

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”) is entered into, this ____ day of August, 2016, between the Board of Commissioners (hereinafter the “Board”) of and on behalf of the Hopewell Township Fire District #1 (hereinafter the “District”), a municipal fire district of the State of New Jersey with offices located at 201 Washington Crossing Pennington Road, Titusville, New Jersey 08560, and Matthew G. Martin, for the position of Fire Chief (hereinafter “Martin” or “Chief”).

WHEREAS, Martin has served the District in the position of Chief since April 26, 2007;

WHEREAS, The Board considers Martin’s tenure of service to the District to be exceptional and desires to continue his employment and retain his services as Chief;

WHEREAS, the Board intends this Employment Agreement to also serve as a retention agreement of sorts, inducing Martin to continue in the service of the District as Chief in the future by providing Martin with job, income and benefits protection that the Board believes to be appropriate for the position;

WHEREAS, Martin wishes to remain employed by the District as Chief and agrees to remain so employed in reliance upon and pursuant to the terms and conditions set forth within this Agreement.

1.0 Effective Date. This Agreement shall become effective as of January 1, 2016.

2.0 Salary.

(a) Salary increases effective prior to the execution date of this Agreement shall be made retroactive to January 1, 2015. Martin shall be paid an

annual base salary of \$115,039.84 in 2015, and \$116,765.44 in 2016, and \$118,526.92 in 2017. Annual rate of base salary for 2018 and for subsequent years shall be subject to increase, at the Board's discretion. Any catch-up payments of retroactive compensation will be made within 60 days of the execution of this Agreement.

(b) Martin's compensation will be adjusted, as necessary, to ensure that his annual base compensation is \$35,000.00 (excluding benefits, longevity and education incentives; not excluding Collateral Duties should they be assigned to the Fire Lieutenant or Fire Official) above the salary established and maintained for the position of Fire Lieutenant (or the highest lieutenant position and/or Fire Official that may exist, at any time, within the District). At all times, Martin's annual base compensation will be at least \$35,000.00 above the maximum salary established and maintained for the highest ranking lieutenant and/or Fire Official position (whichever position commands the higher salary).

3.0 Duties and Authority. The District is the employer of the position of Chief. Martin herein agrees to continue full-time employment as a District Chief, with all rights and authority vested with the position of a Chief Officer within the District. Martin hereby accepts and is assigned the position of Chief of Emergency Services. Martin, acting within the scope of his position as Chief, shall have such authority as is prescribed by the laws of the State of New Jersey and the provisions of District policy. This Agreement is subject to and shall be interpreted under the laws of the State of New

Jersey, the rules and regulations of the State governing the administration of fire districts, and all applicable written Board policies and procedures, all of which are made a part of this Agreement by reference as though fully set forth herein.

4.0 Responsibilities of the Chief. Martin, acting within the scope of his position as Chief, and under the direction of the Board, shall be charged with the responsibility of the direction of work-related activities of all District employees; shall serve as the District's Chief Administrative Officer; shall provide administrative support to all District volunteers; and shall present his recommendations concerning any and all personnel matters not specifically covered by District policy directly to the Board.

5.0 Extent of Service. During the Employment, Martin, acting within the scope of his position as Chief, shall devote substantially all of his business time and attention, reasonable vacation time and absences for sickness excepted, to the business of the Board and District. As Chief, Martin shall perform the duties as assigned to him with fidelity and to the best of his ability; and shall perform and discharge such Chief duties and responsibilities as may be prescribed from time to time by the Board or the District. As Chief, Martin shall not, without express written consent of the Board, directly or indirectly render services of a professional nature to or for any person, firm or organization for compensation, or engage in any practice that competes with the business or interest of either the District or the Board.

6.0 Assigned Vehicle. The District shall assign the Chief a District-owned vehicle, to be used for District-related business, and for fire or emergency incident response. The Chief shall not permit or authorize the operation of the District's assigned vehicle by any third party including, but not limited to, the Chief's spouse or family

members. Any operation of the District's assigned vehicle by such third parties is strictly prohibited and the District shall not be liable or responsible for any and all claims that may arise from such operation, whether directly or indirectly.

7.0 Professional Meetings & Training. The Chief is expected to attend professional meetings and training at local, state and national levels. The time and reasonable expenses incurred by the Chief via his attendance at such meetings and/or training shall be reimbursed by the Board, subject to prior approval.

8.0 Tuition Reimbursement. Beginning January, 2016, the Board will provide tuition reimbursement for up to 100% of approved tuition costs incurred by the Chief toward a 4 year degree program; and up to 50% of approved tuition costs incurred by the Chief toward a graduate degree program. The amount of assistance to be given, if any, will be determined by the Board on a per-request basis. If the Chief receives assistance from outside sources (scholarships, grants, GI Bill, fellowships, etc.) he shall be eligible for tuition reimbursement only if the cost of the tuition exceeds the amount of assistance received. All coursework/tuition is subject to advance approval and coursework and study must not unreasonably interfere with the performance of the Chief's duties on behalf of the District. After receiving approval, the Chief must provide proof of course completion and a passing grade in order to be entitled to reimbursement of tuition and tuition-related expenses. Textbooks, late fees and school supplies (other than lab fees associated with an approved course) are not reimbursable. The cost of parking and/or commuting is not reimbursable. Reimbursement of expenses will be made in the year in which the expense was budgeted. This may result in a delay in reimbursement, but will not diminish the Board's obligation to reimburse the expense(s). The number of

credits/courses, cost of tuition, and authorized tuition-related expenses associated with each course will be considered and approved/denied by the Board at the time the request for advance approval of the coursework/expense is made. This reimbursement policy will, at all times, be administered in compliance with all applicable laws.

9.0 Longevity. The Chief position will also be entitled to Longevity payments, as follows: For employment Years five (5) through nine (9): 0.5% of base salary; Years ten (10) through fourteen (14): 0.75% of base salary; Years fifteen (15) through (19): 1.5% of base salary; Years twenty (20) through twenty-four (24): 2.0% of base salary; and Year twenty-five (25) and beyond: 2.5% of base salary. Payment will otherwise be made pursuant to the procedures set forth within the agreement between the Board of Fire Commissioners Hopewell Fire District No. 1 and the Hopewell Township Fire District No. 1 Lieutenants (the "Lieutenants Contract"). For purposes of this Agreement, longevity payments will be paid to Martin by pro-rating the annual longevity payment into his weekly pay check for continuous and uninterrupted service after he reaches his anniversary date.

10.0 Retirement. Martin will be enrolled in the State of New Jersey's Police and Fire Retirement System (PFRS). Commencing upon Martin's full retirement date, and continuing during the remainder of Martin's lifetime, the District will continue coverage of medical insurance, dental insurance and eye care for Martin and his family (i.e., spouse and eligible dependents) and will pay all premiums (i.e. costs) associated with such coverage, to the extent permitted by law. If the then-current law does not permit the continuation of such benefits through the District's group insurance plans, the Board will reimburse Martin for the cost of health insurance, dental insurance and eye

care benefits he secures for himself and his family (spouse and eligible dependents). Reimbursement will be made on a monthly basis, or the District may agree to directly submit payments to the insurance provider(s) on Martin's behalf.

11.0 Employment Right & Benefits (Generally). Martin, acting within the scope of his position as Chief, shall receive all rights and benefits afforded in accordance with the Lieutenants Contract, with the sole exception of monetary overtime compensation. Such rights and benefits include, without limitation, the following: participation in the group health benefits plan, participation in the compensation time buy-back program, education incentive bonus, in-service training, injury leave, insurance, wellness program, jury duty/witness leave, leave of absence, longevity, paid time off, annual leave, bereavement, personal, sick and holiday paid leave, and participation in all annual leave buy-back programs (for sick leave, personal leave, annual leave, etc.). It is expressly intended that the Tuition Reimbursement terms (as set forth within Section 8) and the Longevity terms (as set forth within Section 9) of this Agreement are to be more generous than the education incentive bonus and longevity terms contained within the Lieutenants Contract.

12.0 Compensatory Time. Rather than overtime compensation, for which Martin is not eligible, Martin shall be entitled to receive compensatory time on a time-and-a-half basis for time worked above and beyond his normal daily schedule under the following circumstances: emergency calls, meeting attendance, community events (such as fireworks, school presentations, etc.) and similar, beyond regular daily schedule events. Such compensatory time is eligible for "buy back" under the compensatory time "buy back" program, pursuant to the terms of the program set forth within the

Lieutenants Contract. This means that at the end of the 13th pay period, annually, Martin may elect to sell back earned compensation time (including unused sick leave [48 hours], annual leave [40 hours], comp time [120 hours], etc.) up to 120 hours per year. Payment shall be made to Martin in the 14th pay period each year.

13.0 Additional Duties. As Chief, Martin shall not serve as the overall Chief of the District. In the event that the scope of duties of the Chief are expanded beyond those duties as identified herein and/or by prior practice in the District, the Chief may request to re-open wage negotiations to obtain compensation for the additional duties.

14.0 Tenure. It is the intent of the Board that the position of Chief be treated as a “tenured” position once an individual employed in the Chief position has remained continuously employed in good standing for nine (9) consecutive years. Martin has earned “tenure” status. Accordingly, Martin’s employment with the District shall be for an indefinite or unlimited duration in which Martin shall be continuously employed unless he voluntarily resigns or is terminated for Cause, as the term is defined within Section 15 of this Agreement. Accordingly, Martin has the reasonable expectation of long term, indefinite employment through his intended voluntary resignation or retirement date. Should the Board determine that there is Cause for termination and terminates Martin’s employment for Cause, Martin shall be entitled to a hearing within 45 days to appeal the determination in arbitration. Martin shall be entitled to salary and benefits continuation through the first 60 days of the appeal process, which he shall be required to repay the District if his appeal is unsuccessful. If the arbitration/appeal is successful, Martin shall be restored to the Chief position or awarded the equivalent of all salary and benefits he would have earned had he remained continuously employed through his

retirement date. For purposes of this Section 14, the retirement date shall be deemed Martin's 65th birthday, or the birthday that corresponds to the then-current PFRS mandatory retirement age.

15.0 Termination of Employment. This Agreement may be terminated by Martin upon giving one (1) month's prior written notice to the Board. This Agreement will terminate immediately upon Martin's death. The Board and/or District may also terminate this Agreement due to Martin's "disability." For purposes of this Agreement, the term "disability" shall mean: that (i) Martin has been incapacitated by bodily injury, illness or disease so as to be prevented thereby from engaging in the performance of his duties as Chief (provided, however, that the District acknowledges its obligations to provide reasonable accommodation to the extent required by applicable law); and (ii) such total incapacity shall have continued for a period of six (6) consecutive months; and (iii) such incapacity will, in the opinion of a qualified physician, be permanent and continuous during the remainder of Martin's life or will prevent his return to work within 18 months of the start of the disability leave. The Board and/or District may also terminate this Agreement at any time "for Cause" upon written notice to Martin. No advance notice is necessary for a "for Cause" termination, except as set forth below. For the purpose of this Agreement, "for Cause" shall mean and include conduct by Martin amounting to: (i) fraud, dishonesty, gross negligence or intentionally criminal acts, (ii) willful acts of moral turpitude, misconduct or other acts reflecting discredit upon the position of Chief and/or Martin and/or the Board or District or (iii) material failure to perform the material duties of his position. In the event of a termination for Cause based upon subsections (i) – (iii) above, the District shall first be required to provide Martin

with written notice of the grounds for Cause and the opportunity to cure the same within 14 days of the delivery of the written notice to Martin. Martin may be immediately relieved of duties, but must be paid full salary and benefits during any notice and cure period. In addition to any other rights and remedies that he may have, Martin shall have the right to appeal any for Cause determination through arbitration, pursuant to Sections 14 and 16 of this Agreement.

16.0 Arbitration. Any controversy, dispute, or claim arising out of or relating to this Agreement, or the breach, termination or validity hereof, shall be submitted to and be finally resolved by arbitration, to be conducted by the American Arbitration Association (“AAA”), with such arbitration to be held in Mercer County, New Jersey in accordance with the AAA Commercial Arbitration Rules. Any award or decision rendered in such arbitration shall be final and binding on the parties, and judgment may be entered thereon in any court of competent jurisdiction. Except as may be provided to the contrary herein, each party hereto shall pay their share of any and all expensed incurred by such party in connection with such arbitration proceeding, unless otherwise determined by the arbitrator. In the event Martin prevails in any arbitration proceeding against the Board and/or District, Martin shall be entitled to recover all reasonable attorneys’ fees and costs (including filing, forum and arbitrators’ fees and costs) that he incurred in connection with the arbitration.

17.0 Miscellaneous.

17.1 Headings. Section headings contained in this Agreement are for reference purposes only and shall not, in any way, affect the meaning or interpretation of this Agreement.

17.2 Entire Agreement. This Agreement, together with all exhibits referred to herein, if any, constitutes the entire Agreement between the parties and superseded all oral and written agreements, if any, between the parties.

17.3 Amendment. This Agreement may not be amended orally, but only by an instrument in writing, duly executed by the parties hereto.

17.4 Assignment. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective heirs, representatives, successors and assigns of the parties hereto; provided, however, that neither the duties or responsibilities of the Chief, nor any right to receive payments, shall be assigned or transferred, in whole or in part, by Martin. The District agrees that it will require any successor (including, without limitation, by merger, operation of law, consolidation, assignment or purchase of all or substantially all of the assets of the District) to assume expressly and agree to perform this Agreement.

17.5 Severability. If any of the provisions of this Agreement are determined to be invalid, such invalidity shall not affect or impair the validity of the other provisions, which shall be considered severable and shall remain in full force and effect.

17.6 Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of New Jersey.

Additionally, the venue of any arbitration or court proceeding shall be within Mercer County, New Jersey.

17.7 Notices. All notices, consents, waivers or communications which are required or permitted hereunder shall be sufficient if given in writing and delivered personally, sent by Federal Express or similar overnight service, or certified mail, return receipt requested, postage prepaid, to the parties as follows:

If to the District:

Stark & Stark, P.C.
993 Lenox Drive
P.O. Box 5315
Princeton, NJ 08543-5315
Attn: Kevin M. Hart, Esq.

and

Chairman Hopewell Township Board of Fire Commissioners
201 Washington Crossing-Pennington Road
Titusville, NJ 08560

If to Chief:

Matthew G. Martin
8 New Road
Lambertville, NJ 08530

17.8 Waiver. Failure to enforce any provision of this Agreement shall not constitute a waiver of such provision or its enforceability. No term or provision hereof shall be deemed waived and no breach of contract excused unless such waiver or consent shall be in writing.

17.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall together constitute but one instrument.

IN WITNESS WHEREOF, we affix our signatures to this Agreement as the full and complete understanding of this contractual relationship between the parties hereto.

Matthew G. Martin
Chief of Emergency Services

(Commissioner _____)
on behalf of
Board of Commissioners
Hopewell Township Fire District #1