

NEWARK WATERSHED CONSERVATION AND DEVELOPMENT CORPORATION
40 CLINTON STREET, 4TH FLOOR
NEWARK, NEW JERSEY 07102

BOARD OF TRUSTEE REGULAR MEETING
JANUARY 22, 2013

MINUTES OF BOARD MEETING

OPENING OF MEETING

Called to order: 10:55 a.m.

INTRODUCTIONS/ROLL CALL

Name	Present/Y	Absent/N
The Hon. Cory A. Booker, Mayor, City of Newark		X
The Hon. Donald M. Payne		X
Oscar James, II	X	
William T. Merritt	X	
Rodney Johnson	X	
Linda Watkins-Brashear – Executive Director	X	
Elnardo J. Webster, II, Esq. – General Counsel	X	
Jodi M. Luciani, Esq.	X	

Were any members of the public present?		X
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Review of the call for the meeting: This is a public meeting of the Board of Trustees of the Newark Watershed Conservation and Development Corporation. At the public meeting action will be taken on a variety of motions.

Board Vice Chair Johnson calls the meeting to order at approximately 10:55 am. Board Vice Chair Johnson asked if all Board Members present received their packages and had an opportunity to review same, and the minutes from the December 17, 2012, regular meeting contained therein. Board Vice Chair Johnson states that the minutes accurately reflect the meetings and contain no material deficiencies or omissions. Board Vice Chair Johnson requests said minutes be moved for approval.

ADMINISTRATIVE MATTERS

Motion to approve meeting minutes of December 17, 2012

Board Vice Chair Johnson requests a motion to approve the minutes.

Motion to approve minutes:

Moved by W. Merritt Second by O. James

Vote:	<u>Yes</u>	<u>No</u>	<u>Absent/ Not Present</u>
The Hon. Cory A. Booker, Mayor	X		
The Hon. Donald M. Payne	X		
Oscar James, II	X		
Rodney Johnson	X		
William T. Merritt	X		

Action taken Motion Passed

Executive Summary

Independent Audit

Executive Director Linda Watkins-Brashear introduces Lawrence Belcher, independent auditor, to present the audit report findings for the year ending December 31, 2011. Mr. Belcher states that the auditor's opinion on the financial statements is that are presented fairly, and that it is a clean opinion and unqualified opinion. He explains that the materials are in accordance with GAAP and prepared in accord with GAAS. Mr. Belcher states that issued a governance communication at the conclusion of the audit indicating that he has prepared and issued the audit report and did not note any significant deficiencies in the operation of the accounting system and the general controls of the Newark Watershed. Mr. Belcher says that he has also prepared the form 990 and State of New Jersey information return, CRI 200, which are non audit services. Although he has prepared these documents, Mr. Belcher explains that he prepared them in a way that complies with professional standards in order to maintain his independent status, and has complied with federal standards.

Mr. Belcher states that he has prepared the results of his peer review and provided them to the Vice Chairman of the Board and the Executive Director. At the conclusion of his report, Mr. Frye comments that the Board should review the form 990 under the IRS standards. He indicates that the form 990 was prepared from the financial statements and the Board should be aware that they are on file with the Newark Watershed for review. Mr. Frye further states that the Board should review and approve the form 990, that the Newark Watershed has presented new policies and procedures to the Board for approval, and that within these policies it indicates that the Newark Watershed will comply with IRS requirements and have the form approved by the Board. The Board has a brief discussion on the status of the 2012 audit, which will be prepared after the year closes. At this time, Mr. Belcher concludes his presentation and the Board Vice Chair introduces Resolution 01-001 to approve and adopt the independent audit report for the year ending December 31, 2011.

Board Vice Chair Johnson introduces Resolution 01-001

01-001– Resolution certifying review and acceptance of the independent annual audit report for the fiscal years ended December 31, 2011 and 2010

Moved by W. Merritt Second by O. James

Vote:	<u>Yes</u>	<u>No</u>	<u>Absent/ Not Present</u>
The Hon. Cory A. Booker, Mayor	X		
The Hon. Donald M. Payne	X		
Oscar James, II	X		
Rodney Johnson	X		
William T. Merritt	X		

Action taken Resolution Passed

Newark Watershed Operating Budget 2013

Executive Director Linda Watkins-Brashear indicates that the 2013 operating budget of the Newark Watershed was circulated to the Board of Trustees in December 2012 for review by the Board. Ms. Brashear explains that there is a reduction in the operating budget, as a result of a tax appeal savings in West Milford. She states that there is currently an issue facing the Newark Watershed, as disclosed to the Board in December 2012, with respect to the fallen timber after the hurricane. The Newark Watershed received a letter from Congressman Frelinghuysen to clean-up the timber in the surrounding areas. Ms. Brashear states that the Newark Watershed has developed a forestry plan with the assistance of the Audobon society and intends to bid out a timber sale, but that they must try to immediately reduce the devastation on the watershed properties and surrounding areas. She, thus, explains that the Newark Watershed applied for FEMA relief to clean up the trees and debris, but money must be expensed for this clean-up. Elnardo J. Webster, II, General Counsel, inquires about the corporate insurance line item and requests an itemization of the fees associated with this line item and the insurance policy itself, to understand the numbers. Ms. Brashear states that she will provide the information and further that the insurance is up for renewal in March. At this time, Ms. Brashear concludes the discussion on the 2013 operating budget and Board Vice Chair Johnson presents Resolution 01-002 to the Board.

Board Vice Chair Johnson introduces Resolution 01-002

01-002– Resolution approving the 2013 Operating Budget for the Newark Watershed Conservation and Development Corporation

Moved by W. Merritt Second by O. James

Vote:	<u>Yes</u>	<u>No</u>	<u>Absent/ Not Present</u>
The Hon. Cory A. Booker, Mayor	X		
The Hon. Donald M. Payne	X		
Oscar James, II	X		
Rodney Johnson	X		
William T. Merritt	X		
Action taken <u>Resolution Passed</u>			

Policies and Procurement Manual

Walter Frye, C.P.A., discusses the fiscal policies and procurement manual that was first introduced to the Board of Trustees in December 2012. Mr. Frye initially explains that General Counsel reviewed the manual and recommended that the purchasing procedures, which had originally been prepared as good practices for a non-profit corporation, be modified to mirror the Local Public Contracts Law. After these discussions, Mr. Frye states that the manual has been revamped. Mr. Frye further explains that there have been a few other additions made to the manual to allow for more oversight by the Board of Trustees and compliance with IRS standards and requirements. Specifically, he states that there is now a section regarding political intervention, which provides that employees will not be involved with politics on company time or with company materials. Another provision provides that the corporation does not engage in any lobbying activities, but if it does, it will keep separate those expenses in books and records and will present it on the form 990. Mr. Frye states that the manual is not contrary to the corporation's by-laws. Again, Mr. Frye explains that the manual includes a provision to make the form 990 available to the public for inspection. Mr. Webster recommends that the fiscal policies and procurement manual be posted on the website. Mr. Frye states that, if adopted, the manual will become effective on March 1, 2013. Ms. Brashear indicates that although the manual will be effective in March, the Newark Watershed will be implementing the procurement policies in February, as certain contracts will go out to bid next month. At this time, Board Vice Chair Johnson introduces Resolution 01-003 to the Board.

Board Vice Chair Johnson introduces Resolution 01-003

01-003– Resolution approving and adopting the fiscal policies and procedures manual

Moved by W. Merritt Second by O. James

Vote:	<u>Yes</u>	<u>No</u>	<u>Absent/ Not Present</u>
The Hon. Cory A. Booker, Mayor	X		
The Hon. Donald M. Payne	X		
Oscar James, II	X		
Rodney Johnson	X		

William T. Merritt

X

Action taken Resolution Passed
Defined Benefits Plan

Ms. Brashear asks the Board members to refer to the proposed amendment to the Defined Benefits Plan circulated to the Board in their packages. She indicates that the Newark Watershed is recommending two changes to the defined benefits plan. First, Ms. Brashear states that the amendment will switch the early retirement age from 65 to 55, after being a participant for ten years. Second, Ms. Brashear explains that the amendment will permit lump sum payments to those individuals who leave the corporation. She further indicates that this can only be accomplished if the fund remains funded at seventy percent or higher. Ms. Brashear discusses the advantages of making lump sum payments – it saves the corporation the cost of keeping those who leave on the books through age 65 and the cost of paying the annual premium on those individuals, it relieves the corporation of the responsibility it has to the employees til age 65, essentially discharging the fiduciary duty to these individuals no longer with the entity, and it gives the employee flexibility with his funds. At this time, Board Vice Chair Johnson presents Resolution 01-004 to the Board.

Board Vice Chair Johnson introduces Resolution 01-004

01-004– Resolution approving an amendment to the Defined Benefits Plan

Moved by W. Merritt Second by O. James

Vote: Yes No Absent/
Not Present

The Hon. Cory A. Booker, Mayor

X

The Hon. Donald M. Payne

X

Oscar James, II

X

Rodney Johnson

X

William T. Merritt

X

Action taken Resolution Passed

Executive Director Employee Agreement

Ms. Brashear asks the Board of Trustees to refer the proposed employment agreement for her services as Executive Director. Said proposed agreement is a three year agreement, which essentially extends Ms. Brashear’s employment for an additional year at the same salary. Board Vice Chair Johnson indicates that he is pleased with Ms. Brashear’s services as Executive Director and would like to continue the professional relationship with her. He states the Ms. Brashear is an asset to the Newark Watershed. At this time, Board Vice Chair introduces Resolution 01-005 to the Board.

Board Vice Chair Johnson introduces Resolution 01-005

01-005– Resolution approving and authorizing and amended and restated employment agreement for the Executive Director

Moved by O. James Second by W. Merritt

Vote:	<u>Yes</u>	<u>No</u>	<u>Absent/ Not Present</u>
The Hon. Cory A. Booker, Mayor	X		
The Hon. Donald M. Payne		X	
Oscar James, II	X		
Rodney Johnson	X		
William T. Merritt	X		

Action taken Resolution Passed

At this time, Board Members James departs the Board of Trustees meeting.

Forestry Plan Update

Executive Director Linda Watkins-Brashear, introduces John Carlton to the Board of Trustees, as an invaluable asset to the Newark Watershed. She states the John Carlton is a liaison to the Newark Watershed, who handles the forestry and stewardship programs for the corporation. As a result of the hurricane, thousands of trees have fallen on and around the watershed properties. Ms. Brashear indicates that John Carlton is here to present the alternative approaches to handling this issue, as well as discuss the current forestry assessment and plans.

John Carlton presents the Board of Trustees with a history on the forestry industry and the Newark Watershed's role in it. He discusses various possibilities for bidding the timber sales, and/or entering into a contract with a private company to remove and mill the timber. Mr. Carlton finally discusses the Highlands Council's interest in the forest management plan.

New Business

None.

Old Business

None.

NEXT MEETING:

February 19, 2013 at 10:30 a.m.

MEETING ADJOURNED

Motion to adjourn the meeting.

Moved by W. Merritt Second by O. James

Vote:	<u>Yes</u>	<u>No/</u>	<u>Not Present</u>
	<u>Absent/</u>		
The Hon. Cory A. Booker, Mayor			X
The Hon. Donald M. Payne			
Oscar James, II	X		
William T. Merritt	X		
Rodney Johnson	X		

Action taken Meeting adjourned

Adjourned at approximately 12:13 p.m.