

MINUTES
EXECUTIVE SESSION
MUNICIPAL COUNCIL - CITY OF RAHWAY, NEW JERSEY
MARCH 5, 2013

Council President Steinman called the meeting to order at 7:14 p.m. and asked for a Roll Call.

PRESENT: Councilmembers Baker, Brown, Cox, Farrar, Mione, Saliga, Steinman

ABSENT: Councilmembers Bresenhan, Wenson Maier

Also present were City Clerk Jeffrey Jotz, City Attorney Frank Regan and CFO Frank Ruggiero.

Daren Eppley of the firm of Decotiis, FitzPatrick & Cole spoke to the Council on a proposed resolution titled “A RESOLUTION AUTHORIZING EXECUTION OF THE CONSENT JUDGMENT FOR SETTLEMENT IN THE ACTION ENTITLED, NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION, v. OCCIDENTAL CHEMICAL CORPORATION, ET AL, DOCKET NO . ESX-L-9868-05 (PASR).”

He provided the Council with a history of dioxin contamination in the Newark Bay watershed and why the City was named as a defendant in this case following legal action taken by the NJDEP against the corporate successors to the original polluters.

Mr. Eppley stated that this settlement would be a contribution claim (i.e. third-party plaintiffs' claim against the City) and the cost of the settlement would be \$95,000, payable as a reduction in state aid (\$50,000 in CY 2014 and \$45,000 in CY 2014). He said that the City is searching its insurance records to recover the \$95,000 plus legal fees. The settlement provides contribution protection under the Spill Compensation and Control Act.

He said he estimates that the US Department of Environmental Protection will prosecute the polluters in approximately 2 to 3 years and once again, the City will probably be dragged back into similar litigation, along with hundreds of other public and private entities. This case, noted Mr. Eppley, has the potential to be the largest Superfund case in U.S. history based on the large number of litigants involved.

He stated that there is pending legislation in Trenton to prevent future similar actions and that a resolution scheduled for the March 11 Council Meeting (AR-57-13) would assist the City and other public with future claims.

Mr. Ruggiero said to the Council that the \$95,000 has been reserved in this year's budget and recommended that it be placed in a trust account.

Motion was made by Councilmember Steinman seconded by Councilmember Brown to adjourn from Executive Session at 8:54 p.m.

YES: Councilmembers Baker, Brown, Cox, Farrar, Mione, Saliga, Steinman

ABSENT: Councilmember Bresenhan, Wenson Maier

Council President Steinman declared the motion carried.