

Newark Watershed Conservation and Development Corporation

Minutes of the Regular Meeting of the Board of Trustees

Wednesday, April 2, 2014

Opening of Meeting

Called to order: 3:09 P.M.

Introductions/Roll Call

Participants:

- Hon. James R. Zazzali, Trustee
- Hon. Dorothea O’C. Wefing, Trustee
- William T. Merritt, Trustee
- Dr. Clement A. Price, Trustee (via teleconference)
- Hon. Augusto Amador, Municipal Councilmember
- 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
- 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

Motion to Approve the Public Session Minutes from the March 19, 2014 and March 26, 2014 Board Meetings:

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
The Hon. Augusto Amador X

Action taken _____ Motion Passed and Minutes Approved _____

Report of the Interim Executive Director

Accounting Services – Mr. Butcher advised that the NWCDC’s accounting consultant, Donohue, Gironde & Doria (“Donohue”), were prepared to file the NWCDC’s final Form 1099 report with the IRS, and that there were four vendors who Donohue and the NWCDC have been unable to reach to solicit their information for the Form 1099s.

Auditing Services – Mr. Butcher advised that he requested an audit schedule from the NWCDC’s auditing consultant, Wiss & Co. (“Wiss”), which request is outstanding. He also advised that he received from Wiss a draft response to the IRS’s letter potentially imposing a penalty for the NWCDC’s late filing of its 2012 Form 990. Mr. Cornish noted that Genova Burns Giantomasi Webster LLC (“GBGW”) may want to discuss any response the NWCDC makes to the IRS with Wiss.

Pension Consulting Services – Mr. Butcher advised that he spoke with the NWCDC’s pension consultant, Altigro Pension Services (“Altigro”), which advised him that the NWCDC does not have to make quarterly payments into the Defined Benefit Plan (“DB Plan”), but that the 2013 contribution into the plan, which is estimated at over \$200,000, must be made.

Insurance Matters – Mr. Butcher advised that he was unable to locate information describing the origin of the NWCDC’s relationship with its insurance broker, Conner Strong & Buckelew (“Conner Strong”). Mr. Baker advised that records indicate the NWCDC had a relationship with Conner Strong’s predecessor entity as early as 2004. Mr. Butcher noted that Conner Strong received commissions from some NWCDC policies, and was compensated with fees related to other NWCDC policies. He noted that, in light of decreasing commissions but steady workload associated with the NWCDC’s dissolution, Conner Strong has advised him that it will terminate its relationship with the NWCDC effective May 31, 2014. Mr. Butcher advised that the NWCDC may not have to seek an insurance broker to replace Conner Strong, and that he will establish relationships with the NWCDC’s insurers directly.

Discussion with the City – Mr. Butcher advised that he discussed funding with the City of Newark’s (the “City”) Business Administrator, and that they intend to speak again tomorrow.

RFQ for Legal Services – Mr. Butcher advised that the NWCDC has received requests for the RFQ, and that the Newark Star Ledger did not publish the notice of the RFQ promptly but that this should not delay the return date.

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 Merritt Second by Trustee Wefing

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 3:25 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 Merritt Second by Trustee Wefing

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 exited Executive Session and reconvened in Public Session at 3:56 P.M.²

Investment Advisor Presentation

Richard O’Neill and Alan Spatrack of Meketa Investment Group (“Meketa”) presented the Board with Meketa’s recommendations regarding the Board’s investment of the DB Plan’s funds. Mr. O’Neill and Mr. Spatrack reviewed the DB Plan’s current asset allocation, including portfolio characteristics and past performance. They then discussed proposed asset allocation

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

² Members of the public re-entered the meeting as the Board reconvened in Public Session.

options, including the diversification of the DB Plan assets across short-term investment grade bonds. The Board discussed the effect that potential interest rate fluctuations may have on the DB Plan assets if they are invested in such bonds, and the potential benefits and risks associated with moving DB Plan assets from a money market fund to short-term bonds. The Board determined that it would need additional information, including a summary of Meketa's recommendations and related projections, before making a decision regarding reallocating the DB Plan's assets.

Meeting Schedule

The Board advised that its next meeting will be scheduled for April 16, 2014, at the NWCDC's offices at One Gateway Center, 26th Floor, Newark, New Jersey 07102.

Adjournment

Motion to Adjourn the Meeting:

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			
The Hon. Augusto Amador	X			

Action taken Motion Passed

The meeting was adjourned at 4:47 P.M.