

**SHARED SERVICES AGREEMENT FOR CHIEF FINANCIAL OFFICER, TAX
COLLECTION, AND OTHER GENERAL FINANCIAL/ADMINISTRATIVE SERVICES**

THIS SHARED SERVICES AGREEMENT (the “**Agreement**”) made retroactive to January 1, 2022 (the “**Effective Date**”);

by and between the

BOROUGH OF FAIR HAVEN (“**Fair Haven**”), a borough in the County of Monmouth, State of New Jersey, with principal offices located at 748 River Road, Fair Haven, New Jersey 07704;

and the

TOWNSHIP OF MIDDLETOWN (“**Middletown**”), a township in the County of Monmouth, State of New Jersey, with principal offices located at 1 Kings Hwy, Middletown, New Jersey 07748.

Fair Haven and Middletown 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 contracts 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 originally entered a Shared Services Agreement for municipal tax collection services that was a success, which expired on December 31, 2016, that was merged into a First Amended Shared Services Agreement to include Chief Financial Officer (“CFO”) and Qualified Purchasing Agent (“QPA”) related services, in addition to continuing tax collection services; and

WHEREAS, effective January 1, 2019, the Parties entered a Second Amended Shared Services Agreement that increased the scope of the original agreement to include general financial and administrative services on an as-needed basis for set hourly rates; and

WHEREAS, the Parties are no longer sharing services with respect to QPA services, and the 2019 agreement expired without further extension on December 31, 2021; and

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

WHEREAS, Middletown agrees to provide Fair Haven with the services of its CFO, Tax Collector and other employees pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, 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 Provided

A. CFO Services. Middletown shall provide Fair Haven with the services of its CFO, who was appointed as Fair Haven's CFO on January 1, 2017. The CFO shall provide all statutory duties of the CFO for Fair Haven as well as the other duties regularly handled by a municipal CFO. Fair Haven, however, agrees to continually staff its Tax and Finance offices to ensure the CFO has appropriate and adequate personnel support on site during the term of this Agreement. Fair Haven shall be entitled to access the CFO during regular business hours by telephone or email through a dedicated Fair Haven email address.

B. Tax Collector Services. Middletown shall provide Fair Haven with the services of its Tax Collector during the term of this Agreement.

C. General Financial/Administrative Services. Upon request, Middletown may provide additional services to Fair Haven, which would require the expertise of specific Middletown personnel through the term of this Agreement. Fair Haven must provide Middletown with a scope of work, which must be pre-approved by the Middletown Administrator or their designee.

2. Fees

A. CFO Services. The fee for the CFO services provided shall be \$16,561.21 paid by Fair Haven to Middletown per quarter.

B. Tax Collector Services. The fee for the Tax Collector services provided shall be \$4,968.37 paid by Fair Haven to Middletown per quarter.

C. General Financial/Administrative Services. The fee for these services will be billed at a rate of \$65 per hour for management employees and \$55 per hour for union employees. This will be invoiced at the conclusion of the task and/or monthly, dependent on the agreed terms at the time of engagement

for the specific assignment.

D. Fee Escalation. All fees set forth in this section shall increase at a rate of 2% per year with the first increase commencing January 1, 2024.

3. Term

The term of this Agreement shall commence on January 1, 2022, and shall continue until December 31, 2025 (the "**Term**") unless terminated sooner pursuant to the terms and conditions of Section 5 of this Agreement. Notwithstanding the foregoing, by resolutions of the governing bodies of both Parties, this Agreement may be extended for an additional 3-year term. Fair Haven will appoint the Middletown CFO to an appropriate term, in accordance with state statute.

4. Indemnification

Fair Haven is to hold Middletown, its officers, employees and agents harmless from any and all claims of whatever nature or type arising from the provision of the services by Middletown to Fair Haven and its residents pursuant to this Agreement. Middletown shall likewise hold Fair Haven, its officers, employees and agents harmless 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

It is recognized and understood that Fair Haven and Middletown participate in a Joint Insurance Fund ("**JIF**"), but Middletown is self-insured in certain respects. Final approval of this Agreement by Fair Haven and Middletown 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 and employees practices liability policies it separately maintains. Middletown shall provide workers' compensation coverage as the CFO, Tax Collector and other employees tasked with assignments under this Agreement shall remain employees of Middletown.

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 Fair Haven or Middletown 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.

6. Termination

A. This Agreement may be terminated at any time upon mutual agreement of the Parties; however, unless otherwise agreed by the Parties, such a termination shall not become effective for a maximum of 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 6 months' 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 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, because 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. 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 Middletown employee providing services under this Agreement shall be under the exclusive authority and control of Middletown; conversely, the Fair Haven employee(s), if any, providing services under this Agreement shall be under the exclusive authority and control of Fair Haven. Both Parties shall only provide direction, or instruction, to the other party's employees through the Administrator, 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.

B. The Parties agree to have their designated representatives 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. Entire Agreement

This Agreement represents the entire agreement between the Parties and cannot be changed or modified orally. This Agreement may be supplemented, amended or revised only by writing, which is to be signed by all of the Parties hereto.

11. Severability

If any part of this Agreement shall be held to be unenforceable, the rest of this Agreement shall nevertheless remain in full force and effect.

12. Waiver

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.

13. 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 Fair Haven and Middletown, 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.

14. Expansion

Upon the mutual agreement of the Parties, 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 FAIR HAVEN

Municipal Clerk

Mayor

TOWNSHIP OF MIDDLETOWN

Heidi R. Brunt
Municipal Clerk

Anthony S. Perry
Mayor

