

The nature of the municipal contractual liability is limited by the appropriation sought. No one has sought an open and blank check. No municipal contractual liability exists to the employees of the funded agencies or creditors and none has been sought to be established by UCC. Neither does any tort liability exist to persons associated with funded agencies, since the sole involvement of the City as a legal entity providing a limited amount of money is to make possible the contributing of substantial Federal funds under like circumstances. There is no delegation of police powers at issue herein. Neither does the UCC in any manner seek to control, or determine municipal budgetary requirements, although we firmly believe that success of the UCC and programs developed through its operations will substantially help the City's fiscal problems, as evidenced by the savings to be effected in welfare costs through the Blazer Youth Council Program. The issue of a private agency is not a legal one at all, but rather one of philosophy in development of programs designed to eliminate poverty. Similarly the Hatch Act issue has no bearing on the legal right of the City to contribute matching funds, nor is the question posed a legal question relating to the War against Poverty.

It should be noted that there are currently twenty-six community action programs operating in the State of New Jersey today. Twelve of these programs are independent corporations which receive grants from the applicable city or county without interposition of the constitutional or alleged legal ramifications or complexities referred to in the Council Committee's report.

We submit that the alleged legal complexities raised in the Committee Report are without merit or foundation; they are contrary to existing judicial opinion in the State of New Jersey; they are contra to the opinion of the City Corporation Counsel; they reject the concept of total community effort as envisioned by the framers of the Economic Opportunity Act; and we respectfully urge that these considerations be disregarded by the Council in deciding whether to contribute the matching funds required by the United Community Corporation.

*The alleged control of the executive director over hiring and programs*

Dean Heckel's prepared statement, (Exhibit # I, Appendix) set forth the extensive search made for an Executive Director and the confidence expressed by the UCC Board in its selection of ——— D. Tyson. The wisdom of this choice is reflected in Mr. Tyson's performance in Newark and the comments of Mr. Theodore M. Berry, National Director of Community Action Programs of the OEO when he said "... UCC has a good program and a good Director. We think highly of Tyson." Similar commendations have come from civic leaders of Newark and other communities and also other national leaders. The Mayor-Elect of New York City recently designated a special Task Force to study the New York Anti-Poverty Program. Mr. Tyson's selection to serve on this Task Force with other outstanding government and community people from various sections of our country is further evidence of the high regard in which he is held as one of our nation's leaders in this form of social planning.

The Committee report, pages 2 and 3, charge UCC with an abdication of responsibility in giving Mr. Tyson "full control of all Executive Personnel", citing in support thereof its "understanding" of his employment contract and an alleged amendment to the by-laws. This is a distortion of the facts and contrary to the evidence submitted to the Committee.

At the outset it should be noted that the Executive Committee meets weekly and the Board meets monthly. A full report is made of the Executive Director's activities during the preceding period with ample opportunity for discussion and review of his stewardship. This has of course included consideration of personnel and program matters.

At the request of the Committee, a copy of Mr. Tyson's agreement was provided. It was not annexed as an exhibit to the Committee report. A copy of the hiring agreement submitted to the Council is annexed to the Appendix as Exhibit X. Nowhere in said agreement is there any reference to arrangements regarding hiring as alleged in the Committee report.

As heretofore noted, the Committee failed to annex to its report the corrected current by-laws as submitted to the Committee. It failed to properly print the last page of the by-laws as originally submitted (Exhibit 3). The notation on the bottom of that page stated that Article V, relied upon by the Committee as the claimed amendment granting unusual powers to the Executive, had not yet been submitted to the membership and therefore was not properly part of the by-laws.