

INTERLOCAL SERVICES AGREEMENT
FOR THE SERVICES OF A CHIEF FINANCIAL OFFICER
BETWEEN THE BOROUGH OF SOMERVILLE
AND THE BOROUGH OF RARITAN

THIS AGREEMENT is herewith made during the month January 2026 by and between the BOROUGH OF SOMERVILLE, a municipal corporation of the State of New Jersey, with its municipal office located at 25 West End Avenue, Somerville, New Jersey 08876 (hereinafter "SOMERVILLE") and the BOROUGH OF RARITAN, a municipal corporation of the State of New Jersey, with its municipal office located at 22 First Street, Raritan, New Jersey 08869 (hereinafter "RARITAN").

WITNESSETH:

WHEREAS, Raritan desires to contract with Somerville for the furnishing of the services of Chief Financial Officer as required by N.J.S.A. 40A:9-140.1 et seq. and as hereafter set forth.

WHEREAS, this Agreement is governed by the Uniform Shared Services and Consolidation Act, N.J.S.A. 40A:65-1 et seq.

NOW, THEREFORE in consideration of the mutual promises, covenants and representations herein contained, the parties hereto, for themselves, their heirs, successors and assigns, hereby agree as follows:

I. SCOPE OF SERVICES

1. Somerville shall provide the services of a licensed qualified Chief Financial Officer ("CFO") to Raritan under the terms and conditions as hereinafter set forth.
2. Raritan will designate the CFO of Somerville, Paige Elster, as the CFO of Raritan. The CFO shall be responsible for the proper financial administration of Raritan, shall advise and assist Raritan regarding compliance with statutes governing municipal finance and shall perform the duties of a CFO as required by applicable New Jersey laws and the Borough of Raritan.
3. The CFO of Raritan shall remain the employee of Somerville regardless of where her work is performed, and Somerville shall be responsible for the administration and payment of her salary and benefits, including worker's compensation benefits, but shall not be responsible to oversee her statutory CFO duties for Raritan Borough. The parties agree that Somerville Borough will resolve any citizen inquiries or complaints regarding the services provided to Somerville Borough, and Raritan Borough will resolve any citizen inquiries or complaints regarding the services provided to Raritan. In the event of a vacancy in the position of CFO, the agreement shall automatically terminate unless both parties mutually agree to continue with the agreement.

4. The CFO shall provide an average of ten hours per week (10 hours), which shall include an average of in-person work on an average of 2 times per week at Raritan Borough Hall. Hours will be established at the discretion of the Borough Administrator. The parties further agree to remain flexible and to consider time-off, payroll cycles, quarterly tax periods, and State reporting deadlines when scheduling her office hours. The parties also agree that access to the CFO, via the telephone or internet, shall not be restricted to the office hours during which the CFO is scheduled to be present at the respective municipalities. The time spent performing services via telephone or internet for one municipality while the CFO is physically present at the other municipality shall not be deducted from the hours of service performed for the respective municipalities, provided that the time spent performing such services via telephone or internet was for any matter requiring immediate attention.

5. Raritan Borough is expected to be on Edmunds Cloud which will enable easier and faster access. However, Raritan Borough will provide sufficient office space, telephone, computer with internet and email access, any special software required of the position of Raritan CFO, and office supplies as necessary, for use by the CFO at the Borough of Raritan Municipal Building. All records produced by the CFO regarding the financial administration of Raritan Borough shall be retained solely in the Borough of Raritan Municipal Building and will be considered documents owned by and in the custody of Raritan. Any OPRA requests for Raritan documents will be the responsibility of Raritan Borough to respond. If CFO documents are required, the CFO shall work within the confines of the OPRA law to supply the documents in the manner in which the Raritan Borough Custodian of records desire.

6. The CFO shall not directly or indirectly discuss or disclose the business records of Somerville Borough with Raritan Borough, its officers, officials, auditor, agents, employees, or any third party nor shall the CFO directly or indirectly discuss or disclose the business records of Raritan Borough with Somerville Borough, its officers, officials, auditor, agents, employees, or any third party unless such disclosure is required by and consistent with the Open Public Records Act, N.J.S.A. 47:1A-1 et seq.

7. The Borough of Raritan agrees to allow and require Raritan Borough staff to be trained in the areas of receipting, accounts payables, and payroll.

II. TERM OF AGREEMENT

1. Somerville shall provide the services of the CFO to Raritan Borough during the term of this Agreement, which shall commence on January 1, 2026 and terminate on December 31, 2026.

2. This Agreement shall automatically renew for successive one-year terms unless either party provides written notice to the other party at least ninety (90) days prior to the expiration date that it desires to terminate the Agreement. Either party may terminate this Agreement for any reason with ninety (90) days advance written notice to the other party. If said Agreement is terminated for this reason, the CFO will be returned solely to the Borough of Somerville, and salary restored back to the salary of Somerville Borough only.

3. Either party may terminate this Agreement for cause in the event of a material default in the performance of services to be rendered pursuant to this Agreement prior to the expiration of the

term upon ninety (90) days advance written notice to the other party. Advance written notice is not required to terminate the Agreement if the CFO retires, resigns, becomes disabled, or otherwise is rendered incapable of performing duties required pursuant to this Agreement. It is further understood that if this Agreement is terminated before the conclusion of the term, Raritan will continue to pay Somerville, on a pro-rated basis, up to and including the date of termination.

III. PAYMENT FOR SERVICES

1. For services rendered in accordance with this Agreement, Raritan agrees to pay Somerville with the following amounts:

A. Eighty thousand dollars (\$80,000) for the Agreement. This amount shall be payable to Somerville in equal quarterly installments (\$20,000 per quarter) and represents the cost of the CFO services.

B. During the term of this Agreement, Raritan Borough would not have any costs related to training, or CEU education expenses, NJLM convention costs. Any additional training of the CFO required by either party shall be borne solely by the party requesting the additional training.

C. The Borough of Somerville during the term of the Agreement would be responsible for employee benefits during the terms of this Agreement.

2. If Raritan Borough requires Somerville Borough agrees to submit invoices to Raritan for the amounts outlined in Agreement.

3. The Borough Council will adjust the salary of the CFO in the increased amount of \$60,000 during the twelve month term of the Agreement. Said adjustment must be approved by Resolution of the Borough of Somerville. This Agreement shall be evaluated annually for adjustments to compensation and terms.

IV. AMENDMENT

1. Any amendments to this Agreement must be in writing, must specify the effective date of the amendment and must be executed by the chief administrative official of both municipalities or his/her designated representative.

2. This Agreement and Amendments will require that the Administrators of both municipalities enable for flexibility and are able to make minor modifications as needed.

V. INDEMNIFICATION AND DEFENSE OF PERSONNEL

1. The Borough of Somerville and the Borough of Raritan are members of the Statewide Joint Insurance Fund. Both municipalities will need to ensure that the appropriate insurance coverage, including statutory bond coverage is provided for the CFO position as it pertains to this agreement. The Joint Insurance Fund will review the insurance language and since both the Borough of Raritan and Borough of Somerville are members, their language will be adopted, and the Agreement may be amended by a Memorandum of Understanding.

2. If the Borough of Raritan or the Borough of Somerville were to end membership in the Statewide Insurance Joint Insurance Fund it must notify each other within 10 days of any change. If either party leaves the Fund the Agreement shall be suspended until the insurance language can be mutually agreed upon.

3. While the CFO is an employee of the Borough of Somerville, for the purposes of this shared services agreement, the CFO for Raritan will be considered an agent of the Borough of Raritan and if the CFO is named as a party in any lawsuit, claim, demand or other proceeding filed as a result of services provided to Raritan under this Agreement, Raritan will indemnify and provide a defense for the CFO in any lawsuit, claim, demand or other proceeding. In such case, Raritan agrees to indemnify and hold harmless the CFO and the Borough of Somerville against from any and all liability, suits and costs of any kind.

4. If Somerville is named as a party to any lawsuit, claim, demand or other proceeding filed as a result of services provided by the CFO to Raritan under this agreement, Raritan shall be responsible to pay all attorneys' fees and costs incurred by Somerville in defending the lawsuit, claim, demand or other proceeding. In such case, Raritan agrees to indemnify and hold harmless Somerville Borough and its officers, officials, agents or employees, against and from any and all liability, suits, and cost of every name and description and from all damages awarded against Somerville, or its officers, officials, agents or employees, unless same liability, loss of damage is caused by or arises out of the sole negligence or willful misconduct of Somerville, or its officers, officials, agents or employees. The provisions this paragraph shall survive the expiration and/or termination of this Agreement.

VI. MISCELLANEOUS

1. Any questions or disputes regarding proper interpretation of the terms of this Agreement shall first be referred to the Administrator of Somerville and the Administrator of Raritan for resolution. If no resolution is reached, the question or dispute shall be presented to the Mayor of Somerville and the Mayor of Raritan who, in consultation with their respective Governing Bodies, shall meet to attempt to resolve the dispute. In the event that the Governing Body is unable to resolve the dispute, either party may terminate its participation in this Agreement as provided herein or file an action in a court of competent jurisdiction with venue in Somerset County. Each party shall bear its own cost of any litigation.

2. This Agreement is governed by the provisions of the Uniforms Shared Services and Consolidation Act and applicable New Jersey law. All actions and amendments to this Agreement must be authorized in conformance with the Act and any other applicable New Jersey laws. Any dispute under the Agreement or related to this Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

3. In the event that 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 at the expiration of the 30-day period.

4. Notices under this Agreement shall be given to the parties by regular and certified mail as set forth below:

To Raritan:

Borough Clerk
22 First Street
Raritan, New Jersey 08869

To Somerville:

Borough Administrator
25 West End Avenue
Somerville, New Jersey 08876

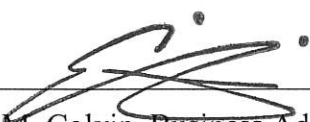
5. If part of this Agreement shall be held to be unenforceable or invalid the rest of the Agreement shall nevertheless remain in full force and effect.

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

IN WITNESS THEREOF, the parties hereto have caused these presents to be signed by their corporate officers and their proper corporate seals to affixed hereto the day and year as indicated in the acknowledgement attached hereto and made a part hereto.

ATTEST:

BOROUGH OF RARITAN



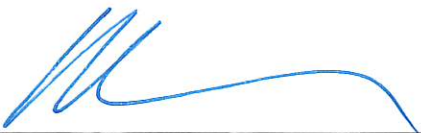
Eric M. Colvin, Business Administrator

By 

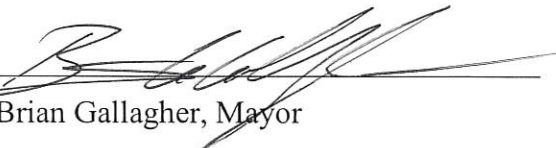
Donald Tezzi, Mayor

ATTEST:

BOROUGH OF SOMERVILLE



Kevin Sluka, Business Administrator

By 

Brian Gallagher, Mayor