

Newark Watershed Conservation and Development Corporation

Minutes of the Special Meeting of the Board of Trustees

Wednesday, July 17, 2013

Opening of Meeting

Called to order: 3:15 P.M.

Introductions/Roll Call

Participants:

- Hon. James Zazzali, Trustee
- Hon. James Coleman, Jr., Trustee
- Hon. Dorothea Wefing, Trustee
- William T. Merritt, Trustee
- Ernesto Butcher, Executive Director

Counsel:

- Samuel Scott Cornish, Esq.
- Matthew Baker, Esq.
- Jodi Luciani, Esq.
- Dena Calo, Esq. (by telephone at 4:00 p.m.)

Secretary:

- Tyler Stearns – Recording Secretary

Members of the Public:

- Walter Frye, CPA – NWCDC CFO and financial consultant
- Joseph Beckmeyer – NWCDC consultant engineer
- Guy Sterling – Newark Water Group
- Byron Clark – New Jersey Local Government Services

Public Comment

Mr. Sterling of the Newark Water Group addressed the Board of Trustees (the “Board”). Mr. Sterling stated that he was hopeful that the provisional trustees could successfully perform their function, but asked that the Board remedy perceived issues related to the public notice for Newark Watershed Conservation and Development Corporation (“NWCDC”) Board meetings. Mr. Sterling advised that the New Jersey “Sunshine Law” requires notice of each Board meeting to be posted in a public place 48 hours prior to the meeting, and to be provided to the Newark City Clerk’s office. Mr. Sterling requested that Genova Burns Giantomasi Webster LLC (“GBGW”) provide a record of adequate notice for all previous meetings and copies of the minutes of all Board meetings since the appointment of the provisional trustees. GBGW took

Mr. Sterling’s comments into consideration and advised that any response would be made to counsel for the Newark Water Group.

Minutes

All trustees present acknowledged the receipt of draft minutes from the previous special meeting on July 2, 2013. The Board noted two modifications to the draft minutes. The first clarified that the cost of rent for the new office space at One Gateway Center in Newark does not include telephone or internet services, which are available at additional cost. The second modification memorialized that a Request for Qualifications (“RFQ”) for Accounting and Bookkeeping Services was authorized by the Board on July 2, 2013.

Motion to Approve the Minutes as modified:

Moved by Trustee Coleman Second by Trustee Merritt

Vote:	<u>Yes</u>	<u>No</u>	<u>Absent/ Not Present</u>
The Hon. Cory A. Booker, Mayor			X
The Hon. James R. Zazzali	X		
The Hon. Dorothea O’C. Wefing	X		
The Hon. James H. Coleman	X		
Dr. Clement A. Price			X
Oscar S. James, II			X
William T. Merritt	X		

Action taken Motion Passed

Report of Ernesto Butcher

Office Space - Ernesto Butcher, Interim Executive Director, provided a report regarding office space for the NWCDC. Mr. Butcher advised the Board that the two predominant factors considered prior to securing office space were the ability to move-in as soon as possible and the operating costs, and that, out of six locations explored, the office space at One Gateway Center in Newark was the best option when factoring in cost and timing. Mr. Butcher noted that One Gateway Center provides a fully furnished office space for him and two NWCDC administrative employees, along with reception services. The cost is \$2,900 per month, with an additional \$300 expense for three telephone lines. Trustee Coleman inquired regarding the amount of notice the NWCDC must provide prior to terminating the lease. Mr. Butcher was asked to provide GBGW with a copy of the lease agreement so it can determine the amount of notice required prior to termination.

Operations and Employees - Mr. Butcher advised the Board that he now has signatory authority on the NWCDC’s bank accounts, as authorized by prior resolution. Mr. Butcher stated that he met with all of the NWCDC employees still on the payroll, and that he visited the Corporation’s Echo Lake and Little Falls facilities. Mr. Butcher noted to the Board that the NWCDC continues to oversee general operations at the Echo Lake facility and surrounding

grounds, and that such operations, including trail maintenance and recreational permitting, have not yet been transferred to the City of Newark (the “City”). He further advised that he and attorneys from GBGW met with the City’s Business Administrator, who understands the need for the City to absorb operations at Echo Lake and intends to reimburse the NWCDC for the work performed at the Echo Lake site.

NWCDC Finances - Mr. Butcher advised that vehicles previously leased by the NWCDC have been returned, and that vehicles previously financed by the NWCDC have been paid off, and title to the latter group of vehicles will be transferred to the NWCDC within ten days. Mr. Butcher informed the Board of the NWCDC’s current net assets and cash-on-hand, and further noted that the number of expenses has been reduced significantly and that he believes the ongoing budget will be reduced substantially. He also informed the Board that the RFQs for bookkeeping and auditing services would be published on July 18, 2013, and that they would be returnable at the end of July. Mr. Butcher provided estimates for the potential amount of vacation/sick time the NWCDC may be required to pay, an update on the status of the pension, and a reminder that further funding from the City for the months of June and July may be necessary.

Transactions from April and May of 2013 – Mr. Butcher noted that he was asked by the Board to review a list of NWCDC transactions from April and May of 2013, along with the bills and invoices supporting each transaction. He reported that an overwhelming majority of the transactions had proper documentation, while some had incorrect or missing supporting documentation. Mr. Cornish advised that the transactions reviewed were those that Trustees James and Merritt had sought to be ratified by the Board, and that GBGW would provide the Board with a list of the transactions for which Mr. Butcher found sufficient documentary support, excluding payments for professional and consulting services. The Board discussed how to ratify the transactions approved by Mr. Butcher; Mr. Cornish noted that the Mr. Butcher did not have authority to authorize the payment of professional and consulting fees, and that Trustees Zazzali and Wefing would have to approve those payments.

Discussion Items

Professional Services Contracts – The Board discussed whether it should authorize the issuance of an RFQ for legal services, the potential scope of work that such an RFQ would contain, and the effect that such an RFQ might have on the dissolution process. The Board agreed that it should not decide the method for procuring legal services until it understands whether or not GBGW may continue to provide legal services while the RFQ (or other selection process) is pending. The Board determined that it will take this item into consideration and reevaluate at the next Board Meeting on July 24, 2013.

Engineering Consultant Joseph Beckmeyer – Mr. Beckmeyer advised the Board that he is an engineering consultant to the NWCDC, and that he has not received payment from the NWCDC since May 2013. He asked if he will receive payment based on invoices he provided to the NWCDC, and if he should continue to perform work for the NWCDC. The Board advised Mr. Beckmeyer that his questions and comments will be taken into consideration.

Executive Session

Chairperson Zazzali entertained a resolution to enter Executive Session to discuss severance payments, advancement of attorney’s fees, and the ongoing litigation and Office of the State Comptroller investigation.

Motion to Enter Executive Session:

Moved by Trustee Wefing Second by Trustee Coleman

Vote:	<u>Yes</u>	<u>No</u>	<u>Absent/ Not Present</u>
The Hon. Cory A. Booker, Mayor			X
The Hon. James R. Zazzali	X		
The Hon. Dorothea O’C. Wefing	X		
The Hon. James H. Coleman	X		
Dr. Clement A. Price			X
Oscar S. James, II			X
William T. Merritt	X		

Action taken Motion Passed

The Board entered Executive Session at 3:55 P.M.¹ The Board may reconvene in Public Session at the conclusion of Executive Session to take further action.

Motion to Exit Executive Session:

Moved by Trustee Wefing Second by Trustee Merritt

Vote:	<u>Yes</u>	<u>No</u>	<u>Absent/ Not Present</u>
The Hon. Cory A. Booker, Mayor			X
The Hon. James R. Zazzali	X		
The Hon. Dorothea O’C. Wefing	X		
The Hon. James H. Coleman	X		
Dr. Clement A. Price			X
Oscar S. James, II			X
William T. Merritt	X		

Action taken Motion Passed

The Board exited Executive Session at 5:20 P.M.

Motion to Reconvene in Public Session:

¹ Members of the public left the meeting as the Board entered Executive Session. Trustee Merritt and James left the Executive Session at 4:49 P.M. Trustee Merritt returned to the Executive Session at 5:11 P.M. Dena Calo, Esq. joined the Executive Session at 4:01 P.M.

Moved by Trustee Wefing Second by Trustee Merritt

Vote:	<u>Yes</u>	<u>No</u>	<u>Absent/ Not Present</u>
The Hon. Cory A. Booker, Mayor			X
The Hon. James R. Zazzali	X		
The Hon. Dorothea O’C. Wefing	X		
The Hon. James H. Coleman	X		
Dr. Clement A. Price			X
Oscar S. James, II			X
William T. Merritt	X		

Action taken Motion Passed

The Board reconvened in Public Session at 5:20 P.M.

The Board acknowledged the comment made by member of the public Guy Sterling regarding notice for future meetings of the Board.

The Board advised the public that the next meeting of the Board of Trustees will be held on Wednesday, July 24, 2013, at 3:00 P.M. at the offices of Genova Burns Giantomasi Webster LLC, located at 494 Broad Street, Newark, NJ 07102.

Resolution No. 01-051 to Related to the Advancement of Legal Expenses

Chairperson Zazzali provided a brief description of Resolution 01-051, stating that it provided a framework for Board consideration of requests regarding the advancement of legal fees to current and former trustees, officers, and employees. Mr. Cornish noted that the Resolution also provides a mechanism to recoup funds that are advanced, if the recipient is later found to have acted in bad faith or not in the best interests of the NWCDC. The Board clarified that the Resolution pertains to all requests for advancement, but does not in any way require or mandate advancement in any circumstance.

Motion to Approve Resolution No. 01-051 Related to the Advancement of Legal Expenses:

Moved by Trustee Coleman Second by Trustee Merritt

Vote:	<u>Yes</u>	<u>No</u>	<u>Absent/ Not Present</u>
The Hon. Cory A. Booker, Mayor			X
The Hon. James R. Zazzali	X		
The Hon. Dorothea O’C. Wefing	X		
The Hon. James H. Coleman	X		
Dr. Clement A. Price			X
Oscar S. James, II			X
William T. Merritt	X		

Action taken Motion Passed and Resolution Approved

Motion to Adjourn the Meeting:

Moved by Trustee Merritt Second by Trustee Coleman

Vote:	<u>Yes</u>	<u>No</u>	<u>Absent/ Not Present</u>
The Hon. Cory A. Booker, Mayor			X
The Hon. James Zazzali	X		
The Hon. Dorothea Wefing	X		
The Hon. James Coleman	X		
Dr. Clement Price			X
Oscar James, II			X
William T. Merritt	X		

Action taken Meeting Adjourned

The meeting was adjourned at 5:29 P.M.