
Commission Meeting

of

STATE HOUSE COMMISSION

LOCATION: Remote meeting via Teams

DATE: June 13, 2022
9:00 a.m.

MEMBERS OF COMMISSION PRESENT:

Justin Braz, Chair
Senator Bob Smith
Senator Steven V. Oroho
Assemblyman Paul D. Moriarty
Assemblyman John DiMaio
Lynn Azarchi
Aaron Binder



ALSO PRESENT:

Robert J. Shaughnessy Jr.
Commission Secretary

Gary A. Kotler, Esq.
Commission Counsel

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Therefore, portions of this transcript may not be completely accurate as portions were inaudible and/or indiscernible*

Meeting Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

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MR. SHAUGHNESSY (Commission Secretary): Good morning, and welcome to the State House Commission meeting of June 13, 2022.

Let me first read the Open Public Meetings Act notice.

Notice of this meeting was given by way of notice, filed with the Secretary of State, delivered to the State House press corps, and posted in the offices of the State House Commission, as well as on the State House Commission's website.

As for housekeeping matters, this meeting is being conducted remotely via Microsoft Teams. There is also a dial-in number.

Respectfully, we ask any State House Commission member, or member of the public, ID themselves prior to speaking so that the record is clear. And also, please mute your devices so that we have little or no interference with this meeting.

I will now call the roll, please.

Deputy Chief of Staff for Legislative Affairs Justin Braz.

JUSTIN BRAZ (Chair): Here.

MR. SHAUGHNESSY: Deputy State Treasurer Binder.

MR. BINDER: Here.

MR. SHAUGHNESSY: Acting Director, Office of Management and Budget, Lynn Azarchi.

MS. AZARCHI: Here.

MR. SHAUGHNESSY: Senator Oroho.

SENATOR OROHO: Here.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Here.

MR. SHAUGHNESSY: Assemblyman DiMaio.

ASSEMBLYMAN DiMAIO: Here.

And Senator Smith, did I miss you? I'm sorry if I did.

SENATOR SMITH: Present.

MR. SHAUGHNESSY: Terrific. A full complement; we have a quorum, Mr. Braz.

MR. BRAZ: Thank you, Mr. Shaughnessy.

I'd just like to note before we get started through the agenda, that we are holding Item No. 2 under new business. It's a Department of Treasury request for the Township of Hillsborough. I just wanted to note that at the top that that will be held today.

MR. SHAUGHNESSY: Thank you very much; you've read my mind.

Okay; so we have a quorum.

Also, before beginning the agenda this morning, I note, for the record, that the State House Commission received written comments from Jean Public on Saturday, June 11, 2022. They have been distributed to the members and will be made part of the record.

Now on to old business.

We're going to consider the approval of the February 28--

MR. BRAZ: Mr. Shaughnessy, one note, and I apologize for interrupting.

I just wanted to make sure everyone's aware that this Commission has a hard stop at 11 a.m.

UNIDENTIFIED MEMBER OF COMMISSION: Do you think that will be adequate?

I have to get through the agenda. If there is anything else left over, we will handle it either in a subsequent meeting this month, or in the next scheduled meeting for September, depending on the urgency and severity of the matter.

MR. SHAUGHNESSY: I appreciate that, Chair; thank you.

So under old business -- No. 1, approval of the February 28, 2022, State House Commission meeting minutes. They have been distributed.

Any questions or comments? (no response)

Hearing none, may I have a motion?

MR. BRAZ: So moved.

MR. SHAUGHNESSY: Second?

SENATOR OROHO: Second.

MR. SHAUGHNESSY: All in favor? (affirmative responses)

Any opposed? (no response)

Any abstentions? (no response)

No. 1 is approved. Thank you very much.

Under new business, as the Chair previously mentioned, No. 2 is held until a further meeting.

No. 3 on the agenda -- it's project RPR 22-06, 50 Burlington Road, Block 123.01, part of Lot 4, Township of Bordentown, Burlington County.

Treasury, on behalf of the Department of Human Services, requests approval to grant an easement of 0.88 +/- acres of vacant land on the grounds of the JJC Facility, to the adjacent property owner for an access road. This adjacent property is landlocked by the State-owned property, and

this access road is required for the purpose of ingress and egress thereto, or *legitimizing* ingress and egress let's say.

The easement will be provided to the property owner for the appraised value of \$2,200.

Do any members have any questions or comments about that?

MR. BRAZ: Mr. Shaughnessy, I'd just like to note that I will be abstaining from this matter today.

I live in-- I don't live in Bordentown Township; I live in Bordentown City, which is oftentimes -- it is a doughnut hole of Bordentown Township. So I'd like to abstain.

MR. SHAUGHNESSY: I appreciate that, Mr. Chair.

Any other members have any questions or comments about this?
(no response)

Hearing none, does any member of the public wish to be heard on this matter? (no response)

Hearing none also, may I have a motion?

SENATOR SMITH: So moved.

ASSEMBLYMAN DiMAIO: Second.

MR. SHAUGHNESSY: Okay, motion and second. I'm going to call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Abstain.

MR. SHAUGHNESSY: Thank you.

Deputy State Treasurer Binder.

MR. BINDER: Yes.

MR. SHAUGHNESSY: Director Azarchi.

MS. AZARCHI: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Senator Oroho.

SENATOR OROHO: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Thank you.

And Assemblyman DiMaio.

ASSEMBLYMAN DiMAIO: Yes.

MR. SHAUGHNESSY: No. 3 on our agenda is approved.

Moving on to No. 4; it's entitled RPR 22-07, New Jersey Record Storage and Library for the Blind buildings, Block 322, Lot 74, Ewing Township, Mercer County.

Treasury requests approval for a permanent easement consisting of 0.335 +/- acres of land to Public Service Electric and Gas for the installation and maintenance of a new utility main feeder line.

The current PSE&G underground main feeder that services the buildings is defective and continues to fail.

I understand there's a flooding situation there which causes problems, and the power goes out from time to time.

Since this action directly benefits the State and provides power to life safety equipment, the easement will be granted for \$1.

Do any members have any questions or comments about that?
(no response)

Hearing none, does any member of the public wish to be heard on this matter. That's No. 4 on the agenda. (no response)

None also.

May I have a motion, please?

MR. BRAZ: So moved.

MR. SHAUGHNESSY: Second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Okay, motion and second. I'll call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Binder.

MR. BINDER: Yes.

MR. SHAUGHNESSY: Director Azarchi.

MS. AZARCHI: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Senator Oroho.

SENATOR OROHO: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman DiMaio.

ASSEMBLYMAN DiMAIO: Yes.

MR. SHAUGHNESSY: No. 4 is approved.

Moving on to No. 5 -- it's project RPR 22-09, Perry Street parking lot, Block 7301, part of Lot 5, City of Trenton, Mercer County.

Treasury requests approval to lease a portion of the Perry Street parking lot in the City of Trenton to Isles Inc., a nonprofit organization, for Isles' Go Green Option Trenton Electric Vehicle project. The project will provide charging stations with 24/7/365 access to be used as car share, ride share, and van pool services, as well as EV charging stations for public use.

The lease will be five years -- the initial lease will be for five years. Since this action will benefit the State, the lease will be for \$1 per year. The lessee will be required to pay for the installation, maintenance, repair, and replacement of the charging stations and for all utility costs arising from its occupancy.

Further, there's a scope of work in the members' binders more specifically describing the project.

Do any members have any questions or concerns about this matter? (no response)

Hearing none, does any member of the public wish to be heard on this matter? This is No. 5 on the agenda. (no response)

None as well.

May I have a motion to approve this matter?

MR. BRAZ: So moved.

MR. SHAUGHNESSY: Thank you, Mr. Chair.

Second?

ASSEMBLYMAN MORIARTY: Second.

MR. SHAUGHNESSY: Okay; I'll call the roll.

Any further discussion or questions? (no response)

Okay.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Binder.

MR. BINDER: Yes.

MR. SHAUGHNESSY: Director Azarchi.

MS. AZARCHI: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Senator Oroho.

SENATOR OROHO: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman DiMaio.

ASSEMBLYMAN DiMAIO: Yes.

That is No. 5, and it has been approved.

We're moving on to the DOT request on the agenda. There's one matter by DOT.

This is approval of an Outdoor Advertising Waiver, #77211, Interstate Route 676, City of Camden, Camden County.

DOT, on behalf of New Jersey Transit, requests a waiver from outdoor advertising regulations to allow the issuance of a multi-message outdoor advertising permit for an off-premises sign. The sign would be installed along the western side of Interstate 676 at milepost 1.97 on property owned by New Jersey Transit.

A waiver is requested at this location because a sign does not meet a DOT regulatory requirement which provides that no sign shall be located within 500 feet of an interchange, where it would be within 500 feet

of the beginning or ending of pavement widening, within 500 feet of the point of gore, or any point between those features where the pavement is widened.

In this instance, THE sign conflicts with the regulation because it is located within interchanges in the northbound and southbound directions of the roadway and is 301 feet from the point of gore in the northbound direction and is less than 442 feet from the point of gore in the southbound direction.

DOT has determined that the sign has a demonstrated public benefit, a need for the sign, assurance of highway safety, and lack of conflict with the Federal regulations and a Federal agreement. The sign will be installed, function, and be maintained at no cost to the public.

In addition, the sign will be subject to conditions as specified in the public agenda.

So, that's the matter up for consideration on No. 6 on the agenda.

Do any members have any questions or comments about this?

SENATOR SMITH: *(Senator Smith attended the meeting by telephone. His connection was poor, and much of his commenting was indiscernible.)*

Yes, I do.

MR. SHAUGHNESSY: Is that Senator Smith? Go ahead, Senator Smith.

SENATOR SMITH: So, I did not see in the background materials any consideration for the State of New Jersey. And, as I read the background materials, I believe it said that the sign, in addition to having public service messaging, will also do commercial advertising.

Is that true that there will be commercial advertising on the billboard?

MR. SHAUGHNESSY: That's a fair question.

Do we have any member from DOT to address this?

E L A I N E C. S C H W A R T Z, ESQ.: Good morning.

This is Elaine Schwartz; I'm an Assistant Division Director here in the Right-of-Way section.

MR. SHAUGHNESSY: Good morning.

MS. SCHWARTZ: Good morning, Mr. Shaughnessy.

This is an outdoor advertising sign; and, so, it will have outdoor advertising, which is commercial advertising. It will also include emergency messaging. These signs -- although they haven't been used yet -- you may have seen these in disasters in other states where the signs help direct people to use roadways -- particularly roadways when they're used in opposite directions. We haven't needed them yet for that, but these companies often advise us that they will help us in emergency situations.

SENATOR SMITH: And I don't disagree with any of that. I think that's a worthy condition to be placed on the transaction.

But the question is, why is there no consideration -- (indiscernible) -- why is there no consideration either for the State of New Jersey or Camden (indiscernible) remedy. Because what you're doing by granting the waiver is changing garbage to gold. The outdoor advertising billboards are worth a pile of money. The last time I looked -- it was about 15 years ago -- the outdoor advertising company was paying rent for a very small piece of land of \$2,500 to \$3,000 a month. And, by the way, the towns

that would buy the billboards would also (indiscernible) the ability to serve the public service announcements for emergencies, etc., etc.

So the State, by granting the waiver, is providing a tremendous increase (indiscernible) and should we be compensated for that.

J E F F R E Y G E R B E R: Excuse me, may I speak?

My name is Jeff Gerber. I'm with Interstate Outdoor Advertising.

We have a lease with New Jersey Transit for this site, and we will pay New Jersey Transit, under that lease, significant sums in order to operate that sign on their property for the duration of the lease.

It's a minimum guaranteed 30 percent rev share of what that sign produces, in addition to the other benefits that were mentioned regarding emergency messaging and public service messaging.

SENATOR SMITH: Is that 30 percent of the gross revenue?

MR. GERBER: Correct.

SENATOR SMITH: All right. It could be that I fall asleep when reading memos; I did not see this in the background.

If the billboard company is saying that the privilege of this waiver, I have no objection.

MR. SHAUGHNESSY: So Senator Smith, you're satisfied with the answer to your questions?

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Okay.

SENATOR SMITH: I certainly--

MR. SHAUGHNESSY: It would have been beneficial if that was in front of you; I agree.

So, thank you very much.

Any other members' questions or comments? (no response)

Is there any member of the public who would like to comment about this matter? (no response)

If not, may I have a motion, please?

MR. BRAZ: So moved.

MR. SHAUGHNESSY: Thank you, Mr. Chair.

Second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: I'll call the roll now.

Mr. Chair.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Binder.

MR. BINDER: Yes.

MR. SHAUGHNESSY: Director Azarchi.

MS. AZARCHI: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Senator Oroho.

SENATOR OROHO: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman DiMaio.

ASSEMBLYMAN DiMAIO: Yes.

MR. SHAUGHNESSY: Thank you; the DOT matter is approved.

We are now moving on to the DEP requests on our agenda. This is No. 7.

It's Scotts Corner Conservation Area, Block 2, part of Lot 2.042, South Brunswick, Middlesex County.

DEP, on behalf of the County of Middlesex, requests approval of a minor diversion of 0.291 +/- acres of parkland in connection with the relocation of the Township of South Brunswick's SB-11 potable well. The County proposes to convey a permanent easement to the Township for the construction, installation, operation, and maintenance of a new public water supply well, well house, and distribution connections.

To compensate for the proposed diversion, the Township will acquire 11.01 acres of replacement land, having an appraised value of \$92,000, to be transferred in fee simple to the County and permanently restricted for recreation and conservation.

That's the matter for consideration.

Do any members have any questions or comments?

SENATOR SMITH: Mr. Shaughnessy?

MR. SHAUGHNESSY: Yes, Senator Smith; thank you.

SENATOR SMITH: Please have the record note that I am recusing myself from this matter. My law firm (indiscernible) provides (indiscernible) services to the Town (*sic*) of South Brunswick. So, therefore, as a semi-employee, I think it's inappropriate for me to participate.

MR. SHAUGHNESSY: I appreciate your recusal. Thank you, sir.

Any other members have any questions or comments? (no response)

If not, I guess with that recusal noted, may I have a motion, please?

MR. BRAZ: So moved.

SENATOR OROHO: Second.

(Mr. Shaughnessy confers with Counsel)

MR. SHAUGHNESSY: Oh, thank you very much.

Counsel is correcting me. Is there any public comment, besides the members? (no response)

Hearing none; okay.

We have a motion and a second. I'll call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Binder.

MR. BINDER: Yes.

MR. SHAUGHNESSY: Director Azarchi.

MS. AZARCHI: Yes.

MR. SHAUGHNESSY: Senator Smith has been noted as recused.

Senator Oroho.

SENATOR OROHO: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman DiMaio.

ASSEMBLYMAN DiMAIO: Yes.

MR. SHAUGHNESSY: No. 7 has been approved; on to No. 8.

I believe the next two matters deal with Fortescue State Marina, by the way. So we're on No. 8.

Fortescue State Marina, Block 63, Lots 1, 2, 3; and Block 67, part of Lots 1, 2, 3, and 4, Township of Downe, Cumberland County.

DEP requests approval to enter into a lease with the Township of Downe. Downe will utilize the leased premises for the improvement, maintenance, management, and operation of the Fortescue State Marina as a public marina. If the lease is not approved, the marina would revert to the DEP, and DEP does not currently have the staff or resources to operate the marina.

The initial term of this lease is for five years. Since the operation of the marina by the Township will save the DEP money on staffing and marina operations, and the Township will invest money to improve the marina for public use, the proposed rental is a one-time payment of \$5 for the initial term, as well as each renewal term that is contemplated.

Do any members have any questions or comments about this matter, No. 8? (no response)

Hearing none, do any public members wish to be heard on No. 8? (no response)

Hearing none as well, may I have a motion, please?

MR. BRAZ: So moved.

MR. SHAUGHNESSY: Okay, so moved. A second, please?

SENATOR OROHO: Second.

MR. SHAUGHNESSY: We have a motion and a second; okay.
Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Binder.

MR. BINDER: Yes.

MR. SHAUGHNESSY: Director Azarchi.

MS. AZARCHI: Yes.

MR. SHAUGHNESSY: Senator Smith. (no response; Senator Smith is on mute)

Okay; Senator Oroho.

SENATOR OROHO: Yes.

MR. SHAUGHNESSY: We'll come back-- Okay.

Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman DiMaio.

ASSEMBLYMAN DiMAIO: Yes.

MR. SHAUGHNESSY: And did we record Senator Smith's vote? Yes? We have everyone except Senator Smith's vote.

(confers with Counsel)

Okay, fine. So we have a sufficient amount for approval, so this Fortescue State Marina matter is approved.

Now we're on the next one, No. 9; again, Fortescue State Marina, Block 67, part of Lot 4; and Block 71, part of Lot 3, Township of Downe, Cumberland County.

In the public agenda, there's one slight amendment -- and these are small areas -- but the public agenda should read, "0.02 acres on Block 67, Lot 4." It is correct in the members' packets, but inadvertently that public agenda needs to be adjusted to 0.02 acres.

So the DEP is requesting to enter into a 20-year lease with Downe. Downe will utilize the leased premises consisting of 0.02 acres on Block 67, Lot 4; and .0046 acres on Block 71, Lot 3, for the purpose of the installation of one sanitary pipe and outfall, one low-pressure sewer main, and individual laterals as part of a \$15 million project to replace failing septic systems in the Fortescue and Gandy's Beach areas of the Township, with sewer service to serve the Fortescue State Marina.

Terms are as follows: The proposed annual rent for year one of the lease is \$2,000, with a 2.5 percent annual escalation for years 2 through 20 of the lease. Over the 20-year term of the lease agreement, DEP will receive \$51,089.

Do any members have any questions or comments about this one? (no response)

Hearing none, do any members of the public wish to comment on No. 9 on our agenda?

Hearing none, may I have a motion?

MR. BRAZ: So moved.

MR. SHAUGHNESSY: Thank you; second?

SENATOR OROHO: Second.

MR. SHAUGHNESSY: Okay, motion and second.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Binder.

MR. BINDER: Yes.

MR. SHAUGHNESSY: Director Azarchi.

MS. AZARCHI: Yes.

MR. SHAUGHNESSY: Senator Smith. (no response)

Senator Oroho.

SENATOR OROHO: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: And Assemblyman DiMaio.

ASSEMBLYMAN DiMAIO: Yes.

MR. SHAUGHNESSY: Okay, we have sufficient members to approve that matter; that's No. 9.

Moving now to No. 10 on our agenda. This is another lease.

Delaware & Raritan Canal State Park, Block 259, part of Lot 43, Township of Franklin, Somerset County.

DEP requests approval of a 20-year lease with Public Service Electric & Gas for the installation by Rutgers University of a fiber optic cable on an existing PSE&G tower within an existing permanent easement; and for the placement of an electric transmission line and pole adjacent to the existing line.

The proposed lease will serve the public's benefit by maintaining infrastructure and electrical services for residents in the surrounding area.

The proposed rent for the first year of the lease is \$3,345, with a 2.5 percent annual escalation. Over the 20-year term of the lease, NJDEP will receive \$85,447.

Do any members have any questions or comments about this?
(no response)

Do any members of the public wish to be heard on this matter?
(no response)

Hearing neither then, may I have a motion?

MR. BRAZ: So moved.

MR. SHAUGHNESSY: Thank you; second?

SENATOR OROHO: Second.

MR. SHAUGHNESSY: Thank you.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Binder.

MR. BINDER: Yes.

MR. SHAUGHNESSY: Director Azarchi.

MS. AZARCHI: Yes.

MR. SHAUGHNESSY: Senator Smith. (no response)

Senator Oroho.

SENATOR OROHO: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman DiMaio.

ASSEMBLYMAN DiMAIO: Yes.

MR. SHAUGHNESSY: That matter is approved.

We are now on to No. 11 on the agenda.

Delaware & Raritan Canal State Park, Block 4001, part of Lot 28, Township of Lawrence, Mercer County.

DEP requests approval to enter into a 20-year lease with New Jersey Water Supply Authority, the Delaware & Raritan Canal Commission, and the Ewing-Lawrence Sewerage Authority, for the purpose of installing, removing, repairing, maintaining, and operating one existing 20-inch-

diameter force main sewer line and one existing 30-inch-diameter reinforced concrete gravity sewer line consisting of .055 acres.

The existing pipeline facilities were installed in 1971.

The proposed compensation is a one-time payment at the commencement of the lease of the total present value of the lease for the 20-year term, in the amount of \$11,243.23.

The NJWSA will reserve the right to review the charges at the end of the first 10-year period for the purpose of adjusting the lease rate to conform to the present value at that time.

Do any members of the Commission have any questions or comments about this? (no response)

Hearing none, do any members of the public wish to be heard on this matter, No. 11 on our agenda? (no response)

Hearing none, may I have a motion on No. 11, please?

MR. BRAZ: So moved.

MR. SHAUGHNESSY: Thank you; second?

ASSEMBLYMAN DiMAIO: Second.

MR. SHAUGHNESSY: Thank you.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Binder.

MR. BINDER: Yes.

MR. SHAUGHNESSY: Director Azarchi.

MS. AZARCHI: Yes.

MR. SHAUGHNESSY: Senator Smith. (no response)

Senator Oroho.

SENATOR OROHO: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman DiMaio.

ASSEMBLYMAN DiMAIO: Yes.

MR. SHAUGHNESSY: Thank you; that matter has been approved.

We're on to the last DEP request on this agenda, which is No. 12.

Delaware & Raritan Canal State Parks, multiple blocks and lots in Hopewell, Princeton, and West Windsor, Mercer County; Plainsboro and South Brunswick, Middlesex County; and Franklin Township in Somerset County.

DEP requests approval to enter into a 20-year lease with the New Jersey Water Supply Authority, the Delaware & Raritan Canal Commission, and Sunoco Logistic Partners, L.P., for the installation, removal, maintenance, repair, and operation of pipeline facilities. This lease will replace and supersede a lease that was executed in 1956. A portion of the existing pipeline under the 1956 lease has become exposed and must be replaced.

The leased premises consist of approximately 0.007 acres; and more specifically, the area is specified in the public agenda.

Since the existing pipeline facilities are entirely within the Delaware and Raritan Canal Transmission Complex at the Delaware and Raritan Canal State Park, the lease will be administered entirely by the NJWSA, and all compensation will go to the NJWSA.

The proposed year-one rental for Areas 1 and 2 is \$1,000 for each area. The proposed year-one rental for Area 3 was established by an appraisal. In total, the proposed annual rent for the first year of the lease is \$3,900, with a 2.5 percent annual escalation for each subsequent year of the lease. Over the 20-year term of the lease agreement, the NJWSA will receive \$99,624.

That's the matter for consideration.

Do any members have any questions or comments about that?

(no response)

Hearing none, do any members of the public wish to be heard on No. 12 on our agenda today? (no response)

None as well. May I have a motion, please?

MR. BRAZ: So moved.

MR. SHAUGHNESSY: Thank you.

SENATOR OROHO: Second.

MR. SHAUGHNESSY: Motion and second.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Binder.

MR. BINDER: Yes.

MR. SHAUGHNESSY: Director Azarchi.

MS. AZARCHI: Yes.

MR. SHAUGHNESSY: Senator Smith. (no response)

Senator Oroho.

SENATOR OROHO: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman DiMaio.

ASSEMBLYMAN DiMAIO: Yes.

MR. SHAUGHNESSY: No. 12 is approved.

We are now moving to the Judicial Retirement System portion of our agenda.

But first, I will need a motion to adjourn as the State House Commission and convene as the Judicial Retirement System Board of Trustees.

Motion, please?

MR. BRAZ: So moved.

MR. SHAUGHNESSY: Second?

ASSEMBLYMAN DiMAIO: Second.

MR. SHAUGHNESSY: Okay, thank you.

All in favor? (affirmative responses)

MR. SHAUGHNESSY: Any opposed or abstentions on this?
(no response)

Hearing none, we're now sitting as the Judicial Retirement System Board of Trustees to consider the Judicial Retirement System agenda.

This is No. 13 for the public as well.

The first matter on the agenda is the approval of the minutes of the meeting held on February 28, 2022.

May I have a motion?

MR. BRAZ: So moved.

SENATOR OROHO: Second.

MR. SHAUGHNESSY: Great; motion and second.

All in favor? (affirmative responses)

Any opposed, any abstentions? (no response)

No. 1 is approved on our Judicial Retirement System agenda.

We're now moving on to No. 2 -- Confirmation of Death Claims, Retirements, and Survivor Benefits, as appears in the members' binders.

Do I have a motion for that?

MR. BRAZ: So moved.

MR. SHAUGHNESSY: Thank you; second?

SENATOR OROHO: Second.

MR. SHAUGHNESSY: Motion and second; I'll call the roll on this.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Binder.

MR. BINDER: Yes.

MR. SHAUGHNESSY: Director Azarchi.

MS. AZARCHI: Yes.

MR. SHAUGHNESSY: Senator Smith. (no response)

Senator Oroho.

SENATOR OROHO: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman DiMaio.

ASSEMBLYMAN DiMAIO: Yes.

MR. SHAUGHNESSY: No. 2 is approved.

We're moving on to the receipt -- this is No. 3 on our agenda -- just a receipt of the financial statements for August 21 through January 22.

Do I have a motion for that?

MR. BRAZ: So moved.

MR. SHAUGHNESSY: And a second?

SENATOR OROHO: Second.

MR. SHAUGHNESSY: Motion and second; great.

I'll call the roll quickly on that one.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Binder.

MR. BINDER: Yes.

MR. SHAUGHNESSY: Director Azarchi.

MS. AZARCHI: Yes.

MR. SHAUGHNESSY: Senator Smith. (no response; Senator Smith is still on mute.)

Senator Oroho.

SENATOR OROHO: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman DiMaio.

ASSEMBLYMAN DiMAIO: Yes.

MR. SHAUGHNESSY: Okay, No. 3 on the JRS agenda is approved.

Now, the fourth and last matter of business is the presentation by the actuaries of the July 1, 2021, JRS Valuation Report; an Experian Study that has been presented to the members.

And do we have a brief presentation by the actuary today?

JANET CRANNA: Yes.

My name is Janet Cranna, and with me is Anu Patel. We have a presentation, and we're only going to cover about a handful of the slides that are in there in the interest of time.

MR. SHAUGHNESSY: Thank you; we appreciate-- And it's very important, but we appreciate your brevity as well.

MS. CRANNA: Okay; can you see my screen?

MR. BRAZ: We cannot -- I cannot.

MS. CRANNA: Okay, let me--

ANU PATEL: I can do it, Janet.

MS. CRANNA: Okay -- you got it?

MS. PATEL: Yes.

MS. CRANNA: I'm going to start on page 3. And this valuation, the July 1, 2021, valuation, determines the contributions for Fiscal Year 2023. This year, the market value of assets had a great return; it returned 26.58 percent. This is compared to the 7.3 percent assumed rate of return. So, the assets did very well.

But, because market value can be volatile from one year to the next, for purposes of determining the funded status and contributions, we used what's known as an *actuarial valuation of assets*, where we smooth asset gains and losses over a five-year period to reduce contribution volatility. So, we only recognized 20 percent of the difference between your market value

and the expected actuarial value. So, on that basis, the asset return was 8.09 percent, which is still greater than the 7.3 percent assumed rate of return. So, therefore, we had an asset gain of \$1.3 million. And because we only recognize a portion of gains and losses each year, we still have \$5 million in deferred asset gains that we will reflect in future valuations.

This year, the demographic experience was a very small liability gain of about \$0.1 million, or 0.01 percent of the liability.

This year, based on the recommendation of the State Treasurer, we reduced the investment return assumption for valuation purposes from 7.3 percent down to 7 percent. And this had the effect of increasing liabilities by \$22.8 million.

For the fiscal year ending 2022, the State appropriated 107.91 percent of the statutory contribution. So, this is the first time where the State has put in at least the full required contribution. And this had the impact of reducing your unfunded liability -- which is the difference between your assets and liabilities -- by \$5.8 million since they put in more than the statutory contribution this year.

Moving on to page 4. The unfunded liability -- which is the difference between your assets and liabilities -- increased from \$594.9 million to \$604.4 million. And that was primarily due to decreasing that assumed investment rate of return from 7.3 percent down to 7 percent.

This year, when we look at the funded ratio -- which is the ratio of your assets divided by your liabilities -- there was a small increase from 26.5 percent to 29.3 percent. And this was primarily due to the investments earning more than what we assumed.

As I mentioned, this valuation determines the contributions for the fiscal year ending 2023. And, so, the contributions for that Fiscal Year 2023 will be \$68.3 million, a small increase from the prior year.

Every year we have to amortize that unfunded liability. And, based on Chapter 78, that period is 28 years; next year, it will be 27 years. And, we expect the State to appropriate 100 percent of the statutory contributions for Fiscal Year 2023.

Now, on page 5 -- this just shows you a brief trend of your assets and liabilities. The gray bars are your liabilities, and those lines are your actuarial and market value, and the percents are the funded ratio, or the amount of assets you have to cover liabilities. And you can see how it had been consistently going down each year -- that funded ratio -- because the State was not putting in the full required amount of contributions. However, we now expect that, because the State is putting in the full amount of the contributions prospectively, we do expect that ratio to continue to increase a little bit each year, everything else being equal.

I next want to go to slide 9. And slide 9 shows you a comparison of your contributions: what was the statutory amount versus what actually was contributed. You can see the bars showing what the contribution was. There are two components to your contribution: Your normal cost, which is the value of benefits that accrue each year plus the amortization of the unfunded liability, which is shown in gold-- So, the top of those bars represents what was required to be put in, the green line shows what actually was put in, the lighter green line is what we expect to be put in. So, what you can see from this is, that up until 2022 the State had not been putting in the

full amount of the required contributions. But, as I mentioned, starting in Fiscal Year 2022, the State has been putting in the full contribution

That red line is what we call the *tread water line*. That's a minimum amount that needs to be put in to avoid having that unfunded liability increase every year. So, now we do expect that with the State contributing the full amount, we expect that unfunded liability to start improving, going forward.

I'm now going to jump to page 12. This shows you the membership of the system. You had a slight decrease in the number of actives this year. You have 394 active members in the system. You have retirees and beneficiaries of 655 people. And your total membership was a slight increase -- you're up 1,068 members. The payroll was \$76 million, and the retirement allowances that you've been paying out to benefits was \$61.9 million.

I'm now going to go to slide 13. And this is slide 13; this is showing your assets and liabilities of the system. You had liabilities of \$854.3 million; assets of \$249.9 million. So the unfunded liability -- the difference between your assets and liabilities -- was \$604.4 million, which leaves a funded ratio of \$29.3 million.

If we look at those same values but using the market value of assets, you have a funded ratio of \$29.8 million because your market value is a little bit greater than what your actuarial value of assets is.

Moving on to page 15 -- this shows you the contributions that are due for Fiscal Year 2023. As I mentioned, we have a normal cost, which is the value of benefits accruing during the year for your active members. That would be \$25.9 million. Members are expected to contribute \$8.6

million, so your State normal cost is \$17.3 million; with interest, it's \$18.5 million. We amortize the unfunded liability over 28 years, which is \$49.8 million. So, your total contribution for Fiscal Year 2023 is \$68.3 million; and we do expect the State to contribute the full amount this year.

And the last slide I want to go over is slide 17. And, this shows you a projection of what we expect the assets, liabilities, and contributions to do over the next 30 years.

The top graph on the gray bars shows your liability, and that will increase each year as members accrue additional service. Your assets are shown by the green line. And, so you can see assets and liabilities will continue to go up. And the ratio at the top is your funded ratio, which is the ratio of your assets over liabilities. And, we can see how -- assuming the State continues to make the full contribution, and, if the assets continue to earn at least 7 percent each year, we do expect that funded ratio to increase to 93 percent in 30 years.

The bottom graph shows the contributions, the member contributions are in purple, and the State contributions are in gold. And so, we do expect the contributions to go up each year as members accrue benefits. So, we start out at \$68 million; and each year, as salaries increase and members accrue benefits, we do expect the contributions to go up slightly every year.

So, that was the end of our prepared presentation, and we'd be happy to answer any questions you might have.

MR. SHAUGHNESSY: Thank you very much for that detailed presentation. We appreciate it.

Does any member have any questions or comments for the actuary? (no response)

Hearing none, does any member of the public wish to be heard? (no response)

Hearing none as well-- I guess the next thing is, do we need a vote to receive it?

(confers with Counsel)

Okay, thank you, Counsel.

So, I'm just going to, at this point, ask for a motion that we have received, via the presentation, the actuary's valuation report.

Motion, please?

MR. BRAZ: So moved.

MR. SHAUGHNESSY: Thank you; second?

SENATOR OROHO: Second.

MR. SHAUGHNESSY: Motion and second; I'll call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes, I just wanted to thank them for the presentation. It was very informative.

Yes.

MR. SHAUGHNESSY: Thank you, Mr. Chair.

Deputy State Treasurer Binder.

MR. BINDER: Yes.

MR. SHAUGHNESSY: Director Azarchi.

MS. AZARCHI: Yes.

MR. SHAUGHNESSY: Senator Smith. (no response).

Senator Oroho.

SENATOR OROHO: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman DiMaio.

ASSEMBLYMAN DiMAIO: Yes.

MR. SHAUGHNESSY: Okay; so that No. 4 -- there's been a vote to receive that presentation.

Finally, is there any other business that any member has? Mr. Chair, do you have--

(confers with Counsel)

Oh, thank you, Counsel; I forgot. I neglected to make a motion to return to return to sit as the State House Commission.

Motion?

MR. BRAZ: So moved.

MR. SHAUGHNESSY: Second?

SENATOR OROHO: Second.

MR. SHAUGHNESSY: All in favor? (affirmative responses)

Any opposed, any abstentions? (no response)

Okay, we've returned to sit now as the State House Commission.

Is there any other business to come before the State House Commission?

Mr. Chair, I don't know if you have anything--

MR. BRAZ: Yes, Mr. Shaughnessy, a point of personal privilege.

Today will be my last day chairing the State House Commission. I just want to thank the members that I was privileged to serve with, and the staff -- particularly you Mr. Shaughnessy, Mr. Kotler, and Ms. Bussell -- for

their -- your extraordinary work and professionalism in guiding this Commission. I think this Commission is one that is often unheralded and unseen but does extraordinarily important work on behalf of the citizens of the State of New Jersey. It's been an honor to chair this Commission, it's been an honor to work with the dedicated staff -- and that's all the staff in all the departments on this call, as well as the members who have made this process better and have always looked out for the residents and taxpayers of New Jersey before making any decision on any item up for them.

So, thank you, and I look forward to working with each and every one of you in a different capacity. But, I just wanted to say, once again, it was a distinct honor and privilege.

MR. SHAUGHNESSY: Thank you, Mr. Chair.

ASSEMBLYMAN MORIARTY: You've done a fantastic job, and you will be missed.

ASSEMBLYMAN DiMAIO: Yes, if I could, Justin-- It's been great working with you; you're always open. You reach out before the meetings, and it's been a very good process to work with. And, we'll miss you on this, but I hope we'll see you in other capacities.

SENATOR OROHO: I will ditto that as well.

So, Justin, it's been good working with you, and I'm sure we'll continue working together.

So, thank you for chairing this Commission.

Who's next, though, Justin?

MR. BRAZ: To be announced.

SENATOR OROHO: Okay.

MR. SHAUGHNESSY: Justin, thank you very much for your kind words. I just want to say it's been an honor and pleasure -- on behalf of Mr. Kotler, Ms. Bussell, and myself -- to work with you. You've made things easy through difficult times though. But we appreciate you very much, and we look forward to having our paths cross again.

MR. BRAZ: Thank you.

MR. SHAUGHNESSY: Any other members have any matters that they'd like to bring forth to the Commission? (no response)

Hearing none, I guess the last order of business is a motion to adjourn.

MR. BRAZ: So moved.

MR. SHAUGHNESSY: Second?

ASSEMBLYMAN DiMAIO: Second.

MR. SHAUGHNESSY: Motion and second. All in favor?
(affirmative responses)

Thank you very much.

We stand adjourned.

(MEETING CONCLUDED)