

EMPLOYMENT AGREEMENT

THIS AGREEMENT, entered into this 8th day of April 2019 by and between the **BOROUGH OF WANAQUE**, a Municipal Corporation of the State of New Jersey having its principal office at the 579 Ringwood Avenue, Wanaque, New Jersey 07476 hereinafter referred to as the "**BOROUGH**" and Paul Carelli, residing at 42 Cottage Place, Riverdale, New Jersey 07457, hereinafter called and referred to as "**ADMINISTRATOR**".

WITNESSETH:

WHEREAS, the **BOROUGH** desires to employ the services of **ADMINISTRATOR** and to establish certain terms and conditions of employment for **ADMINISTRATOR**; and

WHEREAS, **ADMINISTRATOR** desires to accept employment as Borough Administrator for the **BOROUGH**; and

WHEREAS, the parties hereto wish to reduce the employment relationship existing between them into written form;

NOW THEREFORE, in consideration of the mutual covenants, promises and duties hereinafter set forth, the parties hereto do now agree as follows:

1. *EMPLOYMENT AND DUTIES*

A. The **BOROUGH** agrees to employ **ADMINISTRATOR** and **ADMINISTRATOR** accepts exclusive employment as the Borough Administrator of the Borough of Wanaque, Passaic County, New Jersey to perform all of the functions and duties of said position as prescribed by the statutes of the State of New Jersey, and the Administrative Code of the **BOROUGH** together with such other and additional duties incidental or related thereto as may be requested by the **BOROUGH**.

B. The **BOROUGH** agrees to employ **ADMINISTRATOR** and **ADMINISTRATOR** accepts employment as Borough Administrator for the **BOROUGH**. **ADMINISTRATOR** shall serve in these capacities for an initial term beginning May 1, 2019 and ending December 31, 2022.

2. *COMPENSATION*

For his services as Borough Administrator the **BOROUGH** agrees to pay **ADMINISTRATOR** at the annual rate of **One Hundred Forty Eight Thousand Six Hundred Dollars (\$148,600.00)** from May 1, 2019 through December 31, 2020. Compensation for 2019 shall be prorated at \$99,066.67 which represent 8/12 of \$148,600. Said sum shall be payable in installments at the same time as other employees of the **BOROUGH** are paid. In January 1, 2021 compensation shall be increased by 2% after his

satisfactory performance evaluation. In January 1, 2022 compensation shall be increased by 2% after his satisfactory performance evaluation. The **BOROUGH** has the right to establish goals to be accomplished on a yearly basis and at their discretion can establish an additional percentage per year based on goals obtained. Payment beyond that referenced above may be made at the discretion of the Mayor and Council dependent on the attainment of specified goals.

3. *TERMINATION*

A. **ADMINISTRATOR** understands that he serves as Borough Administrator at the pleasure of the **BOROUGH** and may be removed with or without cause at any time by a two-third (2/3) vote of the Borough Council.

B. In the event **ADMINISTRATOR** is terminated by the **BOROUGH** during such time as **ADMINISTRATOR** is willing and able to perform her duties, and not for "good cause," then and in that event the resolution terminating **ADMINISTRATOR's** services as Borough Administrator shall become effective three (3) months after its adoption by the Borough Council. The Borough Council may provide that the resolution shall have immediate effect provided, however, that the Borough Council shall cause to be paid to **ADMINISTRATOR** as severance the Borough Administrator's salary for the next three (3) calendar months following adoption of the resolution. Good Cause includes, but is not limited to, (i) willfully failing to perform **ADMINISTRATOR's** duties (other than a failure resulting from **ADMINISTRATOR's** incapacity due to physical or mental illness); (ii) pleading "guilty" or "no contest" to conviction of an act which is defined as a crime of moral turpitude, violation of a provision of federal, state or local laws relating **ADMINISTRATOR's** duties or to a felony under federal law or crime under state law; or (iii) violation of the **BOROUGH'S** Code of Ethics or Ethic's policies, or (iv) engaging in willful misconduct in bad faith which could reasonably be expected to materially harm the **BOROUGH'S** business or its reputation, or (v) extreme insubordination, or (vi) written substantiation after investigation of illegal harassment, or (vii) failing an alcohol or drug test.

In the event **ADMINISTRATOR** determines to voluntarily resign his position with the **BOROUGH**, **ADMINISTRATOR** shall provide ninety (90) days' notice in advance unless otherwise agreed to by the parties in writing and no additional compensation after the ninety (90) day period shall be due or owing.

4. *HEALTH INSURANCE LIFE INSURANCE & PENSION*

The **BOROUGH** shall provide a health benefit package to the **ADMINISTRATOR** and his eligible dependents equivalent to the current health benefits coverage provided to Borough Employees. **ADMINISTRATOR** shall contribute a portion of his salary toward health benefits through payroll deduction in accordance with the Health Benefits Contribution Requirement, Chapter 78, and P.L. 2011. **ADMINISTRATOR** may elect to receive an annual payment in exchange for waiving health coverage in an amount permitted by duly adopted Borough policy and N.J.S.A. 40A:10-17.1 in place of a health benefit package. The

BOROUGH shall further provide **ADMINISTRATOR** with life insurance and pension coverage/contributions to the same extent and in the same manner as provided other **BOROUGH** employees. Upon presentation of proof of other coverage, **ADMINISTRATOR** may elect to waive medical coverage and receive remuneration in accordance with Borough Policy as authorized by N.J.S.A 40A:10-17.1. **ADMINISTRATOR** shall be eligible to re-enroll upon submission of proof of a qualifying event in accordance with the Consolidated Omnibus Reconciliation Act of 1985 (COBRA). If **ADMINISTRATOR** requests re-enrollment, he shall be required to return a prorated portion of the opt-out payment prior to re-enrollment.

5. *HOLIDAYS AND SICK LEAVE*

ADMINISTRATOR shall be entitled to the same paid holiday, personal and sick days per year and subject to the same sick leave policy as afforded to other administrative exempt **BOROUGH** employees except for 2019 where said time shall be prorated. Unused sick days shall be accumulated in accordance with the **BOROUGH'S** policy for administrative employees.

6. *VACATION*

ADMINISTRATOR, shall be entitled to twenty (20) vacation days for each calendar year beginning on January 1 of each contract year. Unused vacation days may accumulate and carry over. Accumulated vacation may not exceed 20 days in total for any previous years. Other than the amount of vacation days, the **ADMINISTRATOR** shall be subject to the same vacation policy as afforded to other administrative exempt **BOROUGH** employees. If **ADMINISTRATOR** leaves prior to the end of a contract year, unused vacation time shall be pro-rated. Vacation days for 2019 shall be prorated.

7. *MEMBERSHIP DUES*

The **BOROUGH** shall pay for the professional dues and subscriptions of **ADMINISTRATOR** necessary for his continuation and full participation in the following organizations: the New Jersey Municipal Managers Association, the New Jersey League of Municipalities and the International City/County Management Association.

In addition, the **BOROUGH** shall pay **ADMINISTRATOR'S** reasonable and necessary hotel expenses, and registration and membership fees to represent the **BOROUGH** at the annual New Jersey League of Municipalities. **ADMINISTRATOR** may serve as a member and attend conferences or meetings of other state committee or commissions and the **BOROUGH** may pay **ADMINISTRATOR'S** membership fees, necessary travel and hotel expenses and registration for same subject to prior approval of the Mayor of the Borough of Wanaque and in accordance with any applicable **BOROUGH** policy.

8. AUTOMOBILE

The **ADMINISTRATOR** shall not be reimbursed for use of his personal vehicle. Travel within the Borough of Wanaque shall be at the **ADMINISTRATOR's** expense. The **ADMINISTRATOR** shall have a municipal pool car available to him for travel inside and outside of the **BOROUGH** which shall not be used for commuting or personal use.

9. PERFORMANCE EVALUATION

The Mayor of the Borough of Wanaque shall provide **ADMINISTRATOR** with performance evaluations annually. Evaluation will rate **ADMINISTRATOR** in the areas of leadership, motivational activity, fiscal responsibility, planning and other areas relevant to the performance of her duties. Incidental to this evaluation process, the Mayor and **ADMINISTRATOR** shall define and establish goals and objectives relative to **ADMINISTRATOR's** performance, functions and duties. With the mutual consent of the **BOROUGH** and **ADMINISTRATOR**, matters relating to this dialogue may be incorporated within the Agreement between **ADMINISTRATOR** and the **BOROUGH** resulting from this process. Said evaluations shall, in conjunction with other factors, be utilized by in determining appropriate salary increases in subsequent years.

10. HOURS OF WORK

ADMINISTRATOR is an exempt administrative employee of the **BOROUGH** who is expected to engage in those hours of work which are necessary to fulfill the obligations of his position of employment. As an exempt employee, the **ADMINISTRATOR** shall not be eligible for overtime pay or compensatory pay. The **ADMINISTRATOR** does not have set hours of work; however, he is expected to work during hours specified by **BOROUGH** policy for non-represented employees. **ADMINISTRATOR** shall be required to attend all meetings of the Mayor and Council and other meetings as assigned by the Mayor.

11. BONDING

The **BOROUGH** shall bear the cost of any fidelity or other bonds required to be posted by **ADMINISTRATOR** in the performance of his duties under any law or ordinance.

12. RESIDENCY

ADMINISTRATOR shall not be required to be a resident of the **BOROUGH** during the term of this Agreement.

13. GENERAL PROVISIONS

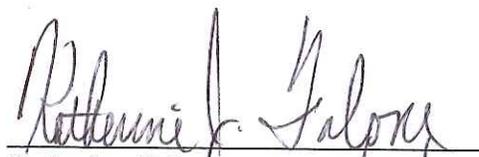
- A. The text herein shall constitute the entire Agreement between the parties.
- B. This Agreement shall be binding upon **ADMINISTRATOR** and is not assignable by **ADMINISTRATOR**.
- C. The Agreement shall become effective commencing upon execution by both parties.
- D. If any provision or any portion thereof contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable and shall not be affected and shall remain in full force and effect.

The construction, effect and implementation of this Agreement shall be governed by the law of the State of New Jersey.

IN WITNESS WHEREOF, the **BOROUGH OF WANAQUE** has caused this Agreement to be signed and executed in its behalf by its Mayor and duly attested to by the Clerk and **ADMINISTRATOR** has signed and executed this Agreement, both in duplicate, the day and year first above written.



Paul Carelli
Date: 4-22-19



Katherine Falone
Municipal Clerk
4/22/19

BOROUGH OF WANAQUE


Daniel G. Mahler, Mayor
Date: 4/24/19