



Legislation Text

File #: 24-0686, Version: 1

Dept/ Agency: Law

Action: () Ratifying (X) Authorizing () Amending

Purpose: Settlement of Civil Litigation

Docket No.: 2:20-cv-10309-JMV-JRA

Claimant: Class Action on behalf of 289 Police Recruits (2017-2018)

Claimant's Attorney: Adam Slater, Esq., Slater, Slater and Schulman, 488 Madison Avenue, 20th Floor, New York, New York 10022

Settlement Amount: \$4,000,000

Funding Source: Insurance Trust Fund

Additional Comments:

\$4 Million (\$2,660,841.60 to Claimants, \$1,339,158.40 in Attorney's fees, expense and costs).

WHEREAS, on August 11, 2020, Plaintiffs commenced a class action lawsuit pursuant to Section 16(b) of 29 U.S.C. §216(b) Fair Labor Standards Act ("FLSA") in the United States District Court, District Court of New Jersey, under Civil Action No. 2:20-cv-10309 (hereinafter the "Collective Action") asserting violations of the FLSA and other related claims on behalf of themselves and other former Newark police recruits who attended the New Jersey State Police Academy ("NJSPA" or "Academy") in 2017 and 2018; and

WHEREAS, Plaintiffs alleged that City failed to pay them and the other 2017 and 2018 Collective Class Members (289 total police recruits) overtime for the hours they worked in excess of 40 hours per week; and

WHEREAS, a settlement proposal has been made to resolve this litigation in its entirety by payment in the total amount of \$4,000,000.00 (Four Million and Zero Cents (\$4,000,000.00) ("Total Settlement Sum"); and

WHEREAS, as part of that Total Settlement Sum, Plaintiff's Counsel shall make an application to the Court for an award of one-third of the Total Settlement Sum in the amount of \$1,339,158.40 (One Million Three Hundred Thirty-Nine Thousand One Hundred Fifty-Eight Dollars and Forty Cents) as payment of attorneys' fees, expenses and costs; and

WHEREAS, the Plaintiffs have agreed to accept the remaining settlement amount in two separate payments: \$1,330,420.80 (One Million Three Hundred Thirty Thousand, Four Hundred Twenty Dollars and Eighty Cents) upon formal approval of this Settlement in 2024 ("First Payment"); and \$1,330,420.80 (One Million Three Hundred Thirty Thousand, Four Hundred Twenty Dollars and Eighty Cents), to be paid one year after formal approval, in 2025 ("Second Payment"); and

WHEREAS, the Plaintiffs shall be subject to all required employee paid payroll taxes (federal income taxes, state income taxes, employee's share of FICA and FUTA taxes, and other state-specific statutory deductions) and other authorized or required deductions (garnishments, tax liens,

child support, etc.), which the Plaintiffs will be responsible for paying from their allotted share of First Payment and the Second Payment.

WHEREAS, the Corporation Counsel, based upon all facts and circumstances presented, deems it in the best interest of the City to resolve this claim by payment of the proposed Total Settlement Sum.

NOW, THEREFORE, BE IT RESOLVED BY MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:

1. The Corporation Counsel is hereby authorized on behalf of the City of Newark to execute and accept the terms of the Settlement Agreement and Release, attached hereto.
2. Upon receipt of all documents deemed necessary, the Director of the Department of Finance is hereby authorized and directed to issue the following payments:

A. First Payment

Upon formal approval of this Settlement, \$1,330,420.80 (One Million Three Hundred Thirty Thousand, Four Hundred Twenty Dollars and Eighty Cents) made payable to the Fund Administrator "Angeion Group," and which payment will be mailed to: Adam Slater, Esq., Slater, Slater & Schulman, 488 Madison Avenue, 20th Floor, New York, New York 10022.

B. Second Payment

One year after formal approval of this Settlement, \$1,330,420.80 (One Million Three Hundred Thirty Thousand, Four Hundred Twenty Dollars and Eighty Cents) made payable to the Fund Administrator "Angeion Group," and which payment will be mailed to: Adam Slater, Esq., Slater, Slater & Schulman, 488 Madison Avenue, 20th Floor, New York, NY 10022.

C. Fees/Expenses/Costs Payment

Upon Court approval of the Plaintiff's application for attorneys' fees, expenses and costs, \$1,339,158.40 (One Million Three Hundred Thirty-Nine Thousand One Hundred Fifty- Eight Dollars and Forty Cents) which payment will be made payable to "Slater, Slater & Schulman" and mailed to: Adam Slater, Esq., Slater, Slater & Schulman, 488 Madison Avenue, 20th Floor, New York, NY 10022.

1. Annexed hereto is the Certification of Funds issued by the Director of the Department of Finance, which states that there are available sufficient legally-appropriate funds from Business Unit NW025, Dept. ID 25T, Division/Project 7T25 and Account #9634, in the total amount of \$4,000,000.00 (Four Million Dollars and Zero Cents), to be in accordance with the schedule set forth in Paragraph 2, above, for the purpose set forth herein.
2. A copy of the Comptroller's Certification shall be filed in the Office of the City Clerk, along with this Resolution by the Corporation Counsel.

3. The Corporation Counsel shall file a fully executed copy of the Settlement Agreement in the Office of the City Clerk.
4. This Resolution shall be effective upon adoption in accordance with applicable State Law.
5. The Settlement Agreement and Release and Resolution does not admit, nor should it be construed as an admission of liability or violation of any law, statute or regulation or a breach of any duty by the City of Newark, its agents, officers and/or employees whatsoever and is entered into based upon recommendations of the Corporation Counsel and to eliminate all risks and future litigation costs.

STATEMENT

This Resolution authorizes the Corporation Counsel, on behalf of the City to enter into a Settlement Agreement and Release to settle the Police Recruit overtime claims in the total amount of \$4,000,000.00 (Four Million Dollars and Zero Cents) in exchange for a complete release of any and all claims against the City of Newark and its employees.