

Garden State Preservation Trust
June 8th, 2005,
Meeting Minutes

Chairman DiVincent called the meeting to order at 10:30 a.m. Ralph Siegel, Executive Director, read a statement certifying compliance with the Open Public Meetings Act. Roll call was taken. Public members present were: Robert DiVincent, chair, Dennis Davidson, vice chair, Maureen Ogden and Herbert Wegner. Ex-officio members present were: Susan Craft (for Agriculture Secretary Charles Kuperus), Peter Kasabach (for DCA Commissioner Susan Bass Levin) and Dan Ryan (for DEP Commissioner Bradley M. Campbell). David Rousseau (for State Treasurer John E. McCormac) was absent. (Public member Cooper Morris resigned on May 24th.)

OPENING REMARKS

Chairman DiVincent welcomed everyone to the meeting and thanked the members for their support in electing him chairman. He also thanked Governor Codey for affirming his election.

Chairman DiVincent announced the resignation of Mr. Morris in a May 24 letter after four years of service as a public member.

Chairman DiVincent then offered the following statement:

“Land preservation efforts in New Jersey face a number of obstacles. It is important that the Garden State Preservation Trust be informed of all developments and that we stay in front of the issues concerning the funding and financing of land preservation. But it is also important for the board members of the Garden State Preservation Trust to keep their eye on the ball, to keep their eye on the money. There are many agencies involved in land preservation in New Jersey, State and local: Green Acres, the SADC, and many great nonprofit land trusts doing wonderful work. We have to understand what everyone’s job is. As board members of the Trust we have to recognize that our primary job concerns the funds and the financing. We have to work together to focus on that mission.”

APPROVAL OF MINUTES OF MAY 11 2005 MEETING

Chairman DiVincent called for a motion to approve the minutes from the May 11th meeting.

Mr. Wegner asked for a correction to a typographical error on the date of an SADC subcommittee meeting.

Moved by Mr. Davidson

Seconded by Mr. Wegner

Approved 5-0

Chairman DiVincent and Mr. Ryan abstained.

EXECUTIVE DIRECTOR'S REPORT (FISCAL)

Ms. Siegel reported to Trust members the financial status of the Garden State Green Acres Preservation Trust Fund.

Mr. Siegel said the fund had a current balance of \$293 million with an expected balance during FY2006 of \$210 million increasing to \$652 million with the Dec. 1 issue of Series 2005 bonds. He said the Green Acres recommendation for Local and Nonprofit Acquisition & Development Grants totaled \$148.5 million but that only \$83 million would come from a new use of GSPT funds. Mr. Siegel said Green Acres appropriations to date from FY2000 through FY2006 totaled \$946 million with about \$216 million left, which was adequate to cover the recommendation of an additional \$83 million for FY2006.

PRESENTATION OF GREEN ACRES LOCAL AND NONPROFIT APPROPRIATIONS RECOMMENDATION FOR FY2006

Mr. Flynn said FY 2006 request for the Local Assistance and Loan Programs was \$148.5 million and of that \$83 million was GSPT funds. He thanked Chairman DiVincent for the Expenditure Monitoring Status Letter indicating in the first three quarters of FY2005 Green Acres came within two percent of their expenditure forecast. Mr. Flynn said Green Acres had made an ambitious expenditure forecast of \$125 million for FY2005 and now that they are in the final month of the fiscal year they are within \$18 million of meeting it. Mr. Flynn complimented his staff and introduced them.

Mr. Flynn said the present recommendations represented loans and grants to 153 localities. He said the Planning Incentive programs are the most successful, accounting for 111 of these grants. He said \$38.5 million in grants and loans are for counties and municipalities to fund 74 recreation development projects. Mr. Flynn said these recommendations if enacted as appropriations would deplete the money envisioned by the GSPT Act for local and non profits through FY2009.

Ms. Ogden asked Mr. Flynn about reprogrammed funds for local acquisition and why they had not been used. Mr. Flynn said the money represented repayment of loans. Ms. Ogden asked how much he expected would be available in loan repayments next year. Mr. Flynn estimated \$20 million from loan repayments. He added Green Acres plans to be more aggressive in canceling dormant projects. He said he believed \$50 million a reprogrammed funds would be available next year.

Chairman DiVincent asked Mr. Flynn at what point Green Acres determines a project is not going forward and so moves to recapture the funds. Mr. Flynn said each project is different and is treated individually.

Ms. Craft asked Mr. Flynn about the additional grants to counties and municipalities and how they achieve county by county balance as required in the 2004 Highlands Act. Mr. Flynn said the total requests are huge and they select projects to maintain balance without appearing to divert funds from any specific places or counties. Ms. Craft asked about staffing. Mr. Flynn said there are 61 persons on staff on whom 20 are project managers. He added Green Acres no longer separates staff with regard State or Local acquisitions.

Mr. Davidson asked Mr. Flynn how much money would be left for the State acquisitions under GSPT. Mr. Flynn said he anticipates \$60 million in FY2007, \$40 million in FY2008 and \$18.5 million in FY2009. Mr. Davidson asked if he would be

asking to accelerate his appropriations request again and Mr. Flynn said it might be done in recognition of rising property values.

Mr. Kasabach asked Mr. Flynn if the Non profit expenditure had been included in his analysis of the total funding. Mr. Flynn said it had been.

RESOLUTION # 05-006

Resolution Of The Garden State Preservation Trust To Approve Green Acres Program Local Acquisition and Development Projects for Fiscal Year 2006

Moved by Ms. Ogden
Seconded by Mr. Kasabach
Approved 7-0

RESOLUTION # 05-007

Resolution Of The Garden State Preservation Trust To Approve Green Acres Program Nonprofit Acquisition and Development Grants for Fiscal Year 2006

Moved by Ms. Ogden
Seconded by Mr. Kasabach
Approved 6-0
Vice chairman Davidson recused himself because of a conflict of interest.

Mr. Siegel asked for approval to submit expedited minutes on Resolutions #05-006 and #05-007 to the Governor's Counsel's Office to speed introduction of appropriations legislation.

Moved by Mr. Wegner
Seconded by Ms. Craft
Approved unanimously by voice vote.

PRESENTATION ON GARDEN STATE GREENWAYS

Chairman DiVincent welcomed Eileen Swan of the Garden State Greenways to the meeting for a presentation.

Ms. Swan explained the Garden State Greenways is a statewide planning tool designed to help connect preserved and natural lands. Ms. Swan presented a slide show depicting development of land from the 1970s to present. Ms. Swan said Greenways seeks to steer preservation and development to preserve linked greenway corridors.

Mr. Davidson asked how close she was to making the Greenways WEB site interactive. Ms. Swan replied that if a user was equipped with GIS capability they could get lot and block data now.

Mr. Wegner said there was a study by American Farmland Trust that suggested it was more economical for municipalities to permit commercial development instead of maintaining farmland. He said he objected strongly to this conclusion and asked Ms.

Swan if she was aware of the study. Ms. Swan said she was aware of it and she referred Mr. Wegner to a Morris County study conducted by the Association of New Jersey Environmental Commissions with the opposite conclusion.

Ms. Ogden noted the decade of the most rapid development growth, 1980 to 1990, was also the decade during which property taxes doubled.

PRESENTATION by CONSERVATION RESOURCES Inc.

Chairman DiVincent welcomed Michael Catania of Conservation Resources Inc. to the meeting for a presentation about CRI's Geographic Funds Program.

Mr. Catania said Conservation Resources is nonprofit organization to provide a funding mechanism to complement GSPT and bring private dollars to match public dollars on costly projects. He said the new Geographic Funds Program was a WEB based system intended to allow potential private donors to review available projects in need of funding and to select preferred projects according to location and site resources.

Mr. Kasabach asked if Mr. Catania was currently bringing in contributions. Mr. Catania replied that they were just launching the program and were expecting their first contribution within a week.

Chairman DiVincent requested that Mr. Catania keep the Trust abreast of their progress.

Ms. Craft left the meeting at 12:05 p.m.

Mr. Kasabach left the meeting at 12:15 p.m.

EXECUTIVE DIRECTOR'S REPORT (CONTINUED)

Mr. Siegel said the special "retreat" meeting to discuss Installment Purchase Agreements (IPA) was scheduled for July 12 at Smithville Mansion park in Burlington County.

Mr. Siegel introduced Daniel Patrick O'Connell, consultant to the Trust, to discuss the upcoming IPA meeting in more detail. Mr. O'Connell said the meeting was set in Burlington County so county officials and landowners with experience in IPAs could address the Trust.

Mr. Siegel said research was underway on stable funding for stewardship and on what recommendations the GSPT might make to the Governor and Legislature. He said he expected to address the topic at the next regular meeting in September or October.

Mr. Siegel reviewed Expenditure Monitoring "Status" Letters signed by the chairman and sent out for the 3rd quarter expenditures of FY2005 to the Green Acres and Farmland Preservation Program.

Mr. Siegel reported the U.S. Senate Finance committee was meeting that day to discuss removal of tax benefits for conservation donations. He noted a letter sent from 21 senators led by Sen. Rick Santorum defending the benefits and urging instead better funding for IRS fraud enforcement.

Ms. Ogden noted that because these efforts include repealing the tax deductions for easements the GSPT needs to take the matter seriously.

Mr. Siegel said efforts continue to press for enactment of S-1370 to improve Trust Fund interest earnings. He said he would attend a Treasury meeting that week during which enactment of S-1370 would be discussed.

Mr. Siegel reported the Green Acres State Acquisitions appropriations bills had been introduced in the Senate with committee action scheduled, and the Farmland Preservation appropriations bills were written and scheduled for introduction that week.

Mr. Siegel reported on a proposal by Governor Codey to use excess bond-issue capacity from the FY2005 to provide \$75 million for State Park capital projects.

Mr. Siegel reported on the recent introduction of Senate Concurrent Resolution 124 to increase the Garden State Preservation Trust authorized debt by \$850 million. This would be funded by extending the \$98 million dedication beyond FY2029, when it is currently set to expire. He said GSPT advisers analyze this scenario and concluded only between \$421 million and \$463 million could be borrowed, not the full \$850 million, and the repayment would cost between \$2.1 billion and \$2.6 billion over 25 years beginning in FY2030.

Mr. Siegel reported the Executive Commission on Ethical Standards met in May and again in June but did not discuss or act on the GSPT's draft Code of Ethics. He said a meeting would be scheduled with DAG Ronnes and Assistant AG Al Ramey to discuss a road map to enact a Code of Ethics.

Ms. Siegel reported on a bureaucratic barrier preventing use of public funds on bronze plaques to honor former board members such as Christopher Daggett, as authorized by a vote of the Trust on July 21, 2004. He advised the same delay would apply to any such tribute for Mr. Cooper.

Ms. Siegel reported that the March 9, 2001, letter from Stephen J. Small, Esq., to the New Jersey Conservation Foundation, had been entered into the public record. Chairman DiVincent directed Mr. Siegel to report to the Trust on the significance of this letter.

RESOLUTION # 05-008

Chairman DiVincent called for a resolution to honor Mr. Cooper.

Moved by Mr. Wegner
Seconded by Ms. Ogden
Approved 5-0.

TRUST MEMBER COMMENTS

Chairman DiVincent asked if there were any comments from the members. There were none.

PUBLIC COMMENTS

Chairman DiVincent asked if there were any public comments. There were none.

ADJOURNMENT

Chairman DiVincent adjourned the meeting at 12:45 p.m.

Respectfully submitted

Ralph Siegel
executive director
board secretary
October 25 2005