

PRESIDENT'S WELCOME

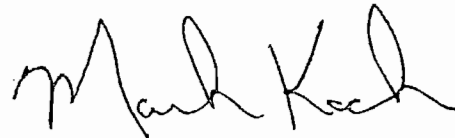
As President of the Pennsylvania Lodge, I sincerely thank our entire Executive Board and the Lightman & Welby law firm for their untiring efforts in bringing to the membership of the Pennsylvania Fraternal Order of Police the finest in labor training.

We are very proud to present this year a new manual on Arbitration Presentations. Many members have requested information concerning how to prepare and present at contract arbitration before a neutral arbitrator.

It is our desire that the newly developed State Fraternal Order of Police Arbitration manual will serve as an instructional tool and reference manual throughout the year for each of our members and the 113 local lodges in Pennsylvania we serve.

Should any member have any new ideas as to what training or educational programs they would like to see offered in the future, please contact any State Lodge Officer with your request or call the State Lodge headquarters toll-free at 1-888-551-8125.

Fraternally,

A handwritten signature in black ink that reads "Mark Koch". The signature is written in a cursive style with a large, looped "M" and "K".

MARK KOCH, President
Fraternal Order of Police
Pennsylvania State Lodge

GREETINGS FROM

TINA MORRIS, PARALEGAL
Lightman & Welby law firm

Working as a paralegal for more than 14 years at the Lightman & Welby law firm, I would like to take this opportunity to thank the many members across Pennsylvania that I have had the opportunity to assist with preparing arbitration manuals.

During these 14 years I have prepared numerous Act 111 arbitration manuals and spoke to many members about their pending contact arbitration presentations. Many Police Officers had questions concerning what to present and how to present to a neutral arbitrator their topics. This manual was developed to assist and guide Pennsylvania members with making their arbitration presentations professional, succinct and in an orderly manner.

It is my sincerest desire that this arbitration manual serves to answer many questions and provide guidance to those members who are charged with the responsibility of presenting at their next arbitration session.

Should any member wish to contact me concerning any new ideas for this manual or for additional information on a particular labor topic, please e-mail me at tmorris@lightmanwelby.com or contact the Lightman & Welby law firm in Harrisburg at 717-234-0111.

Sincerely,

Tina Morris, Paralegal
Lightman & Welby

LIGHTMAN & WELBY
LEGAL COUNSEL to
FRATERNAL ORDER OF POLICE
PENNSYLVANIA STATE LODGE

The law firm of **LIGHTMAN & WELBY** is unique in Pennsylvania and throughout the country in that it is devoted solely to the representation of the special interests of law enforcement officers and their families.

Focusing exclusively on legal issues that affect you directly, our staff is able to capably and efficiently handle any matter of concern to police bargaining units and their members.

WHO WE ARE

Our Attorneys are especially trained and skilled in dealing with police-related litigation. No matter where you are located in Pennsylvania, we can appear, and already have, to assure the best possible representation and protection of the law enforcement community.

Gary M. Lightman, Esquire

Founder and creator of the concept of a police-related law firm. Attorney Lightman brings the experience of more than 30 years in representing law enforcement officers to the practice. He is admitted to all Pennsylvania courts, the Federal District Courts of Pennsylvania, the United States Courts of Appeals for the Third and Fourth Circuits and the United States Supreme Court.

Sean T. Welby, Esquire

Partner in the Lightman & Welby law firm and former Assistant Counsel in the Pennsylvania Department of Labor & Industry, and law clerk to the Honorable Dan R. Pellegrini, Judge of the Commonwealth Court. Attorney Welby practices in all trial and appellate levels courts of Pennsylvania, the Middle and Eastern United States District Courts and in the Third Circuit Court of Appeals.

Eric C. Stoltenberg, Esquire

Intensively trained in the field of labor arbitrations under the tutelage of his father, the late Carl F. Stoltenberg. Attorney Stoltenberg practices before all courts of Pennsylvania and provides representation in all matters relating to police labor law, including contract negotiations and arbitration, grievance arbitration and practice before the Pennsylvania Labor Relations Board.

Anthony M. Caputo, Esquire

Admitted to practice in all Pennsylvania Courts. Attorney Caputo provides representation in all matters relating to police labor law, including contract negotiations and arbitration, grievance arbitration and practice before the Pennsylvania Labor Relations Board.

Ian J. Blynn, Esquire

Attorney Blynn is a former counsel to the Labor Relations Committee of the Pennsylvania House of Representatives. Attorney Blynn provides representation in all aspects of police labor law and specializes in Workers' Compensation matters as well as Heart & Lung cases.

Richardson Todd Eagen, Esquire

Attorney Eagen joined the firm in November 2004 and brings with him extensive experience in labor law that will increase the level of service the firm can provide to the State F.O.P. Attorney Eagen was previously employed by a law firm in Scranton where for the past seven years he has represented both public and private sector unions throughout Northeast and Central Pennsylvania. His experience in the labor field includes contract negotiations, interest and grievance arbitration, and unfair labor practice hearings along with litigation at every level in both state and federal court. He has also represented union benefit funds.

Emma A. Cuevas, Esquire

Attorney Cuevas relocated last year and joined the firm in November 2004 after graduating in the top 10% of her class at George Mason University School of Law in Arlington, Virginia. She is a West Point graduate, having served in the United States Army as a Blackhawk Helicopter pilot, Platoon Leader and Operations Officer.

SERVICES

At **Lightman & Welby** we make every effort to provide a full line of legal services to the family of law enforcement officers. These include, but are not limited to those listed below. If you do not see a subject listed, please contact us. Your specific inquiry is always welcome.

CIVIL RIGHTS
COLLECTIVE BARGAINING
DISABILITIES
DISCIPLINE
GRIEVANCE HEARINGS
INTEREST ARBITRATIONS

LABOR RELATIONS
PENSIONS
PERSONAL INJURY
WORKERS' COMPENSATION
HEART & LUNG
CUSTOM SEMINARS AS REQUESTED

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KOCHVILLE TOWNSHIP
KOCHVILLE TOWNSHIP

Act 111

Arbitration

2005

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2. Township Overview
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4. History of Police Department and Police Officer Profiles
5. Crime Statistics
6. News Articles
7. Police Pension Plan Actuarial Valuation
8. Current Collective Bargaining Agreement
9. Issues In Dispute

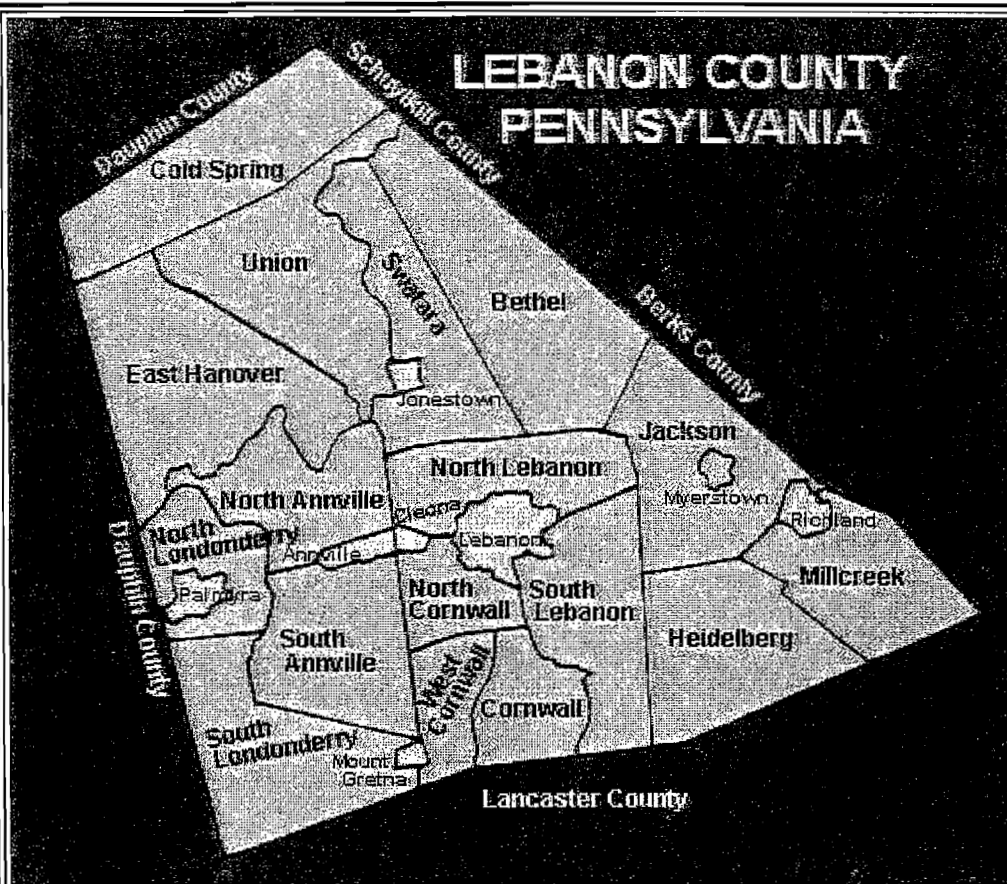
Issues In Dispute:

Proposal # 1	Pension COLA
Proposal # 2	"DROP" Plan
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**UNDER THIS SECTION YOUR COUNTY MAP OR
A MAP OF YOUR SPECIFIC TOWNSHIP, BOROUGH
OR CITY WILL BE PLACED. SAMPLE AS FOLLOWS:**

LEBANON COUNTY PENNSYLVANIA TOWNSHIP MAPS

This is a clickable image map of townships and boroughs in Lebanon County Pennsylvania. A text list of the township maps is shown below. The township images are cropped from a 1/50,000 USGS Geological Survey Map of Lebanon County dated 1991; based on 1/24,000 maps dated 1954 through 1969. Adjacent counties shown on the image map will have active links to their USGS maps if they are on line.



- Adjacent Counties:
- [Berks County](#)
 - [Dauphin County](#)
 - [Lancaster County](#)
 - [Schuylkill County](#)

-  [Lebanon County](#)
- [USGenWeb Page](#)
-  [Pennsylvania](#)
- [Map Index](#)

List of Lebanon County Township Maps

**UNDER THIS SECTION THE OVERVIEW
AND/OR HISTORY OF YOUR TOWNSHIP, BOROUGH
OR CITY WILL BE PLACED. SAMPLE AS FOLLOWS:**

Fairview Township

Fairview Township is a political subdivision of the Commonwealth of Pennsylvania located in Luzerne County. Fairview Township is a Second Class Township. (See Map Attached)

The township encompasses 10 Square Miles with approximately 40 miles of State, County and Township roads.

The township is governed by a 3-Member board of Supervisors. The Current Board Members are:

Peter Mailloux –Chairman
Harold Zearfoss – Vice Chairman
Russ Marhold – Supervisor

There are ten residential housing developments in the township along with other residential areas that total 1,502 housing units which are 96.5 % occupied according to 2000 United States Census figures. Those same figures also show a total population of 3,9995 which is an increase of 32.5 % over the 1990 United States Census figures. (Exhibit #1). Fairview Township had the largest population increase of all Luzerne County between 1990 and 2000. The Median age of Township residents is 38.3 years old. (Exhibits 2&3)

Fairview Township has a business district consisting of 136 businesses consisting of medical offices, resturants, banks, retail stores and others.

The Crestwood School District operates the Fairview Elementary School teaching grades Kindergarten to sixth with 697 students.

The Largest apartment complex is Fairview Park which is operated by the Luzerne County Housing Authority as a Low Income housing development with 100 apartments.

1990 Census figures were used for the following information because 2000 Census figures were not yet available. Per Capita Income of Township

residents is \$21,864. Household Median Income is \$33,036. Family Median Income is \$41,062. (Exhibit 4)

The current average sale price of houses in Fairview Township during 2001 was \$184,279. According to realty figures from Century 21 Real Estate. The average sale price of a house in the Mountaintop Area was \$158,530. Which was the highest of all Luzerne County Communities. (Exhibit 5)

Fairview Township currently maintains taxes at 14 Mills, which is one of the lowest for a township operating a full time Police Dept. in Luzerne County. (Exhibit 6) The total assessed property value is presently \$13,142,780. The township operated on 2001 budget of \$860,030. And currently lists a 2002 budget of \$889,889. (Exhibits 7&8).

Silver Spring Township, Pennsylvania

From Wikipedia, the free encyclopedia.

Silver Spring Township is a township located in Cumberland County, Pennsylvania. As of the 2000 census, the township had a total population of 10,592.

Geography

According to the United States Census Bureau, the township has a total area of 85.2 km² (32.9 mi²). 84.2 km² (32.5 mi²) of it is land and 1.0 km² (0.4 mi²) of it is water. The total area is 1.16% water.

Demographics

As of the census² of 2000, there are 10,592 people, 4,061 households, and 3,102 families residing in the township. The population density is 125.8/km² (325.8/mi²). There are 4,185 housing units at an average density of 49.7/km² (128.7/mi²). The racial makeup of the township is 96.15% White, 0.37% African American, 0.08% Native American, 2.30% Asian, 0.04% Pacific Islander, 0.30% from other races, and 0.76% from two or more races. 0.73% of the population are Hispanic or Latino of any race.

There are 4,061 households out of which 34.1% have children under the age of 18 living with them, 67.6% are married couples living together, 6.1% have a female householder with no husband present, and 23.6% are non-families. 19.7% of all households are made up of individuals and 8.2% have someone living alone who is 65 years of age or older. The average household size is 2.60 and the average family size is 3.00.

In the township the population is spread out with 25.6% under the age of 18, 5.1% from 18 to 24, 29.5% from 25 to 44, 27.4% from 45 to 64, and 12.4% who are 65 years of age or older. The median age is 40 years. For every 100 females there are 96.2 males. For every 100 females age 18 and over, there are 93.4 males.

The median income for a household in the township is \$54,932, and the median income for a family is \$63,828. Males have a median income of \$45,152 versus \$29,821 for females. The per capita income for the township is \$31,728. 2.4% of the population and 1.4% of families are below the poverty line. Out of the total population, 1.8% of those under the age of 18 and 5.3% of those 65 and older are living below the poverty line.

Retrieved from "http://en.wikipedia.org/wiki/Silver_Spring_Township%2C_Pennsylvania"

Categories: Cumberland County, Pennsylvania | Townships in Pennsylvania

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Table DP-1. Profile of General Demographic Characteristics: 2000
 Geographic area: Silver Spring township, Cumberland County, Pennsylvania

[For information on confidentiality protection, nonsampling error, and definitions, see text]

Subject	Number	Percent	Subject	Number	Percent
Total population.....	10,592	100.0	HISPANIC OR LATINO AND RACE		
SEX AND AGE			Total population.....	10,592	100.0
Male.....	5,193	49.0	Hispanic or Latino (of any race).....	77	0.7
Female.....	5,399	51.0	Mexican.....	22	0.2
Under 5 years.....	605	5.7	Puerto Rican.....	17	0.2
5 to 9 years.....	754	7.1	Cuban.....	6	0.1
10 to 14 years.....	855	8.1	Other Hispanic or Latino.....	32	0.3
15 to 19 years.....	693	6.5	Not Hispanic or Latino.....	10,515	99.3
20 to 24 years.....	341	3.2	White alone.....	10,135	95.7
25 to 34 years.....	1,223	11.5	RELATIONSHIP		
35 to 44 years.....	1,905	18.0	Total population.....	10,592	100.0
45 to 54 years.....	1,790	16.9	In households.....	10,555	99.7
55 to 59 years.....	625	5.9	Householder.....	4,061	38.3
60 to 64 years.....	488	4.6	Spouse.....	2,747	25.9
65 to 74 years.....	819	7.7	Child.....	3,187	30.1
75 to 84 years.....	416	3.9	Own child under 18 years.....	2,582	24.4
85 years and over.....	78	0.7	Other relatives.....	270	2.5
Median age (years).....	39.9	(X)	Under 18 years.....	92	0.9
18 years and over.....	7,885	74.4	Nonrelatives.....	290	2.7
Male.....	3,808	36.0	Unmarried partner.....	136	1.3
Female.....	4,077	38.5	In group quarters.....	37	0.3
21 years and over.....	7,598	71.7	Institutionalized population.....	4	-
62 years and over.....	1,589	15.0	Noninstitutionalized population.....	33	0.3
65 years and over.....	1,313	12.4	HOUSEHOLD BY TYPE		
Male.....	590	5.6	Total households.....	4,061	100.0
Female.....	723	6.8	Family households (families).....	3,103	76.4
RACE			With own children under 18 years.....	1,384	34.1
One race.....	10,511	99.2	Married-couple family.....	2,747	67.6
White.....	10,184	96.1	With own children under 18 years.....	1,189	29.3
Black or African American.....	39	0.4	Female householder, no husband present.....	248	6.1
American Indian and Alaska Native.....	8	0.1	With own children under 18 years.....	132	3.3
Asian.....	244	2.3	Nonfamily households.....	958	23.6
Asian Indian.....	94	0.9	Householder living alone.....	799	19.7
Chinese.....	13	0.1	Householder 65 years and over.....	332	8.2
Filipino.....	12	0.1	Households with individuals under 18 years.....	1,450	35.7
Japanese.....	1	-	Households with individuals 65 years and over.....	960	23.6
Korean.....	54	0.5	Average household size.....	2.60	(X)
Vietnamese.....	40	0.4	Average family size.....	3.00	(X)
Other Asian ¹	30	0.3	HOUSING OCCUPANCY		
Native Hawaiian and Other Pacific Islander.....	4	-	Total housing units.....	4,185	100.0
Native Hawaiian.....	4	-	Occupied housing units.....	4,061	97.0
Guamanian or Chamorro.....	-	-	Vacant housing units.....	124	3.0
Samoan.....	-	-	For seasonal, recreational, or occasional use.....	10	0.2
Other Pacific Islander ²	-	-	Homeowner vacancy rate (percent).....	1.3	(X)
Some other race.....	32	0.3	Rental vacancy rate (percent).....	6.9	(X)
Two or more races.....	81	0.8	HOUSING TENURE		
Race alone or in combination with one or more other races:³			Occupied housing units.....	4,061	100.0
White.....	10,260	96.9	Owner-occupied housing units.....	3,683	90.7
Black or African American.....	61	0.6	Renter-occupied housing units.....	378	9.3
American Indian and Alaska Native.....	33	0.3	Average household size of owner-occupied units.....	2.64	(X)
Asian.....	271	2.6	Average household size of renter-occupied units.....	2.24	(X)
Native Hawaiian and Other Pacific Islander.....	8	0.1			
Some other race.....	53	0.5			

- Represents zero or rounds to zero. (X) Not applicable.

¹ Other Asian alone, or two or more Asian categories.

² Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories.

³ In combination with one or more of the other races listed. The six numbers may add to more than the total population and the six percentages may add to more than 100 percent because individuals may report more than one race.

Source: U.S. Census Bureau, Census 2000.

Table DP-2. Profile of Selected Social Characteristics: 2000

Geographic area: Silver Spring township, Cumberland County, Pennsylvania

[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]

Subject	Number	Percent	Subject	Number	Percent
SCHOOL ENROLLMENT			NATIVITY AND PLACE OF BIRTH		
Population 3 years and over enrolled in school.....	2,640	100.0	Total population.....	10,592	100.0
Nursery school, preschool.....	173	6.6	Native.....	10,315	97.4
Kindergarten.....	173	6.6	Born in United States.....	10,240	96.7
Elementary school (grades 1-8).....	1,339	50.7	State of residence.....	8,213	77.5
High school (grades 9-12).....	686	26.0	Different state.....	2,027	19.1
College or graduate school.....	269	10.2	Born outside United States.....	75	0.7
EDUCATIONAL ATTAINMENT			Foreign born.....	277	2.6
Population 25 years and over.....	7,357	100.0	Entered 1990 to March 2000.....	102	1.0
Less than 9th grade.....	247	3.4	Naturalized citizen.....	182	1.7
9th to 12th grade, no diploma.....	518	7.0	Not a citizen.....	95	0.9
High school graduate (includes equivalency).....	2,669	36.3	REGION OF BIRTH OF FOREIGN BORN		
Some college, no degree.....	1,247	16.9	Total (excluding born at sea).....	277	100.0
Associate degree.....	447	6.1	Europe.....	57	20.6
Bachelor's degree.....	1,443	19.6	Asia.....	220	79.4
Graduate or professional degree.....	766	10.7	Africa.....	-	-
Percent high school graduate or higher.....	89.6	(X)	Oceania.....	-	-
Percent bachelor's degree or higher.....	30.3	(X)	Latin America.....	-	-
MARITAL STATUS			Northern America.....	-	-
Population 15 years and over.....	8,346	100.0	LANGUAGE SPOKEN AT HOME		
Never married.....	1,608	19.3	Population 5 years and over.....	9,974	100.0
Now married, except separated.....	5,594	67.0	English only.....	9,464	94.9
Separated.....	85	1.0	Language other than English.....	510	5.1
Widowed.....	479	5.7	Speak English less than "very well".....	150	1.5
Female.....	376	4.5	Spanish.....	131	1.3
Divorced.....	580	6.9	Speak English less than "very well".....	61	0.6
Female.....	341	4.1	Other Indo-European languages.....	183	1.8
GRANDPARENTS AS CAREGIVERS			Speak English less than "very well".....	54	0.5
Grandparent living in household with one or more own grandchildren under 18 years.....	119	100.0	Asian and Pacific Island languages.....	146	1.5
Grandparent responsible for grandchildren.....	60	50.4	Speak English less than "very well".....	35	0.4
VETERAN STATUS			ANCESTRY (single or multiple)		
Civilian population 18 years and over ..	7,828	100.0	Total population.....	10,592	100.0
Civilian veterans.....	1,289	16.5	Total ancestries reported.....	11,921	112.5
DISABILITY STATUS OF THE CIVILIAN NONINSTITUTIONALIZED POPULATION			Arab.....	43	0.4
Population 5 to 20 years.....	2,384	100.0	Czech ¹	54	0.5
With a disability.....	191	8.0	Danish.....	62	0.6
Population 21 to 64 years.....	6,263	100.0	Dutch.....	275	2.6
With a disability.....	947	15.1	English.....	1,196	11.3
Percent employed.....	70.0	(X)	French (except Basque) ¹	340	3.2
No disability.....	5,316	84.9	French Canadian ¹	55	0.5
Percent employed.....	81.3	(X)	German.....	3,889	36.7
Population 65 years and over.....	1,307	100.0	Greek.....	67	0.6
With a disability.....	507	38.8	Hungarian.....	123	1.2
RESIDENCE IN 1995			Irish ¹	1,448	13.7
Population 5 years and over.....	9,974	100.0	Italian.....	889	8.4
Same house in 1995.....	6,702	67.2	Lithuanian.....	51	0.5
Different house in the U.S. in 1995.....	3,268	32.8	Norwegian.....	75	0.7
Same county.....	1,966	19.7	Polish.....	513	4.8
Different county.....	1,302	13.1	Portuguese.....	9	0.1
Same state.....	630	6.3	Russian.....	26	0.2
Different state.....	672	6.7	Scotch-Irish.....	291	2.7
Elsewhere in 1995.....	4	-	Scottish.....	211	2.0
			Slovak.....	216	2.0
			Subsaharan African.....	-	-
			Swedish.....	54	0.5
			Swiss.....	87	0.8
			Ukrainian.....	62	0.6
			United States or American.....	611	5.8
			Welsh.....	150	1.4
			West Indian (excluding Hispanic groups).....	-	-
			Other ancestries.....	1,124	10.6

-Represents zero or rounds to zero. (X) Not applicable.

¹The data represent a combination of two ancestries shown separately in Summary File 3. Czech includes Czechoslovakian. French includes Alsatian. French Canadian includes Acadian/Cajun. Irish includes Celtic.

Source: U.S. Bureau of the Census, Census 2000.

Table DP-3. Profile of Selected Economic Characteristics: 2000

Geographic area: Silver Spring township, Cumberland County, Pennsylvania

[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]

Subject	Number	Percent	Subject	Number	Percent
EMPLOYMENT STATUS			INCOME IN 1999		
Population 16 years and over	8,170	100.0	Households	4,046	100.0
In labor force	5,750	70.4	Less than \$10,000	90	2.2
Civilian labor force	5,730	70.1	\$10,000 to \$14,999	177	4.4
Employed	5,575	68.2	\$15,000 to \$24,999	311	7.7
Unemployed	155	1.9	\$25,000 to \$34,999	492	12.2
Percent of civilian labor force	2.7	(X)	\$35,000 to \$49,999	698	17.3
Armed Forces	20	0.2	\$50,000 to \$74,999	919	22.7
Not in labor force	2,420	29.6	\$75,000 to \$99,999	608	15.0
Females 16 years and over	4,179	100.0	\$100,000 to \$149,999	469	11.6
In labor force	2,650	63.4	\$150,000 to \$199,999	97	2.4
Civilian labor force	2,650	63.4	\$200,000 or more	185	4.6
Employed	2,560	61.3	Median household income (dollars)	54,932	(X)
Own children under 6 years	747	100.0	With earnings	3,446	85.2
All parents in family in labor force	461	61.7	Mean earnings (dollars) ¹	77,664	(X)
COMMUTING TO WORK			With Social Security income	1,064	26.3
Workers 16 years and over	5,530	100.0	Mean Social Security income (dollars) ¹	11,734	(X)
Car, truck, or van -- drove alone	4,801	86.8	With Supplemental Security Income	28	0.7
Car, truck, or van -- carpooled	482	8.7	Mean Supplemental Security Income		
Public transportation (including taxicab)	42	0.8	(dollars) ¹	8,189	(X)
Walked	31	0.6	With public assistance income	-	-
Other means	35	0.6	Mean public assistance income (dollars) ¹	-	(X)
Worked at home	139	2.5	With retirement income	1,004	24.8
Mean travel time to work (minutes) ¹	21.4	(X)	Mean retirement income (dollars) ¹	18,095	(X)
Employed civilian population			Families	3,084	100.0
16 years and over	5,575	100.0	Less than \$10,000	26	0.8
OCCUPATION			\$10,000 to \$14,999	31	1.0
Management, professional, and related			\$15,000 to \$24,999	142	4.6
occupations	1,995	35.8	\$25,000 to \$34,999	294	9.5
Service occupations	625	11.2	\$35,000 to \$49,999	557	18.1
Sales and office occupations	1,773	31.8	\$50,000 to \$74,999	786	25.5
Farming, fishing, and forestry occupations	26	0.5	\$75,000 to \$99,999	550	17.8
Construction, extraction, and maintenance			\$100,000 to \$149,999	423	13.7
occupations	438	7.9	\$150,000 to \$199,999	90	2.9
Production, transportation, and material moving			\$200,000 or more	185	6.0
occupations	718	12.9	Median family income (dollars)	63,828	(X)
INDUSTRY			Per capita income (dollars) ¹	31,728	(X)
Agriculture, forestry, fishing and hunting,			Median earnings (dollars):		
and mining	60	1.1	Male full-time, year-round workers	45,152	(X)
Construction	398	7.1	Female full-time, year-round workers	29,821	(X)
Manufacturing	393	7.0			
Wholesale trade	254	4.6			
Retail trade	704	12.6			
Transportation and warehousing, and utilities	521	9.3			
Information	146	2.6			
Finance, insurance, real estate, and rental and					
leasing	597	10.7	POVERTY STATUS IN 1999		
Professional, scientific, management, adminis-			Families	42	1.4
trative, and waste management services	469	8.4	With related children under 18 years	20	1.4
Educational, health and social services	940	16.9	With related children under 5 years	10	2.1
Arts, entertainment, recreation, accommodation			Families with female householder, no		
and food services	269	4.8	husband present	10	4.5
Other services (except public administration)	307	5.5	With related children under 18 years	10	6.8
Public administration	517	9.3	With related children under 5 years	-	-
CLASS OF WORKER			Individuals	254	2.4
Private wage and salary workers	4,276	76.7	18 years and over	188	2.4
Government workers	918	16.5	65 years and over	69	5.3
Self-employed workers in own not incorporated			Related children under 18 years	47	1.8
business	372	6.7	Related children 5 to 17 years	23	1.1
Unpaid family workers	9	0.2	Unrelated individuals 15 years and over	128	10.1

-Represents zero or rounds to zero. (X) Not applicable.

¹If the denominator of a mean value or per capita value is less than 30, then that value is calculated using a rounded aggregate in the numerator. See text.

Source: U.S. Bureau of the Census, Census 2000.

Table DP-4. Profile of Selected Housing Characteristics: 2000

Geographic area: Silver Spring township, Cumberland County, Pennsylvania

[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]

Subject	Number	Percent	Subject	Number	Percent
Total housing units.....	4,185	100.0	OCCUPANTS PER ROOM		
UNITS IN STRUCTURE			Occupied housing units	4,061	100.0
1-unit, detached.....	3,141	75.1	1.00 or less.....	4,047	99.7
1-unit, attached.....	421	10.1	1.01 to 1.50.....	14	0.3
2 units.....	51	1.2	1.51 or more.....	-	-
3 or 4 units.....	32	0.8			
5 to 9 units.....	10	0.2	Specified owner-occupied units.....	3,095	100.0
10 to 19 units.....	58	1.4	VALUE		
20 or more units.....	-	-	Less than \$50,000.....	15	0.5
Mobile home.....	472	11.3	\$50,000 to \$99,999.....	447	14.4
Boat, RV, van, etc.....	-	-	\$100,000 to \$149,999.....	1,404	45.4
			\$150,000 to \$199,999.....	754	24.4
YEAR STRUCTURE BUILT			\$200,000 to \$299,999.....	319	10.3
1999 to March 2000.....	126	3.0	\$300,000 to \$499,999.....	99	3.2
1995 to 1998.....	272	6.5	\$500,000 to \$999,999.....	57	1.8
1990 to 1994.....	675	16.1	\$1,000,000 or more.....	-	-
1980 to 1989.....	1,018	24.3	Median (dollars).....	138,000	(X)
1970 to 1979.....	753	18.0			
1960 to 1969.....	461	11.0	MORTGAGE STATUS AND SELECTED		
1940 to 1959.....	544	13.0	MONTHLY OWNER COSTS		
1939 or earlier.....	336	8.0	With a mortgage.....	2,119	68.5
			Less than \$300.....	-	-
ROOMS			\$300 to \$499.....	18	0.6
1 room.....	-	-	\$500 to \$699.....	171	5.5
2 rooms.....	33	0.8	\$700 to \$999.....	438	14.2
3 rooms.....	85	2.0	\$1,000 to \$1,499.....	968	31.3
4 rooms.....	523	12.5	\$1,500 to \$1,999.....	326	10.5
5 rooms.....	853	20.4	\$2,000 or more.....	198	6.4
6 rooms.....	705	16.8	Median (dollars).....	1,211	(X)
7 rooms.....	590	14.1	Not mortgaged.....	976	31.5
8 rooms.....	774	18.5	Median (dollars).....	321	(X)
9 or more rooms.....	622	14.9			
Median (rooms).....	6.3	(X)	SELECTED MONTHLY OWNER COSTS		
			AS A PERCENTAGE OF HOUSEHOLD		
Occupied housing units	4,061	100.0	INCOME IN 1999		
YEAR HOUSEHOLDER MOVED INTO UNIT			Less than 15.0 percent.....	1,182	38.2
1999 to March 2000.....	447	11.0	15.0 to 19.9 percent.....	525	17.0
1995 to 1998.....	949	23.4	20.0 to 24.9 percent.....	475	15.3
1990 to 1994.....	915	22.5	25.0 to 29.9 percent.....	274	8.9
1980 to 1989.....	822	20.2	30.0 to 34.9 percent.....	218	7.0
1970 to 1979.....	576	14.2	35.0 percent or more.....	421	13.6
1969 or earlier.....	352	8.7	Not computed.....	-	-
VEHICLES AVAILABLE			Specified renter-occupied units	361	100.0
None.....	126	3.1	GROSS RENT		
1.....	1,042	25.7	Less than \$200.....	-	-
2.....	1,960	48.3	\$200 to \$299.....	-	-
3 or more.....	933	23.0	\$300 to \$499.....	147	40.7
			\$500 to \$749.....	145	40.2
HOUSE HEATING FUEL			\$750 to \$999.....	24	6.6
Utility gas.....	591	14.6	\$1,000 to \$1,499.....	11	3.0
Bottled, tank, or LP gas.....	108	2.7	\$1,500 or more.....	-	-
Electricity.....	1,788	44.0	No cash rent.....	34	9.4
Fuel oil, kerosene, etc.....	1,365	33.6	Median (dollars).....	521	(X)
Coal or coke.....	81	2.0			
Wood.....	79	1.9	GROSS RENT AS A PERCENTAGE OF		
Solar energy.....	-	-	HOUSEHOLD INCOME IN 1999		
Other fuel.....	41	1.0	Less than 15.0 percent.....	67	18.6
No fuel used.....	8	0.2	15.0 to 19.9 percent.....	85	23.5
			20.0 to 24.9 percent.....	72	19.9
SELECTED CHARACTERISTICS			25.0 to 29.9 percent.....	41	11.4
Lacking complete plumbing facilities.....	8	0.2	30.0 to 34.9 percent.....	11	3.0
Lacking complete kitchen facilities.....	9	0.2	35.0 percent or more.....	51	14.1
No telephone service.....	10	0.2	Not computed.....	34	9.4

-Represents zero or rounds to zero. (X) Not applicable.

Source: U.S. Bureau of the Census, Census 2000.

**THE FOLLOWING IS SAMPLES OF POLICE
DEPARTMENT HISTORY AND A POLICE OFFICER'S
ROSTER:**

Index:

The Easton Police Department was formed in 1887 by the newly incorporated City of Easton and consisted of a chief, lieutenant, sergeant, and seven night patrolmen, with an annual budget of \$8,000. The city now covers approximately 4 square miles and serves approximately 26,000 people with an average 25,000 calls for service each year, and an annual budget of \$3.5 million. The great-grandson of Issac Leauber, one of the original 1887 officers, is currently an Easton Police Officer.

- [Administration](#)
- [City Ordinance](#)
- [Neighborhood Police](#)
- [In The Line of Duty](#)
- [K-9 Corps](#)
- [Traffic](#)
- [Criminal Investigation](#)
- [Vice](#)
- [Wanted Persons](#)
- [Motorcycle Patrols](#)
- [Bicycle Patrols](#)
- [Patrol Division](#)
- [Weed & Seed](#)
- [Dare/Great](#)
- [Accident Investigation](#)
- [Old Photos](#)
- [SWAT/EOD](#)
- [Credits](#)
- [Easton Quiz](#)
- [Child Safety](#)
- [Coloring Pages](#)
- [Employment Information](#)
- [Patch Collecting](#)



Easton Police Force 1888

Easton's Patch

Click on images for a larger view

Currently we have 62 officers and our department includes a Patrol Unit, Detective Division, Vice Division, K-9, SWAT, EOD, and Accident Investigation Units. And a Neighborhood Policing Division which includes Crime Prevention, DARE, Motorcycle and Bicycle patrols, a Traffic Officer, and neighborhood foot patrol officers who deal with "Quality of Life" issues in the City of Easton.

Our patch, the result of a design contest held in 1990, resembles our police badge and is unique in the fact that it contains eight (8) separate colors.

Offsite

Links:

- [UCR Stats](#)
- [Car Seat Safety](#)
- [City Of Easton old site](#)
- [City of Easton new site](#)
- [Law Enforcement Alliance](#)

Our Mission

The mission of the Easton Police Department is to work with our fellow citizens of Easton to enhance the quality of life in our city. We will endeavor to raise the level of public safety through fair, impartial, and efficient law enforcement. To preserve constitutional rights and human dignity, and to maintain a partnership with our community to meet present and future challenges.

In order to attain these goals we will strive to be recognized as an organization of

Police Memorial
PA POP
National POP
Justice for Officer Faulkner
Lafayette College Public Safety
Easton Pride
Northampton County 911
Arial View of Easton

the highest ethical standards and integrity, and recognize that no one is above the law. We will operate as a team with trust and mutual respect for each others skills and experience.

In accomplishing these goals, service will be our commitment, honor and integrity our mandate.

Child Seat Safety Checks Are Available By Appointment, Please Call 610-250-6657 For Information Or To Schedule An Appointment.

Contact Information

Emergency Calls Dial 911

Non-Emergency calls for service 610-330-2200

Switchboard 610-250-6600

Traffic 610-250-6642

Records 610-250-6663

Crime Prevention 610-250-6660

Neighborhood Policing 610-250-6779

Fax 610-250-6775

Postal address

25 S. 3rd St., Easton, PA 18042

Electronic mail

Administration: chiefNOSPAM@easton-pa.gov

Neighborhood Police: nppNOSPAM@easton-pa.gov

Criminal Investigation: CIDNOSPAM@easton-pa.gov


Records: recordsNOSPAM@easton-pa.gov

Traffic: trafficNOSPAM@easton-pa.gov

F.O.P.: lopNOSPAM@easton-pa.gov

Webmaster: webmasterNOSPAM@easton-pa.gov


Enter a City or US Zip:



Easton, PA
 Reported by Allentown, PA
Fair

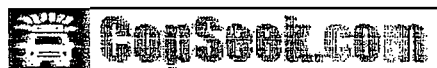
Mon Jan 31 10:51 AM ET
 Temperature: 24°F/-4°C
 Humidity: 50%
 Barometer: 30.41in/1031mb
 Winds: NNW at 3mph/5kph

[Click for Forecast](#)





We hope you enjoy your visit to our site!



POLICE OFFICERS ROSTER
EXAMPLE

James Stiller

Position: Detective/Sergeant

Age: 34

Years of Experience: 14

Personal: Married, 2 children

Education: High School Earnest High School
College Apples Community College
Currently Enrolled, 6 credits needed for
Associated Degree Criminal Justice

Professional Training: Act 120 Pennsylvania State Police
First Aid, CPR, Hazardous Material,
Drug Enforcement, School Violence,
Crime Scene Processing, Crime Scene
Photography Interview and Interrogation,
Criminal Investigation, Narcotic Field Testing

Professional Membership: FOP Lodge 36
Pennsylvania Narcotic Officers Association
Earnest County Drug Task Force
New Jersey Identification Association

**THIS SECTION SHOULD SHOW CRIME
STATISTICS PARTS I & II OF YOUR SPECIFIC AREA.**

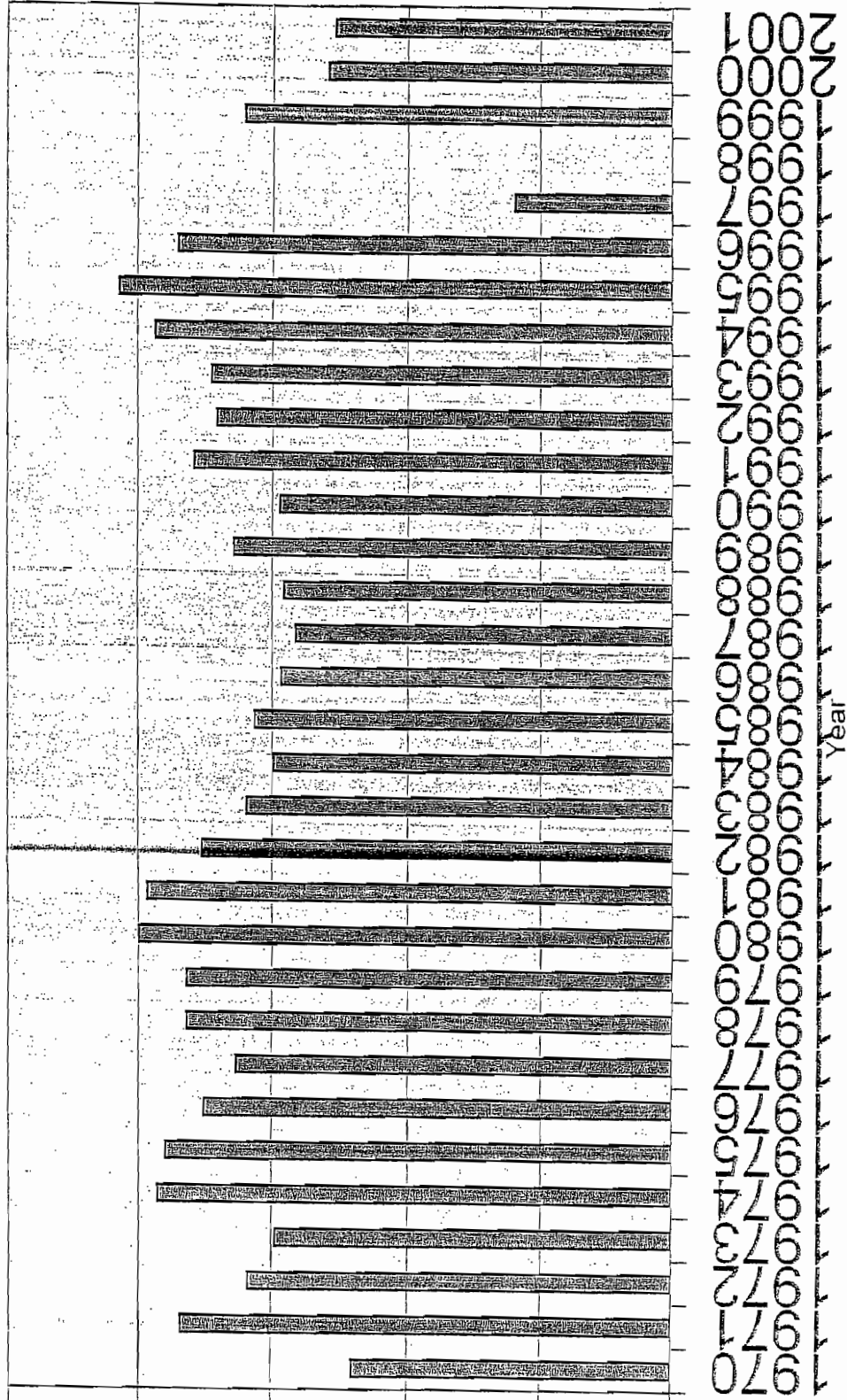
2003 CRIME STATISTIC'S

CALLS/SERVICE	FELONY/MISD.	CLEARANCE
JAN- 1,188	55	80%
FEB- 1,051	55	80%
MAR- 1,174	32	96%
APR- 1,208	67	71%
MAY- 1,376	63	75%
JUN- 1,330	49	71%
JUL- 1,377	75	70%
AUG- 1,464	87	74%
SEPT- 1,295	60	84%
OCT- 1,320	54	79%
NOV- 1,379	55	65%
DEC- 1,245	53	67%
TOTAL: 15,407	705	75%

UCR Part I 1970-2001

Number
of
Crimes

2500
2000
1500
1000
500
0



Year

BEAVER COUNTY 9-1-1 CENTER
2004 YEAR END REPORT
POLICE

POLICE AGENCY	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL 2004
ALQUIPPA	1476	1561	1627	1668	1938	1768	2002	1873	1742	1751	1652	1646	20704
ALLENCREST	0	0	0	0	0	0	0	0	0	0	0	0	0
AMBRIDGE	1156	1123	1186	1256	1502	1388	1509	1506	1440	1328	1359	1245	15998
BEAVER CO 9-1-1	788	737	825	719	760	752	762	1001	794	811	649	743	9341
BEAVER CO ADULT	0	1	1	0	0	3	2	1	0	1	0	1	11
BEAVER CO ALERTS	101	87	113	119	93	121	118	84	108	119	113	141	1317
BEAVER CO CYS	6	11	12	7	5	2	2	10	3	4	7	6	76
BEAVER CO DA	4	3	5	2	4	2	3	0	1	0	2	2	28
BEAVER CO DETECTIVES	20	23	17	12	12	23	16	16	12	6	8	9	174
BEAVER CO HOUSING	0	1	0	0	0	0	0	0	0	0	0	0	0
BEAVER CO SHERIFFS	518	446	508	434	442	482	451	418	388	310	233	244	4874
BADEIN	414	401	435	464	406	500	462	413	472	412	384	394	5157
BEAVER FALLS	1497	1469	1704	1742	1974	1951	1903	1942	1663	1784	1555	1530	20714
BEAVER	143	123	148	163	156	166	162	184	172	149	165	199	1937
BELL ACRES	148	133	152	177	149	156	162	135	222	156	138	199	1937
BRIDGEWATER	287	261	237	252	289	290	272	273	313	293	281	258	3286
BRIGHTON TWP	615	548	636	591	690	649	609	642	633	633	580	567	7528
CENTER TWP	1065	1024	1024	997	1186	1157	1173	1167	1179	1103	1093	1129	13297
CHIPPewa TWP	729	697	664	793	851	870	1005	941	862	781	722	915	9830
CONWAY	258	275	342	328	372	286	357	287	298	315	282	301	3681
DARLINGTON TWP	132	84	155	117	188	113	95	101	117	93	96	122	1413
ECONOMY	506	482	445	490	507	488	509	552	607	419	403	512	5900
FISH COMMISSION	0	1	2	2	1	3	7	1	6	0	0	0	23
FRANKLIN	357	352	326	392	401	365	357	397	463	366	313	309	4398
GAME COMMISSION	0	0	1	0	0	0	0	0	1	3	0	0	5
HANOVER TWP	0	0	0	0	0	0	0	0	0	1	0	0	4
HARMONY TWP	262	246	295	273	301	313	309	279	290	356	325	275	3524
HOPEWELL TWP	354	271	284	255	325	326	417	401	425	301	327	343	4029
INDEPENDENCE TWP	332	348	341	257	363	330	378	367	442	311	303	278	4050
INDUSTRY	217	227	285	258	242	201	200	247	246	257	258	225	2863
KOPPEL	203	223	267	238	308	226	242	244	231	208	280	164	2814
LEET TWP	152	146	169	158	158	155	172	174	211	141	131	136	1903
LEETSDALE	303	250	292	300	329	348	360	317	278	245	285	276	3583
MARION TWP	164	146	138	156	164	155	110	112	169	122	112	128	1676
MIDLAND	406	459	498	505	531	552	588	525	525	458	408	457	5912
MONACA	703	775	748	702	814	966	1033	946	796	892	690	624	9689
NEW BRIGHTON	1121	1049	1185	1275	1381	1151	1392	1341	1223	1381	1173	1269	14941
NEW SEWICKLEY TWP	582	556	587	515	584	598	602	659	550	559	502	556	6850
NORTH SEWICKLEY	442	415	469	414	529	476	478	489	485	414	423	411	5449
OHIOVILLE	322	302	312	307	310	272	304	310	295	287	295	238	3514
PATTERSON TWP	221	228	194	236	303	321	250	228	251	250	196	217	2895
PENIN STATE	65	77	74	57	54	69	55	51	52	68	62	40	724
RACCOON TWP	237	194	262	263	264	304	309	307	263	252	244	212	3111
ROCHESTER STATE PARK	51	51	40	51	74	80	77	74	61	72	42	60	733
ROCHESTER BORO	1140	1067	1143	1031	1299	1187	1276	1128	1026	1012	1091	969	13369
ROCHESTER TWP	437	408	421	442	466	478	499	513	529	540	432	443	5608
SHIPPINGPORT	158	161	183	165	152	136	150	175	164	158	159	155	1928
SOUTH BEAVER	270	312	302	326	316	373	358	341	291	306	316	278	3789
SOUTH HEIGHTS	53	71	76	106	120	140	102	119	103	100	82	66	1158
STATE POLICE	424	359	405	340	427	489	406	433	471	344	348	403	4849
UNKNOWN "OUT OF CO"	49	38	45	41	37	42	44	50	34	40	40	33	493
WHITE TWP	267	318	285	362	333	250	301	246	253	272	221	280	3388
TOTALS	19153	18516	19855	19757	22112	21525	22371	22015	21295	20195	18693	18975	244462

**THE FOLLOWING ARE DIFFERENTIAL TYPES
OF NEWS ARTICLES THAT MAY BE SHOWN IN AN
ARBITRATION BOOK TO HELP PIN POINT A
CERTAIN DISCUSSION OR TOPIC.**

MONEY

Going up

INFLATION SETTLING IN WITH AN IMPROVING ECONOMY

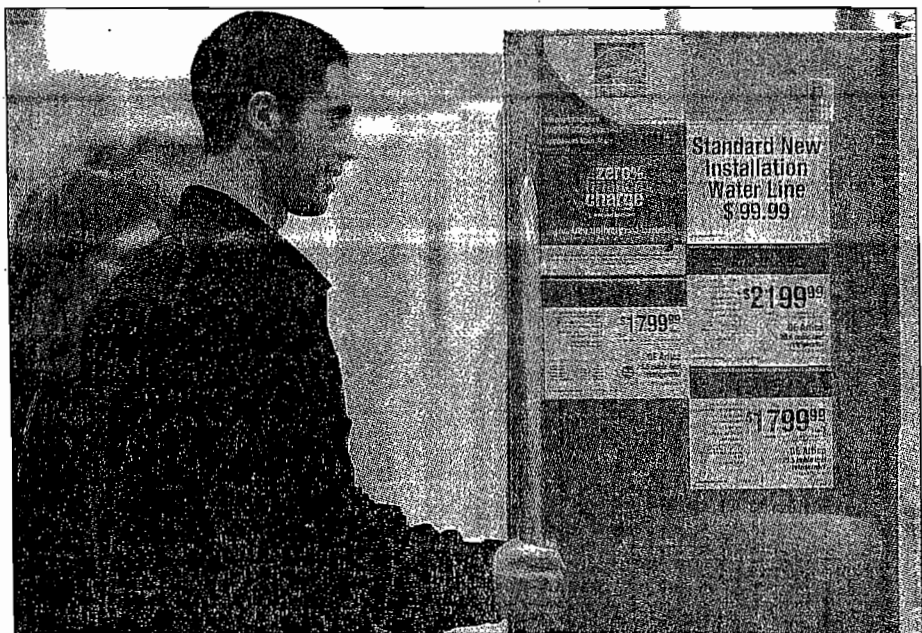
Marc Levy
Associated Press Writer

HARRISBURG — After a decade of relatively tame prices, consumers are starting to feel the “ouch” of inflation as the cost of everything from coffee, candy and home appliances is marching higher.

It's not a sharp pain yet, and some call it hardly noticeable. But with companies such as Procter & Gamble Co., Hershey Foods Corp. and Whirlpool Corp. passing along the higher prices they pay for raw materials to their customers, it's beginning to get attention from people who shop in grocery, appliance and department stores.

It's also getting noticed by officials of the Federal Reserve, and that could mean higher costs for everything from car loans to home mortgages.

Minutes of the Fed's Dec. 14 meeting released on Tuesday suggest that central bankers' worries about rising prices could prompt them to continue bumping up short-term interest rates — which they raised five times in 2004 — to



MATT BADIAN, right, and Jad Benner look inside a new refrigerator while shopping at a Sears store in Camp Hill, Pa. With the price of candy, coffee and home appliances going up around the country, some of the strong inflation in production is trickling down to shoppers.
AP/CAROLYN KASTER

keep inflation in check.

For the most part, inflation as measured by the Labor Department's Consumer Price Index has

lagged behind the rising cost of wholesale products like fuel, steel and plastics over the past year. In the 12 months ending in Novem-

ber, the CPI rose 3.5 percent while the change in the price of finished

See Inflation, Page C

Inflation: Consumer prices inch higher

CONTINUED FROM PAGE D3

goods at the wholesale level increased 5 percent.

But the supply chain, which seems to have absorbed most of the higher costs, may be reaching its tipping point. Analysts say a slowly improving economy is giving producers more confidence to pass on higher prices, especially as excess inventories dwindle and commodities, from green coffee to oil, stay at elevated prices.

"I think the faster rate of inflation is here to stay," said Nigel Gault, managing director of the U.S. economic service of Global Insight in Lexington, Mass. "The important thing is whether it is stabilized at the rate it is at, or whether it will accelerate even faster. That is the question."

Procter & Gamble linked its December announcement of a 14 percent increase in prices for Folgers roast and ground coffee to sustained increases in the cost of green coffee. It was the largest price increase for Folgers products in a decade, and one that analysts say could be permanent as manufacturers opt for higher quality and more expensive coffee beans in more varieties.

Also last month, Hershey, the nation's largest candymaker, cited rising costs for raw materials, packaging, fuel, utilities, transportation and employee benefits in announcing plans to raise prices on about half of its domestic candy line by approximately 3 percent early this year.

With the arrival of the new year, appliance manufacturer Whirlpool bumped its prices up by 5 percent to 10 percent to pay for the rising cost of steel, transportation and plastics and resins. It's the largest price increase in at least 10 years for the maker of refrigerators, washers, dryers and microwave ovens, many of whose products are sold under the Kenmore brand at Sears, Roebuck and Co.

Spokesman Tom Kline said Whirlpool believes customers will be willing to pay the higher prices. "We believe in the power of our brands," Kline said.

How consumers react to such price increases could play a role in whether more companies follow

suit.

Shoppers in Harrisburg said they noticed the price of fuel, health insurance and tomatoes going up, but if prices are rising more broadly than that, it's not yet a major concern.

"That's the tricky thing," said Jay LaRue, who was drinking a Starbucks coffee and browsing chocolates at a mall. "They do it so gradually you don't notice."

Comments like that are no doubt good news for Starbucks Corp., which raised its prices an average 11-cents-per cup in October.

One of LaRue's companions, Jodi Reynhout, said she had noticed movie rentals becoming more expensive. And Lance Shaffer, a landscape contractor in the mall with his children, said the nurseries he does business with have been raising the price of fertilizer and mulch.

If inflation begins to squeeze his budget, retired accountant Willie Gaston said perhaps he'd get a part-time job and buy government "I-bonds" — bonds whose interest rate is tied to the consumer price index — to protect his investments.

Other shoppers said they would do things like buy cheaper groceries and coffee, replace clothing or household items less frequently, and cut back on vacations, cable television and dining out.

"Wear it as far as you can, and pray that at Christmas time, everybody buys you clothing," Shaffer said.

For now, Sears, the country's biggest seller of home appliances, said it would pass along price increases to its customers, but would also watch closely for dropping commodity prices.

"I think we're treating it more as a passing situation," Sears spokesman Ted McDougal said.

Dow Chemical Co. this year began charging 19 percent more for its plastics, specialty chemicals and agriculture products, saying it was paying more for raw materials and energy. It added it was convinced that improving demand and volume had given the chemical industry more pricing power.

Other manufacturers may also decide there's room to raise

prices, especially after Commerce Department figures released this week showed that orders to the nation's factories rose a stronger-than-expected 1.2 percent in November.

But for some industries, including automakers and airlines, com-

petition will force them to keep absorbing higher costs. Delta Air Lines Inc., for example, announced on Wednesday that it is cutting its most expensive fares by as much as 50 percent, a move that analysts said competitors may feel compelled to match.

19 Nov 03
2003

LOCAL

Layoffs looming

BEAVER FALLS PROPOSES 2 MILL BOOST, WAGE CONCESSIONS

Bob Janis
Times Staff

BEAVER FALLS — Beaver Falls Council has approved a preliminary budget for 2004 that includes two layoffs, wage concessions and the elimination of the zoning director, but does not avoid a 2 mill tax increase.

Council unanimously approved the \$5.5 million spending plan on Tuesday, with a property tax rate of .30 mills. One mill generates about \$60,000 in revenue. A house valued at \$40,000 and assessed at \$20,000 would have a tax of \$600, up \$40.

This year's spending plan also was \$5.5 million, but the city received nearly \$9,500 less in revenue than it expected and saw increases in insurance

and pension costs. Council anticipates finishing the year \$42,084 in the red.

Councilwoman Diane Ward, who oversees the city's finances, said that pension costs were up \$144,000, at \$833,643, and that hospitalization insurance was up \$61,157, to \$331,559.

Budget cuts through the layoffs, wage concessions from all city employees except police and firefighters, two retirements, cuts in overtime, and a 25 percent cut in wages for elected officials came to \$257,567.

The layoffs are expected to save the city \$2,564 in salaries and benefits.

Ward would not give the names of the employees to be laid off until the final budget is adopted in December.

Council member pay has been cut \$500, down to \$1,500 a year, and the mayor's wage cut is \$625, down to \$1,875 a year.

When Frank Braykovich, director, retires at the end of the year, his position will be eliminated. Braykovich's salary and insurance total \$44,346.

Doug Fluharty, a 20-year member of the fire department, also will retire at the end of the year, which will reduce the budget by \$49,150. It was not discussed Tuesday whether this position will be filled right away.

If the preliminary budget is finalized in December, the city expects to finish 2004 with a \$30,000 surplus.

Bob Janis can be reached online at bjanis@timesonline.com.

**IN THIS SECTION THE CURRENT POLICE
PENSION PLAN ACTUARIAL VALUATION SHALL
BE SHOWN.**

THE FOLLOWING IS A SAMPLE:



Conrad M. Siegel, Inc.

Actuaries/Benefit Consultants

501 Corporate Circle • P.O. Box 5900 • Harrisburg, PA 17110-0900
PHONE (717) 652-5633 • FAX (717) 540-9106 • www.cmsbenefits.com

Conrad M. Siegel, F.S.A.

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Robert J. Dolan, A.S.A.

David F. Stirling, A.S.A.

Robert J. Mrazik, F.S.A.

David H. Killick, F.S.A.

Jeffrey S. Myers, F.S.A.

Thomas L. Zimmerman, F.S.A.

Glenn A. Hafer, F.S.A.

Kevin A. Erb, F.S.A.

Mark S. Rhodes, F.S.A., A.C.A.S.

Holly A. Ross, F.S.A.

Charles B. Friedlander, F.S.A.

John W. Jeffrey, F.S.A.

Denise M. Polin, F.S.A.

Thomas W. Reese, A.S.A.

John M. Leymeister, CEBS

Mark A. Bonsall, F.S.A.

Jonathan D. Cramer, A.S.A.

John D. Vargo, A.S.A.

David H. Stimpson, E.A.

Robert M. Glus, A.S.A.

Ferguson Township Police Pension Plan Actuarial Valuation as of January 1, 2003

Ferguson Township Police Pension Plan
Actuarial Valuation as of January 1, 2003

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Section 2 - Act 205 Funding Calculations

Section 3 - Supplemental Information for GASB Reporting

Section 4 - Participant Information

Demographic Data for Active Members

Demographic Data for Retired Members and Members Terminated with Vesting

Active Members

Vested Former Members

Retired Members and Beneficiaries

Ferguson Township Police Pension Plan
Actuarial Valuation as of January 1, 2003
Comments and Certification

The purpose of the valuation report is to determine the actuarial status of the Plan and to serve as the basis for satisfying the reporting requirements under Act 205.

The Summary of Principal Plan Benefit Provisions page provides a summary of the basic plan benefit provisions in effect as of January 1, 2003. There have been changes made to the death and disability benefits under the Plan to comply with Act 30 of 2002. There have also been changes made to the benefits provided to employees hired on or after January 24, 2001.

The Actuarial Assumptions and Methods page is a summary of actuarial assumptions and methods used in determining the actuarial status of the Plan. In conjunction with the changes to the disability benefit to comply with Act 30 of 2002, there has been a change made to the disability assumption.

Section 1 of the report provides a summary of plan assets and summary of plan membership.

The market value of the fund as of December 31, 2002, is \$1,926,978. The net dollar-weighted rates of investment return during 2001 and 2002 were -6.32% and -5.29%, respectively.

As of January 1, 2003, there are 16 active members with total annual payroll for pension purposes of \$743,845. There are also two vested former members entitled to deferred benefits under the Plan totaling \$8,967 annually and one retired member currently receiving benefits under the Plan totaling \$21,120 annually.

Section 2 of the report provides the Act 205 funding calculations.

As of January 1, 2003, there is an unfunded actuarial accrued liability under the Plan of \$3,190. The normal cost of the Plan, which is the cost of benefits being accrued during the current year, is \$102,906, which is 13.8% of covered payroll.

Page 3 of Section 2 shows the analysis of the change in the unfunded actuarial accrued liability from January 1, 2001, to January 1, 2003. There was an actuarial loss during the period of \$542,335. The unfunded actuarial accrued liability also increased by \$82,878 due to the changes in the plan benefit provisions and increased by \$47,035 due to the change in actuarial assumptions.

Page 4 of Section 2 illustrates the minimum municipal obligation for the Plan. The financial requirement of the Plan is \$136,145. This includes the normal cost, \$102,906, assumed annual administrative expenses, \$32,865, and amortization of the unfunded actuarial accrued liability, \$374. Since there are no expected member contributions to the Plan during 2003, the minimum municipal obligation is equal to the financial requirement, \$136,145. If the Township allocates \$50,048 of general municipal pension system State aid received during 2003 to the Plan, there is a net minimum municipal obligation of \$86,097. This calculation of the minimum municipal obligation is for illustrative purposes only since the calculation of the minimum municipal obligation for purposes of determining the Township's required contribution to the Plan is prepared through the budgeting process by September 30 each year for the upcoming calendar year.

Ferguson Township Police Pension Plan
Actuarial Valuation as of January 1, 2003
Comments and Certification

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Ferguson Township Police Pension Plan
Actuarial Valuation as of January 1, 2003
Summary of Principal Plan Benefit Provisions

Eligibility

All full-time members of the police force join the Plan upon employment.

Normal Retirement

If a member is hired before January 24, 2001, such member is eligible for normal retirement after attainment of age 50 and completion of 20 years of service. If a member is hired on or after January 24, 2001, such member is eligible for normal retirement after attainment of age 55 and completion of 25 years of service.

The normal retirement pension is payable monthly during the member's lifetime, with payments continuing after the member's death to the surviving spouse, or eligible child, equal to 50% of the amount payable to the member at the time of the member's death.

The amount of monthly pension is equal to 50% of average monthly compensation.

Average monthly compensation is based upon the last 36 months of employment.

Late Retirement

If a member continues working after his normal retirement date, his pension does not start until he actually retires. The monthly late retirement pension is equal to the benefit accrued to the late retirement date.

Disability Retirement

If an active member is hired before January 24, 2001, and becomes totally and permanently disabled, such member is eligible for a disability pension after six months of disability. If an active member is hired on or after January 24, 2001, and becomes totally and permanently disabled in the line of duty, such member is eligible for a disability pension after six months of disability. The disability pension is equal to the present value of the accrued benefit at the date of disability.

If an active member is totally and permanently disabled in the line of duty after April 17, 2002, such member is eligible for a minimum monthly disability pension equal to 50% of the member's monthly salary at the time of disability.

Death Benefits

If an active member is killed in the line of duty, a monthly death benefit is payable to his surviving spouse, or eligible child, equal to 100% of the member's monthly salary at the time of death.

If a member is eligible for retirement at the time of death, a monthly death benefit is payable to his surviving spouse, or eligible child, equal to 50% of the monthly benefit the member would have been receiving had he been retired at the time of death.

Upon the death of an active member who does not have a surviving spouse or eligible child who is entitled to the survivor's benefit, a death benefit is payable to his elected beneficiary equal to the present value of his accrued benefit at the date of death.

Ferguson Township Police Pension Plan
Actuarial Valuation as of January 1, 2003
Summary of Principal Plan Benefit Provisions

Vesting

If a member is hired before January 24, 2001, such member's benefits vest according to the following schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
0-4 Years	0%
5	25%
6	30%
7	35%
8	40%
9	45%
10	50%
11	60%
12	70%
13	80%
14	90%
15 or More Years	100%

If a member is hired on or after January 24, 2001, such member's benefits vest upon completion of 12 years of service.

The vested benefit is a deferred monthly pension beginning at normal retirement equal to the benefit accrued to the date of termination multiplied by the applicable vesting percentage.

Accrued Pension

The pension accrued at any date other than the normal retirement date is equal to the projected normal retirement benefit multiplied by the ratio of the number of years of service to date to the total number of years of service projected at normal retirement.

Contributions

Member contributions are currently suspended.

Past member contributions are credited with 6.0% interest.

Ferguson Township Police Pension Plan
Actuarial Valuation as of January 1, 2003
Actuarial Assumptions and Methods

Interest

8.00%

Salary

5.00% Annual Increase

Withdrawal

Table D-1: Rates of withdrawal at selected ages:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	5.5000%	35	2.5000%	50	0.0000%
25	5.0000%	40	1.0000%	55	0.0000%
30	4.0000%	45	0.5000%	60	0.0000%

Mortality

UP1984 Table

Disability

Loading of 3.0% added to basic pension costs.

Retirement

Normal Retirement Age, or age on valuation date, if greater.

Preretirement Death Benefit

Liabilities computed on the assumption that all participants will have spouses of the same age at the date of eligibility for the benefit.

Ferguson Township Police Pension Plan
Actuarial Valuation as of January 1, 2003
Actuarial Assumptions and Methods

Expenses

Provision for administrative expenses added to normal cost.

Inflation

Moderate inflation based on long term historical average rates is a component of the actuarial assumptions used herein. Provision is not made for advance funding of sharply higher rates of inflation experienced in some years. The effects of such higher rates are reflected in the funding after their occurrence.

Actuarial Value of Assets

Market Value as determined by the trustee.

Actuarial Cost Method

Entry Age Normal

Changes in Actuarial Assumptions and Methods

	<u>Prior</u>	<u>Current</u>
Disability	None	Loading of 3.0% added to basic pension costs.

Ferguson Township Police Pension Plan
Actuarial Valuation
as of January 1, 2003

Section 1

Summary of Plan Assets and Summary of Plan Membership

Ferguson Township Police Pension Plan
 Actuarial Valuation as of January 1, 2003
Receipts and Disbursements - January 1, 2001 to December 31, 2001

Market Value at 1/1/2001 \$ 2,142,156.18

Receipts

Employer Contributions Received	\$	0.00	
Employee Contributions Received		3,394.82	
State Contributions Received		82,532.00	
Investment Income			
Interest Received	\$	55,000.39	
Dividends Received		23,337.26	
Accrued Income at 1/1/2001		(9,351.00)	
Accrued Income at 12/31/2001		0.00	
Total Investment Income		<u>68,986.65</u>	
Change in Market Value			
Realized Gain/Loss	\$	(131,186.00)	
Unrealized Gain/Loss		<u>(74,127.96)</u>	
Net Change in Market Value		<u>(205,313.96)</u>	
Total Receipts			(50,400.49)

Disbursements

Monthly Benefit Payments	\$	(15,840.18)	
Refund of Employee Contributions		(6,187.47)	
Administrative Expenses		<u>(33,177.52)</u>	
Total Disbursements			<u>(55,205.17)</u>
Market Value at 12/31/2001			<u><u>\$ 2,036,550.52</u></u>

Approximate Net Dollar-Weighted Rate of Investment Return (6.32%)

Ferguson Township Police Pension Plan
 Actuarial Valuation as of January 1, 2003
Receipts and Disbursements - January 1, 2002 to December 31, 2002

Market Value at 1/1/2002 \$ 2,036,550.52

Receipts

Employer Contributions Received	\$	0.00	
State Contributions Received		50,048.00	
Investment Income			
Interest Received	\$	35,469.59	
Dividends Received		27,711.99	
Accrued Income at 1/1/2002		0.00	
Accrued Income at 12/31/2002		0.00	
Total Investment Income		63,181.58	
Change in Market Value			
Realized Gain/Loss	\$	(53,307.49)	
Unrealized Gain/Loss		(117,583.14)	
Net Change in Market Value		(170,890.63)	
Total Receipts			(57,661.05)

Disbursements

Monthly Benefit Payments	\$	(19,360.22)	
Administrative Expenses		(32,551.46)	
Total Disbursements			(51,911.68)
Market Value at 12/31/2002			\$ 1,926,977.79
Approximate Net Dollar-Weighted Rate of Investment Return			(5.29%)

Ferguson Township Police Pension Plan
Actuarial Valuation as of January 1, 2003

Assets and Liabilities

Assets

Cash	\$	151.15	
Money Markets		249,906.16	
U.S. Government Securities		406,346.73	
Corporate Bonds		448,910.16	
Common Stocks		<u>821,663.59</u>	
Total Assets in Fund	\$		1,926,977.79
Accrued Income			<u>0.00</u>
Total Assets	\$		<u>1,926,977.79</u>

Liabilities

Total Liabilities			<u>0.00</u>
Net Assets	\$		<u><u>1,926,977.79</u></u>

Ferguson Township Police Pension Plan
 Actuarial Valuation as of January 1, 2003
Summary of Plan Membership

Active Members	Number of Members	Annual Payroll
Active Members as of 1/1/2001	15	
New Members During the Period	3	
Returned to Active	0	
Members No Longer Active:		
Retired with Disability Benefit	0	
Retired with Service Retirement Benefit	(1)	
Separated with Deferred Benefit	0	
Separated with Refund of Contributions	(1)	
Separated with Neither Deferred Benefit nor Refund of Contributions	0	
Deceased	0	
Total	(2)	
Active Members as of 1/1/2003	16	\$ 743,845
 Vested Former Members	 Number of Members	 Annual Benefit
Vested Former Members as of 1/1/2001	2	
Separated with Deferred Benefit	0	
Beneficiary of Decéased Participant	0	
Returned to Active	0	
Retired with Service Retirement Benefit	0	
Deceased or Paid in Full	0	
Vested Former Members as of 1/1/2003	2	\$ 8,967
 Retired Members		
Retired Members as of 1/1/2001	0	
Retired with Service Retirement Benefit	1	
Deceased or Paid in Full	0	
Retired Members as of 1/1/2003	1	\$ 21,120

Ferguson Township Police Pension Plan
Actuarial Valuation
as of January 1, 2003

Section 2

Act 205 Funding Calculations

Ferguson Township Police Pension Plan
 Actuarial Valuation as of January 1, 2003
Unfunded Actuarial Accrued Liability and Normal Cost

Unfunded Actuarial Accrued Liability

Actuarial Present Value of Future Benefits

Active Members Retirement Pension Benefits	\$	2,415,116
Active Members Vested Withdrawal Benefits		41,740
Active Members Disability Benefits		72,454
Active Members Preretirement Death Benefits		57,898
Active Members Refund of Member Contributions		421 ¹
Vested Former Members Benefits		57,852
Retired Members Benefits		<u>219,374</u>
Total	\$	2,864,855
Actuarial Present Value of Future Normal Costs		<u>(934,687)</u>
Actuarial Accrued Liability	\$	1,930,168
Reserve for Benefits		<u>(1,926,978)</u>
Unfunded Actuarial Accrued Liability	\$	<u>3,190</u>
 Normal Cost		
Normal Cost	\$	<u>102,906</u>
Normal Cost as a Percentage of Annual Payroll		<u>13.8%</u>

¹ Accumulated Member Contributions Without Interest as of 1/1/2003 = \$71,101
 Accumulated Member Contributions With Interest as of 1/1/2003 = \$89,540

Ferguson Township Police Pension Plan
 Actuarial Valuation as of January 1, 2003
Amortization of Unfunded Actuarial Accrued Liability

Initial Date	Initial Amount	Outstanding Balance	Amortization Amount	Remaining Amortization	Nature
January 1, 2003	\$ 3,190	\$ 3,190	\$ 374	13 Years	Actuarial Loss

Projected plan year in which the unfunded accrued liability is fully amortized is 2015.

Aggregation of Changes in Unfunded Actuarial Accrued Liability

Date of Aggregation	Aggregated Target Date	Outstanding Balance	Amortization Amount	Remaining Amortization
January 1, 2003	2015	\$ 3,190	\$ 374	13 Years

Ferguson Township Police Pension Plan
 Actuarial Valuation as of January 1, 2003
Analysis of the Change in the Unfunded Actuarial Accrued Liability

Unfunded Actuarial Accrued Liability at 1/1/2001	\$	(664,993)
Additions		
Normal Costs	\$ 160,843	
Administrative Expenses	65,729	
Interest on Unfunded Actuarial Accrued Liability, Normal Costs, and Administrative Expenses	<u>(85,619)</u>	
Total		140,953
Contributions		
Employer Contributions	\$ 0	
Employee Contributions	(3,395)	
State Contributions	(132,580)	
Interest on Contributions	<u>(9,043)</u>	
Total		(145,018)
Modification in the Benefit Plan		82,878
Change in Actuarial Assumptions		47,035
Actuarial Loss		
Investment Loss	\$ 600,657	
Experience Gain	<u>(58,322)</u>	
Total		<u>542,335</u>
Unfunded Actuarial Accrued Liability at 1/1/2003	\$	<u><u>3,190</u></u>

Ferguson Township Police Pension Plan
Actuarial Valuation as of January 1, 2003
Illustration of Minimum Municipal Obligation

Financial Requirements

Normal Cost	\$	102,906	
Administrative Expenses		32,865 ¹	
Amortization of Unfunded Actuarial Accrued Liability		<u>374</u>	
Total	\$		136,145
Expected Member Contributions			<u>0</u>
Minimum Municipal Obligation	\$		136,145
Estimated Allocation of General Municipal Pension System State Aid			<u>(50,048)</u>
Net Minimum Municipal Obligation	\$		<u><u>86,097</u></u>

¹ Total Administrative Expenses for Plan Year 1/1/2001 to 12/31/2001 - \$ 33,178
Total Administrative Expenses for Plan Year 1/1/2002 to 12/31/2002 - \$ 32,551

Ferguson Township Police Pension Plan
Actuarial Valuation as of January 1, 2003
Actuarial Present Value of Accumulated Plan Benefits

Vested Benefits		
Retired Members	\$ 219,374	
Other Members	<u>1,075,724</u>	
Total Vested Benefits		\$ 1,295,098
Nonvested Benefits		<u>132,903</u>
Total Actuarial Present Value of Accumulated Plan Benefits		<u>\$ 1,428,001</u>
Net Assets Available for Benefits as of 1/1/2003		<u>\$ 1,926,978</u>

Ferguson Township Police Pension Plan
Actuarial Valuation
as of January 1, 2003

Section 3

Supplemental Information for GASB Reporting

Ferguson Township Police Pension Plan
Actuarial Valuation as of January 1, 2003
Supplemental Information for GASB Statement Nos. 25 & 27 Reporting

Schedule of Funding Progress

Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
1/1/1993	\$ 716,674	\$ 581,636	\$ (135,038)	123.2%	\$ 357,096	(37.8%)
1/1/1994	785,883					
1/1/1995	808,620	759,405	(49,215)	106.5%	392,892	(12.5%)
1/1/1996	960,850					
1/1/1997	1,123,643	992,565	(131,078)	113.2%	482,847	(27.1%)
1/1/1998	1,394,246					
1/1/1999	1,737,300	1,272,831	(464,469)	136.5%	584,055	(79.5%)
1/1/2000	2,117,978					
1/1/2001	2,142,156	1,477,163	(664,993)	145.0%	649,248	(102.4%)
1/1/2002	2,036,551					
1/1/2003	1,926,978	1,930,168	3,190	99.8%	743,845	0.4%

Schedule of Contributions from the Employer and Other Contributing Entities

Year	Annual Required Contribution	Contributions From Employer	Percentage Contributed
1993	\$ 31,041	\$ 40,719	100.0%+
1994	40,719	40,719	100.0%
1995	48,371	48,371	100.0%
1996	55,469	55,469	100.0%
1997	57,192	57,192	100.0%
1998	62,930	84,045	100.0%+
1999	73,124	73,124	100.0%
2000	66,500	69,767	100.0%+
2001	82,532	82,532	100.0%
2002	50,048	50,048	100.0%

The above information was determined as part of the actuarial valuations at the dates listed.
Additional information as of the current actuarial valuation:

Amortization Method: Level Dollar Closed
Remaining Amortization Period: 13 Years

Other Actuarial Assumptions and Methods stated previously in report.

¹ Includes general municipal pension system State aid

Ferguson Township Police Pension Plan
Actuarial Valuation
as of January 1, 2003

Section 4

Participant Information

FERGUSON TOWNSHIP POLICE PENSION PLAN
 DEMOGRAPHIC DATA FOR ACTIVE MEMBERS
 01/01/2003

AGE	YEARS OF SERVICE											TOTAL			
	0-1	2	3	4-5	6-10	11-15	16-20	21-25	26-30	30+					
UNDER 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NO. OF MEMBERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PAYROLL (\$000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NO. OF MEMBERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PAYROLL (\$000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1
NO. OF MEMBERS	38	0	0	0	0	0	0	0	0	0	0	0	0	0	38
PAYROLL (\$000)	1	2	0	0	2	0	0	0	0	0	0	0	0	0	5
30-34	38	78	0	0	95	0	0	0	0	0	0	0	0	0	211
NO. OF MEMBERS	0	0	0	1	2	1	0	0	0	0	0	0	0	0	4
PAYROLL (\$000)	0	0	0	45	97	47	0	0	0	0	0	0	0	0	189
40-44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NO. OF MEMBERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PAYROLL (\$000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	1	1	1	0	0	0	0	3
NO. OF MEMBERS	0	0	0	0	0	0	0	50	47	47	0	0	0	0	153
PAYROLL (\$000)	0	0	0	0	0	0	0	1	56	56	0	0	0	0	113
50-54	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NO. OF MEMBERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PAYROLL (\$000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55-59	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NO. OF MEMBERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PAYROLL (\$000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
60-64	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NO. OF MEMBERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PAYROLL (\$000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
65 & OVER	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NO. OF MEMBERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PAYROLL (\$000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL MEMBERS	2	2	0	0	4	2	3	1	1	1	0	0	0	0	16
TOTAL ANNUAL PAYROLL (\$000)	76	78	0	45	192	97	161	47	47	47	0	0	0	0	743

AVERAGE AGE = 39.9 YEARS
 AVERAGE SERVICE TO DATE = 10.6 YEARS
 AVERAGE SALARY = \$ 46,490
 NUMBER OF MALES = 16
 NUMBER OF FEMALES = 0
 NUMBER INACTIVE = 0

FERGUSON TOWNSHIP POLICE PENSION PLAN

DEMOGRAPHIC DATA FOR RETIRED MEMBERS AND MEMBERS TERMINATED WITH VESTING
01/01/2003

RETIRED MEMBERS

MEMBERS TERMINATED WITH VESTING

AGE	NUMBER	ANNUAL PENSIONS PAYABLE	AGE	NUMBER	ANNUAL PROJECTED PENSION
UNDER 30	0	0	UNDER 25	0	0
30-34	0	0	25-29	0	0
35-39	0	0	30-34	0	0
40-44	0	0	35-39	0	0
45-49	0	0	40-44	2	8967
50-54	1	21120	45-49	0	0
55-59	0	0	50-54	0	0
60-64	0	0	55-59	0	0
65-69	0	0	60-64	0	0
70-74	0	0	65-69	0	0
75-79	0	0	OVER 69	0	0
80-84	0	0			
OVER 84	0	0			
TOTALS	1	21120	TOTALS	2	8967

FERGUSON TOWNSHIP POLICE PENSION PLAN

ACTIVE MEMBERS AS OF 01/01/2003

Name	SSN	Sex	Age	S A Ret.	Birth	Dates		Benefit Service		Mth.		Annual Compensation		Income at Retirement		Employee Contributions		With Int.		
						Hire	Retirement	Past	Fut. Total	Accd.	Current	Avg.	Pens.	Monthly	Total/	This Year	After Tax		Before Tax	
Albright Christopher A	168-52-3677	M	35	50	07/04/1967	09/28/1992	08/01/2017	10	14	24	822	50,031	50,031	2,085	952	3,037	0.00	2,941.83	3,201.36	7,762.5
Lower Jason	193-68-8087	M	32	50	04/11/1971	01/01/2001	05/01/2021	2	18	20	150	37,826	37,826	1,576	819	2,395	0.00	0.00	170.40	186.0
Clemson Andrew G	162-46-5374	M	45	50	04/08/1958	09/01/1984	05/01/2008	18	5	23	1,764	55,816	55,816	2,326	1,072	3,398	0.00	3,289.34	3,761.80	8,899.4
Connor Edward J	211-30-7979	M	61	65	09/12/1941	04/01/1986	04/01/2006	16	4	20	1,888	58,407	58,407	2,434	1,553	3,987	0.00	3,835.63	3,942.48	9,851.6
Conti John P	178-42-4651	M	50	54	08/03/1952	02/11/1986	03/01/2006	16	4	20	1,511	47,282	47,282	1,970	1,141	3,111	0.00	2,997.60	3,108.00	7,731.3
Eltaro Andrew J	189-44-0147	M	37	53	08/25/1965	07/01/1998	07/01/2018	4	16	20	335	44,919	44,919	1,872	930	2,802	0.00	582.14	2,487.03	3,706.5
Glenny Robert	181-62-6211	M	37	50	06/06/1966	04/02/1990	07/01/2016	12	14	26	872	47,282	47,282	1,970	946	2,916	0.00	2,997.60	3,108.00	7,731.3
Hendrick Ryan L	192-58-3591	M	26	55	12/17/1976	05/01/2001	01/01/2032	1	29	30	42	37,826	37,826	1,576	926	2,502	0.00	0.00	113.60	122.8
Lamb Michael J	177-66-8381	M	32	56	07/03/1970	11/19/2001	12/01/2026	1	24	25	35	37,826	37,826	1,576	940	2,516	0.00	0.00	21.30	22.6
Muffinger David M	194-46-8928	M	47	55	09/07/1955	07/19/1990	08/01/2010	12	8	20	1,184	50,031	50,031	2,085	1,148	3,233	0.00	3,007.28	3,201.36	7,854.6
Spicer Stacey B	271-54-1487	M	47	50	04/13/1956	06/01/1981	05/01/2006	21	3	24	1,739	47,282	47,282	1,970	1,061	3,031	0.00	3,213.99	3,338.16	8,295.7
Sprinkle Brian L	184-64-1730	M	31	50	11/27/1971	10/21/1996	12/01/2021	6	19	25	435	47,282	47,282	1,970	921	2,891	0.00	2,239.87	2,752.44	6,268.6
Stringer Timothy A	193-50-0156	M	34	50	01/23/1969	08/01/1995	02/01/2019	7	16	23	570	47,282	47,282	1,970	928	2,898	0.00	2,525.03	2,935.62	6,882.4
Torsell Bernard A	180-34-8132	M	57	57	12/25/1945	03/04/1974	01/01/2003	28	0	28	1,889	47,282	45,344	1,889	1,161	3,050	0.00	2,997.60	3,108.00	7,731.3
Weaver Shawn P	178-58-0186	M	33	50	06/04/1970	10/02/2000	11/01/2020	2	18	20	115	40,189	40,189	1,675	835	2,510	0.00	0.00	384.90	428.6

FERGUSON TOWNSHIP POLICE PENSION PLAN

ACTIVE MEMBERS AS OF 01/01/2003

Name	SSN	S A Ret. e g Age	Dates			Benefit Service		Mth. Accd. Pens.	Annual Compensation		Income at Retirement			Employee Contributions									
			Birth	Hire	Retirement	Past	Fut. Total		Current	Avg.	Monthly Pens.	S.S. Addq. %	Total/ Addq. %	This Year	After Tax	Before Tax	With Int.						
Zweig G Edward	205-42-5886 M 35	50	08/13/1967	01/01/1997	09/01/2017	6	14	20	539	47,282	47,282	1,970	897	2,867	72%	0.00	2,119.02	2,719.88	6,064.61				
		16 Active Members								743,845													
															32,746.93			38,354.33			89,540.4		

NOTE: Average Annual Compensation and Monthly Income at Retirement:

- Line 1 shows data based on no future increases in pay
 - Line 2 shows data based on future increases in pay of 5.0% per year
- Social Security Assumptions:
- Prior salary increases - same as changes in U.S. Average Wages
 - Line 1 shows data based on no future increases in the Wage Base or the Consumer Price Index
 - Line 2 shows data based on future increases in the Wage Base of 5.0% per year and the Consumer Price Index of 4.0% per year
- Adequacy % (Addq. %) = [Pension + Social Security] / [Pay at Retirement]

FERGUSON TOWNSHIP POLICE PENSION PLAN

VESTED FORMER MEMBERS AS OF 01/01/2003

Name	SSN	Sex	Age	Ret. Age	Birth	Hire	Dates		Term	Retirement	Past Bft. Svc.	Monthly Pension	Pension Form	Employee Contributions			
							This Year	After Tax						Before Tax	With Int.		
Fitzgerald Keith E	164-52-5827	M	44	50	03/26/1959	01/25/1988	08/23/2000	04/01/2009			12	684.20	Life	0.00	2,997.60	2,507.68	7,051.50
Kenny Michael T	176-58-6194	M	41	50	01/12/1962	01/25/1988	03/20/1993	02/01/2012			5	63.04	Life				
2 Vested Former Members												747.24		0.00	2,997.60	2,507.68	7,051.50

FERGUSON TOWNSHIP POLICE PENSION PLAN

RETIRED MEMBERS AND BENEFICIARIES AS OF 01/01/2003

Name	SSN	Sex	Age	Dates		Survivor's Birth Date	Past Bft. Svc.		Monthly Pension	Pension Form
				Birth	Hire		Retirement	Birth Date		
Barry Robert B	178-38-8012	M	52	01/04/1951	02/01/1973	05/01/2001	28	1,760.02	Life	

1 Retired Members and Beneficiaries

1,760.02

**THIS SECTION SHALL SHOW THE
CURRENT CONSOLIDATED COLLECTIVE
BARGAINING AGREEMENT AND/OR ANY
ACT 111 ARBITRATION AWARDS THAT
MAY FOLLOW.**

**THE FOLLOWING IS A SAMPLE LIST OF
CURRENT ISSUES IN DISPUTE (PROPOSALS):**

2005 ISSUES IN DISPUTE

1. Pension COLA Benefit.
2. DROP Account.
3. 5.5% raise in each year of contract.
4. Shift Differential - Add a percentage.
5. Three (3) additional personal days.
6. Fifteen (15) days of vacation at three (3) years of service.
After five (5) years, the officer would earn one (1) additional day every year thereafter.
7. Accumulation of a maximum eighty (80) hours of comp time per calendar year.
8. Grievance Procedure - To include matters of discipline and the Heart and Lung Act.
9. H.R.A. of \$500/year per officer.
10. Post-Retirement Medical - provided to retirees.
11. No Residency Requirement.
12. Service Increments.
13. Longevity - Provide a longevity percentage.
14. Retirement Benefits.
15. Deferred Compensation (457 Plan).

PROPOSAL # 1

COLA

Pension COLA Benefit.

Current

New

PENSION COLA

Orange Township

Essex County

Population - Approximately 6,632

Contract Term - 2005/2008

Annual cost-of-living increases equal to the percentage increases in the CPI, but not more than 3% a year, from the year in which the member last worked. In no case shall the total pension benefits exceed 75% of the compensation for computing retirement benefits or 30% of such compensation in total cost-of-living increases, whichever is lesser.

Yates Township

Essex County

Population - Approximately 8,320

Contract Term - 2004/2006

Retirees shall receive a cost-of-living increment based on the CPI in accordance with Act 600. Maximum cost-of-living adjustments shall not exceed 5% in the Normal Retirement Benefit.

In addition, retirees shall receive an ad hoc cost-of-living increase provided that the COLA increase shall be in accordance with the provisions of Act 600. This increase shall be in addition to any previous ad hoc cost-of-living increases, including Act 147 of 1989.

Chenango City

Essex County

Population - Approximately 7,225

Contract Term - 2005/2006

Annual cost-of-living increases shall not exceed the percentage increase in the CPI for the year in which the retiree was last employed and the total retirement benefit payable under the plan shall not exceed 75% of the retiree's final monthly average salary. The total cost-of-living increase shall not exceed 15% of the retiree's retirement benefit under the plan.

Niagara Borough

Jefferson County

Population - Approximately 5,060

Contract Term - 2003/2006

Cost-of-living adjustment in an amount equal to 2% of the retiree's Final Average Monthly Compensation annually. The cost-of-living adjustment shall be applied as of the beginning of each Plan Year during which an officer shall be eligible for such adjustment and shall thereafter be paid monthly in addition to the retirement benefits paid under the Plan. Such a cost-of-living adjustment shall only be made on behalf of each retiree until such time as the total monthly benefit paid to the retiree including the retirement benefit, any service increment, any military service benefit, and all cost of living adjustments, shall be an amount equal to 90% of the retiree's Final Average Monthly Compensation.

PROPOSAL #2

DROP Account

Add a Deferred Retirement Option Program (DROP).

Current

New

DROP Program

Orange Township

Essex County

Population - Approximately 6,632

Contract Term - 2005/2008

Effective January 1, 2003, the Township shall establish a Deferred Retirement Option Program ("DROP") in accordance with the terms of Act 600. The term of the DROP shall be a maximum of two (2) years. The DROP shall be designated by the Township's Actuary so that there is no cost to the Township. The DROP shall not be implemented, or shall be eliminated if already instituted, in the event the DROP is found to be unlawful or is disallowed by the Auditor General.

Yates Township

Essex County

Population - Approximately 8,320

Contract Term - 2004/2006

The Township agrees, with the cooperation of the Police Association of Falls Township (PAFT), to create, maintain and operate a separate DROP Program, consistent with and not in violation of, applicable IRS statutory and regulatory provisions, and all provisions of Pennsylvania Act 600 and Pennsylvania Act 205. In accordance with same, the following terms and conditions are hereby recognized and implemented:

1. Any eligible participants must have completed the minimum requirements for full retirement eligible pursuant to the conditions and terms set forth in the applicable Collective Bargaining Agreement then and there in effect;
2. That each eligible officer's decision to enter into the DROP Program is irrevocable, i.e. no return to participation in the Township Police Pension Plan is permitted, once the DROP election has been implemented;
3. That the maximum DROP Program participation is five years, or, such other time which is specific in the Collective Bargaining Agreement then and there in effect at the time an eligible officer elects the DROP Program option;
4. That exercising the DROP Program Option not be mandatory but is optional;
5. That an eligible officer may decide to elect the DROP option once eligible (50/25), but is not required to elect DROP participation immediately upon eligibility;
6. That DROP Program payments will reflect cost of living ("COLA") adjustments;
7. That for purposes of collective bargaining and other employment issues relative to the Township, on Officer's "retirement date" is the date that the officer actually ceases employment with the Township, and not the date the officer elects the DROP Program option;
8. That the DROP Program will be administered by ICMA or an equivalent sophisticated Fund Manager.

Chenango City

Essex County

Population - Approximately 7,225

Contract Term - 2005/2006

No Language

Niagara Borough

Jefferson County

Population - Approximately 5,060

Contract Term - 2003/2006

An actuarial study shall be commissioned to evaluate the proposed implementation of a Deferred Retirement Option Program ("DROP") to be implemented effective January 1, 2004 or as soon thereafter that it may be implemented. Under the DROP plan the Borough will not be responsible for administration of the funds, shall not guarantee any minimum investment performance and the plan must comply with any requirements of the Pennsylvania Auditor General. If the Auditor General, at any time, finds the plan to be invalid, it shall either be revised to conform with the requirements of the Auditor General, or, if that is not possible it shall be terminated.

Effective January 1, 2004, employee contributions to the police pension plan shall be capped at a maximum of three (3%) percent.

PROPOSAL #3

Wage Increase

Five and one-half (5.5%) percent raise in each year of contract.

Current

	01/03 2%	7/03 2%	01/04 2%	07/04 2%
Lieutenants & Detectives 1st	\$58,559	\$59,730	\$60,925	\$62,144
Sergeants, Youth Officers & Detectives 2nd	\$50,922	\$51,941	\$52,980	\$54,039
Detective	\$47,600	\$48,552	\$49,523	\$50,514
Police Officer				
4th year	\$44,280	\$45,166	\$46,069	\$46,991
3rd year	\$40,549	\$41,360	\$42,187	\$43,031
2nd year	\$37,307	\$38,053	\$38,814	\$39,590
1st year	\$34,062	\$34,743	\$35,438	\$36,147

The percentage difference in wages paid between the ranks of police officer 4th year and Sergeants, and between Sergeants and Lieutenants is 15%.

Pay Steps

Step 1	Newly Hired, 70% of a Police Officer 4.
Step 2	After 18 months, 80% of a Police Officer 4.
Step 3	After 36 months, 90% of a Police Officer 4.
Step 4	After 48 months, the officer shall receive the rate of a Police Officer 4.

Longevity

6th thru 10th year	2 ½% of base pay per year
11th thru 15th year	4 ½% of base pay per year
16th thru 20th year	6 ½% of base pay per year
21st thru 25th year	8 ½% of base pay per year
26th year	10 ½% of base pay per year

WAGES

Orange Township

Essex County

Population - Approximately 6,632

Contract Term - 2005/2008

	2003	2004	2005
Lieutenant	\$43,968	\$45,197	\$46,885
Detective Sergeant	\$42,468	\$43,697	\$45,385
Patrol Sergeant	\$40,968	\$42,197	\$43,885
Patrol Officer A	\$38,869	\$40,035	\$41,636
Patrol Officer B	\$33,039	\$34,030	\$35,391
Patrol Officer C	\$31,095	\$32,028	\$33,309
Patrol Officer D	\$29,152	\$30,026	\$31,227

Employees hired full-time shall serve for one (1) year in each of the steps as outlined above. Advancement to the next higher step in the scale shall be on the Employee's anniversary date of hire.

The annual base rate of each full-time job classification shall be One Thousand Five Hundred (\$1,500.00) Dollars more than the annual base rate of the Classification below it.

Longevity

Forty-Five (\$45.00) Dollars per year of service after completion of five (5) full years of service. Payment shall be made to the officer on the anniversary date of his employment.

Yates Township

Essex County

Population - Approximately 8,320

Contract Term - 2004/2006

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Probationary	\$26,522	\$26,522	\$26,522
Patrolman (1 st yr.)	\$31,147	\$31,147	\$31,458
Patrolman (2 nd yr.)	\$33,655	\$34,328	\$35,015
Patrolman (3 rd yr.)	\$35,622	\$36,335	\$37,062
Patrolman (4th yr.)	\$36,608	\$37,707	\$39,215
Sergeant	\$37,796	\$39,308	\$40,880
Captain	\$40,298	\$41,910	\$44,005

Longevity

<u>Years of Service</u>	<u>Amount</u>
5 - 10	\$300.00
11 - 15	\$400.00
16 - 20	\$500.00
21 - 25	\$650.00
26 - 30	\$700.00
31 - 35	\$800.00

Such lump-sum longevity benefit will be paid to each eligible member of said class at the time of the first pay period of December of the relevant year.

Chenango City

Essex County

Population - Approximately 7,225

Contract Term - 2005/2006

		2002	2003	2004
Probationary		\$28,600	\$28,600	\$28,600
1 st year	70%	\$30,805	\$32,032	\$33,322
2 nd year	75%	\$32,989	\$34,320	\$35,693
3 rd year	80%	\$35,194	\$36,608	\$38,064
4 th year	85%	\$37,398	\$38,896	\$40,456
5 th year	90%	\$39,603	\$41,184	\$42,827
6 th year	95%	\$41,787	\$43,472	\$45,219
7 th year	100%	\$43,992	\$45,760	\$47,590
8 th year		\$43,992	\$45,926	\$47,590

Longevity

Officers who have completed five (5) years of service shall receive a seniority bonus pay which shall be a percentage of the employees base rate and shall be added to the employees base rate to calculate his annual salary and shall be included in each employee's bi-weekly pay.

5 years of service

1% of current base rate

Each additional yr. of service

An additional .25% of current year base rate to a maximum of six (6%) percent.

Niagara Borough

Jefferson County

Population - Approximately 5,060

Contract Term - 2003/2006

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Captain	\$44,283	\$45,760	\$47,070	\$48,422
Lieutenant	\$43,784	\$45,261	\$46,571	\$47,923
Sergeant	\$43,285	\$44,762	\$46,072	\$47,424
Corporal	\$42,786	\$44,262	\$45,573	\$46,925
Patrolman (6 th yr.)	\$42,286	\$43,763	\$45,074	\$46,426

Pay Steps

00 - 12 months	70%
13 - 24 months	75%
25 - 36 months	80%
37 - 48 months	85%
49 - 60 months	90%
60 - 72 months	95%

Longevity

<u>Years of Service</u>	<u>Annual Payment</u>
5 - 9 years	\$180.00
10 - 14 years	\$360.00
15 - 19 years	\$540.00
20 - 24 years	\$720.00
25 years	\$900.00

Longevity payment shall be paid in the first pay period after the officer attains his anniversary date.

PROPOSAL #4

Shift Differential

Add a percentage shift differential.

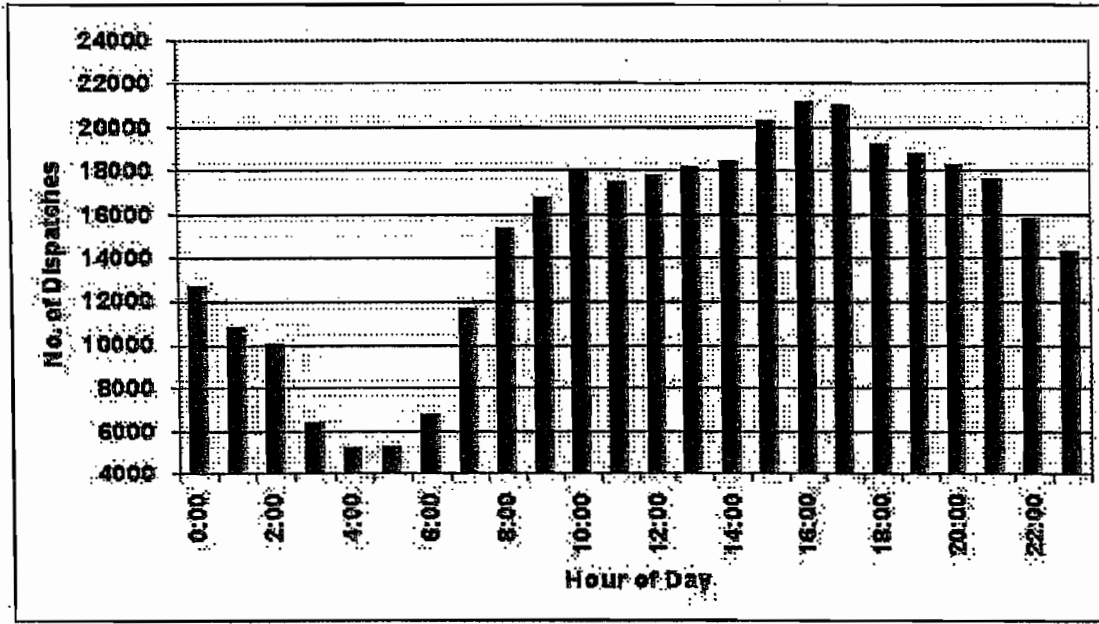
Current

Officers working between the hours of 3:00 p.m. and 11:00 p.m. shall receive a middle shift differential of thirty-five (\$.35) cents per hour.

Officers working between the hours of 11:00 p.m. and 7:00 a.m. shall receive a middle shift differential of forty (\$.40) cents per hour.

Officers encounter a greater workload on 2nd shift. This is evidence by the below graphic:

Dispatches by Hour of Day



From Lancaster County-Wide Communications web site

Midnight shift holds its own difficulties. Not only is the change in time a hardship on the human body, the chances of direct physical harm are increased. As the old adage says, 'from 2AM to 5AM the only people out are cops and crooks.' The following graphic demonstrates the increased likelihood of an officer being assaulted during midnight shift:

ASSAULTS ON OFFICER BY SHIFT	
7AM – 3PM	22.2%
3PM – 11PM	32.5%
11PM – 7AM	45.3%

Statistics provided by the FBI UCR report for 2001

Shift Differential

Orange Township

Essex County

Population - Approximately 6,632

Contract Term - 2005/2008

Officers who work a schedule starting after 12:00 noon but before 10:30 p.m.
- 2.5% of the hourly rate.

Officers who work a schedule starting after 10:30 p.m. but before 6:00 a.m.
- 4% of the hourly rate.

Yates Township

Essex County

Population - Approximately 8,320

Contract Term - 2004/2006

For hours worked on the afternoon shift there shall be paid a premium rate
of 2.5% of the hourly rate.

For hours worked on the night shift there shall be paid a premium rate of
3.5% of the hourly rate.

For hours worked between 4:00 P.M. and 11:00 P.M. there shall be paid a
premium rate of 4.5% of the hourly rate.

Chenango City

Essex County

Population - Approximately 7,225

Contract Term - 2005/2006

Thirty-five (\$.35) cents per hour for hours worked between 11:00 p.m. and 7:00 a.m.

Fifty (\$.50) cents per hour for hours worked between 11:00 p.m. and 7:00 a.m.

Niagara Borough

Jefferson County

Population - Approximately 5,060

Contract Term - 2003/2006

A shift differential of 3% will be paid for any regularly scheduled shift which
starts at or after 12 noon or before 10:30 p.m., provided the shift is worked.

A shift differential of 4% will be paid for any regularly scheduled shift which
starts at or after 10:30 p.m. or before 7:00 a.m., provided the shift is worked.

PROPOSAL #5

Personal Days

Add three (3) additional personal days.

Current

Officers currently receive two (2) personal days per year.

Personal Days

Orange Township

Essex County

Population - Approximately 6,632

Contract Term - 2005/2008

Officers shall be eligible to receive **three (3) personal days** in each calendar year. Work needs of the Police Department shall determine the use of such days. Personal days may be requested no later than one-half (½) hour before the start of the officer's shift. Unused personal days shall not be carried over into a new calendar year and shall not be reimbursed.

Yates Township

Essex County

Population - Approximately 8,320

Contract Term - 2004/2006

Each Unit Member shall be entitled to **four (4) personal days** per year. Said days shall be granted upon reasonable notice and with the approval of the commanding officer.

Chenango City

Essex County

Population - Approximately 7,225

Contract Term - 2005/2006

Each officer shall be entitled to **four (4) personal days** off per year without loss of pay. Personal days shall be granted at the time requested by the officer provided reasonable notice is given and the City can reasonably spare the officer on that date.

Niagara Borough

Jefferson County

Population - Approximately 5,060

Contract Term - 2003/2006

Each officer shall be entitled to **five (5) personal days** per year. Personal days shall be earned and accrued at the end of the month.

Each officer's entitlement of personal days shall be earned and accrued at the rate of the number of days entitled (less any days sold back to the Borough) divided by twelve (12).

Each officer shall have the option to sell back to the Borough two (2) personal days per year. The Borough shall be obligated to buy back each of the two (2) days at the rate of pay received by the officer at the time of the sell back.

PROPOSAL #6

Vacation Days

Fifteen (15) days of vacation at three (3) years of service. After five (5) years, the officer would earn one (1) additional day every year thereafter.

Current

Years of Service	Vacation
1 year	10 days
2 years	10 days
3 years	12 days
6 years	13 days
8 years	15 days
over 10 years	one additional day for each year of service over 10 to a maximum of 25.

Vacations

Orange Township

Essex County

Population - Approximately 6,632

Contract Term - 2005/2008

After one (1) year of service	10 days
After five (5) years of service	15 days
After ten (10) years of service	20 days
After fifteen (15) years of service	25 days

Yates Township

Essex County

Population - Approximately 8,320

Contract Term - 2004/2006

If an employee has less than one (1) year of service as of January 1, his vacation shall be prorated in proportion to the time between the employee's date of hire and the year end.

Employees after one (1) year of service to and including five (5) years of service shall receive ten (10) working days vacation per year.

Upon completion of five (5) years of continuous service, employees shall receive fifteen (15) working days vacation per calendar year.

Upon completion of ten (10) years of continuous service, employees shall receive twenty (20) working days vacation per calendar year.

Upon completion of fifteen (15) years of continuous service, employees shall receive twenty-five (25) working days vacation per calendar year.

Chenango City

Essex County

Population - Approximately 7,225

Contract Term - 2005/2006

1 st year	6 work days
2 nd through 9 th year	10 work days
10 th through	15 work days
15 th through	20 work days
20 or more years	26 work days

Niagara Borough

Jefferson County

Population - Approximately 5,060

Contract Term - 2003/2006

<u>Years of Service</u>	<u>Vacation</u>
First Partial Year	1 day earned per month worked
Start 1 st thru 5 th year	17 working days per year
Start 6 th thru 10 th year	19 working days per year
Start 11 th thru 15 th year	21 working days per year
Start 16 th thru 20 th year	23 working days per year
Start 21 st year and over	25 working days per year

In addition, one (1) additional day per year will be granted for each year of service over 21.

PROPOSAL #7

Comp Time

Accumulation of a maximum eighty (80) hours of comp time per calendar year.

Current

The maximum amount of accumulation shall be seventy (70) hours.

Comp Time

Orange Township

Essex County

Population - Approximately 6,632

Contract Term - 2005/2008

An officer, at his sole discretion, may elect to receive compensatory time off in lieu of pay. All compensatory time accrued in the year but not taken shall be carried into the next year. The maximum amount of hours to be carried is four hundred and eighty (480) hours or the maximum amount permitted by law in accordance with the Federal Fair Labor Standards Act (FLSA) and those rules and regulations promulgated pursuant to the FLSA.

Yates Township

Essex County

Population - Approximately 8,320

Contract Term - 2004/2006

Officers shall have the option to receive compensatory time at the rate of one and one-half (1 ½) for each hour worked, which shall be granted in lieu of pay at the election of the officer. An officer will be permitted to accumulate up to sixty (60) hours of compensatory time. The time shall be used at the officer's discretion, consistent with manpower needs and prior approval by the supervisor, which shall not be unreasonably withheld.

Chenango City

Essex County

Population - Approximately 7,225

Contract Term - 2005/2006

Police officers shall have the option of being paid at the rate of one and one-half (1 ½) times the regular hourly rate or taking compensatory time off.

Each employee will be eligible to establish a bank of eighty (80) hours or less of compensatory time.

Each year, all hours in excess of the maximum 80 hour bank must be used or committed by October 1st. If an employee makes no reasonable attempt to utilize those hours in excess of eighty (80) during the first nine (9) months of each year, the Employer shall have the right to assign said excess compensatory time at its discretion. All hours accrued after October 1st of each year will be counted toward the bank of the upcoming year.

Niagara Borough

Jefferson County

Population - Approximately 5,060

Contract Term - 2003/2006

No Language in Reference To Comp Time.

PROPOSAL #8

Grievance Procedure

To include Heart & Lung and Discipline in the grievance procedure.

Current

A "grievance" is defined as an alleged breach or violation of the Agreement or incorporated Awards or a dispute arising out of the interpretation or application of the provisions of the Agreement or incorporated Awards.

Grievance Procedure

Orange Township

Essex County

Population - Approximately 6,632

Contract Term - 2005/2008

Grievances shall include all disputes between a member and the employer, including matters involving interpretation of the Agreement, all matters of discipline and all matters involving the Heart and Lung Act.

Yates Township

Essex County

Population - Approximately 8,320

Contract Term - 2004/2006

A grievance is defined as whenever an officer, or the Association, desires to contest or otherwise challenge the interpretation and/or implementation of any provisions of the Agreement or any disciplinary action.

Chenango City

Essex County

Population - Approximately 7,225

Contract Term - 2005/2006

A grievance is any controversy, complaint, misunderstanding or dispute arising as to the interpretation, application or observance of any of the provisions of the Agreement and includes any matter relating to the suspension, demotion or discharge of a full time police officer or relating to the Heart and Lung Act.

Niagara Borough

Jefferson County

Population - Approximately 5,060

Contract Term - 2003/2006

A grievance is a dispute raised by an Officer(s) involving the interpretation or application of the express terms of the Agreement and to resolve disputes pertaining to the issues of disability and payment or terminations of Heart and Lung Act benefits as provided for under the Heart and Lung Act.

PROPOSAL #9

H.R.A.

H.R.A. of five hundred (\$500.00)/year per officer

Current

New

Spencer research reports

on employee benefits

Weekly News Digest

Volume 52, Number 8, February 20, 2004

THIS WEEK'S REPORTS:

Key Provisions Of Health Savings Accounts

Beginning Jan. 1, 2004, individuals with high-deductible health insurance can set up health savings accounts (HSAs) with annual tax-free contributions in specified amounts. This report describes the most important features of HSAs (356.-1).

Employer-Funded Health Reimbursement Arrangements

Employer-funded health reimbursement arrangements (HRAs) typically are offered in conjunction with a consumer-driven health care plan. This report describes the features of HRAs (357.-1).

Applying For Waivers Of Minimum Funding Standards

In Rev. Proc. 2004-15, the IRS updated the procedures by which retirement plan sponsors can apply for a waiver of the IRC Sec. 412 minimum funding standards. This report describes those procedures (130.01.-1).

These and other reports are listed in the Check List Of Pages, included immediately after this *Weekly News Digest*.

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HSAs Will Spur New Type Of Health Debate Among Employers

Employers may begin to debate how to provide health insurance to their employees in an entirely new way due to the creation of health savings accounts (HSAs), according to some benefits experts. Rather than looking at health care options such as HMOs, PPOs, and other managed care designs, employers now will consider combinations of high-deductible health plans with HSAs, flexible spending accounts under IRC Sec. 125, or health reimbursement arrangements (HRAs).

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (P.L. 108-173) added Sec. 223, Health Savings Accounts (HSAs), to the Internal Revenue Code. An HSA is a tax-exempt trust established exclusively to pay for qualified medical expenses of the account beneficiary, who also must be covered under a high-deductible health plan.

Allen Wishner, chief executive officer of Flexible Benefit Service Corporation, told *Spencer Benefits Reports* that recent experience with HRAs demonstrates that more and more employers are beginning to understand that a health plan that guarantees a maximum out-of-pocket expense represents a "better way to finance benefits." Mr. Wishner also believes that what has been learned about HRAs can be applied to HSAs.

In the first year in which it provided HRA services, Flexible Benefit Service Corporation collected information on 90 employer groups that switched to an HRA-type arrangement. Typically, the plan design included a high deductible (up to \$2,250 for individual coverage and \$4,500 for family coverage) with 100% coverage after the deductible. An HRA then picked up some or all of the deductible expenses.

Some employers opted to provide an HRA with a recommended \$1,000 individual contribution and a \$2,000 family contribution. Other employers, especially those that saved up to 45% in insurance premiums by going to a high-deductible plan, opted to fund the HRA with an amount comparable to what employees were paying for the old plan.

continued on next page

As a result, in the first year, the 90 employers contributed a total of \$8 million to HRAs and reported HRA balances totaling \$5 million at the end of the year. On average, employers contributed \$3,100 per employee to an HRA, employees submitted an average of 14 claims per year, and at the end of the year, an average of \$1,800 per employee was unspent and rolled over to the next year.

HSA Predictions

Because HSAs also allow rollovers, and because unspent HSA funds remain with the employee, Mr. Wishner believes that most employers will seriously consider these new types of arrangements. He also believes that there are no disadvantages to moving medical savings account (MSA) fund balances to new HSAs, and that most MSA holders will do so.

Bonnie Whyte of the Employers Council on Flexible Compensation also predicts intense employer interest in HSAs. However, Ms. Whyte believes that larger employers do not have enough time to establish HSAs — til the 2006 plan year, especially if further Internal Revenue Service guidance on HSAs is not available until June. She does expect that there will be a quicker, and significant, migration of small and midsize employers to HSAs.

Both Ms. Whyte and Mr. Wishner agree that for older employees, HSAs may be another vehicle for retirement savings. For example, employees in their peak earning years might decide to pay a \$1,000 deductible out-of-pocket and then save the HSA contribution and allow it to accumulate tax-free for later distribution. □

PBGC Issues March 2004 Interest Rates For Valuing Terminating Pension Plans

For single-employer pension plans terminating in March 2004, and for multiemployer plans involved in a mass withdrawal, the interest rate established by the Pension Benefit Guaranty Corporation for calculating immediate annuities is 4.10%, the same rate that applied in February. The interest rate for calculating immediate lump sums is 3.00%, down from the 3.25% rate that had applied since November 2003.

The rate for death benefits remains at 5%. □

No Retroactive Form 1099 Reporting For FSA, HRA Debit Card Transactions

In Notice 2004-16, the Internal Revenue Service clarifies that Form 1099 reporting is not required for payments made prior to Jan. 1, 2003, to medical care providers through the use of debit, credit, and stored-value cards for IRC Sec. 125 flexible spending accounts (FSAs) and health reimbursement arrangements (HRAs) under IRC Sec 105.

In 2003, Rev. Rul. 2003-43 required Form 1099-MISC reporting of these transactions, but a flurry of criticism led to a provision in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (P.L. 108-173) that provides that Form 1099 reporting will not apply to any payment for medical care made under FSAs or under HRAs that are treated as employer-provided health care coverage under IRC Sec. 106. This

continued on next page

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Spencer Research Reports On Employee Benefits (ISSN 0740-0217) is published weekly. Subscription rates are \$820 for one year and \$1,560 for two years. Published by Aspen Publishers, 1185 Avenue of the Americas, New York, NY 10036.

Chart Compares HRA, HSA, And Health FSA Features

357.-5
2-27-04

Feature	HRA	HSA	Health FSA
Applicable IRC Sec./Law	IRC Sec. 106(c)(2), No specific law	IRC Sec. 223, P.L. 108-173	IRC Sec. 125
Available to	All employers, regardless of number of employees, current employees and retirees, their spouses and dependents, and spouses and dependents of deceased employees, and COBRA qualified beneficiaries; not to self-employed	Any individual covered only by a qualified high deductible health plan (including self-funded employer-sponsored plans and the self-employed); no employer involvement required	All employees qualified under the plan
Funds available for qualified medical expenses for spouse, dependents, regardless of coverage under the employee's plan	Yes	Yes	Yes
Can have other health coverage	Yes	Only own high deductible health plan, or dental, vision, long-term care	Yes
Can be used with other health plans	Yes, of any other type, regardless of deductible, out of pocket maximum	Only with plans with specified high deductibles and maximum out of pocket expenses	Any group health plans, except HSAs, but coordinated with HRA
Cash available from account	No, only payment for incurred medical services	Yes, taxable at 10% and includible in gross income	No
Balance May Be rolled over...	1. No 2. Yes	1. F other HSAs, and Archer MSAs 2. Yes	1. No 2. No, funds subject to use-it-or-lose it before plan's year end, no deferral of compensation into next plan year
Can be used to pay for other insurance	Yes, health insurance only; no long term care (LTC) insurance	No, except COBRA, qualified LTC insurance, health plan while collecting unemployment	No

Chart Compares HRA, HSA, And Health FSA Features

Feature	HRA	HSA	Health FSA
Can use debit, credit, and stored-value cards to pay for qualified expenses	Yes	Yes	Yes
Contributions, tax-free to employee	Employer only, no limit	Employer or employee or both—limited to annual deductible amount, up to \$2,600 single or \$5,150 family, computed monthly	Employee and/or employer, limited only by IRC Secs. 125 and 105-(h) nondiscrimination requirements
Contributions can be made as a lump sum any time during the year	Yes	Yes	No, must be made regularly over the FSA's plan year
Employer contributions:			
1. Subject to FICA, FUTA, income tax?	1. No	1. No	1. No
2. Reportable on employee's W-2?	2. Yes	2. Yes	2. No
Pretax contribution (Salary reduction)	No	Yes, through IRC Sec. 125	Yes
Subject to COBRA	Yes	No	Yes, in limited circumstances
Subject to ERISA	Yes	Yes, if offered through employer, but strictly individual HSAs are allowed	Yes, for underlying health benefit
Individual trust fund—Interest earned, not taxable	Not required; no interest	Required, earns tax-free interest, IRS-authorized trustees, custodians plus insurers, banks	No, no trust required

Chart Compares HRA, HSA, And Health FSA Features

357.-7
2-27-04

Feature	HRA	HSA	Health FSA
Funds available after employment termination, regardless of COBRA	Yes, if plan allows	Yes, subject to certain restrictions	No, only through COBRA continuation
Discrimination	IRC Sec. 105(h) and HIPAA	Comparability rules for contributions (same amount or same percentage for all employees with comparable coverage)	IRC Sec. 125
Penalty for discrimination	Sec. 105(h) and HIPAA penalties	35% excise tax on employer's aggregate HSA contributions	Highly compensated or key employees taxed on discriminatory amount
Employer obligated to ensure claimed medical expenses are qualified	Yes	No, individual is responsible	Yes
Written plan document required	Yes	Yes, if part of Sec. 125 plan	Yes
Separate reporting	As required for each ERISA plan	Annual individual reporting on tax returns and by accounts trustees/custodians	As required for each ERISA plan
Employees may make changes midyear	No	Yes, but may change taxability	Only due to specified status changes, if the plan allows

HEALTH REIMBURSEMENT ARRANGEMENT

Orange Township

Essex County

Population - Approximately 6,632

Contract Term - 2005/2008

Effective January 1, 2005, active officers will be switched to the \$500/\$1000 PPO deductible plan. Dental and vision coverage will remain in effect as currently provided and paid for by the Township. The Township shall establish a "Health Reimbursement Arrangement" (HRA) for each officer. Effective January 1, 2005, and on each subsequent plan year anniversary, the Township shall deposit the following amounts into each officer's HRA account:

	2005	2006
Officers with "Single" coverage	\$200	\$100
Officers with "Husband & Wife" coverage	\$400	\$300
Officers with "Family" coverage	\$600	\$500

Officers may only utilize reimbursements for actual medical expenses incurred by the officer, spouse or dependents in accordance with HRC rules & regulations. **Any unused amounts at retirement will be retained and frozen. Retired officers may access these amounts during their retirements in order to meet actual medical expenses incurred. Once the accumulated amounts have been fully used by a retiree, the retiree's entitlement will be ended. Effective January 1, 2005, for officer's hired pre 1981 the Township will extend HRA payments into said officers' retirement for a period of 10 years after date of retirement, or until Medicare eligibility, whichever comes first.**

Yates Township

Essex County

Population - Approximately 8,320

Contract Term - 2004/2006

Effective January 1, 2005, the Township shall establish for each full-time officer a Health Reimbursement Arrangement and contribute or credit \$200.00 annually into each officer's account. Effective January 1, 2006, the Township shall contribute or credit \$300.00 annually into each officer's account. Effective January 1, 2007, the Township shall contribute or credit \$400.00 annually into each officer's account.

The Retirement HRA shall be established in accordance with Federal IRS guidelines so as to qualify as a tax exempt contributions under §105 & 106 of the Internal Revenue Code. The money in the account must be withdrawn and used in accordance with IRS requirements.

Chenango City

Essex County

Population - Approximately 7,225

Contract Term - 2005/2006

Effective January 1, 2005, the City shall implement a Health Reimbursement Arrangement for all officers. The annual contribution shall be \$250.00. The HRA shall conform to present IRS regulations and shall be funded solely through municipal contributions. The Panel specifically directs that the HRA provide for the ability of members to participate following retirement, only with respect to the individual's HRA balance that exists at the date of his retirement.

Niagara Borough

Jefferson County

Population - Approximately 5,060

Contract Term - 2003/2006

Effective January 1, 2005, the Borough will establish for each officer a Health Reimbursement Account (HRA) to conform to the standards of the IRS. Officers may, upon presentation of receipts, be reimbursed for expenses for prescription co-pays, medical, dental and vision insurance co-pays, deductibles, premiums and out-of-pocket expenses for themselves and their dependents.

The Borough will deposit into each officer's account the sum of \$1,200.00 annually during active employment. Unused account balances shall be carried over from year to year into retirement.

PROPOSAL # 10

Post-Retirement Medical

The Township shall provide the then current medical benefits to the retired officer and his dependents. Said medical benefits shall include full medical benefits, prescription drug coverage, vision and dental. These benefits shall remain in effect until the retired officer reaches the age or date of Medicare eligibility.

Upon reaching Medicare eligibility, or its equivalent, the retiree and their spouses will be eligible to participate in a "65 Special" plan, or substantially similar plan. This benefit shall be a similar coverage the retired officer enjoyed while he was actively working for the Township.

Current

Currently the officers who retire do not receive post-retirement medical benefits.

POST-RETIREMENT MEDICAL

Orange Township

Essex County

Population - Approximately 6,632

Contract Term - 2005/2008

The Township shall provide to the retiree the medical coverage in effect at the time of retirement. **Therefore, if the officer had family coverage at the time of retirement, then family coverage would be provided.** If single coverage was being provided, then the municipality's obligation is to provide single coverage. Said benefits shall be provided until the officer and dependents, if any, are eligible for Medicare. **In no event would the Township be liable to pay more than \$430.00 per month for this coverage. Any amount above this shall be paid by the officer on a monthly basis.**

Yates Township

Essex County

Population - Approximately 8,320

Contract Term - 2004/2006

Township provides for **retirees, retirees spouses and independents**, health insurance coverage that was in effect at time of retirement until eligibility for Medicare. **If the coverage changes for active officers, the retirees shall have the same choices of coverage.**

Chenango City

Essex County

Population - Approximately 7,225

Contract Term - 2005/2006

Retirees are permitted to remain in any or all of the City's group health insurance plans, however, if an officer elects to remain in such a group plan or plans, the **officer shall pay his and his dependent's own premiums except as provided below:**

The City agrees to pay **\$200.00 per month to a retiree for the purpose of providing for the officer's own post-retirement health care.** This amount shall be paid to the retiree until age 70. Officers not eligible for Medicare shall be paid for life.

Niagara Borough

Jefferson County

Population - Approximately 5,060

Contract Term - 2003/2006

The Borough provides and pays for the same medical insurance that active officers receive for **officer and spouse** prior to age 65.

PROPOSAL # 11

Residency

There shall be no residency requirement.

Current

Each and every police officer shall reside within a ten (10) mile radius of the boundaries of the Township.

RESIDENCY

Orange Township

Essex County

Population - Approximately 6,632

Contract Term - 2005/2008

Officers may reside within a five (5) mile radius of the police station, even if such residence is located outside of Township limits.

Yates Township

Essex County

Population - Approximately 8,320

Contract Term - 2004/2006

There shall be no requirement for any employee to reside within the Township.

Chenango City

Essex County

Population - Approximately 7,225

Contract Term - 2005/2006

All members of the bargaining unit shall be required to establish and maintain a domicile within ten (10) miles of the boundaries of the City.

Niagara Borough

Jefferson County

Population - Approximately 5,060

Contract Term - 2003/2006

There shall be no requirement for any employee to reside within the Borough.

PROPOSAL # 12

Service Increments

In addition to other monthly pension or retirement allowances, the Police Pension Fund will pay length of service increments of One Hundred (\$100.00) Dollars per month for completion of one (1) year of service in excess of twenty (20) years, with the maximum only being reached after five (5) years of service and Five Hundred (\$500.00) Dollars respectively.

Current

An additional monthly benefit of 1/40 of the Normal Retirement Benefit for each completed year of service in excess of twenty-five (25) years, up to a maximum increment of One Hundred (\$100.00) Dollars. Service after age 65 will not be used to calculate Service Increments.

Service Increment

Orange Township

Essex County

Population - Approximately 6,632

Contract Term - 2005/2008

An employee is entitled to an additional pay/increment based upon the years of service in excess of 20 years. The amount of the increment is determined by obtaining 1/40th of officer's yearly pension and multiplying it by the number of years of service in excess of 20 years. This increment amount cannot exceed One Hundred (\$100.00) Dollars per month/\$1,200.00 per year. Maximum increment/longevity is normally reached after completing 23 years of service.

Yates Township

Essex County

Population - Approximately 8,320

Contract Term - 2004/2006

Each member entitled to a pension hereunder shall be entitled to receive a service increment to his monthly pension equal to 2.5% of the basic monthly pension to which the member was entitled to times the number of full years of service in excess of 20; provided that no years of service after the member has reached age 65 shall be counted and provided further that the maximum service increment payable hereunder shall be \$300.00 per month. Each Member under the age of 65 shall pay into the retirement fund the sum of \$3.00 per month as his contribution toward service increments.

Chenango City

Essex County

Population - Approximately 7,225

Contract Term - 2005/2006

Incremental pension equal to 1.25% of average monthly pay for each year of service in excess of 20 years but not including service after age 65. The maximum incremental pension is \$100.00 per month.

Niagara Borough

Jefferson County

Population - Approximately 5,060

Contract Term - 2003/2006

Bargaining unit members who retire and who have served in excess of 20 full years and have reached the age of 50 prior to said retirement, shall be entitled to the sum obtained by computing the number of whole years (after 20 full years of service) and multiplying the number of whole years so computed by an amount equal to 1.25% of the member's final salary. Such increments shall be subject to a cap of 70%.

PROPOSAL # 13

Longevity

Longevity pay computed at two and one-half (2.5%) percent after five (5) years. Five (5%) percent for each year thereafter.

Current

After 5 years	\$ 500.00 annually, payable monthly
After 10 years	\$1,000.00
After 15 years	\$1,600.00

Longevity

Orange Township

Essex County

Population - Approximately 6,632

Contract Term - 2005/2008

6 th thru 10 th year	2 1/2% of base pay per year
11 th thru 15 th year	4 1/2 % of base pay per year
16 th thru 20 th year	6 1/2% of base pay per year
21 st thru 25 th year	8 1/2% of base pay per year
26 th year +	10 1/2% of base pay per year

Yates Township

Essex County

Population - Approximately 8,320

Contract Term - 2004/2006

Percentage Increase	Years of Service
<u>6th year Patrolman Salary</u>	
5 th year through 9 th year	3.0%
10 - 14 years	6.0%
15 - 19 years	9.0%
20 - 24 years	12.0%
25 or more years	15.0%

Longevity shall be paid in December immediately following officer's anniversary date.

Chenango City

Essex County

Population - Approximately 7,225

Contract Term - 2005/2006

One (1%) percent of base salary upon the completion of four (4) years of service, and an additional one-fourth (1/4th) of one (1%) percent for each additional year of service up to a maximum of thirty-two (32) years of service.

Niagara Borough

Jefferson County

Population - Approximately 5,060

Contract Term - 2003/2006

Longevity shall be at the rate of one (1%) percent of base pay for each year of service after the employee's third (3rd) year of service, up to a maximum of thirteen (13%) percent.

PROPOSAL # 14

Pension & Retirement Benefits

The municipality shall present to the police, no later than May 1, an actuarial study, which shall provide cost figures for the following items:

- A. Reduction of the Retirement Age to age 50.**
- B. Service Increments.**
- C. Cost-of-Living Adjustment.**
- D. Survivor's Benefits.**
- E. Disability Retirement at 75% of Salary.**
- F. Reduction of Social Security Offset to Zero.**
- G. Elimination of Workers' Compensation Offset.**
- H. Elimination of all Members' Contributions.**
- I. Vesting.**

The Actuarial study shall be deemed to be an expense of the pension fund, and shall be paid for from the pension fund at no cost to either the police department or the municipality.

If the above benefits can be provided without causing actuarial harm to the pension plan, then said benefits shall be adopted effective January 1 of the up coming contract year.

Retirement

Orange Township

Essex County

Population - Approximately 6,632

Contract Term - 2005/2008

Retirement Age. Any officer who has twenty (20) years of service shall have the right to retire regardless of the officer's age upon reaching twenty (20) years of service.

Contributions. Four (4%) percent of the wage per month.

Salary Computation. Pension determined by the rate of the monthly pay of the member at the date of injury, death, honorable discharge or retirement or the highest average salary which the member received during any five (5) years of service preceding injury, death, honorable discharge or retirement, whichever is the higher, and except as the service increments shall not in any case exceed in any year one-half (50%) the annual pay of such member computed at such monthly or average annual rate, whichever is the higher.

Vesting. An officer's right to pension benefits shall vest after 12 years of service.

Service Increment. Sum shall be obtained by computing the number of whole years after having served the minimum required and multiplying the said number of years so computed by an amount equal to 1.40th of his retirement or pension allowance which has become payable, to such member. No service increment shall be paid to any member in excess of \$100.00 per month.

Cost-of-Living. Officers shall receive an annual cost-of-living adjustment. The cost-of-living adjustment shall not exceed 50% of the original pension benefit in total. The annual adjustment will be based on the Consumer Price Index - All Urban, and shall be the annual percent increase in the CPI on a yearly basis from October to October of the year prior to the increase, i.e.:

CPI - All Urban October 1995 = 153.7

CPI - All Urban October 1996 = 158.3

Difference = 4.6

The adjustment is attained by dividing 4.6 by 153.7 which equals the percentage of CPI increase (2.9%).

Military Service. Any member who is a contributor and who served in the Armed Forces of the U.S. subsequent to September 1, 1940, and who was not a member of the Pension Fund prior to such military service, shall be entitled to have full credit for each year or fraction thereof, not to exceed five (5) years of such service upon his payment to the Pension Fund of an amount equal to that which he would have paid had he been a member during the period for which he desires credit, and his payment to such fund of an additional amount as the equivalent of the contributions of the Township on account of such military service. All such military service qualifying by such payment by the member shall also be included in the credit for such member in the computation of said member's "service increment", as provided for in the ordinance and in the By-Laws of the Kochville Township Police Pension Fund.

Orange Township Continued

Survivors' Benefits. A monthly benefit equal to one hundred (100%) percent of the pension the participant was receiving or entitled to receive on the day of the participant's death is payable to the participant's spouse until death or remarriage. In the event of death or remarriage, each of the participant's dependent children will receive an equal share of the benefit until they turn eighteen (18).

Twenty-five (25%) percent of salary if death occurs before ten (10) years of service, and fifty (50%) percent of salary if death occurs after ten (10) years of service.

Yates Township

Essex County

Population - Approximately 8,320

Contract Term - 2004/2006

Retirement Age & Superannuation. Officers who have served continuously for twenty (20) years on active duty as a police officer and who has attained the age of fifty (50) years shall be eligible for retirement.

Pay shall be in amount equal to one-half ($\frac{1}{2}$) of the monthly pay, including annual salary, longevity increments and holiday pay, but excluding compensation for overtime, shift differential, clothing allowance and cleaning allowance received by the member at the time of his retirement payable until death.

Annual salary used in the calculation of Pension Benefits will be the Officer's current salary at the time of injury, death, honorable discharge or retirement, or the highest average annual salary received during any of the five (5) years immediately preceding the date of termination, whichever is higher.

Cost of Living Adjustment. Members who retire, or prior thereto if due to death, disability or credit for military service, shall have the following cost-of-living adjustment (COLA) applied to their Pension Benefits:

After a retiree's initial annual benefit becomes less than half ($\frac{1}{2}$) of a current CLASS A patrolman's base salary, then that retiree's benefit will be increased based on this formula: The number of years of Pension Service - not to exceed twenty (20) - divided by forty (40) and then multiplied by the current Class A Patrolman's base salary.

Contributions. The officer's contribution rate is a total of five (5%) percent.

Vesting. Any officer who has 12 years or more accredited service may vest his rights. However, military service time may not be counted to attain 12 years. Furthermore, the vested benefits may not be withdrawn until the minimum age of retirement. The pension he will be eligible for will be an actuarial equivalent based on his years of service and his rate of pay at the time he deferred his pension.

Military Service. Any member of the Police Pension Fund who is a contributor and who has served in the Armed Forces of the United States subsequent to September 1, 1940, and who was not a member of the Police Pension Fund prior to such military service, shall be entitled to have full credit for each year or fraction thereof not to exceed five (5) years of such service.

Service Increment. A member shall receive a service increment which shall be the sum attained by computing the number of WHOLE years after having served the minimum years required and multiplying the number of years so computed by an amount equal to one-fortieth ($\frac{1}{40}$) of the retirement allowance which has become payable to such contributor in accordance with this article. Maximum of \$300.00 per month.

Chenango City

Essex County

Population - Approximately 7,225

Contract Term - 2005/2006

Pension Options - All police officers have exercised a one time option of selecting one of three different pension options as described below. Each police officer's election is irrevocable.

PLAN A

1. Any officer may retire at the completion of 20 years of service. The City shall provide for a police pension, which shall include any and all premium pay due the officer, of 50% of final average salary with 20 years of service, and add service increments of 5%, which shall include any and all premium pay due the officer, of the final average salary for each year of service beyond 20 years to a maximum of 75%, which shall include any and all premium pay due the officer, of final salary after 25 years of service.

2. Any police officer shall receive a pension, which shall include any and all premium pay due the officer, in accordance with the following schedule:

20 years of service	Pension at 50% of salary
21 years of service	Pension at 55% of salary
22 years of service	Pension at 60% of salary
23 years of service	Pension at 65% of salary
24 years of service	Pension at 70% of salary
25 years of service	Pension at 75% of salary

3. **Cost of Living.** The Police Pension Plan for all retired police officers shall provide for a full cost-of-living benefit in which the City shall annually increase the allowances of all retired officers receiving allowances of any kind from the police pension plan, by reason of and after the termination of services of any police officer, a member of said fund. Said increases shall be in conformity with a uniform scale based upon 50%, or up to 75%, of the current salary being paid, to include any and all premium pay due the police officer of whichever is greater, a patrolman of the highest grade, or the highest grade or rank or title at which the officer retired.

4. All police officers retired of any kind shall receive the aforementioned annual full cost-of-living increase benefit in accordance with the following example:

When any officer retires of any kind, that retired officer shall receive the appropriate annual full cost-of-living pension raise based upon that retired officer's total years of City service (to include military time up to 4 years), total retirement percentage scale (from 50% through 75%) based on years of City service, and the appropriate rank, grade or title the officer held upon retirement from the City police. All retired of any kind officers shall receive the annually adjusted pension full cost-of-living increase based upon the current yearly salaries of the Police.

5. There shall be a cap equaling 100% of the total salary at the time of retirement.

In the event of the death of the retired of any kind police officer, the spouse shall continue to receive the aforementioned benefits and full cost-of-living increases until the time of the death of the retired police officer's spouse.

Chenango City Continued Next Page

Chenango City Continued

PLAN B

Members who have less than 20 years of service, shall receive a pension of 50% of their total salary, and an annual cost-of-living adjustment of three (3%) percent of their total salary. The three (3%) percent cost-of-living allowance shall be subject to a cap equaling 100% of total salary at the time of retirement.

Officers who have more than 20 years of service may elect the Plan A pension calculation at retirement, but can elect the Plan B COLA of 3% and PLAN B COLA cap.

This plan is an early retirement incentive for police officers.

Officers retiring under Plan B shall be entitled to any additional benefits contained in the collective bargaining agreement in effect.

PLAN C

The Plan C benefit shall be a pension not to exceed 50% of total salary. There shall also be an annual cost-of-living adjustment in the amount of 3% of the annual pension payment, provided, however, that the total of the annual cost-of-living adjustments shall not exceed the police officer's contractual base pay during the last year of employment with the City.

Military Service. Credit is given for military service to any member of the Police Pension Fund who is a contributor and who served in the armed forces of the United States subsequent to September 1, 1940, and who was not a member of the Police Pension Fund prior to such military service, said credit shall be for each year or fraction thereof, not to exceed five (5) years, upon payment to the Police Pension Fund of an amount equal to that which he would have paid had he been a member during the period for which he desires credit and his payment to such fund of an additional amount as the equivalent of the contributions of the City on account of such military service.

Niagara Borough

Jefferson County

Population - Approximately 5,060

Contract Term - 2003/2006

Retirement Age. After twenty (20) years plus one (1) day of service and fifty (50) years of age.

Vesting. After twelve (12) years of service. If officer elects to vest after 12 years of service and before 20 years of service, his pension entitlement shall be based on the year he elects to vest. If the employee vests his pension before 20 years of service, he is not entitled to any health insurance benefits.

Superannuation. Fifty (50%) percent of officer's base salary at the time of retirement; 50% of longevity pay; 50% of sick leave incentive and 50% of educational pay.

Service Increments. An employee is entitled to an additional pay/increment based upon the years of service in excess of 20 years. The amount of the increment is determined by obtaining 1/40th of officer's yearly pension and multiplying it by the number of years of service in excess of 20 years. This increment amount cannot exceed One Hundred (\$100.00) Dollars per month/\$1,200.00 per year. Maximum increment/longevity is normally reached after completing 23 years of service.

Military Service. An employee who has served in the military may choose to purchase said military time for longevity/increment purposes or for continuous service time, or for a combination of both. The cost of said purchase is based upon the pension contributions, which would have been made during the years of service the employee wishes to purchase. The employee is required to pay both his share of the contribution as well as the Borough's share of the contribution for the years being purchased. Any employee is entitled to purchase up to five (5) years of military service.

Survivors' Benefits. The widow(er) of an officer or an officer who has retired and receive a pension, or if no widow(er) survives, or if widow survives and subsequently dies or remarries, then the child or children under the age of eighteen (18) shall during widow(er) lifetime so long as widow(er) does not remarry or in the case of a child or children until reaching the age of 18, shall be entitled to receive a pension equal to fifty (50%) percent of the pension benefit the member was receiving under the plan or would have received if officer's pension had been in pay status at the time of his death.

PROPOSAL # 15

Deferred Compensation

**Township to match up to three (3%) percent of an officer's
Deferred Compensation Plan's contribution.**

Current

New

Deferred Compensation

Orange Township

Essex County

Population - Approximately 6,632

Contract Term - 2005/2008

Section 1. After the said 457 Plan has been established, officers may, at their option, contribute a portion of their earnings to such 457 Plan pursuant to Section 457 of the Internal Revenue Code, as amended, up to the maximum amount authorized by law.

Section 2. The PRBA shall select the administrator of the 457 Plan (Plan Administrator) who will manage the 457 Plan herein authorized without cost to the Township.

Section 3. The Township will withhold sums authorized by officers from each pay, or monthly, in accordance with existing Township policy regarding such voluntary deductions. The funds will be deposited with the Plan Administrator on or before the 15th day of the month that next follows the month in which the money was withheld. Designations shall be good for a period of one (1) year and once determined may not be changed until the beginning of the following year (during the month of January). Where no change has been made in the designated amount to be deducted, the Township shall be authorized to continue to deduct the same amount previously deducted and so on from year to year unless and until an individual officer authorizes a different amount or withdraws his/her authorization to deduct any amount in accordance with the procedure provided herein for annual designation.

Section 4. Officers shall not be permitted to borrow from the 457 Plan or to pledge the 457 Plan assets for a purpose. The amount accrued and credited to officers' accounts shall be reported on an annual basis by the Plan Administrator and may be distributed to officers upon retirement or separation from service together with any interest earned thereon in accordance with the provisions of the said 457 Plan.

Yates Township

Essex County

Population - Approximately 8,320

Contract Term - 2004/2006

The parties have previously established a deferred compensation plan under section 457K of the Internal Revenue Code. The parties agree that beginning in 2005, the Township shall, to encourage savings, deposit on behalf of each police employee who has established a 457K Plan the sum of One Hundred (\$100.00) Dollars each December.

Chenango City

Essex County

Population - Approximately 7,225

Contract Term - 2005/2006

A matching 457 Plan shall be established for all police employees. The Plan shall provide for the City to match fifty (50%) percent of employee contributions to a maximum of four (4%) percent.

Niagara Borough

Jefferson County

Population - Approximately 5,060

Contract Term - 2003/2006

The Borough shall provide a voluntary employee funded plan pursuant to Internal Revenue Code §457. The Borough will pay for the administration of the plan provided that plan assets are held by the same bank or trust company with which the Borough has contracted for the investment of a portion of the Police Pension, presently PNC Bank, N.A. Funds placed by an employee in the employer §457 account shall be invested in the same investments in the same proportions as selected for the pension fund.