

Newark Watershed Conservation and Development Corporation

Minutes of the Special Meeting of the Board of Trustees

Tuesday, October 1, 2013

Opening of Meeting

Called to order: 3:10 P.M.

Introductions/Roll Call

Participants:

- Hon. James R. Zazzali, Trustee
- Hon. Dorothea O’C. Wefing, Trustee
- Dr. Clement A. Price, Trustee (via teleconference)
- Edwin H. Stier, Esq., Trustee (via teleconference)
- William T. Merritt, Trustee¹
- Ernesto Butcher, Executive Director

Counsel:

- Samuel Scott Cornish, Esq.
- Matthew Baker, Esq. (Recording Secretary)

Members of the Public:

- Guy Sterling – Newark Water Group
- William Chappel – Newark Water Group
- Dan O’Flaherty – Newark Water Group
- Zemin Zhang – Newark Water Group
- Joanne Sims
- Angela Foster – City of Newark, Asst. Corporation Counsel
- Cassandra Dock²

Public Comment

Chairperson Zazzali opened the meeting of the Board of Trustees (the “Board”) of the Newark Watershed Conservation and Development Corporation (the “NWCDC” or the “Corporation”) to public comment. Mr. O’Flaherty stated that the Newark Water Group is interested in reiterating the importance of the issues raised by its counsel, Renee Steinhagen, Esq., in her recent letter to Genova Burns Giantomasi Webster LLC (“GBGW”) regarding the vacant trusteeship. Chairperson Zazzali thanked Mr. O’Flaherty for his comment.

Approval of the Public Session Minutes

¹ Trustee Merritt entered the meeting at 3:19 P.M.

² Ms. Dock entered the meeting at 4:11 P.M.

Motion to Approve the Public Session Minutes of the September 18, 2013 Board Meeting:

Moved by Trustee Wefing Second by Trustee Stier

Vote:	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
The Hon. Cory A. Booker, Mayor				X
The Hon. James R. Zazzali	X			
The Hon. Dorothea O’C. Wefing	X			
Dr. Clement A. Price	X			
Edwin H. Stier, Esq.	X			
William T. Merritt				X

Action taken Motion Passed

Report of the Interim Executive Director

Pension Plans – Mr. Butcher advised that the NWCDC has begun distributing 403(b) pension plan (“403(b) Plan”) funds to plan participants, and is currently working with participants who submitted partially-complete distribution forms to complete those forms. Mr. Butcher also advised that a request for qualifications (“RFQ”) for investment advisor for the NWCDC’s Defined Benefit pension plan (“DB Plan”) has been published, is returnable on October 14, 2013, and has already solicited a number of responses.

Insurance Matters – Mr. Butcher noted that he and GBGW have had a number of conversations with Conner Strong & Buckelew (“Conner Strong”), the NWCDC’s insurance broker, regarding the disclosures that the NWCDC made in its application for increased Directors and Officers (“D&O”) insurance coverage. Mr. Butcher further noted that the NWCDC has disclosed all claims and circumstances of potential future claims to its D&O insurer.

Auditing – Mr. Butcher also noted that Wiss & Co. (“Wiss”), the company selected by the NWCDC to provide auditing services, has received all of the information necessary to provide the NWCDC with a price quote for the 2013 close-out audit, and that Wiss has provided the NWCDC with an engagement letter and contract.

Office Lease – Lastly, Mr. Butcher advised that the NWCDC’s lease of three offices at One Gateway Center in Newark is expiring, and that the leasing company has offered to lease two offices to the NWCDC for an additional three-month period and at a 7% increase in rent per office. The Board agreed to pass a resolution authorizing Mr. Butcher to enter into the additional three-month lease.

RFQ for Legal Services

Chairperson Zazzali advised that the Board has decided to award the contract for general legal services to GBGW, as the result of a fair and open RFQ process. He further advised that the Board resolution awarding this contract should authorize Mr. Butcher to enter into a retainer agreement with GBGW that: (i) lasts no more than one year; (ii) will reflect the scope of services

and requirements stated in the NWCDC’s RFQ; (iii) includes the compensation stated in GBGW’s proposal; and (iv) complies with the Rules of Professional Conduct and all other applicable laws.

Resolution No. 01-067 Approving the Qualifications for General Legal Counsel and Authorizing the Retention of Genova Burns Giantomasi Webster LLC

Chairperson Zazzali entertained a motion to approve the resolution authorizing the retention of GBGW as general legal counsel pursuant to the requirements listed above.

Motion to Approve Resolution No. 01-067 Approving the Qualifications for General Legal Counsel and Authorizing the Retention of Genova Burns Giantomasi Webster LLC:

Moved by Trustee Wefing Second by Trustee Stier

Vote:	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
The Hon. Cory A. Booker, Mayor				X
The Hon. James R. Zazzali	X			
The Hon. Dorothea O’C. Wefing	X			
Dr. Clement A. Price	X			
Edwin H. Stier, Esq.	X			
William T. Merritt	X			

Action taken Motion Passed and Resolution Approved

Executive Session

Chairperson Zazzali entertained a motion to enter Executive Session.

Motion to Enter Executive Session:

Moved by Trustee Price Second by Trustee Wefing

Vote:	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
The Hon. Cory A. Booker, Mayor				X
The Hon. James R. Zazzali	X			
The Hon. Dorothea O’C. Wefing	X			
Dr. Clement A. Price	X			
Edwin H. Stier, Esq.	X			
William T. Merritt	X			

Action taken Motion Passed

Chairperson Zazzali noted that the Board will enter Executive Session to discuss severance and other personnel matters, contractual matters, pending and potential litigation, and government investigations, and that the minutes of the Executive Session will remain

confidential until the end of the litigation and investigation, or until such time as the Board determines the need for confidentiality no longer exists.

The Board entered Executive Session at 3:22 P.M.³ Chairperson Zazzali noted that the Board will reconvene in Public Session after concluding its matters in Executive Session.

Motion to Exit Executive Session and Reconvene in Public Session:

Moved by Trustee Wefing Second by Trustee Merritt

Vote:	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
The Hon. Cory A. Booker, Mayor				X
The Hon. James R. Zazzali	X			
The Hon. Dorothea O’C. Wefing	X			
Dr. Clement A. Price	X			
Edwin H. Stier, Esq.	X			
William T. Merritt	X			

Action taken Motion Passed

The Board exited Executive Session and reconvened in Public Session at 4:11 P.M.⁴

Vacant Trusteeship

Trustee Stier noted that the Board has formed a “committee” comprised of himself and Trustee Price, that he and Trustee Price will meet prior to the next Board meeting to discuss their thoughts regarding potential nominees to the Board, and that they hope to report to the Board on their progress at the next Board meeting.

Meeting Schedule

Chairperson Zazzali advised that, though the Board had wanted to parcel the trustees’ time out in an economical and efficient manner by waiting two weeks before the Board’s next meeting, it is the consensus of the Board that it should meet next Wednesday, October 9, 2013, specifically because of the critical and unresolved questions regarding funding from the City of Newark (the “City”), and to further consider what actions, if any may be appropriate for the Board to take at that time.

Adjournment

Motion to Adjourn the Meeting:

Moved by Trustee Price Second by Trustee Wefing

³ Members of the public left the meeting as the Board entered Executive Session.

⁴ Members of the public re-entered the meeting as the Board reconvened in Public Session.

Vote:	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
The Hon. Cory A. Booker, Mayor				X
The Hon. James R. Zazzali	X			
The Hon. Dorothea O’C. Wefing	X			
Dr. Clement A. Price	X			
Edwin H. Stier, Esq.	X			
William T. Merritt	X			

Action taken Motion Passed and Meeting Adjourned

The meeting was adjourned at 4:16 P.M.