

Garden State Preservation Trust

May 9, 2007

Meeting Minutes

Chairwoman Rosenfeld called the meeting to order at 11:00 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: Jan Rosenfeld, chair, Michael Murphy, vice chair; and Herbert Wegner. Ex-officio members present were Agriculture Secretary Charles M. Kuperus, Assistant Commissioner Amy Cradic (for DEP Commissioner Lisa P. Jackson), Assistant Treasurer Patrick O'Connor (for State Treasurer Bradley Abelow), and James Requa (for Department of Community Affairs Commissioner Susan Bass Levin). Public member Robert DiVincent was absent.

OPENING REMARKS

Chairwoman Rosenfeld welcomed members and discussed the day's agenda. She thanked Mike Murphy for his tenure as chair and said she was excited to serve in the role.

APPROVAL OF MINUTES OF FEB. 21, 2007, MEETING

Chairwoman Rosenfeld asked for corrections or clarifications to draft minutes from the Feb. 21 meeting. There were none.

Moved by Mr. O'Connor

Seconded by Mr. Wegner

Approved 7-0.

RATIFICATION OF RESOLUTION # 07-005 HONORING HELEN FENSKE

Mr. Siegel reminded members the resolution had been requested at the Feb. 21 meeting by Chairman Murphy to be presented within a few days at a memorial service. In the subsequent 48 hours members received and approved the resolution through an e-mail poll vote pending formal ratification at the next public meeting.

Chairwoman Rosenfeld asked if there were comments or suggestions. There were none.

Moved by Mr. Murphy

Seconded by Mr. O'Connor

Approved 7-0

RATIFICATION OF RESOLUTION # 07-006 HONORING TED STILES

Mr. Siegel explained the resolution had been requested by Chairwoman Rosenfeld to be presented at a memorial service scheduled before the Trust would have another opportunity to meet. Over the following week members received and approved the resolution through an e-mail poll vote pending formal ratification at the next public meeting.

Chairwoman Rosenfeld asked if there were comments or suggestions. There were none.

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

RESOLUTION # 07-007 AMENDING GSPT BYLAWS

Chairwoman Rosenfeld explained discussion has continued on the proper procedures required for GSPT office expenditures and procurements. She said the proposed amendments would clarify these procedures.

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

Mr. Siegel introduced Governor's Counsel representative James Carey.

EXECUTIVE DIRECTOR'S FISCAL REPORT – PART 1

Mr. Siegel reviewed the latest figures on balances, expenditures and funds available for appropriation for the New Jersey Historic Trust. He said the balance of funds available for appropriation is \$21.9 million, which can cover the \$11 million recommendation being made for FY2007.

**PRESENTATION OF NEW JERSEY HISTORIC TRUST
RECOMMENDATIONS FOR FY2007 GRANTS**

Chairwoman Rosenfeld thanked New Jersey Historic Trust representative Ross Sweetland for his thorough package explaining the recommendations for grant funding.

Mr. Sweetland conducted a Powerpoint slide show presentation reviewing 61 proposed grants totaling \$11 million.

These included 22 Capital Level 2 project grants of up to \$750,000 and averaging \$437,821; six Capital Level 1 project grants of up to \$50,000 and averaging \$31,488, and 33 smaller Historic Site Management grants of up to \$50,000 averaging \$35,728.

**RESOLUTION # 07-008 APPROVING NEW JERSEY HISTORIC TRUST
RECOMMENDATIONS FOR FY2007 GRANTS**

Moved by Mr. O'Connor

Seconded by Ms. Cradic

Approved 7-0

EXECUTIVE DIRECTOR'S FISCAL REPORT – PART 2

Mr. Siegel reviewed the latest figures on balances, expenditures and funds available for appropriation for the Farmland Preservation Program. He said the balance of funds available for appropriation is \$70 million, which can cover the \$68.7 million recommendation being made for FY2007.

**PRESENTATION OF STATE AGRICULTURE DEVELOPMENT COMMITTEE
RECOMMENDATIONS FOR FY2008 GRANTS**

State Agriculture Development Committee Executive Director Susan Craft made a Powerpoint slide show presentation reviewing the achievements, goals and needs of the Farmland Preservation Program, and reviewed the specific recommendations for FY2008.

In Calendar Year 2006, Ms. Craft said 153 farms totaling 10,048 acres were preserved. Milestones included 100 farms being preserved in Monmouth County, the 20,000-acre preservation mark being reached in Salem County, and the 10,000-acre preservation mark being reached in Sussex County.

Ms. Craft reviewed new regulations that will provide funds for the County Easement Purchase program through block grants, and the imposition of minimum standards for farms to be preserved through all programs.

Ms. Craft said New Jersey has about 800,000 acres in agricultural production with 157,000 acres of it now preserved, which is 18 percent of the agricultural land base, the largest proportion of the farmland base preserved in any state in the nation. She said once GSPT appropriations are completed and executed in closings she expects the ratio to reach 25 percent.

Ms. Craft said more than 25 percent of all of the Farmland Preservation Program funding coming through the Garden State Preservation Trust has gone into Highlands area counties.

The recommendations for FY2008 included 112 County Easement Purchase project grants totaling \$45.2 million, a \$30.6 million allocation for State Direct acquisitions, 14 Planning Incentive Grants totaling \$15.4 million, and four Nonprofit block grants for \$6 million, to be supported by the \$68.7 million in GSPT funds plus \$26 million in reprogramming of earlier appropriations and a \$2 million revenue forecast from a pending sale of fee-simple land.

Ms. Craft said this is the smallest appropriations recommendation in five years. She said any funding to be requested next year would be limited to reprogramming of earlier appropriations and therefore would be a much more modest sum.

Mr. Siegel asked Ms. Craft to loosely forecast what in her view this "modest sum" might be. Ms. Craft answered she could estimate it to be under \$20 million.

Mr. O'Connor asked if the \$26 million in reprogrammed funds from earlier appropriations is a common sum for cancelled appropriations in one year, or was it the result of an accumulation of unused grants added up over many years.

Ms. Craft said she was not sure but that the State Agriculture Development Committee has dramatically increased its pressure on Planning Incentive Grant recipients to employ unused funds. She said the anticipated end of GSPT funding has also produced stronger effort at all level to press grant recipients into using their appropriated funds or face having them withdrawn and diverted into new appropriations lists for more current projects.

Chairwoman Rosenfeld asked if an "inventory" was being maintained of viable projects for which there was no more funding.

Ms. Craft said there are lists and applications in the files of projects that did not meet the cut-off for funding.

Mr. Siegel noted that the advance mailing package the members received had been revised since Monday, with some farms dropping out as a result of the "bid-down process." He said these changes rendered inaccurate the county-by-county breakdown summaries he had provided.

Ms. Craft also noted the 2006 Annual Report was finished and she noted a workshop on Transfer Development Rights would be held June 8 in New Brunswick.

RESOLUTION # 07-009 APPROVING STATE AGRICULTURE DEVELOPMENT COMMITTEE RECOMMENDATIONS FOR FY2008 GRANTS

Mr. Siegel explained the resolution was to appropriate \$68.7 million from Garden State Preservation Trust funds with a secondary conditional appropriation of an additional \$2 million in revenue expected from the sale of a farm that had been acquired in fee-simple. He said if the revenue did not come in at the time the Legislature introduced the appropriations bill, the conditional approval would be invalidated and void.

Mr. O'Connor asked about the conditional approval of the \$2 million a fee-simple revenue. He said he was concerned about needed to come back for a second meeting to act on another resolution to approve this appropriation.

Ms. Craft said the land was sold and the paperwork was processed and she was certain the money would arrive soon.

Members discussed this for some time and Mr. Siegel suggested splitting the resolution into two separate items to address Mr. O'Connor's concerns. Secretary Kuperus asked Ms. Craft to review the facts and said he was confident the funds were flowing in. He recommended the resolution be enacted as written. Chairwoman Rosenfeld agreed.

Moved by Secretary Kuperus

Seconded by Mr. O'Connor

Approved 7-0

Secretary Kuperus complimented the staffs on what he said was the enormous work done behind the scenes to prepare such seamless presentations for trust meetings.

EXECUTIVE DIRECTOR'S FISCAL REPORT – PART 3

Mr. Siegel explained that in coordination with DEP and OMB fiscal officers he has undertaken a step by step review of all Green Acres appropriations and expenditures, including making a breakdown for the first time between the Green Acres State, Local and Nonprofit components. He said the GSPT Act requires 50% of Green Acres funds to go for State Acquisition, 40 percent for the Local Grants program and 10 percent for the Nonprofit grants program. He said current appropriations capacity for Green Acres was \$85 million. The Nonprofit program had no appropriations funds remaining, the Local Grants program had \$12 million remaining and the State Acquisitions program had a remaining appropriations capacity of \$73 million.

Mr. Siegel said the \$40 million appropriations recommendation for State Acquisition from Green Acres being considered at this meeting was well within the \$73 million appropriations capacity and would leave \$33 million for a second-half appropriation for FY2008 later in the year.

**PRESENTATION OF GREEN ACRES RECOMMENDATIONS FOR FY2008
STATE ACQUISITION GRANTS**

Green Acres Administrator John Flynn reviewed the specific recommendations for State Acquisitions program for FY2008, noting the package represents projects everywhere in the State that are ready for closing.

Mr. Flynn said he wanted to hold back on the remaining \$33 million so they could keep their options open for the funding of other projects in FY2008.

Mr. Flynn said the project requests are consistent with the block grants for State Acquisitions that have been awarded annually since 1999.

Mr. Flynn addressed the matter of covering future staff and administrative costs when GSPT funds run out at the end of FY2009. He said repayments coming in from the Green Trust loan programs which began in the 1990s are coming in at about \$22 million a year, which will be adequate to maintain staff operations.

Chairwoman Rosenfeld asked if there was no restriction on use of loan repayment funds, and whether they had to go out as new loans. Mr. Flynn said most of the loan repayments would go out as new grants and new loans but that the use of the funds was not stipulated or restricted, and that some of it could be used for staff and administration.

Deputy Director Gary Rice said loans were used to create a stable flow of funding as repayments come in on a regular and predictable basis.

Mr. Flynn thanked Secretary Kuperus for his remarks concerning the hard work of the preservation staffs, and he praised the Green Acres staff for continuing their preservation efforts at what he called an “astounding” pace.

Mr. O'Connor asked about the reprogramming of old Green Acres appropriations and whether there was an idea how much is available and would be available in future years.

Mr. Rice said it was a moving target because the enforcement of grants and cancellation of funds for dormant projects is an ongoing process.

Mr. Siegel explained there were no reallocated funds from the State Acquisition recommendations because they use the geographic-area block grant system in which funds from a failed project would immediately apply to the next project within the same block grant geographic area. Mr. Flynn affirmed this was correct and discussion of reprogramming old appropriations was strictly a matter concerning the Local Grants program.

**RESOLUTION # 07-010 APPROVING GREEN ACRES PROGRAM
RECOMMENDATIONS FOR FY2008 STATE ACQUISITION GRANTS**

Moved by Mr. O'Connor

Seconded by Mr. Wegner

Approved 7-0

EXECUTIVE DIRECTOR'S REPORT

Mr. Siegel reviewed the content of the members' books, a proposed study and white-paper report on unfunded projects under GSPT and the Draft Stewardship Report.

Mr. Siegel reviewed the GSPT office budget, noting that only 36% of the office appropriation had been expended 10 months into the 12-month fiscal year.

Mr. Siegel reviewed the latest figures for the Expenditure Monitoring Program. He said both land preservation programs were exceeding their expenditure targets. He said the GSPT target for FY2006 was \$215 million and the Green Acres and Farmland Preservation programs combined had expended \$263 million, putting the GSPT 23 percent above the target. He said the GSPT was well on track to exhausting its bond funds by FY2009 in compliance with federal tax regulations regarding the use of tax-free bond proceeds.

Mr. Siegel said Chairwoman Rosenfeld has asked him to prepare a report on unmet needs and unfunded projects.

Chairwoman Rosenfeld said outstanding needs for preservation are a major issue on everyone's mind. She said it was time for the GSPT to take a more formal look at the future specific financial needs of preservation.

Mr. Siegel said the programs have addressed the issue of future needs in general terms. The question was whether a study is needed to document these needs in detail, county by county.

Mr. Wegner said it was important to inform the voters and document to the voters the continuing needs for preservation, to reinforce the point that the job is not done.

Secretary Kuperus said this discussion is ongoing in all programs.

Mr. Siegel said the work should focus on eligible, qualified projects for which there were inadequate funds.

Mr. Siegel reviewed the conservation tax benefits seminars that have been ongoing and the upcoming June workshop on tax deductions in Princeton.

DISCUSSION OF DRAFT STEWARDSHIP REPORT

Chairwoman Rosenfeld referred to the "Guide for Consideration of Recommendations" built into the Draft Stewardship Report and included in the members' meeting books and she asked the members to go through this guide and fill it out as a survey.

Mr. Siegel reminded the members of the May 2005 vote to approve Green Acres funding that included a \$10 million stewardship grant for state parks. He said that vote prompted the Trust to examine stewardship questions and the GSPT's possible role in future funding. He said there have been requests for copies of the draft report because of the 60 pages of transcripts of the various speakers' presentations.

Secretary Kuperus agreed with Chairwoman Rosenfeld. He said stewardship was a major issue and needed to be addressed.

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 as he had reviewed them. Chairwoman Rosenfeld asked for a motion for substantial approval of the May 9 meeting minutes.

Moved by Mr. Wegner

Seconded by Secretary Kuperus

Approved 7-0.

TRUST MEMBER COMMENTS

Chairwoman Rosenfeld asked if there were additional comments by Trust members.

Mr. Wegner commended the work of the land preservation program staffs. He asked the directors to take his message back to the staff members who had left the meeting. He said he knows preparing such presentations is a tremendous amount of work.

Mr. Wegner said he also wanted to thank the staffs for their day to day work closing deals and sorting out preservation issues. He said the conservation staffs are leaving a tremendous legacy for the State of New Jersey.

PUBLIC COMMENTS

Chairwoman Rosenfeld asked if there was anyone from the public who wished to address remarks to the Trust members. There were none.

ADJOURNMENT

Chairwoman Rosenfeld called for adjournment of the meeting.

Moved by Mr. Wegner

Seconded by Mr. O'Connor

Unanimously approved by acclamation.

Respectfully submitted

Ralph Siegel
executive director
board secretary
Oct. 3, 2007

Others in attendance representing agencies:

GSPT DAG Cliff Rones

James Carey, Governor's Counsel, Authorities Unit

John Flynn, Office of Green Acres

Gary Rice, Office of Green Acres

Fawn McGee, Office of Green Acres

Susan Craft, State Agriculture Development Committee

Heidi Winzinger, State Agriculture Development Committee

Bryan Lofberg, State Agriculture Development Committee

OLS staff member Carrie Anne Calvo-Hahn

OLS staff member Lucinda Tiajolloff

Legislative staff member Thea Sheridan

Amy Hansen, NJ Conservation Foundation

Assorted Treasury Department, legislative staff whose names were not recorded.