SALEM COUNTY IMPROVEMENT AUTHORITY

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RESOLUTION 12-45

April 23, 2012

RESOLUTION AUTHORIZING MEMORANDUM OF UNDERSTANDING WITH THE COUNTY OF SALEM

WHEREAS, the County of Salem ("County") and the Salem County Improvement Authority ("SCIA") entered into an agreement dated December 7, 2011 entitled "Agreement for Transfer of Nursing Home Proceeds" (the "Agreement"); and

WHEREAS, the Agreement specifically provided that, "Upon the mutual execution of this Agreement, the County shall be solely and exclusively responsible for any and all post retirement benefits due under the CBA to the Retired Employees and any other Nursing Home employee entitled to post retirement benefits under the CBA."; and

WHEREAS, those post retirement benefits include, among other things, the provision of medical insurance and prescription medication coverage; and

WHEREAS, the Agreement also stated that it shall not become effective until written approval of the Agreement is received from the Division of Local Government Services; and

WHEREAS, acknowledgment of and approval for the Agreement was received from Deputy Director Marc Pfeiffer from the New Jersey Division of Local Government Services by letter dated February 21, 2012; and

WHEREAS, by letter dated February 15, 2012, the SCIA received a letter from Supervising Pensions Benefits Specialist, Kathleen Laflin, with respect to the SCIA request to transfer a total of as many as 13 retirees along with their covered spouse from the Salem County Nursing Home to retired State Health Benefits Plan ("SHBP") coverage under the County; and

WHEREAS, Ms. Laflin informed the SCIA that the proposed transfer of the 13 retirees is not permissible and the SCIA shall remain responsible for payment of the SHBP bill. Ms. Laflin further stated that a separate bill could be generated for the 13 retirees which could then be presented to the County for payment; and

WHEREAS, the SCIA was further informed that on-line payment can only be made via the internet using the "TEPS" system; and
WHEREAS, the County agrees that it is responsible to pay the SHBP bill for the 13 SCIA retirees pursuant to the Agreement; and

WHEREAS, a Memorandum of Understanding ("MOU") has been prepared so that the County and the SCIA can establish a procedure in which the aforementioned SHBP bill shall be paid; and

WHEREAS, a copy of the MOU has been attached hereto as Exhibit A.

NOW THEREFORE, BE IT RESOLVED by the Members of the SCIA that the MOU attached hereto as Exhibit A is approved and the Chairman is authorized to execute it on behalf of the SCIA.

John Ober, Chairman

I hereby certify the above to be a true copy of a resolution adopted by the SCIA at a regular meeting held on April 23, 2012.

Ronald Howard, Secretary
MEMORANDUM OF UNDERSTANDING BETWEEN
THE SALEM COUNTY IMPROVEMENT AUTHORITY AND THE COUNTY OF
SALEM REGARDING PAYMENT OF STATE HEALTH BENEFITS PREMIUM

This MEMORANDUM OF UNDERSTANDING ("MOU") is made as of this 23rd day
of April, 2012, by and between The Salem County Improvement Authority (the "SCIA") and
The County of Salem (the "County").

WHEREAS, the County and the SCIA entered into an agreement dated December 7,
2011 entitled "Agreement for Transfer of Nursing Home Proceeds" (the "Agreement"); and

WHEREAS, the Agreement specifically provided that, "Upon the mutual execution of
this Agreement, the County shall be solely and exclusively responsible for any and all post
retirement benefits due under the CBA to the Retired Employees and any other Nursing Home
employee entitled to post retirement benefits under the CBA."; and

WHEREAS, those post retirement benefits include, among other things, the provision of
medical insurance and prescription medication coverage; and

WHEREAS, the Agreement also stated that it shall not become effective until written
approval of the Agreement is received from the Division of Local Government Services; and

WHEREAS, acknowledgment of and approval for the Agreement was received from
Deputy Director Marc Pfeiffer from the New Jersey Division of Local Government Services by
letter dated February 21, 2012; and

WHEREAS, by letter dated February 15, 2012, the SCIA received a letter from
Supervising Pensions Benefits Specialist, Kathleen Laflin, with respect to the SCIA request to
transfer a total of as many as 13 retirees along with their covered spouse from the Salem County
Nursing Home to retired State Health Benefits Plan ("SHBP") coverage under the County; and

WHEREAS, Ms. Laflin informed the SCIA that the proposed transfer of the 13 retirees
is not permissible and the SCIA shall remain responsible for payment of the SHBP bill. Ms.
Laflin further stated that a separate bill could be generated for the 13 retirees which could then
be presented to the County for payment; and

WHEREAS, the SCIA was further informed that on-line payment can only be made via
the internet using the "TEPS" system; and

WHEREAS, the County agrees that it is responsible to pay the SHBP bill for the 13
SCIA retirees pursuant to the Agreement; and

WHEREAS, the purpose of this MOU is so that the County and the SCIA can establish a
procedure in which the aforementioned SHBP bill shall be paid.
NOW, THEREFORE, the SCIA and the County hereby agree and covenant as follows:

Section 1. Payment of ongoing SHBP Bill.

a. On or before the first day of every month, beginning May 1, 2012, the SCIA shall present to the County the monthly SHBP bill for the 13 retirees (and their covered spouses), which is due for payment on or before the 15th day of that month. The 13 retirees include Margaret Brooks, William Brooks, Mary Jo Brown (Keith Brown-spouse), Merwin Burden, Suzanne Faris (Wesley Faris-spouse), Betty Finney, Cheryl Franklin (Charles Franklin-spouse), Patricia Gear, Dianne Emmons, Darlene Jimenez, Michaele Miller, Carol Parkell and Debra Terrell.

b. The monthly SHBP bill shall be deemed to have been delivered and presented to the County upon service (either personal, electronic, courier or mail) on the County Administrator.

c. On or before the 10th day of the month, the SCIA shall receive payment from the County, representing the full amount due and owing for the SHBP bill for the 13 retirees for that particular month.

d. Upon receipt of the payment from the County, the SCIA shall utilize said funds to pay the SHBP bill for the 13 retirees on or before the 15th day of the month.

Section 2. Payment of previous SHBP bills.

a. In light of the fact that the Agreement became effective on or about February 21, 2012, the County shall reimburse the SCIA the total sum of $27,901.66 already paid by the SCIA for payment of the March SHBP bill in the amount of $13,950.83 and payment of the April SHBP bill in the amount of $13,950.83.

b. The SCIA shall receive the payment of $27,901.66 on or before the 10th day following the mutual execution of this MOU.

Section 3. Responsibilities of each Party.

a. The SCIA and the County understand that the timeframes set forth in Section 1 and 2 of this MOU are critical and that time is of the essence. The SCIA and County shall take all necessary measures to comply with the timeframes set forth in this MOU.

b. In the event either the County or the SCIA fail to meet a timeframe set forth in this MOU, the defaulting party shall be responsible for the prompt payment of any and all fees, fines, penalties, damages, costs and/or expenses that result therefrom and which are imposed by the New Jersey Division of Pensions and Benefits or any other local, state or federal agency that
has jurisdiction over this matter or which otherwise result directly or indirectly, from the
defaulting party’s failure to abide by the timeframes set forth in this MOU.

c. The remedies set forth in subsection (b) of this Section shall be in addition to any
and all rights and remedies either party may have in the Agreement.

Section 4. Termination. This MOU will terminate on the earliest to occur of (the “Termination
Date”):

(a) the date upon which the County and the SCIA agree in writing to terminate this MOU;
or

(b) the date upon which the 13 retirees (and their covered spouses) are no longer in need
of (for any reason) medical and prescription benefits.

Section 5. Default. In the event either party to this MOU shall be in default of any provision of
this MOU, the non-defaulting party shall have the right to pursue any and all remedies available
at law or in equity. In addition, in the event the non-defaulting party is successful with respect to
any and all claims it prosecutes against the defaulting party under this MOU, the defaulting party
shall be responsible for the payment of any and all reasonable attorneys fees and court costs
incurred by the non-defaulting party as a result of pursing such claims against the defaulting
party. These rights and remedies shall be in addition to any and all rights and remedies available
to either party under the Agreement.

Section 6. Counterparts. This MOU may be executed in one or more counterparts, each of
which shall be deemed an original but all of which together will constitute one and the same
instrument.

Section 7. Amendments. Any amendments to this MOU shall be in writing and shall represent
mutual agreement of the Parties.

Section 8. Expenses. Each party shall be responsible for its own cost and expenses in
connection with this MOU.

Section 9. Applicable Law. This Memorandum of Understanding will be governed by and
construed in accordance with the laws of the State of New Jersey applicable to contracts to be
performed in such State, without reference to the conflicts of laws and rules thereof.

IN WITNESS WHEREOF, the Parties hereto have caused this Memorandum of
Understanding to be executed by their duly authorized representatives as of the date first above
written.
ATTEST/WITNESS:

Name: ______________________________
Title: ______________________________

SALEM COUNTY

By: _________________________________

ATTEST/WITNESS

Name: Deborah Turner-Fox
Title: Executive Director

SALEM COUNTY IMPROVEMENT AUTHORITY

By: John Ober
Chairman