
Commission Meeting

of

STATE HOUSE COMMISSION

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

DATE: March 14, 2016
9:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

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



ALSO PRESENT:

Robert J. Shaughnessy Jr.
Commission Secretary

Gary A. Kotler
Commission Counsel

Meeting Recorded and Transcribed by
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MR. SHAUGHNESSY (Commission Secretary): Good morning, ladies and gentlemen.

Welcome to the March 14, 2016, State House Commission meeting.

I'm going to first indicate that we're in compliance with the Open Public Meetings Act. Notice of this meeting was given by way of notice filed with the Secretary of State, delivered to the State House press corps, and posted at the Office of the State House Commission.

Now, moving on to the call to order.

Deputy Chief Counsel Melick.

AMY E. MELICK (Chair): Present.

MR. SHAUGHNESSY: Assistant State Treasurer Schermerhorn.

ASSISTANT STATE TREASURER SCHERMERHORN: Present.

MR. SHAUGHNESSY: Director Ridolfino.

DIRECTOR RIDOLFINO: Present.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Here.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Present.

MR. SHAUGHNESSY: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Present.

MR. SHAUGHNESSY: Thank you, Counsel.

At the outset, I'd like to say No. 6 on today's agenda -- RPR 16-10, proposed easements to Atlantic County -- will be held and taken up at the next meeting of the State House Commission.

I would also like to indicate upfront that the State House Commission has received comments from Jean Public, by e-mail, dated March 10. They have been distributed to the members and will be maintained with the State House Commission records.

On to Old Business: No. 1, approval of the October 26, 2015, State House Commission Meeting minutes.

SENATOR SMITH: So moved.

MR. SHAUGHNESSY: So moved; thank you, Senator Smith.

MR. SHAUGHNESSY: Second?

SENATOR CARDINALE: Second.

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

MR. SHAUGHNESSY: Any nays? (no response)

Any abstentions?

ASSISTANT STATE TREASURER SCHERMERHORN: I abstain.

MR. SHAUGHNESSY: Thank you very much.

Next is No. 2, Liberty State Park, Block 15801, Lots 23, 35, 38 and part of 41-46, Jersey City, Hudson County.

DEP requests an amended approval for the even exchange with the City of Jersey City of not more than one-half acre of State land for the purpose of improving access to Liberty State.

At a prior State House Commission meeting, the State House Commission approved the DEP's request for a land exchange with Jersey

City to facilitate the construction of a road at the northern edge of Liberty State Park. The access road was constructed, but the development was not built, and the land exchange with the City was never brought to fruition.

The City now wishes to complete the exchange because the New Jersey Turnpike Authority has agreed to use this right-of-way for the full extension of Jersey Avenue, from downtown Jersey City to Liberty State Park. A revised approval from the State House Commission is needed to complete the land exchange due to slight acreage changes from the original approval, as well as block and lot renumbering by the City in the area.

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

Do any members of the public want to be heard in this matter? (no response)

Hearing none, may I have a motion?

SENATOR CARDINALE: So moved.

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Motion and second; thank you.

I'll call the roll.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Assistant State Treasurer Schermerhorn.

ASSISTANT STATE TREASURER SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

DIRECTOR RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: The matter is approved.

Next on the agenda, under Old Business, No. 3, RPR 01-41, Albert C. Wagner Youth Correctional Facility, Block 104, Lot 2, Chesterfield Township, Burlington County.

Treasury, on behalf of the New Jersey Department of Corrections, requests approval to lease approximately 19 plus-or-minus acres of vacant land located at the Albert C. Wagner Youth Correctional Facility to the Bordentown Community Soccer Association, a not-for-profit entity, for use as a recreational field. The Bordentown Community Soccer Association has been leasing this property from the State for the past 15 years. The original lease is set to expire in June of this year. This project was originally approved by the State House Commission at its meeting on June 29, 2001.

The lease term shall be for a term of three years, with two potential three-year renewal options at an annual rent of \$1. The Lessee has been and will continue to be responsible for all maintenance, utilities, and services provided to the property.

New Jersey Department of Corrections is supportive of this request.

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

Any members of the public here wish to be heard on this matter? (no response)

Hearing none, may I have a motion?

SENATOR SMITH: So moved.

MR. SHAUGHNESSY: So moved.

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Second; thank you.

I'll call the roll.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Assistant State Treasurer Schermerhorn.

ASSISTANT STATE TREASURER SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

DIRECTOR RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: That matter is approved.

That concludes-- Well, there is one other piece of Old Business that we're going to take up. And that is, we were intending to have -- or anticipating having an Executive Session to receive advice from the

Attorney General's Office. But to do that we would need a motion to go into Executive Session.

SENATOR SMITH: Do we want to do that now, or do we want to do that at the end? Do it now?

MR. KOTLER (Commission Counsel): I'd like to do it now.

SENATOR SMITH: Okay.

Motion to go into Executive Session.

ASSEMBLYMAN RIBLE: Second.

MR. SHAUGHNESSY: Okay, motion and second.

All in favor? (affirmative responses)

Any opposed? (no response)

Any abstentions? (no response)

MR. KOTLER: And we will be coming back to the public portion after the Executive Session. And we may be adopting several resolutions as a result of the Executive Session.

We'll just have Commission members here.

Executive Session begins 9:40 a.m.

Executive Session ends 10:14 a.m.

MR. SHAUGHNESSY: Okay, thank you for your indulgence. We appreciate your patience.

We're now on to New Business on the State House Commission agenda.

No. 4 on the agenda is RPR 16-04, Stockton University, Block 184, Lot 7, Linwood, Atlantic County.

Treasury requests approval to transfer a single-family dwelling, located in Linwood, Block 184, Lot 7, Atlantic County -- that has been and is currently occupied by Stockton University's Vice President for Administration and Finance -- to Stockton University. Since 1970 -- or some 45 years -- Stockton University has paid for all expenses related to the property.

Since the University has been and will continue to be solely responsible for the property, it is requested that title be transferred to Stockton University for \$1.

Do any members here want to be heard on No. 4?

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Yes, Senator.

SENATOR CARDINALE: I note the e-mail that we got from Cynthia Bussell, and she (*sic*) addresses item No. 4. "Stockton University and the house owned by the taxpayers of the State of New Jersey. I don't believe anything owned by the State's taxpayers should be turned over to the far-too-free-spending universities."

MR. SHAUGHNESSY: Excuse me, Senator. Cynthia works for the Commission; that was really from Jean Public.

SENATOR CARDINALE: Oh, okay.

MR. SHAUGHNESSY: Cynthia just-- The top is just the printing. It's from Jean Public.

SENATOR CARDINALE: I correct the author.

"Noting the out-of-control spending by Kean presidents, Rutgers' presidents, and sports teams, I think we need to keep any assets we have out of the hands of the universities. We can lease it to the University

at a fair price for taxpayers. Why do we need to furnish a house for this administrative person anyway? Let him rent his own house. Why are we making such high-priced deals for university presidents and administrations? The salaries are why out of control, and they're simply not worth it."

Now, while that's her opinion, it comes pretty close to my own.

It seems to me, from what we have been furnished, that we have been giving this house for no charge to the University for a long period of time, and they have done us the great favor of doing the maintenance on the house, which they use. It's a very valuable asset. And a number of questions came to me even before I read the objections from the witness.

Are there proposed, in this transaction, any deed restrictions, with respect to future use? It occurs to me that the day after we sign it over to the University, under the terms that are now proposed, they can sell it and keep the money. I don't see any reason -- anything that would prevent them from doing that. I know that's not our intention, but in the legal document, you should cover those eventualities.

I question the policy, as she does; and another question occurs to me. Is this amenity that is being provided to this individual free of taxes? Treasury is proposing this; and perhaps they can answer that question. Does he have to pay taxes on this as part of his salary, or is this a tax-free amenity that we are providing to this individual? And if so, why are we doing this? I would question the entire public policy, whether it's being initiated by the University, or we are just -- or we are co-conspirators in this kind of policy, which seems to me to be totally out of order. The taxpayers of New Jersey are entitled to the value of this property. And it's

appraised at \$440,000; that sounds to me like a low price, a low appraisal, as most of the appraisals that we have had before us have been. I think this is a very questionable proposal by Treasury.

MR. SHAUGHNESSY: Senator, we appreciate both the commentator's comments and your comments.

We have folks here from Stockton to address, perhaps, some of them. It was unknown to Treasury; in essence, Stockton has been utilizing it, and it's been of beneficial use for a number of years, and fully caring and feeding for the property.

Your question about deed restrictions may be well taken as well. And that is something that we should be considering.

Does anyone from Stockton want to be heard on this matter?

E. MICHAEL ANGULO, Esq.: (off mike) We're available to answer questions.

MR. SHAUGHNESSY: Good morning. Would you please introduce yourself, and tell us your affiliation?

DONALD HUDSON: My name is Donald Hudson; I am the Associate Vice President for Facilities and Construction for Stockton University.

MR. SHAUGHNESSY: Thank you, sir.

Do you want to ask--

ASSEMBLYMAN MORIARTY: Who is the other gentleman?
Can I get--

MR. ANGULO: Sure; good morning. Michael Angulo, General Counsel for Stockton University.

MR. SHAUGHNESSY: Would you be able to help us, or address some of the Senator's concerns with taxation or anything like that?

MR. HUDSON: Yes, sir.

MR. SHAUGHNESSY: Or deed restrictions, or something like that?

MR. HUDSON: Well, regarding, I think, your comment number two regarding the taxes -- is he taxed for occupying the facility. It's part of his benefit package. He transferred from the University of Arizona and is now the Vice President for Finance and Administration. As part of his package, he's allowed to occupy the facility. And I think there is a sum that has been determined as part of his package, so he is taxed on it, as a benefit.

SENATOR CARDINALE: Thank you for that.

MR. HUDSON: Sure.

SENATOR CARDINALE: I assumed that.

How much do you pay this guy?

MR. HUDSON: I believe his salary is over \$200,000 a year.

SENATOR CARDINALE: Don't you think somebody who makes \$200,000 a year can afford his own home?

MR. HUDSON: I don't think I have that opinion. That's the rate for that position in the State, and I would say that compared to his colleagues in the State he's equally paid with this benefit.

SENATOR CARDINALE: He's being paid more than the Governor.

MR. HUDSON: I don't think--

SENATOR SMITH: And this guy goes to work. (laughter)

Sorry; couldn't help myself.

SENATOR CARDINALE: He's being paid by -- more than most school superintendents, except a few that have had holdovers from prior legislation that we passed. You heard the comments of the commentator who -- that I read.

MR. HUDSON: Yes.

SENATOR CARDINALE: I think a lot of my constituents share those comments. You guys are charging a hell of a lot of tuition to a lot of people who are going to your colleges; they come out with huge debt; and I think a big portion of that necessity is because you are treating finances very cavalierly. I think you ought to be more careful in how you spend money. It doesn't grow on trees, and our constituents work damn hard to be able to pay their taxes, a lot of which goes to help support not just you, but all of our public institutions.

And this just happens to be before us. And I think this is a terrible, terrible travesty, that *a*) we are taking a State asset -- it is being proposed that we take a State asset and give it away; give away the substance of our taxpayers. We have a huge problem with pensions. At the very least, if you wanted to buy it for a fair price, maybe you should make a proposal that you would buy it for a fair price, and put that money into our pension fund or some other way to solve some State problems.

I'm not going to vote for this, obviously.

SENATOR SMITH: Gerry, would it be a better approach maybe to give Stockton the alternative of either buying it for fair market, or renting it for fair market, taking into consideration the maintenance of the home?

SENATOR CARDINALE: Yes, I think from the perspective of our job here at the State House Commission, that has been the policy since you and I have been on this group, we have followed -- that when the State disposes of property, it gets fair value for the property that it is disposing of -- whether it be through rental or through sale.

SENATOR SMITH: So I assume that you would support a motion to that effect?

SENATOR CARDINALE: Yes, I would.

SENATOR SMITH: I move the motion

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: And what is the motion again, Senator?

SENATOR SMITH: The motion is that Stockton should have the opportunity to purchase it at fair market or rent it at fair market, minus the consideration that they're maintaining it. Because they are maintaining State property; there's some value to that. But that way they can continue to keep it in their benefits package, but they have to pay the State for the fair market value of the property, or the fair market rental of the property.

SENATOR CARDINALE: And I would like to add to that motion that we determine fair market value by virtue of getting competent appraisals.

MR. SHAUGHNESSY: Okay, so we have a motion and a second.

Any further discussion?

MS. MELICK: I have a question.

ASSEMBLYMAN MORIARTY: I have-- Go ahead; I'm sorry.

MS. MELICK: No, go ahead.

ASSEMBLYMAN MORIARTY: I would like to know why Treasury is recommending that we--

SENATOR SMITH: Dispose of it.

ASSEMBLYMAN MORIARTY: --do this. Like, is there something I'm missing here? I'm guessing at this point, Mr. Hudson is wishing they never brought this item forward, because they would have been completely under the radar for many, many more years. But now that you brought it up, I think you see that on both sides of the aisle, we don't feel that this is appropriate. It's not like we're turning over State property for \$1 to a municipality that's going to use the building for an historic venue or something in the public interest. This is a closed building, and it's being used for one person's benefit as their compensation package. Meanwhile, Stockton has purchased the old Showboat, which they're disposing of; they're building a new campus. It seems like they have money to buy stuff, so we think that maybe you should buy this or rent it. But I'm wondering if I'm missing something that Treasury did see.

Is there someone from Treasury who could explain why they would recommend this move?

MR. SHAUGHNESSY: Let me respond to that point.

ASSEMBLYMAN MORIARTY: Yes, I want to be open-minded; maybe I'm missing something.

MR. SHAUGHNESSY: I think it's, in essence, to a certain extent, state-to-state; it's not a disposal. So this is a disposal to a State university. And I think that was a lot of the impetus.

ASSEMBLYMAN MORIARTY: But it's a State university that has spent millions of dollars on a perilous acquisition of a casino; it is now building a new campus in Atlantic City. It seems to have money to make acquisitions. Our pension fund could use money, our State could use money. We think that maybe some money should come our way.

SENATOR SMITH: Well, not only that, it has value. This is a single-family residential home; it looks like it's on a street, as opposed to just a private roadway into the University. Any person could conceivably buy it and pay fair market value. It's not like it's a stranded asset; it's an asset with value.

ASSEMBLYMAN MORIARTY: And as I said, we have been generous in the past where we have seen the wisdom in the government-to-government transfer of property for a public good -- whether that be a park, or a historical building, or something that the public will benefit from. I don't see how the public will benefit from this. I don't see how the public benefits from this unless the Vice President is having -- is opening his house each day to tours of the building, or having the community over for dinner. And I'm not trying to be-- I understand that this sounds like part of a compensation package that makes sense, and that's probably what you pay for this position -- part of the compensation is being given in terms of housing; I have nothing against that. But this is a State asset that we're here to oversee and make sure the State gets consideration.

So I would support the--

SENATOR SMITH: The motion.

ASSEMBLYMAN MORIARTY: --motion, if there's no other -- if there's nothing I was missing from the Treasury.

MS. MELICK: And I just have one question -- which is, is there history on this, I mean, or did it just come on the State's mindset that this was their land, and they've been paying \$1 for rent, or--

MR. SHAUGHNESSY: It is. Stockton had made this request of Treasury; and heretofore, I don't think there was any relationship via a lease or rent prior to this.

ASSEMBLYMAN MORIARTY: So there was no--

SENATOR SMITH: So it was free for all these years.

MR. SHAUGHNESSY: In essence; but all the care and feeding, the upkeep--

SENATOR SMITH: Gerry, I'm not going to let you go for back rent. (laughter) That's off the top.

MR. SHAUGHNESSY: So all the care and feeding was taken by the State university.

SENATOR CARDINALE: You're reading my mind. (laughter)

MR. SHAUGHNESSY: Okay, so we have a motion and a second to have the option of either purchasing the property for fair market value, or leasing the property for fair market value.

SENATOR SMITH: Taking into account that they're maintaining a State asset.

MR. KOTLER: And Senator, that option would be at Stockton's option.

SENATOR SMITH: Yes.

MR. KOTLER: Which they want to do.

And the Senator suggested further that a new appraisal be obtained--

SENATOR CARDINALE: Yes.

MR. KOTLER: --to confirm the market value.

SENATOR CARDINALE: I'm not enamored of the appraisals that I have seen, with respect to notes that are given to us about various properties. I held my tongue -- I bit my tongue on one because I happened to have sold property next door, and I excused myself from discussing that. But that's long passed. And we sold that property for approximately 10 percent per square foot of what I sold the property immediately next door, to the same purchaser. I didn't feel I could say that at the time because of the appearance that might-- But our appraiser, in that particular instance, was not just off by a little bit; our appraiser was off by miles. That was a very valuable piece of property we disposed of. And we gave it away for a song. And I think there have been other situations where we have had similar experience.

So I don't know where you get your appraisers from, but I would encourage you to try to get some who are competent.

MR. SHAUGHNESSY: Any further discussion on the motion?

(no response)

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

Hearing none, I'll call the roll.

MR. KOTLER: I would just add that Assemblyman Rible has left a "no" vote on this, but this was before he heard this new motion. So in fairness, I believe that we will not count his vote, either as a "yes" or a "no," since it was on a different motion.

MR. SHAUGHNESSY: Thank you for that clarification, Counsel.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Assistant State Treasurer Schermerhorn.

ASSISTANT STATE TREASURER SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

DIRECTOR RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. KOTLER: That passes.

MR. SHAUGHNESSY: Thank you very much.

We're on to the next matter, which is No. 5, RPR 16-09--

SENATOR CARDINALE: Now, just following up on how we're going to proceed. Now, we're offering them two options. Are we going to get an answer from them, or are they going to continue to get it free? I think it should be incumbent upon Treasury to tell them that they have to respond or perhaps we're going to just put it up for sale.

MR. SHAUGHNESSY: Okay.

SENATOR CARDINALE: I mean, that's the logical step two in this--

MR. SHAUGHNESSY: Would 30 days be reasonable to you, Senator?

SENATOR CARDINALE: Yes; I think 30 days is a reasonable time for them to give them notice that they have to express -- give us a letter of intent or something along that line.

MR. SHAUGHNESSY: Thank you, Senator.

We're moving on to No. 5, RPR 16-09, Hagedorn Psychiatric Hospital, Block 9, part of Lot 7, Lebanon Township, Hunterdon County.

Treasury requests leasing the property known as the East Hall, located on the grounds of the former Hagedorn Hospital, to Malvern Institute Hunterdon County, LLC, to be used for rehabilitation and addiction services.

The base annual rent shall be \$521,754.96, with three 3 percent increases every three years during the term. The lease term shall be for 15 years with three, five-year renewal options. Lessee will be responsible for all utilities supplied to the premises.

I just also want to note that the State has also negotiated with the lessee that in the event that the State has the opportunity to sell, transfer, or convey the property, the tenant shall have the right of first refusal to purchase.

That's the matter that's before the Commission's consideration at this point.

Do any members have any questions about this matter?

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes; who's responsible for upkeep, maintenance? I don't see that addressed here; or did I miss it?

MR. SHAUGHNESSY: Unfortunately, our lease negotiator is not here; he's on sick leave. That being said, we have a person from the Division of Law who helped negotiate the lease on behalf of Treasury. We also have representatives, as well, from Malvern Institute of Hunterdon County.

So Mr. Ambrose, would you--

C R A I G A. A M B R O S E, Esq.: Good morning. My name is Craig Ambrose; I'm from the Division of Law. I helped negotiate this lease.

Your questions is to the maintenance of--

MR. SHAUGHNESSY: Sir, could you identify yourself as well?

R O B E R T C H A V E Z: Yes. Robert Chavez; Vice President of Operations, Progressions Companies.

ASSEMBLYMAN MORIARTY: Could you say your name again?

MR. CHAVEZ: Robert Chavez.

ASSEMBLYMAN MORIARTY: Who are you with?

MR. CHAVEZ: Progressions Companies, affiliated with the Malvern--

ASSEMBLYMAN MORIARTY: Okay; you represent Malvern?

MR. CHAVEZ: Correct.

ASSEMBLYMAN MORIARTY: Okay; thank you.

MR. AMBROSE: The maintenance and repairs in the facility are the obligation of the tenant in the premises. In the facility around the premise, the State will be maintaining that area. But within the premises, it is the tenant's obligation to make those repairs.

ASSEMBLYMAN MORIARTY: You want to turn your microphone on so that we can get it on the record? Oh, I'm sorry; this is getting it on the record (indicating Hearing Unit microphones). That's true.

So in other words, if the boiler goes, who's responsible?

MR. AMBROSE: As it's a capital expenditure, the tenant is responsible for the first \$5,000; and thereafter, the State. As to operating expenses, it would be the tenant's responsibility. So a boiler, I believe, would be a maintenance obligation.

ASSEMBLYMAN MORIARTY: And you said surrounding it would be the State. What do you mean -- the grounds, like the lawn?

MR. AMBROSE: Yes, yes. There's a lot of area around this property. I've never seen it, but it was explained to me that those areas would be maintained by the State.

MR. SHAUGHNESSY: This is a campus property. It was formerly DHS Hagedorn Hospital, and there are other complementary facilities up there -- Veteran's Haven North, etc.

ASSEMBLYMAN MORIARTY: But most regular maintenance inside the building would be done by the tenant?

MR. AMBROSE: That's correct.

MR. CHAVEZ: Yes; that's correct.

ASSEMBLYMAN MORIARTY: Okay; I'm fine. I don't have any further questions.

MR. SHAUGHNESSY: Thank you, Assemblyman.

ASSEMBLYMAN MORIARTY: Thank you.

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

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

Hearing none, then I'll call the roll.

MR. KOTLER: Motion.

MR. SHAUGHNESSY: Oh, thank you, Counselor.
Motion?

SENATOR SMITH: To approve.

MR. SHAUGHNESSY: And a second; motion and second?

ASSEMBLYMAN MORIARTY: Second.

MR. SHAUGHNESSY: Okay, great. Thanks.

MR. AMBROSE: Thank you.

ASSEMBLYMAN MORIARTY: Thank you, both.

MR. SHAUGHNESSY: Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Assistant State Treasurer
Schermerhorn.

ASSISTANT STATE TREASURER SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

DIRECTOR 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: And Assemblyman Rible left his vote in the affirmative on this matter.

Moving on to-- No. 6 has been held; moving on to to No. 7. It's a DEP request. Project: Middlesex Greenway, Block 815, part of Lot 3, Township of Edison, Middlesex County.

DEP, on behalf of the County of Middlesex, requests approval to allow PSE&G to create a permanent aerial easement across a portion of 0.251 acres of the Middlesex Greenway for an overhead electric transmission circuit. The easement is needed for upgrades on an existing overhead electric transmission circuit within the PSE&G Sewaren-Metuchen Right-of-Way.

The proposed easement is valued at \$13,100. In accordance with law, the minimum ratio of monetary compensation for a private easement over parkland is 10:1 when the money is used for future land acquisition. Middlesex has agreed to place the \$131,000 received from PSE&G into its dedicated Open Space Trust Fund account for future acquisition of parkland.

So that's the matter before the Commission.

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

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

Hearing none, motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Assistant State Treasurer Schermerhorn.

ASSISTANT STATE TREASURER SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

DIRECTOR 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 has been marked in the affirmative.

That matter is approved.

No. 8 -- Project: Turkey Swamp Wildlife Management Area, Block 111, Lots 24, 26 and part of 27, Township of Freehold, Monmouth County.

DEP requests approval to convey an access easement of 0.180 acres and utility easement of 0.156 acres, plus or minus, to Michael and Elsa von Schleusingen -- I'm going to spell that: it's V-O-N, capital S-C-H-L-E-U-S-I-N-G-E-N -- owners of a residential inholding in the Turkey Swamp

Wildlife Management Area, in the Township of Freehold, Monmouth County.

Both uses predate State ownership of the surrounding property; no compensation is proposed.

There is a supplemental memorandum that was handed out, I believe, to the members concerning the value of the -- I think it's a fee-simple value of this property, which was about \$3,000; and it opines that the easements would be significantly less.

Any members have any questions or concerns about this?

SENATOR CARDINALE: I'm going to support this, but--

MR. SHAUGHNESSY: You're going to support this.

SENATOR CARDINALE: --what is an *inholding*? How does that term distinguish this from other kinds of holdings?

MR. SHAUGHNESSY: The inholding is language provided by the DEP. And we have none other than Judeth Yeany.

J U D E T H Y E A N Y P I C C I N I N I, Esq.: I'm Judeth Yeany from the Green Acres program at the DEP.

An inholding is a privately owned property completely surrounded by a State Forest or a Wildlife Management Area.

SENATOR CARDINALE: Okay, thank you.

MR. SHAUGHNESSY: Thank you.

Any other members' questions? (no response)

SENATOR CARDINALE: I'll move the resolution.

MR. SHAUGHNESSY: Okay.

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Any -- no. no one from the public here? (no response)

Okay; motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Assistant State Treasurer Schermerhorn.

ASSISTANT STATE TREASURER SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

DIRECTOR 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 in the affirmative.

That matter is approved.

No. 9: The project is the Delaware and Raritan Canal State Park, Block 1022, part of Lot 21, Lambertville, Hunterdon County.

DEP seeks approval to convey a 250 square foot, plus or minus, parcel within the Delaware and Raritan Canal State Park to 3 Clinton Street Partners, LLC, a development entity, as part of a land exchange intended to resolve an encroachment that existed at the time of State acquisition, and an irregular and problematic boundary line.

As part of its due diligence for the development of Block 1029, Lots 3 and 3.01 in the City of Lambertville, Hunterdon County, 3 Clinton determined that a strip of State property runs between an historic stone wall and the boundary of Lots 3 and 3.01, and that the private lots extend slightly onto the developed portion of the towpath of Canal Park.

DEP believes the best way to resolve this matter is to exchange the portion of the Canal Park containing the stone wall for the private property within the Canal Park boundary. As additional compensation for the proposed conveyance, 3 Clinton has agreed to accept ownership and maintenance responsibility for the stone wall, and provide a cash payment of \$2,000 to be used for future State park development purposes.

Do any members have a question about this? (no response)

Any members of the public want to be heard on this matter?

(no response)

Hearing none, a motion please.

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

MS. MELICK: Second.

MR. SHAUGHNESSY: Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Assistant State Treasurer Schermerhorn.

ASSISTANT STATE TREASURER SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

DIRECTOR 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 is in the affirmative.

That matter is approved.

I believe that concludes the matters on the regular agenda. Now we're moving to the Division of Pensions and Benefits matters. I just need a motion to adjourn as the State House Commission and reconvene as the Judicial Retirement System Board of Trustees.

SENATOR SMITH: So moved.

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Motion and second.

All in favor? (affirmative responses)

MR. SHAUGHNESSY: Any opposed? (no response)

Any abstentions? (no response)

The motion carries. We are now sitting as the Judicial Retirement System.

No. 10: The requesting party is Treasury, Division of Pensions and Benefits.

We first-- On item 1, we first need the approval of the minutes of the meeting held on October 26, 2015.

May I have a motion for that?

MS. MELICK: So moved.

MR. SHAUGHNESSY: So moved; second?

SENATOR CARDINALE: Second.

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

MR. SHAUGHNESSY: Okay; any abstentions, any nays?

ASSISTANT STATE TREASURER SCHERMERHORN:

Abstain.

MR. SHAUGHNESSY: Okay; one.

And Assemblyman Rible is marked in the affirmative.

So that matter is approved.

No. 2 is just a confirmation of Death Claims, Retirements and Survivor Benefits in your members' packages.

May I have a motion for that?

SENATOR SMITH: So moved.

MR. SHAUGHNESSY: Second?

MS. MELICK: Second.

MR. SHAUGHNESSY: Motion and second.

I'll call the roll on that.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Assistant State Treasurer Schermerhorn.

ASSISTANT STATE TREASURER SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

DIRECTOR 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 is in the affirmative.

That matter is approved.

SENATOR SMITH: Before you go further--

MR. SHAUGHNESSY: Surely.

SENATOR SMITH: --just a question. In the page with the Death Claims, Retirements, and Retirements Continued -- what's the difference between a *Retirement* and a *Retirement Continued*?

MR. SHAUGHNESSY: We have someone from the Division of Pensions who may be able to answer your question.

Good morning.

H E N R Y M A T W I E J E W I C Z: Good morning; Henry Matwiejewicz, from the Division of Pensions and Benefits.

MR. SHAUGHNESSY: Did you hear the Senator's question?

MR. MATWIEJEWICZ: I'm going to go to the-- Okay, which item are you referring to?

SENATOR SMITH: Well, on page 1942, at the bottom, you have a category of *Retirements*; at the top of page 1943, you have a page entitled *Retirements Continued*. What's the difference?

MR. MATWIEJEWICZ: Oh, no -- that's just a continuation of the *Retirements* from one page to the other.

SENATOR SMITH: All right; well, it looked like--

MR. MATWIEJEWICZ: It should have been on top of the page.

SENATOR SMITH: All right. It looked like there was a -- it looked like the difference was, the bottom of retirements under the person, it says, "Chapter 54 Option Selected." And then under the ones on 1943, it says, "No Chapter 54 Option Selected." What's Chapter 54?

MR. MATWIEJEWICZ: Chapter 54 was instituted a few years ago. Members of PERS and TPAF have always had an option to leave a portion of their benefit to a beneficiary once they pass away. And Judicial Retirement System never had that at one time; they had, upon the death of a Judicial Retirement System member, there would be 25 percent of the benefit left to the survivor. A few years ago, it was enacted that Judicial will have options also -- and that was Chapter 54.

SENATOR SMITH: Thank you for the information.

MR. MATWIEJEWICZ: You're welcome.

MR. SHAUGHNESSY: Okay, any other members questions on this? (no response)

Okay, hearing none--

We have a motion -- a motion and second on No. 2.

Okay, I will call the roll.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Assistant State Treasurer Schermerhorn.

ASSISTANT STATE TREASURER SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

DIRECTOR 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 left his vote in the affirmative.

That matter is approved.

The last is No. 3, Receipt of the Financial Statements from July, 2015 to August, 2015.

Any members have any questions on that? (no response)

Any members of the public here who want to be heard on that?

(no response)

Hearing none, then, may I have a motion on No. 3?

SENATOR CARDINALE: So moved.

MS. MELICK: Second.

MR. SHAUGHNESSY: Motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Assistant State Treasurer Schermerhorn.

ASSISTANT STATE TREASURER SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Director Ridolfino.

DIRECTOR 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. (no response)

That matter is approved as well.

So that concludes the State House Commission meeting of
March 14.

And we are now going to take a quick motion to go back into
regular session to sit as the State House Commission.

Motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

ASSEMBLYMAN MORIARTY: Second.

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

Okay; we are now sitting -- and now we need a motion to
adjourn, unless any members have any further business.

ASSEMBLYMAN MORIARTY: I'll make a motion.

MR. SHAUGHNESSY: Motion. Second?

SENATOR CARDINALE: Second.

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

We are now adjourned. Thank you very much for your time and patience.

(MEETING CONCLUDED)