

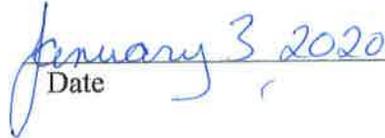
**RESOLUTION 2020 – 20**

**A RESOLUTION OF THE MAYOR AND BOROUGH COUNCIL OF  
THE BOROUGH OF MOUNT ARLINGTON, COUNTY OF MORRIS,  
STATE OF NEW JERSEY, APPROVING AND AUTHORIZING  
EXECUTION OF THE 2020 DUFF & PHELPS, LLC,  
CONSULTING SERVICES AGREEMENT**

**NOW, THEREFORE BE IT RESOLVED**, by the Mayor and Borough Council of the Borough of Mount Arlington, County of Morris, State of New Jersey, that the Chief Financial Officer is authorized to execute the 2020 Duff & Phelps, LLC, Consulting Services Agreement.

**I HEREBY CERTIFY** this to be a true and correct Resolution of the Mayor and Borough Council of the Borough of Mount Arlington and adopted on January 2, 2020.

  
\_\_\_\_\_  
L. Dwyer  
Acting Borough Clerk

  
Date

October 30, 2019

Ms. Theresa Smith  
Borough Treasurer  
Borough of Mount Arlington  
419 Howard Boulevard  
Mount Arlington, NJ 07856

Dear Ms. Smith:

Duff & Phelps, LLC ("Duff & Phelps"), will provide Borough of Mount Arlington the consulting services described within this agreement ("Agreement").

## **Purpose of the Engagement**

The purpose of this engagement is to provide Borough of Mount Arlington an updated fixed asset accounting ledger for accounting and financial reporting as of December 31, 2019.

## **Engagement Scope**

We will compile a fixed asset accounting ledger based on information provided by Borough of Mount Arlington for the fiscal year ending December 31, 2019. We will not inventory Borough of Mount Arlington's fixed assets nor verify the existence or ownership. We completed our last inspection and inventory of Borough of Mount Arlington's fixed assets on July 27, 2006.

## **Definition of Historical Cost**

Historical cost is defined by Generally Accepted Accounting Principles as the amount of cash, or its equivalent, paid to acquire an asset.

## **Scope of Work**

To perform our analysis, we require the following information for each fixed asset acquisition, disposal, or transfer:

- Property
- Building
- Room
- Floor
- Asset Number
- Tag Number
- Asset Classification (Account)
- Description
- Manufacturer
- Model
- Serial Number
- Acquisition Date
- Historical Cost
- Function Code

Upon your request, we can provide an Excel reporting template and related instructions to assist you in providing us your fixed asset activity data. Fixed asset activity data must be sent to us in Excel format. Borough of Mount Arlington acknowledges and accepts responsibility for the completeness and accuracy of its fixed asset activity data.

We anticipate this engagement will include the following:

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- 1) Assign the appropriate useful lives
  - 2) Estimate historical cost of additions using standard or normal costing techniques. (Normal costing involves estimating the historical cost of an asset by reverse trending the replacement cost new back to the date of acquisition. For standard costing, we estimate the historical cost of an asset by comparing it with the known average installed cost of an identical or similar unit at the estimated acquisition date of the subject fixed assets.)
  - 3) Enter the current-year fixed asset activity data into our Electronic Property Record Asset Information System ("ePRAIS")
  - 4) Calculate accumulated depreciation for all fixed assets and depreciation expense for the current fiscal year consistent with the methodology employed by Borough of Mount Arlington.

## Terms and Conditions

This Agreement is subject to and incorporates the **Terms and Conditions** attached as **Exhibit A**.

## Fee

The fee for this engagement will be \$1,175.00, and will be invoiced upon receipt of your fixed asset activity data.

This fee includes issuing the deliverables below and responding to customary questions from Borough of Mount Arlington and its auditor or advisors. Additional fee will be required for an increase in engagement scope or involvement in subsequent reviews beyond the customary work effort. Additional fee also may be required if Borough of Mount Arlington does not provide its fixed asset activity data in Excel format.

Borough of Mount Arlington may cancel this engagement at any time and will only be obligated for fees and expenses incurred. Our fee is not contingent on our deliverable or any subsequent event related to it.

## Timing and Deliverables

This engagement will require cooperation, access, and timely receipt of requested information from management of Borough of Mount Arlington. After this Agreement is signed and all requested information is received, we will begin our analyses and provide our final report within four to six weeks.

The report will be provided in electronic format and will present our conclusions and related narrative discussion of the supporting analyses and assumptions, along with appropriate exhibits. Additional relevant information and analyses considered will be retained in our work files.

Upon your request, we can provide an SOC 1 Type 2 report prepared by our independent auditor, Baker Tilly, which discusses policies and procedures placed in operation and tests of operating effectiveness.

## Conclusion

We appreciate the opportunity to serve Borough of Mount Arlington. To authorize, please sign below and return the full executed copy to [wrp@duffandphelps.com](mailto:wrp@duffandphelps.com). This Agreement shall remain valid for signature for 30 days. Please contact David Jones at 678 916 2575 with any questions.

Sincerely,



Bradley L. Schulz  
Managing Director

**Client of Record:** Borough of Mount Arlington

Signature: Carolyn Rinaldi  
Name: CAROLYN RINALDI  
Title: ADMINISTRATOR CFO/CPA  
Date: 12-11-19

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## Exhibit A – Terms and Conditions

**Entire Agreement** – This is the entire Agreement between Duff & Phelps and Borough of Mount Arlington and supersedes any prior oral or written agreements. This Agreement may only be modified in writing signed by both parties. Any purchase order covering this engagement is only for Borough of Mount Arlington's internal needs and shall not modify this Agreement.

**Fees** – Duff & Phelps' invoices are payable upon receipt. If payment of any invoice is not received within 45 days of the invoice date, Duff & Phelps shall be entitled, without prejudice to any other rights that it may have, to suspend services until all sums due are paid in full. In the event that Duff & Phelps is required to initiate a lawsuit or hire attorneys to collect any past due amounts, in addition to any other rights and remedies available, it shall be entitled to reimbursement of attorneys' fees and other costs of collection.

**Limited Use and Reliance** – Borough of Mount Arlington is the sole intended user of Duff & Phelps' report or other work product. Borough of Mount Arlington may disclose an informational copy of the report or other work product to its audit, tax, legal, or insurance professionals acting in an advisory capacity in connection with the purpose of this engagement. No third party shall have the right of reliance on the report, and neither receipt nor possession of the report by any third party shall create any express or implied third-party beneficiary rights.

**Confidentiality** – Duff & Phelps shall maintain the confidentiality of Borough of Mount Arlington's information and will not disclose or use it for any purpose other than in connection with this engagement. This excludes information (i) available to the public, (ii) already in Duff & Phelps' possession, or (iii) received from a party having no confidentiality obligation to Borough of Mount Arlington. Duff & Phelps may include Borough of Mount Arlington's name and logo in its client list.

**Engagement Limits** – Duff & Phelps' work may only be used for the specific purpose or premise of value stated in this Agreement and the work product. Borough of Mount Arlington shall not reference Duff & Phelps or its work in any public filing or other materials distributed to actual or prospective shareholders, investors, financing parties, or similar third parties without Duff & Phelps' prior written consent.

**Independent Contractor** – Duff & Phelps shall perform as an independent contractor, with no authority to bind or obligate Borough of Mount Arlington in any way.

**Information Provided by Borough of Mount Arlington** – Duff & Phelps will not independently verify information provided by Borough of Mount Arlington, its advisors, or third parties acting at Borough of Mount Arlington's direction. Duff & Phelps will assume and rely on the accuracy and completeness of all such information.

**Retention** – All files, documents, and work papers received, created, or developed during the engagement will be retained for professional recordkeeping and legal/regulatory compliance purposes, all in accordance with Duff & Phelps' document retention policy. If required by applicable law to disclose any of the documents, Duff & Phelps will, unless legally prohibited, notify Borough of Mount Arlington so it may seek a protective order at its discretion.

**Indemnification** – Borough of Mount Arlington shall indemnify and hold harmless Duff & Phelps and its affiliates, including each of their respective employees, from and against any and all liabilities, losses, costs, and reasonable expenses, including, but not limited to, reasonable legal fees and expenses and billable hours of client service personnel, which are (i) incurred in responding to subpoenas, discovery, or other similar inquiries associated with or arising from the engagement or (ii) arising from or relating to third-party claims based on reliance or purported reliance on Duff & Phelps' work product or other alleged loss or damage caused to or alleged by any nonclient entity arising from unauthorized access to or

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reliance upon Duff & Phelps' work product. The foregoing indemnification obligations shall not apply in the event that a court of competent jurisdiction finally determines that such claims resulted directly from the gross negligence, willful misconduct, or fraudulent acts of Duff & Phelps.

**Limitation of Liability** – In no event shall Duff & Phelps be liable to Borough of Mount Arlington (or any person claiming through Borough of Mount Arlington) under this Agreement, under any legal theory, for any amount in excess of the total professional fees paid by Borough of Mount Arlington to Duff & Phelps in connection with this engagement, except to the extent such liability is directly caused by Duff & Phelps' gross negligence, fraud, or willful misconduct. The foregoing limitation of liability shall not apply to liabilities that arise from personal injury or property damage resulting primarily from Duff & Phelps' negligence or willful misconduct. In no event shall Duff & Phelps be liable to Borough of Mount Arlington for any consequential, indirect, lost profit, or similar damages relating to or arising from this engagement.

**Environmental Policy** – Duff & Phelps will not investigate, nor assume responsibility for, the existence or impact of any contamination or hazardous substance related to property or assets associated with this engagement.

**Governing Law** – This Agreement is governed by and construed in accordance with the laws of the State of New York.