MEMORANDUM OF AGREEMENT

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BY AND BETWEEN

BOROUGH OF NEW MILFORD

AND

PATROLMAN'S BENEVOLENT ASSOCIATION PBA LOCAL 83 (NEW MILFORD UNIT)

This Memorandum of Agreement ("MOA") is entered into by and between the BOROUGH OF NEW MILFORD (the "Borough") and PATROLMAN'S BENEVOLENT ASSOCIATION PBA LOCAL 83 (NEW MILFORD UNIT) (the "Union"), to reflect the terms on which the parties have agreed to amend Article 23 of the existing Collective Bargaining Agreement ("CBA") with respect to the healthcare contributions for retirees.

WHEREAS, the Union is the recognized representative of all Police Department employees as described in Article 3 of the CBA Between the Borough and the Union; and

WHEREAS, the Borough and the Union are parties to a CBA governing their relationship, which CBA runs from 1/1/2018 through 12/31/2021; and

WHEREAS, Chapter 78 required that the Borough pay for cost of health benefits of retired employees who, as of Chapter 78's effective date of June 28, 2011 had 20 years of service credit; and

WHEREAS, Chapter 78's provisions apply to active employees and retirees "who accrue 25 years of service after the bill's effective date"; and

WHEREAS, the CBA at Article 23(G) requires that all employees of the Borough, both active and retired, make their respective Chapter 78 contributions; and

WHEREAS, N.J.S.A. 40A:10-21.2 requires that the provisions of Chapter 78 requiring contributions are to be the status quo unless negotiated otherwise between the Borough and the Union; and

WHEREAS, the Borough and the Union wish to extend the existing CBA for one additional year.

NOW THEREFORE, the parties hereby agree as follows:

1. Effective upon the execution of this Memorandum of Agreement ("MOA") the CBA is hereby extended by one year and will now expire on 12/31/2022.

- 2. For the extended year of the CBA, 1/1/2022-12/31/2022, the top step on the salary guides contained in Appendices A-1, A-2, A-3 and A-4 of the CBA, shall receive, effective on 01/01/2022, a 2.5% increase to their base annual salary.
- 3. Additionally, effective upon the execution of this MOA all members of the Union who retire between now and the date that the successor version of the current CBA (1/1/18-12/31/2022) takes effect will be required to pay 1.5% of their monthly retirement allowance towards their Medical Contract premiums. The Borough and Union expressly agree that this paragraph and its terms are not part of the CBA and are not to be utilized as the "status quo" with respect to the successor version of the CBA. The Borough and Union also recognize that this MOA does not apply to any active employees who, as of June 28, 2011 had twenty or more years of creditable pension service. The employees who had twenty years or more years of creditable pension service as of June 28, 2011 shall receive fully paid benefits in retirement.
- 4. Any members of the Union who retires after the date that the successor version of the current CBA (1/1/18-12/31/2022) takes effect will be required to make their respective monthly Chapter 78, Tier 4 contributions towards their Medical Contract premiums, unless a different contribution level is negotiated between the Borough and the Union. The Union and the Borough agree that at the inception of the negotiations for the aforementioned successor version of the current CBA, the tier 4 Chapter 78 contribution levels will be the "status quo" for both active and retired employees.
- 5. It is expressly understood and agreed to by and between the parties that the within Agreement is expressly subject to and conditioned upon the Council of the Borough of New Milford enacting the appropriate ordinances/resolutions necessary for approval and implementation of this Agreement. It is further conditioned upon ratification by the Union.

PATROLMEN'S BENEVOLENT ASSOCIATION PBA LOCAL 83 (NEW MILFORD UNIT)

, President

Vice President

DATED: May 27, 2021

BOROUGH OF NEW MILFORD

Michael J. Putrino, Mayor

ATTEST:

Christine Demiris

Borough Administrator/Clerk

DATED: May ''/, 2021