

Approved
4/16/2016

FAIRFIELD TOWNSHIP COMMITTEE
CLOSED SESSION MINUTES
MARCH 15, 2016

A Special Closed Session Meeting was held on March 15, 2016 at the Fairfield Township Municipal Building with Conflict Township Solicitor presiding the meeting at 7:15 p.m.

The following members were present:

Committeeman Clark, Committeeman Manson, Deputy Mayor Pierce and Mayor Byrd.

The following staff members were present:

Township Solicitor Carr, Conflict Township Solicitor Siciliano and Township Clerk Gonzales.

At this time, Mayor Byrd and Township Solicitor Carr recused themselves from the discussion of Sharp vs Fairfield Township.

Conflict Township Solicitor Siciliano announced that the doors are now closed and we are in Executive Session to discuss as follows:

MATTERS RELATING TO THE ATTORNEY - CLIENT PRIVILEGE N.J.S.A. 10:4-12 (b)(7)

(1) SHARP VS FAIRFIELD TOWNSHIP

Conflict Solicitor Siciliano advised the members of the governing body present that we have special counsel present, Robert A. Baxter who represents the Township as their Defense Counsel and Chuck Austermuhl who was obtained by former Committeewoman JoAnne L. Servais.

Mr. Siciliano indicated that nothing has changed since the last time he visited this matter with the Township Committee.

At this time, Chuck Austermuhl, Esq. left the meeting room.

Mr. Baxter indicated that the nature of the claims that are asserted by Mr. Sharp against the Defendants have been set forth in previous correspondence and meeting with the Township Committee. He advised that an opportunity has come forth to resolve the Plaintiff's claims for \$75,000.00. He advised that potential settlement of the case and the possibility that the case does not settle, may impact in various ways upon the Township.

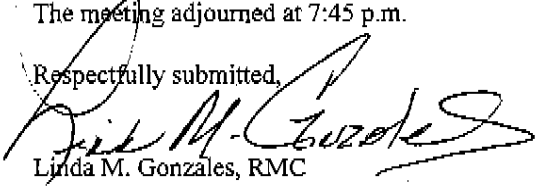
Mr. Baxter also advised the Township Committee that since the proposed settlement amount is less than the Township's deductible obligation of \$100,000 according to the policy. The policy issued to the Township carries a \$2,000,000 standard combined single limit per claim and annual aggregate limit of liability. The policy also includes a \$100,000 deductible or self-insured retention. The Township's retention obligation includes initial payment up to the retention amount for defense and/or indemnity costs. He explained that after the exhaustion of the deductible, the Township's insurer and the Township would contribute their respective coinsurance shares to the next \$2,000.00 of loss which includes defense costs. The Township's twenty percent (20%) contributive share of the first \$2,000,000 loss is set forth in the coinsurance provision of the policy. During the discussion, Mr. Baxter indicated that they are seeking the Township's consent to settle the underlying lawsuit brought by the Plaintiff for \$75,000.00. He indicated that pursuant to the consent to settle provision set forth above, to the extent the Township withholds its consent to the proposed settlement, per the terms indicated in the coverages, the Township would be responsible for all loss which exceeds the amount for which the Risk Management Company could have settled such claim, plus costs, charges and expenses accrued as of the date such settlement was proposed in writing by the RMC to the Township.

The committee was advised by counsel and his advice based on economics and monetary, that it would be in the best interest to take the proposed settlement for \$75,000.00 and that all individuals named in the complaint that it would be dismissed before the \$75,000.00 turns into \$100,000.00 dollars or more.

There being no further discussion, a motion was made by Deputy Mayor Pierce to go out of Executive Session seconded by Committeeman Clark. Roll Call Vote: Clark, yes; Manson, yes and Pierce yes.

The meeting adjourned at 7:45 p.m.

Respectfully submitted,


Linda M. Gonzales, RMC
Township Clerk