

APPROVED

Garden State Preservation Trust **March 24 2010 Conference Call Meeting Minutes**

Chairwoman Jan Rosenfeld called the Conference Call meeting to order at 10:01 a.m. Executive Director Ralph Siegel read a statement certifying compliance with the Open Public Meetings Act and then called the roll. Public members participating in the call were: Chairwoman Rosenfeld, Andrew Buzby, Ken Atkinson and Robert Hughey. Ex-officio members participating in the call were Susan Craft (for Agriculture Secretary Douglas H. Fisher), Assistant Commissioner Amy Cradic (for Acting DEP Commissioner Bob Martin), and Donna Rendeiro (for Department of Community Affairs Acting Commissioner Lori Grifa.)

Attending the meeting in person at the GSPT office, 135 West Hanover Street, was Vice-chairman Michael Murphy.

Absent and not participating on the call at the start of the meeting was James Petrino (for Treasurer Andrew P. Sidamon-Eristoff)

OPENING REMARKS

Chairwoman Rosenfeld welcomed members to the call. She apologized to the board members for the confusion surrounding the grant funding for the New Jersey Historic Trust for Fiscal year 2010. She said it was her hope all of the questions and inconsistencies had been resolved.

Chairwoman Rosenfeld asked Mr. Siegel to proceed with the agenda on the question of approving the meeting minutes for the conference calls to discuss and consider the Historic Trust grant recommendation approved January 5, submitted for a re-vote on January 13 because of errors on the January 5 grant list, and then ultimately vetoed by Gov. Chris Christie on January 27 because of deficient information about the source of funding for these grants.

APPROVAL OF MINUTES OF JAN. 5 & JAN. 13, 2010, BOARD MEETINGS

Chairwoman Rosenfeld asked if there were any other corrections or clarifications to the draft minutes of the two conference call meetings. There were none.

Moved by Mr. Atkinson
Seconded by Ms. Rendeiro
Approved 5-0.

Mr. Buzby and Ms. Cradic abstained because they were not on the call for the Jan. 13 meeting.

Ms. Craft abstained because she was not on the call for the Jan. 5 meeting.

EXECUTIVE DIRECTOR'S FISCAL REPORT

Mr. Siegel conducted a detailed review of the decisions at the January 5 and January 13 conference call meetings, and the developments following January 13 meeting that resulted in the Governor's Veto on January 27 of the minutes of the January 13 meeting to nullify Resolution #10-006 approving \$1.3 million in Historic Site Management grants.

Mr. Siegel began his review by explaining that his fiscal report was summed up on the detailed Executive Director's memo he had sent to the board members on March 19. The memo is replicated here in its entirety:

To: Garden State Preservation Trust Board Members
From: Ralph Siegel, Executive Director
Re: GSPT Conference Call meeting March 24 10 a.m.
Date: March 19, 2010

In seven years, I have not asked board members to pay particular attention to meeting minutes prior to their approval. Minutes are usually a routine affair. They are sometimes copy-edited, always approved, then filed and rarely examined. In light of the Governor's veto of the GSPT action on Jan. 13 on the last two months have seen unprecedented degree of controversy between the Garden State Preservation Trust and one of the agencies we fund, the New Jersey Historic Trust. The minutes will provide the historical record for a dispute that attracted a lot of attention and boiled down to a failure to exchange correct information. This dispute occurred during a transition into a new administration, and it may be revisited. So please: Read the minutes. When the board votes to approve them these will be the consensus of the board members of the Garden State Preservation Trust as to the events of the two January conference call meetings. Board members are in receipt of a March 9 memo reviewing events since the Jan. 5 Conference Call. I will not rehash the detail here.

To sum, the 15-member New Jersey Historic Trust on Dec. 9 approved grants for 38 Historic Site Management projects totaling \$1,279,940. The GSPT board in a conference call on Jan. 5 approved Resolution #10-001 approving the list of 38 grants. It passed 8-0. It was subsequently learned the list had errors in 34 of the 38 grants.

The GSPT board on Jan. 13 approved Resolution #10-006 amending Resolution #10-001 to approve a corrected list of 38 grants. It passed 5-0. It was subsequently learned the GSPT Historic Preservation trust fund was also being used to pay for \$578,000 in administrative spending by the NJ Historic Trust for the 2010 Fiscal Year. This office became concerned the additional expenditure would mean the GSPT trust fund would not be adequate to cover the \$1,279,940 in grants as approved on Jan. 13.

This concern was raised with the Governor's office, and on Jan. 27 Gov. Christie exercised his veto authority to invalidate the Jan. 13 vote on Resolution #10-006.

On March 5 financial statements were forwarded by the NJ Historic Trust showing to the GSPT that \$1,387,023 in past grants had been terminated. The termination of past historic preservation grants had never been reported to the GSPT. The NJ Historic Trust is recommending the use of \$1,233,495 in the funds from these terminated grants, which are now available for reallocation. This will be proposed in Resolution #10-007 during the March 24 conference call. The NJ Historic Trust is also recommending use of a total of \$56,446 from leftover accounts in trust funds created by voter referendums in 1987, 1992 and 1995. This will be proposed in Resolution #10-008 during the March 24 conference call.

These resources are sufficient to cover these Historic Site Management grants regardless of the impact of any administrative spending on the GSPT trust fund.

Mr. Siegel said the culmination of it all – “the bottom line” – is that \$1.3 million is available in the Garden State Historic Preservation Trust Fund because of the cancellation of past appropriations. This has occurred because past grants were cancelled. This \$1.3 million is unallocated and therefore is now available for re-allocation. He said this is a common component of the annual appropriations recommendations prepared by the land preservation programs. He said it is new only with the Historic Trust recycle unallocated funds from cancelled grants to use for additional appropriations.

The unallocated funds – which the staff and the board of the Garden State Preservation Trust did not know about in January – were sufficient to cover the FY2010 Historic Site Management grants recommendations.

Ms. Craft asked about the administrative funds to cover Historic Trust staff costs, which created the confusion on January 13. She asked if administrative funds were part of this appropriation.

Mr. Siegel said the proposed appropriation has nothing to do with staff or administrative funding for the New Jersey Historic Trust. He said that would be up to the Legislature. He said the balance in the Garden State Historic Preservation Trust Fund, known as the 734 Fund, was about \$900,000 on June 30, 2009, and this would increase with interest earnings, providing sufficient cash to cover \$580,000 in administrative costs. He said the GSPT appropriation today has nothing to do with that administrative fund. He said the concerns about this at the January 13 meeting have been resolved.

Ms. Rendeiro asked about whether the proposed resolution made reference to the Governor's veto concerns. Mr. Siegel said the proper reference was in the "now be it resolved" provisions. He said this structure and language had been reviewed and approved with the Governor's Counsel's office, which drafted the original veto message.

**RESOLUTION #10-007 TO AMEND IN WHOLE AND TO RESTATE
RESOLUTION #10-001 AND TO APPROVE NEW JERSEY HISTORIC TRUST
HISTORIC SITE MANAGEMENT GRANTS FOR FISCAL YEAR 2010**

Moved by Mr. Hughey
Seconded by Mr. Murphy
Approved 8-0.

**RESOLUTION #10-008 TO AMEND IN PART AND TO RESTATE
RESOLUTION #10-001 AND TO APPROVE NEW JERSEY HISTORIC TRUST
HISTORIC SITE MANAGEMENT GRANTS FOR FISCAL YEAR 2010**

Moved by Ms. Rendeiro
Seconded by Ms. Craft
Approved 8-0.

Mr. Petrino joined the call.

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

Mr. Siegel reviewed the actions taken during the meeting and requested "substantial approval" of the minutes of these actions so appropriations could be submitted after the Governor's 14-day veto period. He asked for a motion for substantial approval of the March 24, 2010, meeting minutes.

Moved by Chairwoman Rosenfeld
Seconded by Ms. Craft
Approved 8-0.

Mr. Petrino abstained since he had missed the Resolution votes.

BOARD MEMBER COMMENT

Chairwoman Rosenfeld asked if there was any comment by board members. Ms. Craft asked Mr. Siegel about the expectations for funding approval for the use of the November 2009 bond referendum funds.

Mr. Siegel said it is not a good time to press the staff at the Treasury Department for information about spending plans beyond the immediate FY2011 State Budget that all of them were working on round-the-clock. He said the FY2011 State Budget as proposed had no capacity for additional debt service. As a result, he said no funding or appropriations could be planned that would rely on such funding from bond to be sold during Fiscal Year 2011.

Regarding debt service to be included in the FY2012 State Budget, Mr. Siegel said he believed the Treasury Department staff needed to get through the FY2011 budget process first before discussing any such commitment of new debt-service capacity for the FY2012 State Budget. He said only such a commitment and an attendant bond-issue financing plan would pave the way for appropriations to be approved.

Mr. Siegel said the Office of Green Acres has gotten a green light from the Governor's Office to prepare, distribute, receive and process applications for Green Acres Local Grants based on the use of funds from the November 2009 bond referendum because that applications process will not produce any actual grant appropriations that might impact FY2011.

Ms. Cradic said this was correct.

Ms. Craft then directed her questions on this matter to Mr. Petrino, the Treasurer's representative on the GSPT.

Ms. Craft said to Mr. Petrino that she needed some sort of time table on the availability of funds from the November 2009 bond referendum for the Farmland Preservation Program. She said it was an awkward situation because Green Acres was moving forward with Local Grant applications while the State Agriculture Development Committee was in a holding pattern. She said her office needed to clarify the status of the November 2009 bond funds to those many local and county agencies making inquiries.

Mr. Petrino replied.

Mr. Petrino first said he was pleased to have been appointed as the Treasurer's representative to the Garden State Preservation Trust. He explained that he serves as the Director of the Office of Public Finance. He said that in his various capacities at the Office of Public Finance he had worked closely for many years with the GSPT and with Mr. Siegel.

Addressing Ms. Craft's question, Mr. Petrino said he has not received direction from the Treasurer concerning the availability of funds to pay for future debt service. He endorsed Mr. Siegel's assessment of the debt service plan being as yet unresolved. He said appropriations processed now would not have an impact on debt service in FY2012, but there is no green light yet on whether such debt service funds will be available during the FY2012 fiscal year. He said he was well aware of the circumstances and would discuss this concern with Treasury Department officials on behalf of the GSPT.

Mr. Petrino said bonds had been issued in December 2009 to cover the appropriations from the November 2007 bond referendum. Mr. Petrino said he would expect a similar time line for the November 2009 bond referendum funds.

Ms. Craft said that the Treasurer during 2009 provided a "letter of reliance" concerning the use of the November 2007 bond funds.

Mr. Siegel clarified that in 2009 the Treasurer provided a "certification" that the trust funds would be covered with general revenue cash as needed to cover appropriations until such time as a bond issue could occur. The letter said the issuance of bonds would be scheduled as needed.

Mr. Siegel said no such certification has been made so far by the new Treasurer but that Treasury officials have been briefed about this past procedure and said they believed it was a good procedure to follow.

Mr. Petrino again endorsed Mr. Siegel's explanation and said he still needed to find out from the Treasurer whether General Obligation Bond programs "were free to run" for FY2012.

Ms. Craft said she could operate with a concurrence that a time frame was not yet established provided there is a basic assurance that the funds would be made available at some point. Ms. Craft said the Farmland Preservation Program has been in a "freeze" awaiting such assurance.

Mr. Siegel said it is not clear when Treasury would be able to address a financing plan for debt service in FY2012.

Ms. Craft said she wanted the Administration to understand that there is a lot of confusion and lack of clarity within the programs.

Mr. Siegel said DEP Commissioner Martin at the recent Land Trust Rally conference told conservation groups in attendance that he had a "green light" to proceed with applications using the November 2009 bond referendum funds. He said his understanding was not a question of "if" instead of when.

Mr. Siegel suggested to Chairwoman Rosenfeld the GSPT could draft and send a letter to the Treasurer requesting an answer to these concerns and a timetable for the use of the November 2009 bond referendum funds.

Mr. Hughey answered that in his view, it was too soon to send such a letter and he suggested that everyone "just relax." He said no answer would be made soon regardless of how hard others might press for such an answer.

With no other comments being made, Mr. Hughey said there should be a motion to adjourn.

Chairwoman Rosenfeld replied by asking if there were any comments from any member of the public. There were none.

ADJOURNMENT

Chairwoman Rosenfeld asked to adjourn the meeting. Ms. Cradic had left the call.

Moved by Mr. Hughey
Seconded by Ms. Craft
Approved by voice vote 8-0.

Others participating in the conference call:
Thea Sheridan, Assembly Republican Office
Dorothy Guzzo, executive director, New Jersey Historic Trust.
Debby Kelly, chairwoman, New Jersey Historic Trust.
Elan Zingman-Leith, board member, New Jersey Historic Trust.

Others attending the meeting at the GSPT's 135 West Hanover Street office:
DAG Cliff Rones

Respectfully submitted

Ralph Siegel
executive director/board secretary
January 4, 2011