

Newark Watershed Conservation and Development Corporation

Minutes of the Regular Meeting of the Board of Trustees

Wednesday, March 26, 2014

Opening of Meeting

Called to order: 3:21 P.M.

Introductions/Roll Call

Participants:

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

Counsel:

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

Members of the Public:

- Sarab Thapar – Hardin, Kundla, McKeon & Poletto, Counsel to the City of Newark
- Dan O’Flaherty – Newark Water Group
- Guy Sterling – Newark Water Group

Public Comment

Chairperson Zazzali opened the meeting of the Board of Trustees (the “Board”) of the Newark Watershed Conservation and Development Corporation (the “NWCDC”) to public comment. No public comment was made.

Public Session Minutes

Chairperson Zazzali noted the Board’s receipt of draft minutes from the public session of the March 19, 2014, Board meeting.

Report of the Interim Executive Director

Form 990 – Mr. Butcher advised that he received a notice of penalty from the IRS for the NWCDC’s late filing of its 2012 Form 990. Mr. Butcher advised that he contacted the IRS regarding the penalty, and that the IRS asked for a letter explaining why the Form 990 was filed late. The Board discussed the need to discuss any response with Donohue, Gironda & Doria

(“Donohue”), the firm selected by the Board to provide accounting services, and the need to address any legal issues regarding the IRS’s request.

RFQ for Legal Services – Mr. Butcher advised that the RFQ for legal services was published that day, that the NWCDC has already received requests for the RFQ from potential respondents, and that proposals are due by April 14, 2014.

Insurance Matters – Mr. Butcher noted that the NWCDC received a request from the City of Newark (the “City”) that the NWCDC provide information related to the insurance policies still in its name, and suggested that the City meet with the NWCDC and its insurance broker, Conner Strong & Buckelew (“Conner Strong”). The Board discussed whether the City was referring to policies relating to activities under the City’s control or the NWCDC’s control, or prospective policies that the City wants to obtain. The Board agreed to provide the City with the information it sought, but to refrain from making recommendations regarding coverage.

Mr. Butcher also advised that Conner Strong has requested a \$5,000 fee related to, among other things, its efforts to procure a renewal of the NWCDC’s Directors and Officers (“D&O”) liability policy. Mr. Cornish noted that Conner Strong receives a commission for some but not all of the policies it places for the NWCDC, and that the fee is how Conner Strong is compensated for its work on the non-commission policies. He also noted that Genova Burns Giantomasi Webster LLC (“GBGW”) has asked Conner Strong to accompany its request with details regarding what work it had done, what work it had yet to do in the next six months, and a breakdown of its expected commission-based and fee-based compensation. The Board requested background information regarding the NWCDC’s historical and ongoing relationship with Conner Strong. Mr. Cornish advised that Conner Strong assists with claims notification and acts as a general liaison between the NWCDC and its insurers.

Contract Termination – Mr. Butcher advised that the NWCDC had previously entered into a contract with GreatAmerica Leasing Corp. (“GreatAmerica”) to lease telecommunications equipment for its prior office, and that GreatAmerica had notified the NWCDC in 2013 that, in order to terminate the contract early, the NWCDC would have to pay the remaining balance. Mr. Butcher further advised that GreatAmerica recently contacted the NWCDC to advise that the NWCDC would have to pay the balance immediately in order to avoid a \$4,000 penalty once the debt is placed in collection.

Pension Plan Update

403(b) Plan – Mr. Cornish noted that all 403(b) Plan accounts have been liquidated, and that three documents have yet to be filed: (i) the 2013 Form 5500, which is filed every year, has fundamental information about the plan, and is ready for Trustee Merritt’s signature; (ii) the close-out Form 5500, which will be very similar to the 2013 Form 5500; and (iii) a summary annual report, which is distributed to all plan participants, and which Altigro Pension Services (“Altigro”) is working on.

Defined Benefit (“DB”) Plan – Mr. Cornish advised that GBGW sent letters to the IRS and the PBGC in February 2014 requesting approval for the termination of the DB Plan, and that the estimated response time is six-to-nine months. He also noted that the NWCDC will have to

file a 2013 Form 5500 for the DB Plan by September 2014, and that GBGW and Altigro have to determine whether and when the NWCDC must make an initial deposit into the DB Plan, and the size of any such initial deposit.

Mr. Cornish also advised that Meketa Investment Group (“Meketa”) intends to provide a recommendation via videoconference to the Board regarding the investment of the DB Plan funds at the Board’s next meeting.

Executive Session

Chairperson Zazzali entertained a motion to enter Executive Session, noting that the Board would 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..

Motion to Enter Executive Session:

Moved by Trustee Wefing Second by Trustee Price

| Vote: | <u>Yes</u> | <u>No</u> | <u>Abstain</u> | <u>Absent</u> |
|-------------------------------|-------------------|------------------|-----------------------|----------------------|
| The Hon. Cory A. Booker | | | | 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 | | | |
| The Hon. Augusto Amador | | | | X |

Action taken Motion Passed

The Board entered Executive Session at 3:53 P.M.¹ 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 | | | | 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 | | | |

¹ Members of the public left the meeting as the Board entered Executive Session.

Adjournment

Motion to Adjourn the 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 | | | | 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 | | | |
| The Hon. Augusto Amador | | | | X |

Action taken Motion Passed

The meeting was adjourned at 4:42 P.M.