

MEMORANDUM OF UNDERSTANDING
BETWEEN
NUTLEY VOLUNTEER EMERGENCY RESCUE SQUAD, INC.
AND
TOWNSHIP OF NUTLEY

WHEREAS, the Nutley Volunteer Emergency Rescue Squad, Inc. ("NVERS") is a non-profit corporation organized under the laws of the State of New Jersey; and

WHEREAS, the Township of Nutley ("Township") is a municipal corporation organized under the laws of the State of New Jersey; and

WHEREAS, the NVERS is qualified with the Internal Revenue Service and State of New Jersey as a tax exempt entity; and

WHEREAS, the NVERS traditionally conducts fund-raising activities and the Township has traditionally provided additional financial and other support to NVERS pursuant to NJSA 40:5-2; and

WHEREAS, it is the intention of NVERS to implement a third-party billing program to create revenue to cover the costs of ambulance services beginning on or about January 1, 2010; and

WHEREAS, both NVERS and Township recognize that there may be a 'gap" in time between implementation of the third party billing program and a steady receipt of revenue from the program ("Gap Period"); and

WHEREAS, this Memorandum of Understanding shall set forth the respective rights and obligations of the NVERS and Township as follows:

(i) NVERS shall continue to provide to the Township residents emergency medical services including first aid, rescue and ambulance squad services;

(ii) NVERS shall use its reasonable best effort to continue fund raising activities including its annual fund drive through the mail;

(iii) Not later than November 15 of each year, the NVERS shall file with the Director of Public Safety with copies to the Board of Commissioners of the Township a written report setting forth:

- (a) an affirmation of the continued tax exempt status of the non-profit corporation pursuant to both federal and state law;
- (b) a detailed description of fundraising activities for that calendar year including monies raised from those fundraising activities as well as a detailed plan for fundraising for the upcoming year; and
- (c) a financial statement of all actual revenue and expenses for that calendar year and estimates for the next calendar year. NVERS' 2010 estimated revenue and expenses are attached on Exhibit "A" hereto.
- (d) Evidence of insurance policies providing adequate commercial general liability insurance, automobile liability insurance, workers compensation insurance and any other insurance required by law.

(iv) Provided the NVERS complies with the foregoing, the Township may, subject to its absolute discretion, provide financial and other support to the NVERS during the Gap Period or at any other time as deemed appropriate by the Township pursuant to NJSA 40:5-2;

(v) If the annual revenues of the NVERS exceed expenses in any given year, the NVERS shall reimburse the Township to the extent such excess revenues were provided by the Township.

(vi) To the extent the municipality lacks the resources to fulfill its obligations for any calendar year, it shall immediately notify NVERS so that a contingency plan may be implemented.

(vii) The initial term of this Memorandum of Understanding shall be through December 31, 2010 and shall thereafter be reviewed annually.

(viii) This Memorandum of Understanding shall be construed under and in accordance with the laws of the State of New Jersey.

(ix) Notwithstanding anything to the contrary, the liability of the Township, its officers, agents or employees shall be governed by the New Jersey Tort Claims Act, NJSA 59:1-1 et seq.

Township of Nutley


Mayor

Nutley Volunteer Emergency
Rescue Squad, Inc.

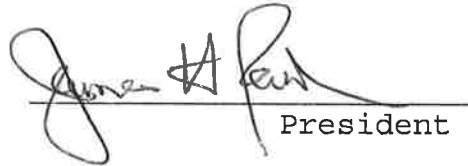

President

EXHIBIT A

NVERS 2010 ESTIMATED REVENUES
AND EXPENSES

Revenues:

Third Party Billing	\$275,000.00
Fund Raising	40,000.00
Township	105,000.00

Expenses:

Payroll	\$ 80,000.00
Operating Expenses	\$ 80,000.00
Benefits	\$ 28,000.00
Pension	\$ 10,000.00

See attached new pages

EXHIBIT A

NVERS 2010 ESTIMATED REVENUES

See the attached spreadsheet

Revenue

Fund Drive	60,000.00
Memorials	15,000.00
Other	10,000.00
Township O/E	104,000.00
Billing	300,000.00
Total Revenue	489,000.00

Expenses**Payroll****PAID PERSONNEL**

Employee	Hourly Rate	Hours per week	Weekly Rate	Annual Salary
M. Rossi				75,000.00
M. Zurawski	18.00	25	450.00	23,400.00
K. Eakins	22.50	40	900.00	46,800.00
I. Vargas	16.48	40	659.20	34,278.40
G. Eakins	16.48	40	659.20	34,278.40
Open	16.00	40	640.00	33,280.00

Total Paid Employee Payroll	247,036.80
Pension 3% Match	7,411.10

Per Diems	15.00	168	2,520.00	131,040.00
------------------	-------	-----	----------	------------

Sub Total Paid & Per Diems	385,487.90
Payroll Taxes	48,185.99
Overtime	24,000.00

Total Payroll	457,673.89
----------------------	-------------------

Benefits for Paid Personnel	60,000.00
Other Expenses	80,000.00

Total Operating Expense	597,673.89
--------------------------------	-------------------

2010 Profit/Loss	-108,673.89
-------------------------	--------------------