

As of December 19, 2016

1. If the retirement for the officer making \$104,000 is the basis for the cost offset, is that retirement or termination a stipulated action that is a precondition to granting the salary increases?

It is not. The officer to which you are referring retired effective May, 2016. As a result, we did not feel a need to address this in the manner suggested in the question above.

2. Also, in private sector labor relations the parties can and do preclude future bargaining about certain terms for a specific time period beyond the contract period if there is a good reason to do so. If the new less expensive salary structure is the premise for future cost savings do the town and police have an understanding about what happens if the cost offsets are not achieved?

The Borough and the PBA understand the impact of the retiring officer you noted above, as well as the addition of a new officer, hired in June 2016, who will be subject to the new 12-Step Salary Guide (if the proposed new Police employment contract is approved by the Borough). The savings the Borough achieves for this new hire, along with any future new hire, are also known and illustrated on page 14 of the presentation.

3. On Page 2, #2 of the Borough summary states: "Freezes salaries of police officers currently working through the 2012 7-Step salary guide at 2012 Salary Guide Rates" : Does this mean they would remain at their current step & their yearly step increases would follow the 2012 contract until they complete step 8, and then longevity increases apply? If so, what steps are the applicable officers currently at? If not, please explain how they would be transitioned to the new steps.

The Police officers currently working through the 2012 7-Step Salary Guide are salaried for years 2016-2018. Their salaries are based on those Police officers movement through the existing 7-Step Salary Guide illustrated on page 9 of the presentation. The salaries listed in that guide have not been changed since 2012. Every year, the Police officer will move up one step in the salary guide until that officer reaches Step 7, the "Top Step", at which point they are moved to Step 12 on the new 12-Step Salary Guide. By way of example, an officer on Step 2 in 2015 making \$62,465, would move to Step 3 in 2016, making \$68,584, to Step 4 in 2017, making \$74,706 and to Step 5 in 2018, making \$80,541. Again, the Police officers in question are salaried, but effectively at the same amounts as illustrated in the salary guide example. Longevity increases would apply in accordance with the schedule set forth in the answer to question 6 below.

4. On Page 3 #4: Police Academy starting salary vs. police academy graduate starting salary: Currently those Police Academy recruits are being paid, for 2017, \$8.44/hr (see October 2016 Council Agenda pg.9). Doing the math: $m\$8.44/hr$ for 40 hours = $\$337.60/wk$, for 52 wks. = $\$17,555/yr$. The new contract called for Police Academy personnel to be paid $\$42,630/yr$. Please explain how this is a cost-savings.

The Police Academy recruits discussed above are not the same as the Police officers that would be hired by the Borough and those recruits would not be members of the PBA, subject to the Police employment contract. AS a result, the comparison does not accurately forecast the cost or savings.

5. Page 4 # 9: If the 2% cap were followed, what would be the annual dollar amount increase allowed, which would be distributed amongst all the police officers? What is the actual total annual number the 2% is calculated on?

An arbitrator, in computing the 2% Cap Law amount, would be permitted to distribute \$41,744 amongst all Police officers over the 3 year term of the proposed agreement. The 2% Cap Law does not impose an annual increase limitation on an arbitrator. Rather, it imposes an aggregate limitation amount that can be distributed annually at the discretion of the arbitrator. In other words, the arbitrator could choose to give the Police officers all \$41,744 in year one and \$0 in years 2 and 3, vice versa, or any combination in between.

The 2% Cap Law amount is based on the amount spent by the Borough on salary items for the Police department in the last year of the expiring contract. In this case, the Borough spent \$682,008 on salary items (salary, longevity and holiday pay) in 2015.

6. Page 6 “Longevity pay”: In the new contract does the longevity pay begin at year 8 or year 13? Please list the annual longevity pay increase % per year through year 25.

The schedule for Longevity Pay is the same in the proposed new Police employment contract as it was in the expiring 2012-2015 Police employment contract (and contracts preceding that one). There is no change. Longevity is as follows:

Year	% of Annual Base Wage	Year	% of Annual Base Wage
8	4	17	8
9	4	18	8
10	4	19	8
11	6	20	9
12	6	21	9
13	6	22	9
14	7	23	10
15	7	24	10
16	7	25	10

7. Page 6 “road rate”: Is all of the hourly road rate pay given directly to the officers, or do they receive a portion and the Borough receives a portion? If so, please delineate who receives what amount.

The Borough does not retain any portion of the road rate.

8. Page 12 “Arbitration costs”: What is the total that has been spent to date and/or is still outstanding for the 2 negotiators the Borough has employed: Mr. Cassetta & Mr. Jessup & his firm?

To date, the Borough has paid \$12,367.00 to Mr. Cassetta and \$21,924.42 to McManimon, Scotland & Baumann, LLC.

9. It is my understanding that the arbitration fees are capped at \$10,000 by state law and are split 50/50 between the Borough and the Police. Is this accurate?

The fee paid to the arbitrator for his or her services is capped at \$10,000, and is split equally between the two parties to the arbitration. The fees of attorneys, consultants, experts and others in

representing the respective parties to the arbitration are a separate cost, and are paid for by the respective party.

10. Are these new steps binding to the Police as a base for future contracts?

The terms of the proposed new Police employment contract, including the new 12-Step Salary Guide, remain in effect until a new Police employment contract governing 2019 and beyond, is negotiated, agreed to and executed. This includes the time, if any, after the proposed new Police employment contract expires and before the then-new new Police employment contract governing 2019 and beyond, is effective.