
Commission Meeting

of

STATE HOUSE COMMISSION

LOCATION: Committee Room 10
State House Annex
Trenton, New Jersey

DATE: October 26, 2015
9:00 a.m.

MEMBERS OF COMMISSION PRESENT:

Amy E. Melick, Chair
Senator Bob Smith
Senator Gerald Cardinale
Assemblyman Paul D. Moriarty
Assemblyman David P. Rible
Steven Petrecca
David Ridolfino



ALSO PRESENT:

Robert J. Shaughnessy Jr.
Commission Secretary

Gary A. Kotler
Commission Counsel

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

STATE HOUSE COMMISSION
PROPOSED MEETING AGENDA

October 26, 2015 – 9:00 am

Committee Room 10, Third Floor

State House Annex, Trenton, New Jersey

Email: StateHouseCommission@treas.nj.gov

CALL TO ORDER:

- ~ Amy E. Melick, Deputy Chief Counsel, Governor's Office
(on behalf of Governor Chris Christie)
- ~ Steven Petrecca, Associate Deputy State Treasurer
(on behalf of Acting State Treasurer Robert A. Romano)
- ~ David Ridolfino, Acting Director, Office of Management & Budget
- ~ Senator Gerald Cardinale
- ~ Senator Bob Smith
- ~ Assemblyman Paul D. Moriarty
- ~ Assemblyman David P. Rible

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OLD BUSINESS:

1. Approval of the June 25, 2015 State House Commission Meeting (SHC) Minutes – The verbatim record of the June 25, 2015 SHC meeting will serve as the official minutes.

NEW BUSINESS:

DEPARTMENT OF TREASURY REQUESTS:

2. RPR 15-05, Stockton University, Block: 875.04, Lot: 1.01, Galloway Township, Atlantic County

Requesting Party: The NJ Department of the Treasury requests approval to convey an 8.035(+/-) acre parcel of vacant land to Stockton University for the

development of a Consolidated Communications Center, also known as the Central Dispatch Facility. Stockton University and the County of Atlantic intend to develop jointly and construct an emergency services facility suitable for the Consolidated Communication Operations and a Campus Police Department. Stockton University currently maintains a NJ State commissioned police department which provides security and public safety services for the University's community.

Terms: The County and the University would benefit from the joint participation in the proposed Consolidated Communications Center, making this project mutually advantageous, economical and beneficial to the public at large for the County and the University to develop and construct the necessary facilities. The property, located within the University's campus, will be conveyed to the University for \$1.00 (appraised value \$280,000).

3. RPR 15-14, ShotSpotter Flex Systems, Block: Various, Lot: Various, Trenton City, Mercer County

Requesting Party: The NJ Department of the Treasury requests approval to grant a lease on four State owned buildings to ShotSpotter Flex Systems for rooftop space in order to provide the City of Trenton Police Department with information that will detect and locate gunfire. The information will enable a quicker response time to gunfire activity, which will assist the City Police in prosecuting gun related crimes.

Terms: The lease will be for a term of five (5) years with one (1), five (5) year renewal option. Since this action directly benefits the State, the property will be leased at an annual rent of \$1.00.

4. RPR 15-15, Millburn Regional Day School, Block: 1101, Lot: 44, Millburn Township, Essex County

Requesting Party: The NJ Department of the Treasury, on behalf of the Department of Education, requests approval to sell the Millburn Regional Day School, which has been declared surplus to the Department's needs, to the Millburn Township Board of Education or Millburn Township for the appraised value of \$3,940,000.

Terms: If the Board of Education is not interested or unable to purchase the property, then Millburn Township will have the opportunity to purchase the

property for the appraised value. If the Board of Education or the Township is no longer interested or unable to purchase the property, then it will be sold via public internet auction, with the minimum bid being the then current, fair market appraised value. The Board of Education shall be given ninety (90) days within which to exercise its option to purchase. If the Board of Education exercises its option to purchase, closing of title will be held 270 days after the Board of Education exercises its option. If the Board of Education does not exercise its option to purchase, then the Township must elect to exercise its right of first refusal within 60 days after the Board of Education does not elect.

5. RPR 16-01, Veolia Energy Trenton, L.P., Block: 10701, Part of Lot: 3, Trenton City, Mercer County

Requesting Party: The NJ Department of the Treasury, requests approval to lease seventeen (17) surplus, surface parking spaces located off of South Warren Street, adjacent to the Department of Health parking lot area, in Trenton to Veolia Energy Trenton, L.P.

Terms: The lease will be for a term of three (3) years, with one (1), three (1) year renewal option at a monthly rent of \$850. All security, maintenance, repair and snow removal will be the responsibility of Veolia Energy, L.P.

6. RPR 16-02, Cherry Hill Armory, Block: 49.01, Part of Lot: 4, Cherry Hill Township, Camden County

Requesting Party: The NJ Department of the Treasury, on behalf of the Department of Military and Veterans' Affairs requests approval to grant an easement to New Jersey American Water for the construction, installation and maintenance of a water main and associated appurtenances on the grounds of the Cherry Hill Armory.

Terms: The easement will be granted for the appraised value of \$8,400.

DEPARTMENT OF TRANSPORTATION (DOT) REQUESTS:

7. Project: Route 6 (Current Route 159), Section 11, Part of Parcel R1E, Block: 401, Adjacent to Lot: 1.04, Township of Fairfield, Essex County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to lease an irregular shaped lot having an area of 0.275 acres or 12,000 sf. (+-) located in the Township of Fairfield, Essex County to the only adjacent owner, The Freedom Group, L.P. for parking on the adjacent property. The property is currently improved with paved parking.

Terms: The monthly rental is \$2,000 (the appraised value), and is inclusive of the monthly municipal charge of \$1,402 a month, and will increase according to the rent schedule which is part of the proposed Lease Agreement.

8. Project: Route 6 (Current Route 159), Section 11, Parcel VXR1C, Block: 401, Adjacent to Lot: 1.04, Township of Fairfield, Essex County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to dispose of an irregular shaped lot located in the Township of Fairfield, Essex County having an area of 0.322(+)- acres or 14,026 sq.(+-) to the only adjacent owner, The Freedom Group, L.P., to be used for parking. The property is currently improved with paved parking.

Terms: The property will be a direct sale to The Freedom Group, L.P. The purchase price is \$130,000 (the appraised value).

9. Project: Route 280, Section 5, Parcel VX331B, Block: 2804, Lot: 9, City of Orange, Essex County

Requesting Party: The NJ DOT, Division of Right of Way, Property Management Unit, requests approval to dispose of a 0.0261(+)-acres or 1,140 sf(+)- parcel of excess vacant lot in the City of Orange, County of Essex.

Terms: The property will be auctioned due to the only two adjoining owners having both expressed interest with a minimum starting bid of \$23,000, which is the appraised value.

DEPARTMENT OF ENVIRONMENTAL PROTECTION (DEP) REQUESTS:

10. Project: Delaware & Raritan Canal State Park, Block: 516, Lots: 8 & 10, Franklin Township, Somerset County

Requesting Party: The NJ DEP, Division of Parks and Forestry requests approval to transfer less than an acre of land (Block 516, Lots 8 & 10 in the Township of Franklin, Somerset County) to Groton Associates, LLC (as to Lot 8) and PVP Franklin LLC (as to Lot 10) in order to settle ongoing quiet title litigation. NOTE: This matter was submitted to the Commission as part of the agenda for the June 25, 2015 meeting, but was pulled at the NJDEP's request prior to consideration.

Terms: As compensation for the proposed conveyance, the proposed purchasers will pay the NJDEP \$8,500, to be used for future land acquisition purposes.

11. Project: Ringwood State Park, Block: 2, Lot: 1, Borough of Ringwood, Passaic County

Requesting Party: The NJ DEP, State Park Service requests approval of an easement through a portion of Ringwood State Park. No public concerns have been noted.

Terms: The easement will be entered into with Rockland Electric Company to benefit the Carriage House at Ringwood State Park for a one-time payment of one dollar (\$1.00).

12. Project: Delaware & Raritan Canal State Park, Block: 1202, Lots: 1 & 5, Lawrence Township, Mercer County

Requesting Party: The NJ DEP, State Park Service requests approval to enter into a twenty (20) year lease with Transcontinental Gas Pipe Line Corporation for the use of a right-of-way for the installation, removal, maintenance, repair, and operation of Pipeline Facilities. This lease will replace and supersede an expired lease that was executed in 1986 for the same right-of-way.

Terms: Rent will be \$3,542.00 for the first lease year with 2.5% annual escalation adjustment for a total of \$90,479.18.

13. Project: Delaware & Raritan Canal State Park, Block: 1.02, Part of Lots: 9.02, 38.01, and 34, Franklin Township, Somerset County

Requesting Party: The NJ DEP, State Park Service requests approval to enter into a twenty (20) year lease with Transcontinental Gas Pipe Line Corporation for the use of a right-of-way for the installation, removal, maintenance, repair, and operation of Pipeline Facilities. This lease will replace and supersede an expired lease that was executed in 1968 for the same right-of-way.

Terms: Rent will be \$2,158.60 for the first lease year with 2.5% annual escalation adjustment for a total of \$55,140.70.

14. Project: Cape May Point State Park, Block: 792, Lot: 20.01, Lower Township, Cape May County

Requesting Party: The NJ DEP, Division of Parks and Forestry, requests approval of an easement at Cape May Point State Park. The easement will be entered into with South Jersey Gas Company so South Jersey Gas Company may install improvements and provide improved service to the State Park office facility. No public concerns have been noted.

Terms: The easement will be entered into with South Jersey Gas Company to benefit the State Park office facility at Cape May Point State Park for a one-time payment of one dollar (\$1.00).

DIVISION OF PENSIONS AND BENEFITS' REQUESTS:

15. Judicial Retirement System -  
Requesting Party: The NJ Department of the Treasury, Division of Pensions & Benefits

Terms: The SHC shall sit as the Board of Trustees for the Judicial Retirement System to approve the following:

1. Approval of the Minutes of the Meeting Held on June 25, 2015 (pages 1881 to 1894).
2. Confirmation of Death Claims, Retirements and Survivor Benefits (pages 1895 to 1898).
3. Receive Financial Statements from April, 2015 to June, 2015 (pages 1899 to 1904).

4. Submit for approval amendments to the following two regulations pertaining to the Judicial Retirement System (Pages 1905 to 1938).
  - N.J.A.C. 17:10-5.1
  - N.J.A.C. 17:10-5.9
5. Receive the triennial Report on an Investigation of Experience as of June 30, 2014 presented by Buck Consultants.

EXECUTIVE SESSION (*as necessary*)

OTHER BUSINESS (*as necessary*)

ADJOURNMENT

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**AMY E. MELICK (Chair):** Good morning, everyone.

The State House Commission is about to get started. I appreciate everybody coming.

Secretary.

**MR. SHAUGHNESSY (Commission Secretary):** Yes, good morning.

We are in compliance with the Open Public Meetings Act. Notice of this meeting was given by way of notice filed with the Secretary of State, the State House press corps, and Office of the State House Commission.

First, I'll call the roll, if I may.

Deputy Chief Counsel Melick.

**MS. MELICK:** Present.

**MR. SHAUGHNESSY:** Associate Deputy State Treasurer Petrecca.

**MR. PETRECCA:** Present.

**MR. SHAUGHNESSY:** Acting Director Ridolfino.

**MR. RIDOLFINO:** Present.

**MR. SHAUGHNESSY:** Senator Cardinale.

**SENATOR CARDINALE:** Here.

**MR. SHAUGHNESSY:** Senator Smith.

**SENATOR SMITH:** Here.

**MR. SHAUGHNESSY:** Assemblyman Moriarty.

**ASSEMBLYMAN MORIARTY:** Here.

**MR. SHAUGHNESSY:** Assemblyman Rible.

**ASSEMBLYMAN RIBLE:** Present.

MR. SHAUGHNESSY: All members are present.

MR. KOTLER (Commission Counsel): And we have a quorum.

MR. SHAUGHNESSY: Thank you.

First, under Old Business, approval of the June 25, 2015 State House Commission meeting minutes.

May I have a motion?

SENATOR CARDINALE: So moved.

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Motion and second; thank you.

All in favor? (affirmative responses)

Any opposed?

MR. RIDOLFINO: Abstain.

MR. SHAUGHNESSY: Thank you.

Next, on to New Business. And with the Chair's permission, we're going to be doing, actually, the DEP requests on the agenda first. So these are items number--

MS. MELICK: Before we get started on the DEP, and since I wanted to ask-- At our last meeting, there became a question regarding the Green Acres process, based on a memo from the Office of Legislative Services. And we asked our Counsel and Secretary to take a look at it. And if you could give us an update of where we are in looking into that issue.

MR. KOTLER: Yes; thank you, Madam Chair.

As you indicated, members recall at the last meeting Senator Smith presented to the members a letter from OLS dated June 24, which raised several issues about the process being followed by the Commission, as

well as DEP, in connection with the proposed conveyance of Green Acres lands from DEP to the City of Millville.

My office -- the Attorney General's Office has been working hard to examine and address these issues. However, the advice has not yet been finalized, but we plan to discuss this with the members at our next meeting. I would note that DEP has indicated that there are no matters on the agenda today that would be impacted by that advice.

MS. MELICK: Thank you.

MR. SHAUGHNESSY: May I proceed?

MS. MELICK: Yes, please.

MR. SHAUGHNESSY: Okay, so I was saying DEP requests are items 10, 11, 12, 13, and 14 on your agendas. So we will be beginning with those.

No. 10: Delaware and Raritan Canal State Park, Block 516, Lots 8 and 10, Franklin, Somerset County.

DEP requests approval to transfer less than an acre of land to Groton Associates, LLC, as to Lot 8; and PVP Franklin LLC, as to Lot 10 to settle ongoing quiet title litigation.

As compensation for the proposed conveyance, the proposed purchasers will pay the DEP \$8,500, to be used for future land acquisition purposes.

Do any members of the Commission have any comments or questions with regards to this matter?

SENATOR SMITH: In the background information, there was a little information about Groton, but maybe a little more-- Who is Groton? Are they a -- what kind of a firm are they?

MR. SHAUGHNESSY: Maybe DEP could better answer that question. But I do know that there is the State House Commission's disclosure statement about who they are and their relation with any State House Commission members, or otherwise.

Ms. Yeany, thank you very much.

**J U D E T H P I C C I N I N I Y E A N Y, Esq.:** Judeth Yeany, from the Green Acres Program, DEP.

I'm not sure we know exactly what type of LLC it is, but they do have development approvals from the Township for that property -- commercial development.

SENATOR SMITH: Okay.

MS. YEANY: And we did submit the conflicts information.

SENATOR SMITH: Right, I saw that. I saw only two names--

MS. YEANY: Yes, that's my understanding--

SENATOR SMITH: --who I didn't represent. You know, I have no knowledge of them, but I have to be particularly careful because that is an area where I work. And I want to make sure I have no conflicts.

MS. YEANY: Right. And we did double check that those are the only people involved.

SENATOR SMITH: Okay.

It's a little unusual for DEP to be in a title battle. What was the issue?

MS. YEANY: Not entirely. I mean, these issues do arise from time to time -- particularly as it relates to the properties we acquired from the railroads in the 1930s.

SENATOR SMITH: Okay.

MS. YEANY: So this was a situation where the road either had not been fully constructed or was widened later, and it stranded two small slivers on the opposite side of the road from what is now the D and R Canal State Park. So there's competing chains of title. We do believe we have good title, they believe they have good title. And we just think it would cost a whole lot more than \$8,500 to figure that out.

SENATOR SMITH: And the land is not anything that you need for the park, right?

MS. YEANY: No, it's not. We've checked with Parks, we've checked with the Water Supply Authority -- which is also involved in that area -- and it has no utility for the State Park.

SENATOR SMITH: Thank you.

MR. SHAUGHNESSY: Any other members' comments? (no response)

Anyone from the public here who wishes to be heard on this matter? (no response)

Hearing none, may I have a motion?

SENATOR SMITH: Move it.

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Motion and second.

Any further discussion? (no response)

I'll call the roll.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Associate Deputy State Treasurer Petrecca.

MR. PETRECCA: Yes.

MR. SHAUGHNESSY: Acting 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: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: That matter is approved. Thank you very much.

Chair has reminded me that on Friday we received e-mailed comments from Jean Public with regard to certain matters on our agenda -- specifically 2, 9, 10, 11, 12, 13, and 14. They have been distributed to the members at this point, and they will be incorporated into the State House Commission records.

On to No. 11 on our agenda: Ringwood State Park, Block 2, Lot 1, Ringwood, Passaic County.

DEP requests approval of an easement through a portion of Ringwood State Park. The easement will be entered into with Rockland Electric Company to benefit the Carriage House at Ringwood State Park. This will be granted at nominal consideration -- \$1.

Any members have any questions on this matter? (no response)

Anyone from the public want to be heard on this matter? (no response)

Hearing none, may I have a motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Thank you, Senators.

I'll call the roll.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Associate Deputy State Treasurer Petrecca.

MR. PETRECCA: Yes.

MR. SHAUGHNESSY: Acting 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: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: That matter is approved.

We're on to No. 12 on the agenda: Delaware and Raritan Canal State Park, Block 1202, Lots 1 and 5, Lawrence, Mercer County.

DEP requests approval to enter into a 20-year lease with Transcontinental Gas Pipe Line for the use of an existing right-of-way for the installation, removal, maintenance, repair, and operation of pipeline facilities. The lease will replace and supersede an existing lease that was executed in 1986 for the same right-of-way.

Rent will be \$3,542 for the first lease year, with 2.5 percent annual escalation adjustment -- for a total of \$90,479.18.

That being said, do any members have any questions or comments on this matter?

Senator Cardinale.

SENATOR CARDINALE: On Item 12 and 13, I am going to move that they be held for this meeting because it's apparent that the appraisal did not take into account that there is an existing pipeline. It did take into account that this is the highest and best use of the land, but it appraised this as if it was vacant land -- and it is not vacant land.

Since we have a pipeline that has been placed into the ground, and the lease has expired for that property, the State, in my view -- I'm not a lawyer, but I've certainly been involved in enough real estate to understand this -- the State now owns that pipeline. And what we are leasing is not simply the land -- we are leasing the land with the pipe in the ground.

I believe Senator Smith has an additional issue that he'd like to bring up with respect to such leases. But I think we need to get an accurate appraisal before we can move forward with this, and that will be the basis on which I will make those motions.

SENATOR SMITH: I agree with Senator Cardinale's comments. Actually, we've had this discussion over the years -- about what is the correct valuation for commercial enterprises that involve State land; how should they be valued. We do have the benefit, I think, of a 2011 interagency report which upped the valuation somewhat and put it more in line with what the value should be. But I think Senator Cardinale makes a great point -- that you are talking about an enterprise that, because of the benefit of the use of State land, is doing well and there should be some further consideration of valuation. So I agree with him on that.

But I have two different issues for pipeline re-ups. I think, in the lease, we should give the State of New Jersey as much flexibility as possible with regard to the issue of collocation. *Collocation* is having more than one pipeline in an easement. And the reason why you want to keep your options open is because with the recent production of the Marcellus shale gas -- the revolution that's going on in energy -- there is going to be, as we've already seen, demand on the part of the energy companies for more pipelines, resistance from many of our citizens to more pipelines-- And by the way, a decision that's out of our hands; it's in FERC, the Federal Energy Regulatory Commission.

But that being said, we should keep the possibility of collocation open. So I'd like to see in our leases, as we go forward, for these re-ups of pipeline easements, a provision that says that the State of New Jersey may also lease a portion of the easement to other energy entities for the collocation of another pipeline -- if it's feasible and can be done safely. There are issues when you try to put two pipelines in the same easement; it depends on where the pipe is located, etc., etc. But the policy of the State

should be to encourage colocation so there is little disruption to the lives of our citizens.

The entity that probably should make that decision is the Board of Public Utilities. They are our energy experts in the State, so I'd like to see a clause in this lease and all future leases saying that the State retains its ability to grant portions of that easement to other energy companies, if it is feasible and safe, as determined by the Board of Public Utilities. All right?

And then the second thing that I think should be in our policies for re-upping the pipeline easements is that pipeline companies certify that the pipeline is not leaking. And if it is leaking, that they fix it. We have tremendous losses of energy in this country from leaking pipelines -- especially as they get older, and older, and older. And I think it would be good public policy to include that in the lease as well.

So if we do adjourn this for a month, we can look into that issue of valuation; and maybe Counsel can check to see whether these are reasonable provisions that should be in future leases.

So if Senator Cardinale is going to make that motion, I'm happy to second it. But there may be other comments, so I don't want to push that.

MR. SHAUGHNESSY: First, are there any other comments from the members of the Commission?

MS. MELICK: I have just a general question, in terms of what these easements are for, and how broad are they, and are they broad enough to handle more than one pipeline or are they just-- I mean, I just don't

know what the answer to that is, but I think that would be part of what we need to consider.

SENATOR SMITH: Are the pipeline companies here?

MR. SHAUGHNESSY: I don't know. Are there any pipeline companies here -- members here? (no response)

I don't believe any representatives of the pipeline companies are here today.

SENATOR SMITH: So maybe that could be part of the further consideration. I'd like to hear from them as well, and I do know that there are feasibility issues. You're not going to allow this to happen if it's not safe. But, on the other hand, if it is safe, the fewer easements going through the state, as far as our citizens are concerned, I think the happier they'd be.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: I guess I would just have a general question about how long it's going to take to get another appraisal if that's what we're asking for. Because that could be quite a while, and will there be any issues or problems with any of these leases if we put this off a great deal of time? How long do you think it would take to get another appraisal on something as specific as this?

MR. SHAUGHNESSY: Please come up.

**J O S E P H T. G U N S O N:** Joe Gunson, with DEP Office of Leases and Concessions.

First of all, on the initial appraisals -- I believe all the members received a copy this morning; I brought them over. They weren't in the original submission with the summary. Both of these appraisals were done

by the New Jersey Water Supply Authority for our Department. They also have an interest -- the pipeline goes across the canal infrastructure, where they have control.

Both of the appraisals were identified as *open space parkland*, but the appraisal was based on *light industrial use*. It wasn't based on parkland. Both of the appraised values are above the 15-cent for square foot that's identified in the 2011 interagency report. So the appraisals were then reevaluated through our Department to see if they were based on everything that's identified in the interagency report.

To get another appraisal -- you know, it would probably have to be conducted by our office -- DEP. We would send out, I guess, a request to bid to various appraisers -- approved appraisers. I'm going to say it could be two to three months before we get anything back on the appraisals.

SENATOR SMITH: All right. But not a cubic foot of gas is not going to flow because the lease is not signed, correct?

MR. GUNSON: No.

SENATOR SMITH: All right. And I think Senator Cardinale's point -- but I could be wrong, I'm interpreting it -- is that maybe just using the light industrial zoning as another measure may still not be appropriate. He makes the point that it's now our pipeline, theoretically. It really isn't; but theoretically, at the end of a lease, if you make an improvement to a lease hold, it may belong to the property owner. I haven't seen the terms of the lease.

MR. GUNSON: Yes, I'd have to review them also to see.

SENATOR SMITH: Yes.

MR. GUNSON: But a lot of times, the Department doesn't want the improvements.

SENATOR SMITH: Of course not. You're not in the pipeline business. We understand.

MR. GUNSON: Yes, but also, if at the end of the lease -- if they decided to, "Okay, we're going to shut the line down," now the pipe becomes our property -- our responsibility--

SENATOR SMITH: Right.

MR. GUNSON: --to have to remove it, cap it, fill it. And the Department doesn't want that responsibility.

SENATOR SMITH: Yes, and I don't think anybody's encouraging you to take control of it. But I think what the Senator was suggesting is that that is -- even though there's nothing on the surface of the land, the pipe itself is an improvement. And it has some value. And we're wondering if just considering the zoning is enough. Or did I get it wrong, Gerry?

SENATOR CARDINALE: May I? Through you, Madam Chair.

I did have the opportunity, and you showed me the appraisal itself earlier today. It's very clear from that written document that the value of the pipe in the ground was not taken into consideration. There is, within that appraisal, a statement that the highest and best use for the property is as a site for a pipeline.

If this were totally vacant land, there would be a value placed on it. And if your appraiser is any good, that's the value that you've given to us. But there is a pipe in the ground, and there has to be a higher value

to the user once that pipe has been installed. Because obviously, the cost of installation of the pipe does not have to be undertaken. And this pipe has been here for some time; I mean, I think there have been prior renewals -- which probably also didn't take into consideration the value of the improvement.

Now, I have made full disclosure that I'm not a lawyer. I don't have legal training. But I've certainly dealt with real estate over 50-some-odd years. I have, in fact, leased land on which others have placed improvements. And when the lease expires, that improvement is taken into consideration on renewal for the value.

I believe -- and I can give you an example of one where the rent was seven times, after the expiration, what it was prior to the expiration. And that's not uncommon; that happens all the time. And so I think that your appraisers need to take that into consideration, because otherwise you're giving a windfall to the tenant. And I'm not suggesting that we should be beating the tenant into ground; I'm not suggesting that we should make the rent so high that they are encouraged to go elsewhere. But I think that a fair value is due to the people of the State of New Jersey on both of these transactions. That's as clear, I think, as I can make it.

Thank you.

MR. SHAUGHNESSY: Any other members have any comments? (no response)

If not, we have a motion to hold both item No. 11 and item No. 12.

MR. KOTLER: No, it's 12 and 13.

MR. SHAUGHNESSY: Thank you -- 12 and 13; similar items.

I have a motion. Is there a second to that?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Motion and second.

I'll call the roll.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Associate Deputy State Treasurer  
Petrecca.

MR. PETRECCA: Yes.

MR. SHAUGHNESSY: Acting 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: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: Okay, the motion to table those, or  
postpone those until a later meeting, is approved. So that's with regard to  
items 12 and 13.

The last DEP request is No. 14 on our agenda: Cape May Point  
State Park, Block 792, Lot 20.01, Lower Township, Cape May County.

DEP requests approval of an easement at Cape May Point State Park. The easement will be entered into with South Jersey Gas Company so that South Jersey Gas Company may install improvements and provide improved service to the State Park office facility.

The easement will be entered into with South Jersey Gas Company to benefit the State Park office facility at Cape May Point State Park, for a one-time payment of \$1 for nominal consideration.

Any members have any discussion on this item? (no response)

Hearing none, any members of the public want to make any public comment? (no response)

Hearing none, I'll take a motion.

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Motion.

Second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Associate Deputy State Treasurer Petrecca.

MR. PETRECCA: Yes.

MR. SHAUGHNESSY: Acting 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: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: That matter is approved.

We are going to go to the top of the agenda, and the item on your agenda, item No. 2, I believe. It's RPR 15-05, Stockton University, Block 875.04, Lot 1.01, Galloway Township, Atlantic County.

Treasury requests approval to convey a plus-or-minus 8.035-acre parcel of vacant land to Stockton University for the development of a Consolidated Communications Center, also known as the Central Dispatch Facility. Stockton University and the County of Atlantic intend to develop jointly and construct an emergency services facility suitable for the Consolidated Communication Operations and a Campus Police Department. Stockton University currently maintains a New Jersey State-commissioned police department, which provides security and public safety services for the University's community.

The County and the University would benefit from the joint participation in the proposed Consolidated Communications Center, making this project mutually advantageous, economical, and beneficial to the public at large for the County and the University to develop and construct the necessary facilities.

The property is located within the University's existing campus, and will be conveyed to the University for \$1, a nominal consideration.

That's the proposal. Does any member of the Commission have any comments or questions? (no response)

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

Hearing none, I'll take the roll.

MR. KOTLER: We need a motion.

MR. SHAUGHNESSY: Motion, please; I'm sorry.

May I have a motion on item No. 2, I believe it is.

SENATOR SMITH: Move it.

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Associate Deputy State Treasurer Petrecca.

MR. PETRECCA: Yes.

MR. SHAUGHNESSY: Acting 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: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: That matter has been approved.

Next, No. 3 on our agenda: RPR 15-14, ShotSpotter Flex Systems, Various Blocks and Various Lots in the City of Trenton, Mercer County.

Treasury requests approval to grant a lease on four State-owned buildings to ShotSpotter Flex Systems for rooftop space in order to provide the City of Trenton Police Department with information that will detect and locate gunfire. The information will enable a quicker response time to gunfire activity, which will assist the City Police in prosecuting gun-related crimes.

The lease will be for a term of five years with one, five-year renewal option. Since this action directly benefits the State, the property will be leased at the annual rent of \$1.

It should be noted, previously this was a license; now because of the duration and the expected duration of the equipment, it's being ripened into a leasehold interest.

Does any member of the Commission have any questions or comments about this?

SENATOR SMITH: Yes. How does that work? How does this spotting thing work?

MR. SHAUGHNESSY: As far as I understand, it's a location system where, when gunfire is heard, it will then report to the Trenton Police Department.

I don't believe we have anyone here today from Trenton PD; if that's the Senator's wish, we could do that.

Yes, Assemblyman.

ASSEMBLYMAN MORIARTY: We have this in Camden, and many cities around the country have it. It's a system where they put sensors around the city, and it can detect the sound of gunshots -- detect it like a GPS system -- and direct police directly to that location. And they can get there very quickly. There are a lot of gunshots in certain urban environments that are never reported.

SENATOR SMITH: Okay.

The other question I have--

MR. SHAUGHNESSY: Thank you, Assemblyman.

SENATOR SMITH: That expertise comes in handy. (laughter)

ASSEMBLYMAN MORIARTY: It's a good system.

SENATOR SMITH: I believe that, and I think it's a very worthy goal. The only question I have is this -- I assume that this is a private company, right? Flex--

MR. SHAUGHNESSY: It is a private company. It was procured through Trenton -- the City of Trenton.

SENATOR SMITH: So they're collecting a fee from the City of Trenton. Is there any idea of what kind of money we're talking about?

MR. SHAUGHNESSY: I am not sure if they're collecting a fee from the City of Trenton or not. I'm not certain of that. I just know that this is no cost to the State, but I don't know the answer to the Senator's question about what the relationship is between--

SENATOR SMITH: Yes, I think the goal is very worthy. But you also said this was a license, and now they want a lease, right?

MR. SHAUGHNESSY: Yes. Initially, it was done to get this up and running. There was a license issued, and typically licenses are non-

property interests. They don't have to come before the State House Commission, and they don't go past six months.

SENATOR SMITH: Yes, and they're revocable, so--

MR. SHAUGHNESSY: Right, exactly.

SENATOR SMITH: From a business point of view, that's not a great situation to be in -- where your license can be revoked.

MR. SHAUGHNESSY: Good point.

SENATOR SMITH: The only-- And it's-- I mean, I love the concept, and I think it's a very good idea. The only question is, is this something that enhances the value of that company because they have the lease for 5 -- well, for 10 years, actually; the 5 and 5 re-up? Or is there any offset to the City of Trenton because they didn't have to buy these locations? You know, I'm wondering if there's, maybe, some profit here that's not being taken into account. I have no problem going forward with it, because I think it's the right thing to do. But I really wonder what it does to the value of the company, and whether Trenton is getting any benefit from it not being paid for -- in other words, the \$1 a year.

ASSEMBLYMAN MORIARTY: Well, my guess would be that that if we charged \$10,000, that would just be passed on to the City of Trenton.

SENATOR SMITH: To Trenton, I would think.

ASSEMBLYMAN MORIARTY: Yes.

SENATOR SMITH: I would think so, too.

ASSEMBLYMAN MORIARTY: So, I mean, I know it's a for-profit company, I guess; but I'm sure that they asked Trenton for help in

getting these leases to-- And if they can get them for a dollar, if they wouldn't end up charging Trenton--

SENATOR SMITH: All right. I have no problem going forward with it, but it would be nice if we asked the question whether the City of Trenton received any offset benefit because we're doing it for a buck a year.

MR. SHAUGHNESSY: Will do. We'll ask Trenton that.

SENATOR SMITH: All right.

MR. SHAUGHNESSY: Any other further members' comments or questions? (no response)

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

Hearing none, may I have a motion?

SENATOR CARDINALE: So moved.

ASSEMBLYMAN MORIARTY: Second.

MR. SHAUGHNESSY: Motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Associate Deputy State Treasurer Petrecca.

MR. PETRECCA: Yes.

MR. SHAUGHNESSY: Acting 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: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: That matter is approved. And we'll take note of the Senator's question.

No. 4 is RPR 15-15, Millburn Regional Day School, Block 1101, Lot 44, Millburn Township, Essex County.

Treasury, on behalf of the Department of Education, requests approval to sell the Millburn Regional Day School, which has been declared surplus to the Department's needs, to the Millburn Township Board of Education or Millburn Township for the appraised value.

And I will note for the record, there are actually two appraisals concerning this. There's an appraisal in the amount of \$3.94 million; and then there's another appraisal at \$3.55 million. And the approval will be to sell this property at one of those appraised values, or somewhere in between, based upon further review and consideration.

That said, because of the value of this property, this is not the last whistle stop. There will be legislative approval as well on this matter.

But in any event, if the Board of Education is not interested or unable to purchase the property, then Millburn Township will have the opportunity to purchase the property for the appraised value. If the Board of Education or the Township are no longer interested or unable to purchase the property, then it will be sold via public auction, with the minimum bid being the then current, fair market appraised value.

I would just quickly make a note here. This building was constructed back in 1968 by the State. It was sold by Millburn -- the property was sold by the Millburn Board of Education to the State of New Jersey. At that time, the parties -- being the Board of Education and Treasury -- entered into an agreement which provided for these rights of first refusal. So these are contractual rights by agreement between the parties a number of years ago. And that's why we have these rights of first refusal.

Does anyone have any questions about this matter? Any comments?

ASSEMBLYMAN MORIARTY: What did we buy this for?

MR. SHAUGHNESSY: I believe it was \$1.3 million -- \$1.2 million or \$1.3 million many years ago.

Any other questions or comments? (no response)

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

Hearing none, may I have a motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Motion.

Second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Associate Deputy State Treasurer Petrecca.

MR. PETRECCA: Yes.

MR. SHAUGHNESSY: Acting 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: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: That matter is approved.

No. 5 on the agenda: RPR 16-01, Veolia Energy Trenton, L.P., Block 10701, part of Lot 3, Trenton, Mercer County.

Treasury requests approval to lease 17 surplus surface parking spaces located off of South Warren Street, adjacent to the Department of Health parking lot area, to Veolia Energy Trenton, L.P.

The lease will be for a term of three years, with one, three-year renewal option at a monthly rent of \$850. All security, maintenance, repair, and snow removal will be the responsibility of Veolia Energy, L.P.

Does anyone have any questions or comments on this? (no response)

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

Hearing none, motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Motion; thank you, Senator.  
Second?

MS. MELICK: Second.

MR. SHAUGHNESSY: Thank you, Chair.  
Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Associate Deputy State Treasurer  
Petrecca.

MR. PETRECCA: Yes.

MR. SHAUGHNESSY: Acting 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: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: That matter is approved.

Moving on to-- Okay, pardon me.

No. 6 on the agenda -- again, a Treasury request. RPR 16-02,  
Cherry Hill Armory, Block 49.01, part of Lot 4, Cherry Hill, Camden  
County.

Treasury, on behalf of the Department of Military and Veterans  
Affairs, requests approval to grant an easement to New Jersey American

Water for the construction, installation, and maintenance of a water main and associated appurtenances on the grounds of the Cherry Hill Armory -- in essence, going through the grounds of the Cherry Hill Armory.

The easement will be granted for the appraised value of \$8,400.

Does anyone have any questions on this utility easement? (no response)

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

Hearing none, may I have a motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Motion.

Second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Associate Deputy State Treasurer Petrecca.

MR. PETRECCA: Yes.

MR. SHAUGHNESSY: Acting 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: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: That matter is approved.

Moving on to 7 through 9 -- the DOT requests on the agenda.

No. 7: Route 6 -- current Route 159 -- Section 11, part of Parcel R1E, Block 401, adjacent to Lot 1.04, Fairfield, Essex County.

DOT requests approval to lease, on a month-to-month basis, an irregular-shaped lot having an area of approximately 0.275, located in Fairfield, Essex County, to the only adjacent owner, The Freedom Group, L.P.

And I'll note there's a disclosure form in the members' materials with regard to Freedom Group, L.P. I will also note there's a related matter in No. 8, because that matter involves the same Freedom Group, L.P.

The purpose will be for parking. The monthly rental is \$2,000, the appraised value, and will increase according to the rent schedule, which is part of the proposed Lease Agreement.

Any members have any questions or comments in this matter?

(no response)

Anyone from the public wishing to be heard? (no response)

Hearing none as to both, may I have a motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

ASSEMBLYMAN RIBLE: Second.

MR. SHAUGHNESSY: Thank you.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Associate Deputy State Treasurer  
Petrecca.

MR. PETRECCA: Yes.

MR. SHAUGHNESSY: Acting 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: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: That matter is approved.

On to No. 8 -- a somewhat related matter.

Again, Route 6 -- current Route 159 -- Section 11; however  
Parcel VXR1C, Block 401, adjacent to Lot 1.04, Fairfield, Essex County.

DOT requests approval to dispose of an irregular-shaped lot  
located in the Township, having an area of approximately 0.322 acres, to  
the only adjacent owner, The Freedom Group, L.P.

The property will be a direct sale to The Freedom Group, L.P.  
The purchase price is \$130,000, the appraised value.

Any members have questions on this matter? (no response)

Hearing none, any members from the public want to be heard?

(no response)

Hearing none, may I have a motion?

MS. MELICK: So moved.

MR. SHAUGHNESSY: Thank you, Madam Chair.

Second?

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Thank you.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Associate Deputy State Treasurer  
Petrecca.

MR. PETRECCA: Yes.

MR. SHAUGHNESSY: Acting 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: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: No. 8 is approved as well.

No. 9, the last DOT request.

Route 280, Section 5, Parcel VX331B, Block 2804, Lot 9, Orange, Essex County.

DOT requests approval to dispose of an approximately 0.0261 acre parcel of excess vacant lot in Orange, Essex County. The property will be auctioned -- due to the only two adjoining owners both having expressed interest -- with a minimum starting bid of \$23,000, which is the appraised value.

Any members have any comments or questions on this?

SENATOR SMITH: How do you do the auction? Is this one where they're sitting in two seats, and they are allowed to outbid each other, or is it a one-bid thing?

MR. SHAUGHNESSY: I think we'll be able to hear how the auction is conducted by Mr. Darrar of DOT.

J A M E S D A R R A R: Yes, my name is James Darrar. I am a Realty Specialist 4 of the Property Management Division, of the Right of Way, of the DOT.

And how the auction works is, after we post it -- even though there were only two people who were going to be allowed to bid on this -- we post it in the County, we post it in the municipality; we post the property, there will be a set date. Actually, you have to come down to Trenton, and they will be signed in. They'll let us know that they want to bid, they will be given a number. And actually, there will be an open bid in our conference room and they'll actually -- the starting bid will be at \$23,000.

SENATOR SMITH: Yes, but what do you mean by *an open bid*? Can you bid multiple times?

MR. DARRAR: Yes. Each person can bid--

SENATOR SMITH: Okay.

MR. DARRAR: --and it will keep going until they stop bidding.

SENATOR SMITH: Right; perfect.

MR. SHAUGHNESSY: Okay. Thank you, Mr. Darrar.

MR. DARRAR: You're welcome.

MR. SHAUGHNESSY: Any other questions from the members? (no response)

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

Hearing none -- motion, please.

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Associate Deputy State Treasurer Petrecca.

MR. PETRECCA: Yes.

MR. SHAUGHNESSY: Acting 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: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: That matter is approved.

And last, but not least, we're on to the Division of Pensions and Benefits requests.

We need a motion, now, to adjourn as the State House Commission and reconvene to sit as the Judicial Retirement System Board.

May I have a motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

SENATOR SMITH: Second.

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

Any opposed? (no response)

Okay, hearing none, we're sitting as the Judicial Retirement System Board.

The first matter on the agenda is No. 1, approval of the minutes on the meeting held on June 25, 2015.

May I have a motion?

MS. MELICK: So moved.

MR. SHAUGHNESSY: Motion.

Second?

MR. PETRECCA: Second.

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

MR. KOTLER: We need a roll call vote.

MR. SHAUGHNESSY: Oh, roll call?

MR. KOTLER: Yes, please.

MR. SHAUGHNESSY: Okay.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Associate Deputy State Treasurer  
Petrecca.

MR. PETRECCA: Yes.

MR. SHAUGHNESSY: Acting Director Ridolfino.

MR. RIDOLFINO: Abstain.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: Okay, that matter is approved with the  
abstention noted.

No. 2: Confirmation of Death Claims, Retirements, and  
Survivor Benefits as listed in the members' packages.

May I have a motion for that?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Motion.

Second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Any further discussion? (no response)  
Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Associate Deputy State Treasurer  
Petrecca.

MR. PETRECCA: Yes.

MR. SHAUGHNESSY: Acting 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: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: That matter is approved.

Next, No. 3: We're receiving the Financial Statements from  
April, 2015 to June, 2015.

May I have a motion on that?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Motion.

Second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Okay.

Any further discussion? (no response)

Hearing none, Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Associate Deputy State Treasurer  
Petrecca.

MR. PETRECCA: Yes.

MR. SHAUGHNESSY: Acting 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: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: That matter is approved.

No. 4 on the agenda: Submission for approval of amendments to the following two regulations pertaining to the Judicial Retirement System -- those being N.J.A.C. 17:10-5.1 and N.J.A.C. 17:10-5.9.

We have Pensions here if there are any questions or comments with regard to those matters. And I don't know if there are any; does anyone--

SENATOR SMITH: What do the revisions do -- amending two regulations? What do they do?

H E N R Y M A T W I E J E W I C Z: Good morning, madam Chairperson and members of the Commission. My name is Henry

Matwiejewicz; I'm the Legislative Coordinator with the Division of Pensions and Benefits.

And on the agenda today are two relatively minor amendments to the regulations dealing with the Judicial Retirement System.

The first one would amend Title 17, 10-5.1(e). Back in March 16, 2015, the whole set of the Judicial Regulations were presented to the Commission for re adoption because they were set to expire at the end of this December. At the time they were submitted, this section of the regulations had a reference to two pending amendments to the regulations. And this section deals with the processing of disability retirements under the Judicial Retirement System.

Initially, the subsection *e* of this Title just made reference to the statute that relates to processing of disability retirements in the Judicial Retirement System. At the time, the Division had some pending amendments that would clarify the procedures regarding processing disability retirements for all the pensions systems. It was an amendment to the general administration section of the regulations.

Those pending amendments never were promulgated,. We are in the process of trying to get them through, but they have never been officially promulgated. So this amendment just reverts the language of that section of the code back to the way it used to read -- where it just makes reference to the statutory authority regarding processing disability retirements in the Judicial Retirement System.

The second amendment is to Title 17, Chapter 10-5.9. And that's just a clarification amendment. Right now, that section of the code says that once you attain age and service requirements to be able to qualify

for a pension under the Judicial Retirement System, that if your birth date falls on the first day of the month, that the retirement would be effective on that day. Right now, if your birth date falls within the month, your retirement becomes effective on the first date of the month following your birthday. This section of the code says if your birthday is on the first of the month, then your retirement would be effective on the first of the month.

The way the code read was, it specifically mentioned age 60. But there are actually a number of age requirements that you can become eligible for Judicial Retirement System: at age 60 with 20 years of service; at age 65 with 15 years of Judicial service; or at age 70 with 10 years of Judicial service. This amendment just takes reference out of it being 60; and just makes a general reference that, if your birth date falls on the first of the month, your retirement will be effective on the first of the month.

ASSEMBLYMAN MORIARTY: Well, what was it before, if you retired on the first of the month?

MR. MATWIEJEWICZ: It always said the first of the-- If your birth date was on the first of the month, then your retirement would be effective on that date. If your birth date was on the second of the month, then your retirement would be effective on the first day of the month following your birthday.

The way the code read is meant -- it specifically referenced age 60; but age 60 is not the only age that you can qualify for Judicial benefits. Like I said, it's age 60 with 20 years of service; age 65 with 15 years of service; age 70 with 10 years of service. So this amendment is just taking out reference to age 60 and not specifying any age -- just saying that if your birth date falls on the first of the month, and you qualify for a benefit under

the Judicial Retirement System, it will be effective on the first day of the month. So it's not taking anything away; it's just basically--

ASSEMBLYMAN MORIARTY: Taking the number away.

MR. MATWIEJEWICZ: Yes, taking the number away, and it's not changing the way the retirements are processed.

ASSEMBLYMAN MORIARTY: Got it.

MR. SHAUGHNESSY: Any of the members have any questions? (no response)

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

Okay, hearing none, I'll take a motion on that matter.

SENATOR SMITH: So moved.

MR. SHAUGHNESSY: Motion.

Second?

ASSEMBLYMAN RIBLE: Second.

MR. SHAUGHNESSY: Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Associate Deputy State Treasurer Petrecca.

MR. PETRECCA: Yes.

MR. SHAUGHNESSY: Acting Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale had another meeting he had to go to at 10 o'clock; but he left his vote in the affirmative on this matter.

Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: Thank you. That matter is approved.

I believe the last matter, No. 5 on the Judicial Retirement System Board, is receipt of the triennial Report on an Investigation of Experience as of June 30, 2014, presented by Buck Consultants; and that there is a report that has been distributed to the members, which is in your materials, with regard to this.

Are there any questions or comments with regard to this matter? (no response)

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

Hearing none, then, may I have a motion?

ASSEMBLYMAN RIBLE: So moved.

MR. PETRECCA: Second.

MR. SHAUGHNESSY: Motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Associate Deputy State Treasurer Petrecca.

MR. PETRECCA: Yes.

MR. SHAUGHNESSY: Acting Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale. (no response)

Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: And I will note, again, an affirmative vote by Senator Cardinale in this matter.

Is there any other business--

MR. KOTLER: Motion to go back.

MR. SHAUGHNESSY: Oh, yes. A motion to return to sit as the State House Commission.

MS. MELICK: So moved.

MR. SHAUGHNESSY: Second?

ASSEMBLYMAN RIBLE: Second.

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

Any opposed? (no response)

We're sitting as the State House Commission.

May I have a motion to adjourn?

ASSEMBLYMAN RIBLE: So moved.

MR. SHAUGHNESSY: Second?

MR. PETRECCA: Second.

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

Thank you very much for your time; I appreciate it very much.

**(MEETING CONCLUDED)**