

Garden State Preservation Trust
June 13, 2006
Meeting Minutes

Chairman Murphy called the meeting to order at 10:32 a.m. Ralph Siegel, executive director, read a statement certifying compliance with the Open Public Meeting's Act, and called the roll. Public members present were: Michael Murphy, chair; Jan Rosenfeld and Herbert Wegner. Ex-officio members present were Susan Craft (for Agriculture Secretary Charles M. Kuperus), Assistant Treasurer Patrick O'Connor (for State Treasurer Bradley Abelow); Ben Spinelli (for Department of Community Affairs Commissioner Susan Bass Levin) and Deputy Commissioner John S. Watson Jr. (for DEP Commissioner Lisa P. Jackson.) Vice Chairman Robert DiVincent was absent.

OPENING REMARKS

Chairman Murphy welcomed Deputy Commissioner John S. Watson Jr., Assistant Treasurer Patrick O'Connor and Chester Mayor Ben Spinelli with the DCA Office of Smart Growth to their first meetings under his tenure as chairman.

Chairman Murphy congratulated Mr. Watson for his years of accomplishment in natural resource protection and noted his efforts in historic site preservation in Trenton. Chairman Murphy said while Treasurer Bradley Abelow is unable to attend GSPT meetings he is pleased to welcome Mr. O'Connor as one of Mr. Abelow's top assistants. Chairman Murphy welcomed Mr. Spinelli, who recently joined the State staff, and noted his long-time efforts in land preservation in Chester Township and as a founding member of the Highlands Commission.

APPROVAL OF MINUTES OF MAY 16 MEETING

Chairman Murphy asked for corrections or clarifications to draft minutes from the May 16, 2006 meeting. Mr. Wegner offered several corrections of typographical errors and made suggestions to improve phrasing.

Chairman Murphy asked for a motion to approve the minutes.

Moved by Ms. Rosenfeld
Seconded by Mr. Wegner
Approved 6-0.
Mr. Spinelli abstained.

APPOINTMENT OF FINANCE AND AUDIT SUBCOMMITTEE

Mr. Siegel reviewed Resolution #04-013 approved in November 2004 to authorize a Finance and Audit Subcommittee to be activated when needed to conduct the FY2005 audit of the GSPT agency budget and expenditures.

Mr. Siegel said the Mercadien firm this year completed a five-year backlog of audits, and that members on May 16 received the final audits for FY2003 and FY2004. He said these audits were also enclosed in the June 13 meeting books.

Mr. Siegel said since the next audit due is for FY2005, it is now time for Resolution #04-013 to kick in and for the Finance and Audit Subcommittee to be activated.

Chairman Murphy directed the Finance and Audit Subcommittee be activated for the purposes of conducting the FY2005 audit and future audits. He observed that the ex-officio representatives of the Department of Treasury and the Department of Community Affairs shall serve as committee members in accordance with Resolution #04-013. He said Resolution #04-013 directed him to name the third member from among the public members to chair and to convene the subcommittee.

Chairman Murphy appointed Ms. Rosenfeld to chair of the Finance and Audit Subcommittee. Ms. Rosenfeld said she would accept the appointment.

EXECUTIVE DIRECTOR'S REPORT (FISCAL)

Mr. Siegel reviewed fund balances and funds available for the Garden State Green Acres Preservation Trust Fund 727.

Mr. Siegel proceeded with his report on the \$80 million Green Acres State Acquisition recommendations for FY2007 by reviewing funds available in the Garden State Green Acres Preservation Trust to support the recommendations.

Mr. Siegel said the Local and Nonprofit grant recommendations would be finalized and presented at the July meeting.

Mr. Siegel said the present "snapshot" forecast shows the Garden State Green Acres Preservation Trust Fund has \$149 million available for appropriations through FY2009. The appropriation of \$80 million in new funds, if approved by the Trust and by the Legislature and Governor, would leave a balance for future appropriations of about \$69.6 million.

Concerning cash flow, Mr. Siegel said the deposit of the forward delivery bond proceeds of \$687 million in all of the funds in December means cash flow will not be a concern for the GSPT for several years. He said the Garden State Green Acres Preservation Trust Fund was expected to have an opening balance on July 1, 2006, of \$570 million when the funds dedicated from the sales tax are deposited. Expenditures during FY2007 are forecast at \$120 million with a possible maximum expenditure of \$175 million and therefore a closing balance on June 30, 2007 of at least \$395 million.

PRESENTATION OF GREEN ACRES STATE ACQUISITION RECOMMENDATIONS FOR FY2007

Fawn McGee, bureau chief for State Acquisitions in the Green Acres Program, reviewed the Green Acres State Acquisition Block Grant recommendations. She offered greetings from Green Acres Administrator John Flynn, explaining he had a conflict that prevented him from attending the meeting.

Ms. McGee said the program preserved a record 31,000 acres during CY2005 while improving the quality of land preserved in compliance with the Smith Act, which mandated watershed protection.

Ms. McGee used a State projects map to highlight several of the most important and unique land preservation projects, including some of historic significance. She said

the program has also exceeded GSPT expenditure targets, hitting \$101 million in FY2006.

Ms. McGee said Green Acres funds are leveraged with funds from local governments, nonprofit agencies, federal agencies and DEP legal settlement funds.

Ms. McGee said the \$80 million appropriation recommended would bring GSPT funding for the Green Acres State Acquisition program to \$530 million since FY2000. She said about 270 land acquisitions are presently under negotiation. She said the status of these projects determine the need for additional appropriations in any of the project areas which make up the State Acquisition

Chairman Murphy asked about a 200-acre acquisition in the Pinelands, the Crown Financial property, and congratulated the Green Acre staff for executing the deal. He asked about overall Pinelands acquisitions in the past year. Ms. McGee did not have a precise figure but said it was in the thousands.

RESOLUTION # 06-007 APPROVING GREEN ACRES STATE ACQUISITION RECOMMENDATIONS FOR FY2007

Chairman Murphy asked for motions to approve the Resolution.

Moved by Ms. Craft

Seconded by Mr. Wegner

Approved 7-0

CORRECTION TO SUPPORTING ATTACHMENTS FOR RESOLUTION #06-002 AND RESOLUTION # 06-003 APPROVING FARMLAND PRESERVATION PROGRAM RECOMMENDATIONS AT MAY 16 MEETING

Mr. Siegel explained errors in summaries and totals for Farmland Preservation Program County Easement and Planning Incentive Grant recommendations presented at the May 16 meeting. He said the project details were listed correctly but the totals for the proposed expenditures had errors.

Mr. Siegel said the appropriations legislation already introduced in the State Senate reflected the correct sums.

Mr. Siegel said the May 16 recommendations also included \$600,000 for a grant program the SADC wants to start that would help counties fund their planning efforts. Mr. Siegel said the Trust lacked the legal authority to approve such grants and so this sum was also being withdrawn and the summary corrected. He said the Legislature had the authority to approve the use of Trust funds for grants and that in fact the grant appropriation had been included in the appropriations bills that had been introduced after May 16, but the Trust itself under the GSPT Act of 1999 had the authority only to consider, approve or veto project recommendations.

Chairman Murphy said it would be best to formally approve a resolution acknowledging these errors and that the sums have been corrected.

RESOLUTION # 06-009 APPROVING CORRECTIONS TO SUPPORTING ATTACHMENTS FOR RESOLUTION # 06-002 AND RESOLUTION # 06-003

Chairman Murphy asked for motions to approve the Resolution.

Moved by Mr. Wegner
Seconded by Mr. O'Connor
Approved 7-0

EXECUTIVE DIRECTOR'S REPORT (FISCAL) CONTINUED

Mr. Siegel reviewed fund balances and funds available for the Garden State Farmland Preservation Trust Fund 733. He said the \$6.515 million in Nonprofit grants to fund farmland preservation project areas would be funded with \$3.9 million in new GSPT funds plus \$2.615 million in reallocated funds.

Mr. Siegel said \$151 million was available for appropriation with \$75.9 million proposed and approved on May 16. This leaves a balance of \$75 million from which the \$3.9 million, if approved, would be deducted. This would reduce to \$71.2 million the balance available for appropriation in FY2008 and FY2009.

Mr. Siegel said Legislative approval of the \$600,000 planning grants and \$341,000 in soil and water conservation would further reduce GSPT funds by about \$1 million.

Ms. Craft corrected Mr. Siegel and said the \$341,000 grants would not be funded through the GSPT. Mr. Siegel accepted the correction and revised his summary.

PRESENTATION OF FARMLAND PRESERVATION PROGRAM NONPROFIT GRANT RECOMMENDATIONS FOR FY2007

Ms. Craft, executive director of the Farmland Preservation Program, reviewed the Nonprofit Grant recommendations. She accepted responsibility for the errors in the May 16 Farmland Preservation Program approvals.

Ms. Craft said the Nonprofit program is gaining strength and the SADC has recommended allocating block grants to active nonprofit agencies to maintain maximum flexibility in farmland project areas. She reviewed the grant applications in detail.

Ms. Craft said the \$6.5 million recommendation was the largest annual recommendation the SADC has made for these grants.

Chairman Murphy asked Ms. Craft for the correct pronunciation of the Wickecheoke project area in Hunterdon County. She provided it as wee-kah-CHEE-oh-kee.

RESOLUTION # 06-008 APPROVING FARMLAND PRESERVATION PROGRAM NONPROFIT GRANT RECOMMENDATIONS FOR FY2007

Chairman Murphy asked for motions to approve the Resolution.

Moved by Mr. Wegner

Seconded by Chairman Murphy

Approved 6-0

Ms. Rosenfeld recused herself from the discussion and the vote

EXECUTIVE DIRECTOR'S REPORT (CONTINUED)

Mr. Siegel reviewed the status of legislation of interest to the Trust:

- ✓ A1714, \$1.263 million appropriation to Historic Trust, approved by the Legislature May 22 and on the governor's desk.
- ✓ ACR-195, voter referendum to rededicate 4% of Corporation Business Tax from underground tank removal fund to parks and refuge maintenance, being fast-tracked. Voter referendum could provide \$17 million a year for parks maintenance and facilities.
- ✓ S2024, \$48.5 million for Farmland Preservation Program county grants, sponsored by Sen. Sweeney.
- ✓ S2025, \$15 million Farmland Preservation Program Highlands reserve, sponsored by Sen. Smith.
- ✓ S2026 \$27.5 million for Farmland Preservation Program State Direct acquisitions plus \$341,000 of non-GSPT funds for soil and water conservation matching grants, sponsored by Sen. Bryant
- ✓ S2027 \$21.5 million Farmland Preservation Program Planning Incentive Grants, plus \$600,00 in county planning grants, sponsored by Sen. Karcher.

UPDATE ON GSPT INSTALLMENT PURCHASE AGREEMENT EDUCATION AND STRATEGIC CAMPAIGN

GSPT consultant Daniel Patrick Pat O'Connell reviewed the status of efforts to promote use of Installment Purchase Agreements. He said the work was focused on preparing legal template documents to make local use of IPAs easier with reduced legal costs. He said a meeting would be arranged with the Environmental Infrastructure Trust to learn how they prepare similar legal template documents for their contracts.

SUBSTANTIVE APPROVAL OF MEETING MINUTES FOR TRANSMITTAL TO THE GOVERNOR'S OFFICE.

Mr. Siegel explained a new procedure was being implemented to comply with minutes reporting requirements of the Governor's Counsel's office. He said the board would be asked to give "substantive" approval of minutes at the close of every meeting concerning the resolutions adopted so that the governor's veto period could begin in a more timely and meaningful manner. He said under previous practice, the minutes were not submitted for gubernatorial review until after the board had approved them at a subsequent meeting.

The result was that in cases such as the Oct. 25, 2005 meeting, the minutes were not submitted for gubernatorial review until after they were approved on May 16, 2006, a delay that effectively deprived the governor of his prerogative to veto substantive actions before they take effect.

Mr. Siegel noted this procedural delay never affected bond sale resolutions because in those special cases pre-approval letters signed by the governor were procured in advance, and then the immediate transferal of minutes was also approved by the Trust to begin the veto period immediately. He said this was the practice because the bond sales could not be held until the bond underwriters were certain the governor would not veto the resolution authorizing the sale.

Ms. Watson asked if this procedure had ever been employed before by the Trust. Mr. Siegel said it had not been done for routine Trust business and resolutions on project recommendations. But Mr. Siegel also said it was standard for new administrations to review and modernize their procedures. He said he believed past practices of how routine meeting minutes were to be submitted may have been too informal.

Mr. Siegel then reviewed Chairman Murphy's activation of the Finance and Audit Subcommittee, his appointment of Ms. Rosenfeld to chair the subcommittee, and Trust member's votes to approve Resolution # 06-007 on Green Acres State Acquisition recommendations for FY2007, Resolution # 06-009 approving corrections to the funding summary for the Farmland Preservation Program recommendations of May 16, and Resolution # 06-008 approving the Farmland Preservation Program Nonprofit grant recommendations for FY2007

Chairman Murphy asked for a motion for substantive approval of the June 13 meeting minutes.

Moved by Ms. Craft
Seconded by Mr. Watson
Approved 7-0.

TRUST MEMBER COMMENTS

Chairman Murphy asked if there were additional comments by Trust members.

Mr. Watson thanked everyone for their hard work and invited all Trust members to a planning forum on future open-space funding to be held at the Rutgers Eco-Complex in Florence. Mr. Watson said he would like to have a unified front to support the GSPT.

Mr. Wegner said he has attended several meetings where individuals claimed the GSPT had no more money. He urged more effort to change this perception because he said farmers considering preservation could be discouraged from doing so if they believe funds are no longer available.

PUBLIC COMMENTS

Chairman Murphy asked if there was anyone from the public who wished to address remarks to the Trust members. Michael Catania, chairman of the Coalition for Conservation, made some remarks.

Mr. Catania offered his support of the ACR195 voter referendum bill to approve dedicating Corporation Business Tax revenues to park maintenance. He said the funding would work in tandem with the effort to renew the source of funds for land acquisition and historic preservation.

ADJOURNMENT

Chairman Murphy directed the meeting to adjourn.

Respectfully submitted

Ralph Siegel
executive director
board secretary
July 20, 2006

Others in attendance representing agencies:

GSPT Mairin Bennett
GSPT Daniel Patrick O'Connell
GSPT DAG Kavin Mistry
OLS Carrie Anne Calvo
SADC Bryan Lofberg
Legislative Staff Thea Sheridan
NJ Conservation Foundation Amy Hansen
Coalition for Conservation Michael Catania

Approved 7-0 July 20, 2006