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Resolution No. 12-115

BOROUGH OF TETERBORO
RESOLUTION

OFFERED BY: Councilman John B. Watt

SECONDED BY: Councilman Gregory J. Stein

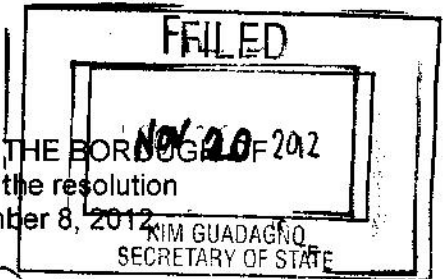
BE IT RESOLVED that an Ordinance entitled:

ORDINANCE # 536

An Ordinance Establishing Chapter 130 of the Code Entitled "An Ordinance Establishing That A Business Entity Which Makes Political Contributions To Municipal Candidates And Municipal And County Political Parties In Excess Of Certain Thresholds Shall Be Limited In Its Ability To Receive Public Contracts From The Borough Of Teterboro in The County of Bergen

be passed upon second and final reading and that the Municipal Clerk be and she is hereby authorized and directed to advertise the same according to law by publishing same by title only in THE RECORD.

I, VIRGINIA A. ALCURI, MUNICIPAL CLERK of THE BOROUGH OF TETERBORO, do hereby certify that the aforesaid is a true copy of the resolution adopted by the Mayor and Council at a Special Meeting held November 8, 2012.



Virginia A. Alcuri
Virginia A. Alcuri, RMC
Municipal Clerk

<u>ROLL CALL</u>	<u>YES</u>	<u>NO</u>	<u>ABSENT</u>	<u>ABSTAIN</u>
MAYOR JOHN P. WATT	X			
COUNCILMAN STEIN	X			
COUNCILMAN RAMIREZ			X	
COUNCILMAN O'DWYER			X	
COUNCILMAN WATT	X			

BOROUGH OF TETERBORO

ORDINANCE NO. 536

An Ordinance Establishing Chapter 130 of the Code Entitled "An Ordinance Establishing That A Business Entity Which Makes Political Contributions To Municipal Candidates And Municipal And County Political Parties In Excess Of Certain Thresholds Shall Be Limited In Its Ability To Receive Public Contracts From The Borough Of Teterboro In The County of Bergen"

The Mayor and Council of the Borough of Teterboro does hereby Ordain:

WHEREAS, large political contributions from those seeking or performing contracts with a municipality raise reasonable concerns on the part of taxpayers and residents as to their trust in government and its business practices; and,

WHEREAS, pursuant to N.J.S.A. 40:48-2, a municipality is authorized to adopt such ordinances, regulations, rules and by-laws as necessary and proper for good government, as well as the public health, safety and welfare; and,

WHEREAS, pursuant to P.L.2005, c.271 (codified at N.J.S.A. 40A:11-51) a municipality is authorized to adopt by ordinance, measures limiting the awarding of public contracts to business entities that have made political contributions, and limiting the contributions that the recipient of such a contract can make during the term of a contract; and,

WHEREAS, in the interest of good government, the people and the government of the Borough of Teterboro desire to establish a policy that will avoid the perception of improper influence in public contracting and local elections;

NOW, THEREFORE, BE IT RESOLVED, it shall be the policy of the Borough of Teterboro to create such a regulation which states that a Business Entity which makes political contributions to municipal candidates and municipal and county political parties in excess of certain thresholds shall be limited in its ability to receive public contracts from the Borough of Teterboro; and,

BE IT ORDAINED by the Borough of Teterboro, in the County of Bergen and State of New Jersey, as follows:

SECTION 130-1: DEFINITIONS

As used in this ordinance:

- (a) "Campaign Committee" means (i) every candidate for Borough of Teterboro elective

municipal office; (ii) every candidate committee established by or for the benefit of a candidate for Borough of Teterboro elective municipal office; (iii) every joint candidate committee established in whole or in part by or for the benefit of a candidate for Borough of Teterboro elective municipal office; (iv) every political committee of the Borough of Teterboro; (v) every political committee of Bergen County and (vi) every political committee, continuing political committee, or other form of association or organization that regularly engages in the support of candidates for the Borough of Teterboro municipal or Bergen County elective offices.

- (b) "Contribution" has the meaning prescribed in N.J.A.C. 19:25-1.7. By way of illustration, and not limitation, this definition includes pledges, loans, and in-kind contributions.
- (c) A "contract for professional or extraordinary services" means all contracts for "professional services" and "extraordinary unspecifiable services" as such term is used in N.J.S.A. 40A:11-5.
- (d) For purposes of this Ordinance, a "Business Entity" whose contributions are regulated by this ordinance means: (i) an individual including the individual's spouse, and any child/children; (ii) a firm; corporation; professional corporation; partnership; limited liability company; organization; association; and any other manner and kind of business entity; (iii) any person who owns 10% or more of the equity or ownership or income interests in a person or entity as defined in sections (i) and (ii) above and their spouses and child/children; (iv) all partners or officers of such an entity, in the aggregate, and their spouses and child/children; (v) any person, subcontractor, subsidiary, corporation, firm, partnership, limited liability company, organization or association who has received or indefeasibly acquired the right to receive, from a person described in subparagraph (i) above, more than \$100,000.00 in compensation or income of any kind (including, by way of illustration, and not limitation: wages, salaries, sums paid to independent contractors, benefits, dividends, profit-sharing, pension contributions, deferred contributions, stock, stock options or gifts), in any twelve (12) month period prior to the award of, or during the term of, a contract subject to this ordinance; and (vi) all persons who are an "affiliate" of a Business Entity as defined in sections (i), (ii) and (v) above, as such term is used in 11 U.S.C. 101(2).

SECTION 130-2: PROHIBITION ON AWARDING PUBLIC CONTRACTS TO CERTAIN CONTRIBUTORS

- (a) Any other provision of law to the contrary notwithstanding, the Borough of Teterboro or any of its purchasing agents or agencies or those of its independent authorities, as the case may be, shall not enter into an agreement or otherwise contract to procure professional, banking, insurance coverage services or any other consulting services, including those awarded pursuant to a "fair and open" process, from any professional business entity, if that entity has solicited or made any contribution of money, or pledge of a contribution, including in-kind contributions

to any Borough of Teterboro municipal candidate or holder of the public office having ultimate responsibility for the award of the contract, or campaign committee supporting such candidate or officeholder, or to any Borough of Teterboro or Bergen County party committee, or to any political action committee (PAC) that regularly engages in the support of Teterboro municipal elections and/or municipal parties in excess of the thresholds specified in subsection (c) within one calendar year immediately preceding the date of the contract or agreement.

- (b) No Business Entity who submits a proposal for, enters into negotiations for, or agrees to any contract or agreement with the Borough of Teterboro or any of its departments or instrumentalities, for the rendition of Professional Services or Extraordinary Unspecified Services shall knowingly solicit or make any Contribution, to (i) a candidate, candidate committee or joint candidates committee of any candidate for elective municipal office in Borough of Teterboro, or a holder of public office having ultimate responsibility for the award of a contract, or (ii) to any Borough of Teterboro or Bergen County political committee that regularly engages in the support of Borough of Teterboro Municipal elections between the time of first communication between that Business Entity and the municipality regarding a specific agreement for Professional Services or Extraordinary Unspecified Services, and the later of the termination of negotiations or rejection of any proposal, or the completion of the performance or specified time period of that contract or agreement.
- (c) The monetary thresholds of this Ordinance are: (i) a maximum of \$300 per calendar year each for any purpose to any candidate or candidate committee for Borough of Teterboro mayor or Borough of Teterboro governing body, or \$500 per calendar year to any joint candidates committee for Borough of Teterboro mayor or Borough of Teterboro governing body, or \$300 per calendar year to a party committee of the Borough of Teterboro; (ii) \$500 maximum per calendar year to a Bergen County party committee; and (iii) \$500 maximum per calendar year to any Political Action Committee. However, for each Business Entity party to a contract for Professional or Extraordinary Unspecified Services as defined in subparagraph (a), or engaged in negotiations for a contract defined in subparagraph (a), when such Business Entity's Contribution is aggregated with all "persons" defined in subparagraph (d) of "Definitions" above, by virtue of their affiliation to that Business Entity party, a maximum of \$2,500 to all Borough of Teterboro candidates, candidate committees, joint candidate committees, and holders of public office having ultimate responsibility for the award of a contract, all Borough of Teterboro or Bergen County political committees as described herein combined, without violating subsection (a) of this section.
- (d) For purposes of this section, the office that is considered to have ultimate responsibility for the award of the contract shall be (i) the Borough of Teterboro Mayor or Governing body, if the contract requires approval or appropriation from the Mayor or Governing body, or (ii) the Mayor of the Borough of Teterboro if the contract requires approval of the Mayor, or if a public officer who is responsible for the award of a contract is appointed by the Mayor.

- (e) Rules regarding subcontractors. No person may be awarded a subcontract to perform under a contract subject to this Ordinance, if the subcontractor would be disqualified by paragraph (a) from receiving the contract at the time that the subcontract is awarded. Nor may any person who would be disqualified by paragraph (a) from receiving the contract perform substantially all of obligations described in a contract for professional or extraordinary services that is subject to this ordinance.

SECTION 130-3: CONTRIBUTIONS MADE PRIOR TO THE EFFECTIVE DATE

No Contribution or solicitation of contributions made prior to the effective date of this Ordinance shall be deemed to give rise to a violation of this Ordinance.

SECTION 130-4: CONTRACT RENEWAL

No contract subject to this ordinance may be renewed, extended, or materially modified unless the resulting renewal, extension, or modification would be allowable under the provisions of this ordinance if it were an initial contract.

SECTION 130-5: CONTRIBUTION STATEMENT BY BUSINESS ENTITY

- (a) Prior to awarding any contract or agreement to procure Professional Services" or Extraordinary Unspecified Services" from any Business Entity, the Borough of Teterboro or its purchasing agents and departments, as the case may be, shall receive a sworn statement from said Business Entity which is the intended recipient of said contract that he/she/it has not made a Contribution in violation of Section 130-2 of this Ordinance. The Borough of Teterboro its purchasing agents and departments shall be responsible for informing the Council of the Borough of Teterboro that the aforementioned sworn statement has been received and that the Business Entity is not in violation of this ordinance, prior to awarding the contract or agreement.
- (b) A Business Entity shall have a continuing duty to report to the Borough of Teterboro any Contributions that constitute a violation of this ordinance that are made during the negotiation, proposal process or the duration of a contract. The Borough of Teterboro its purchasing agents and departments shall be responsible for informing the governing body within ten (10) business days after receipt of said report from the Business Entity, or at the next Council meeting following receipt of said report from the Business Entity, or whichever comes first.
- (c) The certification required under this subsection shall be made prior to entry into the contract or agreement with the Borough of Teterboro or prior to the provision of services or goods, as the case may be, and shall be in addition to any other certifications that may be required by any other provision of law.

SECTION 130-6: RETURN OF EXCESS CONTRIBUTIONS

A Business Entity that is a party to a contract for Professional Services or Extraordinary Unspecified Services may cure a violation of Section 130-2 of this Ordinance, if, within

30 days after the date on which the applicable ELEC report is published, said Business Entity notifies the municipality in writing and seeks and receives reimbursement of the Contribution from the recipient of such Contribution.

SECTION 130-7: EXEMPTIONS

The contribution limitations prior to entering into a contract in Section 130-2(a) do not apply to contracts which (i) are awarded to the lowest responsible bidder after public advertising for bids and bidding therefor within the meaning of N.J.S.A. 40A:11-4, or (ii) are awarded in the case of emergency under N.J.S.A. 40A:11-6. Notwithstanding anything else to the contrary herein contained, the provisions of Section 130-2(a-e) shall not apply to bar a Teterboro professional or extraordinary unspecifiable services contract for contributions made to a political committee, municipal committee or organization, municipal candidate, municipal candidate committee or municipal joint candidate committee in any municipality other than the Borough of Teterboro and which does not regularly engage in the support of Borough of Teterboro municipal candidates. There is no exemption for contracts awarded pursuant to a "Fair and Open Process" under N.J.S.A. 19:44A-20 et seq.

SECTION 130-8: PENALTY

- (a) It shall be a material breach of the terms of a Borough of Teterboro agreement or contract for Professional Services or Extraordinary Unspecified Services when a Business Entity that is a party to such agreement or contract has: (i) made or solicited a Contribution in violation of this Ordinance; (ii) knowingly concealed or misrepresented a Contribution given or received; (iii) made or solicited Contributions through intermediaries for the purpose of concealing or misrepresenting the source of the Contribution; (iv) made or solicited any Contribution on the condition or with the agreement that it will be re-contributed to a candidate, candidate committee or joint candidates committee of any candidate for elective municipal office in Borough of Teterboro or a holder of public office having ultimate responsibility for the award of a contract, or any Borough of Teterboro or Bergen County political committee; (v) engaged or employed a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any Contribution, which if made or solicited by the professional Business Entity itself, would subject that entity to the restrictions of this Ordinance; (vi) funded contributions made by third parties, including consultants, attorneys, family members, and employees; (vii) engaged in any exchange of Contributions to circumvent the intent of this Ordinance; or (viii) directly or indirectly, through or by any other person or means, done any act which if done directly would subject that entity to the restrictions of this Ordinance.
- (b) Furthermore, any Business Entity that violates Section 130-8 (a) (i-viii) shall be disqualified from eligibility for future Borough of Teterboro contracts for a period of four (4) calendar years from the date of the violation.
- (c) Any person who knowingly, purposely, or recklessly violates any provision of this ordinance, or who conspires with another person to violate any provision of this

ordinance, or who, with the purpose of promoting or facilitating a violation of this ordinance, solicits another person to commit it, or aids or agrees, or attempts to aid another person in planning or committing it, shall be subject to punishment including fines and/or imprisonment as fixed by law for violations of the ordinances of the Borough of Teterboro.

SECTION 130-9: CITIZENS PRIVATE RIGHT OF ACTION

In addition to any rights that were heretofore available, or which may hereafter be available, to citizens, taxpayers, or associations, to challenge violations of this ordinance, every person aggrieved by a violation of the ordinance, or any taxpayer or resident of the Borough of Teterboro has the right, consistent with the Rules of Court, to file charges in a court of competent jurisdiction, and/or to pursue a civil action for a violation of this ordinance in a court of competent jurisdiction, and to seek and obtain declaratory, injunctive, or other legal or equitable relief, including but not limited to, attorneys fees and costs, arising from or related to a violation of this ordinance.

SECTION 130-10: SEVERABILITY

If any provision of this Ordinance, or the application of any such provision to any person or circumstances, shall be held invalid, the remainder of this Ordinance to the extent it can be given effect, or the application of such provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby, and to this extent the provisions of this Ordinance are severable.

SECTION 130-11: REPEALER

All ordinances or parts of ordinances which are inconsistent with any provisions of this Ordinance are hereby repealed as to the extent of such inconsistencies.

SECTION 130-12: EFFECTIVE DATE

This Ordinance shall become effective upon passage and publication as required by law.

APPROVED BY:

JOHN P. WATT, MAYOR

ATTESTED BY:

VIRGINIA A. ALCURI, R.M.C.

MUNICIPAL CLERK

Introduced: October 11, 2012

Adopted: November 8, 2012