

# **Newark Watershed Conservation and Development Corporation**

## **Minutes of the Special Meeting of the Board of Trustees**

Monday, June 10, 2013

### **Opening of Meeting**

Called to order: 2:12 P.M.

### **Introductions/Roll Call**

Telephonic Participants – Trustees:

- Hon. James Zazzali
- Hon. James Coleman
- Hon. Dorthea Wefing
- Professor Clement Price
- William Merritt
- Oscar James

Counsel Participants:

- Christopher M. Hartwyk, Esq.
- Samuel Cornish, Esq.
- Matthew Baker, Esq.
- Edward Schroll, Esq.
- Joshua Mann, Esq. – Attorney of Trustee Oscar James

### **Introduction**

Christopher M. Hartwyk, Esq. of Genova Burns Giantomasi Webster LLC (“GBGW”) asked Trustee Merritt to call the meeting to order and provided the Trustees with an overview of the current state of the Newark Watershed Conservation and Development Corporation (“Newark Watershed” or “Corporation”). He also explained the procedural history regarding the In re Initiative Petition Regarding A Proposed Save Our Water Ordinance case, the history of the Newark Watershed, the status of the dissolution of the Corporation, and the status of the investigation by the Office of the State Comptroller (the “Comptroller”). Mr. Hartwyk explained that in March, April and May of 2013, the Comptroller issued subpoenas and document requests to the Newark Watershed. In responding to these requests, GBGW, as counsel for the Corporation, became aware of issues that, due to the conflict of interest provision of the Newark Watershed’s By-Laws and the resignation of one trustee (Rodney Johnson), rendered the Board inoperable. As a consequence, Trustees Merritt and James sought Court assistance. The Court granted their application and appointed Trustees Zazzali, Coleman, Wefing and Price as provisional Trustees.

## **Appointments**

**Executive Director** - Following Mr. Hartwyk's introduction, the Trustees requested the issues of appointments be addressed by the Board. Trustee Coleman inquired regarding the appointment of an Executive Director. The group discussed the need to consider whether or not to appoint an Executive Director or administrator. Mr. Hartwyk advised the Board that GBGW has had to perform many administrative tasks and functions, which is costly as compared to a full-time employee, and agreed that the appointment of an individual is an immediate issue that should be addressed and discussed at the June 13 Board Meeting.

The Board agreed and the appointment of an interim Executive Director was tabled and the issue will be reopened at the June 13 Board Meeting.

**Trustee Liaison to Counsel** - The Board agreed that Justice Zazzali is designated as the Trustee who will act as a liaison between GBGW and the Board between Board meetings.

**Other Appointments** - The Board agreed that appointees to the following positions shall be determined at the June 13 Board Meeting, and such persons shall be appointed by way of Resolution at the June 13 Board Meeting:

- Chairman
- Vice-Chairman
- Treasurer
- Secretary
- Pension Plan Trustee and Administrator
- 403b Plan Trustee and Administrator

## **Fiscal Issues**

Immediate Fiscal Issues were introduced by Trustee Merritt.

**Whole Life Insurance Policies** - Mr. Hartwyk advised that, apparently unknown to the Board, for many years the Corporation was paying premiums on whole life insurance policies with payout values for employees. The Board reached a consensus and advised that the issue would be raised at the June 13 Board Meeting at which time the Board will act by way of Resolution regarding the life insurance policies.

**Transfer of Vehicles to the City** - Mr. Hartwyk advised the Board that GBGW will provide the Board with an assessment of the cost of transferring Newark Watershed vehicles to the City of Newark at the June 13 Board Meeting, at which time the Board will determine actions that will be taken thereafter.

**Worker's Compensation and General Liability Insurance** - Mr. Hartwyk advised the Board that the workers compensation insurance policy, as well as various other corporate insurance policies, were set to expire on May 31, 2013. Before that date, GBGW discussed this matter with the City Administrator and Council for the City of Newark; all concurred that that

the Corporation should pay the premiums for all necessary insurance policies, despite the inoperability of the Board. In response, GBGW paid the policy premiums necessary to ensure the continuity of coverage. The Board reached a consensus and agreed that this action was necessary and such action will be ratified by way of Resolution at the June 13 Board Meeting.

**Recurring Expenditures** - Trustee Merritt advised the Board that there are approximately \$130,000 in recurring bills that have not been paid. Mr. Hartwyk advised the Board that Walter Frye will attend the June 13 Board Meeting at which time Mr. Frye will provide a report on the outstanding bills and payroll. The Board reached a consensus and agreed that the matter will be reopened and discussed upon receipt of Walter Frye's report at the June 13 Board Meeting.

**403(b) and Defined-Benefit Pension Plans** - Mr. Hartwyk advised the Board that Genova Burns provided notification of the suspension of distributions from the 403(b) plan and the defined-benefit pension plan (the "DB plan"). He further recommended to the Board that they continue to freeze the DB plan distributions, but that the 403(b) proceeds should be made available for distribution. Mr. Hartwyk further recommended that a representative for the 403(b) and DB plans should be appointed at the June 13 Board Meeting and that GBGW will prepare draft resolutions suspending distribution of DB plan proceeds and allowing for the distribution of the 403(b) plan proceeds. Trustee Wefing agreed with this approach and the Board concurred and advised that the matter would be considered at the June 13 Board Meeting.

#### **Other Issues requiring Board Action**

**Notice to Employees regarding the dissolution** - Mr. Hartwyk advised that it may be appropriate to provide notice the employees (via e-mail) of the current status of the Corporation. Trustee Zazzali inquired as to the timing of the notification, and Mr. Hartwyk advised that with the Board's approval, GBGW would send notice. The Board by consensus agreed that Notice would be provided to the employees.

**Board Meeting Schedule** - Mr. Hartwyk advised the Board that a schedule for future Board Meeting should be determined. The Board reached a consensus and agreed that this item would be reopened at the June 13 Board Meeting.

**Check Signatories** - The Board addressed the issue of signatories on checks authorized by the Newark Watershed. Trustee James advised that he would like to be removed as a signatory. Trustee Wefing advised that she would be willing to be a signatory. Trustee Coleman voiced concerns regarding signing checks without appropriate documentation and background information. Based upon Trustee Coleman's concerns, the Board agreed that the matter would be tabled until the June 13 Board Meeting, at which time the Board would determine who the authorized check signatories will be. Trustee Merritt advised that he will return the Corporation's checkbooks at the June 13 Board Meeting.

## **Authorization of Counsel Actions**

**Transfer of Employees to the City of Newark Payroll** - Mr. Hartwyk introduced this item to the Board. The Board enquired as to the specifics of the transfer, and raised potential issues regarding the union and the pensions. Mr. Hartwyk advised that Patrick McGovern, Esq., an attorney from GBGW, would be present at the June 13 Board Meeting to discuss this matter in greater detail with the Board. The Board authorized GBGW to continue to speak with the City of Newark regarding this matter (in addition to other dissolution matters as noted above).

**Office of the State Comptroller Investigation** - GBGW received additional document requests directed to the Corporation from the Comptroller. Mr. Hartwyk advised the Board that GBGW has been responsive to Comptroller's previous document requests. Mr. Hartwyk sought authorization from the Board to continue to respond to the Comptroller's document requests for the immediate future. The Board, by consensus, authorized GBGW to continue to respond to document requests.

**Health Care Issues** - Mr. Hartwyk advised the Board that GBGW would like to continue the dialogue with AETNA regarding health insurance coverage for Newark Watershed employees and former employees. A consensus of the Board authorized Genova Burns to correspond with representatives from Aetna regarding the health insurance policies and agreed that such authorization would be ratified by way of Resolution at the June 13 Board Meeting.

## **Next Meeting**

The next meeting of the Board will be held on June 13, 2013 at the offices Genova Burns Giantomasi Webster LLC, 494 Broad Street, Newark, NJ 07102.