

Garden State Preservation Trust

Feb. 21, 2007

Meeting Minutes

Chairman Murphy called the meeting to order at 11:15 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 Agriculture Secretary Charles M. Kuperus, Assistant Commissioner Amy Cradic (for DEP Commissioner Lisa P. Jackson.) Vice Chairman Robert DiVincent and Eileen Swan (for Department of Community Affairs Commissioner Susan Bass Levin) were absent. Assistant Treasurer Patrick O'Connor was absent but Ms. Lopa Kolluri arrived at 11:45 a.m. as representative for State Treasurer Bradley Abelow.

The five members necessary for a quorum were present at 11:15 a.m. but Deputy Attorney General Cliff Rones instructed Mr. Siegel to remind the members present that Garden State Preservation Trust rules required a full five votes to approve any measure.

OPENING REMARKS

Chairman Murphy welcomed members.

Chairman Murphy thanked the members and Mr. Siegel for their support during his tenure as chairman for 2007. He thanked Mr. Siegel for his efforts concerning the September 20th Stewardship Conference Meeting in Princeton. He noted he had once been a candidate for governor and said he felt honored to "win an election" to become chairman of the Trust. He said service on the Trust has been one of the most gratifying experiences of his public life.

APPROVAL OF MINUTES OF NOV. 28, 2006, CONFERENCE CALL MEETING

Chairman Murphy asked for corrections or clarifications to draft minutes from the November 28 conference call meeting. There were none.

Moved by Mr. Wegner

Seconded by Ms. Rosenfeld

Approved 5-0.

ELECTION OF OFFICERS FOR 2007

Mr. Siegel said this being the first meeting of 2007 that it was appropriate to elect officers for the year. Mr. Siegel explained the Garden State Preservation Trust Act of 1999 specified only one of the five public members could serve as chair and further that the statute required a rotation of chairs between the Assembly Speaker's appointees, the Governor's appointee and Senate President's appointees. For 2007 the rotation brought the selection to the Senate President's appointees. Ms. Rosenfeld was the only Senate

appointee on the board because the second seat was vacant. It had been occupied by Dennis Davidson but he resigned in December, 2005, and no appointment has been made by the Senate President to replace him. As a result, the statute required the election of Ms. Rosenfeld as chair for 2007.

Chairman Murphy opened the floor to accept nominations for the position of chair of the Garden State Preservation Trust for 2007.

Chairman Murphy then nominated Ms. Rosenfeld as chair.
Mr. Wegner seconded

Mr. Siegel conducted a roll call vote.
Approved 5-0 to elect Ms. Rosenfeld chairwoman for 2007.

Mr. Ronces reminded the members the election does not take effect until the Governor's 14-day veto period has expired so Mr. Murphy continued to chair the meeting.

Chairman Murphy asked for nominations for the position of vice chairman of the Garden State Preservation Trust for 2007.

Ms. Rosenfeld nominated Mr. Murphy to be vice chairman for 2007.
Mr. Wegner seconded.

Mr. Siegel conducted a roll call vote.
Approved 5-0 to elect Mr. Murphy vice chairman for 2007.

Mr. Siegel explained the board could elect anyone to serve as Secretary and as Treasurer. The statute did not require this post to be held by a board member. Mr. Siegel also explained the board since 2004 has seen fit to combine the two positions into a single Secretary-Treasurer and further that the board since 2004 has elected him to that position. He said the rationale for this decision was to limit bureaucracy since the executive director performs the Secretary duties in the recording and preparation of meeting minutes and also performs the Treasurer duties in the management of the office budget under the direction of the Department of Treasury Division of Administration and preparation of office budget reports, which are subject to independent audit.

Chairman Murphy nominated Mr. Siegel to the combined post of Secretary-Treasurer for 2007.
Ms. Rosenfeld seconded.

Mr. Siegel conducted a roll call vote.
Approved 5-0 to elect Mr. Siegel Secretary-Treasurer for 2007.

EXECUTIVE DIRECTOR'S REPORT

Mr. Siegel discussed GSPT sponsored seminars to explain new federal tax deduction benefits for charitable donations of land for conservation held in December in Princeton, Mendham and Woodstown, with more planned. He thanked volunteers Daniel Patrick O'Connell of Evergreen Capital Advisers, Megan Thomas Esq. of Stevens Lee, Linda Mead of D&R Greenway, Janet Eisenhower of New Jersey Conservation Foundation and Mike Catania Esq. of Conservation Resources Inc. for helping conduct the seminars. He said about 60 people attended the seminars, something of a disappointment, but he said it is new and unfamiliar for the GSPT to play a public education role in arranging seminars.

Mr. Siegel discussed the federal Pension Protection Act of 2006, known as bill HR-4, which is the topic of the tax seminars, and bill S-469, which has been introduced to make the tax deduction benefits permanent.

Ms. Kolluri joins the meeting as a representative of Treasurer Brad Abelow. There are now six members present.

Mr. Siegel reviews expenditures and balances of the GSPT's trust funds. He reviewed the expenditures during FY2006, which set records for preservation closings averaging \$1 million in closings for every business day of the year. He said the expenditure target was \$215 million but the programs expended \$264 million. He said there has been a 62% increase in the rate of expenditure in the past three years, which he called spectacular performance by the programs.

Mr. Siegel reported a snapshot estimate of \$171 million remaining for land preservation appropriations, \$86.6 million for the Green Acres Program and \$84.6 million for the Farmland Preservation Program. He said these numbers would be subject to continued verification as appropriations bills for the past seven years are re-examined in preparation for the final round of GSPT preservation appropriations.

Mr. Siegel said these funds did not take into account administrative costs for FY2010 and FY2011. The GSPT cannot approve new appropriations in FY2010 but the expenditures would continue as projects are closed, and he asked the board to discuss this matter to ensure some funds are set aside for administrative costs in those years. If all of the funds available now are appropriated, none would remain for administration.

Chairman Murphy asked if it was considered proper to fund administrative expenses from the overall funds. Mr. Siegel said it was actually preferred out of concern that if hundreds of millions are borrowed on Wall Street, the lenders and bankers want some assurance the State has the administration in place to employ those borrowed funds.

Ms. Rosenfeld asked if the cash dedications have been held in reserve while bond funds were being used to pay for projects. Mr. Siegel said that was correct. He said the cash dedication was used only to pay for staff, but the projects were all being funded from the bond proceeds first.

Ms. Rosenfeld asked if the GSPT could set aside funds for administration in FY2010 and FY2011. Mr. Siegel said the GSPT could veto program recommendations to ensure a sufficient reserve for administration is in place.

Mr. Siegel reviewed other contents of the meeting book, including a press clippings package that included an obituary for conservation leader Helen Fenske and an opinion piece written by Secretary Kuperus.

Chairman Murphy notes a memorial service for Ms. Fenske was scheduled for the upcoming weekend.

Mr. Siegel notes a GSPT office budget report is also included in the book.

Secretary Kuperus asks if the board consents to Mr. Siegel's recommendations concerning the need to address administrative costs in FY2010 and FY2011.

Chairman Murphy said no motion was necessary. He reiterated the request that the Farmland Preservation Program and Green Acres Program address the question at a future meeting.

**RESOLUTION # 07-001 RATIFYING FINANCE AND AUDIT
SUBCOMMITTEES APPROVAL TO AWARD A CONTRACT FOR THE FY2005
AND FY2006 AUDIT OF GSPT OFFICE BUDGET ACCOUNT.**

Ms. Rosenfeld, chairwoman of the Finance and Audit Subcommittee, explained the subcommittee's work to procure an audit of GSPT office expenditures for FY2005 and FY2006. She said bids went out last year and she reviewed the bids received. She said the subcommittee approved the recommendation from the Department of Treasury Division of Administration to award an audit contract to Tondah Consulting Group as the low bidder.

Chairman Murphy asked for motions to approve the Resolution.

Moved by Mr. Wegner

Seconded by Chairman Murphy

Approved 6-0

**RESOLUTION # 07-002 TO AWARD A 12-MONTH CONTRACT FOR
FINANCIAL AND LAND CONSERVATION POLICY ADVISORY SERVICES**

Mr. Siegel said the report of the Bid Evaluation Committee is enclosed in the members' meeting books. He said the Evaluation Committee scored bids from Evergreen Capital Advisors and Acacia Financial Group and unanimously concluded Evergreen had the superior bid. He recommended award of the contract to Evergreen.

Chairman Murphy asked the names of the members of the Evaluation Committee. Mr. Siegel said he was advised it is a matter of State policy to keep evaluator names confidential. Mr. Siegel did confirm he was one of the three members.

Chairman Murphy asked if the bids were very different in cost. Mr. Siegel said the two bidders were not far apart in cost but very different in qualifications.

Chairman Murphy asked for motions to approve the Resolution.

Moved by Ms. Rosenfeld

Seconded by Chairman Murphy.

Approved 6-0

RESOLUTION # 07-003 TO AWARD TWO CONTRACTS FOR A POOL OF TAX & LAND CONSERVATION POLICY EDUCATORS TO CONDUCT OR TO ASSIST IN SEMINARS AND WORKSHOPS

Mr. Siegel explained the tax seminars have been conducted with the willingness of professionals to volunteer their services but that this was not appropriate. He said the GSPT should have access to professionals under contract. He said two bids were received from Douglas Wheeler Esq. of Washington D.C. and Isabel Miranda Esq. of Scotch Plains, N.J., and both were deemed qualified to be added to the pool. They would be called as needed as seminars and workshops are scheduled.

Mr. Siegel said volunteers would still be used as available for seminars but he wanted to make certain he did have access to paid professionals.

Ms. Rosenfeld asked about the bidders. Mr. Siegel discussed the backgrounds of Ms. Miranda and Mr. Wheeler. He said Ms. Miranda would be paid \$175 an hour, including all expenses, but negotiations would continue with Mr. Wheeler.

Chairman Murphy asked for motions to approve the Resolution.

Moved by Mr. Wegner

Seconded by Chairman Murphy.

Approved 6-0

RESOLUTION # 07-004 URGING MEMBERS OF CONGRESS TO MAKE PERMANENT THE TEMPORARY FEDERAL TAX BENEFITS ENACTED IN 2006 FOR LANDOWNERS WHO PRESERVE THEIR LAND

Mr. Siegel explained the federal Pension Protection Act of 2006 dramatically improved tax deductions under certain circumstances for landowners who donate conservation easements or who sell easements at a discount, that these benefits enable the Garden State Preservation Trust to leverage its appropriated funds, but that these benefits exist only for Tax Year 2006 and Tax Year 2007. Legislation has been introduced to make these benefits permanent.

The resolution endorses this initiative and directs the executive director to communicate this sentiment to Members of Congress from New Jersey.

Mr. Wegner asked if the resolution would apply only to the conservation deduction segment and not to the entire text of the Pension Protection Act of 2006. Mr. Siegel said it would be so limited.

Chairman Murphy asked if there was precedent for such resolutions. Mr. Siegel discussed Resolution #05-003 enacted in 2005 as a message to Members of Congress urging them to maintain conservation tax deductions.

Chairman Murphy asked for motions to approve the Resolution.

Moved by Mr. Wegner

Seconded by Chairman Murphy.

Approved 5-0

Ms. Kolluri abstained.

DISCUSSION of EXECUTIVE ORDER #34 TO ENCOURAGE PARTICIPATION BY WOMEN AND MINORITY OWNED BUSINESSES IN STATE CONTRACTING

Mr. Siegel outlined the initiative, covered recent briefings for executive directors, and discussed the question of whether GSPT grants should be examined to see if the funds disbursed at the local level offer fair opportunities to minority and women-owned businesses.

Ms. Kolluri said the Treasury Department was working on a presentation plan to reduce State contract barriers for minority and women-owned businesses. She said grants may provide a connection to apply these standards to county and municipal levels.

Chairman Murphy said he attended one of the EO#34 briefings and he said it was the GSPT's duty to make public contract opportunities available. He directed that a meeting occur.

Ms. Rosenfeld said consistency was required. She said GSPT is not the only State agency with a trickle-down effect of State grants.

Ms. Kolluri said that issue has not been addressed yet but she agreed it needed to be.

APPROVAL OF GSPT DRAFT STEWARDSHIP REPORT: PROCEEDINGS OF THE STEWARDSHIP CONFERENCE MEETING TO SUFFICE AS MINUTES OF SEPT. 20, 2006, STEWARDSHIP CONFERENCE MEETING

Mr. Siegel explained the Draft Stewardship Report includes 60 pages of proceedings transcripts of the 22 presentations made at the conference. The board took no action at the Sept. 20 meeting except to receive these presentations.

Mr. Siegel reviewed some points and noted the Draft Stewardship Report included a checklist of possible recommendations from the Trust. He said a segment on recommendations is the only thing needed to convert the draft report into an official report to the Legislature.

Ms. Rosenfeld said finding consensus on recommendations is going to be difficult. She said all agree funds are needed to stewardship programs, but there was no consensus GSPT funds should be used for this. She said she believes the GSPT mission is land acquisition as the primary focus.

Chairman Murphy said acquisition without stewardship is meaningless and there is an ongoing duty to preserve and protect acquired lands. He said the conference presenters were persuasive on that point. Chairman Murphy wondered if the GSPT had the statutory capacity to engage in stewardship programs.

Secretary Kuperus suggested assembling a "work group" subcommittee to discuss the balance of acquisition and stewardship. He agreed GSPT should not be acquiring land just to permit invasive species to grow all over it and to ruin its value as a natural resource. He said there was good work put into the conference and the report.

Secretary Kuperus said it was this generation's turn to acquire the land as the priority. He said this land acquisition opportunity can pass us by if we distract ourselves with too many things.

Mr. Wegner supported the idea of a new program to purchase easements on forests and woodland. He said money taken for stewardship detracts from funds available for acquisition. He said the window is closing on preserving available land before it is lost to development.

Chairman Murphy asks Mr. Wegner if he would be willing to chair a working group.

Mr. Siegel proposes a procedure in which he discusses possible recommendations with individual members meeting one on one. Chairman Murphy said he agreed with this approach for the moment but he will recommend to the chair-elect, Ms. Rosenfeld, to form a working group at the next Trust meeting.

Mr. Siegel asked for a motion to accept the proceedings reports as approved minutes just so there is no gap in the record collected for every public meeting.

Mr. Wegner requests that a list of conference attendees be added to the minutes.

Moved by Mr. Wegner

Seconded by Chairman Murphy

Approved 5-0.

Ms. Kolluri abstained.

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.

Chairman Murphy asked for a motion for substantial approval of the February 21 meeting minutes.

Moved by Ms. Rosenfeld

Seconded by Mr. Wegner

Approved 6-0.

TRUST MEMBER COMMENTS

Mr. Wegner, a member of the board of the Association of New Jersey Environmental Commissions, discusses a document ANJEC has been distributing statewide endorsing renewal of the dedicated funding for the Garden State Preservation Trust. He said ANJEC has been urging municipalities and counties to adopt the document as a formal resolution.

Mr. Wegner asks that "1031 Exchanges" be included in future GSPT tax seminars.

Chairman Murphy praises Mr. Wegner for his service on the Trust as a resource and for his practical experience and expertise in land preservation.

RESOLUTION TO HONOR THE LATE HELEN FENSKE

Chairman Murphy requested at the executive director prepare a resolution honoring conservation activist Helen Fenske, who had recently died and whose obituaries were included in the board members' meeting packets. The resolution was to be presented at a memorial service for Ms. Fenske scheduled within a few days on Feb. 25. Chairman Murphy asked that a draft copy of the resolution language be transmitted to the individual board members for their individual approval over the following 48 hours so he would receive it in time to present the honorary resolution as a unified sentiment of the Garden State Preservation Trust at the memorial service. The resolution would then be ratified at a subsequent GSPT meeting.

Moved by Chairman Murphy
Seconded by Ms. Rosenfeld.
Approved 6-0

(Note: A resolution was prepared as directed the following day, Feb. 22, and was transmitted to all members via e-mail. Chairman Murphy, Chairwoman-elect Rosenfeld, Mr. Wegner, Ms. Cradic and Ms. Swan responded promptly and represented a five-member majority.)

Chairman Murphy asked if there were additional comments by Trust members. There were none.

PUBLIC COMMENTS

Chairman Murphy asked if there was anyone from the public who wished to address remarks to the Trust members.

Troy Ettel of the New Jersey Audubon Society offered some comments. Mr. Ettel was a presenter at the Sept. 20 Conference Meeting and his presentation was included in the Draft Stewardship Report. He addressed the board to reiterate some of his remarks.

Mr. Ettel said if we do not do a better job of caring for preserved land, we are wasting taxpayers' money and ought to stop. Neglected maintenance of property will mean in the future that property will cost a fortune to restore. He said the proposal for stewardship funding is a modest request for demonstration projects.

Thomas Niederer of the New Jersey Forestry Association offered some comments. Mr. Niederer was a presenter at the Sept. 20 Conference Meeting and his presentation was included in the Draft Stewardship report. He addressed the board to reiterate some of his remarks.

Mr. Niederer reinforced Mr. Wegner's remarks on the need for a forest easement program. He said easement preservation of forests will leave the private landowner in place to provide proper stewardship.

Secretary Kuperus discusses progress of the new federal Farm Bill. He said the Northeast has 16 percent of the nation's population, 6 percent of its agricultural production but gets less than 1 percent of the funding from the current Farm Bill.

ADJOURNMENT

Chairman Murphy moved to adjourn the meeting.

Seconded by Ms. Rosenfeld.

Approved 6-0.

Respectfully submitted

Ralph Siegel
executive director
board secretary
May 9, 2007

Others in attendance representing agencies:

GSPT DAG Cliff Rones

Sonia Frontera, Governor's Counsel, Authorities Unit

John Flynn, Office of Green Acres

OLS staff member Carrie Anne Calvo-Hahn

OLS staff member Lucinda Tiajolloff

Legislative Staff Thea Sheridan

Amy Hansen, NJ Conservation Foundation

Troy Ettel of the New Jersey Audubon Society

Thomas Niederer of the New Jersey Forestry Association

James Amon of the D&R Greenway Land Trust