

## **Garden State Preservation Trust**

**August 18, 2004**

### **Meeting Minutes**

Chairman Davidson called the meeting to order. Ralph Siegel, Executive Director, read a statement certifying compliance with the Open Public Meeting's Act. DAG Cliff Ronos acknowledged compliance. Roll call was taken. Public members present were: Dennis Davidson, chair, Maureen Ogden and Herb Wegner. Ex-officio members present were: David Rousseau (for State Treasurer John E. McCormac), Gregory Romano (for Agriculture Secretary Charles Kuperus), Marge Della Vecchia (for DCA Commissioner Susan Bass Levin) and John S. Watson Jr. (for DEP Commissioner Bradley M. Campbell). Absent were Vice Chair Robert DiVincent and Cooper Morris. Seven members present constituted a quorum.

#### **OPENING REMARKS**

Chairman Davidson announced that Greg Romano would be leaving his position at Agriculture after 20 years of service and thanked him for his service to preservation.

#### **APPROVAL OF MINUTES OF JULY 21<sup>ST</sup> 2004 MEETING**

Chairman Davidson asked if there were any comments on the minutes of the July 21<sup>st</sup> meeting. Ms. Ogden directed the members attention to the "Trust Members Comments" section where she wanted language changed. Ms. Ogden said she would make the changes and forward them to Mr. Siegel.

Moved as amended by Mr. Wegner.

Seconded by Mr. Romano.

Minutes Approved 7-0

#### **FIRST EXECUTIVE DIRECTOR'S REPORT**

Mr. Siegel explained the history and projections for expenditure of funds for the combined land preservation trust funds. Mr. Siegel pointed out the difference in bond fund balances and cash balances. He reported that by existing expenditure forecasts, the Series 2003 bond issue for \$500 million would be exhausted shortly after the end of FY2005 and so before new bond proceeds from Series 2005A and B come into the Trust Funds.

#### **PRESENTATION BY BEAR STEARNS**

Mr. Charles Ellinwood began the presentation with some facts about the May 5<sup>th</sup> transaction. He indicated that transaction was the second longest forward delivery financing ever done and the largest sum ever financed at once. Mr. Ellinwood then reviewed with the Trust some of the mechanics of a forward delivery bond transaction with regard to interest rates, premiums and coupons. He explained the significance of the December 2005 delivery date in that it attracted the most interest from the institutions that would purchase these bonds.

Mr. Ellinwood presented forecasted rates, debt service schedules and the structure of the maturities. Mr. Ellinwood explained how the Trust received a premium on their bonds in the Series 2005A bond issue sold in May and how we were aided by the market dynamics of selling the same day California was selling \$7 billion in bonds. Further, the success of the May financing significantly increased the break-even interest rate needed to preserve the ability to issue a full \$150 million with a large premium to the Trust.

Mr. Ellinwood then explained that the total open space proceeds from the 2003 series A&B, the 2005 series A and the 2005 series B plus premium and net of costs projects a total of over \$1.9 billion.

Ms. Ogden praised the news against original projections in 1999 that total funds available, proceeds plus cash, would be \$1.43 billion.

### **PRESENTATION BY BOND COUNSEL**

Mr. Stephen Pearlman of the law firm DeCotiis, Fitzpatrick, Cole & Wisler acting as bond counsel explained details of the Third Continuing Bond Resolution before the Trust for consideration. He said it would complete the trilogy of debt issuance and would exhaust the Trust's bonding capacity.

Mr. Pearlman explained the parameters of the transaction and filled in the blank areas in the documents the members had received the week before. True interest cost is not to exceed 6.5%, and underwriter's discount will not exceed \$7 dollars per bond.

Mr. Pearlman explained the closing documents before the Trust members included the Preliminary Official Statement, Continuing Disclosure Agreement and the Bond Purchase Agreement, which authorizes the sale of the bonds to Bear Stearns as the lead underwriter.

### **THIRD CONTINUING BOND RESOLUTION**

Moved by Mr. Rousseau.

Seconded by Mr. Watson.

Resolution Approved 7-0

### **RESOLUTION # 04-009 Immediate Transmittal of Minutes Concerning Approval of Third Continuing Bond Resolution**

Moved by Mr. Rousseau.

Seconded by Mr. Romano.

Resolution Approved 7-0

### **SECOND EXECUTIVE DIRECTOR'S REPORT**

Mr. Siegel updated the Trust on the "Expenditure Monitoring Program," which was nearly completed in draft form, to establish a policy and practice for the Trust to monitor program expenditures on a quarterly basis and to respond to significant shortfalls. Mr. Siegel said he intended to present the Expenditure Monitoring Program to individual members as time allowed and to present it to the full Trust for adoption at its next meeting in October or November.

Mr. Siegel updated members on the status of GSPT Appropriations, procurement of the commemorative plaque for Christopher Daggett and the status of various Trust resolutions.

Chairman Davidson said he did not want the Trust to be associated with any delay in appropriations. Mr. Siegel assured him that would not happen.

**TRUST MEMBER COMMENTS**

Mr. Wegner brought up the significance of tax exemptions to farmers who preserve their farm and acknowledged that while federal tax exemptions would be larger an exemption from the State is still attractive to the farmers. Mr. Wegner inquired about the status of the Preserved Farm signs. Mr. Siegel responded that the lumber has been ordered and is arriving at the wood shop today, the metal signs are in place and the first batch may be delivered the first week of September.

Ms. Ogden inquired as to where we were with the master plan and watersheds. Mr. Watson responded that his office was preparing to send a draft plan to the Commissioner shortly. Mr. Romano said State Agriculture Development Committee (SADC) was addressing the situation and are in the process of taking a comprehensive approach including changing the way they rank properties.

Ms. Ogden then addressed the situation of individuals buying preserved property and erecting buildings on it. She added her concerns about the aquifer recharge and if this was being addressed at SADC. Mr. Romano replied that SADC is looking into the matter and the conflicting schools of thought, one being that agriculture is an industry and requires certain building versus what are acceptable impervious coverage standards. He noted that staff was sending recommendations addressing both issues and that they had received input from both environmental groups and agricultural groups. Mr. Siegel offered to collect and distribute information on the topic to the members. Ms. Ogden stated that while it wasn't urgent. She said being the Trust was the funding agency, they were entitled to be kept abreast of the situation.

Mr. Wegner said he would like to see an emphasis put on the preservation of the vast amount of farmland in Salem and Cumberland counties.

Ms. DellaVecchia stated that the Office of Smart Growth has conducted meetings in all 21 counties to bring the State Plan before the public and hopefully pressure the counties and their towns to act on preservation efforts.

**PUBLIC COMMENTS**

No members of the public were present.

**ADJOURNMENT**

Meeting was adjourned at the direction of Chairman Davidson

Respectfully submitted

Ralph Siegel  
executive director  
board secretary  
Nov 10, 2004