

AMENDMENT No. 2 TO EMPLOYMENT AGREEMENT

This Amendment No. 2 to Employment Agreement (“Amendment”) is made and entered into this 16th day of December, 2019, by and between the Township of Verona, Essex County, New Jersey (“Verona” or “Township”) and Matthew Cavallo, who resides at 167 Warbler Drive, Wayne, New Jersey 07470 (“Manager”).

RECITALS

WHEREAS, the Township and the Manager are parties to an Agreement dated March 24, 2016; and

WHEREAS, the Agreement was modified and amended by a document entitled “Amendment No.1 to employment Agreement” dated October 2, 2017; and

WHEREAS, the terms of the Agreement (together with the Amendment No. 1) currently expire on December 31, 2019; and

WHEREAS, the Township and the Manager are agreeable to modifying certain terms and conditions of the Agreement pursuant to the terms of this Amendment No. 2; and

WHEREAS, the Township Council approved the execution of this Amendment No. 2 by Resolution No. 2019-204 adopted by the Township Council on December 16, 2019.

Therefore, in consideration of the promises and covenants contained in this Amendment and other goods and valuable considerations, the Township and the Manager agree as follows:

AGREEMENT

SECTION 1. Article V (“Salaries”), Paragraph 1 is amended to read:

1. “Effective January 1, 2020, Cavallo shall be paid a base salary of \$147,519 to perform the duties and responsibilities of Township Manager, \$151,945 per annum for calendar year 2021, and \$156,503 per annum for calendar year 2022. Annual increases shall be subject to change as stated in number 2 below.”

SECTION 2. Article V (“Salaries”), Paragraph 3 is amended to read:

3. The parties agree that negotiations for an employment agreement beginning in 2023 shall commence in or before September 2022.

SECTION 3. Article X (Professional Memberships) of the Agreement is amended to read:

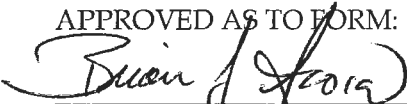
“Recognizing that Cavallo possesses and maintains certifications as a Certified Municipal Finance Officer, a Registered Municipal Clerk and as a Qualified Purchasing Agent all of which benefit Verona, Verona shall pay Cavallo’s professional association dues for generally accepted professional associations as approved by the Township Council during the term of this Agreement. The Township shall also pay for Cavallo's attendance at the conferences for such professional associations including conference registration and travel expenses. Cavallo shall be entitled to use his discretion as to what conferences he would like to attend and what associations he would like to be a member. The Township Council shall review any request to join an association or attend a conference for the sole purpose of ensuring the subject matter of the conference and/or association membership is relevant to Township business. There shall be a \$7,500 limit on the total annual payment/reimbursement of Cavallo’s professional association dues, conference registration, and expenses under this Article. In January of each year, Cavallo shall provide the Township Council a listing of the associations that he would like to be a member of for the upcoming year and the conferences he wishes to attend along with the estimated cost of such memberships and conferences.”

SECTION 4. The Township Council and the Manager agree that the terms of the Agreement shall remain unchanged and in full force and effect, except as specifically provided in this Amendment.

IN WITNESS WHEREOF, the Township and the Manager have executed and entered into this Amendment as of the date first written above.


{SIGNATURES PAGE NEXT}

APPROVED AS TO FORM:



BRIAN J. ALOIA, ESQ.
TOWNSHIP ATTORNEY

ATTEST:


By: 

JENNIFER KIERNAN, RMC
TOWNSHIP CLERK

WITNESS:



TOWNSHIP OF VERONA



JOHN T. McEVOY
MAYOR



MATTHEW CAVALLO

AMENDMENT No. 1 TO EMPLOYMENT AGREEMENT

This Amendment No. 1 to Employment Agreement (“Amendment”) is made and entered into this 2nd day of October, 2017, by and between the Township of Verona, Essex County, New Jersey (“Verona” or “Township”) and Matthew Cavallo, who resides at 168 Hilltop Court, Pompton Lakes, New Jersey, 07442 (“Manager”).

RECITALS

- A. The Mayor and Council have completed its most recent performance evaluation of the Manager and based thereon desires to modify certain terms and conditions of the Manager’s employment agreement with the Township.
- B. Manager is agreeable to modifying certain terms and conditions of the Agreement pursuant to the terms of this Amendment.
- C. The Mayor and Council approved this Amendment on by Ordinance No. 2017-21 adopted by the Mayor and Council on September 11, 2017.

In consideration of the promises and covenants contained in this Amendment and other goods and valuable considerations, the Township and the Manager agree:

AGREEMENT

SECTION 1. Article V of the Agreement (entitled “Salaries”) is amended to read:

- 1. “Effective January 1, 2017, Cavallo shall be paid a base salary of \$135,000 to perform the duties and responsibilities of Township Manager. \$139,050 per annum for calendar year 2018, and \$143,222 per annum for calendar year 2019. Annual increases shall be subject to change as stated in number 2 below.
- 2. The Base Compensations set forth in number 1 above include an annual 3 percent per annum increase above the prior year’s compensation. In the event the employees of Township as a whole (excluding the Police department) shall receive an annual increase in excess of 3 percent, Cavallo shall be entitled to the same percentage increase plus 0.5%.
- 3. The parties agree that negotiations for an employment agreement beginning in 2020 shall commence during September 2019.

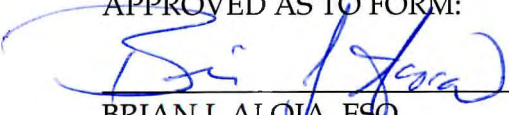
SECTION 2. Article XII of the Agreement (entitled "Verification of Time and Leave" is amended to read:

"Cavallo shall verify all sick, vacation and personal days used in the same manner as municipal department heads record such days. Said filings shall be subject to review by the Mayor and Council."

SECTION 3. The Township and the Manager agree that the terms of the Agreement shall remain unchanged and in full force and effect, except as specifically provided in this Amendment.

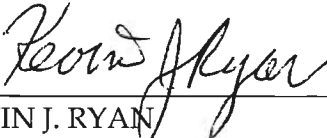
IN WITNESS WHEREOF, the Township and the Manager have executed and entered into this Amendment as of the date first written above.

APPROVED AS TO FORM:

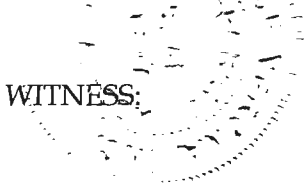

BRIAN J. ALOIA, ESQ.
TOWNSHIP ATTORNEY

ATTEST:

TOWNSHIP OF VERONA


KEVIN J. RYAN
MAYOR

By: 
JENNIFER KIERNAN, RMC
TOWNSHIP CLERK



WITNESS:


MATTHEW CAVALLO



EMPLOYMENT AGREEMENT

This Employment Agreement (hereinafter, the "Agreement"), entered into this 24th day of March 2016, is made by and between the Township of Verona, Essex County, New Jersey and Matthew Cavallo, who resides at 168 Hilltop Court, Pompton Lakes, New Jersey, 07442.

PARTIES

"Cavallo" as used herein shall mean Matthew Cavallo, who resides at 168 Hilltop Court, Pompton Lakes, New Jersey, 07442, who has been hired as an employee ("Municipal Manager") for the Township of Verona, Essex County, New Jersey.

"Verona" or "Township" as used herein shall mean the Township of Verona, a municipal corporation of the State of New Jersey, Essex County, New Jersey.

Cavallo and Verona are collectively referred to herein as the "Parties."

BACKGROUND

WHEREAS, pursuant to N.J.S.A. 40:69A-81 ET. seq., Verona is governed by an elected council and by an appointed Municipal Manager; and

WHEREAS, Verona has considered and determined that Cavallo is competent and qualified to perform the duties assigned to the position of Municipal Manager of the Township of Verona (also referred to as "Township Manager"); and

WHEREAS, Cavallo has indicated his willingness to perform the duties of the position of Township Manager; and

WHEREAS, on or about December 1, 2015, Cavallo was appointed as Township Manager; and

WHEREAS, said appointment to the position of Municipal Manager is for an indefinite term under N.J.S.A. 40:69A-93; and

WHEREAS, the Finance Director has indicated funding is available for this

appointment; and

WHEREAS, the Parties believe that it is in their best interest and desire to outline the terms and conditions of Cavallo's employment with the Township.

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, and intending to be legally bound, the Parties agree as follows:

ARTICLE I

MANAGEMENT RIGHTS

The Township hereby retains and reserves unto itself all powers, rights, authority, duties, and responsibilities conferred upon and vested in it prior to the signing of this Agreement by the laws and Constitution of the State of New Jersey and of the United States, except those limited by the specific and express terms of this Agreement, and then only to the extent that such specific and express terms hereof are in conformance with the Constitution and the laws of New Jersey (including, but not limited to, N.J.S.A. 40:69A-81 et. seq. as may be amended from time to time) and of the United States.

ARTICLE II

TERM

Effective December 1, 2015, Cavallo is appointed to serve as Township Manager in the Township of Verona. Cavallo's appointment shall be for an indefinite term and may be removed only in accordance with N.J.S.A. 40:69A-93. If Cavallo is removed by the Council by the adoption of a final resolution of removal for any reason other than "good cause" as defined in N.J.S.A. 40:69A-93, the Township shall continue to pay Cavallo the same salary and benefits in effect at the time of adoption of the final resolution of removal for a period of three (3) months, and the Council, may in its discretion require Cavallo to continue working as Municipal Manager all or

part of said three (3) month period

This Agreement may be terminated by Cavallo at any time upon 3 months' written notice, and upon such notice being served on the Township, Cavallo shall continue to perform all duties and responsibilities of Township Manager, and the Township shall continue to pay Cavallo the same salary and benefits in effect at the time of the service of such notice for the three (3) month period. In the event that this Agreement is terminated by Cavallo, he shall forfeit and not be entitled to payment of any kind other than salary and benefits as set forth above.

It is hereby agreed that the salary and benefits contained in this Agreement shall be subject to review after one year, assuming the employment relationship between the Parties was not terminated.

ARTICLE III

DUTIES AND RESPONSIBILITIES OF THE TOWNSHIP MANAGER

The duties and responsibilities of the Township Manager shall be consistent with those set forth in N.J.S.A. 40:69A-95 as amended from time to time, the Code of the Township of Verona, and pursuant to generally accepted management practice in municipalities governed by the Optional Municipal Charter Law: Council-Manager Plan of government. Cavallo shall continue to exert his best effort in the performance of his duties.

ARTICLE IV

WORKWEEK

Cavallo shall spend sufficient time in his official capacity as Municipal Manager to insure the smooth and responsible operation of the Township of Verona and to meet his duties and responsibilities under this Agreement. Cavallo's working hours shall at a minimum mirror the official operating hours of Verona Town Hall; he shall also be present for all regular and special Township Council meetings, and all other meetings, hearings and proceedings at which

the Municipal Manager should be in attendance.

ARTICLE V

SALARY

Effective December 1, 2015, Cavallo shall be paid a base salary of \$120,000 to perform the duties and responsibilities of Township Manager. Cavallo shall not receive overtime, compensatory time or any other monetary or non-monetary remuneration for hours worked in excess of 7 hours per day or 35 hours per week. The Mayor and Council shall review Cavallo's base salary annually for consideration of an adjustment.

ARTICLE VI

VACATIONS

1. Cavallo shall be entitled to receive paid vacation leave of fifteen (15) days per year to be scheduled with the Mayor and Council. Cavallo shall receive one (1) additional vacation day for each successive year of employment. Cavallo shall not receive more than twenty five (25) vacation days despite the number of years of service.

2. Cavallo shall be entitled to schedule his vacation time, provided that he shall not take vacation leave unless subordinates are available to assume control of, and responsibility for, the operation of the Township. Cavallo shall be required to provide the Mayor and Council his requested vacation days, in writing, at least one (1) week in advance of the beginning of the vacation period. If, in the sole judgment of the Mayor and Council, the vacation period selected conflicts with a planned Township activity that requires the presence of the Township Manager, the Mayor and Council shall have the right to require Cavallo to select a different vacation period.

3. Any unused vacation time may be carried over for two consecutive years. However, the accumulated unused earned vacation shall not exceed fifty (50) days at any time.

ARTICLE VII

SICK TIME

Cavallo shall be entitled to receive paid sick leave of fifteen (15) days in accordance with standard practices of Verona with regard to Department Heads. Unused sick leave days shall be permitted to be carried forward annually but shall not be paid upon retirement, resignation or separation of employment for any reason.

ARTICLE VIII

PERSONAL DAYS

Cavallo shall be entitled to three (3) paid personal days per calendar year beginning in 2016. Accumulated unused earned personal days shall not exceed six days at any time.

ARTICLE IX

HEALTH BENEFITS

Cavallo shall be entitled to health benefits consisting of medical and prescription coverage as may be approved from time to time by the Township Council for the benefit of its municipal employees. Furthermore, Cavallo shall be entitled to dental coverage equivalent to the plan, if any, being received by other Department Heads in the Township of Verona.

ARTICLE X

PROFESSIONAL MEMBERSHIPS

Verona shall pay Cavallo's professional association dues to the New Jersey Municipal Managers Association, the Governmental Purchasing Association of New Jersey, the North Jersey Chapter of the National Institute for Governmental Purchasing, NJ State League of Municipalities, and the International City/County Management Association, and such other generally accepted professional associations as approved by the Mayor and Council during the term of this Agreement. The Township shall also pay for Cavallo's attendance at the annual conferences for

such professional associations including conference registration and travel expenses. Cavallo shall be entitled to use his discretion as to what conferences he would like to attend and what associations he would like to be a member. The Mayor and Council shall review any request to join an association or attend a conference, if not already listed and approved above, for the sole purpose of ensuring the subject matter of the conference and/or association membership is relevant to Township business. There shall be a \$7,500 limit on the total annual payment/reimbursement of Cavallo's professional association dues, conference registration and expenses under this Article.

ARTICLE XI

PENSION BENEFITS

Cavallo shall be entitled to participation in the New Jersey Public Employee Retirement System pursuant to New Jersey law.

ARTICLE XII

VERIFICATION OF TIME AND LEAVE

Cavallo shall verify all sick, vacation and personal days used by filing a bi-weekly attendance sheet with the Township Clerk. Said filings shall be subject to review by the Mayor and Council.

ARTICLE XIII

LEGAL REPRESENTATION AND INDEMNIFICATION

A. Legal Representation. In the event that Cavallo is named a defendant in any civil, quasi-criminal or criminal action or legal proceeding, which arises out of the performance of his duties as Township Manager or involves conduct on the part of Cavallo that is within the scope of his employment, the Township of Verona shall make available legal counsel to Cavallo and shall fully satisfy the costs of defending such action as required under this Article. The legal

representation provided hereby shall not apply to civil litigation in which Cavallo is named a direct defendant in any action or legal proceeding initiated by the Township of Verona. In the event of any action or legal proceeding instituted by Township of Verona personnel or employees alleging intentional or tortious acts or conduct alleged to have been committed by Cavallo which are not covered by the Township of Verona's liability or other insurance coverage, the Township shall be responsible for the cost of all legal representation expended by Cavallo in defense thereof.

B. **Indemnification.** The Township shall indemnify and hold harmless Cavallo from and against all damages (except exemplary or punitive damages):

1. Awarded against Cavallo in any civil action or legal proceeding, in which Cavallo is a party, which arises out of the performance of his duties as Township Manager or involves conduct on the part of Cavallo that is within the scope of his employment;

2. Awarded against Cavallo in any civil action or legal proceeding, in which Cavallo is a party, instituted by Township of Verona personnel or employees alleging intentional or tortious acts or conduct alleged to have been committed by Cavallo which are not covered by the Township of Verona's liability or other insurance coverage.

C. **Punitive Damages.** Consistent with N.J.S.A. 59:10-4, the Township may indemnify Cavallo for exemplary or punitive damages resulting from his civil violation of State or federal law if, in the opinion of the Council, the acts committed by Cavallo upon which the damages are based did not constitute actual fraud, actual malice, willful misconduct or an intentional wrong.

D. **Limitation of Legal Representation/defense and Indemnification.** Notwithstanding any provision of paragraphs A, B, or C above, the Township shall defray the costs of defending any criminal action against Cavallo, only if:

(1) It is authorized by state statute, municipal ordinance or resolution and provided that the criminal proceedings have been dismissed or result in a final disposition in

favor of Cavallo; and

(2) The Township Council determines that there is no good cause to dismiss Cavallo out of the incident or related incidents of the criminal proceedings.

Furthermore, the Township shall not provide indemnification or the defense of any civil, criminal or other legal action if:

(1) The act or omission complained of was not within the scope of employment or authority; or

(2) The act or omission complained of was because of actual fraud, willful misconduct or actual malice; or

(3) The defense of the action or proceeding would create a conflict of interest between the Township and Cavallo; or

(4) There exist policies of insurance, either obtained by the Township or by another, by virtue of which Cavallo is entitled to a defense of the action in question from the insurer.

To be entitled to defense and indemnification Cavallo must deliver to the Township Attorney or Township Clerk, within ten (10) days of the time he is served, the original copy of any summons, complaint, process, notice, demand or pleading, or he shall not be entitled to defense or indemnification of the matter. Cavallo shall also not be entitled to defense or indemnification if he fails to cooperate with the attorney assigned to handle the matter.

E. **Methods of providing defense.** If the Township determines to provide a defense under this Agreement, it may do so by appointing the Township Attorney to handle the matter, hiring an attorney of its choice and paying the same directly or reimbursing Cavallo for reasonable attorney's fees expended or obligated to be expended by Cavallo in the defense of the act.

ARTICLE XIV

MISCELLANIOUS PROVISIONS

1. ENTIRE AGREEMENT. This Agreement represents the entire Agreement between the parties, and there are no other agreements, whether written or oral, which affect its terms. This Agreement may be amended only by a subsequent written agreement signed by both Parties. This Agreement represents and incorporates the complete and final understanding by the Parties on all issues, which were or could have been the subject of negotiations.

2. SEVERABILITY. If any provision of this Agreement is held by any court or other competent authority to be void or unenforceable in whole or part, this Agreement shall continue to be valid as to the other provisions thereof and the remainder of the affected provision.

3. WAIVER. Any waiver by either Party of a breach of any provision of this Agreement shall not be considered as a waiver of any subsequent breach of the same or any other provision thereof.

4. CONSTRUCTION Except as expressly otherwise provided in this Agreement, this Agreement shall be construed as having been fully and completely negotiated and neither the Agreement nor any provision thereof shall be construed more strictly against either Party.

5. HEADINGS. The headings of the sections contained in this Agreement are included herein for reference purposes only, solely for the convenience of the parties hereto, and shall not in any way be deemed to affect the meaning, interpretation or applicability of this Agreement or any term, condition or provision hereof.

6. EXECUTION AND COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an

original, and such counterparts together shall constitute only one instrument. Any one of such counterparts shall be sufficient for the purpose of proving the existence and terms of this Agreement and no party shall be required to produce an original or all of such counterparts in making such proof.

7. COVENANT OF FURTHER ASSURANCES. All parties to this Agreement shall, upon request, perform any and all acts and execute and deliver any and all certificates, instruments and other documents that may be necessary or appropriate to carry out any of the terms, conditions and provisions hereof or to carry out the intent of this Agreement.

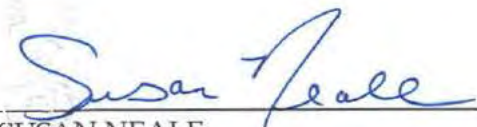
8. BINDING EFFECT. This Agreement shall inure to the benefit of and be binding upon all of the Parties hereto and their respective executors, administrators, successors and permitted assigns.

9. NO THIRD PARTY BENEFIT. Nothing contained in this Agreement shall be deemed to confer any right or benefit on any Person who is not a party to this Agreement.

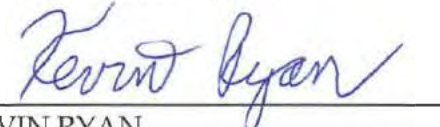
10. APPLICABLE LAW. This Agreement shall be governed only by and construed, in all respects, solely in accordance with the laws of the State of New Jersey. Should this Agreement or any part, term or provision of this Agreement be adjudged to be illegal, unenforceable or in conflict with any of the existing laws of the State of New Jersey, then and in that event, that part, term or provision shall be severed from this Agreement and the balance of this Agreement shall survive as if such paragraph(s) or section(s) were not contained within this Agreement. In the event that the entire Agreement is adjudged by a court of competent jurisdiction to be illegal, nugatory, unenforceable or in conflict with any existing laws of the State of New Jersey, then and in that event, this Agreement shall be declared null and void.

IN WITNESS WHEREOF, they set their hands and seals to this Agreement effective on the
24th day of March 2016.

ATTEST:

By: 
SUSAN NEALE
DEPUTY TOWNSHIP CLERK

TOWNSHIP OF VERONA


KEVIN RYAN
MAYOR

WITNESS:




MATTHEW CAVALLO

DATED: March 24, 2016