

# **Borough of Mantoloking, County of Ocean, NJ**

## **Summary of Proposed 2016-2018 Police Employment Contract**

December 12, 2016

## Summary of Proposed 2016-2018 Police Employment Contract

- The current employment contract between the Borough and the Police Department ended on December 31, 2015.
- The proposed new Police employment contract will begin on January 1, 2016 and end on December 31, 2018.
- The proposed new Police employment contract:
  1. Increases the Salary Guide from 7 steps to 12 steps for all Police officers hired on or after January 1, 2016.
  2. Freezes salaries of Police officers currently working through the 2012 7-Step Salary Guide at 2012 Salary Guide rates.
  3. Moves Police officers already through all of the steps in the Salary Guide, Sgts. and Lts. to the new 12-Step Salary Guide.

## Summary of Proposed 2016-2018 Police Employment Contract (continued)

4. Changes the starting salary on the Salary Guide from \$56,345 to \$42,000 if the new hire has not graduated from the Police Academy (Academy Year - Step 1), or \$46,000 if the new hire has already graduated from the Police Academy (Step 2).
5. Changes the amount of increase for each step each year of the contract from 4% per year in 2009-2012 to: 1.5% per year for officers at Steps 1-11 and 2% per year for officers at Step 12 and for Sgts. and Lts.
6. Reduces increases of average salary between steps from approximately \$6,120 /step to approximately \$4,893/step (20% decrease).
7. Replaces an annual \$400 uniform allowance for all Police officers in the Department with a one-time, \$1,200 Salary Guide increase for those in Step 12 and for Sgts. and Lts.

## Summary of Proposed 2016-2018 Police Employment Contract (continued)

8. Gives those Police officers already through the steps, the Sgts. and the Lts. the first salary raise they have had since 2012 (2%).
9. Reduces 2016 Borough budget for Police services by \$13,570 (-1.99%).
10. Increases 2017 Borough budget for Police services from 2016 by \$13,253 (1.98%).
11. Increases the 2018 Borough budget for Police services from 2017 by \$30,461 (4.47%).

## What are the Terms of the Proposed New Police Employment Contract?

- Term – 3 years: January 1, 2016 to December 31, 2018.
- New 12-Step Salary Guide – See Page 7.
- Step 1 is an “Academy” step – New hires who have already graduated from the Police Academy will begin on Step 2.
- All Police officers hired on or after January 1, 2016 will be subject to the new 12-Step Salary Guide.
- Steps 1-11: Each step increases 1.5% per year.
- Step 12, Sgts. & Lts.: Increase 2% per year.
- Step 12, Sgts. & Lts. receive one-time, \$1,200 Salary Guide increase in 2016 in exchange for elimination of annual \$400 uniform allowance that was given in perpetuity.

## What are the Terms of the Proposed New Police Employment Contract? (continued)

- Current Police officers moving through the steps in the existing 7-Step Salary Guide receive fixed amounts based on 7-Step Salary Guide at 2012 Salary Guide pay.
- Holiday pay - amount Police officers are paid for 14 holidays on which Police officers may be required to work – remains constant.
- Longevity pay - amount Police officers receive for continued years in service in Mantoloking, beginning in year 8 – remains constant.
- Police “Road Rate” increases from \$57/hour to \$85/hour. Road Rate is paid by 3<sup>rd</sup> party requesting Police presence and not by the Borough.
- Elimination of Department-wide \$400 per year uniform allowance for all Police officers.

## Proposed New 12-Step Salary Guide

New Salary Guide	2016	2017	2018
1/Academy	\$42,000	\$42,630	\$43,269
2	\$46,000	\$46,690	\$47,390
3	\$50,893	\$51,656	\$52,431
4	\$55,786	\$56,623	\$57,472
5	\$60,679	\$61,589	\$62,513
6	\$65,572	\$66,556	\$67,554
7	\$70,465	\$71,522	\$72,595
8	\$75,358	\$76,488	\$77,636
9	\$80,251	\$81,455	\$82,677
10	\$85,144	\$86,421	\$87,717
11	\$90,037	\$91,388	\$92,758
12	\$96,126	\$98,049	\$100,010
Sgt.	\$102,771	\$104,826	\$106,923
Lt.	\$109,881	\$112,079	\$114,320

## What are the Terms of our Existing Police Employment Contract?

- Term – 3 years: January 1, 2012 to December 31, 2015.
- Police officers are paid based on movement through a 7-Step Salary Guide (see Page 9).
- On each anniversary date of a Police officer's employment, such officer moves to the next step in the 7-Step Salary Guide, until such officer reaches Step 7.
- Once a Police officer reaches Step 7, the officer is receiving "top pay" and only receives a percentage salary increase if awarded in the applicable Police employment contract.
- The average salary increase from one step to the next in the 7-Step Guide is approximately \$6,120/year.
- Police officers receive holiday pay and longevity pay (as described on Page 6).

## Existing 7-Step Salary Guide

Step	
1	\$56,345
2	\$62,465
3	\$68,584
4	\$74,706
5	\$80,541
6	\$86,947
7	\$93,065
Sgt.	\$99,579
Lt.	\$106,550

## What are Some Additional Considerations Taken Into Account During the Negotiations of the Proposed New Police Employment Contract?

- What is the “2% Cap” Law?
  - A law that limits an arbitrator from increasing a municipality’s total cost for Police Services by more than 2% per year for the life of the contract. The 2% Cap Law does not limit individual line items within the Police budget nor limit individual Police officer’s salaries.
- Does the 2% Cap Law apply to the proposed new Police Employment Contract?
  - No. The 2% Cap Law does not apply to a successfully negotiated police employment contract. It only applies if the parties go to arbitration.
- What are the Borough’s options if it does not approve the proposed new Police Employment Contract?
  - The Borough’s other option is to go to arbitration. The Borough last went to arbitration in 2013 to settle the 2012-2015 Police employment contract.

## What are Some Additional Considerations Taken Into Account in Negotiating the New Police Employment Contract? (continued)

- What was the result of the 2013 arbitration?
  - Applying the 2% Cap Law, the arbitrator determined that the total budget for Police services could not increase by more than \$35,325 over 3 years.
  - The total amount awarded by the arbitrator over 3 years was \$32,530.
  - The arbitrator froze the 7-Step Salary Guide at the 2012 Salary Guide rates.
  - Police officers moving through the 7-Step Salary Guide received their step increases in salary each year.
  - The Police officers already at Step 7, Sgts. & Lts. only received longevity pay increases, if applicable.
  - As a result, Police officers already at Step 7, Sgts. & Lts. have not received a salary increase since 2012.

## What are Some Additional Considerations Taken Into Account in Negotiating the New Police Employment Contract? (continued)

- Why not go to arbitration again?
  - Arbitration is costly and the results are uncertain.
  - The Borough will pay approximately \$10,000 - \$15,000 in fees to go to arbitration.
  - It is likely that the savings produced by the new 12-Step Salary Guide for each Police officer hired on or after January 1, 2016 would be lost (see Page 14).
  - Event if the arbitrator froze the 2012 7-Step Salary Guide again, the existing Police Employment Contract would exceed the 2% Cap Law allowable amount. Arbitrator would be forced to find ways to get the cost below the allowable amount, including by reducing salaries of Police officers, many of whom have not had an increase since 2012.
  - As of today, arbitration could cost the Borough approximately \$45,000 in fees and lost salary savings. Loss of savings would increase per each new Borough hire in 2017 and 2018.
  - Borough would waste this “ideal moment” to increase Salary Guide from 7 Steps to 12 Steps.

## What are Some Additional Considerations Taken Into Account in Negotiating the New Police Employment Contract? (continued)

- Why does it matter if our Salary Guide has 7 Steps or 12 Steps?
  - For each new Police officer hired under a 12-Step Salary Guide, there are significant savings to the Borough. For a comparison of the salary earned by a Police officer under the 7-Step Salary Guide and the first seven years of the 12-Step Salary Guide, see Page 14.
  
- Aren't our Police officers already some of the highest paid in the State?
  - The arbitrator in 2013 found that (i) the 2012 base pay for Police officers in Mantoloking was “significantly lagging below average”, (ii) other benefits in other communities (such as longevity pay) were “far superior to those available to the Mantoloking Police Officer” and (iii) that the shortfall in pay would only increase as a result of the freezing of the 2012 7-Step Salary Guide.
  
  - See Page 15 for a comparison of Police salaries in neighboring communities.

## Savings to Borough for Each New Hire on the Proposed 12-Step Salary Guide

Year	Officer 7 Step <sup>1</sup>			Officer 12 Step				1 Year Savings	Cumulative Savings	
	Salary	Holiday <sup>2</sup>	Longevity <sup>3</sup>	Total	Salary	Holiday <sup>2</sup>	Longevity <sup>3</sup>			Total
1	\$57,190	\$3,088		\$60,278	\$42,000	\$2,268		\$44,268	<b>\$16,010</b>	<b>\$16,010</b>
2	\$64,353	\$3,475		\$67,828	\$46,690	\$2,521		\$49,211	<b>\$18,617</b>	<b>\$34,627</b>
3	\$71,717	\$3,873		\$75,590	\$52,431	\$2,831		\$55,263	<b>\$20,327</b>	<b>\$54,954</b>
4	\$79,290	\$4,282		\$83,572	\$58,334	\$3,150		\$61,484	<b>\$22,088</b>	<b>\$77,042</b>
5	\$86,766	\$4,685		\$91,451	\$64,402	\$3,478		\$67,880	<b>\$23,571</b>	<b>\$100,613</b>
6	\$95,072	\$5,134		\$100,205	\$70,640	\$3,815		\$74,454	<b>\$25,751</b>	<b>\$126,364</b>
7	\$106,902	\$5,773		\$112,675	\$77,049	\$4,161		\$81,210	<b>\$31,465</b>	<b>\$157,829</b>

<sup>1</sup> Steps increase from the 2012 7-Step Salary Guide at 1.5% per year, equal to the 1.5% per year increases in the 12 Step Salary Guide.

<sup>2</sup> Holiday pay is described on Page 6.

<sup>3</sup> Longevity pay is described on Page 6.

## Local Salary Guide Comparison (Using Proposed New Police Employment Contract)

Step	2016					
	Mantoloking	Bay Head <sup>1</sup>	Beach Haven	Lavallette	Seaside Heights	Seaside Park <sup>2</sup>
1/Academy	\$42,000(A)	\$43,938	\$37,885(A)	\$41,416	\$32,500(A)	\$42,398(A)
2	\$46,000	\$50,177	\$42,328	\$46,018	\$40,500	\$49,318
3	\$50,893	\$56,415	\$47,579	\$50,619	\$47,500	\$56,182
4	\$55,786	\$62,655	\$52,427	\$55,221	\$53,500	\$63,046
5	\$60,679	\$68,893	\$57,274	\$59,823	\$58,500	\$69,910
6	\$65,572	\$75,134	\$62,121	\$64,425	\$62,500	\$76,774
7	\$70,465	\$81,373	\$66,968	\$69,026	\$66,500	\$81,526
8	\$75,358	\$87,612	\$71,815	\$73,628	\$70,500	\$86,278
9	\$80,251	\$93,850	\$76,662	\$78,230	\$81,500	\$91,030
10	\$85,144	\$100,090	\$81,509	\$82,832	\$108,957	\$95,782
11	\$90,037		\$86,357	\$87,433		\$100,534
12	\$96,126		\$91,207	\$92,035		
Sgt.	\$102,771	\$105,154	\$100,361	\$96,680	\$119,953	\$108,996
Lt.	\$109,881	\$113,735	\$110,361	N/A	\$131,948	\$114,395

<sup>1</sup> Extrapolated from contract ending 12/31/2015 at 2.0% per year Salary Guide increase.

<sup>2</sup> Extrapolated from contract ending 12/31/2014 at 2.0% per year Salary Guide increase.

## What are the Next Steps in the Approval Process for the Proposed New Police Employment Contract?

- The Council will consider the proposed new Police Employment Contract at its regularly scheduled public Council meeting on December 20, 2016.
- The Borough's labor counsel will make a presentation at the December 20 Council meeting summarizing the terms of the proposed new Police Employment Contract.
- Members of the public will have an opportunity to speak on the proposed new Police Employment Contract as well as any other matter on the agenda, at the December 20 Council meeting.
- Residents who have questions about the proposed new Police Employment Contract may submit them in writing to the Borough Clerk ([boroclerk@mantoloking.org](mailto:boroclerk@mantoloking.org)) ON OR BEFORE December 16. The Borough's labor counsel will provide answers to submitted questions via the Borough's website as quickly as possible – [www.mantoloking.org](http://www.mantoloking.org).