

SHARED SERVICES AGREEMENT FOR CHIEF FINANCE OFFICER

THIS SHARED SERVICES AGREEMENT made this ^{16th} day of ^{April}, 2021 (“Effective Date”) by and between

THE BOROUGH OF ALPHA a municipal corporation of the State of New Jersey, with principal offices located at 1001 East Blvd., Alpha NJ 08865

(Hereinafter “Alpha”)

and

THE TOWNSHIP OF MONTGOMERY, a municipal corporation in the State of New Jersey, with principal offices located at, 2261 Route 206, Belle Mead, New Jersey 08502.

(Hereinafter “Montgomery”)

Alpha and Montgomery will be collectively referred to herein as the “Parties.”

WITNESSETH:

WHEREAS, the “Uniform Shared Services and Consolidation Act” N.J.S.A. 40A:65-1 through 40A:65-35 (the “Act”), authorizes local units of this State to enter a contract with any other local unit or units for the joint provision within their several jurisdictions of any service which any party to the agreement is empowered to render within its own jurisdiction; and

WHEREAS, the Parties have identified an area where working together through shared services will result in positive outcomes for both municipalities; and

WHEREAS, the Parties now wish to enter into a Shared Services Agreement (“Agreement”) for Finance services; and

WHEREAS, N.J.S.A. 40A:9-140.10 requires each municipality to have its own Certified Finance Officer (CFO), but allows for the use of the same CFO under a shared services agreement with another municipality; and

WHEREAS, Montgomery has agreed to provide Alpha with the services of its CFO.

NOW, THEREFOR, with the foregoing recital paragraphs incorporated herein by this reference and in consideration of the mutual covenants contained herein, the Parties hereto agree as follows:

1. SERVICES

All services, except as noted below performed or typically performed by Alpha's Finance office to include:

Chief Finance Officer Services

Montgomery shall provide Alpha with the services of its CFO. Alpha will appoint the CFO as of the effective date of this agreement. The CFO shall provide all statutory duties of CFO for Alpha. Alpha shall be entitled to access the CFO during regular business hours by telephone or email through a dedicated Alpha email address. However, Alpha agrees to continually staff its Tax and Finance offices to ensure the CFO has appropriate and adequate personnel support onsite during the term of this Agreement.

The Borough of Alpha will provide remote access for the CFO.

2. FEES

A. Annual Fee

The annual fee for the aforementioned services will total \$50,000.

B. Payment Frequency

The fee will be paid in monthly installments of \$4,166.67 within the first twenty (20) days of each month.

C. Fee Escalation

All fees set forth in this section shall be reviewed at the end of each fiscal year and shall increase at a rate of 2.0% per year.

3. TERM

- A. The initial term of this Agreement shall commence April 16, 2021 and upon the final execution of the Agreement by the duly authorized representatives of both Parties and shall continue until April 15, 2022 (the "Term") unless terminated sooner pursuant to the terms and conditions of Section 6 of this Agreement. Notwithstanding the foregoing, by resolutions of the governing bodies of both Parties, this Agreement may be extended for three (3) additional terms of three (3) years each, up to a total of nine (9) additional years. Alpha will appoint the Montgomery CFO, in accordance with state statute.

4. INDEMNIFICATION

- A. Alpha agrees to indemnify Montgomery, its officers, employees and agents from any and all claims of whatever nature or type arising from the provision of the services by Montgomery to Alpha and its residents pursuant to this Agreement. Montgomery shall likewise indemnify Alpha, its officers, employees and agents from any and all claims of whatever nature or type arising from the provision of the services contained in this

agreement. Such indemnification shall include payment of reasonable attorneys' fees and costs in the defense of any claim made by a third person.

5. INSURANCE

- A. It is recognized and understood that Alpha and Montgomery participate in a Joint Insurance Fund ("JIF"). Final approval of this Agreement by Alpha and Montgomery is subject to each obtaining assurance of coverage by their respective JIF and that each will name the other as additional insured on any commercial general liability insurance policies it separately maintains. Montgomery shall provide workers' compensation coverage for those Montgomery Employees assisting Alpha as they will be employees of Montgomery. Each of the Parties shall provide the other with a Certificate of Insurance setting forth the above coverage and naming the other as additional insured promptly upon the execution of this Agreement. In the event either Alpha or Montgomery ceases to participate in a JIF, such party shall provide alternative insurance comparable to the JIF coverage and subject to the reasonable approval of the other party. A periodic review of insurance requirements, including an expansion of these requirements relative to a specific new Addendum, is necessary and understood by parties to this agreement. Any changes to this agreement including an addendum will require a review of the insurance requirement.

6. TERMINATION

- A. This Agreement may be terminated at any time upon mutual agreement of the Parties. Unless otherwise agreed by the Parties, such a termination shall not become effective for a maximum of six (6) months following the adoption of joint resolutions by both governing bodies authorizing the termination.
- B. Either party may terminate this Agreement at any time and for any reason upon giving the other party three (3) months' written notice of its intent to terminate.
- C. In the event either party defaults in the performance of any of its obligations under this Agreement, after receiving written notice of same and failing to cure such default within thirty (30) days of said written notice, the non-defaulting party shall be entitled to terminate this Agreement and shall be entitled to all other remedies available at law, in equity, or both. The non-defaulting party shall also be entitled to receive from the defaulting party all costs and expenses, including legal fees, as a result of such default.
- D. In the event of a termination pursuant to any subsection of this paragraph, the Parties shall take all steps necessary to ensure that the services are transitioned back to the respective party in a manner which does not jeopardize the health, welfare or safety of the residents of either party or Alpha's financial and payroll operation. In addition, all Parties shall be entitled to the return of all equipment and other personal property that was transferred or loaned pursuant to this Agreement.

7. CHAIN OF COMMAND; ANNUAL MEETING

- A. The Montgomery employees providing services under this Agreement shall be under the exclusive authority and control of Montgomery. Any and all tenure rights shall arise under and be the sole responsibility of the primary employer, Montgomery. Conversely, the Alpha employee(s), if any, providing services under this Agreement shall be under the exclusive authority and control of Alpha. Both Parties shall only provide direction, or instruction, to the other party's employees through the Administrator, CFO or other managerial designate, of the respective party. Neither party shall discipline or reprimand any employee of the other party to this agreement. All complaints, instructions, requests, including requests for information, or other lines of communication by either party shall be through the Mayor and/or Administrator, or such other chief administrative officer, as may be designated from time to time by the respective Parties. For purposes of tenure, Montgomery shall be the primary employer of its participating employees during the term of this agreement, and Alpha shall be the primary employer of its participating employees during the term of this agreement.
- B. The Parties agree to have their designated representatives, including Alpha's Finance Committee and/or Alpha's Shared Services Committee, meet at least annually to discuss the provision of the services under this Agreement, the costs associated with same, and any other matters concerning this Agreement.

8. CONFIDENTIALITY

The Parties recognize and acknowledge that in the performance of the duties called for under this Agreement, certain confidential information of the other party will need to be shared or transmitted, including employment, operations and financial records, as well as, related data which is not otherwise publicly available ("Confidential Information"). Each party will treat as confidential all Confidential Information of the other party while implementing reasonable procedures to prohibit the disclosure, unauthorized duplication, use, misuse, or removal of the other party's Confidential Information, and will not use or disclose such Confidential Information, unless it becomes generally known through no fault of the disclosing party, or unless such party is required by law or court order to disclose such Confidential Information.

9. CHOICE OF LAW

Any dispute under this Agreement or related to this Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

10. SEVERABILITY

If any part of this Agreement shall be held to be unenforceable by a court of competent jurisdiction the rest of this Agreement shall nevertheless remain in full force and effect.

11. WAIVER

A. Failure to insist upon strict compliance with any of the terms, covenants, or conditions of this Agreement at any one time shall not be deemed a waiver of such term, covenant, or condition at any other time nor shall any waiver or relinquishment of any right or power herein at any time be deemed a waiver or relinquishment of the same or any other right or power at any other time.

12. MODIFICATION

This Agreement may not be changed orally and may be modified or amended only by a written agreement signed by both Parties. In consideration of unforeseen circumstances and in order to insure proper and efficient delivery of services to the residents of Alpha and Montgomery, the delivery of services can be practically modified, as it pertains to day to day logistical operations, by mutual consent of the Parties, Administrators, or their managerial designees.

13. EXPANSION

Upon the mutual agreement of the Parties, the scope of this Agreement may be expanded in the future in order to cover additional services not presently covered in this Agreement. Such expansion will require the Parties to re-examine the terms and conditions of this Agreement at that time, and the adoption of a new Agreement, or an additional addendum to this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the date first above written.

ATTEST:

BOROUGH OF ALPHA

Ray J. [Signature], Mayor 4/16/21

ATTEST:

TOWNSHIP OF MONTGOMERY

Dana Keenan

Dated this 27th day of April, 2021.

PATRICIA ANN GRAVATT
NOTARY PUBLIC OF NEW JERSEY
Commission # 50105792
My Commission Expires 6/5/2024