

# Passaic County Board of Chosen Freeholders

OFFICE OF THE  
PASSAIC COUNTY FREEHOLDERS

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Clerk Of The Board



## Public Meeting (Board Meeting)

Date: Jun 10, 2014 - 5:30 PM

Location: County Administration  
220  
401 Grand Street  
Paterson, NJ 07505

Agenda: RESOLUTION AUTHORIZING A SHARED SERVICES AGREEMENT BETWEEN THE COUNTY OF PASSAIC AND THE PASSAIC COUNTY IMPROVEMENT AUTHORITY CONCERNING PROVISION BY THE COUNTY OF CERTAIN SERVICES TO THE PCIA RELATIVE TO PAYROLL AND BENEFITS GRANTED TO PCIA EMPLOYEES, ALL AS NOTED IN THE RESOLUTION

THIS RESOLUTION WAS REQUESTED BY:

REVIEWED BY:

Anthony J. De Nova III  
COUNTY ADMINISTRATOR

APPROVED AS TO FORM AND LEGALITY:

William J. Pascrell, III, Esq.  
COUNTY COUNSEL

Administration and Finance

COMMITTEE NAME

<b>Official Resolution#</b>		<b>R20140412</b>					
Meeting Date		06/10/2014					
Introduced Date		06/10/2014					
Adopted Date		06/10/2014					
Agenda Item		k-10					
CAF #							
Purchase Req. #							
Result		Adopted					
FREEHOLDER	PRES.	ABS.	MOVE	SEC	AYE	NAY	ABST.
Lepore	✓				✓		
Best Jr	✓				✓		
Bartlett	✓			✓	✓		
Cotroneo	✓				✓		
Duffy		✓					
James	✓		✓		✓		
Lora	✓				✓		

PRES.= present ABS.= absent  
MOVE= moved SEC= seconded  
AYE= yes NAY= no ABST.= abstain

Dated: June 12, 2014

**RESOLUTION AUTHORIZING A SHARED SERVICES AGREEMENT BETWEEN THE COUNTY OF PASSAIC AND THE PASSAIC COUNTY IMPROVEMENT AUTHORITY CONCERNING PROVISION BY THE COUNTY OF CERTAIN SERVICES TO THE PCIA RELATIVE TO PAYROLL AND BENEFITS GRANTED TO PCIA EMPLOYEES**

**WHEREAS** the Board of Chosen Freeholders of the County of Passaic (the “Board”) is vested with all of the legislative and executive power of the County of Passaic (the “County”), pursuant to N.J.S.A. 40:20-1, et seq.; and

**WHEREAS** the Board has previously adopted a resolution (R-02-685, 12/31/02) creating the Passaic County Improvement Authority (the “PCIA”), pursuant to N.J.S.A. 40:37A-44 et seq.; and

**WHEREAS** the Board subsequently adopted a resolution (R-07-321, 06/26/07) authorizing an Interlocal Agreement between the County and the PCIA, pursuant to which the County agreed to provide PCIA with services relative to the processing of payroll for employees hired by PCIA, as well as providing them with health benefits and necessary insurance coverage for workers’ compensation and temporary disability; and

**WHEREAS** pursuant to said Interlocal Agreement, the PCIA agreed to reimburse the County for the costs of these services and coverage for each of its employees at the average per cost per year to the County of Passaic from the previous calendar year (2006) plus an administrative fee of two and one-half (2 ½) percent per annum of the average gross monthly payroll, as more fully set forth the adopting resolution and agreement; and

**WHEREAS** the Interlocal Agreement had an initial term commencing July 1, 2007 and terminating June 30, 2008, and provided for automatic annual renewals thereafter, with a final termination date of June 30, 2014; and

**WHEREAS** the Board and PCIA are desirous of continuing this arrangement and executing a new Shared Services Agreement memorializing same, substantially in the form attached to this resolution; and

**WHEREAS** pursuant to the applicable provisions of the Shared Services Act, specifically N.J.S.A. 40A:65-7 (4), the term of the Shared Services Agreement shall ten (10) years, commencing on July 1, 2014 and terminating on June 30, 2024 unless previously terminated by either party upon written thirty (30) days written notice; and

**WHEREAS** the Administration and Finance Committee reviewed this matter at its meeting of May 28, 2014 and recommended this resolution to the full Board for adoption;

**NOW THEREFORE BE IT RESOLVED** by the Board of Chosen Freeholders of the County of Passaic that it hereby authorizes a Shared Services Agreement by and between the County of Passaic and the Passaic County Improvement Authority for the said County to provide employee services and mandated insurance coverage, as more particularly set forth in the attached draft agreement; and

**BE IT FURTHER RESOLVED** that the Freeholder Director, Clerk to the Board and all other necessary County officers and employees be and hereby are authorized and directed to take such further actions and execute such documents as are required to effectuate the purposes of this resolution.

Dated: June 10, 2014

AGREEMENT

This AGREEMENT entered into and agreed to on this            day of  
2014 by the Board of Chosen Freeholders of the County of Passaic whose address is  
Administration Building, 401 Grand Street, Paterson, New Jersey 07505 (hereinafter referred to  
as the “County”) and the Passaic County Improvement Authority, whose address is 930  
Riverview Drive, Suite 250, Totowa, NJ 07512 (hereinafter referred to as the “Authority”); and

WHEREAS the Authority, a public body corporate and a body politic of the County of  
Passaic created by the Board of Chosen Freeholders of the County of Passaic pursuant to  
N.J.S.A. 40:37A-44 et seq. with all the power and responsibilities set forth in the statute, are in  
the process of hiring employees; and

WHEREAS said Authority is desirous of providing those employees with the ability to be  
paid through payroll services, necessary health benefits such as medical, dental and prescription  
drugs, and statutory employee insurance such as worker’s compensation and disability insurance  
coverage; and

WHEREAS the County of Passaic provides all these benefits to its employees through  
various self-funded accounts, programs and trust funds authorized and permitted by law; and

WHEREAS the Authority has expressed an interest in providing the needed employee  
services by contracting with the County to provide these services by enrolling its employees in  
the necessary payroll and self-funded program at the per-employee cost for these services plus a  
small administrative charge per employee; and

WHEREAS these services can be provided by the County to the Authority pursuant to an  
Interlocal Services Agreement; and

WHEREAS, by resolution, the Authority has been authorized by its Commissioners at a meeting dated \_\_\_\_\_ and the County by its Freeholders at a meeting dated \_\_\_\_\_ authorized an Agreement for the provision of these services to the Authority.

NOW THEREFORE for the mutual consideration hereafter stated the County and Authority agree as follows:

1. County will permit the employee(s) of the Authority to join its health benefit(s) program and provide the same level of coverage that is provided to regular full-time County employees. These health benefits will include medical health coverage, prescription drug benefit coverage and coverage for dental. The level of benefit to be provided to each employee can be uniform but the Authority may determine how much of any of the costs should be borne by the employee(s) including but not limited to the amounts of co-payments and/or deductibles.
2. The County will also insure, cover, and/or administer for the employee(s) of the Authority for worker's compensation and temporary disability to the same extent it covers full-time County employees.

The County provides the health benefits and insures its employees for worker's compensation through self-funded trust funds. The Authority agrees that it will pay for these benefits to its employees based upon the average monthly costs that the County incurs on a per-employee basis. This average monthly cost will be based upon what the actual cost to the County to insure and provide these services (health, worker's compensation and administration of temporary disability). The determination of the cost will be set each November and notice

will be provided to the Authority, upon that determination. The new cost will take effect January 1 of the ensuing year and will continue in effect through the end of that calendar year.

3. In addition to that set forth above, the County will provide payroll/pension/human resource services for the employee(s) of the Authority.

The Authority will deposit the gross amounts necessary to process each employees' salary at least three (3) days prior to the County's payroll day, which normally are every other Wednesday throughout the calendar year. The Authority will make sure that the County Finance Department has all the information necessary to properly pay each of its employees and, in return, the County through its payroll services, will make sure that all proper deductions, including those requested by the employee (deferred compensation) or required by law to be made (i.e. pension loans or court-ordered deductions). In addition, the County's Personnel and Employee Benefit Departments will assist Authority employee(s) on answering inquiries in areas such as pensions, health benefits, disability and other matters germane to those services being provided under this Agreement.

4. In furtherance of the services to be provided under this Agreement, the Authority agrees that it will notify the County in a timely manner concerning any changes in the number of employees that are being covered under this Agreement and, more importantly, in changes in compensation that each of those employees are to be receiving.

5. This Agreement shall be effective from July 1, 2014 through December 31, 2014. The Agreement will automatically renew on January 1, 2014 and automatically renew for one year periods thereafter, beginning each subsequent January 1. Either party may terminate this Agreement upon thirty (30) days' written notice.

6. Authority agrees that it will make payment for the health benefits and insurance coverage mentioned above based upon the average cost per month per employee for each category based on the County's actual cost, as set forth in paragraph 2 of this Agreement. County agrees that it will provide an updated costs in November of each year of this Agreement. In the event that County fails to provide an updated cost to the Authority, the Authority will not be obligated to pay any additional sums for the coverage set forth herein (other than payroll) until at least sixty (60) days after the updated costs are presented to the Authority. Payment will be made for this coverage to the County monthly and will be paid within 30 days of the month for which coverage is being provided. The Authority will make retroactive payments to cover the increased cost from January 1 of the contract year through the end of the sixty (60) day period after which notification of an increase was provided.

7. In addition to the amounts to be paid for services and coverage set forth under this Agreement, Authority agrees to pay to the County a fee of two and one-half (2.5%) percent of its average monthly payroll as a fee for the County supplying these services and coverage. This fee will be paid monthly based upon the previous gross monthly payroll.

8. This Agreement may only be amended in writing by the written concurrence of both the Commissioners of the Authority and Board of Chosen Freeholders on behalf of the County of Passaic.