

Garden State Preservation Trust
December 16, 2016, Meeting Minutes

Deputy Attorney General Cliff Rones administered the oath of office to Ben Spinelli of Chester Twp., Morris County, who also signed the oath of office, as the Senate President's appointee to the Garden State Preservation Trust.

Chairwoman Laura Overdeck called the meeting to order at 11:04 a.m. Executive Director Ralph Siegel read a statement certifying compliance with the Open Public Meetings Act and then called the roll. Public members in attendance were: Chairwoman Overdeck, Vice-Chairman Greg Romano, Andrew Buzby and Mr. Spinelli. Ex-officio members in attendance were Monique Purcell (for Agriculture Secretary Douglas H. Fisher), Martha Sapp (for Environmental Protection Commissioner Bob Martin), Dorothy Guzzo (for Community Affairs Commissioner Charles A. Richman) and Ryan Feeney (for Treasurer Ford M. Scudder). Public member Ken Atkinson was absent.

OPENING REMARKS

Chairwoman Overdeck said the following:

“I would like to welcome everyone to the meeting of the Garden State Preservation Trust for 2016, particularly thank you all for coming here in what is not a calm time of year, taking time out from their holiday shopping, and I know a lot of you traveled a good distance to get here and we do appreciate it.

“I would especially like to welcome Ben Spinelli of Chester Township as the newest member of the board. Ben was appointed a few months ago by Senate President Steve Sweeney. He replaces former DEP Commissioner Bob Hughey, who is retiring. And apparently I hear Ben is not new to the board. Back when he was on the state payroll as director of state planning, Ben sat on the board as the representative of the Department of Community Affairs, so he is the absolute right person to join us.

“This is a very important meeting of the GSPT. It is the first time we will be making use of the funds that were approved by the voters in November 2014 with the constitutional amendment. There was some disagreement over that voter referendum and how the funds were going to be used, but the Governor in June signed the legislation putting these funds through the GSPT and I hope we can get those funds moving quickly through the Legislature.”

APPROVAL OF MINUTES OF JUNE 10, 2015, BOARD MEETING

Chairwoman Overdeck asked if there were any corrections or clarifications to the draft minutes of the meeting. There were none. Mr. Siegel noted the consideration of these official minutes was a formality because a substantive version of the minutes had been submitted in June 2015 and had completed the Governor's veto review process.

Moved by Vice-Chairman Romano

Seconded by Ms. Purcell.

Approved 6-0.

Ms. Guzzo and Mr. Spinelli abstained because they did not attend the June 10, 2015, meeting.

ELECTION OF OFFICERS FOR 2017

Mr. Siegel explained that since it was near the end of 2016, it was thought best not to elect officers for 2016 but to proceed with elections of officers for 2017. He said the statutory rotation of chairmanship meant that in 2017, one of the Assembly Speaker's appointees was to serve as chair. These are Mr. Atkinson and Mr. Buzby.

Mr. Buzby nominated Mr. Atkinson in absence as chairman for 2017.

Vice-Chairman Romano seconded the nomination.

Mr. Siegel conducted a roll call vote.

Approved 8-0 to elect Mr. Atkinson chairman for 2017.

(His election did not take effect until the end of the Governor's veto period so Chairwoman Overdeck remained chair of the meeting.)

Mr. Siegel explained the vice-chairman could be elected from any of the five public board members.

Ms. Purcell nominated Vice-Chairman Romano as vice-chair for 2017.

Chairwoman Overdeck seconded the nomination.

Mr. Siegel conducted a roll call vote.

Approved 7-0-1 to elect Vice-Chairman Romano as vice-chairman for 2017.

Vice-Chairman Romano abstained from the vote.

Mr. Siegel explained the board could elect anyone to serve as Secretary and as Treasurer and could combine the positions. The statute does not require these posts to be held by a voting board member. He explained the posts have been combined since 2004.

Vice-Chairman Romano nominated Mr. Siegel to combined post of Secretary-Treasurer for 2017.

Chairwoman Overdeck seconded the nomination.

Mr. Siegel conducted a roll call vote.

Approved 8-0 to elect Mr. Siegel Secretary-Treasurer for 2017.

APPROVAL OF MEETING DATES FOR 2017

Chairwoman Overdeck said a proposal has been made to adopt meeting dates for 2017.

Mr. Siegel directed board members to a page in the Members' Meeting Books that listed the following proposed meeting dates:

- Tuesday, March 14.
- Tuesday, May 9.
- Tuesday, July 11.
- Tuesday, Sept. 12.
- Tuesday, Nov. 14.

Mr. Siegel explained that under the GSPT Bylaws the chair has the authority to call and schedule meetings. In the absence of the chair, the vice chair can do it. In the event of a refusal to act, four board members can override the chair and force a meeting to be scheduled.

Mr. Siegel said the setting of a schedule of meetings would not in any way replace or dilute the authority of the chair to call meetings. He said the chair will have it within their authority to postpone or cancel the meetings on the schedule as required.

The proposed schedule of five meeting dates for 2017 as listed was moved by Chairwoman Overdeck.

Seconded by Ms. Purcell

Mr. Siegel conducted a rollcall vote.

Approved 8-0.

RESOLUTION #16-001 HONORING MIKE MURPHY

Chairwoman Overdeck directed Mr. Siegel to read the commemorative resolution for former board member Mike Murphy honoring him for his service.

Mr. Siegel read the following: *“William Michael ‘Mike’ Murphy of Brielle, N.J., is honored by his fellow members for his tenure as an invaluable member of the Garden State Preservation Trust from 2005 to 2015, including three terms as chairman. Mike’s dedication, his congeniality, his vast institutional memory and his wise counsel to the cause of land preservation have given him standing as one of the most influential members of the Garden State Preservation Trust in its 17 years. His foresight and his political expertise have made a lasting contribution in developing and maintaining one of the largest state-funded land preservation programs in the United States.”*

Roll call vote was conducted.

Approved 8-0.

Mr. Siegel said he has been friends with Mr. Murphy a long time and he recalled Mr. Murphy’s campaign for governor in the Democratic primary in 1997. He joked that Mr. Murphy was thinking of reviving his campaign career now that “Murphy For Governor” signs were appearing all over New Jersey (in reference to 2017 Democratic candidate Phil Murphy.)

EXECUTIVE DIRECTOR’S REPORT

Mr. Siegel drew the members’ attention to the collection of press releases and news clippings in the Members’ Meeting Books. He made special note of a press release concerning Riverfront Park in Newark, which he said was a statewide and national model for a critical urban project.

Mr. Siegel also drew the members’ attention to a sequence of three clippings: a story about Green Acres funding in which the funding sum was in error, followed by a negative editorial in the Morristown Daily Record accusing the Department of Environmental Protection (DEP) of being slow in the use of preservation funds, followed by a “letter to the editor” by DEP Assistant Commissioner Richard Boornazian in response the accusations to literally set “The Record” straight.

Mr. Siegel discussed letters send out by the GSPT with the approval of Chairwoman Overdeck to the three preservation agencies in December 2015 to advise them that their Garden State Preservation Trust funds were “over-appropriated.” He said this means the trust funds would not have adequate cash to pay for every appropriation that had been approved up to 2009.

Mr. Siegel said the Garden State Preservation Trust Funds ceased making new-money appropriations in 2009 in accordance with its statutory authorization. The object of the board in 2009 had been to ensure every available dollar was appropriated to preservation projects. He said it was in this spirit that the decision was made not to set aside an arbitrary reserve.

Mr. Siegel said money continued to be drawn from the trust funds from 2009 to 2014 to cover the administrative costs of the three preservation agencies. He said this draw had not been anticipated in 2009. While there was interest income and revenue from sales and loan repayments from 2009 to 2014, these revenues were not adequate to offset the administrative costs that were being charged to the GSPT's trust funds. This caused the trust funds to become over-appropriated. He said this means the programs would have some appropriations, either grants or projects, that would lack sufficient funds to pay the costs when the projects come due or are completed.

Mr. Siegel said this over-appropriation was explained to the three funded preservation agencies in letters that were prepared in December 2015 by the GSPT. He said copies of these letters were in the Members' Meeting Books.

Mr. Siegel said it was a part of the job of the GSPT to keep track of all trust funds under its authority to advise other agencies about these over-appropriations. He said no action or response was requested. He said the programs would simply need to be mindful that at some point some grants or projects which received an appropriation would have to be withdrawn or cancelled for lack of funds. He said he did not expect this to be a significant problem since the cancellations of grants or projects was a routine matter in all of the programs.

Mr. Siegel explained the Summary of funds available for 2017:

1. Corporation Business Tax (CBT) revenues dedicated to preservation purposes leftover from FY2016 totaling \$40.46 million.
2. A part of the CBT revenues dedicated to preservation purposes anticipated to be collected in FY2017 totaling \$53.54 million.
3. Funds from a dormant Diesel Risk Mitigation fund account transferred for preservation purposes totaling \$66.9 million.

Mr. Siegel said these sources of revenue totaled \$160.9 million available for appropriation in FY2017.

Mr. Siegel said the CBT funds for 2017 represented only 75% of the amount expected to be collected with 25% being held back as a safety margin. He said this limitation was requested by the Treasury's Office of Management & Budget as a prudent step because no one could be certain what the CBT collections for the current fiscal year would actually be. He said the full sum forecasted should bring in \$71.4 million for preservation purposes in FY2017. He said if this proves to be the correct, the extra \$17.8 million withheld in the safety margin would be available for appropriations next year.

Mr. Siegel explained the CBT is a volatile tax base that is difficult to forecast with precision since it is in fact an amalgamation of some 80 different taxes and tax rates forecast to bring in \$2.5 billion in FY2017. He said down-ticks in certain sectors of the economy can reduce collections so it was prudent to limit appropriations to 75% of the forecast.

Mr. Siegel made note of a chart in the Members' Meeting Books showing the track record of CBT collections over the past 10 years. He said the chart showed CBT collections fell short of the forecast six times from 2007 to 2016. He said the shortfalls ranged from 5% in 2009 to 14% in 2014. He noted that never had the shortfall been close to 25% so the safety margin should be adequate.

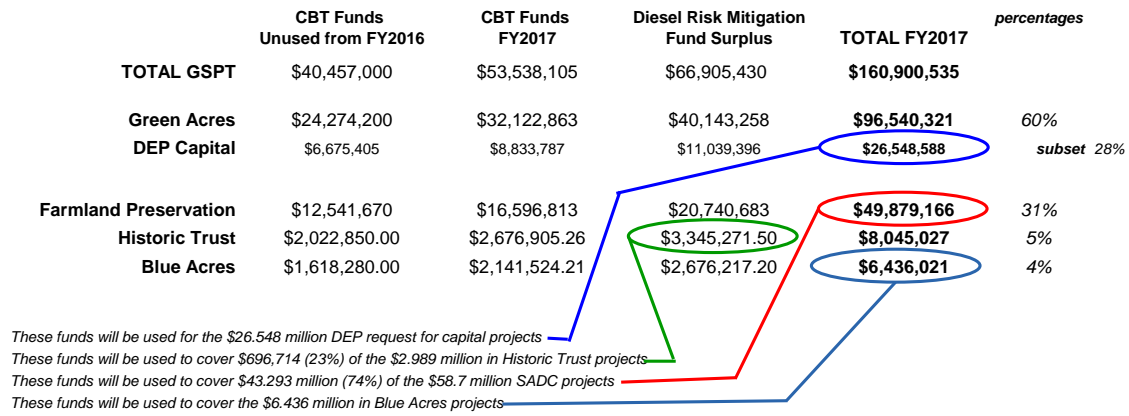
(Attached is the CBT 10-Year Forecast chart included in the Members' Meeting Books.)

FY	CBT Appropriations Act	CBT Actual	Error Short Percentage
2007	\$2,607,071,000	\$3,084,921,000	0%
2008	\$2,623,000,000	\$3,062,447,000	0%
2009	\$2,811,600,000	\$2,665,162,000	5%
2010	\$2,336,000,000	\$2,144,564,000	8%
2011	\$2,291,000,000	\$2,344,430,000	0%
2012	\$2,261,000,000	\$2,037,103,000	10%
2013	\$2,666,000,000	\$2,371,401,000	11%
2014	\$2,461,000,000	\$2,112,909,000	14%
2015	\$2,610,000,000	\$2,738,759,000	0%
2016	\$2,677,164,000	\$2,335,973,000	13%
2017	\$2,492,973,000		

Mr. Siegel said CBT funds that come in but are not appropriated would just “roll forward” and would become available in subsequent years because these funds are constitutionally dedicated and so cannot be diverted to another account or for another purpose.

(Attached is a Fund Sources chart included in the Members' Meeting Books.)

GSPT Fund Sources for FY2017



Vice-Chairman Romano asked whether CBT funds that come in above the forecast by 10%, perhaps \$85 million, would still be earmarked for preservation and available for appropriation in subsequent years. Mr. Siegel said yes.

Mr. Siegel said if the GSPT board were to approve appropriations of \$53 million from the CBT revenue from FY2017, and actual collections came in at \$83 million, the additional \$30 million would fold into the following year and would be available for appropriation in the following year. He said the “true number” collection in Fiscal Year 2017 (which ends June 30, 2017) may not be known until September of 2017, three months after the fiscal year has ended.

Mr. Siegel asked DEP finance director Adrienne Kreipke, who was in the audience, if she would agree with him that a true number would not be known until September. Ms. Kreipke, a former official in OMB, said it might be even later than that.

Vice-Chairman Romano asked about the previous use of the Diesel Risk Mitigation funds. Ms. Kreipke said it was used to help fund retro-fit grants.

Mr. Siegel said the Treasury department was conducting a bond issue in coming weeks with \$100 million earmarked for preservation accounts from the 2007 and 2009 bond fund.

PRESENTATION OF GREEN ACRES, BLUE ACRES & DEP CAPITAL PROJECTS GRANT RECOMMENDATIONS

Chairwoman Overdeck introduced and welcomed DEP Assistant Commissioner Boornazian to make his presentation.

Mr. Boornazian introduced Ms. Kreipke and Fawn McGee, chief of State Acquisitions, which includes Blue Acres. He said today's presentation would cover recommendations for funding for the Green Acres State Acquisition program; for the Blue Acres flood-property acquisitions also administered by the Office of Green Acres; and for capital projects funding for the DEP Division of Parks & Forestry and Division of Fish & Wildlife.

Mr. Boornazian said the general public was most familiar with the Green Acres Local Grants and Nonprofit Grants programs, which were not included in today's recommendations. He said applications for Local and Nonprofit grants have just gone out, were due back in February and would take at least two or three months to evaluate. He said they would not be ready for the scheduled March 14 GSPT meeting.

Mr. Boornazian reviewed the history of voter approval of preservation funding, with 13 bond acts approved and, most recently, the constitutional amendment in Public Question #2 and the follow-up Preserve New Jersey Act signed in 2016.

Mr. Boornazian said 684,000 acres of land have been protected through the Green Acres program in the past 55 years. He said together with the Farmland Preservation program and older land acquisitions, including federal refuges, preserved land in New Jersey now exceeds 1.5 million acres. "Clearly the program has a great mission and is really proud of those accomplishments," he said.

Mr. Boornazian said the recommendation before the GSPT today includes \$32.9 million for State acquisitions in Green Acres and Blue Acres, plus \$26.8 million for recreational development and capital improvement projects in State Parks, forests and refuges.

Mr. Boornazian said the Blue Acres program has been the most successful of the Governor's agenda in response to Hurricane Sandy in 2012. He said the State leverages those funds with federal money for "tremendous" buying power. He said the target is to buy out 1,000 homes that face the risk of repeated flooding.

Mr. Boornazian said the recommendation for DEP capital projects is something new to the board members of the GSPT. In past years capital projects funding had been appropriated through the annual State Budget. He said the Preserve NJ Act formula, which governs the use of all preservation and conservation funds coming through the

CBT, makes available \$11 million for state capital projects. He said the backlog of capital projects on state parks and state lands exceeds \$400 million.

Mr. Siegel said his should have included in his fiscal report an explanation of the Summary of Green Acres recommendations. He reiterated the figures Mr. Boornazian reported in his presentation.

(Attached is a Green Acres Summary chart included in the Members' Meeting Books.)

Green Acres FY2017 Summary					
State Acquisition, Parks Development & Capital Projects					
	Recommendation	FY2017 CBT Funds	FY2016 Surplus CBT Funds	FY2017 Diesel RM Funds	Total Available
State Acquisition	\$26,548,000	\$8,833,210	\$6,675,405	\$11,039,396	\$26,548,011
State Capital Projects & Park Development	\$26,548,000	\$8,833,210	\$6,675,405	\$11,039,396	\$26,548,011
Blue Acres	\$6,436,000	\$2,141,384	\$1,618,280	\$2,676,217	\$6,435,881
Total Recommendation	\$59,532,000	\$19,807,804	\$14,969,090	\$24,755,009	\$59,531,903

RESOLUTION #16-002 TO APPROVE DEP & GREEN ACRES RECOMMENDATIONS FOR STATE CAPITAL PROJECTS, STATE STEWARDSHIP, BLUE ACRES ACQUISITION AND GREEN ACRES STATE ACQUISITION IN 10 PROJECT AREAS FOR FY2017 FROM THE PRESERVE NEW JERSEY (CBT) GREEN ACRES FUND AND THE DIESEL RISK MITIGATION FUND

Mr. Siegel explained the submission of multiple resolutions to allow for recusal by certain board members from certain items. The instant resolution was designed so that all of the board members could vote on it to assure the majority of recommendations can be considered for approval despite recusals by certain members on other items.

Moved by Ms. Purcell
 Seconded by Chairwoman Overdeck
 Approved 8-0

SIDE NOTE (NOT PART OF OFFICIAL MINUTES): This resolution approved the appropriation of \$54.5 million from the CBT Fund in three parts:

- **\$26.55 million for capital projects in both the State DEP Division of Parks & Forestry and Division of Fish & Wildlife;**
- **\$21.55 million to the Green Acres program for State Acquisitions;**
- **\$6.4 million to the Office of Green Acres for Blue Acres flood property acquisitions.**

RESOLUTION #16-003 TO APPROVE GREEN ACRES RECOMMENDATIONS FOR STATE ACQUISITION IN THE HIGHLANDS GREENWAY PROJECT AREA FOR FY2017 FROM THE PRESERVE NEW JERSEY (CBT) GREEN ACRES FUND AND THE DIESEL RISK MITIGATION FUND

Mr. Siegel explained this project area had been extracted for a separate resolution to accommodate the request for a recusal.

Moved by Ms. Purcell
 Seconded by Chairwoman Overdeck
 Approved 7-0

Mr. Spinelli when his name was called said he recused from the vote because his consulting firm represents parts of the Highlands Greenway project area, namely Morris and Warren counties.

DAG Ronces corrected the Executive Director by explaining that a board member who intends to recuse should not have their name called during the roll-call vote. He said when a board member recuses from a resolution, that recusing board member should be treated as if they are not present. He further explained that a board member who is recusing cannot be counted toward the required GSPT quorum of five members for the purposes of the resolution. Mr. Siegel noted that with Mr. Spinelli's recusal there were still an adequate number of board members present (7) to constitute a quorum.

SIDE NOTE (NOT PART OF OFFICIAL MINUTES): This resolution approved the appropriation of \$5 million from the CBT Fund to the Green Acres program for State Acquisitions in the Highlands Greenway Project Area.

The two DEP resolutions -002 & -003 bring the total appropriation to \$59.5 million from the CBT Fund to DEP and to Green Acres (including Blue Acres funding).

EXECUTIVE DIRECTOR'S FISCAL REPORT – NJ HISTORIC TRUST

Mr. Siegel explained the Historic Trust project recommendations for 25 grants totaling \$2.988 million relies mainly on available funds from the 2009 Historic Preservation Bond Fund. He said \$1.94 million had remained available for appropriation from the 2009 Bond Fund and another \$351,000 has become available for re-appropriation because of the withdrawal of projects from previous appropriations.

Mr. Siegel said the \$696,000 balance of the recommendation was being funded from the current Preserve NJ Historic Preservation Fund, focusing on the use of the money transferred from the Diesel Risk Mitigation Fund first before touching the funds available from CBT FY2016 and FY2017 collections.

(Attached is a Historic Trust Summary chart included in the Members' Meeting Books.)

Historic Trust FY2017 Recommendations SUMMARY				
	Total Appropriation Recommended	2009 Bond Fund Unappropriated Balance Available	2009 Bond Fund Withdrawals & Cancellations	FY2017 Diesel Risk Mitigation Fund Surplus
Capital Level I Grants	\$2,988,859	\$1,940,959	\$351,186	\$696,714
Capital Level II Grants	<i>not recommended</i>			
Historic Site Management Grants	<i>not recommended</i>			
TOTAL	\$2,988,859			

PRESENTATION OF NJ HISTORIC TRUST GRANT RECOMMENDATIONS

Chairwoman Overdeck introduced New Jersey Historic Trust Executive Director Ms. Guzzo, who stepped away from her seat on the board to make her presentation.

Ms. Guzzo thanked the board members for meeting to consider these recommendations, noting the project application round had been completed in 2015. She said they received more than 54 applications totaling more than \$6 million.

Ms. Guzzo explained the program primarily funds bricks-and-mortar restoration of historic sites with some smaller grants for planning and to develop heritage tourism. She said the first grants were awarded in 1990 using bond funds from a 1987 bond issue. She said the criteria to evaluate grants consider the condition of the resource and its unique qualities. She said they also look at the applicant organization, noting that grants go to nonprofits as well as to municipal governments. They endeavor to see whether the applicants are good stewards. Finally, she said the most important criteria is the public benefit “and whether our funding will make a difference.”

Ms. Guzzo reviewed the 28 projects with photos and Powerpoint slides for each project, which were also listed and described in the Members' Meeting Books.

Ms. Guzzo said in the past the Historic Trust would alternate grant rounds between bricks-and-mortar restoration projects, such as those being recommended this year, and then in the next round a set of smaller planning grants to set the stage for a future round of restoration projects. She said they would like to get back into the cycle.

RESOLUTION #16-004 TO APPROVE NEW JERSEY HISTORIC TRUST RECOMMENDATIONS FOR CAPITAL PROJECTS FOR FY2017 FROM THE DIESEL RISK MITIGATION FUND

Chairwoman Overdeck explained the resolution.

Ms. Guzzo, who was attending her first GSPT meeting as a board member representing Community Affairs, asked if she should recuse on the measure, considering that she was the Executive Director of the agency that would administer the project grants.

DAG Ronese said when an ex-officio board member is representing a department they are representing that department's interests. But he said since Ms. Guzzo is involved in the program and that this is the source of her livelihood, the approval does benefit her. He said finally that it was a close legal call and that he was not sure how Ms. Guzzo should proceed concerning the vote.

Mr. Siegel, who serves as the ethics officer for board members, said that in his opinion it was clear that Ms. Guzzo, sitting on the board as an ex-officio member, was sent there to vote as DCA Commissioner Charles ("Chuck") Richman would be voting. "You are Chuck Richman. Presumably Chuck supports the Historic Trust grants," Mr. Siegel said.

Mr. Ronese asked Ms. Guzzo if she would be directed by her commissioner and by the Historic Trust board chairperson to support the recommendations. Ms. Guzzo answered yes. Then Mr. Ronese said then she should be OK to vote provided this was stated for the record.

Mr. Siegel explained there were two separate resolutions for the Historic Trust recommendations because there were two different funding sources: the 2009 Historic Preservation Bond Fund and the Diesel Risk Mitigation funds transferred into the Preserve NJ Historic Preservation Fund.

Moved by Ms. Purcell
Seconded by Ms. Sapp
Approved 8-0

SIDE NOTE (NOT PART OF OFFICIAL MINUTES): This resolution approved the appropriation of \$697,000 from Diesel Risk Mitigation funds deposited into the CBT Fund to the New Jersey Historic Trust for Capital Level II grants.

**RESOLUTION #16-005 TO APPROVE NEW JERSEY HISTORIC TRUST
RECOMMENDATIONS FOR CAPITAL PROJECTS FOR FY2017 FROM THE
2009 HISTORIC PRESERVATION BOND FUND**

Moved by Chairwoman Overdeck

Seconded by Ms. Purcell

Approved 8-0

SIDE NOTE (NOT PART OF OFFICIAL MINUTES): This resolution approved the appropriation of \$2.29 million to the New Jersey Historic Trust for Capital Level II grants from the 2009 Historic Preservation Bond Fund. Two separate resolutions are used because there are two separate funding sources.

The two Historic Trust resolutions -004 & -005 bring the total appropriation to \$2.989 million from both the CBT Fund and from the 2009 Bond Fund.

EXECUTIVE DIRECTOR'S FISCAL REPORT – FARMLAND PRESERVATION

Mr. Siegel said the State Agriculture Development Committee (SADC) was relying on a complex mix of revenues for its recommendations, especially for the SADC's State Direct acquisition program. He said these revenues include compensation payments related to pipeline right-of-way condemnations of preserved farmland.

Mr. Siegel said the County Planning Incentive Grants, which at \$32.5 million were the largest appropriation recommendation, plus the Municipal Planning Incentive Grants and Stewardship Grants were all drawing from the new Preserve NJ Farmland Preservation Fund, which was based on CBT revenues with Diesel Risk Mitigation funds. Lastly, the Nonprofit Grants were being funded entirely from the 2009 Bond Fund with money made available from the withdrawal or cancellation of Nonprofit projects that had been appropriated from that 2009 fund.

Mr. Siegel said the Stewardship Grants recommendation does not list specific grants to a list of farms or farmland owners. He said the recommendation seeks approval to create a grant program with a set sum from which farmland owners would be able to apply for matching grants to pay for either Soil & Water Grants or for matching grants to install deer fencing. He said the GSPT board should feel free to consider this recommendation despite the absence of specific, identified projects because there are well-established regulations governing how these stewardship grants will be administered. He said these regulations and grant-award procedures have been in place for decades.

(Attached is a Farmland Preservation Summary chart included in the Members' Meeting Books.)

Farmland Preservation FY2017 Summary								
State Agriculture Development Committee								
	Total	--- New Revenue Funds ---			--- Reallocations of Old Grants ---			
		FY2017 CBT & DRM Funds (new appropriation)	2009 Farmland Bond Fund (land sales revenue)*	2007 Farmland Bond Fund (land sales revenue)	2009 Farmland Bond Fund (reallocations)	2007 Farmland Bond Fund (reallocations)	GSPT Farmland Preservation Fund (reallocations)	1989-1992 Bond Funds (reallocations)
State Acquisition	\$14,304,403	\$1,796,660	\$745,938	\$187,082	\$5,149,166	\$3,714,495	\$2,430,661	\$280,401
County PIG Grants	\$32,500,000	\$32,500,000						
Municipal PIG Grants	\$7,500,000	\$7,500,000						
Nonprofit Grants	\$2,900,000				\$2,900,000			
Stewardship Grants	\$1,496,340	\$1,496,340						
Total Recommendation	\$58,700,743	\$43,293,000	\$745,938	\$187,082	\$8,049,166	\$3,714,495	\$2,430,661	\$280,401
				\$44,226,020				\$14,474,723

PRESENTATION OF FARMLAND PRESERVATION PROGRAM GRANT RECOMMENDATIONS

Chairwoman Overdeck introduced SADC Executive Director Susan Payne and invited her to make her presentation.

Ms. Payne said she was pleased to appear before the board to explain the funding recommendations. She said the timing of the new funding is critical. She introduced Chief Financing Officer Daniel Patrick O’Connell, noting that he was a former financial adviser to the GSPT. She also introduced Matt DiStaulo, a member of the financial team, and Kendra Hall, an SADC administrative manager.

Ms. Payne made note of some Farmland Preservation milestones. She said the SADC marked its 30th anniversary in 2015. She said 223,000 acres have been preserved on about 2,400 farms, second only to Pennsylvania and Maryland.

Ms. Payne said the preservation totals represent a substantial segment of New Jersey’s agricultural sector, which according to the latest federal census has 715,000 acres in farm production. This means one-in-three farm acres in New Jersey are permanently preserved. She said such a high proportion of preserved farmland means “what they do affects our program,” and “what we do affects their industry.”

Ms. Payne said the New Jersey State government has invested \$1 billion in farmland preservation, the largest commitment in the nation, with matching funds from local governments and nonprofit foundations bringing the total spending to \$1.6 billion. “We are very proud of that,” she said.

Ms. Payne said many new farmers would not have a future in New Jersey without access to purchasing preserved land. She said New Jersey has the second most expensive farmland in the United States. She showed photos to cite a few examples of young farmers getting established on preserved farmland, which is available at much lower cost than market-value land. She also showed maps illustrating how preservation was being done on a regional or landscape basis, which she said was essential for agriculture to survive.

Ms. Payne discussed Mill Hollow Farms in Quinton. The farm was preserved in partnership with New Jersey Conservation Foundation (NJCF), with 100 acres acquired by SADC through deed restriction plus 18 acres purchased outright by NJCF as a waterway buffer. She emphasized the importance of such cost-sharing partnerships between the SADC and other conservation entities.

Ms. Payne reviewed the total recommendation of \$58.7 million. She said there would also be a request of \$6.6 million for administrative costs which are not part of the request before the GSPT. (*The GSPT under its statute is authorized only to vote on projects. Other appropriations, such as administrative spending, are the exclusive jurisdiction of the Legislature.*)

Ms. Payne said 68 percent of the funds would go to local partners at the county and municipal level. She explained the \$32.5 million funding for County Planning Incentive Grants included a \$20 million competitive-grant fund plus base grants of between \$500,000 and \$1 million for 13 counties. She said there are five other counties that did not receive base grants because they still have funds available from prior appropriations. She said all 18* farmland preservation counties can apply for up to \$5 million from the competitive grant fund once they have exhausted their base grants. (*Essex, Hudson and Union counties do not have farmland preservation programs.*)

Ms. Payne said Soil & Water Grants have totaled \$20 million over the decades and she was pleased to see the program restored after a 10-year lapse in funding. She reviewed a sampling of the types of projects that could be funded. She also noted the grants would be available for permanently preserved farms and also for farms enrolled in the 8-year preservation program.

Mr. Siegel asked Ms. Payne to explain the 8-year program. Ms. Payne said the 8-year program enrolls farmland owners who sign voluntary agreements to limit their land to agricultural use for a period of eight years. She said landowners do this in order to be able to qualify for Soil & Water Grants.

Vice-Chairman Romano asked if there had been a decline in enrollments in the 8-year program since the Soil & Water Grant funding had ended. Ms. Payne said there was a “precipitous” drop off in enrollments and re-enrollments because the only incentive to enroll in the program had been to become eligible for a grant.

Ms. Payne also reviewed the proposal to award matching grants for deer fencing. She said, “New Jersey is ground zero for overpopulation of deer.” She said it has gotten so critical that many farmers are not planting certain productive fields because of anticipated deer damage. She called this the most imminent widespread threat to agriculture. She said a density of 15 deer-per-square-mile is considered manageable. She then showed a chart indicating much of the state has a density of 40 to 50 deer-per-square-mile. She said density data such as this forms the basis for the grant eligibility.

Vice-Chairman Romano asked if the deer-fencing grants were available to farms in the 8-year program or to unpreserved farms. Ms. Payne said the deer-fencing grants would be limited to preserved farms only.

Ms. Payne said many people were excited to see these grants being recommended and she believed it would be a popular program.

Mr. Buzby, a career farmer, thanked Ms. Payne and her staff for their presentation and for preparing the large set of recommendations. He said Soil & Water Grants were a large incentive for farmers in his area to preserve their land.

RESOLUTION #16-006 TO APPROVE SADC RECOMMENDATIONS FOR COUNTY PIG AWARDS IN BERGEN, BURLINGTON, CUMBERLAND, HUNTERDON, MERCER, MIDDLESEX, MONMOUTH, SOMERSET AND SUSSEX COUNTIES, MUNICIPAL PIG AWARDS IN UPPER DEERFIELD, ALEXANDRIA, DELAWARE, HOLLAND, KINGWOOD, HOWELL, MANALAPAN, UPPER FREEHOLD, BLAIRSTOWN, HARMONY, KNOWLTON AND WHITE TOWNSHIP, STATE DIRECT ACQUISITIONS & FARMLAND STEWARDSHIP GRANTS FOR FY2017 FROM THE PRESERVE NEW JERSEY FARMLAND PRESERVATION FUND AND THE DIESEL RISK MITIGATION FUND

Mr. Siegel again explained the need for multiple resolutions to accommodate member requests for recusals so they could still vote on the main project list, and also to have separate resolutions for separate funding sources.

Moved by Ms. Purcell
 Seconded by Chairwoman Overdeck
 Approved 7-0

Mr. Spinelli recused from the vote because his consulting firm had recently completed a contract with the Monmouth County agricultural agency.

SIDE NOTE (NOT PART OF OFFICIAL MINUTES): This resolution approved the appropriation of \$36 million from the CBT Fund to the SADC in five parts:

- **\$8.5 million to the SADC for County Planning Incentive Grants.**
- **\$20 million to the SADC for County Competitive Grant Fund.**
- **\$4.25 million to the SADC for Municipal Planning Incentive Grants.**
- **\$1.8 million to the SADC for State Direct Acquisitions.**
- **\$1.5 million to the SADC for Farmland Stewardship Grants.**

RESOLUTION #16-007 TO APPROVE SADC RECOMMENDATIONS FOR COUNTY PIG AWARDS IN MORRIS & WARREN COUNTIES FOR FY2017 FROM THE PRESERVE NEW JERSEY FARMLAND PRESERVATION FUND AND THE DIESEL RISK MITIGATION FUND

Moved by Ms. Purcell
 Seconded by Chairwoman Overdeck
 Approved 7-0

Mr. Spinelli recused from the vote because his consulting firm represents Morris and Warren counties

SIDE NOTE (NOT PART OF OFFICIAL MINUTES): This resolution approved the appropriation of \$2 million from the CBT Fund to the SADC for County Planning Incentive Grants of \$1 million each for Morris & Warren counties.

RESOLUTION #16-008 TO APPROVE SADC RECOMMENDATIONS FOR COUNTY PIG AWARDS IN GLOUCESTER & SALEM AND MUNICIPAL PIG AWARDS IN ELK, FRANKLIN (GLOUCESTER), WOOLWICH, PILESGROVE, PITTSGROVE AND UPPER PITTSGROVE FOR FY2017 FROM THE PRESERVE NEW JERSEY FARMLAND PRESERVATION FUND AND THE DIESEL RISK MITIGATION FUND

Moved by Ms. Purcell
 Seconded by Ms. Sapp
 Approved 7-0

Mr. Busby recused from the vote because he chairs the Salem County Agriculture Development Board, which is the county's farmland preservation agency.

SIDE NOTE (NOT PART OF OFFICIAL MINUTES): This resolution approved the appropriation of \$5 million from the CBT Fund to the SADC for County Planning Incentive Grants of \$1 million each for Gloucester & Salem counties and for six Municipal Planning Incentive Grants of \$500,000 each to six towns in those two counties.

RESOLUTION #16-009 TO APPROVE SADC RECOMMENDATIONS FOR A MUNICIPAL PIG AWARD IN PEAPACK-GLADSTONE FOR FY2017 FROM THE PRESERVE NEW JERSEY FARMLAND PRESERVATION FUND AND THE DIESEL RISK MITIGATION FUND

Moved by Chairwoman Overdeck
 Seconded by Ms. Purcell
 Approved 7-0

Vice-Chairman Romano recused from the vote because his firm, the NJ Conservation Foundation, is a consultant for Peapack-Gladstone

SIDE NOTE (NOT PART OF OFFICIAL MINUTES): This resolution approved the appropriation of \$250,000 from the CBT fund to the SADC for one Municipal Planning Incentive Grant to Peapack-Gladstone.

RESOLUTION #16-010 TO APPROVE SADC RECOMMENDATIONS FOR STATE DIRECT ACQUISITIONS FOR FY2017 FROM THE 2009 FARMLAND PRESERVATION BOND FUND, THE 2007 FARMLAND PRESERVATION BOND FUND AND OLDER BOND FUNDS

Moved by Ms. Sapp
 Seconded by Chairwoman Overdeck
 Approved 8-0

SIDE NOTE (NOT PART OF OFFICIAL MINUTES): This resolution approved the appropriation of \$10 million from the 2009 Farmland Preservation Bond Fund, the 2007 Farmland Preservation Bond Fund and older bond funds to the SADC for State Direct Acquisitions.

RESOLUTION #16-011 TO APPROVE SADC RECOMMENDATIONS FOR STATE DIRECT ACQUISITIONS FOR FY2017 FROM THE GARDEN STATE FARMLAND PRESERVATION TRUST FUND

Moved by Ms. Purcell
Seconded by Ms. Sapp
Approved 8-0

SIDE NOTE (NOT PART OF OFFICIAL MINUTES): This resolution approved the appropriation of \$2.4 million from the Garden State Farmland Preservation Trust Fund to the SADC for State Direct Acquisitions. This is a separate resolution because the funding source is the GSPT's own original trust fund.

RESOLUTION #16-012 TO APPROVE SADC RECOMMENDATIONS FOR NONPROFIT GRANTS FOR FY2017 FROM THE 2009 FARMLAND PRESERVATION BOND FUND

Moved by Ms. Purcell
Seconded by Ms. Sapp
Approved 7-0

Vice-Chairman Romano recused from the vote because his firm, the NJ Conservation Foundation, is a grant recipient.

SIDE NOTE (NOT PART OF SUBSTANTIVE MINUTES): This resolution approves the appropriation of \$2.9 million from the 2009 Farmland Preservation Bond Fund to the SADC for Nonprofit Grants.

The seven Farmland Preservation resolutions -006 thru -012 bring the total appropriation to \$58.7 million from the CBT Fund, the 2009 & 2007 Bond Funds, the GSPT Farmland Fund and older bond funds. The CBT Fund is the major source at \$45.1 million.

BOARD MEMBER COMMENT

Chairwoman Overdeck asked if there were additional comments or concerns from any board members. There were none.

PUBLIC COMMENT

Chairwoman Overdeck asked if there were any comments from the public. There were none.

ADJOURNMENT

Chairwoman Overdeck asked to adjourn the meeting.

Moved by Ms. Sapp

Seconded by Vice-Chairman Romano

Approved by voice vote 8-0.

Respectfully submitted

Ralph Siegel
executive director/board secretary
June 19, 2017

Others in attendance representing agencies:

Farm Bureau Executive Director Peter Furey and staff member Ed Wengryn; Keep-It-Green Campaign Executive Director Kelly Mooij, NJ League of Conservation Voters staff member Angela Delli Santi; and OLS staff member Carrie Anne Calvo-Hahn.