

UNION COUNTY UTILITIES AUTHORITY

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RESOLUTION NO.: 62-2014

DATED: July 16, 2014

RESOLUTION OF THE UNION COUNTY UTILITIES AUTHORITY ACCEPTING PPI COMMITTEE'S RECOMMENDATIONS REGARDING DISCIPLINE OF CERTAIN EMPLOYEES FOLLOWING FACT-FINDING INQUIRY CONCERNING STIPEND PAYMENTS MADE TO CERTAIN AUTHORITY EMPLOYEES IN 2013 AND 2014.

APPROVED AS TO FORM:

Joseph C. Bodek
Clerk of the Authority

By: Joseph C. Bodek

APPROVED AS TO SUFFICIENCY OF FUNDS

YES NO NONE REQUIRED
UNION COUNTY UTILITIES AUTHORITY

By: [Signature]

	PRESENT	ABSENT	AYE	NAY	ABSTAIN	MOTION	SECOND
<i>Badri</i>		X					
<i>Eastman</i>	X		X				
<i>Jackus</i>	X		X				X
<i>Kahn</i>	X		X				
<i>Kennedy, Secretary</i>	X		X			X	
<i>Kulish</i>		X					
<i>People, Treasurer</i>	X		X				
<i>Erdos, Vice Chairman</i>		X					
<i>Huff, Chairman</i>	X		X				
<i>Bonanno, Alternate No. 1</i>	X		X				
<i>Lombardo, Alternate No.2</i>	X		X				

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AUTHORITY ACCEPTING PPI COMMITTEE'S
RECOMMENDATIONS REGARDING DISCIPLINE OF
CERTAIN EMPLOYEES FOLLOWING FACT-FINDING
INQUIRY CONCERNING STIPEND PAYMENTS MADE TO
CERTAIN AUTHORITY EMPLOYEES IN 2013 AND 2014.**

WHEREAS, the Union County Utilities Authority (the "Authority") has been created by a resolution of the Board of Chosen Freeholders of the County of Union, New Jersey as a public body corporate and politic of the State of New Jersey, pursuant to and in accordance with County Utilities Authorities Law, N.J.S.A. 40:14B-1 *et seq.* and the acts amendatory thereof and supplemental thereto; and

WHEREAS, on February 26, 2014, by way of Resolution 24-2014, the Authority authorized, and subsequently entered into, a contract with Saiber LLC to provide independent fact-finding and related services to the Authority in connection with certain stipend payments made to Authority employees; and

WHEREAS, subsequent to the commencement of the fact-finding services, the Authority determined that it was one of multiple creditors in a matter in which Saiber LLC represents the debtor in the Federal District of New Jersey's Bankruptcy Court; and

WHEREAS, although Saiber LLC maintained that there was no actual or potential conflict of interest arising out of the above-described bankruptcy proceedings, which proceedings were unrelated to the subject fact-finding inquiry, the Authority nevertheless believed it was in its best interest for Saiber LLC to cease performance of its services in an abundance of caution to avoid any question as to the independence of the fact-finding inquiry then performed to date; and

WHEREAS, Saiber LLC agreed to withdraw as the Authority's fact-finder and to cease the provision of such services under the contract; and

WHEREAS, following the issuance of a Request for Qualifications, on April 9, 2014, by way of Resolution R-40-2014, the Authority appointed Vijayant Pawar, Esq. of the firm of Pawar, Gilgallon & Rudy, LLC, to serve as fact-finder in this inquiry; and

WHEREAS, Mr. Pawar undertook the fact-finding inquiry and, out of an abundance of caution, determined to conduct the inquiry without reviewing or referring to any information or materials developed by Saiber LLC during its performance as the previous fact-finder; and

WHEREAS, Mr. Pawar issued a draft report on May 21, 2014 and provided a supplemental report on June 9, 2014, amplifying the main report (collectively referred to hereinafter as the "Report"); and

WHEREAS, the Authority's Personnel, Procurement & Insurance ("PPI") Committee has met with Mr. Pawar and reviewed the Report and, with the advice of counsel, determined that the Report, taken as a whole, is complete and responded appropriately to the scope of services requested to be completed as part of the fact-finding inquiry; and

WHEREAS, the PPI Committee recommended that the Board of Commissioners of the Union County Utilities Authority approve and accept the Report with the exception of one specific recommendation made by Mr. Pawar, as discussed with the full Board of Commissioners in Executive Session on this date and reflected in the Executive Session minutes, with which the PPI Committee disagrees as it conflicts with the Authority's requirement that its employees hold themselves to the highest standards of conduct; and

WHEREAS, the Board of Commissioners of the Union County Utilities Authority approved the PPI Committee's recommendation to accept the Report with the exception of one specific recommendation made by Mr. Pawar, as discussed with the full Board of Commissioners in Executive Session on this date and reflected in the Executive Session minutes, that was beyond the scope of his assigned inquiry; and

WHEREAS, the Report found that the employee payments made were not authorized by lawful action of the Authority, or by the Authority's By-Laws, Policies, contracts or practices; and

WHEREAS, the Report found also that two (2) employees were responsible for incorrectly authorizing such employee payments and thus, committing an error in judgment, though neither employee had any intent to hide or deceive the Authority about such payments; and

WHEREAS, the Report found further that the two (2) employees who were responsible for incorrectly authorizing such employee payments did, in fact, provide substantial, good and valuable services on behalf of the Authority in exchange for such payments; and

WHEREAS, the Report additionally found that the five (5) other employees who received payments had no role in the determination that payments would be made or in the process of issuance of such payments, and that all such employees provided the additional services required of them to which such payments relate; and

WHEREAS, the PPI Committee, in its role in the evaluation of employee conduct, met and determined that the employees responsible for incorrectly authorizing such payments should receive an appropriate level of discipline to emphasize the importance of employees holding themselves to the highest levels of ethical conduct in carrying out their duties and communicating thoroughly and promptly with the appropriate Authority committees and the Board of Commissioners about all financial matters and particularly matters concerning employee compensation; and

WHEREAS, the PPI Committee has recommended that a reprimand be placed in the personnel file of the Executive Director concerning his actions in this matter and that the Executive Director pay back all monies received by way of the subject payments in accordance with a schedule to be determined between the Executive Director and the PPI Committee; and

WHEREAS, the PPI Committee has recommended that a reprimand be placed in the personnel file of the Deputy Executive Director/Comptroller and that he also be suspended for a period of five (5) days concerning his actions in this matter and that the Deputy Executive Director/Comptroller pay back all monies received by way of the subject payments in accordance with a schedule to be determined between the Deputy Executive Director/Comptroller and the PPI Committee; and

WHEREAS, the Board of Commissioners of the Union County Utilities Authority has reviewed the respective reprimands and notice of suspension of the Deputy Executive Director/Comptroller, and agrees with the PPI Committee's recommendation in this matter; and

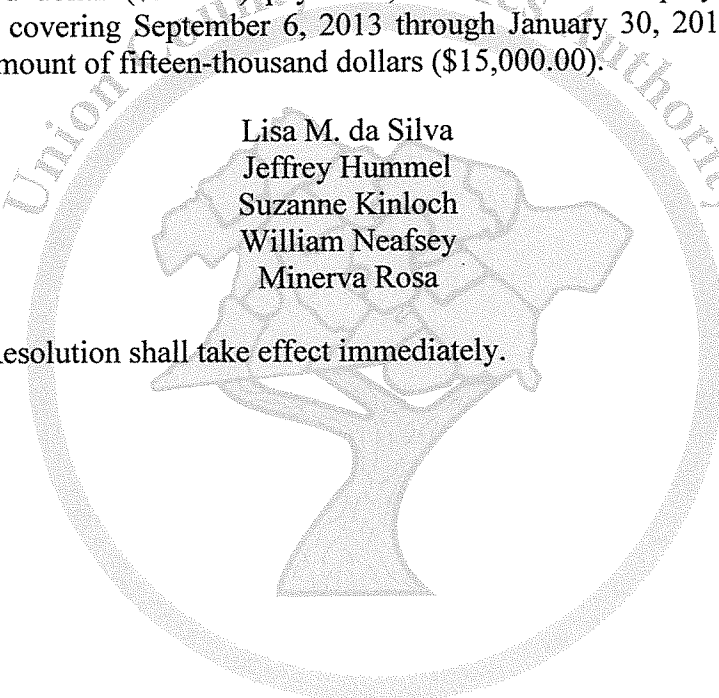
WHEREAS, the PPI Committee has further recommended that the Board of Commissioners ratify the payments made to the following employees:

Lisa M. da Silva
Jeffrey Hummel
Suzanne Kinloch
William Neafsey
Minerva Rosa

NOW, THEREFORE, BE IT RESOLVED by the Union County Utilities Authority as follows:

1. The Authority hereby directs that Daniel P. Sullivan be formally reprimanded for his actions in this matter and that the reprimand concerning his actions in this matter, reviewed by the Board of Commissioners in Executive Session this evening, be provided to Mr. Sullivan and placed in his personnel file; and the Authority further directs that Mr. Sullivan pay back all monies received by way of the subject payments in accordance with a schedule to be determined between Mr. Sullivan and the PPI Committee. The subject payments include six (6), two-thousand five-hundred dollar (\$2,500.00) payments during the time period covering September 6, 2013 through January 30, 2014, in the aggregate total amount of fifteen-thousand dollars (\$15,000.00).
2. The Authority hereby directs that Thomas Brennan be formally reprimanded and suspended, without pay, for five (5) days, such suspension to be coordinated with the Executive Director and the PPI Committee, and that the reprimand and notice of suspension concerning his actions in this matter, reviewed by the Board of Commissioners in Executive Session this evening, be provided to Mr. Brennan and placed in his personnel file; and the Authority further directs that Mr. Brennan pay back all monies received by way of the subject payments in accordance with a schedule to be determined between Mr. Brennan and the PPI Committee. The subject payments include six (6), one-thousand dollar (\$1,000.00) payments during the time period covering September 6, 2013 through January 30, 2014, in the aggregate total amount of six-thousand dollars (\$6,000.00).

3. The Authority hereby directs the PPI Committee to report back to the Board of Commissioners at the next regular public meeting as to the payment schedule to be determined as to the Executive Director and Deputy Executive Director/Comptroller with regard to this matter as described in paragraphs 1 and 2 herein above.
4. Based upon the recommendations of the PPI Committee, and because the below listed employees were found by Mr. Pawar to have had no role in the determination that unauthorized payments were to be made to certain employees or in the issuance of such payments, and because such employees did, in fact, provide valuable services on behalf of the Authority in this matter, the Board of Commissioners hereby ratifies the payments made to the employees listed immediately below and determines that these employees shall not be required to pay back the monies received. The payments ratified hereby include six (6), five-hundred dollar (\$500.00) payments, issued to each employee during the time period covering September 6, 2013 through January 30, 2014, in the aggregate total amount of fifteen-thousand dollars (\$15,000.00).



Lisa M. da Silva
Jeffrey Hummel
Suzanne Kinloch
William Neafsey
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5. This Resolution shall take effect immediately.