruitment and retention problematic, leading to high turnover." The PBA relates with the above referenced case due to the Township proposing a four-year contract term while the PBA proposes a two-year contract.

The PBA also notes in City of Jersey City, and Jersey City Police Officers Benevolent Association, IA-2017-012 (October 10, 2017), where the JCPOBA proposed a two-year contract, while the City proposed a four-year contract, which is identical in this Interest Arbitration. The JCPOBA argued that a four-year contract would have a detrimental impact on "younger" police officers and asserted that the sunsetting of the 2% cap [on December 31, 2017] would provide a more attractive negotiating environment.

The Township maintains that the SOA signed a four (4) year deal and that as such the PBA must also have a four (4) year duration. According to the PBA, the SOA voluntarily entered into

an agreement in which the 2% cap was exceeded, and the agreement provided fold in benefits, thus significantly increasing the hourly rate for its members and enhancing the long-term and post retirement financial interests of its members.

The PBA submits that the SOA agreement provided for the following: Lieutenants receiving \$813 and an additional 1% increase (1.8% raise); 4 platoon lieutenants receiving more than a 2.5% increase; Sergeant's receiving a 1.6% increase and Captains a 1.4% increase for 2017; holiday pay folded into base salary effective January 1, 2018 and an additional 1.25% increase. The PBA notes that the percentage increase from 2017 to 2018 for the SOA was 6.7% for Sergeants 6.7% for the Lieutenants over 7% for Platoon Lieutenants and 6.7% for Captain's. The PBA argues that the disparity between Sergeants and Patrolmen will grow from \$11,199 in the final year of the PBA contract to a staggering \$19,611.00, with the PBA's final offer. The amount of disparity will only increase with the additional years of the contract proposed by the Township submits the PBA.

The PBA maintains that awarding the PBA's Final Offer regarding contract duration will help the morale of the bargaining unit. Conversely, the PBA submits that if the Arbitrator was to award the Township's Final Offer with the proposal of a four-year contract, it would destroy the morale of the unit while simultaneously destroying their buying power due to salary increases that do not meet inflation.

Contract duration has been addressed in Interest Arbitration proceedings on a consistent basis. In deciding the issue of contract duration, arbitrators must balance the nature of the Township's financial status, the need to provide harmony and stability in the labor-management relationship, including the need to maintain the department's increased effectiveness and productivity, and the desirability of maintaining the continuity and stability of employment within the department.

On the issue of the duration of the agreement, I note that nearly all the Township agreements are for terms of four (4) or five (5) years. The prior agreement with the PBA was from January 1, 2011-December 31, 2016, a six-year term. The agreement with the SOA is a four-year term from January 1, 2017 through December 31, 2020. (E-9; U-1). The Township maintains it has a pattern of long-term agreements, that the PBA and the SOA always run coterminous and the PBA has not suggested a justification for a shorter or different term herein. The Township also argues that the concept that the PBA will do “better” after the expiration of the 2% cap is hardly an appropriate rationale for a “stop-gap” agreement. On duration, the PBA argues morale-a shorter term agreement will help morale by allowing the PBA to get back to the table for negotiations in a post 2% cap world to offset the cost of living increases, increased medical benefit costs, and disparity with the SOA.

An analysis of the evidence and arguments supports the reasonableness of both parties Final Offers in many respects. On the one hand, there is a pattern of settlement favoring longer term contracts in the Township with a common expiration date for the PBA and SOA having been the historical pattern. Also, labor relations stability would not be furthered by fragmenting expiration dates within the rank and file and superior officers and forcing a return to the bargaining table for one bargaining unit in less than one month. The fact that the settlement with the SOA was reached on more favorable terms is not persuasive evidence alone to award a two-year contract. That said, the analysis of term in this proceeding is more akin to Arbitrator Osborn’s analysis in Hudson County and Midland Park. Indeed, the impact of a 2% hard cap award and the pay disparity between the PBA and SOA that will increase over the term strongly weighs in favor of a conclusion that the parties would be better served if able to renegotiate the contract sooner rather than later. The interest and welfare of the public and continuity and stability of employment criteria with

respect to the duration cut both ways in this proceeding with respect to pattern and morale as argued by the parties and discussed above.

Based on the foregoing, I use my authority under conventional arbitration and deny the Township Final Offer and PBA Final Offer and award a three-year agreement from January 1, 2017 to December 31, 2019. A three-year term would not force the parties immediately back to the bargaining table and aligns with the pattern of expiration dates of other Township bargaining units (AFSCME, Public Works Supervisors). I also note the Township's agreement with the Allied Workers is for a three-year term. A three-year duration thus fits within the Township's pattern and is not a "stop-gap" agreement. A common expiration date would allow the Township and the PBA to negotiate a successor agreement based upon the financial, economic and legal framework that will exist at that time. While not coterminous with the SOA, the arguments and evidence demonstrate that the impact of the 2% hard cap and its concomitant negative effect on the PBA members economic standing over the term will greatly affect morale and mission, which also weighs in favor of a three-year duration. Due to the 2% hard cap, the salary guide has not been modified since 2011, and the disparity in pay between the SOA and PBA has grown and will only increase. I note that in 2020 the step increases, and longevity increases have the greatest impact under the 2% cap in 2020. A shorter term is also in the interest and welfare of the public as an element of this criteria is a highly motivated police force with good morale which a shorter term will provide. The continuity and stability of employment also weighs in favor of a three-year term to allow the PBA to address the pay disparity between the PBA and the SOA in order to address recruitment, retention and alleviate turnover.

ARTICLE V(A)-PATROL SECTION

Article V sets forth a detailed provision regarding the Patrol Section. Both parties submitted Final Offers regarding proposed changes to the first paragraph, section 2 that are the same.

The Township's Final Offer proposed the following:

ARTICLE V(A) – PATROL SECTION

Amend the First Paragraph of Section 2 to read as follows:

The Patrol Section of the Piscataway Police Department shall be based on a two-platoon system designated as Platoon One and Platoon Two. Each Platoon will be overseen by one (1) Platoon Lieutenant and shall initially consist of six (6) Sergeants and twenty-one (21) patrol officers.

Amend Sections 13 to read as follows:

When off-duty personnel are needed, the first squad to be called shall be the off-duty squad working the same designated tour of duty as the squad requiring additional manpower. If no member of the off-duty squad volunteers, the next squad shall be called in the order of their designated tours. If no member of the three off-duty squads volunteers, the next to be called will be members assigned to the Traffic/Safety section followed by members assigned to the Support Services sections. If no members have volunteered, then the tour will be split between holding over an officer from the current on-duty squad and calling in an officer early from the squad coming on duty. Neither assignment shall exceed 5.25 hours.

The PBA's Final Offer proposed the following:

ARTICLE V(A) – PATROL SECTION

Amend the First Paragraph of Section 2 to read as follows:

The Patrol Section of the Piscataway Police Department shall be based on a two-platoon system designated as Platoon One and Platoon Two. Each Platoon will be overseen by one (1) Platoon Lieutenant and shall initially consist of six (6) Sergeants and twenty-one (21) patrol officers.

When off-duty personnel are needed, the first squad to be called shall be the off-duty squad working the same designated tour of duty as the squad requiring additional manpower. If no member of the off-duty squad volunteers, the next squad shall be called in the order of their designated tours. If no member of the three off-duty squads volunteers, the next to be called will be members assigned to the Traffic/Safety section followed by members assigned to the Support Services sections. If no members have volunteered then the tour will be split between holding over an officer from the current on-duty squad and calling in an officer early from the squad coming on duty. Neither assignment shall exceed 5.25 hours.

Add: Thirteen (13) hours of annual training shall be scheduled for officers on a 4 and 4 schedule on off duty hours on an overtime basis.

I note that the Township and PBA Final Offers are in accord with respect to proposed changes to Article V(A) Patrol Section and I award same based on the parties' agreement.

The PBA also seeks an to add thirteen (13) hours of annual training for officers on a 4 and 4 schedule on off duty hours on an overtime basis. The burden is on the PBA to prove the need for this change. The PBA has not submitted evidence sufficient to meet its burden to demonstrate a need to award this aspect of the Final Offer and I deny same.

ARTICLE XI (A) TUITION REIMBURSEMENT

Article XI (A) Tuition Reimbursement presently provides as follows:

Effective January 1, 2001, the amount of tuition reimbursed by the Township shall depend upon the final grade received by the employee as follows:

<u>Grade</u>	<u>Amount Reimbursed</u>
A	50% Tuition Refund 100% Registration Fees 100% Required Books

B	50% Tuition Refund 50% Registration Fees 50% Required Books
C	50% Tuition Refund No Registration Fees No Required Books
Below C	No Reimbursement

Any course on which only a "Pass or Fail" Grade shall be reimbursed as though the course grade was an "A".

Tuition reimbursement shall be limited to proposed courses under existing procedure relevant to police service. Parties will agree on a person or office to determine, on a binding basis, disputes concerning relevance upon written submission.

Proposed people for that role may include chairs of Criminal Justice Programs at local colleges or universities.

Cost of tuition (cost/credit hour) may not exceed the average cost per credit of attending a similar class at Rutgers University or Seton Hall during the same semester.

The Township's Final Offer seeks to change the agreement regarding tuition reimbursement as follows:

ARTICLE XI (A) – TUITION REIMBURSEMENT

Article XI (A) shall be amended to read as follows:

Effective January 1, 2001, the amount of tuition reimbursed by the Township shall depend upon the final grade received by the employee as follows:

<u>Grade</u>	<u>Amount Reimbursed</u>
A	50% Tuition Refund 100% Registration Fees 100% Required Books
B	50% Tuition Refund

	50% Registration Fees
	50% Required Books
C	50% Tuition Refund
	No Registration Fees
	No Required Books
Below C	No Reimbursement

Any course on which only a "Pass or Fail" Grade shall be reimbursed as though the course grade was an "A". Tuition reimbursement for post graduate courses shall be 35%. Tuition reimbursement shall be limited to courses relevant to police service.

Cost of tuition (cost/credit hour) may not exceed the average cost per credit of attending a similar class at Rutgers University or Seton Hall during the same semester.

The burden is on the Township to prove the need for the requested change regarding tuition reimbursement. The PBA submits that the Township seeks drastic change in the party's tuition reimbursement. Here, the Township has not presented evidence in support of its proposal enough to meet its burden to show a need for a change regarding tuition reimbursement. Accordingly, I do not award this proposal.

ARTICLE XVII-CONTINUATION OF BENEFITS

The Agreement at Article XVII presently provides:

ARTICLE XVII-CONTINUATION OF BENEFITS

Unless otherwise expressly provided in this Agreement, nothing contained herein shall be interpreted and/or applied so as to eliminate, reduce, or otherwise detract from any Employee benefit existing prior to effective date of this Agreement.

Proposed new rules or modifications of existing rules governing working conditions shall be negotiated with the majority representative before they are established.

The Township Final Offer seeks to change the agreement in Article XVII-Continuation of Benefits as follows:

The Township may, in its discretion, provide health benefits through the State Health Benefits Program conditioned upon the Township providing access to the full complement of plans associated with the State Health Benefits Program.

The burden is on the Township to prove the need for the requested change in the agreement. The Township has not submitted evidence sufficient to meet its burden with respect to the requested change in Article XVII. I therefore do not award this proposal.

ARTICLE IV-GRIEVANCE PROCESS

Article IV, Sections 2e, 2f and 2g provide as follows:

- e. If a settlement is not reached pursuant to Paragraph D above, then the Director/Chief of Police or his designees, and the Employee Grievance Committee shall each file a written report with the Mayor within fourteen (14) calendar days of the meeting as set forth in Paragraph D above. The Mayor shall then schedule a hearing date not later than fourteen (14) calendar days from the date of receipt of said findings, conclusions and recommendations and shall notify the interested parties in writing of said hearing date.
- f. Upon compliance with the requirement of Paragraph E, the Mayor shall conduct a hearing, present at which shall be interested person, the Director/Chief of Police, and the Employee Grievance Committee. The Mayor shall make all reasonable attempts to arrive at a settlement satisfactory to all parties. If a dispute is settled upon agreement of the parties, said agreement shall be reduced to writing and signed by the Mayor, the Director/Chief of Police, the Chairman of the Employee Grievance Committee and the aggrieved party (s). If the Mayor is unable to obtain an amicable settlement, he/she shall, within fourteen (14) calendar days render a written decision resolving the dispute which written decision shall be served upon the

respective parties.

- g. If the Mayor's decision does not satisfy the grievant (s), the matter may be submitted to arbitration by the association in the following manner.
- 1) A request for arbitration shall be made to the Public Employment Relations Commission or the New Jersey State Board of Mediation according to the rules and regulations of each respective agency. The parties agree to be bound by the procedures of the selected agency.
 - 2) The arbitrator shall be bound by the provision of this Agreement and restricted to the application of the facts presented to him involved in the grievance and applicable Federal and State Law and cases. He shall have no authority to add to, modify, detract from or alter in any way the provisions of this Agreement.

The Township Final Offer seeks to change the agreement in Article IV, Grievance Process, Sections 2e, 2f and 2g as follows:

ARTICLE IV, SECTIONS 2e, 2f and 2g - GRIEVANCE PROCESS

- a. All references to the Mayor shall be followed by the phrase "or his designee"
- b. Delete reference to the New Jersey Board of Mediation in Section g.

The burden is on the Township to prove the need for the requested change in the agreement. While the changes seem reasonable, insufficient evidence has not been submitted by the Township to meet its burden to show a need for a change regarding language in the grievance process. Therefore, the Township's proposal is denied.

ARTICLE XIX WELFARE AND PENSION BENEFITS

Article XIX, Welfare and Pension Benefits, Section 1 provides:

Section 1. The Employer agrees to provide life insurance for each employee in an amount equal to said Employee's annual salary.

The Township's Final Offer seeks the following:

6. WELEFARE AND PENSION BENEFITS

The following shall be added to Section 1:

Employees receiving medical health insurance through the Township shall continue to pay contribution to premium in accordance with the premium cost sharing terms and conditions set forth in P.L. 2011, c 78 (the Chapter 78 Contributions) put into effect on June 28, 2011. Such amount shall be deducted from an employee's paycheck and applied to the premium. Notwithstanding the foregoing, the Township may require additional contributions to medical health insurance premiums. Any employee opting for the lower cost premium HSA (Health Savings Account) or OMNIA health plan will contribute to the Township the difference of the Chapter 78 contribution if they would have chosen the higher premium PPO health plan.

Effective upon the date of award any newly hired employee will only have the health benefit option of either the Horizon OMNIA Plan or the Horizon PPO HSA and will pay chapter 78 contributions.

Effective January 1, 2019 the prescription co-pay plan for all employees and retirees shall be a 3-tier plan of \$10 generic/\$25 preferred/\$50 Non-Preferred.

The Township submits that the most significant economic issue, other than wages, is the continuation of Chapter 78 contributions. Any reduction in these contributions would, by operation of the 2% cap, have to be reflected in a reduction in the wage award. More importantly, the Township argues any alteration in the medical contributions would make this contract inconsistent with the internal comparables all of which continued the Chapter 78 contributions.

The Township cites to In the Matter of Interest Arbitration between Township of Holmdel and PBA, Local 239, Docket No. IA-93-163 where Arbitrator Weisblatt found that:

The Township presents a compelling argument with respect to the reasonableness of consistency among bargaining units under the public interest criterion. Consistency in treatment among bargaining units of the same employer is unquestionably a generally accepted element of good labor relations policy. Sound and consistent labor relations are certainly in the public interest. It prevents "whipsawing" in negotiations and it reduces the potential for the decline in morale,

which often accompanies the perception of disparate treatment. The morale issue is a double-edged sword. Unreasonably favorable treatment of police units could likely cause the morale of the other public employees in the municipality to wane. Such a result would certainly not be in the public interest.

The Township argues that the reasoning of the Appellate Division in Holmdel is equally compelling as it applies to the revised prescription co-pays contained in the AFSCME, Public Works Supervisors and Allied Public Works agreements. The Township argues that an award of this proposal would negate the perception of disparate treatment between bargaining units and its concurrent effect on employee morale.

The PBA argues that the Township's offer seeks drastic changes in health benefits. The PBA argues that the proposed Township language change in Section 1 would give the Township the ability to unilaterally collect additional contributions, in excess of the maximums set forth in Chapter 78. The economic consequence of this clause, they argue, cannot be explored as it has a potential to make PBA members responsible for the full cost of health insurance. They also note that the clause would also impose OMNIA, a lesser plan with higher deductibles on new employees. However, the plan would require employees to contribute the "difference of the chapter 78 contribution if they would have chosen the higher premium PPO health plan." Thus, they argue, it is a lesser plan with a contribution for a higher plan and as such would exceed Chapter 78. Also, the PBA notes that this would come at a time when the steps of the guide remain unchanged for years resulting in a dramatic concession without any adequate consideration.

As to the proposal that newly-hired employees go into Horizon OMNIA Plan or the new Horizon PPO HSA, the PBA submits this creates a major decrease in benefits to PBA members without any renumeration. The PBA submits that a concession of this magnitude must be

accomplished in a mutually beneficial negotiation, where presumably, there would be a significant benefit conferred on the PBA for such a concession.

The third section, the PBA argues, represents a major increase in the prescription plan. The PBA maintains that there is no justification for such an increase. The PBA notes that the SOA took no such concession, and to the extent other unit may have, they were provided health benefits contribution free in retirement. According to the PBA, the only health benefit concession by the SOA was the possibility of moving to the State Health Benefit Plan.

The PBA argues that granting of the Township's position would add to the economic ineffectiveness being suffered by the PBA. They also maintain it would increase the disparity between the PBA and SOA the only other public safety union of the Township.

I note that the parties have negotiated a comprehensive health insurance benefit provision that includes medical insurance, dental benefits, prescription benefits, life insurance and long-term disability. The Township's Final Offer has several components. First, the maintenance of Chapter 78 contributions in addition to the following proposed language modifications: "Notwithstanding the foregoing, the Township may require additional contributions to medical health insurance premiums. Any employee opting for the lower cost premium HSA (Health Savings Account) or OMNIA health plan will contribute to the Township the difference of the Chapter 78 contribution if they would have chosen the higher premium PPO health plan." Second, requiring new hires to choose either Horizon Omnia or Horizon PPO HSA health plans. Last, proposed changes in prescription co-pays. In support of its Final Offer on these issues, the Township cites to the public interest, internal comparables and pattern of settlement.

The Township's Final Offer on health insurance generally is consistent with the voluntary agreements it has entered with AFSCME, Public Works Supervisors and Allied Public Works

employees. Exhibits E-10-E15. These agreements, including the agreement with the SOA maintained Chapter 78 Contributions. The Prescription Side Bar Agreements with AFSCME, Public Works Supervisors and Allied Public Work Employees limited plan choice for new hires and modified prescription co-pays as sought by the Township in its Final Offer. I note that these agreements did not contain the proposed language modifications sought in the Township's Final Offer. I further note that the Township and SOA agreement (E-9; U-1) does not contain the proposed language change, does not limit plan choice to new hires, and does not modify the prescription co-pays.

The analysis as to the applicability of the internal comparability criterion as set forth in the award on Duration need not be restated. Moreover, the public interest encourages consistency as noted by Arbitrator Weisblatt in Homdel. Here, the Township seeks the continuation of Chapter 78 contributions. All the Township bargaining units, including the SOA, and other employees contribute medical benefit contributions in accordance with Chapter 78. There is a pattern of settlement and the PBA does not object to this aspect of the Township Final Offer. Accordingly, I award the Township's Final Offer of the continuation of Chapter 78 benefits.

With respect to the Township's proposed language change: "Notwithstanding the foregoing, the Township may require additional contributions to medical health insurance premiums. Any employee opting for the lower cost premium HSA (Health Savings Account) or OMNIA health plan will contribute to the Township the difference of the Chapter 78 contribution if they would have chosen the higher premium PPO health plan," I note that none of the bargaining units have agreed to this language. Thus, there is no pattern on this issue, and, if awarded, the PBA would be the only group with this language. Therefore, the record and weight of the evidence does not justify a change and I do not award it.

Importantly, the most relevant internal comparable, the SOA agreement, does not contain the proposed language change, does not limit plan choice to new hires, and does not modify the prescription co-pays. As to the proposal limiting plans for new hires, it should be noted that this issue is not relevant to the SOA as it is a supervisor's unit with no new hires. Otherwise, the Township has established a pattern of settlement with respect to limiting plan choice for new hires with all other bargaining units agreeing to the change. However, I note that the limitation of plan choice for new hires came through the negotiation of Prescription Sidebar Agreements after the parties settled on terms of their agreements. These Prescription Sidebar Agreements the language sought here but also included other consideration. Here, the pattern of settlement supports an award of this language, particularly since it is a cost neutral proposal and the SOA is not a relevant comparable for consideration of this issue. However, I agree with the PBA that the magnitude of such an award under the current statutory climate would have a chilling effect on morale absent additional consideration which I am prohibited from awarding. The salary guide for new hires has not changed since 2011. This proposal, if awarded, could further impact recruitment. The interests and welfare of the public and continuity and stability of employment criteria thus weigh in favor of the denial of this proposal. I therefore deny this aspect of the Township proposal.

As to the Township's proposed prescription drug changes, I again note that the pattern asserted by the Township came via Prescription Sidebar agreements with additional consideration. Here, I am limited by law to awarding any additional consideration. More importantly, the lack of an agreement on the changes to the prescription drug plan with the most comparable group, the SOA, is of great consequence to this proposal and I afford this great weight in denying the prescription drug modifications. Consistency in labor relations and terms of employment among bargaining units of an employer is certainly important but consistency of terms and conditions of

employment within a department of a public employer is critical to morale and mission. The continuity and stability of employment criteria also militates against awarding the Township prescription change proposal as having rank and file officers paying more for prescription drugs than their supervisors does not foster continuous or stable employment relations. Had the Township's pattern on this issue included the SOA, the most comparable group, the result would arguably be different.

I therefore deny the Township's Final Offer of a three-tier prescription drug plan.

Based on the evidence and submissions in the record, I award the following:

Article XIX Welfare and Pension Benefits

The following shall be added to Section 2:

Employees receiving medical health insurance through the Township shall continue to pay contribution to premium in accordance with the premium cost sharing terms and conditions set forth in P.L. 2011, c 78 (the Chapter 78 Contributions) put into effect on June 28, 2011. Such amount shall be deducted from an employee's paycheck and applied to the premium.

ARTICLE VII-WAGES

The Township's Final Offer on Salary is:

"Aggregate 2% base salary increase inclusive of step advancements, longevity and all other salary adjustment calculate in accordance with the Interest Arbitration Cap Law, P.L. 2010, c. 105 and P.L.2014, c 11 (N.J.S.A. 34:13A- 16.7)."

The PBA's Final Offer on Salary is:

“1.0% add “full guide movement and full longevity with 1.07 on top of guide” in 2017 and “1.0% add “full guide movement and full longevity with .94 on top of guide.”

In calculating the statutory 2% hard cap, the arbitrator is dependent upon the parties to provide the necessary information. Here, the parties have complied with the requirement to present the Scattergram (E-1) and related data called for by the Act. The parties have also agreed that E-1 is an accurate reflection of the “Base salary” to be used in calculating the 2% hard cap.

N.J.S.A. 34:13A-16.7(a) and (b) defines the Base salary calculations for the initial calculation, and subsequent years' calculation of the cap:

“Base salary” means the salary provided pursuant to a salary guide or table and any amount provided pursuant to a salary increment, including any amount provided for longevity or length of service. It also shall include any other item agreed to by the parties, or any other item that was included in the base salary as understood by the parties in the prior contract. Base salary shall not include non-salary economic issues, pension and health and medical insurance costs.

“Non-salary economic issues” means any economic issue that is not included in the definition of base salary.

b. An arbitrator shall not render any award pursuant to section 3 of P.L.1977, c. 85 (C.34:13A-16) which, in the first year of the collective negotiation agreement awarded by the arbitrator, increases base salary items by more than 2.0 percent of the aggregate amount expended by the public employer on base salary items for the members of the affected employee organization in the twelve months immediately preceding the expiration of the collective negotiation agreement subject to arbitration. In each subsequent year of the agreement awarded by the arbitrator, base salary items shall not be increased by more than 2.0 percent of the aggregate amount expended by the public employer on base salary items for the members of the affected employee organization in the immediately preceding year of the agreement awarded by the arbitrator.

The parties may agree, or the arbitrator may decide, to distribute the aggregate monetary value of the award over the term of the

collective negotiation agreement in unequal annual percentage increases, which shall not be greater than the compounded value of a 2.0 percent increase per year over the corresponding length of the collective negotiation agreement. An award of an arbitrator shall not include base salary items and non-salary economic issues which were not included in the prior collective negotiations agreement.

The methodology for the calculation of the 2% hard cap was set forth In Borough of New Milford, 2012-53, 38 NJPER 340 (¶116 2012), where PERC adopted guiding principles concerning the arbitrator's responsibility in applying the 2% hard cap:

. . . we must determine whether the arbitrator established that the award will not increase base salary by more than 2% per contract year or 6% in the aggregate for a three-year contract award. In order for us to make that determination, the arbitrator must state what the total base salary was for the last year of the expired contract and show the methodology as to how base salary was calculated. We understand that the parties may dispute the actual base salary amount and the arbitrator must make the determination and explain what was included based on the evidence submitted by the parties.

Next, the arbitrator must calculate the costs of the award to establish that the award will not increase the employer's base salary costs in excess of 6% in the aggregate. The statutory definition of base salary includes the costs of the salary increments of unit members as they move through the steps of the salary guide. Accordingly, the arbitrator must review the employees' placement on the guide to determine the incremental costs in addition to the across-the-board raises awarded. The arbitrator must then determine the costs of any other economic benefit to the employees that was included in base salary, but at a minimum this calculation must include a determination of the employer's cost of longevity. Once these calculations are made, the arbitrator must make a final calculation that the total economic award does not increase the employer's costs for base salary by more than 2% per contract year, or 6% in the aggregate...

Since an arbitrator, under the new law, is required to project costs for the entirety of the duration of the award, calculation of purported savings resulting from anticipated retirements, and for that matter, added costs due to replacement by hiring new staff or promoting existing staff are all too speculative to be calculated

at the time of the award. The Commission believes that the better model to achieve compliance with P.L. 2010 c. 105 is to utilize the scattergram demonstrating the placement on the guide of all of the employees in the bargaining unit as of the end of the year preceding the initiation of the new contract, and to simply move those employees forward through the newly awarded salary scales and longevity entitlements. Thus, both reductions in costs resulting from retirements or otherwise, as well as any increases in costs stemming from promotions or additional new hires would not affect the costing out of the award required by the new amendments to the Interest Arbitration Reform Act. (emphasis added).

In calculating the 2% hard cap, one must determine how much the employer actually paid unit employees for all components of base pay in the last year of the expired agreement including the “true” cost by pro-rating the pay for new hires and mid- year terminations or resignations during the base year. Borough of Byram, P.E.R.C. No. 2013-72, (April 18, 2013). Once the total base pay paid in the base year is determined then the 2% is calculated which is the maximum amount that can be awarded in the first year of the new agreement including amounts the employer will expend (or in some cases, has already expended) for step increases and longevity increases. Here, the parties have agreed that E-1 (Scattergram of 2016 Earnings for PBA 93) is an accurate representation of the unit’s Base Salary for purposes of calculating the 2% hard cap. The parties have also agreed that E-7 represents the total cost increases associated with step and longevity increases as reflected in 2017 (E-2), 2018 (E-3), 2019 (E-4) and 2020 (E-5).

The 2% hard salary cap sets a strict limit on the amount of base salary that can be awarded. The Township and the PBA recognize this is what is required in an interest arbitration proceeding. The legal framework, and PERC’s interpretation and application of the statute as to the methodology for calculating wage increases has been set forth in Borough of New Milford, P.E.R.C. No. 2012-53, 38 NJPER 340 (¶ 116 2012) and Borough of Ramsey, P.E.R.C. No. 2012-

60, 39 NJPER 17 (¶3 2012) and their progeny. A summary of arbitral authority cited in those decisions was recently set forth in State of New Jersey and FOP Lodge 91, P.E.R.C. NO. 2016-11 (2016).

The evidence submitted by the parties on this criterion supports a Final Offer of an award at the maximum amount allowable by law. A similar observation is made as to the cost of living data and wage increases generally in the public sector (1.9%) and in the private sector (2.1%). The other criteria have been considered but do not yield a different result. The overall compensation and benefits criterion reflect that unit employees are reasonably compensated. The record reflects that a top step officer in 2016 could earn as much as \$130,649.00. In addition, there are benefits including, but not limited to, longevity, holiday pay, tuition reimbursement, uniform allowance, uniform cleaning allowance, overtime, compensatory time, vacation leave, comprehensive health insurance, paid sick and injury leave, longevity, and senior officer pay.

The continuity and stability of employment criterion supports the maximum allowable award under the 2% hard cap. As previously indicated, the record reflects that the terms of the award meet the salary cap limitation and would not compel the Township to exceed the statutory limitation on it such as the tax levy cap or the spending appropriation cap, or that the amount of money equaling the cap would have adverse financial impact on the Township. Indeed, the Township does not contend that it has an inability to fund an award at the maximum allowable limit of 2%, or that negative consequences would result to the Township, the residents or taxpayers.

However, the parties disagree on the manner and length upon which the funds should be distributed that are equal to the 2% hard cap. The parties agree as follows: (1) the gross base salary amount as of December 31, 2016 is \$6,385,097; (2) in 2017, the gross base salary with

step increases (\$53,706.46) and longevity (\$5,974.80) totals \$6,444,778.26 (leaving \$68,020.68 under the 2% hard cap); in 2018, the gross base salary with step increases (\$69,217.27) and longevity (\$13,156.00) totals \$6,527,151.53; in 2019, the gross base salary with step increases (\$82,954.22) and longevity (\$1,507.27) totals \$6,611,613.02; and in 2020, the gross base salary with step increases (\$88,557.76) and longevity (\$3,165.74) totals \$6,703,336.52 (leaving \$43,794.82 under the 2% hard cap). E-7.

The parties agree on the Scattergram E-7. The “Base salary” as of December 31, 2016 is \$6,385,097.00. Applying the 2% formula equates to a permissible salary expense of \$127,701.94 in 2017. In 2017, the step increases (\$53,706.46) and longevity increases (\$5,974.80) have been paid in the amount of \$59,681.26. These increases are within the definition of base salary increases and are chargeable to the salary cap leaving \$68,020.68 of additional money to apply under the cap in 2017. If the \$68,020.68 is awarded for 2017, then the Base salary for 2017 (and 2018, 2019 and 2020 respectively) as set forth on Exhibit E-7 increase each year by the net difference in the step/longevity increases and 2%. For example, if the award increases the 2017 Base salary by \$68,020.68, the Base salary calculation for 2018 is \$6,512,798.94. Applying the 2% formula equates to a permissible salary expense of \$130,255.97. In 2018, the step increases (\$69,217.27) and longevity increases (\$13,156.00) have been paid in the amount of \$82,373.27. These increases are within the definition of base salary increases and are chargeable to the salary cap leaving \$47,882.70 of additional money to apply under the cap in 2018. In 2019, if the award applies the difference the Base salary calculation in 2019 is \$6,643,054.91. Applying the 2% formula equates to a permissible salary expense of \$132,861.09. In 2019, the step increases (\$82,954.22) and longevity increases (\$1,507.27) amount to \$84,461.49. These increases, if awarded, will also be within the definition of base salary increases and are chargeable to the salary cap leaving

\$48,399.60 additional money to apply under the cap in 2019. In 2020, if the award applies the difference the Base salary calculation in 2020 is \$6,911,434.34. Applying the 2% formula equates to a permissible salary expense of \$135,518.32 in 2020. In 2020, step increases (\$88,557.76) and longevity increases (\$3,165.74) amount to \$91,723.50. These increases, if awarded, will also be within the definition of base salary increases and are chargeable to the salary cap leaving \$43,794.82 additional money to apply under the cap in 2020. In not awarding a fourth year, I note that in 2020 the step increases and longevity increases have a greater impact on the remaining money to be allocated thus further support for the denial of the fourth year.

The Township's Final Offer of "Aggregate 2% base salary increase inclusive of step advancements, longevity and all other salary adjustment calculated in accordance with the Interest Arbitration Cap Law, P.L. 2010, c. 105 and P.L.2014, c 11 (N.J.S.A. 34:13A- 16.7) supports an award as analyzed above. The PBA's Final Offer of "1.0% add full guide movement and full longevity with 1.07 on top of guide" in 2017 and "1.0% add full guide movement and full longevity with .94 on top of guide", however, exceeds the 2% hard cap limitations. Based on a baseline base salary figure of \$6,385,097, the 2% cap would allow for a spend of \$127,701.94 in 2017. Step and longevity increases in 2017 total \$59,681.16 leaving \$68,020.00 under the cap. Besides the step and longevity increases, the PBA's Final Offer in 2017 equates to 1% (\$63,850) and 1.07% at top step (\$68,320.53) which exceeds the 2% cap limitation by \$4,468.59. In 2018, the 2% cap would allow for a spend of \$129,062.35. In 2018, the step increases (\$69,217.27) and longevity increases (\$13,156.00) have been paid in the amount of \$82,373.27 leaving \$47,882.70 under the cap. Besides the step and longevity increases, the PBA's Final Offer of 1% (\$65,127.98) and .94% at top of guide (\$61,220.31) equates to \$126,348.29 which exceeds the cap by \$78,465.59. Due to the 2% hard cap and the term sought by the PBA, the PBA's salary proposal is denied.

Accordingly, the Award on salary shall be:

2017 Full step and longevity, 1% across the board increase (not on guide) retroactive to December 31, 2017, and a total of \$4,169.71 retroactive to December 31, 2017 to be equally divided to those at top step

2018 Full step and longevity, and a total of \$46,689.00 effective upon award to be equally divided among those at top step

2019 Full step and longevity in accordance with the Agreement, and a total of \$47,015.00 effective January 1, 2019 to be equally divided among those at top step and paid on their anniversary dates

The salary amounts awarded represent the maximum salary increases that can be awarded under the cap on base salary increases with discretion limited to the distribution of those amounts.

Based upon all the above, I respectfully enter the terms of this Award.

AWARD

1. **Duration.** January 1, 2017-December 31, 2019.

2. **Article V(A)-Patrol Section.**

The Patrol Section of the Piscataway Police Department shall be based on a two-platoon system designated as Platoon One and Platoon Two. Each Platoon will be overseen by one (1) Platoon Lieutenant and shall initially consist of six (6) Sergeants and twenty-one (21) patrol officers.

When off-duty personnel are needed, the first squad to be called shall be the off-duty squad working the same designated tour of duty as the squad requiring additional manpower. If no member of the off-duty squad volunteers, the next squad shall be called in the order of their designated tours. If no member of the three off-duty squads volunteers, the next to be called will be members assigned to the Traffic/Safety section followed by members assigned to the Support Services sections. If no members have volunteered then the tour will be split between holding over an officer from the current on-duty squad and calling in an officer early from the squad coming on duty. Neither assignment shall exceed 5.25 hours.

3. **Article XIX-Welfare and Pension Benefits.**

The following shall be added to Section 2:

Employees receiving medical health insurance through the Township shall continue to pay contribution to premium in accordance with the premium cost sharing terms and conditions set forth in P.L. 2011, c 78 (the Chapter 78 Contributions) put into effect on June 28, 2011. Such amount shall be deducted from an employee's paycheck and applied to the premium.

4. **Salary.** The salary award is as follows:

2017 Full step and longevity, 1% across the board increase (not on guide) retroactive to December 31, 2017, and a total of \$4,169.71 retroactive to December 31, 2017 to be equally divided to those at top step

2018 Full step and longevity, and a total of \$46,689.00 effective upon award to be equally divided among those at top step

2019 Full step and longevity in accordance with the Agreement, and a total of \$47,015.00 effective January 1, 2019 to be equally divided among those at top step and paid on their anniversary dates

4. All other proposals by the Township and the PBA not awarded herein are denied and dismissed.
5. All provisions of the existing agreement shall be carried forward except for those which have been modified by the terms of this Award.
6. Pursuant to N.J.S.A. 34:13A-16(f), I certify that I have taken the statutory limitation imposed on the local tax levy cap into account in making the award. My Award also explains how the statutory criteria factored into my final determination.
7. I have also calculated the net, annual economic change in base salary over the three-year term of the new agreement, as follows: 2017-\$ 127,701.94; 2018-\$130,255.97; 2019-\$132,861.09 (pursuant to N.J.S.A. 34:13A-16.7 A and B).

Dated: December 14, 2018
Jersey City, New Jersey

Brian W Kronick

State of New Jersey }
County of Hudson } ss:

On this 14 day of December 2018, before me personally came and appeared Brian W. Kronick 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.



AROON S. DAS S
NOTARY PUBLIC OF NEW JERSEY
ID # 2401160
My Commission Expires 10/7/2020