
Commission Meeting

of

STATE HOUSE COMMISSION

LOCATION: Remote Meeting via Zoom

DATE: July 2, 2020
9:00 a.m.

MEMBERS OF COMMISSION PRESENT:

Justin Braz, Chair
Senator Bob Smith
Senator Gerald Cardinale
Assemblyman Paul D. Moriarty
Catherine Z. Brennan
David Ridolfino



ALSO PRESENT:

Robert J. Shaughnessy Jr.
Commission Secretary

Gary A. Kotler, Esq.
Commission Counsel

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Meeting Transcribed by
The Office of Legislative Services, Public Information Office,
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MR. SHAUGHNESSY (Commission Secretary): This is the State House Commission meeting of July 2, 2020, at 9 a.m.; it's actually about 9:08 at the time.

Before we get started, I'd like to welcome everyone.

This is directed to the members, in particular. I understand you have many responsibilities, but if you do need to leave this meeting, we'd just like to understand that you are leaving and note it so that we make sure that we don't break quorum.

So let me move forward.

We're in compliance with the Open Public Meetings Act. Notice of this meeting was given by way of notice to the Secretary of State, delivered to the State House Press corps, and otherwise posted.

I'll now move on to call the roll.

Deputy Chief of Staff Braz.

JUSTIN BRAZ (Chair): Here.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Here.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Here.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Here.

MR. SHAUGHNESSY: And Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Here.

MR. SHAUGHNESSY: We have a quorum, Mr. Chair.

Still moving on--

Yes, also present with us here is State House Commission Counsel, Deputy Attorney General Gary Kotler, for the record.

First, on to Old Business.

No. 1 on the agenda: Approval of the February 13, 2020, State House Commission meeting minutes. They have been distributed to the members, and I hope reviewed.

Any questions or comments on that?

MR. RIDOLFINO: I move acceptance.

MR. BRAZ: Second.

MR. SHAUGHNESSY: Okay; all in favor? (affirmative responses)

Any abstentions or nays? (no response) No?

They are approved.

On to No. 2 on the agenda, under Old Business.

There is a typo, and I want to point this out in the agenda for clarification purposes.

In the second line of this item, it says Township of Parsippany. It's the wrong county (*sic*); it's the Township of Piscataway.

SENATOR CARDINALE: Correct.

MR. SHAUGHNESSY: Thank you, Senator.

What I will do is now move this item forward.

This is the Regional Day School, 1670 Stelton Road, Block 9201, Lot 46.12, in the Township of Piscataway.

The State recommends the direct conveyance of 5.43 +/- acres of land and improvements to the Middlesex County Educational Services Commission, now known as the Educational Service Commission of New

Jersey -- *the Commission*. The Commission, a non-profit entity, is the current tenant of the property through an agreement with the Department of Education, approved by the State House Commission at its meeting July 15, 1992.

The terms of the agreement are for 30 years at \$1 per month, beginning July 15, 1992, and terminating July 14, 2022.

The Commission was responsible for, at its sole cost and expense, the construction of the Regional Day School for severely emotionally disturbed, neurologically impaired, perceptually impaired, and communication-handicapped students.

During the term of the lease agreement, the State is to use its best efforts to authorize the transfer of this property to the Commission, in an *as is* condition, for no consideration or the minimum consideration allowed by law.

Since the Commission's activities directly benefit the State and the students, we recommend that the transfer be recommended for \$1, and other good and valuable consideration.

Do any members have any comments with regard to this matter?

SENATOR SMITH: Just--

MR. SHAUGHNESSY: Yes, sir.

SENATOR SMITH: For the members -- this is in my District. And it is, if not the finest, one of the finest facilities for education and training of developmentally disadvantaged children and adults. It's been providing premier services for decades. And this is an attempt to allow the Administration to actually invest more money into the facility and provide better services; and to do so in an expeditious fashion.

So I'm thrilled to move this matter forward.

MR. SHAUGHNESSY: Thank you, sir.

MR. BRAZ: Second.

MR. SHAUGHNESSY: Okay, thank you very much.

Any other public comment? Any members or the public want to comment on this matter?

MS. BRENNAN: I just have a quick question.

So this being in *as is* condition, does that mean if there are any issues with the property we could possibly be (indiscernible)--

MR. SHAUGHNESSY: Yes; so my understanding, Deputy State Treasurer, is that if this is being sold and conveyed in *as is* condition, is the State obligated to do anything to convey it. And I believe the answer to that is "no." It's *as is, where is*.

MS. BRENNAN: Okay.

MR. SHAUGHNESSY: Any other members have any questions; members or the public? (no response)

Hearing none, I'll call the roll.

Oh, motion -- motion and second.

SENATOR SMITH: So moved.

UNIDENTIFIED MEMBER OF COMMISSION: Second.

MR. SHAUGHNESSY: Okay; motion and second.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Okay, that matter is approved unanimously.

Next, on No. 3, it's vacant land, Block 1802, part of Lot 7, Borough of Paramus.

The State of New Jersey recommends granting a permanent bridge easement, consisting of 0.21 +/- acre of vacant land, and a temporary construction easement, consisting of 0.045 +/- acre of vacant land, to the County of Bergen for the expansion of a bridge currently located across the property.

The matter was originally approved by the State House Commission at its meeting of December 17, 2009, for less acreage. It has since been discovered that a larger area of land is necessary to accommodate the design of the replacement bridge.

Since this action will benefit the State, the easements will be granted for \$1.

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

Do any members of the public present have any questions or comments? (no response)

Do I have a motion on this?

MR. BRAZ: So moved.

MR. SHAUGHNESSY: Okay; thank you, Chair.

Second; is there a second?

ASSEMBLYMAN MORIARTY: Second.

MR. SHAUGHNESSY: Okay; motion and second.

Any other further discussion? (no response)

Hearing none, I'll call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Smith. (no response)

While we're pending that, Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Okay; so we're just trying to get Senator Smith.

SENATOR SMITH: Yes, I'm here.

MR. SHAUGHNESSY: So we actually need one more vote, your vote, on item No. 3.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Okay; thank you, sir.

That matter has been approved.

We're now moving on to the New Business, from Old Business.

This is No. 4 on our agenda; this is 1240 Highway 77, Block 1201, Lot 2, Bridgeton.

The State of New Jersey, on behalf of the Department of Military and Veterans Affairs, recommends the direct sale of land and improvements, located at 1240 Highway 77, Bridgeton, Cumberland County, to Poor Boy Pallet, a current tenant of the property.

The property will be sold to Poor Boy Pallet for the appraised value of \$325,000. In the event the above direct sale does not occur, the State will dispose of the property, via Internet auction, at the minimum bid price of \$325,000, the appraised value.

Do any members have any questions or comments about this matter?

ASSEMBLYMAN MORIARTY: I have a question.

MR. SHAUGHNESSY: Okay; Assemblyman Moriarty, go ahead.

ASSEMBLYMAN MORIARTY: Is someone from Treasury here to answer questions?

MR. SHAUGHNESSY: I believe so.

ASSEMBLYMAN MORIARTY: Okay.

MR. SHAUGHNESSY: I believe Bob Tighue is on the phone.

ROBERT TIGHUE: Yes, I'm here.

ASSEMBLYMAN MORIARTY: Okay; what is the current lease agreement? Like, how much money are we making off current leases, number one? And number two, how is this property zoned? It's, like, 26 acres. Could the new owners develop anything they want, build housing, or-- I'm just trying to figure out how we arrived at this \$325,000, or \$350,000 appraisal. I think there were things that were left out of the appraisal, like current leases and what the zoning is -- that kind of stuff.

I'm trying to figure out whether we're getting fair value here.

MR. TIGHUE: Right.

Yes, I mean, the appraisal was based off of -- it was an NAI appraiser who went out and looked at the site as complete, as it is. You have to remember, there used to be an armory on the site, which had mold issues, with was demolished by DMVA, basically, and the Feds, using their money.

The Poor Boy Pallet Company -- that is the current tenant on one of the sections of the site -- has their own building there; their own-- They've constructed all the improvements that are on that site with their own money.

The other section of the property there is the old armory warehouse, I believe it is, which was still existing. And that tenant -- it's like a wholesale garden center.

As far as the rents are concerned, they're through DMVA, not through Treasury, and they're on a year-to-year basis. I don't know exactly what the rates are -- what they're getting -- but that's negotiated between them individually.

The site was looked at as a complete site, and the zoning is-- There's split zoning, but it's pretty restrictive. And plus, it's an area where, off the back -- most of the land does not have a lot of value. We're considering there's not a lot of demand for the back area. There are wetlands back there, and there's also very little frontage when you get to the back area.

So really, when the appraiser came back and looked at it, we felt that the appraisal was pretty fair.

ASSEMBLYMAN MORIARTY: Just, again, I would have liked to have known what we're getting, in terms of leases. I mean, if we were getting rents of \$20,000 a month that would be--

MR. TIGHUE: Right.

ASSEMBLYMAN MORIARTY: --a considerable amount of money. But that wasn't taken into account in the appraisal.

MR. TIGHUE: Right.

ASSEMBLYMAN MORIARTY: And, in fact, I think they told him not to take it into account. Is that correct?

MR. TIGHUE: Well, it wouldn't have been fair to take in just the one section of the appraisal that was being leased, because there were other parts.

I think one of the tenants might be on the line now. If they want to call me, they could, maybe, chime in on this as to what they're paying.

Again, it's not negotiated with Treasury, it's negotiated with DMVA, so I don't want to misspeak as to what they are--

ASSEMBLYMAN MORIARTY: But who gets the proceeds of the lease?

MR. TIGHUE: DMVA, the Department of Military and Veterans Affairs gets it.

MS. BRENNAN: Well, why is that? That's State property.

ASSEMBLYMAN MORIARTY: Who benefits from the lease?

MR. TIGHUE: DMVA is part of the State, and they negotiate their own leases on a year-to-year basis. They're allowed to do that by statute.

ASSEMBLYMAN MORIARTY: Right.

MS. BRENNAN: May I ask a question?

MR. TIGHUE: Yes.

MS. BRENNAN: Why wouldn't the proceeds be conveyed to Treasury? I mean, I know that other armories are on the Office of Public Finance's list for the asset monetization project that's currently being -- under review.

MR. TIGHUE: Right.

MS. BRENNAN: Why do the proceeds go to DMVA, and not to Treasury?

MR. TIGHUE: That's something that has been allowed to happen, really, for a long time. I mean, that's just-- DMVA has the right to do that.

MS. BRENNAN: But it's -- but the armory is technically State property, correct?

MR. TIGHUE: Correct.

MS. BRENNAN: So the proceeds could go to the Department of Treasury.

MR. TIGHUE: That's happened in the past, where we've changed where the proceeds go. But for the most part, DMVA negotiates their own-- It has to be an annual lease, no more than one year, and they get the proceeds.

MR. SHAUGHNESSY: So the sale proceeds would go to Treasury, though.

MR. TIGHUE: The sale proceeds go to Treasury; correct.

MS. BRENNAN: Okay.

MR. TIGHUE: The lease proceeds--

MS. BRENNAN: Okay.

MR. TIGHUE: Yes.

MR. SHAUGHNESSY: Yes.

JUDY ENGLAND - MCCARTHY: Can I ask a question, as a citizen?

MR. SHAUGHNESSY: No, not yet.

MS. ENGLAND-McCARTHY: Not yet? Sorry.

MR. SHAUGHNESSY: Okay.

Any other questions that the Commission members have on this matter?

ASSEMBLYMAN MORIARTY: I would just like to make a comment -- that I think when we do appraisals in the future and we're collecting rent from various entities, that that should be included in the appraisal. I mean, hypothetically, what if we were collecting \$200,000 a month in rents, and we have someone do an appraisal that says it's worth \$350,000, but they're not allowed to, in their appraisal, include the amount of money that the land and the buildings are bringing in? It just doesn't make sense.

MR. TIGHUE: Well, no; I mean, I'll say, obviously, if the rental rates were inclusive of the entire property and we were valuing this like a leased-fee estate, where the rents would be considered part of the ongoing future value, you'd be absolutely right. In this case, you're looking at a lease that's about to expire -- I think they expire in June or July, so they may have actually already been expired -- where there's no guarantee of that future value happening, and it would not be inclusive of the entire site. So we didn't want to mislead anyone by looking at these rates as saying, "This is what an investor would pay for the site."

And it's, also, probably not fair to the current tenant, wherever they negotiated-- And again, we were not part of that negotiation. I don't know if they were fair market rent or not. So in this case, we said, "Well, what would, if they were-- Free and clear of any leases, what would be the fair market value of this property as a whole? Which we thought was fair.

ASSEMBLYMAN MORIARTY: Okay, I'll just reiterate what I just said.

And Mr. Chairman, going forward, I'm not going to consider any transactions that don't include that information; I'm just not going to do it. I don't think it makes sense to the taxpayers.

MR. BRAZ: Bob, is there a time frame that this property needs to be conveyed to Poor Boy Pallet? Is there--

MR. TIGHUE: (Indiscernible) tenant, now, so--

MR. BRAZ: They're still under the lease, correct, for the foreseeable future? Do we know?

MR. TIGHUE: Yes, I believe the lease is due to expire soon, but it could be renewed.

MR. BRAZ: Is it on a month -- is it, potentially, on a month-to-month---

MR. TIGHUE: It's on an annual basis.

MR. BRAZ: On an annual basis. So is there any reason that we wouldn't be able to get the information that Assemblyman Moriarty is seeking in time for the next State House Commission meeting? Would that affect the current tenant at this property?

MR. TIGHUE: I don't believe so.

MR. BRAZ: I think the Assemblyman brings up a very fair point.

MR. TIGHUE: I don't believe so.

Again, I think that -- I had invited the tenant to be part of this call. I'm not sure if they're here or not; I can't tell. But if they are, and they could talk about their current lease situation with DMVA, that would be great, so maybe we wouldn't have to wait until the next meeting. But if they're not here--

MR. SHAUGHNESSY: Is the tenant on the phone? Is the tenant on the call, in the meeting? (no response)

MR. TIGHUE: Maybe not.

SENATOR CARDINALE: Since the tenant is not there, let me just state, for the record, that I agree with the Assemblyman. We have-- If you are evaluating a piece of property, the rental income that is *generateable* is an important factor. And if you actually have a certain income from a portion of the property, I don't understand how the appraiser could not consider that as part of what creates the value of the property.

And also, to give instructions to the appraiser to ignore the income of the property while they're appraising it -- that's a very strange appraisal, which I have not seen in 50, 60 years of dealings in the real estate industry.

So I would favor -- what appears to be a suggestion about to be made -- that we hold this to our next meeting and get some more information.

MR. SHAUGHNESSY: Thank you, Senator.

MS. BRENNAN: I have another--

So if you look at the site map that's included in our packets, it appears that this piece of property is right -- is in the middle of the overall armory property. Is that right? Or it's surrounded by--

MR. TIGHUE: No, it's inclusive of it. The armory is part of the sale, which-- The armory doesn't exist anymore, but--

MS. BRENNAN: Right; but if you're looking at the map that's -- the lot map that's on page 12--

MR. TIGHUE: Yes, I don't have that; I don't have your package.

MS. BRENNAN: Okay. So are we just -- but are we just talking, Bob -- if somebody else could answer this -- are we just talking about that rectangular area that's on the lot that says *site location*? Are we just talking about that, or the surrounding lots as well?

MR. TIGHUE: I know it's 26.7 acres total.

MS. BRENNAN: Right; I'm just wondering if the location at that triangle is the only location that we're talking about, whether--

MR. SHAUGHNESSY: I don't believe so. I think it's larger, Deputy State Treasurer.

MS. BRENNAN: Okay.

MR. SHAUGHNESSY: Yes.

MS. BRENNAN: All right; so are there existing State tenants on any of the other pieces of property that would be part of this sale, other than the area that is currently being leased by the purchaser -- the proposed purchaser?

MR. TIGHUE: First, two parts.

Actually, the tenant just texted me and said that they're paying \$550 a month for the lease, their current lease; \$550 per month, yes.

And can you repeat the other question?

MS. BRENNAN: So my question is, are there other areas of the property on which there are other tenants who are currently paying rent to the State as part of this purchase?

MR. TIGHUE: Right. So there's another tenant on the old warehouse part, who is going to be leaving. We approached them to see if they wanted to purchase, and they had no interest in purchasing. And they had said that the building isn't for their future needs.

ASSEMBLYMAN MORIARTY: Mr. Chairman, since I started this whole thing, let me just say -- if the tenant who just got on the line and said they're paying \$550, and the other tenant is leaving, it seems to be minimal and allays my fears on this one. And I would be okay going forward.

I just would caution, in the future, we would like to know these things. I think Senator Cardinale -- who's always a great advocate of getting the most money for the taxpayers, as are all of us -- makes a good point. But I'm willing to let this one go, because I don't think there's a lot of money to be had here, if that is the case.

But, going forward, I think that we should have these numbers. But I'll leave it up to you.

MS. BRENNAN: Can I also ask that since Treasury was mandated, in the current Fiscal Year 2020 budget, to undertake an asset monetization study, and has been tasked with that by the Legislature and is currently in process -- any of these State properties we're disposing of, at this point, I would just ask, Bob, if there has been any conversation with the Office of Public Finance to ensure that whatever value is being put on these properties comports with the values that we're looking at in the study that has been done by the Office of Public Finance.

MR. SHAUGHNESSY: I think, to your point, I think we've endeavored to loop in the Office of Public Finance. But we'll be sure to continue that in the future.

MS. BRENNAN: Well, actually, I wouldn't mind holding this one and making sure that we've closed that loop.

MR. SHAUGHNESSY: Okay.

So do we have--

MR. BRAZ: Bob, hold on one second. I think there was a member of the public who wanted to be heard.

MR. SHAUGHNESSY: Absolutely, Mr. Chair; okay.

Judy.

MS. ENGLAND-McCARTHY: Yes.

I hadn't seen this until I got here; I'm here for a different issue.

But as a member of the public, and understanding the cost of things, I cannot for the life of me figure out how, through one appraisal, in which part of the argument is that we can't consider the building that this tenant has put on-- Now, my understanding is, any improvements you make to property that is rented is no longer yours once you vacate the premises. That's something you're doing free and clear. So the value of that, whatever buildings have been improved upon, should be part of this equation.

But even taking that all away--

MR. TIGHUE: These are more trailers.

MS. ENGLAND-McCARTHY: Okay.

MR. TIGHUE: They're--

MS. ENGLAND-McCARTHY: Even taking that away, 26.7 acres in the State of New Jersey, selling for \$325,000, is-- I mean, I can afford

to buy this. It should be (indiscernible) the public minimum bid for the auction. It should not be one individual gets the right to buy it at this number with one appraisal.

I think at least, for the benefit of the citizens of New Jersey, it should go out there for auction and see what the market will bear. That this individual can have it like this seems to me a disservice to the taxpayers of New Jersey.

MR. SHAUGHNESSY: Ma'am, I appreciate your comment very much.

Could you please, for the record, identify yourself and your affiliation?

MS. ENGLAND-McCARTHY: Oh, I'm sorry. I thought it said on my thing.

It's Judy England-McCarthy, and I thought the gentleman introduced me as such.

MR. SHAUGHNESSY: Thank you very much; I appreciate it.

MR. BRAZ: Judy, do you have any affiliation, or just a--

MS. ENGLAND-McCARTHY: Well, actually, I'm part of the Shade Tree Commission; it's a volunteer position of the City of Linden.

MR. BRAZ: Great; thank you, Judy.

MR. SHAUGHNESSY: Thank you.

GARY MACKLIN: May I speak, please? I am actually one of the tenants.

MR. BRAZ: Sure; please identify yourself, sir.

MR. MACKLIN: My name is Gary Macklin; I am one of the owners of Poor Boy Pallet.

MR. BRAZ: Go ahead, Gary.

MR. MACKLIN: All right; so I wanted to give you a little history of the property, so maybe it will put it in a little bit of perspective.

When we came here, these buildings were abandoned. The State didn't spend a dime fixing anything here. They didn't fix the electric, they didn't fix anything. We did it all.

We did have a very reasonable rent, and it helped inspire our business.

Simply just to put it up for auction -- it wouldn't be fair to us; we did the work here, we did the time here. It had two appraisals, and both appraisals came back at the same number. One was a little more, because they were cutting the property up. But we decided to buy it all.

Also, there's a large amount of wetlands and wooded area that are unusable for anything. So the spot that's being used-- Yes, 26 acres sounds great and it sounds like a big lot of property. But when you take in perspective how much land that is not going to be able to be used for anything than just being woods and wetlands -- you have to take that into consideration.

MS. ENGLAND-McCARTHY: But again, you were compensated (*sic*) at a rent of \$550 a month, to allow you to go in and make the improvements. I mean, I don't know of anybody who can rent a single studio apartment in the State of New Jersey for less than \$1,000. So I don't know how big your building was, and I get that you made improvements, but at \$550 you were getting the opportunity to make those improvements.

So I don't know that I agree, as a citizen, that yes, maybe you should have first right, which -- if you're willing to meet what the market will

bear and pay that price. But that you should get a discounted price, which I really--

MR. MACKLIN: We're not getting a discounted price. It got appraised by--

MS. BRENNAN: Excuse me, excuse me--

MS. ENGLAND-McCARTHY: I think that the--

MS. BRENNAN: Mr. Chairman, excuse me.

Mr. Chairman, can you please bring some decorum to this meeting?

MR. BRAZ: So Bob--

MR. TIGHUE: Yes.

MR. BRAZ: --one quick question; and I'm speaking to the owner of Poor Boy Pallet.

If this Commission decides to table this until the next State House Commission, is there any adverse impact to your ability to operate in that space for the foreseeable future? And I would say that we meet once every three months.

MR. MACKLIN: No, no; we are fine with that.

But, I mean, we would like to move forward with purchasing the property.

Again, I want to mention that it was independently appraised -- so it's not like we just dreamed it up -- by a State-approved appraiser. And we do employ 40 people, so we do help the community here. So it's not like--

MR. BRAZ: We also appreciate the fact -- the amount of money -- I don't know what that is -- but the amount of money that you have invested in improving the property and making it a workable space.

But obviously, you understand that it's the State's responsibility to make sure that we're maximizing every asset, especially given the current climate. But we also understand that there are exigent circumstances, especially given the fact that you are operating your business, operating on the property; you have employees who are being paid.

But for us, I think unless-- I don't mean to speak for either Assemblyman Moriarty, Senator Cardinale, or Deputy Treasurer Brennan, but sounds like there are some questions that we want to look into over the next three months.

ASSEMBLYMAN MORIARTY: Mr. Chairman?

MR. BRAZ: And I understand that it will not adversely affect your business, as it stands, for the next three months; and it sounds like it won't.

ASSEMBLYMAN MORIARTY: Mr. Chairman?

MR. BRAZ: Assemblyman Moriarty, go ahead.

ASSEMBLYMAN MORIARTY: Yes, since I opened this Pandora's Box, I just want to say a few things.

I think this points out why it's so important that the Departments give us more information. So I'm speaking directly to, I guess, Treasury, right?

MR. TIGHUE: Yes.

ASSEMBLYMAN MORIARTY: To Treasury -- that, you know,

I want more information, going forward. If I knew beforehand, in the statements that you provide to us, that there is a tenant on-site that's been there for so many years; they employ 40 people; they have mostly trailers; they pay \$550 a month; and they're willing to pay \$350,000 for this, which is mostly wetlands, I wouldn't have even raised an issue. Because I would figure out that, "Okay, there's a guy who's invested in this property. He's willing to pay above what the appraisal was, he or she is putting 40 people to work, we're not making much money each month off of this person anyway." I wouldn't have raised an issue. But in a void of information, not knowing who the tenants are, how much they're paying a month, whether they're adding to the economy, whether they're providing jobs, then I raise questions. Because without that information, I really am wondering whether we're getting a good deal.

So we need more information, and I'm imploring you to please provide it in the future.

Mr. Chairman, based on what I've heard here -- after I asked questions -- I wouldn't have a problem moving this today. But I will accede to whatever the group wishes; I can go either way.

Thank you.

MR. BRAZ: Senator Cardinale, your disposition at the moment?

SENATOR CARDINALE: Well, I think what the Assemblyman has said about additional information is important. Because if most of this property is wetlands and unusable, it reflects on the value. We don't know that. All we know is that a piece of it is being used, and it has been used for a long time.

On the issue of improvements that have been made -- tenants make improvements. But at the end of their lease, those improvements are no longer the tenant's property. The lease makes the property free and clear, and you negotiate a new lease. Now, it's possible that that might be a better way to go than to give up a State asset for what could be a bargain price; or it may, in fact, not be a bargain price because of the condition of the usability of the balance of the site -- even this portion of the site.

You know, the woman from the audience who spoke had, I think, the right handle on this. The property is only valuable if you can use it. And if there is no use for it, it diminishes the value. And the appraiser is right to take that into consideration, but we don't know whether he took it into consideration or not.

So the Assemblyman's request that we get more information in the future I think is an appropriate suggestion.

MR. BRAZ: I'm comfortable holding this until the next State House Commission to get the outstanding questions answered.

MR. SHAUGHNESSY: Is that a motion to table this until the next meeting, Mr. Chair?

MR. BRAZ: That is my motion, correct.

MR. SHAUGHNESSY: Is there a second?

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Okay; thank you, Senator.

Okay, so we have a motion and a second to table this to the next State House Commission meeting.

Any other discussion? (no response)

Any members of the public want to be heard further? (no response)

Hearing none--

MS. ENGLAND-McCARTHY: Just really quickly, because I'm not sure that I'm going to be able to be at this meeting where you're discussing it.

I just want it on the record that, to me, even with all of this that you're looking into, to put it out to where they have first right of refusal, but to still put it out for an Internet auction, would give us the true value of the place. Because, right now, I really -- I get that there's a lot you could not put in. But I also think that the market would be a better assessor of what you could get, once all the facts are in.

So that's the last thing I want to say.

Thank you.

ASSEMBLYMAN MORIARTY: And I would just rebut that you never know when you put something like this out, and all the facts are known, that the highest-paid could be \$200,000. So you have to take that into account, too.

Thank you for being there, as part of the citizens watching us; it's important. And we'll keep that in mind.

MS. ENGLAND-McCARTHY: Thank you very much for your input.

Thank you.

MR. SHAUGHNESSY: Thank you, Ms. England-McCarthy; thank you, Deputy State Treasurer.

First motion and second -- I'll call the roll to table.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

And Bob, I would ask that on the agendas going forward, there be a clear indication whether there has been any cross-check with the Office of Public Finance to ensure that whatever actions we are taking on properties translates with the asset monetization initiative that's going on within Treasury.

MR. SHAUGHNESSY: Thank you very much. So noted; we appreciate it, and will do.

Okay, Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: The motion to table is approved. Thank you very much.

We are now moving on to No. 5 on the agenda.

Vacant land, Block 26001, Lot 1.05, Montgomery Township.

The State recommends granting a permanent easement, consisting of 21,845.2 +/- square feet of vacant land, located on the grounds of the former North Princeton Developmental Center Landfill, to the

Township of Montgomery for the maintenance and repair of an existing sanitary sewer line which services the Montgomery High School.

Since this will directly benefit the community and the State, the easement will be for \$1.

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

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

Hearing none, may I have a motion, please?

MR. BRAZ: Motion.

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Okay, thanks very much.

I'll call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Thank you; that matter is approved.

MS. BRENNAN: Mr. Shaughnessy?

MR. SHAUGHNESSY: Yes.

MS. BRENNAN: Before we go on, I had a member of the public use the group chat on the Zoom feature here, asking how they can ensure that they are recognized during the Zoom portion of -- sorry; during the public portion of the meeting. Should they just unmute themselves, and speak up, and identify themselves?

MR. SHAUGHNESSY: Yes, I think that would be the best way -- to unmute themselves, identify themselves and their affiliation, and then speak up.

I hope that's conveyed in this public meeting; thank you.

ASSEMBLYMAN MORIARTY: Excuse me, can I say something?

That sounds very risky -- to just let anyone unmute themselves and start talking who we haven't even identified.

I've had community meetings in my own District, where they've had zoning and planning meetings that were hijacked by people spewing racist sayings. Shouldn't we have a way to safeguard against that?

MR. SHAUGHNESSY: I believe there's technically an ability to put someone in a waiting room, if that disruption occurs. That's my understanding.

ASSEMBLYMAN MORIARTY: Well, I just want to know who's in charge of that. I'd hate to have something bad happen in the middle of this meeting.

MR. SHAUGHNESSY: We hear you, Assemblyman. Thank you very much.

Okay; No. 6 on the agenda.

Motor Vehicle Commission, Block 1802, part of Lot 7, Borough of Paramus.

The State, on behalf of the Motor Vehicle Commission, recommends granting an easement on the grounds of the Paramus Motor Vehicle Commission inspection station to PSE&G, for the installation and maintenance of live overhead wires across two new poles, as well as the relocation of an already existing gas main on the bridge.

The easement area consists of approximately 0.032 +/- acre of land.

Since this action directly benefits the State, the easement will be granted for \$1.

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

Hearing none, any members of the public?

MS. ENGLAND-McCARTHY: Yes.

I just have a question, because we have a problem, or had a problem, with PSE&G doing some work. And I would like to see whether it's possible to put in something that they have to be -- get either a legitimate pruner or something in when they do these things with the wires. Because I can tell you -- and I can even send you pictures -- of how they basically halve trees, which, first of all, puts the trees at risk and puts the public at risk. Because they don't take the time to properly prune it for the area for the wiring.

So if not today -- is it something that can be considered by the State that we do, so that PSE&G doesn't butcher these trees?

MR. BRAZ: So Judy, I understand your concern. So we hear your concern, but I'm not sure that this is necessarily--

MS. ENGLAND-McCARTHY: Oh, no, no. Because you're giving them an easement to work on this area, and my understanding of an easement is if they work on the area that they now have permission to do their work on the area. But if there are trees in that area where the easement is, and they don't have to have any regard -- which they haven't, at least in my personal experience -- they're damaging trees that are 30 years old, and 20 years old, and they're putting them at risk for dying or storm. And we know what downed wires do. And all I'm asking is that they get somebody who knows about pruning to properly be there, rather than they just butcher the tree.

MR. BRAZ: Understand; thank you, Judy.

MR. SHAUGHNESSY: Thank you; we appreciate the comment. Any other members the public want to be heard? (no response) Hearing none, may I have a motion, please?

MR. BRAZ: Motion.

MR. SHAUGHNESSY: Thank you; second?

ASSEMBLYMAN MORIARTY: Second.

MR. SHAUGHNESSY: Seconded by Assemblyman Moriarty. Any further discussion or comment? (no response)

If not, I'll call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: That matter is approved.

We're now moving on to No. 7; again, another easement, I believe.

This is at the former Marlboro Psychiatric Hospital, Block 159, part of Lot 11, Marlboro Township.

The State recommends granting an easement, consisting of 4.261 +/- acres of vacant land, to the Township of Marlboro for the connection, operation, maintenance, monitoring, repair, renewal, and/or replacement of water lines. The water lines will be connected to the existing Township water supply to service the proposed Department of Human Services group homes to be constructed on a portion of the former Marlboro Hospital.

Since the action benefits the State, the easement will be granted for \$1.

Any members of the Commission have any questions or concerns on this matter? (no response)

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

None as well.

May I have a motion, please?

MR. BRAZ: Motion.

MS. BRENNAN: Second.

MR. SHAUGHNESSY: So it's Chair, and then Deputy State Treasurer seconded.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Okay; thank you.

I'll call the roll, if there is no further discussion.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Thank you; No. 7 is approved.

That matter is approved.

We're now moving on to Department of Transportation requests; there are two DOT requests today.

No. 8: Route 76, Section 1, Parcel VX550C, that's Block 1432, Lot 50, in the City of Camden.

DOT requests approval to convey a vacant piece of excess surplus land, having an area of approximately 517 square feet, to the only interested adjoining property owner, Margaret L. Rogers-Baines, for assemblage to her residential home.

The property will be conveyed to Ms. Rogers-Baines for \$400, which is the appraised value.

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

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

None as well.

May I have a motion?

MR. BRAZ: Motion.

MS. BRENNAN: Second.

MR. SHAUGHNESSY: That's the Chairman, and second is Deputy State Treasurer?

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Thank you; motion and second.

Any further discussion? (no response)

Hearing none, I'll call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: That matter is approved.

We're on to the other DOT request, which I believe is No. 9 on the agenda.

New Jersey DOT Maintenance Yard, Route 17 Southbound, Milepost 9.9 and Gregg Street. This is Block 147.01, Lot 1.01, Borough of Lodi.

DOT is requesting approval for a license at the Department's Lodi Maintenance Yard for the purpose of erecting a Wireless Communications Facility on the excess State-owned property.

Approval is requested to license this site, as set forth in the Master Agreements executed between the DOT and individual wireless communications carriers. This proposal will generate a minimum of \$50,100 per annum, for 5 to 20 years, depending on co-location rent by other carriers and renewal options.

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

Hearing none, do any members of the public have any questions, or concerns, or comments? (no response)

Hearing none, if there are no other questions, do I have a motion?

SENATOR SMITH: So moved.

MR. BRAZ: Second.

MR. SHAUGHNESSY: Okay; thank you.

And no further discussion?

MS. BRENNAN: I'm sorry, Bob.

So the terms say that this will generate a minimum of \$50,100 per year, at a minimum. How is the amount determined?

MR. SHAUGHNESSY: As I understand it, it depends upon the number of years, and if there are co-locators on this.

But is there anyone from the Department of Transportation who could flesh this out a little bit? (no response)

Hello; anyone from DOT? (no response)

MR. RIDOLFINO: I think, the way this works (indiscernible); and then carriers can basically (indiscernible) a tower for their equipment. So depending on how many people they have leasing space on that tower-- (technical difficulties with call)

MR. SHAUGHNESSY: So to your point, you were saying about the co-location, and that may be the variance.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: I think the understanding is, depending upon the number of years and if co-locaters appear -- those are factors. That's my understanding.

Again, is there anyone from DOT on the line who could shed any more light on it? (no response)

I guess not.

Does that answer your question, Cathy?

MS. BRENNAN: It does. But what determines the value of a license?

MR. RIDOLFINO: Yes, I think it's a standard Master Agreement between DOT and the carriers.

MR. SHAUGHNESSY: If you want, we could seek to get more information from DOT on that. So we could hold it, or even conditionally approve it, subject to gaining further satisfactory information.

MR. BRAZ: Deputy Treasurer, what is your--

MS. BRENNAN: I would just like to know how the amount per year was established, since it will be in place for 20 -- up to 20 years.

MR. SHAUGHNESSY: Okay.

Based upon that, then, is there motion to table?

SENATOR SMITH: Motion to table.

MR. SHAUGHNESSY: Thank you, Senator.

Is there a second to the motion to table?

MR. BRAZ: Second.

MR. SHAUGHNESSY: Okay; thank you, Chairman.

Hearing no further discussions, there's a motion to table on the record.

I'll now call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Thank you.

That motion to table has been granted, pending further information from the Department of Transportation.

We're now moving on to No. 10, which begins the Department of Environmental Protection requests.

No. 10 is High Point State Park, Block 39, Lot 13; Block 40, Lot 1; Block 44, Lot 1, Township of Frankford.

DEP requests approval of a new lease to the Township of Frankford for the continued development and operation of existing outdoor recreational facilities, and make same available for public use.

The Township of Frankford has leased this property since 1989 at no compensation. The NJDEP has determined that leasing the property to the Township of Frankford and the reasonably anticipated plans for development of the property for recreation and conservation purposes will be consistent with conservation and recreation within the State Park system.

The lease will be for a term of 20 years, with a one-time payment of \$20. The Township will also be responsible for maintenance, improvement, and recreational facilities on the leased premises.

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

Any members of the public wish to be heard? (no response)

Hearing none, then, I'll have a motion, please, on No. 10.

MR. BRAZ: Motion.

MR. SHAUGHNESSY: Thank you; second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Okay, thank you.

I'll call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Acting Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: And Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: That is approved.

Okay; on to No. 11, I believe. Yes, No. 11.

This is No. 11 on the agenda. It's Liberty State Park, Block 24306, part of Lot 7, Jersey City.

DEP requests approval to enter into a lease agreement with WA Residential Company, LLC, for a dock.

This lease will replace and supersede an expired lease agreement that was executed in 2008, and expired in August 2014.

The lease will be for a term of 14 years, retroactive to August 1, 2014. Upon request of WA Residential and approval of the DEP, the applicant will be granted a six-year renewal term at a 3 percent annual rent increase.

I will note for the record -- and it's been distributed to the members -- we have a letter with certain clarifications from the law firm Connell Foley distributed to the members. This is dated June 30, 2020. The clarifications I will just note quickly for the record; it says, "The agenda states that upon lease execution, WA Residential shall make a retroactive payment of \$80,450.85 for the period August 1, 2014 through July 31, 2020. That payment should actually cover all rent for the period August 1, 2014 through July 31 2021."

So that's a clarification -- 2020, 2021 -- as shown in the rent schedule attached to the lease.

And the second thing -- the agenda states that the rent is \$10,500 beginning on August 1, 2020, and increases by 3 percent annually.

The rent was actually \$10,500 a year beginning on August 1, 2014, and has been increasing by 3 percent annually ever since.

So that's a clarification sought to the agenda.

Based upon that, do we have any questions or concerns from the members?

SENATOR SMITH: Yes; what is the starting rent? We had said that it was \$10,500 and that it increased by 3 percent, from 2014. So in 2020, 2021, what does the rent start at?

MR. SHAUGHNESSY: I believe it's in the schedule attached.

But is there anyone who could confirm that from DEP, or otherwise?

MS. BRENNAN: It's in Exhibit *B*, actually.

RYAN A. BENSON, Esq.: I am here from Connell Foley, on behalf of WA.

I can answer any questions for you.

MR. SHAUGHNESSY: Okay; the Deputy State Treasurer has cited that it's in Exhibit *A* (*sic*).

But Mr. Benson, would you like to add any further comment, sir?

MR. BENSON: Sure.

So yes--

MR. SHAUGHNESSY: And what is your affiliation, again please, and who do you represent?

MR. BENSON: I'm from the law firm Connell Foley, on behalf of the tenant, WA Residential.

MR. SHAUGHNESSY: Thank you.

MR. BENSON: So starting in 2014, the rent started at \$10,500 per year, and has been increasing by 3 percent since then. So for example, for the next rent year, which begins on August 1, 2021, the rent, at that time, will be \$12,537 per year.

MR. SHAUGHNESSY: Does that answer your question, Senator Smith?

SENATOR SMITH: Yes. I wanted to make sure that we weren't losing the 3 percent increases that previously occurred. That's just continuing on with that same rent schedule, with the 3 percent increase every year.

MR. BENSON: Correct.

SENATOR SMITH: That's fine.

MR. SHAUGHNESSY: Any other members have any questions?

MS. BRENNAN: Yes. Can somebody indicate how the rent was determined? And given that the original rent goes back to -- the base year goes back to 2014, probably the value of this dock has changed. I'm just curious how this cost was estimated.

MR. BENSON: This is based on two appraisals. There was one appraisal from DEP, and one appraisal that was by our client, WA. Those appraisals are from only about a year or two ago. So actually, the appraisal is later in time than the start date of the lease. So really, the market value of the lease would have been less in 2014, but you're getting a bit of a premium.

MS. BRENNAN: Okay; we don't have those appraisals in our packets.

MR. BENSON: I would be happy to provide one.

MS. BRENNAN: Can I also ask -- under the section of the fact sheet regarding compensation, it says, "Any expansion of the use of the property and/or ferry deck or ferry service must be approved in advance by landlord, and will result in the renegotiation of an increased rental rate."

So does that mean that there's potential here for the rent to go up beyond 3 percent?

MR. BENSON: Only if there is, in fact, an expansion.

MS. BRENNAN: Right.

MR. BENSON: But there's no plan for an expansion. I think that's really just there to protect the DEP in case an expansion is later proposed.

MR. SHAUGHNESSY: Any other questions, comments? (no response)

Okay; if there are no other questions or comments from members, are there any public members here who would like to be heard? (no response)

I'm calling for any further members of the public who would like to be heard on this matter. (no response)

Hearing none, what's the pleasure of the Commission? Is there a motion?

MR. BRAZ: Motion.

MR. SHAUGHNESSY: Okay; motion

ASSEMBLYMAN MORIARTY: Second.

MR. SHAUGHNESSY: Second; okay, thank you.

I'll now call the roll, if there is no further comment or discussions.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Bob Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Okay; that matter is approved.

On to No. 12, Rancocas State Park, Block 101.25, part of Lot 40, Township of Mount Laurel.

DEP requests approval of a new lease to the Township of Mount Laurel for continued development and operation of outdoor recreational facilities, and to make same available for public use.

The DEP has determined that leasing the property to the Township, and reasonably anticipated plans for development of the property for recreation and conservation, will not interfere and be consistent with conservation and recreation within the larger Rancocas State Park.

The Township has leased this property since 1982 at no compensation.

The lease will be for a term of 20 years, with a one-time payment of \$20. The Township of Mount Laurel will be responsible for the maintenance, improvement, and recreational facilities on the leased premises.

Do any members of the Commission have any questions or comments concerning No. 12? (no response)

Hearing none, do any members of the public wish to be heard on No. 12, Rancocas State Park? (no response)

Hearing none as well, may I have a motion, please, on No. 12?

ASSEMBLYMAN MORIARTY: Motion.

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Okay; so motion and second.

I'll call the roll, if there is no further discussion.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: No. 12 is approved.

On to No. 13, Delaware and Raritan Canal State Park, Block 1, part of Lot 1, Borough of South Bound Brook.

DEP is requesting approval of a new lease to the Borough of South Bound Brook for the continued development and operation of park facilities, and to make same available for public use.

DEP has determined that leasing the property to the Borough, and the reasonably anticipated plans for development of the property for recreation and conservation purposes, will not interfere and be consistent with the larger Delaware and Raritan Canal State Park.

The Borough of South Bound Brook has leased this property since 2004 at \$1 per year compensation.

This lease will be for a term of 20 years, with a one-time payment of \$20 dollars.

The Borough of South Bound Brook will be responsible for the maintenance and development of the park on the leased premises.

Any members have any questions or comments concerning No. 13?

SENATOR SMITH: Yes, sir.

MR. SHAUGHNESSY: Okay.

SENATOR SMITH: I'm recusing myself from item No. 13.

My law firm is the Borough Attorney for the Borough of South Bound Brook; and I think, based on appearances, it would be appropriate for me not to participate in this vote.

MR. SHAUGHNESSY: Okay; thank you very much, Senator Smith, for that recusal. Your recusal will be noted for the record.

MR. BRAZ: Senator, thank you.

Mr. Shaughnessy, do we have enough to move this item now, or are we under a quorum? (indiscernible)?

MR. SHAUGHNESSY: No, we're fine, we're fine; okay.

So do I have a motion? I know with the recusal Senator Smith, we need a motion, and then--

SENATOR CARDINALE: Motion.

MR. SHAUGHNESSY: Thank you; second?

MR. BRAZ: Second.

MR. SHAUGHNESSY: Chairman; okay.

I'll call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith has been noted as a
recusal, and that will be reflected in the record.

And Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: That matter is approved.

And now on to No. 14; No. 14 on our agenda: Cheesequake
State Park, Block 22, Lots 15 through 25 inclusive, Perth Amboy City.

DEP requests approval to enter into a lease agreement with the
Proprietary House Association for the continued use and occupancy of a
portion of the Proprietary House.

This lease will replace and supersede a lease agreement that was
executed in 1992, at a compensation of \$1.

The terms will be as follows: The lease will be for a term of 20
years, with a one-time payment of \$20.

The Association will also be responsible for the continued
maintenance and operation of a portion of the building for public visitation
and interpretation of the historical significance of the Proprietary House.

And as noted in the members' materials, I believe the House goes
back to circa 1764.

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

Hearing none, do any members of the public wish to be heard on this matter, No. 14? (no response)

Hearing none as well, a motion, please, for No. 14.

MR. BRAZ: Motion.

MR. SHAUGHNESSY: Thank you, Chair; thank you.

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Thank you very much.

Okay, I'll call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: No. 14 is approved.

On to No. 15, again a DEP request.

This is at Spicers Creek, Block 753.01, part of Lot 39.05, Lower Township.

DEP requests approval to enter into a lease with South Jersey Gas for an easement to install a new 8-inch gas distribution pipeline on approximately 105 +/- square feet of State land.

The easement is needed to allow South Jersey Gas to replace an aging 6-inch steel pipe across the Cape May Canal. South Jersey Gas has determined this project as a high priority replacement, as recent surveys have indicated issues related to the amount of soil covering the older steel pipe and corrosion on that pipe.

The terms will be as follows: The lease will be for a term of 20 years. The rent for the first year will be \$874. The rent will increase by 2.5 percent on an annual basis. Over the 20-year term, the total amount of rent paid will be \$23,758.

That is the matter up for consideration.

Do any members have any questions or comments about this?

(no response)

Hearing none, are any members of the public here who wish to publicly comment on this matter? This is No. 15 on the agenda. (no response)

Again, none.

May I have a motion on No. 15?

SENATOR CARDINALE: So moved.

MR. BRAZ: Second.

MR. SHAUGHNESSY: Senator Cardinale, thank you very much; and the Chair was the second.

I will now call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: That matter is approved; No. 15 is approved.

We now move on to No. 16. It's Unnamed Conservation Easement, Block 77, part of Lot 36.05, Township of Branchburg.

The DEP, on behalf of the Township of Branchburg, requests approval to allow the release of 0.152 +/- acre of a Township-held conservation easement on private property.

The easement release is necessary to legalize the County of Somerset's replacement of the County Bridge No. C0606 on South Branch Road, which includes the acquisition of additional road right-of-way from the private property.

To compensate, the Township proposes to accept \$30,240 from the County -- it's the County of Somerset -- for the future acquisition of at least 0.304 acre of land, via fee or easement acquisition, for

recreation/conservation purposes, to be located within the Township of Branchburg.

That's the matter up for consideration.

Does any member have any comment or question about this? (no response)

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

Is there any public comment on this matter? (no response)

Hearing none, then, may I have a motion on No. 16, please?

MR. BRAZ: Motion.

MR. SHAUGHNESSY: Thank you, Chair.

Second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Thank you, Senator Smith.

I'll call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: No. 16 is approved.

We're now moving on to No. 17, Cherry Hill Meadows/Croft Farm. This is Block 408.01, part of Lot 1, Township of Cherry Hill.

DEP, on behalf of the Township of Cherry Hill, requests approval to allow the disposal of 0.232 +/- acre of parkland within the Cherry Hill Meadows/Croft Farm property to allow for the addition of a right turn lane on County Route 671 in the Township.

To compensate, the Township proposes to dedicate \$63,100 in monetary compensation to be used for future parkland improvement projects at Cherry Hill Meadows/Croft Farm.

That's the matter for consideration, No. 17.

Do any members have any questions or comments on No. 17?

(no response)

Hearing none, do any members of the public desire to be heard or make public comment on No. 17? (no response)

Again, hearing none, may I have a motion?

MR. BRAZ: So moved.

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Thank you, Senator.

I'll call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: No. 17 is approved; thank you.

On to No. 18; again, continuing on with DEP requests.

No. 18 is Edgewater Borough Riparian Parkland, Block 1, Lot 2, Borough of Edgewater.

DEP, on behalf of the Borough of Edgewater, requests approval to allow the diversion of 1.06 +/- acres of Green Acres-encumbered riparian lands to be leased to Edgewater Colony, Inc., owner of the contiguous upland property -- which is Block 1, Lot 1, for the record.

This application has two components. One, a minor diversion to legalize 16 private/community boat docks and one community boat ramp that were constructed before Lot 2 became encumbered with Green Acres restrictions. And number two, a major diversion to allow the Borough to lease up to six additional private boat docks. The Borough will lease these docks and ramp areas while retaining fee title to the riparian lands.

The lease term will be for a period of up to 50 years, with an initial lease term of 20 years and the possibility of two, 15-year renewal terms -- that's up to, possibly, the 50 years -- subject to Green Acres approval of each renewal, based on the Colony's compliance with the lease.

To compensate, the Borough will receive at least \$50,830 per year in rent. Based upon the initial rental rate, the Borough will receive at least \$2.54 million over the life of the lease, if no additional docks are built, but assuming no existing docks are abandoned.

The Borough will deposit the lease proceeds into a dedicated account, and apply the proceeds to park improvement projects in the Borough.

In addition, the Colony will convey to the Borough its underlying fee-simple interest in a 1.30-acre portion of the Colony property. The proposed replacement land is already deed restricted, but is not currently open to the public, and will be improved with either a public sidewalk or a public walking trail.

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

Hearing none, any members of the public wish to comment on this matter?

MS. ENGLAND-McCARTHY: Yes.

MR. SHAUGHNESSY: Yes; thank you, Ms. McCarthy.

MS. ENGLAND-McCARTHY: I would like to know whether or not any environmental impact studies have been done on this. Because once you get boats -- motor boats of any kind, rather than rowing boats -- they're now polluting the waters, which is an environmental factor on the wildlife in the area.

And the whole idea of the Green Acres is to allow for wildlife to fly. This seems, to me, counterintuitive to allow people to put in this kind of structure.

MR. SHAUGHNESSY: Thank you for your comment again.

Is there anyone from the DEP who may be able to shed some light on this, and the question?

J U D E T H P I C C I N I N I Y E A N Y, Esq.: Yes.

MR. SHAUGHNESSY: Thank you, Ms. Yeany.

MS. PICCININI YEANY: So I believe the docks undergo environmental review on two levels. And environmental assessment is part of our diversion application process, so we would be screening for wildlife and other impacts based on available information about the area. And every single one of these docks is subject to land use permitting, which does include environmental review.

So I would say the primary part of DEP that reviews the environmental impacts would be our Land Use Regulation program.

I would also note that these docks occupy a small portion of a bigger riparian parcel owned by the Borough; meaning that the rest would still be available for public use and would not be impacted by the docks.

MS. ENGLAND-McCARTHY: I would just like to ask -- when you say that they've done the studies, is there any way that this could be delayed so that those studies could be given to this board so they can see it?

And the other thing is, when you say that the docks-- I'm talking about the boats; the amount of boats. To have a dock is nothing; I agree with you. I don't see any problem with that. Where I see the problem is the boats that are now going up and down the area; and they're leaking oil, or whatever it is that boats do -- which is a normal part of what happens -- and were their studies looking into that impact? Not the dock itself, but having, now, this additional traffic by river that wasn't there prior.

MS. PICCININI YEANY: So I don't think the Green Acres Program has jurisdiction over whether motorized boats are allowed in the Hudson River. And, in fact, my understanding is there's a marina, I think it's a public marina, just to the south of these private docks. And there are other marinas in that stretch of the Hudson River. So we do evaluate the impact of the thing we're asked to look at, which was the docks. And again, Land Use has to permit those. But our review did not indicate that there would be any concerns, and we don't have any jurisdiction over whether motorized boats can go in and out of there or not.

MR. BRAZ: Thank you, Judeth.

G R E G O R Y S . F R A N Z: Mr. Chairman, Greg Franz, Borough of Edgewater.

MR. BRAZ: Mr. Franz, go ahead.

MR. FRANZ: Yes; thank you, Mr. Chairman.

Just to clarify -- these docks have been in existence for well over 100 years. This application simply attempts to legalize, according to DEP and Green Acres regulations, the use of those docks on the riparian land. DEP, New Jersey State Police, the Riverkeeper are in our area every day; they're doing yearly inspections. The Borough of Edgewater operates its own 90-boat dock on the Hudson River. So there's continued inspection, and it is one healthy area. There is little pollution, and we'd like to keep it that way.

So I can assure you that this area is well-maintained.

MR. SHAUGHNESSY: Sir, could you please identify yourself again? And you're on behalf of the Borough of Edgewater, correct?

MR. FRANZ: That is correct. Greg Franz, Borough Administrator, Borough of Edgewater; F-R-A-N-Z.

MR. SHAUGHNESSY: Thank you, sir.

MR. BRAZ: Thank you.

MR. SHAUGHNESSY: Are there any further public questions or comments? (no response)

Hearing none, then, is there a motion on No. 18?

MR. BRAZ: Motion.

MR. SHAUGHNESSY: Okay, Chair; and a second?

MR. RIDOLFINO: Second.

MR. SHAUGHNESSY: Okay; thank you, Mr. Ridolfino.

I'll call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes. And I would note that we were provided with a great deal of background in our packets on this matter.

MR. SHAUGHNESSY: Thank you, Deputy State Treasurer.

Acting Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Thank you; Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Thank you, Senator Cardinale.

Senator Smith.

SENATOR SMITH: Yes; and just to comment.

I appreciate the member of the public's comments; it is always good to double- and triple-check. But remember the determination is coming from the NJDEP, who's charged with keeping our state clean; and also having the public buy in to our resources and enjoy the environment.

So I take the DEP's recommendation seriously.

So yes.

MR. SHAUGHNESSY: Thank you.

Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Thank you.

So that is No. 18, and that has been approved.

On to No. 19 -- the project is Waterfront Park, Block 184, part of Lot 3.02, Borough of Keansburg.

DEP, on behalf of the Borough of Keansburg, requests approval to allow the Borough to dispose of a 0.669 +/- acre section of Waterfront Park and replace it with 1.204 acres of adjacent Borough-owned land not currently encumbered with Green Acres restrictions. This will allow the Borough to reconfigure its Waterfront Park to improve the functionality of and access to the Park.

The terms are as follows: The Borough plans to dispose of the 0.669 +/- acre section of the park, with an estimated value of \$173,216, and replace it with 1.204 acres of adjacent Borough-owned land, with an estimated value of \$404,170. This conveyance will be subject to the special conditions set forth in the State House Commission Fact Sheet.

That's the matter up for consideration.

Do any members of the Commission have any questions or comments?

MR. BRAZ: Is someone from Keansburg available?

MR. SHAUGHNESSY: This is No. 19.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Is there anyone from Keansburg-- Yes.

JOHN O. BENNETT, III, Esq.: Hi, this is John Bennett. I'm the Borough Attorney for the Borough of Keansburg, and I'm available to answer any questions that you might have.

MR. BRAZ: Mr. Bennett, how are you?

MR. BENNETT: I'm fine, thank you.

MR. BRAZ: Well, I note the letter, I believe it was June 24, addressed to the State House Commission, saying that there was a dispute over title of the land between, I guess, the current tenant and the Borough. That has since been withdrawn without prejudice. So what is the status of these negotiations, to the best of your ability to share?

MR. BENNETT: The status is ongoing between the tenant-- The tenant's been a tenant of the Borough for about 25 years, operating a go-kart property, which is part of his boardwalk. And then when the lease expired, the Borough chose not to renew the lease, as they wanted to be able to have this property available for parking. And, therefore, then there was a lawsuit filed alleging that the ownership of the property was not in the Borough that they were leasing the property from, but rather from some other entity.

Those negotiations have now become part of a much larger picture, and are ongoing. Both sides -- between the Borough and the

boardwalk individuals, as well as a third party that is interested -- has an interest in the property -- have all been optimistic that we should be able to come to a positive conclusion.

I believe that the conditions that are contained in your fact sheet say that in the event that there is an issue that a court does find, that this exchange of where the restrictions go be flipped back. I believe that's, basically, what-- We're just trying to remove the restrictions on one contiguous piece and place it on another property owned by the Borough that we have been leasing out for about 25 years.

MR. BRAZ: Understood. I am cautious about interjecting this Commission into an ongoing dispute over a title of land.

I see the special conditions are set forth in the fact sheet. As long as this action by this body does not lead to a permanent solution that does not reflect the agreement between the two parties, I feel comfortable moving forward. I defer to the rest of my colleagues on the Commission. I just wanted to get a little bit of clarity in terms of where the negotiations are, and to assure that this action by the State House Commission will not supersede the negotiations that are ongoing.

MR. BENNETT: That is correct, and I appreciate that. You have come to the right conclusion on that -- as what will happen.

MR. SHAUGHNESSY: Do any other members of the Commission have any questions, comments?

SENATOR SMITH: I'd like to weigh in, if I might.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: I agree with Chairman Braz's evaluation of this.

If you look at the basic deal, the basic deal is that we're allowing them to modify their park plans to better serve the needs of their community. But at the same time, they're getting a piece of property not only double the size, but double the valuation. So I think it's a good deal for the State of New Jersey.

And then, finally, it's good to hear from an old friend. I don't know if all -- especially the newer members of the Administration -- are aware, but John Bennett is a former Senate President; he was one of the great environmental leaders when he was in the New Jersey State Senate.

So it's good to hear from you, John.

MR. BENNETT: Thank you very much, Senator. I appreciate those comments. Thank you.

Hearing this-- I've been on since the beginning of the meeting. It has been rather interesting; it's sort of déjà vu from the old days, when I actually served on the Commission for a couple of years.

SENATOR SMITH: There you go.

MR. SHAUGHNESSY: Okay; so any other comments from the State House Commission, any members of the State House Commission? (no response)

Any members of the public wish to comment -- make public comment on this matter? (no response)

This is No. 19 on the agenda.

Hearing none, then, do I have a motion for No. 19?

SENATOR SMITH: So moved.

MR. BRAZ: Second.

MR. SHAUGHNESSY: Thank you, Senator Smith; and Mr. Chair, second.

Okay; I'll call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Thank you.

Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes, please.

MR. SHAUGHNESSY: Okay; and Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Thank you.

So that's No. 19; it is approved.

I think we have-- And we're doing good and hard work, and let's keep going on.

No. 20 is actually Woodrow Wilson Memorial Park, Block 274, part of Lot 2, City of Linden.

DEP, on behalf of the City of Linden, requests approval to allow the diversion of a total of 0.103 +/- acre of Green Acres-encumbered parkland at the Park in connection with a proposed three-story expansion of the Linden Academy of Science and Technology.

To compensate, the City of Linden poses to accept \$33,813 cash compensation from the Linden Board of Education to be remitted to the Garden State Preservation Trust. In addition, as compensation for four large trees proposed to be removed from the disposal area, the Board of Education will pay the City \$606,600. A portion of this payment will be used by the City to plant trees in other City parks, and the balance will be deposited in the Shade Tree and Community Forest Program License Plate Fund.

That is No. 20 for consideration.

Do any members have any questions or comments about this?

(no response)

Hearing none, do any members of the public wish to comment on No. 20?

MS. ENGLAND-McCARTHY: Yes.

MR. SHAUGHNESSY: Thank you, again; I appreciate it.

MS. ENGLAND-McCARTHY: I am a Commissioner on the Shade Tree Commission for the City of Linden.

I have a couple of things in regards to this.

First of all, what came up was that on March 26 of this year, in non-compliance with the Governor, the City of Linden held the hearing, the public hearing, which meant that people had to congregate in numbers larger than 10, at the time. And as a result, there were 19 people who were there; 4 from the public. And because of the situation, I don't think it was a true public hearing. The reason they had the public hearing was because in order to be on the docket at this time, they had to have the meeting by that time.

So first, I'd like to say that I would love that you would just table this until they had an opportunity to do a public hearing that more of the public could participate in.

Second, I would like to say that the trees that are being cut down-- I don't think there's one member in this audience who is 80 years old, and these are 40 (sic) healthy, 80-year-old oaks. And when the evaluation took place, that's worth more than 2,000 trees that the loss of these four trees are equal to. And so it's a huge loss that will be made. They already have a gym; they also have plans that will make it possible to save the trees. The gym won't be quite as large; but they've cited that safety reasons are the reason why they want the gym on that side.

To date, I haven't seen any legitimate findings that safety has been risked by the students crossing the road; it's just something that they said.

And lastly, if for some reason you choose to go this way, the City of Linden has lost a huge amount of trees due to the Asian long-horned beetle and all sorts of others. And we're losing our canopy at a rate of 200 per year, and we're only getting to plant 100, maybe 150 to replace those. So we're not even keeping the canopy we have.

So my request is that if you decide to cut down these *heritage trees* -- that's what I call them; I mean, they're older than I am -- I think we should have respect for something that takes that long to grow. But if that's the way you go with this, at least the money gets allocated to the City of Linden directly so that the Shade Tree Commission can take that loss of trees to our City, and plant them throughout the City. My understanding is, there

are other places, like Woodbridge, that have been able to get that kind of variance in order to do so.

Thank you very much for listening, and I want you to know that we have sent letters out, prior to this, to get -- that another public hearing could take place in Linden. But, to date, we've not got any resolution.

And again, my name is Judy England-McCarthy, and I am part of the Shade Tree Commission of Linden, New Jersey.

MR. SHAUGHNESSY: Thank you for your identity and affiliation; we appreciate it.

MR. BRAZ: Is there someone from the City of Linden on the line?

And thank you, Judy.

JOSEPH C. CHROBAK: Chairman, Joe Chrobak, City of Linden Engineering Department, on behalf of Mayor Dereck Armstead and City Council.

I just want to clarify that everything was done in regulation. Things were posted, notices were sent out. It was listed on the computer. The meeting was held in an auditorium that held several hundred people. The Board of Education assisted by providing facemasks, sanitizing lotions, seating space out, so all of that was held correctly.

With regards to the Shade Tree Commission, the City has been meeting with its Chairman, Jeff Tandul, about the disposition of these trees, in hopes that the City can retain a good portion of the money to be used to plant trees throughout the City parks. The City of Linden has approximately 40 parks that total about 243 acres. This little portion of land is 0.1 acre out

of 6.3 in that particular park, which is only 1.6 percent. And for the total acreage in the City of Linden, that's a 0.04 of all the City parks that we have.

I understand Ms. England-McCarthy's concern about the trees; but the Board of Education and the City fathers are concerned about the safety of the children, the high school students who cross the State highway, a four-lane State Highway, every day to change classes. The intention of doing this addition to the building is to retain the students at that particular building during the course of the entire day, so they will not have to cross the highway.

MR. BRAZ: Thank you, Joe.

My understanding is that the Chair of the Shade Tree Commission is on the line as well. Is that accurate?

J E F F R E Y A. T A N D U L: Yes.

ASSEMBLYMAN MORIARTY: Please identify yourself.

MR. TANDUL: Jeffrey Tandul; I'm Chairman of the Linden Shade Tree Commission. I'm also a licensed landscape architect, in New Jersey since 1989, and have a master's degree in architecture since 1988.

First of all, thank you for your time listening to our comments.

Overall, we object to the disposition of the land. We disagree with-- In regards to the hearing that was held -- yes, they may have met all the legal requirements. But it was not in the spirit of public participation, because it hit right at the peak of when the Governor was shutting things down and people were concerned. They were also out of work; they were not paying attention to this project. There is not a real urgency for this project.

They're creating an \$8 million project that is a duplicate gymnasium for one they have across the street. I argue that this is a *child*

safety issue is specious, because children still have to cross the street at least twice a day because half the kids live on one side of town, half live on the other. So eventually, they're going to have to cross that street. And also, the gym classes that they have at the existing high school -- they tend to bring those kids out into the park during the day when the weather is nice, so they're crossing every hour.

We don't feel that they've looked at all the options. One option would be to create a tunnel between the two buildings; I won't go into the details of why that's a better solution.

We also are concerned about the loss of trees. We have been talking to the town; we did meet with the Mayor and Council President. One of the concerns that we do have is, again, that alternatives were not looked at. We feel like if the building was rotated, possibly, they could actually avoid removing all the trees. They might be able to do an easement, and only remove one tree. They haven't even really looked at that.

There's another safety concern; they're talking about safety concerns. There's a long driveway that they're creating off a residential street, that's at least a couple of hundred feet long, which is in violation of the best management practices and recommendations from Homeland Security and for Education. You never want to have a long driveway like that at a school or public facility, because somebody can load a truck with explosives, get up to a high speed, and drive it into the building.

Also, one of the things that we do request, if this is approved-- In regards to the reforestation plan, currently, the rules of DEP require that the trees be planted in parks -- not necessarily Green Acres-funded parks, but parks within the City. We're going to maximize that if this does go through;

that is our plan. But we also request the Commission's help in being able to use some of those funds for street trees. We have lost a large number of trees; we lost 15,000 trees to the Asian long-horned beetle. We were promised one-for-one replacement by DEP, USDA, and APHIS when that happened and, unfortunately, that never really happened. We, maybe, got about a third to two-thirds of the replacements.

And as Ms. McCarthy mentioned, too, we're planting about 100 to 150 trees a year. We're losing about 200 trees a year, unfortunately. So we're not even keeping up with what we're losing from natural mortality.

In regards to the size of this -- again, everybody keeps saying, "Well, it's minor; it's a small piece of property." But some of those small pieces of property can be more important than the big pieces. And I refer you to Paley Park, if you're familiar with it, in New York. It's actually smaller than this area, but incredibly important. This is the only real green space that's left between the Elizabeth border -- where you have Warinanco Park, which is an Olmstead-designed park -- and the Rahway border. So it is rather important. You can see those trees from up and down the street. There are vistas in and out of the park that are going to be lost; just many concerns about that. Also, the loss of the services of those trees.

I'm sorry; just one more item. Just one other thing I'm going to mention real quickly.

I did do a project, similar to this, for Woodbridge. They went through a major disposition of property, so they have a second hearing coming up. But there is going to be a similar issue that comes up where they want to plant at one of the schools. So after talking to staff a DEP, they said, you know-- One of the things is that rules are a little more flexible through

DEP. And I did work for DEP for eight years, part time, as a forester during the 2000s, mostly on No Net Loss projects and reviewing plans. I hope you look at the spirit of the regulations -- that we're trying to create canopy because, unfortunately, if the money goes to the State, we're kind of at the mercy of the State. The State Forester can use those funds; there's no guarantee we can get that back in a grant. So we would like to retain as much of those funds as possible.

And then, just the last thing, is a technical issue. For future meetings -- because it looks like Zoom is the way of the future, at least in the short term -- if you could have a live link, or a copy-and-paste link would be helpful. Because with the PDF, you have to actually, physically copy and type in all those letters, and it can be a little bit daunting.

But thank you for your time.

MS. BRENNAN: Mr. Chairman, could we hear from DEP on this matter, please, and ask DEP to respond to the concerns raised by members of the public?

MS. PICCININI YEANY: Yes.

So on the subject of the hearing -- we require 30 days' notice for the hearing, which means this hearing would have been noticed sometime in February, before things started to shut down. And Linden, I think, got caught right at that pinch-point where municipalities were trying to decide whether to go through with the hearings, or switch completely to remote or not. And I don't even remember what day it was that the legislation was passed that allowed completely remote hearings.

So we are aware that this is a concern; but I would also point out that our process requires a two-week, post-hearing public comment period for

any hearing that we require. So we understand that there are times that people think of comments afterwards, or can't make it to your hearing, and they have two weeks after the hearing to submit comments.

MS. BRENNAN: Respectfully, may I ask you to comment on the substance of their concerns regarding the trees and the environmental issues, rather than the process? I understand they have concerns about the process, but if DEP could speak directly to the environmental concerns.

MS. PICCININI YEANY: Certainly.

So Mr. Tandul mentioned our State No Net Loss program. But the Green Acres rules have a specific tree replacement formula, which is what was applied to reach this \$606,000 value for the trees. The applicant is then required to give us a plan, under which they explain whether they're going to be able to plant trees in their parks. But they have the option of writing a check to the Community Forestry Program, which gives out money to municipalities for things like street trees. So if it's a planting plan, we do require the trees to be in the Parks. I think the issue here is that we said in the summary that the City told us they didn't anticipate being able to fit all these trees in their parks. I believe the gentleman from Linden may have just said that they possibly could. But if they can't, the balance would be remitted to the Community Forestry Fund and Linden, and others could apply for money for street trees.

Right now, the rule says, specifically, planting in the parks. I know Woodbridge has been raised as some place where we might have deviated from that. But my understanding is that we're still working through the Woodbridge application; we haven't approved the plan. That might have been the proposal, but I don't think we've approved anything there.

So we are trying to work with Linden, because they haven't finished their plan, and we understand that they're negotiating with the Shade Tree Commission. But, you know, ultimately, the location of the trees -- our understanding was -- and, again, maybe the gentleman from Linden could address this -- my understanding was the timing of the school project was such that the City needed to move this forward now, while we were still figuring out the details about the trees.

As far as alternatives and whether all of them had been sufficiently considered -- there were five presented to us that we analyzed, and looked at ourselves, and concurred with the City's analysis. We are not going to second-guess the need for the school or whether there is a safety issue with the children crossing the street. We're not there; we don't know. But we take that at face value when a municipality tells us that's the issue.

So was there anything else that was raised that you wanted me to address?

MS. BRENNAN: No; I think-- No, I'm just -- I'm processing. Thanks.

MR. BRAZ: So Judeth, was your approval contingent on an agreement between the City and the Shade Tree Commission?

MS. PICCININI YEANY: The City is the applicant for the Green Acres diversion, and is the party that's obligated to comply. It's up to them to decide what role the Shade Tree Condition would play in developing their plan. My understanding--

MR. BRAZ: Judeth, sorry to interrupt, but just to follow up on that.

So actually it doesn't sound like there is an agreement or a plan that's been submitted for your agreement approval yet. Is that the case, or am I misunderstanding?

MS. PICCININI YEANY: They are still working on their planting plan.

MR. BRAZ: Okay. So then is it premature to move forward with that approval from the State House Commission if DEP is not satisfied with the disposition of the--

MS. PICCININI YEANY: We made it a contingency-- What we said in the summary was the City is currently working on a plan to maximize the planting of replacement trees in its Green Acres-encumbered parks, but anticipates that it will not have room for all the replacement trees in parks. As part of this application, the Board of Education will pay the City the amount, and the City will be responsible for the tree planting and/or payment to the Fund, with that proportion yet to be determined.

We didn't see that as an impediment to the approval of whether the Board of Education should be able to take this property. And we understood that the timing was important for the school project. Again, maybe the gentleman from Linden could--

MR. BRAZ: Yes, I would agree.

The gentleman from the City of Linden -- what is the time frame, or time condition that we are currently at as it relates to the school?

MR. CHROBAK: Well, it is my understanding that the Board of Education wanted to move as expeditiously as they could, because things take time.

Remember, this hearing is for the diversion of land. It's not a site plan review, which will take place when a design is finalized. Earlier in the year, the concern was to make this meeting; yes, that's correct. But that being said--

MR. BRAZ: I'm sorry, sir; I'm going to ask if Mr. Kotler is here. He's the State House Commission attorney.

Mr. Kotler, are you available?

MR. KOTLER (Commission Counsel): Yes, I'm here.

MR. BRAZ: So Mr. Kotler, is it possible to condition State House Commission approval of this diversion pending an agreement with the City of Linden and whomever is their regulating body -- whether it be the Shade Tree Commission, and Board of Education, or all three -- submits a plan to DEP that satisfies the needs of DEP, in terms of this diversion?

MR. KOTLER: Well, I think we can. In fact, we had-- There have been several other applications today that it has been noted that it's subject to -- and these are DEP applications, I believe -- are subject to special conditions that are in our package. It's more if the Commission feels that the Commission itself needs to take another look at how this is resolved, or it's willing for DEP to make that decision. But certainly you can condition your approval -- and we've done it on a number of occasions -- on the applicant complying with certain conditions that DEP would then have to enforce.

MR. BRAZ: Mr. Kotler, thank you.

I know Assemblyman Moriarty has to leave; he has a voting session. Is there anything you want to add?

ASSEMBLYMAN MORIARTY: No; sorry, I can't remain for the rest of the meeting. Do you have a quorum to finish this meeting? Because I have a voting session with the General Assembly to get to at 11.

MR. SHAUGHNESSY: Assemblyman, we understand the time pressure.

I think we would still -- unless someone else leaves -- we would still have a quorum. Yes, we would still have a bare quorum.

So if you do want to or have to leave, would you like to leave your remaining votes?

ASSEMBLYMAN MORIARTY: Yes, I would.

I'd planned to vote on the final two in the affirmative; on this one, I'm open to whatever-- I was planning to vote "yes" on this.

MR. SHAUGHNESSY: Okay, so on this one, you'd vote "yes," and No. 21 and No. 22, "yes" as well.

With regard to the Judicial Retirement System matters, do you have a vote on those, or not?

ASSEMBLYMAN MORIARTY: If you have a quorum, I haven't-- I mean, I know we were -- I was looking forward to getting this update. I've looked at the actuarial study; I may have questions in the future.

In terms of which things did you want me to vote on specifically -- I'd be happy to do it, and then get off of this, and not take up your time.

MR. SHAUGHNESSY: Okay; State House Commission Counsel.

MR. KOTLER: Yes, Assemblyman, it would be, of course, approval of the minutes, the confirmation of death claims, and vote to accept the financial statements -- or accept receipt of the financial statements,

acknowledge receipt of the actuarial report. We do not vote to approve the actuarial report, but just to acknowledge that it was presented to us.

ASSEMBLYMAN MORIARTY: Yes, I would vote in the affirmative on all of those.

So thank you very much, and I'm sorry I can't stay. But I do have to go to the General Assembly meeting, which I'm late for now.

MR. SHAUGHNESSY: We understand.

ASSEMBLYMAN MORIARTY: Thank you.

MR. BRAZ: I will note, Mr. Shaughnessy, that both -- and I don't mean to speak for Senator Smith and Senator Cardinale -- but I believe they have a voting session at 11:30 as well. So time is of the essence for us to make sure that we're able to get through our agenda.

On Linden -- I'm sorry for the diversion for everyone who is here for a specific agenda item. My understanding is that we are able to move forward with the condition that there is a satisfactory resolution between the City of Linden, the Board of Education, and the Shade Tree Commission, submitted to DEP for approval.

Mr. Kotler is that -- that is something that we could do, moving forward?

MR. KOTLER: Yes, it is; but I'd like to hear from Ms. Yeany about that condition.

MR. BRAZ: Sure.

MR. KOTLER: If that is something DEP would get involved with.

MS. PICCININI YEANY: Yes, we would get involved in that. The plan is required as part of our application. We normally don't submit

the specifics of the plan to the Commission, other than to say there is a plan and to give some details about the number of trees or the amount of payment. So we would have no issue with a specific condition that there'd be a meeting of the minds between the Board of Education, the City, and the Shade Tree Commission on the final version of that plan.

MR. KOTLER: And do you -- does DEP approve the plan, or if, as you said, there is a meeting of the minds, that's good enough for DEP?

MS. PICCININI YEANY: Generally speaking-- I mean, we sometimes have consultations with Forestry; they're part of our same Department. What we at Green Acres are generally looking for is that the required amount of trees or the dollar amount is satisfied; and we leave it to the experts to determine species and locations. So we cross-check.

So we would have no problem with those -- figuring out the details of the plan and submitting it to us to verify that it complies with the dollar amount or the number of replacement trees.

MR. KOTLER: Okay; and so I guess just to close the loop on this -- if the City and the Shade Tree Commission do not reach an agreement, that will mean that this application would not proceed, correct?

MS. PICCININI YEANY: Yes, because it would be incomplete.

MR. KOTLER: Yes.

Chair, does that answer your question?

MR. BRAZ: I think that seems to be a fair (indiscernible) forward. I defer to my colleagues on the Commission.

MR. SHAUGHNESSY: So does any member of the Commission have any further comment? (no response)

If not, is there a motion to conditionally approve this, as discussed?

R O N A L D M A R T I N S: Hi, this is Ronald Martins. I'm a Linden resident, and a Shade Tree Commissioner in Linden.

I just want to add that I agree with the opposition raised by Judy and Jeff earlier. I also oppose this project.

Every year in Linden, we're losing more trees than we're planting due to age, disease, storms, and human malfeasance. So we should make a better effort to save this parkland and these trees.

Oak trees can live several hundred years. So these 80-year-old trees have a long way to go, and we should put a higher value on what they give back to us.

And finally, if this does go forward it should definitely include a reforestation plan; which includes not only park trees, but street trees in Linden, which are badly needed.

Thank you.

MR. BRAZ: Mr. Martins, we appreciate it.

MR. MARTINS: Thank you.

MR. SHAUGHNESSY: Thank you, as a citizen.

So what is the Commission's pleasure?

MR. BRAZ: I'm fine. I think moving forward with an agreement, a conditional agreement as stipulated by DEP and Mr. Kotler, makes sense.

MR. SHAUGHNESSY: Okay; is there a second to that?

MS. BRENNAN: Second.

MR. SHAUGHNESSY: Okay, Deputy State Treasurer.

Based upon that, I'll call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Thank you.

Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: And Assemblyman Moriarty has been marked in the affirmative as well.

That matter is approved, as conditioned.

We're now on to the couple of remaining matters before we sit as the Judicial Retirement System Board, and we'll move quickly and expeditiously.

I hope the people could limit their comments to a reasonable amount of time -- let's say, three minutes or less -- and let's move forward.

This is No. 21, Ramsey Borough Multiple Parks, with the blocks and lots more specifically set forth in the public agenda.

DEP, on behalf of the Borough of Ramsey, requests approval to allow the diversion of a total of 0.144 of parkland at three park locations, for installation of water treatment facilities to reduce elevated arsenic levels in the municipal water supply.

The Borough's current treatment equipment is obsolete now that the arsenic filters are no longer manufactured.

The municipal well stations were constructed in the late 1940s to late 1950s.

The estimated market value of the 0.144-acre diversion area was determined to be \$9,300. To compensate for this minor parkland diversion and the related tree removal, Ramsey will permanently dedicate, for recreation and conservation purposes, a Borough-owned 0.509 wooded property, that is not currently Green Acres-encumbered, which has an estimated value of \$33,700. This conveyance will be subject to the special conditions set forth in the State House Commission Fact Sheet.

Do any members of the Commission have any questions or comments about this matter? No. 21 we're talking about. (no response)

Hearing none, do any members of the public want to be heard on No. 21? (no response)

None as well.

MR. BRAZ: So moved.

MR. SHAUGHNESSY: Okay; Chair, motion.

Second?

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: I will call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Thank you; and Assemblyman Moriarty has been marked in the affirmative.

That matter is approved.

The last item on the State House Commission agenda, before the Judicial Retirement System section, is No. 22, Unnamed Open Space Parcel, Block 141.04, part of Lot 1, Township of Hillsborough.

The DEP, on behalf of the Township of Hillsborough, requests approval to allow the disposal of 0.037 +/- acre of parkland, a parcel along U.S. Route 206 in the Township, for additional right-of-way in support of the New Jersey Department of Transportation's Route U.S. 206/Doctors Way to Valley Road project.

To compensate, the Township proposes to accept \$5,000 in monetary compensation from DOT to be used for a parkland improvement project to be completed within six months from the Commission's approval.

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

Hearing none, do any members of the public wish to publicly comment on this matter, No. 22? (no response)

Hearing none, a motion?

MS. BRENNAN: Motion.

MR. SHAUGHNESSY: Thank you; second?

MR. BRAZ: Second.

MR. SHAUGHNESSY: Okay; Deputy State Treasurer motion, and Chair second.

I'll call the roll.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: And Assemblyman Moriarty is in the affirmative.

Thank you; that completes the State House Commission business, both old and new.

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

MR. BRAZ: Motion.

MR. SHAUGHNESSY: I have a motion to sit as the Judicial Retirement System Board of Trustees; do I have a second?

MS. BRENNAN: Second.

MR. SHAUGHNESSY: Okay, motion and second; thank you very much.

All in favor of sitting as the Judicial Retirement System Board of Trustees -- all in favor? (affirmative responses)

Any opposition? (no response)

Okay, we are now sitting as the Judicial Retirement System Board of Trustees.

No. 1--

MR. BRAZ: Mr. Shaughnessy?

MR. SHAUGHNESSY: Yes.

MR. BRAZ: Is this a public meeting?

MR. SHAUGHNESSY: Yes.

MR. BRAZ: Okay.

MR. SHAUGHNESSY: Yes.

Approval of the minutes of the meeting, held on February 13, of the Judicial Retirement System.

MS. BRENNAN: Motion.

MR. SHAUGHNESSY: Thank you; second?

MR. RIDOLFINO: Second.

MR. SHAUGHNESSY: Okay; all in favor? (affirmative responses)

Any opposed? (no response)

That's approved.

No. 2 -- I have a confirmation of death claims, retirements, and survivor benefits for the Judicial Retirement System Board of Trustees.

A motion?

MS. BRENNAN: Motion.

MR. SHAUGHNESSY: Second?

MR. RIDOLFINO: Second.

MR. SHAUGHNESSY: Okay; motion and second.

I'll call the roll on that, right, Counsel?

MR. KOTLER: Yes.

MR. SHAUGHNESSY: Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty is in the affirmative.

No. 2 on the agenda is approved.

On to No. 3, which is receipt of the financial statements for September to December, 2019.

Do I have a motion on that?

MR. BRAZ: Motion.

MR. SHAUGHNESSY: Thank you, Chair; second?

MR. RIDOLFINO: Second.

MR. SHAUGHNESSY: Thank you; Mr. Ridolfino is the second.

I'll call the roll on that.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty is in the affirmative.

No. 3 is approved.

And now the last, and final, is a presentation by the actuary of the June 30, 2019--

And please be as succinct and brief as possible on this matter.

JANET CRANNA: Thank you.

I'm Janet Cranna from Cheiron. Also with me is Anu Patel.

We're going to, really, go over just a handful of slides to keep this quick.

So this covers the actual Experience Study from July 1, 2014, to June 30, 2018; as well as the valuation results as of July 1, 2019.

I'll first review the assumptions on page 3.

New Jersey statute requires, every three years, a review of all the actuarial assumptions that are used in the valuation. This includes your economic assumptions, your salary increases, and inflation; as well as the

demographic assumptions, which include rates of retirement, termination, disability, and mortality. We do not review the investment rate of return because that is determined by the State Treasurer.

I'm going to jump to page 8. And basically, what we do is we look at what actually happened over that period of the Experience Study, in terms of the number of people who retire, or terminate, or die; and we compare that to what we expected to happen, based on our assumptions, and to the extent that we feel an assumption change (indiscernible) our recommendations to you.

If you jump to page 24, this shows you the assumptions that are used and what our recommendations are.

For mortality, we recommend that we go with the most recent Society of Actuaries' Public Sector Mortality Tables. This is the first time a Society has ever produced tables that were specific to public sector retirement plans. So we are recommending that we go to those tables, as well as using an improvement scale, since we know that it is expected that people will live longer and that mortality is expected to improve.

We are recommending some slight changes to the retirement rates.

No changes to termination or disability. We are recommending lowering the inflation assumption based on experience; and we're recommending modifying the salary increase rates. And we are going to modify them in accordance with Chapter 14 of Public Law 2018, because that determines what the judicial salaries are for the next several years. So we're going to reflect those assumptions.

If we go to pages 24 and 25, this will tell you what the cost impact of those recommendations are for the same assumptions. The liability is expected to increase by about 12 percent, and the contributions would increase by about \$10 million. And that is primarily due to the change in the mortality assumption. Because what we have found is that people are living longer, so we need to reflect that in the valuation. If people live longer, they're expected to continue to receive their benefit payments for a longer period of time.

So those are what our recommendations are for the assumptions.

Moving on to the valuation.

If we look on page 29 -- for this valuation, the market rates of return have returned 5.96 percent, which is lower than what our assumption of 7.5 percent was for that period. So there was a loss on assets.

This valuation also reflects these new assumptions that we just talked about. It also reflects a lowering of the investment return assumption, from 7.5 percent down to 7.3 percent; and that is under the recommendation by the State Treasurer.

Just keep in mind that these results do not reflect any recent economic events that have happened due to the COVID that we're all experiencing. So the valuation is just a snapshot as of July 1, 2019.

I next want to, just briefly, go to page 30; some other important things to highlight.

For Fiscal Year 2020, the State was only going to put in 70 percent of what the statutory contribution is. In addition to that, for Fiscal Year 2021 -- which is based on this 2019 valuation -- the State is only expected to put in 80 percent of the recommended contribution. So because

of all these changes and what the State's contributions have been in the past, we know that the contributions are going to increase from the prior year.

So if we go all the way to page 37, these actually show you what the liabilities are of the system compared to last year. So based on all these things we just discussed, the liability is about \$790 million, your assets are \$207 million, which means there's an unfunded liability of \$583 million. And this represents a funded ratio of 26 percent. So you only have assets that will cover about 26 percent of your liabilities.

Moving on to page 40, the contributions -- because of all these things we mentioned -- the statutory contribution is now \$65.8 million; but we expect the State to only put in 80 percent of that. So we're expecting a State contribution of \$52.6 million for Fiscal Year 2021.

So that was just a very quick overview of the results. The presentation itself and the report have much more detail in there, but I'd be happy to answer any questions that you have.

MS. BRENNAN: I just wanted to note -- on behalf of Treasury and the Administration, when you say *only* 70 percent and *only* 80 percent of State contributions for this year and next year, I just, also, want to point out those are historical highs. Even though they are not 100 percent, this Administration has put in substantially more than prior periods towards the pension system.

MR. BRAZ: You stole my line, Cathy.

MR. SHAUGHNESSY: Thank you, Deputy State Treasurer; thank you, Chair.

Are there any other questions or comments, or should we just take a vote to receive -- acknowledge receipt of this report?

MR. BRAZ: I just want to thank them for their presentation, and their time and effort put into this.

So thank you.

MS. CRANNA: Thank you.

MR. SHAUGHNESSY: Thank you, Mr. Chair.

And if there are no members of the public who want to be heard, then we could take a vote on this.

Any members out there who want to be heard? (no response)

Okay; may I have a motion to receive the financial statements?

MR. BRAZ: So moved.

MR. SHAUGHNESSY: Second?

MR. RIDOLFINO: Second.

MR. SHAUGHNESSY: Thank you; I'll call the roll now.

Deputy Chief of Staff Braz.

MR. BRAZ: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Brennan.

MS. BRENNAN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith. (no response)

Well, Assemblyman Moriarty is in the affirmative, so we have five, correct, Counsel?

MR. KOTLER: Correct.

MR. SHAUGHNESSY: Okay; so that has been approved -- to receive the financial statements for September to December 2019. Pardon me -- the actuary report, June 30, 2019.

That concludes our meeting. Can I have a motion to go back as the State House Commission?

MR. BRAZ: Motion.

MR. SHAUGHNESSY: Second?

MR. RIDOLFINO: Second.

MR. SHAUGHNESSY: Okay; motion and second.

All in favor? (affirmative responses)

Any opposed? (no response)

And then a motion to adjourn.

MR. BRAZ: Motion.

MR. RIDOLFINO: Second.

MR. SHAUGHNESSY: Motion and second.

Okay; all in favor? (affirmative responses)

We are adjourned; thank you so much.

MR. BRAZ: Great job, Bob; thank you.

(MEETING CONCLUDED)