

Newark Watershed Conservation and Development Corporation

Minutes of the Public Session of the Board of Trustees

Tuesday, September 9, 2014

Opening of Meeting

Called to order: 3:41 PM

Introductions/ Roll Call

Participants:

- Hon. James R. Zazzali, Trustee
- Edwin H. Stier, Trustee¹
- Hon. Dorothea O’C. Wefing, Trustee
- Dr. Clement A. Price, Trustee
- Joseph Hartnett, Interim Executive Director
- Councilman Amador²

Counsel:

- Eric Kanefsky, Esq.
- Gianina Jean-Baptiste, Esq., Recording Secretary

Members of the Public:

- Sarab Thapar, Esq.³
- Guy Sterling
- Bill Chapel
- Joann Simms, People Organization for Progress
- Kyle Screen, Councilmen Gail Trinifield
- Gail Muhammed, Councilman Edie Osbourne

Public Comment- Open public meeting act

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.

- Public comment was made by Guy Sterling, 44 James Street, in anticipation of the Mayor being here. In his public comment, Sterling voiced his opinion on the prior attempt by Newark to covert the NWCDC to a MUA and the corruption that he feels characterized that process.

¹ Arrived at 3:41pm.

² Arrived at 3:58pm.

- Mr. Stier asked Mr. Sterling whether he felt a “full accounting and reckoning” of wrongs has occurred. Mr. Sterling responded that while the comptroller’s report was good, it was not a full accounting. Mr. Stier then asked him if he felt that someone should get the money back. Mr. Sterling responded in the affirmative.

Public Session Minutes

Chairperson Zazzali acknowledged the Board’s receipt of the minutes from the public session of the August 18, 2014, Board Meeting, for the Board’s review and consideration.

Motion to Approve Resolution No. 01-084 Ratifying the Minutes from the Public and Executive Sessions of August 5, 2014, Board Meeting.

Resolution No. 01-084 Ratifying the Minutes from the Public and Executive Sessions of the August 5, 2014, Board Meeting.

Moved by: **Trustee Wefing** Seconded by: **Trustee Price**

Vote:

Name	YES	NO	ABSTAIN	ABSENT
Edwin Stier	X			
Hon. James R. Zazzali	X			
The Hon. Dorothea O’C. Wefing	X			
Dr. Clement A. Price	X			
Augusto Amador	X			
Mayor of Newark				X

Action taken: **Motion passes and Resolution Approved**_____

General Update

Auditing Services Update- Mr. Hartnett updated the board on the on-going 2012 audit, stating that it was progressing well. He stated that in the last couple of days he has been honing in on issues with prior payroll documentation.

Financial Status of NWCDC and Pension Shortfall- Mr. Kanefsky stated that in regards to the shortfall there is a September 15th deadline with the IRS, to ensure that defined benefit plan is fully funded as of year end 2013. The shortfall is currently estimated by our actuary to be approximately \$213,070 dollars. Mr. Kanefsky warns if the plan is not fully funded by the deadline it will be subject to

involuntary termination by the Public Pension Guaranty Corporation. He informed the Board that NWCDC presently has the sum in its possession, but that after that payment there will be total remaining assets of only about \$300,000.

At this point, Mr. Harnett informed the Board that over the last 24 hours there have been some significant changes to the pension shortfall obligation as per our pension consultant. He stated that in light of a new federal regulation, there was a substantial credit in the NWCDC’s pension contribution - due to the fact that the former director was over contributing. A potential reason for the over contributions may be the fact that if a key employee seeks to take a lump sum the plan must be funded at 120 percent or more. Nevertheless, because of these credits, if elected to be used now, only a sum of approximately \$20,000 must be made by the September 15, 2015 deadline. Mr. Harnett stated that he will need a resolution allowing him to make the necessary payments up to a limit of \$50,000.

Mr. Kanefsky presented a draft resolution, but noted that in light of Mr. Harnett’s update there will need to be changes to the wording. Mr. Harnett also stated that a new trustee needs to be appointed as the administrator for the fund due to Mr. Merritt's resignation. The Board decided to vote on the issue at the next board meeting.

Mr. Harnett pointed out that he NWCDC presently has eight different bank accounts. He stated that he is working on consolidating the accounts and recognized that NWCDC's money needs to be moved to an interest bearing account. Councilman Amador inquired about the “recreational” expenses in the TD Bank account. Mr. Harnett explained that this account was for camps and permit distributions. Councilman Amador questioned the need for so many accounts and stated that the number of accounts may have played a role in the secretive activities of the Watershed’s funds.

Resolution for Funding Defined Benefit Plan

Motion to Approve Resolution No. 01-089 Resolution to Allow the Executive Director and Chairman to Fund the Defined Pension Benefit Plan Not to Exceed \$50,000.

Resolution No. 01-089 Resolution to Allow the Executive Director and Chairman to Fund the Defined Pension Benefit Plan Not to Exceed \$50,000.

Moved by Trustee Steir Seconded by Trustee Price

Vote:

Name	YES	NO	ABSTAIN	ABSENT
Edwin Stier	X			
Hon. James R. Zazzali	X			

The Hon. Dorothea O’C. Wefing	X			
Dr. Clement A. Price	X			
Augusto Amador	X			
Mayor of Newark				X

Action taken **Motion passes**

Mr. Steir asked the effect this payment will have toward the 2015 pension shortfall. Mr. Harnett explained that there will still exist an approximately \$400,000 deficiency for next year.

Consideration of Outstanding Invoices- Mr. Kanefsky presented to the Board the outstanding invoices in Exhibit C. Mr. Steir inquired about the Philadelphia insurance payment. Mr. Harnett clarified that that is for the NWDCD's general liability umbrella policy. Mr. Steir asked whether or not it has been properly reviewed to determine if this coverage is still necessary. Mr. Harnett agreed and will review the policy.

The Board approved payment of the invoices with the caveat that the Philadelphia Insurance policy should be renewed to determine if it is still needed.

Executive Session

Chairperson Zazzali entertained a motion to enter the Executive Session, noting that the Board would discuss severance, litigation updates, and general operational updates, 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 Steir** Seconded by **Trustee Price**

Vote:

Name	YES	NO	ABSTAIN	ABSENT
Edwin Stier	X			
Hon. James R. Zazzali	X			
The Hon. Dorothea O’C. Wefing	X			
Dr. Clement A. Price	X			
Augusto Amador	X			
Mayor of Newark				X

Action taken **Motion passes**

The Board entered Executive Session at 4:18 PM⁴. 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 Price** Seconded by: **Trustee Wefing**

Vote:

Name	YES	NO	ABSTAIN	ABSENT
Edwin Stier	X			
Hon. James R. Zazzali	X			
The Hon. Dorothea O’C. Wefing	X			
Dr. Clement A. Price	X			
Augusto Amador				X
Mayor of Newark				X

Action taken **Motion passes**

The Board exited Executive Session and reconvened in Public Session at 5:18 PM⁵.

Legal fees from C&K

Moved by: **Trustee Zazzali** Seconded by: **Trustee Price**

Vote:

Name	YES	NO	ABSTAIN	ABSENT
Edwin Stier	X			
Hon. James R. Zazzali	X			
The Hon. Dorothea O’C. Wefing	X			
Dr. Clement A. Price	X			
Augusto Amador	X			

⁴ Members of the public left the meeting as the Board entered Executive Session.

⁵ Members of the public, Sarab Thapar, Guy Sterling, and Joann Simms, re-joined the meeting as the Board re-entered Public Session.

Mayor of Newark				X
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Action taken: **Motion passes and Resolution Approved**

Meeting Schedule

The Board advised that its next meeting is scheduled for September 30, 2014, at the NWCDC's offices at One Gateway Center, 26th floor, Newark, NJ 07102. Notice of the meeting will be posted in the proper places, including the NWCDC website.

Motion to Approve the date of the next meeting:

Moved by Trustee Wefing Seconded by Trustee Price

Vote:

Name	YES	NO	ABSTAIN	ABSENT
Edwin Stier	X			
Hon. James R. Zazzali	X			
The Hon. Dorothea O'C. Wefing	X			
Dr. Clement A. Price	X			
Augusto Amador	X			
Mayor of Newark				X

Action taken Motion passes

Adjournment

Motion to Adjourn the Meeting:

Moved by: **Trustee Stier** Seconded by: **Trustee Wefing**

Vote:

Name	YES	NO	ABSTAIN	ABSENT
Edwin Stier	X			
Hon. James Zazzali	X			
Hon. Dorothea Wefing	X			
Clement A. Price	X			
Augusto Amador	X			
Mayor of Newark				X

Action taken: **Motion Passed**

The meeting was adjourned at 5:23 PM.