
Commission Meeting

of

STATE HOUSE COMMISSION

LOCATION: Room L103
New Jersey State House
Trenton, New Jersey

DATE: June 12, 2017
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
David Ridolfino
Beth Schermerhorn



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

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MR. SHAUGHNESSY (Commission Secretary): Good morning.

Welcome to the June 12, 2017, State House Commission meeting.

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, posted at the Office of the Commission, and otherwise.

With the Chair's permission, I'll go to the call to order.

AMY E. MELICK (Chair): Please do.

MR. SHAUGHNESSY: Deputy Chief Counsel Melick.

MS. MELICK: Present.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: Here.

MR. SHAUGHNESSY: Acting Director Ridolfino.

MR. RIDOLFINO: Here.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Here.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Rible.

ASSEMBLYMAN RIBLE: Present.

MR. SHAUGHNESSY: Chair, we have a quorum.

SENATOR SMITH: Madam Chair, if it wouldn't be-- I was going to ask -- it's a little hard to hear.

MS. MELICK: Yes.

MR. KOTLER: We're going to close the door.

MR. SHAUGHNESSY: Thank you very much.

We have a lot of good work to accomplish today, so we'll try to move as expeditiously as possible.

Beginning with Old Business, No. 1: Approval of the December 12, 2016, State House Commission meeting minutes.

Any discussion? (no response)

SENATOR SMITH: So moved.

MR. SHAUGHNESSY: Okay; motion.

Second?

MS. SCHERMERHORN: Second.

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

Any opposed? (no response)

Any abstentions? (no response)

The minutes are approved.

No. 2: RPR 14-12, Greystone Hospital, Block 10003, part of lots 3 and 4, Denville, Morris County.

This project was originally approved by the State House Commission at the meeting of March 27, 2014, as a lease of 5,504 square feet of land located adjacent to an existing fire watchtower on the grounds of Greystone Hospital to High Mountain Tower, Inc. for the installation, maintenance, and operation of a radio transmission tower, related equipment, and an equipment building, together with access to the site.

The lessee has since been approached by American Towers LLC with an offer to purchase the tower and the lessee's interest in the lease.

Treasury, on behalf of Human Services, recommends the lease be assigned from High Mountain Tower to American Tower, LLC.

All terms and conditions of the lease will remain intact. All proceeds from the lease will continue to be sent directly by the tenant to Greystone Hospital's Patient Welfare Fund.

Any members have any comments or questions about that matter? (no response)

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

Hearing none, I'll call the roll.

Oh, motion please.

MS. MELICK: So moved.

MR. SHAUGHNESSY: Thank you.

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Thank you; motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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 Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: Okay, that matter is approved. Thank you.

Moving on to No. 3 on our agenda; No. 3 under Old Business. RPR 71-01, Block 14, Lot 12.01, Parsippany-Troy Hills, Morris County.

Some 46 years ago, the State House Commission approved the sale of a 1.0 +/- acre parcel of land to the Township of Parsippany-Troy Hills for the construction of a fire station. The Commission approved the conveyance for \$6,000 on the condition that a reverter clause be included in the deed. The reverter clause stated that the property must be used for the purpose of maintaining firefighting facilities.

The Township is seeking the Commission's approval to have the reverter clause in the deed removed so that the property can be sold and the proceeds from this sale be used to renovate its aging and deteriorating firehouse. There is an urgent need to raise the capital needed for said renovations to provide necessary, lifesaving firefighting services to the community.

That matter is up for consideration.

Do any members have any questions or comments concerning the matter? (no response)

Hearing none, does anyone -- a member of the public want to be heard on this matter? (no response)

Hearing none, then, I will ask for a motion.

SENATOR CARDINALE: So moved.

SENATOR SMITH: Second.

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

I'll call the roll.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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 Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: The matter is approved.

On to No. 4 under Old Business.

Keyport Waterfront Park--

Thank you for your attendance, folks, on that matter (addressing departing audience members). We appreciate it.

Keyport Waterfront Park, Block 21.01, part of Lots 49 and 50, Keyport, Monmouth County.

On December 15, 2003, the Commission approved a request by the DEP on behalf of Keyport to allow the Borough to realign a segment of formerly -- former American Legion Drive to maximize shoreline, pedestrian and vehicular safety, and to improve the overall function of the future park

development. At the time of the approval, the Borough estimated the disposal area as 1.0 acre, and the proposed replacement land as 1.02 acres. After construction, the Borough developed an “as-built” survey, which more precisely delineated the disposal and compensation areas. As a result, the total area of disposal was determined to be 1.219 acres, and the compensation lands were also under-reported at that time. The accurate compensation lands figure is 1.221 acres.

DEP now requests to amend the original approval to correct the acreage of the disposal area and the compensation land.

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

Hearing none, does anyone from the public want to be heard on this matter? (no response)

Hearing none, then, may I have a motion please?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Thank you, Senator.

ASSEMBLYMAN RIBLE: Second.

MR. SHAUGHNESSY: Thank you, Assemblyman Rible.

Motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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 Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: That matter is approved.

No. 5: The project is -- I hope I pronounce this right -- Capoolong (indicating pronunciation) or Capoolong Creek (indicating pronunciation) Wildlife Management Area, Block 26, Lots 6, 7.02, and part of 8; and Block 28, part of Lot 41, in Franklin, Hunterdon County.

DEP requests approval to formalize access to two residential parcels adjacent to the Capoolong Creek Wildlife Management by executing two access easements with the neighboring property owners, Deirdre and Michael Kravec, and Kathleen Wyckoff. On March 16, 2015, the Commission approved a request by the DEP to formalize access to a landlocked parcel by executing an access easement with the neighboring owners, Deirdre and Michael Kravec.

Subsequent to that approval, the DEP discovered that Kathleen Wyckoff, the owner of Block 26, Lot 6, was also a party in interest. The DEP now seeks to amend the original approval to include access across a portion of the State-owned driveway, not including the bridge, to provide legal access to the rear of Kathleen Wyckoff's property.

In exchange, Mrs. Wyckoff will quitclaim all rights that she may hold, in the underlying fee for the driveway and the bridge, to the DEP.

Mrs. Wyckoff will also convey to the DEP a small sliver of land, approximately 0.10 acre, located between Capoolong Creek and the Capoolong Creek Wildlife Management Area, as an addition to the WMA.

Do any members have any questions or comments about that?

And I welcome Assemblyman Moriarty. Thank you for your participation today.

ASSEMBLYMAN MORIARTY: Thank you; sorry I'm late.

MR. SHAUGHNESSY: So do I have a motion on this matter?

SENATOR CARDINALE: So moved.

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Okay, thank you, Senators. I appreciate it.

Deputy Chief Counsel Melick.

MR. KOTLER: (Indiscernible).

MR. SHAUGHNESSY: Oh, I'm sorry; okay, thank you.

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

Hearing none -- thank you, Counsel -- hearing none, I have a motion and second.

I'll call the roll.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Acting Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: And Assemblyman Rible.

ASSEMBLYMAN RIBLE: Yes.

MR. SHAUGHNESSY: Oh, did I forget Senator Smith?

SENATOR SMITH: Yes. (laughter)

MR. SHAUGHNESSY: Senator Smith, pardon me. Never forget Senator Smith.

SENATOR SMITH: Feelings are not hurt. (laughter)

MR. SHAUGHNESSY: That matter is unanimously approved, by the way. Thank you.

No. 6: Project, Route A.R.R.O.W. Staten Island Rapid Transit, part of Parcel 12B, Block 4, lot -- no lot designation this time, City of Elizabeth, Union County.

DOT is requesting modification of an easement held by PSE&G on NJDOT property known as part of Parcel 12B on the A.R.R.O.W. Staten Island Rapid Transit Project, and approved by the State House Commission at its December 12, 2016 meeting. The approval allowed for the upgrade of the voltage at the crossing of Survey Stations 387+40 and 383+47. It has been determined the actual voltage crossing will be at Survey Stations 387+51 and 383+63, and will replace the crossing at Survey Stations 387+40 and 383+47. The modification of the easement will now reflect the new station numbers.

The consideration to be paid to New Jersey DOT will remain at \$16,200.

Does any member want to be heard on this matter? (no response)

Does any member of the public have any questions or comments on this matter? (no response)

Hearing none, may I have a motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Motion; second?

MS. MELICK: Second.

MR. SHAUGHNESSY: Thank you.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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. 7: No. 7, we have, for consideration, adoption of resolutions by the State House Commission for Green Acres hearings.

The Commission will continue to consider resolutions concerning the matter of the scheduling of certain Green Acres hearings and appointment of a designee or designees to attend such hearings.

At this point I would like to read the proposed Resolution into the record. And if people would bear with me, I just want to get it on the record, going forward.

“Resolution of the State House Commission for adoption of procedures pursuant to N.J.S.A. 52:31-1.1 et. seq.

“WHEREAS, N.J.S.A. 52:31-1.1 -- *the Act* -- requires that the State House Commission hold public hearings -- *Green Acres Hearings* -- for certain Green Acres conveyances -- *Green Acres Conveyances* -- in those instances where the New Jersey Department of Environmental Protection -- *NJDEP* -- must also conduct these hearings; and

“WHEREAS, the State House Commission must conduct the Green Acres Hearings at least 90 days prior to considering an application for a Green Acres Conveyance for approval, and shall provide at least 30 days advance notice of a Green Acres Hearing; and

“WHEREAS, the State House Commission also must provide at least 30 days advance notice for any Green Acres Conveyance application that was the subject of a Green Acres Hearing and which is to be considered for approval at a State House Commission meeting; and

“WHEREAS, the State House Commission has reviewed the procedures set forth in the Act, as well as those procedures set forth in

N.J.S.A. 13:1D-51 et. seq. -- commonly referred to as the *Ogden-Rooney Act* -- regarding Green Acres Conveyances; and

“WHEREAS, the State House Commission has considered various options for effectuating the Green Acres Hearings it is required to conduct; and

“WHEREAS, the State House Commission has also discussed the designation of a Commission or staff member to attend the Green Acres Hearings.

“Now, therefore, be it resolved by the members of the State House Commission to adopt the following resolutions.”

And there are four; I will read them as follows.

“No. 1: For those Green Acres Conveyances for which the NJDEP has not yet conducted its hearing required by the Ogden-Rooney Act, the State House Commission shall conduct a Green Acres Hearing for Green Acres Conveyances, to be presented to the Commission for approval, by holding the Green Acres Hearing at the same time and place as the NJDEP conducts its hearing required by the Ogden-Rooney Act at the offices of NJDEP, or at a location otherwise selected by NJDEP in Trenton, New Jersey. The State House Commission shall also coordinate the mailing of the notices and the scheduling of the hearing with NJDEP in compliance with the statutorily required time periods.

“No. 2: For those Green Acres Conveyances for which the NJDEP has already conducted its public hearings pursuant to the Ogden-Rooney Act, if any, the State House Commission itself shall conduct a Green Acres Hearing prior to presenting the Green Acres Conveyance to the State House Commission for approval, by holding a separate hearing at the

State House or other location in Trenton, New Jersey. The State House Commission shall also arrange for the mailing of the notices and the scheduling of the hearing in compliance with the statutorily required time periods.

“No. 3: The State House Commission hereby approves the Commission Secretary as its designee to attend the hearing conducted, together with NJDEP, and to report his or her findings to the Commission at a subsequent meeting, if any, when the Commission is requested to approve the particular Green Acres Conveyance as presented by the NJDEP, to the extent a transcript is not included in the NJDEP application submission or otherwise made available to the Commission. Notwithstanding the foregoing, any member of the State House Commission is invited to attend any of the Green Acres Hearings, as well, and report his or her findings to the Commission at a subsequent meeting.

“No. 4: These resolutions shall become effective immediately.”

And that is dated June 12, 2017, today.

Thank you for bearing with me as I read the Resolution.

Does any member of the Committee -- or the Commission, I should say -- have a comment or question?

SENATOR SMITH: On No. 4--

MR. SHAUGHNESSY: On No. 4 -- yes, Senator. That Resolution shall become effective immediately, or--

SENATOR SMITH: No, no. no--

MR. SHAUGHNESSY: Okay.

SENATOR SMITH: I'm sorry. The concern I have is the Resolution says specifically that the Secretary shall designate. Number 4

(*sic*) indicates that any member of the Commission may attend, all right? The only -- there are two semi-issues there; one is, I think attending, or participating, or being an additional designee -- because *attending* may mean sitting in the audience and listening; or, if you're part of a hearing group, then you have an opportunity to ask questions of the presenters. So I think it should be made clear that any member of the State House Commission that, in fact, decides to attend with the Secretary of the Commission, should be a full participant in that Ogden-Rooney hearing, not just an attending person who makes the report, all right?

And then the second thing is, we need to know about it. And I don't hear, in any part of the Resolution, where it says that members of the State House Commission are going to be notified and be given the opportunity to attend. You know, what's the purpose of having an ability to participate if you don't know the meeting is happening? So I think there needs to be notice to Commission members so that if they do want to attend, they have the ability to do so. Those two, I think, are clarifying fixes; and I would be inclined to need a vote for it.

And one additional concern, which is not related to the content -- because I think that this Resolution is probably the best way to handle the Ogden-Rooney issues that we discussed over the last two or three meetings -- but the last one is, how much notice the public has had about these resolutions. I mean, in my book, there was no copy of the Resolution. I was running out the door to go to San Antonio, Texas, on Thursday afternoon when I got a copy of the Resolution at that moment. I can't believe that the public has had much of an opportunity to review this. And I would suggest clarifying the Resolution with those two clarifications, and

then giving the public a real opportunity to review it -- namely, that we hold this for another meeting. What's the rush? I mean, we've only not followed the law for the last 15 years, so it would be nice if we did it right when we do decide what our procedures are going to be.

So those two suggestions for changes to the Resolution; and one suggestion of (indiscernible) let the public have a chance to actually read it. Because, you know, the people I would expect to be here on Ogden-Rooney issues would be the enviros, and I don't see any of the enviros present. And I'm sure it's not for lack of interest; I think it's just no one knows what's going on.

MS. MELICK: We put this out in Public Notice, right? Or--

MR. SHAUGHNESSY: The agenda is publicly noticed, yes.
At least a week ago.

SENATOR SMITH: Was the content with the notice?

MS. MELICK: That I don't know.

SENATOR SMITH: Did we have the Resolution out a week ago?

MS. MELICK: No?

MR. KOTLER: (Indiscernible) and notice.

SENATOR SMITH: Buried in 30 items? (laughter) I don't think there's been good notice. I'm not trying to be a stinker here.

SENATOR CARDINALE: I have a question.

MR. SHAUGHNESSY: Sure, Senator

SENATOR CARDINALE: Are there any matters in the pipeline that would be impacted by our delaying this to the next meeting of the Commission?

MR. SHAUGHNESSY: Both fair comments.

We know Judeth Yeany, from the DEP, well.

J U D E T H P I C C I N I N I Y E A N Y, Esq.: Is this on, or do I have to turn it on?

MR. SHAUGHNESSY: Is it on?

MS. YEANY: It's on?

MR. SHAUGHNESSY: Say "test."

HEARING REPORTER: It's not a--

MS. YEANY: It's for you; okay. (laughter)

Mr. Shaughnessy has been communicating with DEP about what might be affected by the timing of the advice. So I've advised him in the past that we have a pending land exchange with Ocean County that we have not initiated because of the advice. But, you know, in reality that is not a time-sensitive matter.

We do have a transfer of property to the Federal government that has also been delayed. But we are exploring the possibility of doing that one legislatively because of other issues associated with the transaction.

So I'm not sure June versus September is going to be a huge issue for that transaction either. And other than that, nothing else is being delayed right now.

MR. SHAUGHNESSY: Okay; thank you for your comments.

MS. MELICK: Thank you.

MR. SHAUGHNESSY: Does that answer your questions, Senator Cardinale?

SENATOR CARDINALE: Yes, it does.

MR. KOTLER: Yes, Senator, I have no objections to your two substantive points and the procedural point, especially based on what Ms. Yeany has said. So I have no objections to holding this to the next meeting.

SENATOR SMITH: I'd love to be that (indiscernible) wife; (indiscernible).

MS. MELICK: All right; so before the next meeting, we will put this out and publish it, along with the board list.

SENATOR SMITH: Please.

MR. SHAUGHNESSY: Okay.

ASSEMBLYMAN MORIARTY: I have a question about No. 3 -- about the Secretary as the designee. Does that mean that the Secretary attends and participates? Because it really just says they would attend the hearing and report his or her findings to the Commission at a subsequent meeting. And it also says that any other member can do the same. Are they just there observing and then they report back? Or actually sitting at a panel and participating?

ASSEMBLYMAN RIBLE: I think the Senator's point fixes that, because it makes him an active participant -- whoever shows up.

ASSEMBLYMAN MORIARTY: So your point would be to make both of them active participants--

SENATOR SMITH: Right; the Secretary always, and any member of the Commission who wants to attend can as well.

ASSEMBLYMAN MORIARTY: Okay. So--

MR. KOTLER: Yes, that was the intent.

ASSEMBLYMAN MORIARTY: Okay, I agree with--

MS. MELICK: I think it's basically two hearings at the same time, is my interpretation of this. So it would be simultaneously a DEP meeting and a State House Commission meeting. So the Commission--

SENATOR SMITH: Right, except it wouldn't have the full State House Commission--

MS. MELICK: Right.

SENATOR SMITH: --it would have the designees, or the designees who want to attend. And they would be participating.

MR. KOTLER: Right; there's no requirement that a quorum be--

SENATOR SMITH: Right.

MR. SHAUGHNESSY: Ms. Yeany, do you have a comment on this?

MS. YEANY: Yes.

MR. SHAUGHNESSY: You've been doing this for years.
(laughter)

MS. YEANY: We're required to have two public hearings for any transaction over 5 acres. And the first one in the municipality in which the property is located, the Commission would not be participating in that hearing. And that one is always mandatory for us.

The second one is in the City of Trenton. And I think the concept Mr. Shaughnessy and I have been discussing, is that the second hearing would be a joint DEP-State House Commission hearing, and we would advertise it as such. So including when we put notice of the hearings in the *DEP Bulletin* and the *New Jersey Register*, the caption is going to list

both agencies. And, in fact, we'll have Mr. Shaughnessy sign the hearing notice as one of the participating agencies.

ASSEMBLYMAN MORIARTY: Okay; I just want to be clear on this so that the next time this comes before us, we can actually vote on it. (laughter) Because we already agree in advance that the change to be made is that the Secretary and anyone else who wants to attend will be participants as well as attendees. And the other thing would be notification of members, and how is that notification going to -- what is the form of that notification? Would it be, well, certified mail; would it be an e-mail to our offices? Should we be clear on that too?

MS. YEANY: We're required-- Sorry. We're required by the statute to provide notice to the heads of various legislative committees; that's been true from the start of that process. And I think we would just add the individual State House Commission members to our mailing list. Mr. Shaughnessy, as Secretary, was already on that list, but we'll just expand the list to include the individual members.

That statute actually doesn't specify the form of notice for the legislative members. So the last couple of times we've done it, we've done it through e-mail, and it seems to have worked. We've e-mailed the legislative contacts. We can work out those details for the next transaction.

MR. SHAUGHNESSY: Yes, we can provide the members' e-mail addresses. Does that satisfy you?

ASSEMBLYMAN MORIARTY: Yes, (indiscernible).

MS. YEANY: And we post all the content online, so you, individually, or your staffs could access all the documents online. But we'll send them as attachments to the e-mail as well.

SENATOR SMITH: Terrific.

ASSEMBLYMAN MORIARTY: And then the last thing -- so we don't have any problems the next time -- when will we put this out so that it can be -- how many days in advance of our next meeting will we have this, and put it out so the public can see it?

MR. KOTLER: Well, I would suggest we do it 30 days in advance; yes. Okay?

SENATOR SMITH: That would be great; that's fair.

ASSEMBLYMAN MORIARTY: Great; thank you very much.

MR. KOTLER: That may be before the rest of the agenda comes out, but--

MR. SHAUGHNESSY: It seems to comport with the statute.

MR. KOTLER: Yes, exactly.

MR. SHAUGHNESSY: Good; okay.

ASSEMBLYMAN MORIARTY: Very good; thank you.

MR. SHAUGHNESSY: So we have a game plan, going forward, in September or the next meeting, whenever that occurs.

ASSEMBLYMAN RIBLE: Do you need a motion to table, or are you good, procedurally, to just move on?

MR. SHAUGHNESSY: Okay, that's great.

Motion to table; second?

SENATOR SMITH: Second.

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

Okay; any opposed? (no response)

Okay, we're on to New Business. Thank you for getting through the Old Business.

So the next-- No. 8 and No. 9, under New Business. Actually, they're similar, but I'm going to mention them and take a vote separately on them.

No. 8 is RPR 16-03A, 405 North Main Road, Block 3201, part of Lot 1 -- proposed Lot 7 -- Vineland, Cumberland County.

Treasury, on behalf of the Department of Human Services, recommends the disposal of a dwelling located at 405 North Main Road, on the grounds of the Vineland Developmental Center, that has been declared surplus to the Department's needs.

The property will be sold via Internet auction with the minimum bid being the appraised liquidation value of \$129,000. The property will be appropriately rezoned according to local variance guidelines.

Do any members have a question on that?

SENATOR SMITH: Yes, the zoning issue.

MR. SHAUGHNESSY: Okay.

SENATOR SMITH: The value of the property is really a function of what zoning it has. So does this mean it's going to be rezoned and we don't know what it's going to be rezoned to? Or have we been told by the municipality what they're going to rezone it to?

MR. SHAUGHNESSY: Okay; I appreciate your question, Senator Smith.

We have someone from Treasury who will shed some light on it.

ROBERT J. TIGHUE: Hi.

I like this intimate setting here. (laughter)

So it's zoned *Institutional* right now, because it's a developmental center. These were originally employee houses that were on the perimeter of the property.

Residential is not an allowable use under Institutional zoning; however, we've met the city and they had said we need to just apply for a variance. The purchaser would apply for a variance for a Residential zone. When we had the property surveyed in order to separate these lots, we did it according to the R1 zone, which would be a Residential zone.

SENATOR SMITH: One acre.

MR. TIGHUE: I'm not sure exactly off the top of my head if it's one acre, but similar to that.

SENATOR SMITH: Well, the only problem I have here, at least on that explanation is, I don't know if the State is being fairly compensated.

MR. TIGHUE: We had it appraised; so based on--

SENATOR SMITH: Oh, you had it appraised based on R1 zoning.

MR. TIGHUE: Based on that zoning, correct.

SENATOR SMITH: Yes. Suppose the owner of the property takes a density of 10 units to the acre, as opposed to one unit per acre.

MR. TIGHUE: They would have to get a variance for that, which would be highly unlikely.

SENATOR SMITH: Yes, well, they're going to have to get a variance for R1, too, because it's, right now, Institutional.

MR. TIGHUE: Correct. So the city is aware of -- that the properties were initially created to be R1 lots. They are supportive of that;

that is what is expected. If the property owner comes in and wants anything different, most likely it would not be allowed.

SENATOR SMITH: So how about if we, for both these resolutions, say -- with a little caveat or amendment -- that if the zoning is anything other than R1, they will seek, and the purchaser will give to the State, the added value of any higher-intensity zoning. Because right now it's -- you have no idea what alternate scenes can do. Administrations change, elections happen.

MR. TIGHUE: I mean, I don't have a problem with that.

SENATOR SMITH: Okay.

MR. TIGHUE: I think it would be, maybe, easier to say -- as the sale is contingent upon the variance, as of the rights of the R1 zone--

SENATOR SMITH: Okay.

MR. TIGHUE: --as opposed to--

SENATOR SMITH: Okay.

MR. TIGHUE: You know, when you come back -- and it gets a little complicated that way.

SENATOR SMITH: As long as we're getting paid our fair value, I don't have a problem. At least, say, if the sale is contingent on an R1 -- getting the variance, and that's what your appraisal was--

MR. TIGHUE: That's what the appraisal was.

SENATOR SMITH: I'm just worried about higher intensity.

MR. TIGHUE: I understand. And I think that, you know, the other side of this is the Department of Human Services has been maintaining these buildings, and they're vacant, and they're concerned about vandalism.

SENATOR SMITH: Sure.

MR. TIGHUE: And--

ASSEMBLYMAN MORIARTY: Are these adjacent to each other?

MR. TIGHUE: These-- Well, there's a-- I can't remember specifically, because we had seven properties that were all in a row. Five we brought last time, and they were approved; two were not, because we didn't have appraisals on them. And I don't, off the top of my head, remember the exact order of where they are.

ASSEMBLYMAN MORIARTY: Okay.

MR. TIGHUE: But they're all in the same -- in the same vicinity.

ASSEMBLYMAN RIBLE: Just while we're on that subject -- to the Senator's point, the ones that were sold -- were they -- did they go for variances?

MR. TIGHUE: They're going through the various processes now, yes.

ASSEMBLYMAN RIBLE: They are?

MR. TIGHUE: Yes.

MR. SHAUGHNESSY: Senator, did you withdraw your comment, then, or-- I'm sorry.

SENATOR SMITH: No. I think the suggestion -- a better suggestion than the suggestion that I made -- which involves tracking this (indiscernible) that the sale is contingent on the receipt of a--

MR. TIGHUE: Variance, based on an R1.

SENATOR SMITH: --variance based on an R1 zoning. And obviously if we got something better than that, then they would have to come back. And they wouldn't be able to go before the zoning board, because they are contract purchasers.

MR. TIGHUE: Correct.

SENATOR SMITH: So they have rights in the property, but they wouldn't be the fee owners until they got the zone--

MR. TIGHUE: Correct; and I think that should be clarified. Because it does say "rezoning." They are not actually rezoning; the zoning is going to stay.

SENATOR SMITH: Right.

MR. TIGHUE: It's just going to be a variance, based on the Institutional zone.

SENATOR CARDINALE: And in addition, they are being sold at auction. So that any potential buyer or buyers, any group of people looking at that would be able to see the potential, if there was a potential for a better use. And there is competition then available; so that once you do it right -- if you were doing it by an outright sale, without an auction -- a negotiated sale -- I would have the same concern that you have.

But it's being sold at auction.

SENATOR SMITH: But then why would it change? Because--

SENATOR CARDINALE: It changes because then the potential buyers are all aware of any upgraded use that might be available. For instance, suppose someone decided that, you know, this would be very nice for a 20-story apartment house.

SENATOR SMITH: Yes.

SENATOR CARDINALE: Well, that is not going to be the only person who is going to know that.

SENATOR SMITH: Right.

SENATOR CARDINALE: That would be known by any potential buyer.

SENATOR SMITH: Correct.

SENATOR CARDINALE: And so the bids would be adjusted by the bidders according to those values.

SENATOR SMITH: I don't know how to respond. Because you're assuming that the buyers either have a feeling that they're going to get a higher rezoning--

SENATOR CARDINALE: No. I'm assuming that if there is a real market potential--

SENATOR SMITH: Right.

SENATOR CARDINALE: --that that is known once you go to an auction process. It's known by all of the people who deal in real estate in that area. They would all know about that potential.

SENATOR SMITH: I don't know if I agree. Because until you get the use variance, you have a pig in a poke. Once you have the use variance, then you'd actually know what the value is. And the problem here is that they can buy it as if it's R1 zoning; an R1 zone use variance; its changed. They go in and they say they want 10 to the acre. And the town says, "Maybe we'll waive it. We have no moral obligation; we needed to do it." I'm just trying to make sure the State doesn't get anything other than what is fair.

SENATOR CARDINALE: Well, you and I always share that concern.

SENATOR SMITH: Yes.

SENATOR CARDINALE: That's our concern.

MR. TIGHUE: So do we, from Treasury.

SENATOR SMITH: But I don't know the fair market fitting in--

SENATOR CARDINALE: Well, I don't know about the Department securing that. He and I usually share that concern; we have for many years on this.

SENATOR SMITH: So going to the other offer -- what's the problem with putting in that condition? In other words, it is still being sold as though it were--

SENATOR CARDINALE: Well, is this a conditional sales contract that's going to be entered after the auction?

MR. TIGHUE: So, yes. I could give you a background, if you want it.

Initially, these -- the five properties that were sold -- we were told by the planning department that they were grandfathered as residential -- single-family residential properties. There would be no variance required. And after we had sold them, one of the purchasers called the city; they said, "No, the zoning doesn't allow for residential; you need a variance," which is the first we were told we had to get a variance, or that the purchasers would have to get a variance. So that's why when we brought it up with Mr. Kotler and Mr. Shaughnessy, they wanted us to put that in the package to let the Commission know that any purchaser would require a variance.

Because as of right now, we can't do anything with these properties. So really, it's the opposite situation. Instead of it being *more*, it's really *less*. Unless they get the variance, it's an Institutional zone, which doesn't allow for single family residences. So that would be required. And these are smaller, sub-type plots with small, little modest homes on them that are -- you're not looking at a potential of 20-unit apartments.

SENATOR SMITH: Right.

MR. TIGHUE: This is-- Yes.

So it's just a matter of making sure we're up front with saying that the purchaser would have to be required a variance.

ASSEMBLYMAN MORIARTY: What's the--

SENATOR SMITH: Then I think it's proper of me to change my opinion.

MR. TIGHUE: Yes. I'm not quite sure they are an acre; I believe they are either a quarter-acre or a half-acre.

SENATOR SMITH: So much for doing it.

MR. TIGHUE: Yes.

SENATOR SMITH: Unless you put two together. Never mind.

SENATOR CARDINALE: But I'm still not clear.

MR. TIGHUE: Yes.

SENATOR CARDINALE: At the point where the auction has been completed--

MR. TIGHUE: Yes.

SENATOR CARDINALE: --is that a firm transaction, or is that a conditional transaction upon the granting of the variance?

MR. TIGHUE: It's a firm transaction.

SENATOR CARDINALE: It's a firm transaction. So that the need for the variance--

MR. TIGHUE: Is on the buyer.

SENATOR CARDINALE: --falls on the successful bidder.

MR. TIGHUE: Correct. But we're making them aware upfront that this is going to be something they are going to need.

SENATOR CARDINALE: But they are taking that risk.

MR. TIGHUE: Correct.

SENATOR SMITH: And how big -- I'm trying to take a quick look at the notes -- how big are the properties?

MR. TIGHUE: Yes. I remember them being about a half-acre. It's not in the list.

ASSEMBLYMAN MORIARTY: How big is the--

MR. TIGHUE: The house?

ASSEMBLYMAN MORIARTY: The house.

MR. TIGHUE: It's about 1,200 square feet.

ASSEMBLYMAN MORIARTY: About 1,200?

MR. TIGHUE: Yes.

ASSEMBLYMAN MORIARTY: That's pretty small.

MR. TIGHUE: Yes.

SENATOR SMITH: Yes. Maybe it's not such a big concern.

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

So then we're going to move them as originally stated.

Any member of the public want to be heard on these matters?

(no response)

Okay; on No. 8, do I have a motion?

SENATOR CARDINALE: So moved.

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Thank you.

I'll call the roll.

Pardon me for the delay.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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.

On to No. 9, which is a similarly related matter.

RPR 16-03C, 541 North Main Road, Block 3201, part of Lot 1,
proposed Lot 4, Vineland, Cumberland County.

Again, Treasury, on behalf of Human Services, recommends the disposal of a dwelling located at 541 North Main Road, on the grounds of the Vineland Developmental Center, that has been declared surplus to the Department's needs.

The property will be sold via Internet auction with the minimum bid being the appraised liquidation value of \$122,500. And again, the same similar condition was noted.

Any members have any further comments on this? (no response)

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

Hearing none, may I have a motion on No. 9?

ASSEMBLYMAN MORIARTY: I'll make a motion.

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Motion and second; thank you very much.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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: I thank the members for their consideration on those matters.

Next, No. 10 under New Business.

And let me also mention No. 10 and 11 are slightly related as well. They both deal with The Learning Center at the Vineland Developmental Center.

So No. 10 on our agenda today is RPR 17-10, The Learning Center, Block 2101, part of Lot 53, Vineland, Cumberland County.

Treasury, on behalf of the Department of Human Services, recommends the disposal of the property known as The Learning Center, which is located on the West Campus of the Vineland Developmental Center. The property has been declared surplus to the Department's needs and consists of 7.428 +/- acres of land and a 44,760-square-foot former school building.

The property will be sold via Internet auction with the minimum bid being the appraised value of \$3.5 million, subject to legislative approval.

And I will just mention that the next matter is related, and I will get to that, I guess, after we get through this matter.

So does any member have questions or comments with regard to this proposed auction? (no response)

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

Again hearing none, may I have a motion?

MS. MELICK: Motion.

MR. SHAUGHNESSY: Thank you; second?

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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.

Going on to No. 11 -- and again, it relates to The Learning Center -- it's RPR 17-12, The Learning Center, Block 2101, part of Lot 53, Vineland, Cumberland County.

The Department of the Treasury, on behalf of Human Services, recommends, during the auction term, mentioned above, leasing a portion -- a smaller portion of the property -- 6,000 +/- square feet of space of the

property known as The Learning Center to Inspira Medical Center to be used as a child care facility.

The lease term will be for a term of one year, with a one-year renewal option, at the mutual discretion of the parties, at an annual rent of \$50,000 with a 3 percent increase during any renewal term. The lessee will be responsible for all utilities provided to the leased space and shall be responsible to maintain its portion of the building.

That matter is up for proposed consideration.

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

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

Hearing none, then make a motion, please.

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Thank you, Senator.

MS. MELICK: Second.

MR. SHAUGHNESSY: I'll call the roll.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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, and thank you for your participation and support here today.

No. 12 on the agenda: RPR 17-09, 101 Haddon Avenue, Block 1397, Lot 3, City of Camden, Camden County.

The State of New Jersey, Department of the Treasury, recommends the direct sale of a five-story, 102,020-square-foot office building on 2.3 acres located at 101 Haddon Avenue in the City of Camden, Camden County, to the Camden County Improvement Authority.

The recommended sale price is \$13,950,000, which exceeds the appraised value, subject to legislative approval.

Just one point of clarification I'd like to mention. There is a reference I saw in the appraised value in the members' booklets as being \$11,527,900. That is actually the assessed value. So it's just a typo, or clarification. The appraised value is actually \$12.2 million for this property, and the negotiated sales price is well above that, almost \$14 million.

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

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

Okay, may I have a motion?

ASSEMBLYMAN MORIARTY: I'll make that motion.

MR. SHAUGHNESSY: Okay, Assemblyman Moriarty.

ASSEMBLYMAN RIBLE: Second.

MR. SHAUGHNESSY: Assemblyman Rible; that's good.

I'll call the roll.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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 affirmatively approved;
thank you.

We're on to No. 13. RPR 17-07, East Hall, Hagedorn
Psychiatric Hospital, Block 9, Lot 7, Lebanon Township, Hunterdon
County.

The Department of the Treasury recommends leasing the
property known as the East Hall, located on the grounds of the former
Hagedorn Psychiatric Hospital, to Glen Gardner Behavioral Health, LLC, to

be used for treating patients with psychiatric, mental health, behavioral health issues, eating disorders, and substance abuse addictions. East Hall contains about 57,462 +/- square feet of rentable space.

The lease term shall be for 15 years. Year one base annual rent shall be \$100,000, as a result of a six-month rent abatement. Year two rent shall be \$400,000; year three rent shall be \$521,754.96, with 3 percent rent increases every three years during the remainder of the lease term. Tenant will have three-to-five-year renewal options at mutually agreed upon rates. The lessee will be responsible for paying a non-refundable security deposit and all utilities supplied to the premises.

Does any member have any questions or concerns about this matter?

SENATOR CARDINALE: I have a question.

MR. SHAUGHNESSY: Okay; Senator Cardinale.

SENATOR CARDINALE: Why is the security deposit nonrefundable? Usually security deposits are refunded at the completion of the lease term. Is this sort of a payment for the lease, rather than a security deposit? Or is that a mistake?

MR. TIGHUE: Hi.

MR. KOTLER: Just introduce yourself for the record.

MR. TIGHUE: Robert Tighue again, Department of the Treasury.

MR. SHAUGHNESSY: I'm going to just put on the record that Assemblyman Rible has a Committee that he has to attend. But he is voting in the affirmative on the other matters.

ASSEMBLYMAN RIBLE: On the full agenda, yes.

MR. SHAUGHNESSY: Okay; thank you, sir. I appreciate your participation here.

MR. TIGHUE: It's a -- there's quite a large amount of due diligence time involved. And this is our third tenant that has come to ask for this space where we have not required a security deposit prior to that. And this time we have, to protect us, in case at the end of the due diligence they decide the project isn't going to work and they want to walk. So in this case, since we're taking the property off the market for the time during the due diligence, we're requiring them to put up the deposit.. That deposit will be then put forth towards the rent once the actual lease begins.

SENATOR CARDINALE: Okay. So that's not a true -- it's not a true security deposit through the term of the lease.

MR. TIGHUE: Yes, I guess.

SENATOR CARDINALE: I understand.

MR. TIGHUE: Okay.

MR. SHAUGHNESSY: It's protective of the State, I think.

SENATOR CARDINALE: No further questions.

MR. SHAUGHNESSY: Thank you, Mr. Tighue.

Any other members have any questions or comments about No. 13 on our agenda? (no response)

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

Okay; may I have a motion on No. 13?

ASSEMBLYMAN MORIARTY: Motion made.

MR. SHAUGHNESSY: Motion.

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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. (no response)

No. 13 is approved.

MS. MELICK: Do we have to say Assemblyman Rible is a
“yes”?

MR. SHAUGHNESSY: Oh, yes; I apologize.

As previously mentioned, Assemblyman Rible is marked in the
affirmative as well.

That matter is approved, No. 13.

Now on to DOT requests, still under New Business -- DOT
requests.

No. 14: Project Route 9, Section 3, Parcel VXR6, Block 166,
Lot 15, Toms River, Ocean County.

DOT is requesting approval to convey to the adjacent property owner, Nobility Crest at Dover, LLC, a site identified as Parcel XR6, now known as VXR6, approximately 1.466 acres. This parcel was previously utilized as a retention basin in connection with the Route 9 drainage system, but is no longer needed as a new basin has been installed.

The project was previously auctioned by the Department as Parcel XR6 of the Route 9, Section 3 project on August 11, 1988, with a minimum bid of \$2,150. The winning bidder was Northwest Dover Associates, and the winning bid was \$2,150. The Department received in full the winning bid amount. The deed for the conveyance was to be held until such time as the winning bidder created a new basin to replace the existing basin that accommodates the flow of drainage from Route 9.

Nobility Crest at Dover, LLC, acquired from Northwest Dover Associates an adjacent property and the rights for Parcel XR6, now known as Parcel VXR6, of Route 9, Section 3. Nobility Crest at Dover, LLC, will convey a drainage easement to New Jersey DOT for access to the newly created basin.

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

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

May I have a motion, please?

ASSEMBLYMAN MORIARTY: I'll make that motion.

MR. SHAUGHNESSY: Motion.

MS. SCHERMERHORN: Second.

MR. SHAUGHNESSY: Motion and second; thank you.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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: And Assemblyman Rible has been noted in the affirmative as well.

That matter is approved.

Next, No. 15, Project Route 40, Section 5B, Parcel VXR74B2, Block 3002, lot adjoining Lot 5.02, Southampton, Burlington County.

DOT is requesting approval to sell a property known as Parcel VXR74B2 of the Route 40, Section 5B project, having an area of approximately 0.472 acres, adjacent to Lot 5.02, Block 3002 in the Township of Southampton, Burlington County, owned by Lontokol, Inc. I hope I didn't mispronounce that. It's L-O-N-T-O-K-O-L, Inc.

The property will be sold as a direct sale to the only adjacent property owner, Lontokol, Inc., for the purchase price of \$60,000, which is the appraised value.

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

Any member of the public have any questions or concerns about that? (no response)

Hearing none, I'll have a motion, please.

SENATOR SMITH: So moved.

MR. SHAUGHNESSY: So moved; second?

MS. MELICK: Second.

MR. SHAUGHNESSY: Motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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: And Assemblyman Rible is in the affirmative.

That matter is approved.

Moving on to No. 16, Project Route 88, Section 1, part of Parcel VX48B, adjacent Block 169.01, Lot 34, Borough of Point Pleasant, Ocean County.

DOT is requesting approval to lease a property identified as part of Parcel VX48B of the Route 88 Section 1 project, located in the Borough of Point Pleasant, Ocean County, to the adjacent property owner, First of Day, Inc., for a sign partially on the State's property.

The sign advertised the commercial establishment on the adjacent property. The parcel contains about 100 square feet.

The property will be leased month-to-month to the adjacent property owner for the monthly rental of \$42.78, inclusive of monthly municipal service charges, and will increase according to the rent schedule which is part of the lease.

Any members have any questions or comments about that? (no response)

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

Hearing none, then may I have a motion, please?

ASSEMBLYMAN MORIARTY: I'll make a motion.

MR. SHAUGHNESSY: Thank you; second?

MS. MELICK: Second.

MR. SHAUGHNESSY: Motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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: And Assemblyman Rible is in the affirmative.

That matter is approved.

Next, on to No. 17: Project Route 36, Joline Avenue Connector, Parcels VXR1D2, VX5B, and VX26, Block 342, adjoining Lots 5 and 6, City of Long Branch, Monmouth County.

DOT is requesting approval to sell a site identified as Route 36 Joline Avenue Connector, Section N/A, Parcels VXR1D2, VX5B, and VX26. The approximate area is 0.304 acres. The site is located in the City of Long Branch, Monmouth County. The property will be partially subject to a drainage easement.

The property will be sold directly to the only adjacent property owner, Christopher Lucia, L-U-C-I-A, for assemblage to his residential property for potential development. The recommended sale price is \$8,000, which is the appraised value.

Any members have any questions or comments about that? (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?

MS. MELICK: So moved.

MR. SHAUGHNESSY: Thank you; second?

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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: And Assemblyman Rible is in the affirmative.

That matter is approved.

Next DOT request is No. 18 on our agenda. Route 287, Section 18, Parcel VX2R39B2, Block 12, Lot 10, Mahwah, Bergen County.

New Jersey DOT is requesting approval to sell approximately 40.592 +/- acres of excess surplus land currently in the C-200 Conservation

zone. This property is located in the Township of Mahwah, Bergen County, in the Preservation Zone of the Highlands, which has strict restrictions for development.

The parcel will be sold with the condition that a conservation easement acceptable to DEP, pursuant to the Green Acres program, will be placed on the property. The property will be auctioned to the highest bidder. The recommended opening bid price is \$223,000, which is the appraised value.

Any members have any questions or comments about that?

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Okay, Senator Smith.

SENATOR SMITH: We're missing the agenda on that.

MR. SHAUGHNESSY: You're missing the--

SENATOR SMITH: The property-- It's a 40-acre property that cannot be built upon; they're going to put it up for a bid for \$223,000. What party is going to buy it? You can't do anything with it.

ASSEMBLYMAN MORIARTY: That was my question.

MR. SHAUGHNESSY: Well, if that's the question for the Commission, I'll have someone from DOT come up and answer that.

Sir, would you please identify yourself for the Commission?

DAVID KOOK: My name is David Kook; I'm with the Department of Transportation, the Manager of Technical Support.

MR. SHAUGHNESSY: Thank you, sir. I appreciate it, Mr. Kook.

MR. KOOK: I will admit that being around the corner, I didn't hear the whole question.

SENATOR SMITH: The question is, why do you believe you would be able to get \$223,000 for a property on which you cannot build?

MR. KOOK: There are a lot of uses other than development that have value out there -- for hunting clubs, just for people to appreciate open space. And the sales used in the appraisal were based on those types of uses, where people actually did pay that type of money for that; and that's why that is the appraised value.

The property itself is very steep-sloped, rock outcrops; it doesn't appear to be practical at all for residential development in any event. And the appraiser came to that same conclusion.

ASSEMBLYMAN MORIARTY: So if somebody wanted to use it as a hunting club, could they put a structure anywhere on that ground?

MR. KOOK: The intent, when the Department recognized that that was a very interesting piece of property, is not to have a development on there. So it would be conserved. It depends on what the Green Acres restrictions would permit -- that was the way we were able to get our internal approval to sell it.

ASSEMBLYMAN MORIARTY: Maybe we should ask Green Acres what could be put there. (laughter)

SENATOR SMITH: Judeth loves to answer these questions. (laughter)

MR. KOOK: Sorry, Judeth.

SENATOR SMITH: Hey, don't go far away now. (laughter)

MR. KOOK: I didn't think I could.

MR. SHAUGHNESSY: Again, Judeth Yeany with DEP Green Acres.

MS. YEANY: Thank you.

I'll admit that Mr. Kook and I have not discussed this property -- unless we did and I forgot about it. (laughter)

So I was interpreting what was on the agenda to mean that an easement would be placed on there in a form that would be acceptable to us; but not necessarily that we would be the holders, because it would have to be near something else we own for us to take that.

So I was sitting there envisioning that some third-party conservation group or somebody else might get involved in that as well.

I think the answer to the question about structures would depend on whether the appraisal took into account that there could be any structures. Because this would be a scenario where you would have the fee -- the underlying fee being privately owned, subject to a conservation restriction. And I would think that would go to the value that the appraiser established, whatever assumptions were made there.

So I don't know if the value would have to be adjusted if there were a hunting cabin or something allowed on that, because I haven't seen the appraisal.

ASSEMBLYMAN MORIARTY: But the question would be, would you allow that. Because it says that the conservation easement has to be acceptable to the Green Acres program.

MS. YEANY: Well, I think in scenarios where the State goes out and purchases a conservation easement on private property, it's a negotiation with the private owner as to what rights they want to retain. And if they want the maximum possible payout from the State, they don't allow any development. But a lot of times there is a residential exception

or, especially if there is an existing residence, rights are reserved. But then that is reflected in the appraisal. So I suspect the appraisal that was done was a straight-out, 100 percent conservation, no structures.

ASSEMBLYMAN MORIARTY: So my question would be, could someone purchase these 40 acres and then enter into a negotiation with you that would settle with them building four high-end homes and saying that they would keep everything else the way it is? Would you ever agree to that? Because that would change the value of the bid, I would think.

MS. YEANY: Well, again, if the State were purchasing the easement, then chances are that would wipe out any value to the seller and we just wouldn't go forward with that transaction. If Mr. Kook's appraisal assumed no structures, then that would void the approval, I would think. So we would be looking at a straight-out conservation easement, no structures.

But I didn't see the appraisal, so I don't want to comment on that.

SENATOR SMITH: So this is in the preservation area of the Highlands?

MR. KOOK: Yes.

SENATOR SMITH: The law says that the property owner is entitled to build one house. I don't even know; is it residentially zoned?

MR. KOOK: It's Conservation zoned; under the Highlands, the 40 acres would be the lot size, if you were to go Residential.

SENATOR SMITH: Could be one house.

MR. KOOK: One house. However, the underlying geology of that site is not very conducive to that situation.

SENATOR SMITH: Does it have water and sewer?

MR. KOOK: No.

SENATOR SMITH: No it doesn't, or no you don't know?

MR. KOOK: It doesn't have those facilities there. It's a very old farm property we bought; it was part of the interstate way back in the day. So nothing has been run out there.

SENATOR SMITH: And you just want to get rid of it.

MR. KOOK: Actually, the Trust for Public Land made the request originally to purchase that. And our normal course is to look for the maximum value we can. And internally, our people looked at that and said that that is a fairly unique piece of property out there, given the geology of the site. Across the street is fairly level and has an industrial complex. This is one of those rock outcrops sort of places. So that made it unlikely to be used for anything else, and eventually the Trust for Public Land is in partnership with Bergen to get funds, so it would be Green Acres restricted anyway. But since our appraiser came out and looked at it and came to the conclusion that it had no buildable value -- that it was just recreational -- that just fit in nicely for what the Trust for Public Land was looking to use it for.

SENATOR SMITH: Are they still interested?

MR. KOOK: Yes, they are very interested.

SENATOR SMITH: So -- and you're happy whoever gets it, as long as they--

MR. KOOK: There is apparently-- We're getting stuff from New York or something; we're on the border area, and we have a pile of trash we have to clean out. And hopefully, once the Trust for Public Land gets it, and puts signs on it, that it's open to the public, we'll never hear about trash there again.

But yes, we don't want to keep that; it's completely useless to the interstate. Not a mansion site anyway, because it slopes up from the highway so all the noise would go right up to whatever you did build there, if you could. And it's my understanding that the Trust for Public Land is looking for that as a potential trail area, open to the public. So it takes a piece of ground we don't have a use for and that we want to stop cleaning up, and puts it back into public use, essentially.

SENATOR SMITH: My only question is, do we want to condition anymore, with the potential purchasers? Maybe that's just improperly governmental micromanaging things. I mean, the Trust for Public Land bought into it; at least it depends on Bergen County, through our Open Space dependency. On the other hand, I really wouldn't want to see groups that had these Land Rovers -- whatever they are--

ASSEMBLYMAN MORIARTY: ATVs?

SENATOR SMITH: ATVs; senior moment -- using it as an ATV park.

MS. SCHERMERHORN: Yes, but it has steep slopes.

SENATOR SMITH: They brought-- ATV guys like that stuff, I think.

But I don't know. I mean, I may be just overly -- like I said, overly micromanaging this. It sounds like a good project. Gets into the

hands of the land conservation people, that's terrific. And that's not a big price that you're asking for it. So, I mean--

MR. SHAUGHNESSY: Is that a motion?

SENATOR SMITH: What's that?

MR. SHAUGHNESSY: Is that a motion? (laughter)

ASSEMBLYMAN MORIARTY: I'm not concerned; in fact, I think it's fine.

SENATOR SMITH: All right, I'll make a motion.

MR. SHAUGHNESSY: Okay; motion.

ASSEMBLYMAN MORIARTY: Second.

MR. SHAUGHNESSY: Motion and second; okay.

This is on No. 18. I'll call the roll now.

Oh, I'm sorry. Does anyone from the public want to be heard?

(no response)

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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: And Assemblyman Rible has reviewed it and is marked in the affirmative.

That matter is approved; thank you.

On to No. 19: Route 33, Section 4, Parcel VX83B, Block 3, Lot 1.05, Monroe, Middlesex County.

DOT is requesting approval to convey a vacant piece of excess surplus land identified -- also known as Lot 1.05 of Block 3, having an approximate area of 5,454 square feet, to the only interested adjoining property owner, 956 Route 33, LLC, which is proposed to be used for a landscape buffer.

The property is being purchased as a direct sale by 956 Route 33, LLC, the only interested adjoining property owner, for the purchase price of \$7,000, which is the appraised value.

Any members have any questions or comments on that?

SENATOR SMITH: No; for the record, though, I'm going to recuse myself. I don't know that this is a client, but I do represent a number of people who do work on Route 33. So for the sake of safety, I'm recusing.

MR. SHAUGHNESSY: Okay; Senator Smith has been recused from this matter.

Any questions or comments by the members? (no response)

Anyone in the audience or the public have any questions or comments about this? (no response)

Hearing none, may I have a motion?

ASSEMBLYMAN MORIARTY: So moved.

MS. MELICK: Second.

MR. SHAUGHNESSY: Motion and second; thank you.
Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Acting Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith has recused on the
matter.

Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

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

So that matter is approved; thank you.

Moving on to No. 20: Route 42, Section 14, VXR5B, VXR6B,
VXR7B, VXR8B, Block 200.1, Lots 3, 4, 5 and 6, Deptford, Gloucester
County.

DOT is requesting approval of a proposed exchange of DOT
property known as Parcels VXR5B, VXR6B, VXR7B, and VXR8B of the
Route 42, Section 14, project.

The parcels are currently used by the Department as South
Jersey Region Maintenance Yard, and have an area of about 16.15 +/- acres.
These would be exchanged for a replacement maintenance yard to be built
by Deptford 42 LLC on a portion of Lot 11 and Lot 12 in Block 203 --

that's 203 -- in Deptford Township, containing 13.68 +/- acres. Deptford 42 LLC would be responsible for all costs associated with relocating DOT to the proposed replacement site, as well as all costs involved to acquire the replacement site, to construct the replacement maintenance yard, and to demolish the existing Department Maintenance Yard.

State inspectors would oversee construction of the replacement yard.

The replacement property to be exchanged for the DOT yard is appraised at \$7,530,000 once constructed, and the existing Department Maintenance Yard is appraised at \$3,760,000.

Do any members have any questions or comments on No. 20?
(no response)

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

Hearing none as well, may I have a motion?

ASSEMBLYMAN MORIARTY: I'll make that motion.

MR. SHAUGHNESSY: Thank you; a second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: We have a motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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 has been marked in the affirmative.

That matter is unanimously approved.

Okay, No. 21, which begins DEP requests.

No. 21: Monmouth Battlefield State Park, Block 59, part of Lot 3.01, Manalapan, Monmouth County.

DEP requests approval to convey an access easement on less than one-tenth of an acre of Monmouth Battlefield State Park to William and Eileen Prisk, tenants/heirs of an adjacent residential and agricultural property, formerly owned by Kurt and Gloria Knapp. The easement is needed to create legal access to the privately owned Knapp/Prisk tract along an existing driveway, and to allow full agricultural use of the property in the future.

As compensation for the proposed access easement, the Prisks have agreed to convey approximately 17.5 acres of the former Knapp property to the DEP. The property to be conveyed by the Prisks consists of a wooded stream corridor with both ecological value and potential for future trail access. In the event the Prisks do not take title to the property, the DEP seeks approval to convey a 25-foot-wide access easement at no cost to the new owner of Block 59, Lot 3.

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

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

Hearing none, may I have a motion?

ASSEMBLYMAN MORIARTY: I'll make that motion.

MR. SHAUGHNESSY: Motion; thank you, Assemblyman.

Second?

MS. SCHERMERHORN: Second.

MR. SHAUGHNESSY: Thank you.

So we have a motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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 in the affirmative.

That matter is approved.

No. 22: Tices Lane Park, Block 29.01, Lot 24.01, East Brunswick, Middlesex County.

DEP, on behalf of the Township of East Brunswick, requests approval to allow the disposal to the Township of approximately 0.25 +/- acres of municipally owned parkland within Tices Lane Park. The disposal will allow the Township to widen Tices Lane, to provide for a turning lane from Tices Lane on to Harts Lane to resolve traffic congestion.

To compensate for the proposed diversion and temporary impacts, the Township proposes to allocate \$77,471 in general funds towards upgrades to the recreational facilities within the Township.

Any members have any questions or concerns?

SENATOR SMITH: Yes, I--

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: I will recuse myself on this matter as well.

MR. SHAUGHNESSY: Okay.

SENATOR SMITH: Not due to any conflict, but a perceived conflict. Our firm prosecutes in East Brunswick, so as an employee of the Township, there might be some crazy interpretation that that would cloud our view, so we are recusing from No. 22.

MR. SHAUGHNESSY: Okay. Your recusal, Senator Smith, is noted.

Thank you.

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

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

Okay, then I will call the roll.

Deputy Chief Counsel Melick.

Pardon me.

ASSEMBLYMAN MORIARTY: I'll make that motion.

(laughter)

MR. SHAUGHNESSY: I said we wanted to do this expeditiously, but I guess we need to follow some rules. (laughter)

Okay, motion; thank you, Assemblyman.

MS. MELICK: Second.

MR. SHAUGHNESSY: Second; thank you, Deputy Chief Counsel.

Motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Acting Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith has recused.

Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

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

No. 23: The project is certain Unnamed Parkland on Route 206, also known as the Van der Veer-Harris House, Block 153.06, Lot 1, Hillsborough, Somerset County.

DEP, on behalf of the Township of Hillsborough, requests approval to allow the disposal/diversion of a total of 1.85 +/- acres of parkland to New Jersey DOT in connection with the U.S. Route 206 -- 1990 -- Bypass, Sections 14A and 15A Project, located in the Township of Hillsborough, Somerset County.

The proposed disposal involves the conveyance of 1.522 acres of additional right-of-way to allow for the widening of U.S. Route 206. The proposed diversion also involves the conveyance of a 0.013-acre easement to accommodate for the relocation of an overhead electric utility line along U.S. Route 206, a 0.312-acre easement to maintain slopes along the widened portions of U.S. Route 206, and a 0.003-acre easement for the construction and maintenance of a noise wall within the new right-of-way.

To compensate for the proposed disposal/diversion, the Township proposes to acquire, for recreation/conservation purposes, a 12.99 acre parcel -- almost a 13-acre parcel of land, currently owned by New Jersey DOT, located along Township Line Road in the Township.

Any members have any questions or concerns on this matter?

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Okay; Senator Smith.

SENATOR SMITH: How do we know that the Township will acquire the 13-acre parcel of land? It hasn't gone through this process yet, right? So the State -- we haven't proved the sale or transfer from DOT to

the Township. So are we doing this on a wing and a prayer, or is there some way that this is enforceable?

MR. SHAUGHNESSY: Well, is there anyone from DOT able to discuss this matter?

Mr. Kook again; thank you for your participation. And you're working in concert again with DEP on this matter, are you not? (laughter)

MR. KOOK: Ah, yes.

The piece of property in question is one we already own. It became available when the bypass was rerouted to avoid Montgomery Township. And based upon opinions from our Deputy Attorneys General, pieces of property, that are conveyed like this for mitigation within a project, we have not brought to the State House Commission for approval. It's basically being transferred in lieu of money in order to conduct the project. The project was authorized by the Legislature, and I guess that's the reasoning that the Deputy Attorneys General use. So that 12.99 acres would not have come to the State House for permission to give to DEP. It's just an exchange between two State agencies.

SENATOR SMITH: Is there a contract for the sale?

MR. KOOK: Well, we own it, so we give them whatever they ask for, basically. (laughter)

MR. SHAUGHNESSY: Judeth Yeany, again, from Green Acres.

MS. YEANY: In a situation like this, the town is the applicant; DOT is providing the compensation. And we normally execute a release document to lift the Green Acres restrictions from the area that is being diverted, and we condition that release on the conveyance of the

replacement land. So that's our mechanism for ensuring that the transfer does happen.

And the Township would work out whatever details it needs to with DOT, as far as taking title to the property -- whatever due diligence or other processes they want to follow, or not.

SENATOR SMITH: Because I'm a little slow here on the take-- The town really is not so much involved with this, other than, at the end of the day, they'll have title.

MS. YEANY: Yes.

SENATOR SMITH: Okay. Because it's really between the two agencies at this point.

MS. YEANY: Well, again, the Township's out, because they hold the Green Acres encumbered parkland, and they're accountable to DEP to not transfer that for other than recreation and conservation purposes. But in a situation like this, where DOT approaches the town and needs to use the property, they do the heavy lifting on the application. They do the technical work on the application, and we mostly communicate with them. And then, at the end, the town gets the property.

So the town will actually have to execute that Green Acres release; it's a dual document between us and the Township. The Mayor will have to sign that at some point to acknowledge that the Green Acres restrictions are being released and that they will be taking title to this other property.

SENATOR SMITH: Okay.

MR. SHAUGHNESSY: Good question.

Any other questions by the members? (no response)

Okay; any member of the public want to be heard? (no response)

Thank you, Mr. Kook and Ms. Yeany.

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

Do we have a motion, then, on No. 23?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Thank you; second?

MS. SCHERMERHORN: Second.

MR. SHAUGHNESSY: Motion and second; okay.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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 has been marked in the affirmative.

That matter is approved.

No. 24: certain Unnamed Conservation Easement, Block 71.01, part of Lot 1, Township of Bedminster, Somerset County.

DEP, on behalf of the Township of Bedminster, requests approval to allow the disposal of a 2.197 +/- acre conservation easement on private property to the New Jersey Department of Transportation in connection with the I-287, I-78, U.S. Route 202/206 Interchange Improvement Project. The proposed disposal is necessary to allow the relocation of Ramp E, which currently provides right-side entry from I-287 northbound to I-78 eastbound.

To compensate for the proposed disposal, the Township proposes to acquire from NJDOT a fee interest in a 6.788-acre parcel of land for recreation and conservation purposes.

That's the matter; No. 24 on the agenda.

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

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

Hearing none, may I have a motion, please?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Motion.

MS. MELICK: Second.

MR. SHAUGHNESSY: Motion and second; thank you.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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 is in the affirmative.

That matter is approved.

No. 25 on the agenda: Allamuchy Mountain State Park, Block 22, Lots 223, 224, 225.01, 225.02, and 226.02, Byram, Sussex County.

The DEP requests approval to lease property to the Township of Byram for developing and operating outdoor recreational facilities, and make same available for public use. DEP has determined that leasing the property to Byram will not interfere with reasonably anticipated plans for the development of the property for recreation and conservation purposes as part of Allamuchy Mountain State Park.

This will be a new 20-year lease. The Township of Byram has leased the property until the recent expiration of its lease in November 2015, and is still in occupancy of the premises.

A one-time payment of \$20 and the investment being made by the Township of Byram for the maintenance, improvement, equipment replacement on the property and recreational facilities.

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

Hearing none, any member of the public wish to be heard on No. 25? (no response)

Hearing none, may I have a motion?

SENATOR SMITH: Motion.

MR. SHAUGHNESSY: Second?

ASSEMBLYMAN MORIARTY: Second.

MR. SHAUGHNESSY: Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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 is in the affirmative.

Next we're on to No. 26: Hopatcong State Park, Block 901, Lot 111, Allamuchy Township, Warren County.

DEP requests approval to execute a farm lease agreement, on the parkland identified above, to Highlands Farms LLC/Anthony Lentini III.

The agreement will have an initial term of four years, with an option to renew for an additional three, five-year terms. The rental rate will be \$90.60 per acre, and is based on the high bid amount at auction; and will be increased at the beginning of each renewal term to reflect the current fair market value of the leased premises, as determined by changes in the Consumer Price Index or value of similar real estate rentals. However, if the Consumer Price Index or the value of similar real estate rentals decreases, the rent shall not decrease.

Any member have any questions or concerns about that matter?

(no response)

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

Hearing none, may I have a motion, please?

MS. SCHERMERHORN: So moved.

MR. SHAUGHNESSY: Motion; second?

ASSEMBLYMAN MORIARTY: Second.

MR. SHAUGHNESSY: Thank you.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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 has been in the affirmative.

That matter is approved.

No. 27: Musconetcong Wildlife Management Area, Block 1505, Lot 1.03, formerly 1.01; and Block 1506, Lot number to be determined, formerly 6.01, Mansfield, Warren County.

DEP requests approval to convey approximately 0.125 +/- acres of land in fee within the Musconetcong River Wildlife Management Area to Warren County in connection with the replacement of Inter-County Bridge L-25-W on Point Mountain Road over the Musconetcong River.

The County proposes to compensate for the value of the land proposed for conveyance by remitting \$5,000, the minimum amount for minor disposals of local parkland under the Green Acres rules, to the Green Acres Program for deposit into the Garden State Preservation Fund. The compensation will be used for future land acquisition purposes through the Green Acres State Acquisition Program.

Any members have any questions or concerns on this matter?

(no response)

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

None as well.

May I have a motion, please?

ASSEMBLYMAN MORIARTY: I'll make that motion.

MR. SHAUGHNESSY: Second?

MS. MELICK: Second.

MR. SHAUGHNESSY: Motion and second; thank you.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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 is in the affirmative.

That matter is approved.

Next we're on to No. 28, which I know has a similar compensation method.

This is Point Mountain Reservation, Block 56, Lot 1, Township of Lebanon, Hunterdon County.

DEP, on behalf of the County of Hunterdon, requests approval to allow the disposal of approximately 0.039 +/- acre of County-owned parkland within the Point Mountain Reservation for road right-of-way purposes. The disposal will allow for the replacement of Inter-County Bridge L-25-W on Point Mountain Road, over the Musconetcong River in Lebanon Township, Hunterdon County.

The County proposes to compensate for the value of the land proposed for conveyance by remitting \$5,000 -- again, the minimum amount for minor disposals of local parkland under the Green Acres rules, and 17 times the assessed value of the property -- to the Green Acres Program for deposit into the Garden State Preservation Trust Fund to be used for the future acquisition of open space through the Green Acres Local/Nonprofit Program.

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

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

Hearing none, may I have a motion, please?

MS. SCHERMERHORN: Motion.

ASSEMBLYMAN MORIARTY: Second.

MR. SHAUGHNESSY: Motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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: And Assemblyman Rible is in the affirmative.

I believe this is the last DEP request, No. 29 on our agenda.

Bicycle and Pedestrian Trail, Block 228.04, part of Lot 3.02; Block 228.05, part of Lot 3.01; and Block 228.06, part of Lot 3.01, City of Perth Amboy, Middlesex County.

DEP requests approval to allow the diversion of less than 0.10 -- I guess one-tenth of an acre, 0.10, of Green Acres-encumbered parkland, developed as a bicycle and pedestrian trail, in order for Buckeye Partners, L.P. -- Buckeye -- to connect its Raritan Bay and Perth Amboy terminals via a 2.75-mile state-of-the-art steel 16-inch subsurface refined petroleum pipeline. In addition, Buckeye has requested to use an additional 2.58 acres of undeveloped parkland on a temporary basis for temporary work space for a period of three months.

To compensate for the proposed diversion and temporary impacts, the City proposes to accept \$855,000 cash compensation from Buckeye for the future acquisition of a parcel to be added to Rudyk Park; that's R-U-D-Y-K Park.

Do any members have any questions or concerns about this?

SENATOR SMITH: Question for Mr. Shaughnessy, just to clarify that I don't have an ethics or conflict issue.

I believe the predecessor entitled to this property was Chevron. I represented Chevron in the subdivision of the property. The subsequent purchaser, I believe, was Buckeye. I did not represent Buckeye either in any of its development applications before Perth Amboy or Chevron in the transaction with Buckeye. So I think I'm at least one step removed. I want to check with you on that, in your opinion, as well, that I don't have a conflict.

MR. SHAUGHNESSY: I don't know that I have the capacity to make that assessment; and I don't know if Counsel does either.

MR. KOTLER: Nor do I.

SENATOR SMITH: Well, thanks very much. (laughter)

MR. KOTLER: It would have to be directed to your Ethics Office.

SENATOR SMITH: Oh, okay. I'll call her right now. (laughter)

MR. KOTLER: Well--

SENATOR SMITH: All right; so I should have done it prior to the--

MR. KOTLER: So the safer thing, if there's any concern, would be to recuse yourself.

SENATOR SMITH: I'll recuse myself.

MR. SHAUGHNESSY: Fair enough, Senator Smith. I appreciate your caution; thank you.

Okay, so do any members have any questions or comments on this matter?

MS. SCHERMERHORN: I have one question.

MR. SHAUGHNESSY: Yes, Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: When the compensation is for the proposed diversion and for any temporary impacts, does that mean they are going to return the land to the state that it was in before they used it as a temporary work space?

MR. SHAUGHNESSY: I believe so; I believe Ms. Yeany will come up again and assist us with that question.

MS. YEANY: I believe the summary submitted to the Commission members in support of this application did explicitly note that there would be restoration of the site. I just want to make sure it actually says that.

And we do have representatives of the company here, if you would like that assurance from them.

So if you look on the last page of the summary that the DEP submitted, page 8 of 8, we said the application was subject to the following additional terms and conditions. And the third one was, "On completion of the section of the project to be located on the bicycle and pedestrian trail, Buckeye must restore the park to a condition equal to or better than it was at the start of construction." And that has been my understanding of this project all along -- that that was something that was negotiated with the city.

MS. SCHERMERHORN: I'm sorry, I'm--

MS. YEANY: No, that's okay.

MS. SCHERMERHORN: I read -- I must have just missed it.

MS. YEANY: I just want to make sure we actually said it in there, so--

MR. SHAUGHNESSY: You need to (indiscernible)?

ASSEMBLYMAN MORIARTY: Yes, I am sorry to interrupt.

I have to go; I Chair an Assembly Committee I have to get to. I am voting in the affirmative for this, and also for the 1 through 5, which I was late for.

MR. KOTLER: Pensions? Well, how about the pensions coming up?

MR. SHAUGHNESSY: Yes, right after this we have Pensions.

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Okay.

ASSEMBLYMAN MORIARTY: So with that, I'll take my leave, and thank you very much.

MR. SHAUGHNESSY: Thank you.

We still have a quorum at this point.

MR. KOTLER: Yes.

MR. SHAUGHNESSY: And thank you, Assemblyman, for your participation.

ASSEMBLYMAN MORIARTY: Thank you.

MR. SHAUGHNESSY: Thank you for your comments and confirmation, Ms. Yeany.

Is there anyone from Buckeye here?

Please, step up and introduce yourself for the record.

S T E P H E N R. G U E N T H E R: Good morning. Steve Guenther, from Buckeye Partners.

MR. SHAUGHNESSY: Thank you very much.

I guess if there is anything else -- I think the real thing is a confirmation of the question that all temporary impacts will be restored to its prior condition.

MR. GUENTHER: Yes. Buckeye is fully committed to working with the City and Green Acres, and whatever the condition the park was in prior to construction, it will be returned to that condition afterwards, or better.

MR. SHAUGHNESSY: Thank you, Mr. Guenther.

MS. MELICK: Thank you.

MR. SHAUGHNESSY: Okay.

Any other members have any questions? (no response)

Okay; if not, then may I have a motion?

Oh, anyone from the public want to be heard? (no response)

Hearing none, may I have a motion, please?

SENATOR CARDINALE: So moved.

MS. MELICK: Second.

MR. SHAUGHNESSY: Motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SHAUGHNESSY: Acting Director Ridolfino.

MR. RIDOLFINO: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith has recused himself from this matter.

Assemblyman Moriarty has been marked in the affirmative, and Assemblyman Rible is marked in the affirmative.

That matter is approved; thank you very much.

Okay, that concludes the agenda for the State House Commission.

Now, may I have a motion to sit as the Judicial Retirement System Board?

SENATOR CARDINALE: So moved.

MS. MELICK: Second.

MR. SHAUGHNESSY: Motion and second.

All in favor? (affirmative responses)

Okay; we are now sitting as the Judicial Retirement System Board.

The first matter on the agenda is, one, the approval of the minutes of the meeting held on December 12, 2016.

Do we have a motion for that?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Okay, motion. Second?

MS. MELICK: Second.

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

Any opposed? (no response)

That is approved.

Next, moving on to a Confirmation of Death Claims, Retirements, and Survivor Benefits.

Any member have any questions or comments about that? (no response)

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

May I have a motion on that?

SENATOR SMITH: So moved.

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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: And both Assemblymen have been marked in the affirmative.

That matter is approved.

No. 3: This is the receipt of the Financial Statements for August 2016 through December 2016.

Any members' discussion on that? (no response)

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

Hearing none, then, may I have a motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Motion; thank you, Senator Cardinale.

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Second; thank you.

Motion and second.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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: Both Assemblymen in the affirmative.

That's been approved.

Now, the final matter is a receipt of the Annual Report of the Actuary, prepared as of July 1, 2016, presented by Conduent, formerly known as Buck Consultants.

Is there any sort of presentation, or are we just receiving that?

HENRY MATWIEJEWICZ: (off mike) We do have a short presentation that the actuaries did put together.

MR. SHAUGHNESSY: Okay.

MR. MATWIEJEWICZ: We have some hard copies here; we can distribute it to--

MR. SHAUGHNESSY: I think we've received those, and the members have those.

MR. MATWIEJEWICZ: Well, that's the valuation report--

MR. SHAUGHNESSY: Okay.

MR. MATWIEJEWICZ: --this is the presentation.

MR. SHAUGHNESSY: Okay, thank you very much.

Gentlemen, please introduce yourselves and your affiliations.

MR. MATWIEJEWICZ: Good morning, Madam Chairperson, members of the Commission.

My name is Henry Matwiejewicz; I'm from the Division of Pensions and Benefits, and I serve as the Acting Secretary to the Board of the Judicial Retirement System.

With me this morning is Mr. Ed Quinn; he's the actuary from the actuarial firm of Conduent. And he's here this morning to present the Annual Actuarial Valuation Report for the Judicial Retirement System, as of July 1, 2016. This report provides a financial snapshot of the health of the system as of July 1, 2016, and produces the actuarially determined contribution by the State for Fiscal Year 2018.

With that, I'll hand it over to Mr. Quinn.

EDWARD A. QUINN: Good morning.

Quickly, I just wanted to go over the valuation process -- the highlights of the 2016 valuation. There were some changes in the economic assumptions. Then I'll give you the actuarial valuation results; and then just a brief summary of the demographic summary.

Basically, we determined the funded status and the employer contribution based on our evaluation. We take in information from the membership data, the asset data, and the benefit provisions of the plan. And with that, combined with the finding methodology and the actuarial assumptions, we come up with the contribution,

For the Judicial Retirement System, we used the projected unit credit cost method, which is mandated by statute. Basically, that determines two pieces of contribution that the employer must make: the normal cost which is the value of benefits that will be accrued during the year, and then there is the payment towards the amortization of the unfunded accrued liability. Currently, that's a 30-year open amortization, beginning in 2019, that will be a 30-year closed amortization that will go down to 20 years in 2029, and be an open 20. And it's a level dollar amortization.

SENATOR SMITH: Why? I see public, per Charter 78 -- the legislation determines the change the amortization take?

MR. QUINN: Yes, that was under Chapter 78, to basically lower that 30-year open to a 20-year open at a future point in time.

SENATOR SMITH: Do you remember why we did it?

MR. QUINN: I think it was to -- basically they wanted to pay down that unfunded in a--

SENATOR SMITH: Be more fiscally sound.

MR. QUINN: Yes.

SENATOR SMITH: Okay.

MR. QUINN: If you go to the next page you'll see the return on assets on an actuarial value basis. That's an average basis that we use for

funding purposes. The return was a little over 4 percent on a market value there was a negative return of 1.38 percent. The funded ratio and the actuarial value basis dropped from 40.5 percent to 35.9 percent. And the market value went from 37.5 to 31.2 percent.

SENATOR SMITH: So why did the value of our assets decrease?

MR. QUINN: Well, between July 1, 2015 to June 30, 2016, there was a drop in the market. And in combination with that-- I was going to get into this later, but basically the retirees -- you're paying \$55 million a year in retiree benefits. With the phased-in contribution, along with the employee contributions, you don't have enough to cover that \$55 million each year. So that's why your assets are decreasing.

SENATOR SMITH: Okay.

MR. QUINN: There were some changes in the economic assumptions this year. The interest rate -- the discount rate went down from 7.9 to 7.65. So that would increase the liabilities; and also, the salary increase rate was increased in two methods. We have what's called a select period where we're assuming the salary increases are going to be lower. We extended that select period up to 2026, and we also reduced the salary scale by a half percent for all future years.

SENATOR SMITH: Why did you do that?

MR. QUINN: Well, it's in combination with reducing the discount rate from 7.9 percent to 7.65.

SENATOR SMITH: No, but I think you said that you reduced the salary--

MR. QUINN: Right.

SENATOR SMITH: --by a half of a percent.

MR. QUINN: And usually in combination with the reduction of the discount rate, you're looking at differences in inflation. So we're lowering the discount rate; we're also assuming that increases in the salaries are not going to go up as high as previously anticipated.

SENATOR SMITH: Okay.

MR. QUINN: As I mentioned, the discount rate went from 7.9 percent down to 7.65 percent. For the select period, we're assuming salary increases by 2 percent, and after 2026 they go up by 3 percent.

The effect of those economic changes was an increase in the accrued liability of 7.1 percent. It was, basically, the decrease in the discount rate increased the liabilities, and the salary scale lowered the liabilities. So it's an offset that led through an increase of about \$7.1 million.

On page 10 we have the valuation results. You can see the total liabilities went up about \$27 million. Our actuarial value went down \$17 million, so the net was a \$45 million increase in the unfunded accrued liability. And that's what led to the decrease in the funded ratio from 40.5 percent to 35.9 percent.

On page 11, if you look on the asset side, last year's actuarial value of assets was close to \$244 million. We expected this year to be \$233.8 million; the actual was \$226 million. So we had a loss there of \$7.5 million. And then there was a loss on the liabilities themselves, for changes that were unexpected, of \$65 million; for a total loss during the year of \$14 million.

On page 12 you can see that the full recommended contribution for the year went up about \$2.3 million. You can see the normal costs actually went down, and that's because the discount rate and the salary scale affect the active liability directly, and the decrease in the salary scale offset the decrease in the discount rate.

However, on the retiree liability, that does not get affected by the salary increase change. So the full effect of the decrease in the discount rate hit that.

And just the last two pages -- some demographic summary. There was an increase of six active judges during the year; about \$1 million increase in annual salaries. Average salaries stayed about the same, and average age and service went up slightly.

And if you look at the last page, the biggest increase there was a 19 retiree increase between retirees and beneficiaries. That went up over 3 percent. And the retiree benefits went up another -- up to \$55 million. So as I mentioned before, you're paying \$55 million a year for retiree benefits, and you need to cover that with, basically, your employer contributions, your employee contributions, and the return on assets.

And that's the end of my summary.

Any questions?

SENATOR SMITH: Yes. When did Conduent become our--

MR. QUINN: Conduent is formerly Buck Consultants.

SENATOR SMITH: All right.

MR. QUINN: So Buck Consultants has been the actuary since -- for New Jersey since 1919.

SENATOR SMITH: Conduent was a--

MR. QUINN: Conduent is a new company that just developed--

SENATOR SMITH: Created by the--

MR. QUINN: Split up with Xerox.

SENATOR SMITH: --split with Xerox.

MR. QUINN: Buck Consultants was part of Xerox. We were part of Xerox, which bought ACS, which-- It's a long story.

SENATOR SMITH: Well, I want to have your reports.

MR. QUINN: I'm sorry I couldn't bring that today. (laughter)

SENATOR CARDINALE: But take heart.

MR. MATWIEJEWICZ: Well, I'm happy to see that return on assets is a lot higher this fiscal year.

SENATOR CARDINALE: From the time that this left off, the stock market has gone crazy.

SENATOR SMITH: So you think next year will be a good report?

SENATOR CARDINALE: Next year is going to be a much better report.

MR. QUINN: It will be a little better, but remember: We use an actuarial value, which is an averaging. So you don't get the full effect of the -- you don't get the full effect when it goes down, and when it goes up.

SENATOR SMITH: (Indiscernible) go up a little bit.

MR. SHAUGHNESSY: Thank you very much.

Do any other members have any questions?

SENATOR CARDINALE: I have a question; you know, I may have missed something.

MR. QUINN: Sure.

SENATOR CARDINALE: We had -- in our last minutes we had taken off the agenda this question of these disputed pension loans and repayment of those loans. Where does that stand? Has that been resolved?

SENATOR SMITH: This was a judges--

MS. MELICK: Right, yes. And I know that they pulled it off, and then we haven't heard back from Pensions, that I'm aware of -- whether it's going to come to the State House Commission.

SENATOR CARDINALE: So did we--

MR. MATWIEJEWICZ: Well, there has been no -- excuse me -- no final resolution yet, but we're in active discussion with the IRS to come to a resolution to the matter. We're working with an independent outside counsel to try to resolve the issue. And that's still a work in progress.

SENATOR CARDINALE: And what is the relationship of the IRAS to that matter? I thought it was a private dispute between the pension fund and the retiree.

MR. MATWIEJEWICZ: Well, the basis for the dispute are IRS regulations where you have to follow certain rules as far as taking loans out of a qualified plan, and the repayment of those loans -- basically, they have to be repaid within five years. If not, they could be deemed the distribution -- a premature distribution from the pension plan. And that's where the issue arises. It was some -- unfortunately, some errors in the system caused these loans to be repaid *over* the five-year period. And once the problem was identified, then we had to deal with this issue of whether they were deemed premature pension plan distributions to these judges,

because they were not repaid within the five-year period -- which is, for a qualified plan -- Internal Revenue Code has these regulations where you have to follow these if you're a qualified plan.

SENATOR CARDINALE: I understand.

So it's still in negotiations?

MR. MATWIEJEWICZ: Still in the negotiation stage, yes.

MR. SHAUGHNESSY: To your point of question, there's nothing on the agenda today for that. And if there needs to be, I'm sure it will come forward.

MR. MATWIEJEWICZ: If the resolution is reached with the Internal Revenue Service, then it won't be an issue for the Board, I don't believe, because it will follow whatever recommendation the IRS provides -- so that it will no longer be an issue.

SENATOR CARDINALE: I thought there was an issue -- maybe I misunderstood it -- that the pensioner disputed the fact of how much he was to repay -- that there had been an error on our part in some accounting of the loan. And so he was led to believe that he owed less than he actually owed.

MR. MATWIEJEWICZ: That could be one individual case; but there are multiple cases of these things.

SENATOR CARDINALE: Yes, but that one case, I understood, we were going to get further legal opinion as to whether he was entitled to the benefit of our mistake.

MR. MATWIEJEWICZ: Well, again, that's an issue that is in the course of being resolved under this blanket approach that we have with discussions with the Internal Revenue Service. So I can't-- Yes; I agree

that, yes, there are situations where members are disputing the amount of the loans that were issued and the amount that had to be repaid. But this resolution that we're looking into should be able provide an answer to all these problems.

SENATOR CARDINALE: Thank you.

MR. SHAUGHNESSY: Thank you very much.

Based upon the receipt of this report, I just need a motion and a second that we acknowledge receipt of this report.

SENATOR CARDINALE: So moved.

MR. RIDOLFINO: Second.

MR. SHAUGHNESSY: Okay; so moved.

Any further discussion? (no response)

And no one from the public wants to be heard on this matter?

(no response)

Okay; I'll call the roll.

Deputy Chief Counsel Melick.

MS. MELICK: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Schermerhorn.

MS. SCHERMERHORN: 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-- Both Assemblymen in the affirmative on this matter.

I think that concludes the official business of today's meeting.

Oh, we need a motion to return to sit as the State House Commission.

MS. MELICK: So moved.

SENATOR SMITH: Second.

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

Okay, we're back sitting as the State House Commission.

Thank you, gentlemen, for your input.

Is there any-- The official business, I think, is concluded. And I don't know if there is any other business to come before the Commission, or any members of the public want to be heard on anything.

Yes, ma'am; come on up.

A N N E L a B A T E: (off mike) Yes, I'd like to be heard.

Thank you.

MR. SHAUGHNESSY: Please identify yourself.

MS. LaBATE: Sure. My name is Anne LaBate; I'm a Trenton resident and I own a business in downtown Trenton. And I'm actually here because I'm active in an organization called Stakeholders Allied for the Core of Trenton.

We have been monitoring activity related to the Governor's announced plans for new State office buildings downtown. And we are of the understanding that the State House Commission will have a vote or some impact on that project, or projects. We were actually relieved to find that we were not on the agenda today, because we understand that the

Governor intends, and is making every effort, to fast-track those State office building plans.

SENATOR SMITH: Are you talking about the \$300 million renovation?

MS. LaBATE: No; I'm talking about the -- what was first 300,000 square feet, priced at \$135 million, of new State office buildings, along with some demolished State office buildings, that was being run through the NJEDA. That was my concern -- is that people were not aware. The NJEDA has been asked by the Governor's Office to make plans for State offices for Department of Health and Agriculture, and Taxation. They announced plans in September that they would be demolishing the Taxation Building, and the Health and Ag Building, and they would be building new buildings.

Immediately a number of citizens got together and saw this as incredibly damaging to our downtown. The City of Trenton, at great expense, just went through a multi-year master planning process that involved much money and hundreds of citizens. That was winding up when the Governor made this announcement, and we immediately looked at the plans and realized that they totally disregard our downtown master plans -- I mean, trample our plans for what should happen in downtown Trenton.

Further, they really didn't give consideration to State policy related to transit-oriented development. The buildings are not in good proximity to the train station which, of course, has impacts for additional State employee parking, which could be lessened if this was done correctly.

They take people away from our downtown retail core, which suffers badly as it is; and when you pull people further away, near the highways, nearer to their cars, it will just exacerbate that.

We have been consistently trying to get feedback and input with the EDA. They have told us nothing will change; it must be fast-tracked. They will only look at State-owned land. That's particularly problematic because the State has walked away from buildings in downtown Trenton that 20 years later are still vacant. The last major State project that they did was the DMV headquarters that also encompassed NJN; it encompassed the Post Office. The Post Office, by this EDA, was master planned for another 100,000 square feet on upper levels. The door to the lobby for the upper levels is there. The roof is vacant; there's not a piece of equipment, and yet they refuse to consider their own 20-year old plan to build at that site, which is far closer to the train station.

We have requested meetings with the Governor; we have had delegates of our organization -- Senator Bob Torricelli and former County Executive Bob Prunetti -- put in a request for a meeting with the Governor that was not accepted. So we are trying -- we're working with our legislative delegation, with citizens, at every effort to try to figure out how to get a hearing. There's been no impact study done; all we have been told is that the State buildings that they want to take down are in such bad repair that they must fast-track, or plaster will be falling -- or something crazy.

Sorry; I'm editorializing now. But we really need the Legislature, I think, in particular, to pay attention to this, to request there be impact studies done, that the process be slowed. We want the development, but we need it done in a way that reinforces our downtown

retail core, that reinforces the use of our quite well-served and well-rebuilt train station; and a long-term view. We have been particularly frustrated because this was done by the EDA with no consultation, from what we have been able to tell from the Department of Community Affairs where the planners are. You know, we've just been told that it must go through. We see the EDA involved in state-of-the-art best practices-type of projects throughout the state -- meaning, mixed use, meaning public-private partnerships. This one they have refused to consider that at all. They say they will not do mixed use because they can't. They will not do public-private partnerships -- they just intend to bond and do it themselves. This is planning for the 1970s, and Trenton cannot stand it.

Now, we know that they feel that the State does not have to follow local zoning. To me, and to our group, we feel that there ought to be a really compelling reason that you would trample on the local master plan.

So if you have any advice to us in terms of making sure we are talking to the right people and the right legislative organizations, we would appreciate hearing that. And we'll be back, I guess, at the point when it is on the agenda.

MR. SHAUGHNESSY: Thank you for your comments. I appreciate it.

Anything else? (no response)

If not, then may I have a motion to adjourn.

SENATOR CARDINALE: So moved.

MS. MELICK: Second.

MR. SHAUGHNESSY: Motion and second.

We are adjourned. Thank you very much for your time with this long and healthy agenda.

(MEETING CONCLUDED)