
Commission Meeting

of

STATE HOUSE COMMISSION

LOCATION: Committee Room 7
State House Annex
Trenton, New Jersey

DATE: April 8, 2024
9:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Assad Akhter, Chair
Senator Bob Smith
Senator Anthony M. Bucco
Assemblywoman Nancy F. Muñoz
Aaron Binder
Tariq Shabazz



ALSO PRESENT:

Eric D. Brophy
Commission Secretary

Tamara Loatman-Clark, Esq.
Deputy Attorney General for the State House Commission

Brittany Zulla
Acting Secretary
JRS Administrator

Robert E. Kelly, Esq.
Deputy Attorney General for the Judicial Retirement System

Meeting Recorded and Transcribed by
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ASSAD AKHTER (Chair): Good morning, everybody.
If I could have everybody's attention.

We are going to call the meeting of the State House Commission on April 8, 2024, to order.

Eric.

MR. BROPHY: Thank you.

We're in compliance with the Open Public Meetings Act. Notice of this meeting of the State House Commission was given by way of notice on April 4, 2024, and filed with the Secretary of State, distributed to the State House Press Corps, and posted within the offices of the State House Commission as well as on the State House Commission's website.

Roll call.

Mr. Akhter.

MR. AKHTER: Here.

MR. BROPHY: Mr. Binder.

MR. BINDER: Here.

MR. BROPHY: Mr. Shabazz.

MR. SHABAZZ: Here.

MR. BROPHY: Senator Smith.

SENATOR SMITH: (indiscernible)

MR. BROPHY: Senator Bucco.

SENATOR BUCCO: Here.

MR. BROPHY: Assemblywoman Muñoz.

ASSEMBLYWOMAN MUÑOZ: Here.

MR. BROPHY: All accounted for.

We do have a quorum.

We received no comments on any of the items -- no public comments on any items prior to the meeting.

MR. AKHTER: I would like to advise members of the Commission, just for the record -- and, this does not require a vote -- that there was legislation A3946 passed by the Legislature, which authorizes a State Treasurer to sell a surplus certain real property and improvements in the Township of Hillsborough in Somerset County, which was approved at the November 30, 2023 State House Commission meeting.

Legislation A3946 corrected the original approval of the conveyance to the Borough of Manville to the Board of Education of the Borough of Manville, and accurately lists the block number as Block Lot 65.04/2.01. The approved State House Commission resolution incorrectly listed the block and lot as 65.4/2.01.

So, just to correct the record.

MR. BROPHY: Thank you.

We'll move onto old business.

Number 1 on the agenda is the approval of the November 20, 2023 State House Commission meeting minutes. The verbatim record of the November 20, 2023 State House Commission meeting will serve as the official minutes.

Can I have a motion for approval?

SENATOR SMITH: So moved.

MR. BROPHY: Senator Smith.

Second.

MR. SHABAZZ: Second.

MR. BROPHY: Mr. Shabazz.

Mr. Akhter.

MR. AKHTER: Yes.

MR. BROPHY: Mr. Binder.

MR. BINDER: Yes.

MR. BROPHY: Mr. Shabazz.

MR. SHABAZZ: Yes.

MR. BROPHY: Senator Smith.

SENATOR SMITH: Yes.

MR. BROPHY: Senator Bucco.

SENATOR BUCCO: Abstain.

MR. BROPHY: Assemblywoman Muñoz.

ASSEMBLYWOMAN MUÑOZ: Yes.

MR. BROPHY: OK, five yes, one abstention, so that motion passes.

Number 2 on the agenda: Department of Treasury request -- still under old business. This is Project RPR 8-25, Arthur Brisbane Child Welfare Training Facility, Block 952, part of Lot 1. That is in Wall Township in Monmouth County.

The State Department of Treasury requests approval to lease a portion of the land located on the grounds of the Arthur Brisbane Child Welfare Training Facility to American Tower Corporation, limited power of attorney, for the Verizon Company, for the continued maintenance and operation of a cellular tower and related equipment, together with access to the site.

Verizon is the current tenant; however, the current lease and all renewal options are expiring and a new lease must be approved. The

lease will be for a term of five years with three successive five-year renewal options. The annual rent for the first year shall be \$56,961.85 with a 3.5% annual rent increase based upon the previous year's rent. It will be a co-location fee, subletting the tower space to other cellphone companies at 50% of any fees, rent, and/or other income the Verizon Company receives from a co-locator.

Can I have a motion for approval?

MR. BINDER: So moved.

MR. BROPHY: Mr. Binder.

Second.

SENATOR BUCCO: Second.

MR. BROPHY: Assemblywoman Muñoz.

MR. AKTHER: No, Senator Bucco.

MR. BROPHY: Oh, I'm sorry Senator Bucco. I should have looked up when I--

Mr. Akhter.

MR. AKHTER: Yes.

MR. BROPHY: Mr. Binder.

MR. BINDER: Yes.

MR. BROPHY: Mr. Shabazz.

MR. SHABAZZ: Yes.

MR. BROPHY: Senator Smith.

SENATOR SMITH: Yes.

MR. BROPHY: Senator Bucco.

SENATOR BUCCO: Yes.

MR. BROPHY: Assemblywoman Muñoz.

ASSEMBLYWOMAN MUÑOZ: Yes.

MR. BROPHY: Thank you.

All in favor.

Number 3, Project RPR 20-01, Hagedorn Psychiatric Hospital. Block 9, part of Lot 7, Glen Gardner Township in Hunterdon County.

The State of New Jersey's Department of Treasury requests approval of the maintenance -- approval of the amendment -- to convert the existing lease with Evoke Wellness, LLC, consisting of 3.3 acres of land, located on the grounds of the Hagedorn Psychiatric Hospital, to a ground lease; Number 2, approval of an assignment of Evoke's leasehold interest to Icon, a new investor; and, three, the sale of the building known as "East Hall" to Icon, contained within the property, subject to the ground lease consisting of 57,462 square feet.

Evoke currently leases East Hall as previously approved by the State House Commission at its meeting on September 23, 2019. While in the midst of significant renovations of the building, Evoke suffered financial hardship issues and construction has been halted since October 22. As a result, approximately \$2.7 million in construction liens have been placed on the leasehold estate. Multiple negotiations have taken place during that time, and Evoke has found an investor, Icon, who purchased Evoke's membership interest and is now responsible for the project.

Icon will pay back all existing construction liens, complete construction, and open the facility as a state-of-the-art high-end addiction treatment center. It is unclear at this time whether the Department of Health or the Treasury is the deed owner of the property. The -- give it to me again.

MS. LOATMAN-CLARK: Bill of sale.

MR. BROPHY: Bill of sale of East Hall to Icon reflect the proper ownership.

The terms of the agreement: The new owner, Icon, is requesting the State sell the building for the purchase price of \$570,000, based on the appraisal of its “as-is” mid-construction condition, and change the existing building lease with Evoke to a 30-year ground lease. Icon will immediately satisfy all construction liens upon finalization of the agreement. As a result of the purchase price and ground lease the net to the State will be an additional -- the net to the State will be an additional \$2.47 million in back-owed rent. In the event Icon fails to complete the construction of East Hall, the State will retain the option to repurchase the building.

Number 3. Can I have a motion?

SENATOR BUCCO: Question.

MR. BROPHY: Yes.

SENATOR BUCCO: Does the agreement with the purchaser restrict the use to the high-end addiction treatment center use?

MR. BROPHY: I think we have a member of Icon here.

Sir, if you want to come up.

ANTHONY SHAFER: Good morning.

UNIDENTIFIED SPEAKER: Good morning.

MR. BROPHY: Please state your name for the record.

MR. SHAFER: Anthony Shafer from Icon Equity Group, which is the parent company.

SENATOR BUCCO: So, in the agreement, is there restriction that the use of the property continue to be used for the high-end treatment?

MR. SHAFER: There is, yes.

SENATOR BUCCO: OK. That's all I was concerned about.

MR. BROPHY: Why don't you stay there in case (indiscernible)

MR. SHAFER: Absolutely.

MR. BROPHY: Motion.

MR. AKHTER: So moved.

MR. BROPHY: Mr. Akhter.

Second.

ASSEMBLYWOMAN MUÑOZ: Second.

MR. BROPHY: Thank you, Assemblywoman.

Mr. Akhter.

MR. AKHTER: Yes.

MR. BROPHY: Mr. Binder.

MR. BINDER: Yes.

MR. BROPHY: Mr. Shabazz.

MR. SHABAZZ: Yes.

MR. BROPHY: Senator Smith.

SENATOR SMITH: Yes.

MR. BROPHY: Senator Bucco.

SENATOR BUCCO: Yes.

MR. BROPHY: Assemblywoman Muñoz.

ASSEMBLYWOMAN MUÑOZ: Yes.

MR. BROPHY: All in favor.

Thank you, sir.

MR. SHAFER: Thank you.

MR. BROPHY: Moving onto Number 4-- That was all in favor on that one.

Number 4, Project RPR 20-04, Trenton Office Complex, Block 202, part of Lot 6, in the City of Trenton in Mercer County.

The State of New Jersey Department of the Treasury requests approval to renegotiate the lease terms with A-110 Food Limited Liability Company, more specifically a Blimpies, currently leasing 2,700 square feet of retail space, located at the Trenton Office Complex. The existing lease terms were approved by the State House Commission at its meeting on February 13, 2020, and included escalations which have resulted in the current terms being significantly higher than the current market conditions.

In addition, during COVID-19 pandemic, the tenant suffered severe losses to its income and requested that the rental payments be deferred as per the Governor's order. As a result, the tenant is \$69,750 behind in back rent and has considered filing bankruptcy. The tenant is considered to be an asset to the area, and the current vacancy rate for retail space in the building is over 50%.

Terms of the agreement: Based on current market data and discussions with local realtors, the current market rent is estimated to be \$12.50 a square foot, or \$33,750 per year. Treasury has negotiated that tenant pay \$48,000 per year -- which is \$4,000 per month -- which will satisfy

the current rent as well as payment of back rent in a six-year period. This term will be retroactive to January 1, 2023, and expire on December 31, 2028.

The lessee will be responsible for all utilities supplied to the lease premises, as well as all -- as well as generally all minor repairs and preventative maintenance.

Can we have a motion on that-- Any questions first? (no response)

Can we have a motion?

MR. BINDER: Motion.

MR. BROPHY: Mr. Binder.

Second, Senator Smith.

Mr. Akhter.

MR. AKHTER: Yes.

MR. BROPHY: Mr. Binder.

MR. BINDER: Yes.

MR. BROPHY: Mr. Shabazz.

MR. SHABAZZ: Yes.

MR. BROPHY: Senator Smith.

SENATOR SMITH: Yes.

MR. BROPHY: Senator Bucco.

SENATOR BUCCO: Yes.

MR. BROPHY: Assemblywoman Muñoz.

ASSEMBLYWOMAN MUÑOZ: Yes.

MR. BROPHY: All in favor.

Number 5, this is DEP -- old business.

The project is Cape May Point State Park, Block 760, Lot 6, in the Township of Lower, Cape May County.

The DEP requests approval of a lease amendment to add an additional four years and three months -- or until March 26, 2029 -- to a 20-year lease agreement to Cape May MAC -- M-A-C -- which was previously approved by the State House Commission on September 23, 2004.

The current lease is set to expire at the end of 2024. Under the lease, Mid-Atlantic Center for the Arts, Cape May MAC, is a nonprofit organization; is authorized to operate, interpret, maintain, improve, repair, and preserve the Cape May Fire Control Tower in Lower Township in Cape May County.

The proposed amendment to the lease will serve as the public -- will serve the public's benefit -- by continuing to allow the tenant to offer cultural, educational, and community activities within Cape May Point State Park, and allow the Department to synchronize the terms of this lease with another lease held by Cape May MAC for the operation of Cape May Lighthouse -- that expires on March 26, 2029. On or before March 26, 2029, the DEP will publicly offer a lease for both the tower and the lighthouse as one operation through an RFP.

Terms of the agreement: Consistent with the September 23, 2004 State House Commission approval, the proposed rent for the extended term of the lease is a payment of \$1 per year, plus the ongoing investment by the tenant in development, improvement, interpretive staff, utility expense, and insurance coverage on the tower, which totals approximately \$50,000 per year.

Any questions or comments? (no response)

Can we have a motion?

ASSEMBLYWOMAN MUÑOZ: Motion.

MR. BROPHY: Assemblywoman Muñoz.

Second.

MR. BINDER: Second.

MR. BROPHY: Mr. Binder.

Mr. Akhter.

MR. AKHTER: Yes.

MR. BROPHY: Mr. Binder.

MR. BINDER: Yes.

MR. BROPHY: Mr. Shabazz.

MR. SHABAZZ: Yes.

MR. BROPHY: Senator Smith.

SENATOR SMITH: Yes.

MR. BROPHY: Senator Bucco.

SENATOR BUCCO: Yes.

MR. BROPHY: Assemblywoman Muñoz.

ASSEMBLYWOMAN MUÑOZ: Yes.

MR. BROPHY: All in favor.

Number 6, Project: Founder's Park, Block 17, part of Lot 1.02, in the City of Newark in Essex County.

The DEP, on behalf of the City of Newark, requests approval to allow the City to amend the location and size of the compensatory replacement land required in connection with its Founder's Park disposal application, previously approved by the State House Commission.

On October 31, 1995, the State House Commission approved the City of Newark's application to relocate Founder's Park to accommodate the construction of New Jersey Performing Arts Center on approximately 0.176 acres of property that was formerly designated as Block 17, Lots 5, 6, and 7, and is currently designated as a portion of Block 17, Lot 1.02. The purpose of the 1995 disposal application was to enable the NJPAC to construct a world-class cultural center in the heart of the city and allow the New Jersey Department of Transportation to improve McCarter Highway's vertical and horizontal geometry; realign intersections; and upgrade the lighting and landscaping throughout the city's central business district.

The approval authorized the City to relocate Founder's Park across the street to a nearby compensatory replacement property at the newly created intersection of Center Street and McCarter Highway. The replacement property was compromised -- that's the wrong word -- comprised of small portions of Block 137, Lot 56, and a New Jersey DOT-owned right of way, which would be assembled for that purpose. To satisfy the one-to-one replacement land ratio in place under Green Acres regulations in effect at the time.

During the public hearing that preceded the approval, the public overwhelmingly supported the project. Before Founder's Park could be relocated to the original proposed replacement land, the property was developed as part of New Jersey Transit's Light Rail system, and is therefore unavailable. The City is now seeking approval to modify the location and size of the original proposed replacement land that was previously approved as compensation for the disposal. Specifically, the City is proposing to use a

portion of Mulberry Commons, designated as Block 166, Lot 1.03, which address is 160-172 Mulberry Street; and Block 167, Lot 10.02, which is 8-12 Columbia Street -- approximately 0.352 acres of land -- to serve as the revised compensatory replacement property for the Founder's Park disposal.

Compared to the original proposed replacement land, the revised replacement land is in a location that is more accessible to the public and a more suitable -- and more suitable for park use.

The terms of the agreement: Since the original proposed replacement land was never developed and the new -- *as* the new Founder's Park, and is now unavailable, the DEP is requiring the City to comply with the current Green Acres regulations. When the City received approval in 1995 to relocate Founder's Park, it was required to compensate for the approximately 0.176-acre loss of park land by providing an equal amount of replacement land. At the time, the Green Acres regulations only required a one-to-one replacement of land acreage ratio for diversions or disposal of the park land. Under the current rules, an applicant proposing to compensate for a major disposal of park land to accommodate for a public project must offer replacement land at a two-to-one ratio of at least equal market value and that meets the requirements of NJAC 7:35-26.10(d).

To compensate for the lost acreage at a ratio of two-to-one, the revised replacement land must be at least \$15,332 square feet in size. The available acreage at Mulberry Commons is approximately 120,552 square feet, broken down between two parcels, Block 167, Lot 10.02, which is 64,596 square feet with an appraised value of \$6,800,000; and, Block 166, Lot 1.03, which is 55,956 square feet with an appraised value of \$5,700,000. The appraised value of the Founder's Park disposal area is \$390,000.

The public hearing for this proposed amendment took place on July 7, 2021.

I'll ask for a motion on that first.

SENATOR SMITH: How about a question first?

MR. BROPHY: Sure.

SENATOR SMITH: It's implied, but I'm just double checking.

The City of Newark is buying this lease for \$390,000?

MR. BROPHY: I--

MR. AKHTER: I'm sorry, is there someone here from DEP to answer these questions?

MR. BROPHY: Yes.

You want to come up?

UNIDENTIFIED SPEAKER: I am here on behalf of the City of Newark.

MR. AKHTER: OK; that's fine.

UNIDENTIFIED SPEAKER: I can answer your questions.

MR. BROPHY: That'll work.

MR. AKHTER: Sure.

KEVIN M. KINSELLA, Esq.: Good morning.

Kevin Kinsella from DeCotiis, FitzPatrick, Cole & Giblin, on behalf of the city--

MR. AKHTER: Sir, can you repeat it at the--

MR. KINSELLA: Yes.

Kevin Kinsella from the law firm DeCotiis, FitzPatrick, Cole & Giblin, on behalf of the city.

The replacement land -- the new replacement land -- is owned by the City already. It was part of a land swap when the City was redeveloping the downtown core. So, it received these two lots, passed a resolution to bank those lots for purposes of replacement land for Green Acres projects, diversion projects.

And, so, that's the genesis -- that's how the City acquired the land.

SENATOR SMITH: Why are we so interested in the valuation, considering we're already sitting on the property?

MR. AKTHER: I think that's just a requirement, right--

MR. BROPHY: Statutory requirement, right?

MR. KINSELLA: Yes; yes, sir. It has to be at least equal value and two-to-one in terms of the acreage ratio.

SENATOR SMITH: Thank you very much.

MR. KINSELLA: You're welcome.

MR. BROPHY: Why don't you stay there just in case.

Can we have a motion for that?

SENATOR SMITH: So moved.

MR. BROPHY: Thank you, Senator Smith.

Second.

SENATOR BUCCO: Second.

MR. BROPHY: Senator Bucco.

Mr. Akhter.

MR. AKHTER: Yes.

MR. BROPHY: Mr. Binder.

MR. BINDER: Yes.

MR. BROPHY: Mr. Shabazz.

MR. SHABAZZ: Yes.

MR. BROPHY: Senator Smith.

SENATOR SMITH: Yes.

MR. BROPHY: Senator Bucco.

SENATOR BUCCO: Yes.

MR. BROPHY: Assemblywoman Muñoz.

ASSEMBLYWOMAN MUÑOZ: Yes.

MR. BROPHY: All in favor.

Thank you, sir.

MR. KINSELLA: Thank you for the questions.

MR. BROPHY: Moving on, Number 7.

Moving onto new business -- this is a Department of Treasury request.

RPR -- this project is RPR 21-07, Lodi Armory, Block 286, Lot 1.01, in the Borough of Lodi in Bergen County.

The State of New Jersey Department of Treasury, on behalf of the Department of Military and Veterans Affairs, requests approval to dispose of the former Lodi Armory located at 178 Essex Street in Lodi. It has been considered surplus to the Department's needs.

The property currently houses the Bergen County Meals on Wheels program and the New Jersey State Central Motor Pool. The property contains three buildings: The armory, which is 22,333 square feet; the garage 1, which is 12,810 square feet; and garage 2, which is 12,180 square feet, situated on 4.01 acres. The property has an appraised value in use of \$4,100,000.

The terms: A direct sale to the County of Bergen has been negotiated for the value in use based on the County of Bergen agreeing to a long-term lease at below market rates with the New Jersey Central Motor Pool, who is a current occupant in the site. In the event the above directed sale does not occur, Treasury will dispose of the property via internet auction at the minimum bid price of \$6,540,000, the appraised fair market value.

Due to the fact that Bergen County will be leasing a significant portion of the building to the State at below market rates, the value in use is considered the only appropriate measurement. It should be noted that all State leases are subject to approval by the State Leasing and Space Utilization Committee.

Can I have a motion?

SENATOR SMITH: I have maybe a question again.

MR. BROPHY: Sure.

SENATOR SMITH: Do we know how much space is still in New Jersey (indiscernible)

MR. BROPHY: Do we have somebody from--

MR. AKHTER: Treasury.

MR. BROPHY: Just state your name for the record.

ROBERT J. TIGHUE: Yes, sure.

Robert Tighue; Treasury.

So, the space -- the interior space -- I don't actually have the exact number, but most of the space is, it's an essential motor pool, so it's parking. They-- We keep our cars there for that area, for the region, if it's State cars, they come in and go.

I don't have that exact breakdown, as there's maybe a hundred-plus -- I don't want to guess. I know that they have their Meals for Wheels Program, the county has their Meals for Wheels Program there. We have our essential motor pool. (indiscernible), who owns the property, surplussed it, and they want to get out. And, we can't afford to lose that site for the essential motor pool, and the county can't afford to lose it for the Meals for Wheels Program. So, the county came to us and said they wanted to purchase it, and we just said as long as we can keep our program there and you can keep your program there, let's base it on whatever the appraised value.

And, the difference between a value in use and a value -- a market value -- is -- market value would be if the property was vacant and ready to be used for anything, and at that point they were looking at more of the land value actually than the buildings. But the value in use that is currently being used, and it's going to continue to be used for that purpose. And, that's why we decided on that -- that number.

SENATOR SMITH: So, it is our interest in the property that we can maintain our tenants.

MR. TIGHUE: Correct.

SENATOR SMITH: So, how long-- What kind of a lease do we have -- *will* we have -- with the new owners?

MR. TIGHUE: We're still working on that. Like I said, that has to be approved by the State Leasing and Utilization Committee. But we-- The discussions have been, and agreed upon in general terms, that we're going to basically have-- They're paying below market rent for us, so we're

going to be having similar terms when we take over -- when they own the building.

SENATOR SMITH: Should we try to have that proposed lease agreement (indiscernible)

MR. TIGHUE: So, I-- In theory, we have general terms agreed upon; nothing solid. But, we needed to get this step first before we can go to the next step because of the ownership issue.

It's-- What comes first? I don't know. I mean, really, what makes more sense? We felt it made more sense to get this approval first, that we know that we're going to actually do a sale, because if we don't get the approval for the sale then it doesn't matter what the lease terms are; there won't be a lease.

SENATOR SMITH: Right, but if we do the sale and they say, "We need to make a little more money--"

MR. TIGHUE: We don't have to go through with the sale at that point -- just because we--

SENATOR SMITH: (indiscernible)

MR. TIGHUE: Correct.

SENATOR SMITH: OK.

Thank you.

MR. TIGHUE: Sure.

MR. BROPHY: So, we have a motion.

So, can we have a second on that?

SENATOR SMITH: Second.

MR. BROPHY: Senator Smith.

Mr. Akhter.

MR. AKHTER: Yes.

MR. BROPHY: Mr. Binder.

MR. BINDER: Yes.

MR. BROPHY: Mr. Shabazz.

MR. SHABAZZ: Yes.

MR. BROPHY: Senator Smith.

SENATOR SMITH: Yes.

MR. BROPHY: Senator Bucco.

SENATOR BUCCO: Yes.

MR. BROPHY: Assemblywoman Muñoz.

ASSEMBLYWOMAN MUÑOZ: Yes.

MR. BROPHY: All in favor.

Assemblywoman, we know you have to leave in five -- less than five minutes. We may want to adjourn this portion, go into Judicial, and then come back.

ASSEMBLYWOMAN MUÑOZ: OK.

MR. BROPHY: If you're OK with that.

ASSEMBLYWOMAN MUÑOZ: That's fine.

Do I need to sign anything before I leave?

MR. BROPHY: No, we'll do a motion--

MR. AKHTER: We need you for the quorum for the Judicial Retirement Board, not for the State House.

So, we're going to adjourn the State House for now, and then we'll--

MR. BROPHY: Go into Judicial--

MR. AKHTER: Judicial--

MR. BROPHY: --and then we'll--

MR. AKHTER: --and then--

MR. BROPHY: --after you leave, we'll come back--

MR. AKHTER: --then you can (indiscernible)

MR. BROPHY: (indiscernible)

ASSEMBLYWOMAN MUÑOZ: OK.

MR. AKHTER: So, just stay here for two minutes.

MR. BROPHY: Can we have a motion to adjourn?

SENATOR SMITH: So moved.

MR. BINDER: Second.

SENATOR BUCCO: Second.

MR. BROPHY: All in favor.

ALL: Aye.

MS. ZULLA: OK, first on the JRS agenda is the approval of the minutes of the meeting--

MR. AKHTER: No, we have to take a quorum -- take a roll.

MR. BROPHY: Take a roll call.

MS. ZULLA: OK, I'm sorry about that.

MS. ZULLA: Mr. Akhter.

MR. AKHTER: Here.

MS. ZULLA: Mr. Binder.

MR. BINDER: Here.

MS. ZULLA: Mr. Shabazz.

MR. SHABAZZ: Here.

MS. ZULLA: Senator Smith.

SENATOR SMITH: Here.

MS. ZULLA: Senator Bucco.

SENATOR BUCCO: Here.

MS. ZULLA: Assemblywoman Muñoz.

ASSEMBLYWOMAN MUÑOZ: Here.

MR. AKHTER: We are now sitting as the Judicial Retirement Board.

And, Assemblywoman, you are going to leave your votes here for the board?

ASSEMBLYWOMAN MUÑOZ: Yes.

MR. AKHTER: Thank you so much.

ASSEMBLYWOMAN MUÑOZ: OK; go?

MR. AKHTER: You're good; thank you, thank you very much. Appreciate it.

ASSEMBLYWOMAN MUÑOZ: I'll be upstairs if you need me.

MR. AKHTER: We've left -- Eric, where did she leave -- did she leave her recorded--

MR. BROPHY: She (indiscernible)--

MR. AKHTER: Huh?

MR. BROPHY: She's a yes on everything.

MR. AKHTER: Yes; OK.

ASSEMBLYWOMAN MUÑOZ: I would just say that I voted yes on the minutes, but I wasn't here last meeting, so I probably should have abstained on the--

UNIDENTIFIED SPEAKER: (indiscernible)

ASSEMBLYWOMAN MUÑOZ: OK, thank you.

MR. AKHTER: Assemblywoman, you're yes on all the items on the JRS?

ASSEMBLYWOMAN MUÑOZ: Yes.

MR. AKHTER: For the record.

Thank you.

MS. ZULLA: OK, Number 1 on the agenda: Approval of the minutes of the meeting held on November 20, 2023.

SENATOR SMITH: So moved.

MR. AKHTER: Second.

MS. ZULLA: Second; thank you.

Mr. Akhter.

MR. AKHTER: Yes.

MS. ZULLA: Mr. Binder.

MR. BINDER: Yes.

MS. ZULLA: Mr. Shabazz.

MR. SHABAZZ: Yes.

MS. ZULLA: Senator Smith.

SENATOR SMITH: Yes.

MS. ZULLA: Senator Bucco.

SENATOR BUCCO: Abstain.

MR. AKHTER: Yes; also Muñoz abstained.

SENATOR BUCCO: Assemblywoman Muñoz also abstained.

MS. ZULLA: OK, thank you.

(indiscernible)

MR. AKHTER: So, go ahead and make the motion.

So, for item Number 2, I am making -- I am asking for a motion -- we're asking for a motion to approve all listed death claims and survivor benefits and to approve items one through five on the Retirement list and table. I would like to table Retirement application Number 6 due to a question -- Judge Grant.

So, Judge Grant, we're going to table Number 6, but all other items-- So, I'll ask for a motion.

MS. ZULLA: On the motion.

SENATOR SMITH: Second.

MR. AKTHER: No, sorry, we need a motion first.

SENATOR SMITH: (indiscernible)

MS. ZULLA: No, I can't motion. (laughter)

SENATOR BUCCO: Moved. Or second.

MS. ZULLA: (laughter)

MR. AKTHER: (laughter) Moved by Senator Bucco, seconded by Senator Smith.

MS. ZULLA: Mr. Akhter.

MR. AKHTER: Yes.

MS. ZULLA: Mr. Binder.

MR. BINDER: Yes.

MS. ZULLA: Mr. Shabazz.

MR. SHABAZZ: Yes.

MS. ZULLA: Senator Smith.

SENATOR SMITH: Yes.

MS. ZULLA: Senator Bucco.

SENATOR BUCCO: Yes.

MS. ZULLA: Thank you.

Number 3 -- I'm sorry -- yes, Number 3 on the agenda is the received financial statements for July and August 2023.

Can I have a motion?

MR. AKHTER: So moved.

MR. SHABAZZ: Second.

MS. ZULLA: Thank you.

Mr. Akhter.

MR. AKHTER: Yes.

MS. ZULLA: Mr. Binder.

MR. BINDER: Yes.

MS. ZULLA: Mr. Shabazz.

MR. SHABAZZ: Yes.

MS. ZULLA: Senator Smith.

SENATOR SMITH: Yes.

MS. ZULLA: Senator Bucco.

SENATOR BUCCO: Yes.

MS. ZULLA: Thank you.

Number 4 on the agenda is the Honorable Lourdes Lucas appeals the Division's decision denying of the purchase of her JRS service credit for previous service.

Is there anyone here on behalf of Judge Lucas?

Do you have a motion? Do you want to--

MR. AKHTER: I am going to call for-- Do we need to have discussion about this?

SENATOR BUCCO: Yes, we were going to have an executive session on this.

MR. AKHTER: OK.

I would like to make a motion to call for an executive session.

UNIDENTIFIED SPEAKER: So moved.

MR. AKHTER: Second on that.

UNIDENTIFIED SPEAKER: (indiscernible)

MS. ZULLA: Mr. Akhter.

MR. AKHTER: Yes.

MS. ZULLA: Mr. Binder.

MR. BINDER: Yes.

MS. ZULLA: Mr. Shabazz.

MR. SHABAZZ: Yes.

MS. ZULLA: Senator Smith.

SENATOR SMITH: Yes.

MS. ZULLA: Senator Bucco.

SENATOR BUCCO: Yes.

MS. ZULLA: Everyone else leave the room that's not a member.

Thank you.

MR. AKHTER: Thank you.

(EXECUTIVE SESSION BEGINS 9:45 a.m.)

(EXECUTIVE SESSION ENDS 9:56 a.m.)

MS. ZULLA: So, in regards to Honorable Lourdes Lucas' purchases, can I have a motion to deny?

MR. AKHTER: I'll make that motion to deny the additional service credit.

MR. SHABAZZ: Second.

SENATOR BUCCO: Second.

MS. ZULLA: Is there any public comment for Judge--

MR. AKHTER: No, she asked earlier -- she asked earlier, yes, she asked earlier.

MS. ZULLA: (indiscernible)

OK.

Mr. Akhter.

MR. AKHTER: Yes.

MS. ZULLA: Mr. Binder.

MR. BINDER: Yes.

MS. ZULLA: Mr. Shabazz.

MR. SHABAZZ: Yes.

MS. ZULLA: Senator Smith.

SENATOR SMITH: Yes.

MS. ZULLA: Senator Bucco.

SENATOR BUCCO: Yes.

MS. ZULLA: Thank you.

Moving onto the Honorable Service Review for Judge Deborah Gross-Quatrone, Number 5 on the agenda.

Is there anyone here on the matter who wishes to make any statement or opening remarks?

UNIDENTIFIED SPEAKER: We are (indiscernible)

MR. AKHTER: Please--

MS. ZULLA: Please come up.

MR. AKHTER: So, in the interest of time, I am going to ask for -- hold it to five minutes, any remarks, and then we'll take questions from any members.

So, please sit down and introduce yourselves.

S U M A N A M I T R A: Five minutes total or five minutes each? I just really do need to know, because I'll be super short, then.

MR. AKHTER: Five minutes each, I'll allow.

MS. MITRA: OK, thank you very much.

And, do we stay seated, or stand? I'm sorry, I have--

MR. AKHTER: Seated, please.

MS. MITRA: Thank you.

My name is Sumana Mitra, I am retired prosecutor from Passaic County, and I am just here on behalf of Judge Gross-Quatrone because I got to know her -- not from being before her, but from being President of the Bar Association at the time, knowing the judges in that capacity; seeing her about five years after all this had happened after not seeing her in between and seeing a whole different person than I had known when she was in Passaic County.

And, I wanted to come here on her behalf and explain that to you, that I believe she has been punished enough. She is a shell of who I knew-- May I stand? Or, would you like to sit, I feel--

J U D G E D E B O R A H G R O S S - Q U A T R O N E: I'll just sit -
- I'll just stand.

MS. MITRA: I'm used to standing.

MR. AKHTER: It-- OK.

MS. MITRA: If it's OK.

MR. AKHTER: I'll allow it.

MS. MITRA: Thank you.

It's out of respect for the members of the Committee as well; I'm just used to standing in court.

MR. AKHTER: Sure.

MS. MITRA: But, she was a confident, self-assured, friendly, well-loved in Passaic County for the six months she was there, judge and person. And, when I ran into her at some sort of event, she was broken; she was divorced after a happy 30-year marriage -- based on all the stress this has caused her.

I know you have all the paperwork. I just want to implore to you that when somebody does something because they are feeling harassed or bullied, I know New Jersey spends so much money on making sure we do classes on this and we make sure when somebody is in a position of power, somebody under them doesn't feel harassed or bullied. And, that was not what the facts show here. I was not a witness, I am just asking you to take everything into consideration.

Because a woman I met was broken. She was seeing a psychiatrist. She's never had to do that before. She's on medication. She is currently working for a retired judge from Passaic County who also garnered her respect.

Basically -- and, with no offense to Judge Gross-Quatrone -- as a paralegal, she does the same work just to make the extra money. She

has done everything asked of her in applying for the pension she's entitled to, and I am asking you to please not punish her more and give her that.

I would also like to stress that the one infraction that caused this for her, when we have seen so many suspensions for a short period of time; no period of time; two months; six months; with pay -- this two months without pay changed her life not just financially, but she came back from that. A year after being in a separate county -- Essex -- where she was also absolutely thriving, well-loved, well-respected, she gets hit -- again -- first the suspension, then the transfer. It wears at her, it wears at her.

The one thing she did to protect herself that caused the infraction, which is legal in New Jersey, a one-sided recording -- I'm not saying it's ethical, I'm not saying it was in the best taste -- but it was to protect herself. That was taken from her, out of her purse without her permission. She has completely understood that maybe recording wasn't the best way, but you know from her paperwork she asked to bring a witness in, she was denied; she asked for the meeting to be on CourtSmart, she was denied; so she did the only thing she thought might protect herself from how she was feeling at the time. She was punished with a two-month suspension; she was punished from the disgrace of that, for how it made her feel for not wanting to come back in the first place, and for everything you've heard from that.

She is going to give you more details, but I am imploring you to understand that those who know her know she's been punished enough, and we're just asking that she be shown as much fairness as possible by the members.

Thank you.

MR. AKHTER: Thank you.

Your Honor.

JUDGE GROSS-QUATRONE: Thank you.

I am Deborah Gross-Quatrone.

Thank you for allowing me to address you personally.

I have been blessed to be a New Jersey attorney, and also a judge for the State of New Jersey for a career spanning almost four decades. And, throughout most of my 40-year professional career, I have served the public for years, and I have been proud and honored to serve in many capacities. I started as a legal intern, a solo female practitioner in one county, in Bergen County, for approximately 25 years. I was a Municipal Court judge; I was a conflict attorney for the Bergen County Public Defenders Office; I was a municipal public defender; I was the President of the Saddlebrook Educational Foundation; I was the President and Founder of Saddlebrook -- President of the Saddlebrook Board of Education; I was a municipal public defender; and I also became a trustee and then eventually rose to the level of President of the Bergen County Bar Association -- the second female in 113 years.

And, eventually, I became a Superior Court Judge for the State of New Jersey, a recipient of various awards -- many of them having to do with victims of domestic violence and victim advocacy -- trailblazing awards for women. And, my very best accomplishment in 60 years: Raising two decent, honest, loving, and giving children.

I was sworn in as a Superior Court Judge March 3, 2015, and truly I was living the American dream. A child of Italian immigrants and parents who had not had the opportunity or means to educate themselves, attend college. And, my swearing in, I was there with a crowd of 300 people

who watched me take the oath to serve, protect the Constitution of the United States and that of New Jersey.

Who could imagine that in five short months, the dream that I thought would become my everything would be my worst reality? I had never experienced adversity in my 25 years of being a lawyer in the capacities I had served. Upon my initial swearing in, I was unexpectedly sent to Passaic County because they were deficient in their Family Division and we did not have a sufficient amount of judges.

I served there without knowing anyone and applied my exceptional work ethic to my new position. I was well-accepted by all the judges and the staff there, and everything seemed to go very smoothly. I didn't have any problems, and if the Judicial canons did not prevent those judges who I served there with, we would have many references in front of you. Unfortunately, they are not permitted to do so. But, the staff and I enjoyed a great professional working relationship, and it was very productive, and, in fact, I was given a beautiful going away party five months later when Passaic received their new package of judges.

On June 23, the Passaic County Assignment Judge Ernest Caposela called me in to tell me that Passaic had received their new package of judges and that I would regretfully be re-assigned to Bergen County. And, that would be effective July 6. And, he said, "I suggest that you contact the new Assignment Judge Bonnie Mizdol and work out the details."

And, so, we made a couple of attempts to reach one another and at about 11 o'clock that day, we did. And, I thought -- as anybody would -- with a new administrator, I should inform her of my new vacation time that I had coming up. As many of you may know, June 30

marks the end of the court calendar year, so it is real crunch time. And, my calendars were *very* full to make sure that I could complete as many cases as possible.

So, I just let her know that I had a very full calendar and that I would be taking my vacation after that. And, she was very surprised at the fact I was taking vacation, and then I said to her -- and, right after that, because June 30 is the end -- "I am taking another vacation July 10 to July 19" and that those vacations were approved by Judge Caposela in Passaic.

MR. AKTHER: Your Honor, five minutes have expired. If you could just wrap up your remarks here.

Thank you.

JUDGE GROSS-QUATRONE: Sure.

Immediately, I was told, "Jesus Christ, do you have any other (expletive) vacation that I don't know about?" And, immediately, I knew that I had some trouble and things were not going to go well. That was just the start of it.

And, I went to Bergen and I got there in July and I suffered six months of significant harassment and sexual ridicule over the way I dressed, and I was called "the diva judge," and I was told various things about the way I dressed and what I wore and staff was told they wouldn't have to work for me very long because they were working on getting rid of me. I did the best I could, and I tried, but it took its toll on me and eventually she said I was "getting paranoid." And, I wasn't getting things right, so at some point I wanted to just please her and we had a meeting when she took my law clerk away from me and she had changed my assignment twice, and I didn't want to fail, so I went to the meeting and I brought my secretary.

And, at that point, she wouldn't let my secretary in, so I said, "Can we please just go on CourtSmart so I could make sure what this new assignment is without a law clerk, so I get it right?" And, she wouldn't allow her in. And, so, I tried to record so I could get my new duties right, and get it clear, and her Trial Court Administrator just reached into my pocketbook and took it out and from that point on she said, "Deborah, what you have done today is irretrievable, and you will pay."

And, it went on. They banished me; I went to Essex County and she signed charges against me. I was ultimately suspended for two months without pay, and other things continued to happen to me until I got sick and very severe nosebleeds, so badly that it perforated my septum -- which I don't have anymore -- and other various illnesses. And, I just left. I tried for disability at Pension, and even though I had the medical records - - which I know I sent to you, in your packet -- and four doctors opined that I was not capable, I was not given the disability pension.

So, I paid \$203,513 just to get this pension. I would be honored if you would allow me to have it.

MR. AKHTER: Thank you, your Honor.

At this time, I am required to read the Uricoli factors. But, I will allow if any of the members have questions beforehand, or any comments--

SENATOR SMITH: I don't understand the (indiscernible) -- the \$203,000.

JUDGE GROSS-QUATRONE: I had to buy back some time because I was a Municipal Court Judge and I had PERS time. So, I

bought that time back so that I could get up to a higher number for my pension payout.

SENATOR SMITH: Can anybody tell me about the two-month suspension means (indiscernible) quantitatively, dollar-wise, we're talking about.

JUDGE GROSS-QUATRONE: I lost about -- I think it was \$30,000 or so in pay, and back--

SENATOR SMITH: (indiscernible)

JUDGE GROSS-QUATRONE: Yes, and the time from the -- because it was, I guess, black time. I don't know how that's factored; it was taken away as my service time as well.

And, I had never been in trouble before as a lawyer or as a judge -- *ever*, had I done anything.

MS. MITRA: And, if I may, it did happen after she was already excelling in Essex. It was -- she had no idea that she was even being charged. She knew that she had been removed from Bergen and put into Essex. She was beloved in Essex as well, and thriving, and about a year into her service in Essex she suddenly got told there's an investigation against her and she's going to have to come to answer to it.

And, that's when the demise in Essex started.

SENATOR SMITH: Thank you.

MR. AKHTER: Any other questions? (no response)

I'll read the Uricoli factors.

NJSA 43:1-3 establishes 11 factors the Board of Trustees is to consider and balance in view of the goals of the pension statutes when

determining whether forfeiture or partial forfeiture of retirement benefits is appropriate due to dishonorable service.

These factors are: One, the member's length of service. Judge Gross-Quatrone has seven years of Judicial service and 12 years and 9 months of non-Judicial service, totaling 19 years and 9 months in the Judicial Retirement System.

Two, the basis of retirement. Judge Gross-Quatrone applied for deferred retirement, effective February 1, 2024.

Number 3, the extent to which the member's pension has vested. Judge Gross-Quatrone was vested into JRS when she paid off her arrears balance on January 30, 2024.

Number 4, the duties of the particular member. At the time of the alleged dishonorable service, Judge Gross-Quatrone served as Judge of the Superior Court, assigned to the Family Division in the Bergen vicinage.

Number 5, the member's public employment history and record covered under the retirement system. Judge Gross-Quatrone enrolled in JRS on February 21, 2015, upon her elevation to the bench.

Number 6, any other public employment. Judge Gross-Quatrone had 12 years, 9 months of non-Judicial service in the Fair Lawn Borough, Elmwood Park Borough, Hackensack, and Saddlebrook Township as a Public Defender or Assistant Public Defender. The service credit she earned in the Public Employees' Retirement System is included in her JRS account.

Number 7, the nature of the misconduct or crime, including the gravity or substantiality of the offense; whether it was single or

multiple offenses, or whether it was continued or isolated. Judge Gross-Quatrone is accused of requiring her new law clerk to work without compensation for three weeks prior to her official state date; surreptitiously recording three meetings with her Assignment Judge, Bonnie J. Mizdol, on December 14 and 21, 2015; and requiring her secretary to perform non-Judicial work for her personal benefit.

On May 20, 2015, Glenn A. Grant, JAD, Acting Administrative Director of the courts, issued a memo providing that in 2015 and 2016, clerkship would begin on August 24, 2015 (indiscernible) strictly prohibited in-chamber training days of incoming law clerks, even if the law clerk's participation is voluntarily offered.

In June 2015, the Training Coordinator for Passaic Vicinage emailed the memo to all Passaic judges, including Judge Gross-Quatrone. In August 2015, after transferring in the Bergen Vicinage, Judge Gross-Quatrone instructed her secretary, Maria DeLeon, to call the candidate she had chosen as a 2015-2016 law clerk and advise her that she was hired and must begin employment that week -- three weeks prior to the start date of her term of paid service as a law clerk.

The law clerk's service with Judge Gross-Quatrone ended abruptly on Friday, December 10, 2015, following the law clerk's allegations of abusive treatment by Judge Gross-Quatrone. Assignment Judge Mizdol reassigned the law clerk to a different judge.

On December 14, 2015, a meeting was held to discuss the role of Judge Gross-Quatrone's law clerk and what administrative support, if any, would be available to her. This was the first of three meetings that Judge Gross-Quatrone allegedly attempted to record. On December 21, 2015,

Judge Mizdol held a management meeting to discuss procedures for administrative support of Judge Gross-Quatrone by the family (indiscernible) law clerks during the remainder of the 2015-2016 term. Judge Gross-Quatrone requested that her secretary attend the meeting as her witness; Judge Mizdol denied the request, but agreed to meet with Judge Gross-Quatrone privately before the management meeting. Judge Gross-Quatrone allegedly recorded this private meeting. During the management meeting immediately after that private meeting, Trial Court Laura Simoldoni noticed a red light that was beaming from Judge Gross-Quatrone's purse. Ms. Simoldoni reached into Judge Quatrone's purse and removed a digital recorder. When asked by Ms. Simoldoni, Judge Gross-Quatrone denied recording the meeting. She stated the recorder was a gift, and she didn't know how it worked. She again denied recording the meeting when asked by Judge Mizdol. Ms. Simoldoni then replayed a portion of the recording of the meeting on the device, which proved that Judge Gross-Quatrone had, in fact, recorded the meeting surreptitiously.

Judge Gross-Quatrone demanded the return of her recorder, but Ms. Simoldoni retained, pending discussion with the Council and Judge Grant. In a providing meeting with Judge Mizdol after the management meeting, Judge Gross-Quatrone requested the return of her recorder. She later called Judge Mizdol twice, and Judge Grant, making the same request. Judge Mizdol advised her that she was waiting to hear from the Council's office.

Judge Gross-Quatrone then told Ms. Simoldoni she would call the police. She contacted the Bergen County Sheriff's Office and asked for the telephone number for emergencies. The Sergeant conducted a

security check of Judge Gross-Quatrone's courtroom and chambers area. At the Sergeant's request, the Lieutenant spoke to Judge Gross-Quatrone stated that she wished to file a police report. After obtaining the administrative approval, Ms. Simoldoni made a copy of the contents of the recorder and released the recorder to the Sheriff's Department, which returned it to Judge Gross-Quatrone.

The recorder's contents compromised (*sic*) three files. In the first, Judge Gross-Quatrone was heard testing the recorder. The second file was blank. The third file contained recordings of the private meeting and the management meeting.

Following the incidents on December 21, 2015, Judge Gross-Quatrone was transferred to the Essex Vinciage, effective January 11, 2016, where she served satisfactorily until 2022. On March 16, 2017, the Advisory Committee on Judicial Conduct -- ACJC -- issued a formal complaint charging Judge Gross-Quatrone with conduct in contravention of canon 1, rule 1.1; canon 2, rule 2.1; and canon 5, rule 5.1b3 of the Code of Judicial Conduct by: One, requiring a law clerk to start employment with the Judiciary early, in contravention of the Judiciary policy; two, repeatedly and surreptitiously recording three meetings with her assignment judge, the last of which was in direct contravention of her assignment judge's directive that no such recording occur; three, directing her secretary to perform personal extra-judicial activities during work hours and using Judiciary equipment.

On April 4, 2017, Judge Gross-Quatrone filed an answer, which admitted certain factual allegations with some clarification and denied others, and denied violating the cited canons. Judge Gross-Quatrone originally admitted to recording the December 14, 2015 meeting with her

Assignment Judge, but later denied this in her amended answer, even though a handwritten note and draft email referencing the recordings were found. The hearing took place in January 8, 9, and 10 of 2018.

Judge Gross-Quatrone appeared with counsel and offered her own testimony and that of seven witnesses -- two by affidavit. The ACJC called five witnesses. Judge Gross-Quatrone and her secretary, Maria DeLeon, testified that Judge Gross-Quatrone merely suggested that the incoming law clerk should start early, and that she elected to start early being on August 4, 2015. The law clerk testified that when she accepted the position on August 3, 2015, Ms. DeLeon told her that she was *required* to start the next day and would need to shorten a planned family vacation.

Despite Judge Gross-Quatrone being aware of the official start date for the incoming trial court law clerks, she testified she was unaware of Judiciary's policy set forth in the memo emailed to her in June prohibiting any training in-chamber days for law clerks before August 24, 2015 start date. Ms. DeLeon also testified she did not perceive her conduct involuntarily assisting Judge Gross-Quatrone with personal tasks, which she did voluntarily, to be problematic since they did not (indiscernible) or interfere with her work for the Judiciary.

The ACJC found clear and convincing evidence that the law clerk's early start date violated Judiciary policy, but did not find evidence in the record that the judge was aware of the policy. In addition, the ACJC found evidence that Judge Gross-Quatrone had a Judicial secretary perform personal non-Judiciary work on Judiciary time, but in this circumstance, this did not violate the code of Judicial conduct, thus no Judicial discipline was recommended for these charges.

Regarding the surreptitious recording of the meetings, Judge Gross-Quatrone maintained that she was justified in surreptitiously recording the three (indiscernible) with her assignment judge, as she felt she needed to protect herself from recurring workplace hostilities; belittling in the presence of staff; and verbal abuse by Judge Mizdol, and asserted that such recordings were legal. She also alleged a culture of mistrust against her among the Bergen County Family Court personnel. But, testimony shown off by two witnesses did not, the ACJC found, corroborate the existence of such a culture of mistrust.

The ACJC found that Judge Gross-Quatrone's insubordination making surreptitious recordings of meetings with her Assignment Judge, coupled with her lack of candor when confronted with her behavior, left little room to debate the impropriety of her conduct under Canon 1, Rule 1.1; and Canon 2, Rule 2.1 of the Judicial Code of Judicial Conduct. Irrespective of Judge Gross-Quatrone's professed legal right to do so, such surreptitious recordings were found wholly incompatible with the heightened standards to which every jurist is held under the Code of Judicial Conduct.

The ACJC recommended a two-month unpaid suspension as the appropriate quantum of discipline. They found that Judge Gross-Quatrone's insubordination had been aggravated by her attempts to mislead the Committee during its investigation, with feigned ignorance regarding surreptitiously recording the December 14, 2015 meeting, and her conduct on the December 21, 2015 meeting. The ACJC found that Judge Gross-Quatrone's satisfactory service on the bench in the Essex Vicinage was

insufficient to outweigh the insubordination, lack of candor towards her Assignment Judge and Presiding Judge.

On January 24, 2019, the New Jersey Supreme Court adopted the recommendations of the ACJC and suspended Judge Gross-Quatrone from January 25, 2019 through to March 19, 2019.

Number 8, the relationship between misconduct and the member's public duties has been outlined. This has to do with the surreptitious recordings that were made.

Number 9, the quality of moral turpitude or the degree of guilt or culpability, including the member's motives or reasons, personal gain, and similar considerations. Judge Gross-Quatrone's requirement that her law clerk provide three weeks of unpaid service, (indiscernible) motivated in part by ignorance and her use of her secretary to have her personal (indiscernible) were objectional, but in the view of the ACJC's findings that they did not, under these circumstances, establish violations of the canons of Judicial conduct. The Board makes no finding of dishonorable service based on those actions. As the surreptitious recordings in December 2015, and the repeated lying about them, both the time and during the ACJC investigation -- which ACJC found violated three canons of Judicial conduct -- the Board notes that while insubordination and lack of candor constitute dishonorable service, it did not implicate corruption or any danger to the public; did not involve personal gain; and were followed by six years of apparently satisfactory service in the Essex Vicinage.

Additionally, Judge Gross-Quatrone served honorably for 12 years, 9 months in public service before her appointment to the bench.

Number 10, the availability and adequacy of other penal sanctions. Judge Gross-Quatrone was publicly disciplined by the Supreme Court, serving a two-month suspension without pay. Additionally, Judge Gross-Quatrone was transferred to a different vicinage where she served satisfactorily until 2022.

Number 11, other personal circumstances related to the number which bear upon the justice of forfeiture -- which, arguments have been made. Here, under all circumstances, the Board may reasonably-- Apologies.

So, given that we've already made comments and have taken comments from-- Any other further comments from any of the members of the JRS here?

MR. KELLY: Mr. Chairman, could I just ask a question?

MR. AKHTER: Yes, sir.

MR. KELLY: On Number 8, relationship with the misconduct of the member's public duties -- does the Board have a finding whether the relationship was direct or indirect, or -- or no relation?

MR. AKHTER: I think there was-- It's not related. The taping of the meeting was not related to her Judicial duties, but the Supreme Court found that she violated three canons of official conduct.

So, it's not-- It's indirect to her public duties, but as the Supreme Court found, it violated three canons of Judicial conduct.

Thank you for that clarification.

MR. KELLY: Thank you.

MR. AKHTER: Having read the Uricoli Statement, I will ask for a motion if no further sanction be made beyond those that were

already approved by the Supreme Court in regards to Judge Gross-Quatrone's pension.

SENATOR BUCCO: So moved.

MR. BINDER: Second.

MS. ZULLA: Mr. Akhter.

MR. AKHTER: Yes.

MS. ZULLA: Mr. Binder.

MR. BINDER: Yes.

MS. ZULLA: Mr. Shabazz.

MR. SHABAZZ: Yes.

MS. ZULLA: Senator Smith.

SENATOR SMITH: Yes.

MS. ZULLA: Senator Bucco.

SENATOR BUCCO: Yes.

MR. AKHTER: And, Assemblywoman Muñoz is a yes.

MS. ZULLA: OK, thank you.

MR. AKHTER: OK.

This matter is now resolved.

Thank you.

MS. MITRA: Thank you very much, members of the
Committee.

MS. GROSS-QUATRONE: Thank you.

MS. MITRA: Thank you for your time.

MR. AKHTER: We'll move to item Number 6.

MS. ZULLA: OK.

Number 6 on the agenda, is the presentation of the JRS Actuary Valuation Report and Results for July 1, 2023.

You guys can (indiscernible).

A N U P A T E L: Good morning.

MR. AKHTER: State your name for the record, please.

Thank you.

MS. PATEL: My name is Anu Patel; I am one of the Actuaries for the Judicial Retirement System.

J O N A T H A N B. C H I P K O: And, I'm Jonathan Chipko.

MS. PATEL: Good morning, thank you for having us here.

We are here to present the July 1, 2023 valuation results.

We-- You should all have our reading materials with you.

Before we get started, if you'd let us know how much time we have, then we can kind of figure out how much--

MR. AKHTER: I think we'd like to limit this to five minutes, is that satisfactory?

MS. PATEL: Thank you.

MR. CHIPKO: Yes, we'll start then with the overview on page three.

The first couple of slides will cover all that you really need to know about the valuation.

The market asset return for the year ending in 2023 was 9.56% -- that's compared to the assumed return for the year of 7%. That's the market value return. On an actuarial asset return basis, it was 4.96%. That is less than the 7% assumed return, and that resulted in a \$4.4 million

loss. And, there is another \$16.7 million in deferred asset losses that would be recognized in coming years.

The systems' demographic experience is a liability loss of \$3.5 million. So, that means liabilities were \$3.5 million more than expected. The State is expected to contribute 100% of the statutory contribution, and that contribution is included in the assets as of July 1, 2023. Other contribution-related items, including the timing of when the contributions come into the system, increase the unfunded liability by \$1.9 million.

Next on slide four, the unfunded liability on the actuarial value of assets basis increased from \$595 million to \$597 million -- so a \$2 million increase. The funded ratio on that same basis increased from 31.4% to 33.1%. And, the statutory contribution increased by 3% from \$68.3 million for Fiscal Year ending 2024, to \$70.3 million for Fiscal Year ending 2025 -- so a \$2 million increase.

The amortization period -- so, that's the period of which the unfunded liabilities is paid off -- is 26 years. And, it is decreasing one year each valuation. And, the anticipated Fiscal Year ending 2025 state appropriations are 100% of the statutory contribution.

On slide five, we're showing a history of the funded status of the system. If you look back at 2014, 10 years ago, the system was about 40% funded. That has declined over the past 10 years where now the system is now at about 33% funded. The result-- That was caused by low contributions. The State had contributed less than the statutory amount, and that was a big contributor to the fall in the funded status.

From here we'll skip forward to slide nine. This shows a history of the statutory contributions to the system. If you look back 10

years ago, the statutory contribution was combined for the State normal cost in blue, and the UAL contribution in yellow, was just shy of \$50 million. And, for the latest valuation, the 2025 contribution is anticipated to be \$70 million. So, there's been an increase over time because of the lack of contributions to the system. When the contributions aren't made, it doesn't mean they're not needed, but it just defers them to a later date and that pushes up contribution needs in the future.

Should we look at the--

MR. BINDER: Can I ask a question, Chairman, real fast?

MR. CHIPKO: Sure.

MR. BINDER: So, on slide four you said the unfunded liability is increasing by \$2 million?

MR. CHIPKO: Yes.

MR. BINDER: But, then the unfunded ratio is--

MR. CHIPKO: It's improving.

MR. BINDER: It's improving. Can you explain that?

MR. CHIPKO: Yes, so, if you look, the funded ratio is the assets into the system divided by the liabilities. And, so, what's happening is that both of the assets and liabilities are increasing over time, and the assets -- while the unfunded liability is increasing, the assets are increasing more than the liabilities. So, the ratio is moving in a different direction than the dollar amount.

MS. PATEL: You can see that on page 13, where we look at the actual numbers.

The liabilities went up 2.8% from year to year; the assets went up 8%.

So, that was the overview of the valuation results. Just as a reminder, we do the valuation each year, so that was a snapshot date as of July 1, 2023.

So, if we can jump forward to slide 18, here we're showing a forward-looking view in terms of what's the expectations over the next 30 years. We call this a baseline projection; I'll just do a quick overview of what you're looking at.

The top graph here is showing assets and liabilities, similar to what you just saw on a historical basis, but this is projected 30 years. The liabilities are shown by the bars; they increase from 2023 through the 30-year period as expected, as members are going to accrue most of this each year.

The lines are the assets. The green line is the market value, the yellow line is the actuarial value. The green line sits on top of the yellow line; you can barely see the difference, but that's because of the smoothing that's for the actuarial value of assets. The ratio up top, the funded ratio, the ratio of the assets and liabilities, at the 2023 valuation is 33%. It's projected to increase over the 30-year period to 96% as the State continues to contribute at the full statutory requirement, the required contribution of 100%.

The graph at the bottom is showing what expected contributions are going to be over that period. The colors-- The purple portion shows what the members are going to contribute; members contribute 12% of their pay, so as pay goes up over this period, the member contribution is going up. The yellow portion is the State's required contribution, and that's also going to go up because there is that unfunded liability of about

just under \$600 million that needs to be paid off in the future. So, you can see that the contributions over that period also gradually increases and eventually it would reach 96% funded. This is assuming that we would-- The assets would return the expected return of 7% each year. So, we know that that won't happen. That's our assumption, our best estimate of what *should* happen over the long term.

So, on page 20 here we show what if the assets in the first year, we call -- this is a negative one-year shot scenario -- so what if the assets didn't return the 7% that you see on the top left corner, if the first year return is -9.8%, what does that do to the funded ratio and the contributions? Because the system is not as well funded -- we're only 33% funded -- assets are very low compared to liabilities. So, one year shock doesn't have a huge impact, because the assets are just that much smaller in relation to the liabilities.

MR. CHIPKO: If you don't have a whole lot of assets, there's not much to gain or lose. So, in the short-term, investment returns still have a big impact.

MS. PATEL: So, on the next page, on page 21, we're showing a one-year (indiscernible) shock if there was a 29% return. Again, the results are very similar -- instead of 96% funded by the end of the projection period, we are at 100%.

And, then, we'll jump over to page -- actually, page 26 -- the biggest risk to the system is the contribution risk. What if the State doesn't make the 100% contribution? So, this scenario here is showing what would happen if the State was to contribute 80% of the required contribution each year. So, the bottom graph where you're seeing the contribution, the

top line, the dash line, is what the actual contribution would be, and the solid shaded portion is the 80% the State would contribute.

So, what's interesting about this, of course, the system at 33% funded would only get up to 53% because the contributions are not being made. And, if you look at the bottom graph, the red line we're showing what would have been on the baseline, so towards the end of the projection, the State would have to contribute at the level they would have otherwise, but it only reaches 53% funded. So, the contributions staying under 100% is probably the most important thing right now.

MR. CHIPKO: Any questions?

MS. PATEL: Any questions?

MR. AKHTER: Thank you.

Just to summarize, you are-- You're not suggesting any major changes or -- OK.

MR. CHIPKO: No.

SENATOR SMITH: (indiscernible) our pension assets. The stuff you're investing in, is it mainly (indiscernible) alternate investments?

MR. CHIPKO: There is a mix of fixed-income equities, alternate investments, that's managed by the Division of Investments. That is not really our field, in terms of what the actual asset allocation is, but there is a mix of fixed income equities.

SENATOR SMITH: So, you're not with (indiscernible) investments?

MR. CHIPKO: No.

SENATOR SMITH: You're just figuring out what we need to invest?

MR. CHIPKO: That-- We're trying to evaluate how much money the system needs to pay benefits when they come due.

SENATOR SMITH: Thank you.

MR. SHABAZZ: Very small, relative to the overall curve, but what are-- Are there assumptions for the member contributions? Like, what are you seeing for the (indiscernible) or increases on the--

MR. CHIPKO: Right, so, I think the question is how much do the contributions increase?

The contributions are about-- There are some variations, but most people pay 12% of their pay as member contributions. And, so, we have assumptions on how much pay increases over the years to -- and, the percentage is applied to that -- so, over the long term, we assume that pay increases at about the rate of inflation, and the inflation assumption that we use here is 2.75%, which may seem low in the current environment, but this is really intended to be a long-term 30-year assumption.

MS. PATEL: On page 18, when we looked at the projection, you can see that the members' aggregate contribution is about \$10 million for the 2025 year, and it goes up to \$21 million over the projection. Compared to the State's, which goes up from \$70 to \$103 million.

MR. AKHTER: Thank you very much.

MS. ZULLA: Can I have a motion to receive the presentation of--

MR. BINDER: Motion.

MS. ZULLA: Thank you.

Second.

MR. SHABAZZ: Second.

MS. ZULLA: Mr. Akhter.

MR. AKHTER: Yes.

MS. ZULLA: Mr. Binder.

MR. BINDER: Yes.

MS. ZULLA: Mr. Shabazz.

MR. SHABAZZ: Yes.

MS. ZULLA: Senator Smith.

SENATOR SMITH: Yes.

MS. ZULLA: Senator Bucco.

SENATOR BUCCO: Yes.

MR. AKHTER: Of course the Treasury guys want to move
on this quickly.

(laughter)

MS. PATEL: Thank you.

MR. CHIPKO: Thank you very much.

MS. ZULLA: Can I have a motion to return to sit as the
State House Commission?

SENATOR SMITH: So moved.

MS. ZULLA: Second.

MR. BINDER: Second.

MS. ZULLA: Mr. Akhter.

MR. AKHTER: Yes.

MS. ZULLA: Mr. Binder.

MR. BINDER: Yes.

MS. ZULLA: Mr. Shabazz.

MR. SHABAZZ: Yes.

MS. ZULLA: Senator Smith.

SENATOR SMITH: Yes.

MS. ZULLA: Senator Bucco.

SENATOR BUCCO: Yes.

MS. ZULLA: Thank you.

MR. AKHTER: Two items remaining, right?

SENATOR SMITH: I remind Mr. Chairman, I have to run to another meeting.

Please record me in the affirmative on the last two items.

MR. AKHTER: Last two -- do we need a quorum again?

MR. BROPHY: No, not for any of this.

MR. AKHTER: OK, thank you.

Thanks, Senator.

MR. BROPHY: All right.

And, then, do we come back?

MR. AKHTER: We already came. We already voted to come back into--

MR. BROPHY: OK, perfect--

MR. AKHTER: So, yes.

MR. BROPHY: All right, Number 8 on the agenda.

Project RPR 24-05, 238-50 Provost Street, Block 7203, Lot 2, in Jersey City in Hudson County.

The State of New Jersey Department of Treasury requests approval of a direct sale of 0.4 acres of land and improvements located at 238-50 Provost Street in Jersey City, Hudson County, that includes the Holland Tunnel Service Garage to the Port Authority of New York and New Jersey. The Holland Tunnel Service Garage is a parcel that sits in Jersey City outside of the entrance of the Holland Tunnel, that has been controlled and maintained by the Port Authority since 1931.

This sale has been introduced as legislation via bill A2608 and S741. The bill was passed by the Senate and referred to the Assembly State and Local Government Committee.

The terms of the agreement: The property was intended to be automatically transferred to the Port Authority once the bonds were paid. However, the paperwork was lost on 9/11. As a result, the Port Authority will be purchasing the property for \$1. The Port Authority has been and will continue to be responsible for monitoring recordkeeping, reporting, and maintenance obligations for this property and any remediation action -- to-be remedial action -- required because of the continued use and operation of the property.

MR. BROPHY: Can I have a motion?

MR. AKHTER: So moved.

SENATOR BUCCO: Second.

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

Mr. Akhter.

MR. AKHTER: Yes.

MR. BROPHY: Mr. Binder.

MR. BINDER: Yes.

MR. BROPHY: Mr. Shabazz.

MR. SHABAZZ: Yes.

MR. BROPHY: Senator Smith is a yes.

Senator Bucco.

SENATOR BUCCO: Yes.

MR. BROPHY: Assemblywoman Muñoz is a yes.

All in favor.

Number 9. These are DEP requests.

The project is High Point State Park, block 146, part of lot 6, in the Township of Wantage, Sussex County.

The DEP requests approval to execute a farm lease agreement on approximately 36.39 acres of land located in the High Point State Park in the Township of Wantage, Sussex County, to the current tenant, Joseph Wagner, who has occupied the proposed leased premises under a lease that expired on December 31, 2023. Since there is no direct access to the

proposed lease premises from a public road, nor is the lease premises accessible through other lands managed by the DEP, the DEP was not able to include the proposed lease premises in the public auction of farm leases that it conducted on August 10, 2023.

Mr. Wanger approached the DEP about continuing to farm these lands. The DEP has reviewed the request and has determined that leasing the property to the tenant for agricultural purposes will not interfere with the protection and enhancement of wildlife habitat, or the operation of High Point State Park. The tenant will access the DEP lands through adjacent private property owned by a family member.

The terms of the agreement: The initial term of the agreement is for five years with an option to renew for three additional five-year terms. The proposed rental rate for the initial five-year term is \$1,066.40 per year, which is based on the soil rental rates set by the Farm Services Agency of the United States Department of Agriculture. As a result of prior discussions with the New Jersey Department of Agriculture and the New Jersey Farm Bureau, the DEP agreed to reduce the FSA rental rate by 20% to account for the disadvantages of farming on DEP land.

DEP believes that 20% is a reasonable reduction because, although there are some disadvantages to farming on DEP land, the disadvantages do not significantly reduce the productivity of the land. The rental rate will be increased at the beginning of each renewal term to reflect the current fair market value of the leased premises based on the Consumer Price Index -- Consumer Price Index, FSA soil rental rates, or the value of similar real estate rentals. However, the Consumer Price Index and value of similar real estate rentals decrease -- *if* they decrease or remain stable, the rent will not decrease.

So, can we have a motion?

MR. AKHTER: So moved.

MR. BROPHY: Mr. Akhter.

Second.

MR. SHABAZZ: Second.

MR. BROPHY: Mr. Shabazz.

Any questions, comments? (no response)

OK, Mr. Akhter.

MR. AKHTER: Yes.

MR. BROPHY: Mr. Binder.

MR. BINDER: Yes.

MR. BROPHY: Mr. Shabazz.

MR. SHABAZZ: Yes.

MR. BROPHY: Senator Smith is a yes.

Senator Bucco.

SENATOR BUCCO: Yes.

MR. BROPHY: Assemblywoman Muñoz is a yes.

All in favor.

I will just need a motion to adjourn.

MR. AKHTER: So moved.

MR. BROPHY: Mr. Akhter.

Second.

MR. BINDER: Second.

MR. BROPHY: Mr. Binder.

All in favor?

ALL: Aye.

MR. BROPHY: All right, thank you.

MR. AKHTER: Thank you very much.

(MEETING CONCLUDED)