
Commission Meeting

of

STATE HOUSE COMMISSION

LOCATION: Committee Room 3
State House Annex
Trenton, New Jersey

DATE: September 24, 2012
9:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Dominick DiRocco, Chair
Senator Bob Smith
Senator Gerald Cardinale
Assemblyman Paul D. Moriarty
Assemblyman Christopher J. Brown
Charlene M. Holzbaur
Robert A. Romano



ALSO PRESENT:

Robert J. Shaughnessy Jr.
Secretary

Gary A. Kotler
Counsel

Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
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TABLE OF CONTENTS

	<u>Page</u>
Ciro Scalera Government Affairs Director Laborers' International Union of North America (LIUNA) - New Jersey	4
Judeth Piccinini Yeany, Esq. Bureau Chief Legal Services and Stewardship Green Acres Program New Jersey Department of Environmental Protection	5
Chip Gerrity President and Business Manager International Brotherhood of Electrical Workers Local 94	7
Elliott Ruga Senior Policy Analyst and Campaign Coordinator New Jersey Highlands Coalition	8
Wilma Frey Senior Policy Manager New Jersey Conservation Foundation	9
Jeff Tittel Executive Director New Jersey Sierra Club	11
Dennis M. Toft Co-Chair Environmental Group Wolff and Samson	14
John Ribardo Project Manager Public Service Gas and Electric	21
Donna Mahon Division of Parks and Forestry New Jersey Department of Environmental Protection	27

TABLE OF CONTENTS (continued)

APPENDIX

	<u>Page</u>
Anne Sobel Private Citizen	34
Nathan Glinbizzi Private Citizen	36
Marci D. Green, Esq. Administrator Office of Leases Natural and Historic Resources New Jersey Department of Environmental Protection	46
Janet H. Cranna Principal and Consulting Actuary Buck Consultants	77
APPENDIX:	
Testimony submitted by Ciro Scalera	1x
Testimony submitted by Chip Gerrity	2x
Testimony, and letter addressed to Brain Adams Property Manager submitted by Anne Sobel	3x
pnf: 1-83	

DOMINICK DiROCCO (Chair): Good morning and welcome to the September 24, 2012, meeting of the State House Commission.

Mr. Shaughnessy, may I have a roll call, please?

MR. SHAUGHNESSY: First, the Open Public Meeting Act.

Thank you, Counselor.

In compliance with Chapter 231 of the Public Laws of 1975, notice of this meeting was given by way of notice on September 14, 2012, filed with the Secretary of State, delivered to the State House press corps, and posted at the Office of the State House Commission.

Initially -- the Call to Order.

Senior Counsel DiRocco.

MR. DiROCCO: Here.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Here.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Here.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Here.

MR. SHAUGHNESSY: Senator Smith. (no response)

Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Here.

MR. SHAUGHNESSY: And Assemblyman Brown.

ASSEMBLYMAN BROWN: Here.

MR. SHAUGHNESSY: Thank you, sir.

Okay, we have a quorum. Thank you very much.

We're going to-- I know there are a number of people here today, and thank you very much for your attendance. I also know that a number of people have said that they would like to be heard and make public comment with regard to items 20 and 21. So I think with the Chair's permission we will take 20 and 21 first, and then go through the balance of the agenda.

Thank you.

MR. DiROCCO: Any members have any issues or concerns with moving the agenda in that regard? (no response)

Thank you.

MR. SHAUGHNESSY: Okay, so that portion of the agenda, the Department of Environmental Protection requests, we are first going to No. 20.

No. 20 is Rockaway River Wildlife Management Area, Jefferson Township, Morris County and Kittatinny Valley State Park, Andover Township, Sussex County.

DEP requests approval to lease air rights within an existing utility corridor for a period of 20 years, to Public Service Electric and Gas for overhead electric transmission lines and towers as part of the Susquehanna-Roseland Electric Reliability Project. A right-of-way containing one overhead transmission line has existed on these lands since the early 1930s.

As compensation for the lease, the applicant will pay the DEP cash compensation totaling \$2,191,491. I note that there was a typo internal in the members' materials, but \$2,191,491 is the actual number.

The approval and execution of the lease shall include the following conditions as listed in the members' agenda.

A public hearing is not required for DEP leases of less than 25 years. However, the project has been the subject of extensive public review and opportunity to be heard. There were a number of commenters at the public hearing who opposed the project. Major opposition was primarily based on health and safety issues related to electromagnetic fields, aesthetic concerns, property value concerns, and environmental concerns. However, the DEP is not aware of any significant concerns being raised by the public as it relates to the crossing of the State land or property.

I know that a lot of people are here, and I don't know what order--

MR. DiROCCO: First, let's let the record reflect that Senator Smith is in attendance.

MR. SHAUGHNESSY: Oh, pardon me.

MR. DiROCCO: And Senator, we're moving agenda items 20 and 21 up to the front because there seems to be significant interest in those agenda items.

SENATOR SMITH: Good. And I'm sorry to be late. Route 1 is an absolute nightmare.

MR. DiROCCO: No problem. Traffic all over was a mess this morning. But thank you.

So I guess let's move into our public discussion.

Any members have any issues or concerns regarding agenda item No. 20? (no response)

Seeing none, we can go to the public.

Any members from the public who wish to be heard, please come forward.

MR. SHAUGHNESSY: Please identify yourself and your affiliation. And please provide your comment.

Thank you.

MR. DiROCCO: Good morning.

C I R O S C A L E R A: Good morning. My name is **Ciro Scalera** and I am representing the New Jersey Laborers' Union.

It's my pleasure to be here this morning. I am here -- and I have submitted a statement for your record -- on behalf our union to support the Susquehanna-Roseland Transmission Line for three primary reasons: The first is the future energy needs of New Jersey residents and the New Jersey economy. About half of the time that I spend at our union is on business development -- trying to grow the New Jersey economy. We have many businesses and many programs in place in New Jersey that are designed to attract business, to retain business, and we believe that energy is an important component of economic development; that without being able to meet the needs in the future that it will be difficult to grow the New Jersey economy and the jobs that come along with that.

I also support this -- and we support it -- because of the positive impact on the New Jersey economy. PSE&G spends hundreds of millions of dollars for vendors to stimulate, through their purchases, good ripple effects in our New Jersey economy -- and that's important.

And finally, there will be jobs created as a result of this. Our union does have many of our men and women -- over the course of the next

few years this is hundreds of jobs, good jobs, for our members. And on that basis, for those three reasons, we strongly support this proposal.

And I know there's 20 and 21; I don't really need to come back. We're supporting both.

Thank you for this opportunity.

MR. DiROCCO: Thank you, Mr. Scalera.

Any of the Commission members have any question for the witness?

ASSEMBLYMAN BROWN: Just one.

MR. DiROCCO: Assemblyman.

ASSEMBLYMAN BROWN: How long do you think it will sustain the hundreds of jobs that this will be creating? What time period?

MR. SCALERA: Oh, probably over the next two or three years. I'm fairly new to the union -- been there about six months -- but these are complex jobs. And it's stages and phases, and so we don't just put all our men there all at once. It happens over a period of time. But we have been working for years now, and expect to continue for that period.

ASSEMBLYMAN BROWN: Okay. Thank you.

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

Thank you.

MR. SCALERA: Thank you.

MR. DiROCCO: Anyone else in the public wishing to be heard please come forward.

Judeth.

J U D E T H P I C C I N I N I Y E A N Y, E S Q.: I'm sorry; I just need to clarify something that the DEP said in the summary.

I'm Judeth Yeany with the DEP's Green Acres Program.

We indicated in the summary that the proceeds of this lease were going to be returned to the Green Acres Bond Fund because it appeared that all the properties affected by the lease were purchased with Green Acres funds. We took a closer look at that, and the Fish and Wildlife property -- the property that's part of the Wildlife Management Area -- was, in fact, received by the DEP as part of a land use settlement. So we are working with the Division of Law in our Fiscal Office to figure out the appropriate disposition of those funds.

So I just wanted to correct that before further public comment.

MR. DiROCCO: Thank you.

SENATOR SMITH: What does that mean? Is there a chance that all of the funds may go into the General Fund? Is that an alternative here?

MS. YEANY: I don't think that's likely, but we're still trying to figure that out. If you like, we can contact you directly about that.

SENATOR SMITH: Well, it would seem to me that the appropriate disposition of the funds would be if you have Green Acres-- Whatever the percentage of Green Acres land is, that percentage of the lease should go to Green Acres.

MS. YEANY: That is still the plan.

SENATOR SMITH: Well, if that's the plan it's a good plan. But if it's going to the General Fund, that's a bad plan.

MS. YEANY: Well, the issue is that part of the property is administered by Fish and Wildlife -- that was a land-use donation.

SENATOR SMITH: I got it.

MS. YEANY: Part of the property is administered by Parks -- that was Green Acres funded and that money -- those lease proceeds will go back into the Bond Fund.

SENATOR SMITH: Okay.

MS. YEANY: It's the Fish and Wildlife portion of it that we're trying to figure out.

SENATOR SMITH: I understand.

MS. YEANY: Okay.

MR. DiROCCO: Thank you, Judeth.

Anyone else from the public wishing to be heard please come forward.

Sir, please state your name.

C H I P G E R R I T Y: Good morning. My name is Chip Gerrity, President of IBEW Local 94. And we represent the majority of workers at PSE&G's generation distribution and transmission facilities.

Susquehanna-Roseland offers a two-year opportunity to employ approximately 800 workers, upgrading transmission and, ultimately, reducing congestion of electric supply in New Jersey -- which should lower the cost. It's been a long road through the approval process and we hope that these final approvals occur so the project can move forward.

Unfortunately because of delays to date, subsidized generation is in place which may not have been needed if the SR line was started in 2010 as originally designed.

Our Local 94 is not part of the proposed 800 jobs for SR. We will maintain, however, the lines and substations after they're completed.

The upgrade is good for New Jersey consumers, as well as helping address unemployment numbers in the state with good paying jobs.

I hope you approve it. Thanks.

MR. DiROCCO: Thank you.

Any questions for the witness? (no response)

Anyone else from the public who wishes to be heard please come forward.

Good morning.

E L L I O T T R U G A: Good morning. Elliott Ruga, Senior Policy Analyst for the New Jersey Highlands Coalition.

We are very frustrated. It seems that every State House Commission meeting there is yet another linear utility development project proposed for State-owned land in the Highlands. This project came before The Highlands Council in 2009, and the Highlands Council found it overwhelmingly inconsistent with the goals and policies of the Highlands Act. And then PSE&G offered an \$18.2 million mitigation package, and two weeks later the Highlands Council found the project to be consistent.

This project recently came before the National Park Service for approval for a construction permit to go through the Delaware Water Gap National Recreational Area, the Appalachian Trail, and the Delaware River. And the National Park Service found in its reporting that their environmental preference was that this project should not be approved. And then after a \$40 million mitigation package, it looks like they're going to approve this project.

At what point do these projects that are proposed to go through some of the most important water-bearing portions of the Highlands impair

the ability of these lands to filter water, which we have found so important that we have legislated to preserve from development and put our State dollars towards preventing development; at what point are they going to impair their ability to provide this ecological function? Nobody is looking at attempting to quantify those impacts. And it is very important that our State government do so because that's the responsibility State government has to preserve our water resources.

So thank you very much.

MR. DiROCCO: Thank you, Mr. Ruga.

Any questions or comments? (no response)

Thank you.

Good morning.

W I L M A F R E Y: Good morning. I'm Wilma Frey. I'm the Senior Policy Manager for New Jersey Conservation Foundation, which is a statewide land trust and environmental policy organization.

New Jersey Conservation Foundation has major concerns and issues with this process and the compensation. We're very disappointed by the total lack of transparency in this process.

The compensation issue on the compensation that's been offered by -- that Green Acres is requesting from the applicant -- there is no way to know how this has been arrived at; there are no advance materials available; and so one does not know: Is this an appropriate amount? On what was this based? Is it based on the fair commercial value to the applicant?

Secondly: The lease request for approval for a 20-year lease appears to be totally inappropriate. As we know, the Ogden-Rooney

requires public hearings with a 25-year lease. But this project is not likely, unless the total energy picture changes in New Jersey, to only be around for 20 years; it's a project that's been around since the 1920s. It is inappropriate to ask for a 20-year lease, which appears to be a way to avoid a Green Acres public hearing on the project.

But the project deserves a public hearing. It is a major Green Acres issue; it is involving commercialization -- increased commercialization of important State lands which are held in the public trust by Green Acres, State parks, and State Wildlife Management Areas. And so a public hearing on these lands should have been held.

The notice in the State House Commission agenda notes that there were other public hearings held. Yes, there were public hearings held by the Highlands Council, and by the BPU, and even by the DEP. But these were broad-scale hearings; they covered 47 miles of terrain traversed by this right-of-way, as well as concerns about impact off of the right-of-way. They were not specific to these particular State lands. And I guarantee you that New Jersey Conservation Foundation has enormous concerns about the impact on the public lands of this route, which the statement in the agenda totally dismisses. It says "DEP found no substantial concerns." I would say that that is an absolutely unfair characterization of our and many other organizations concerns about this right-of-way, and the impacts of the double-in-height towers and the doubled number of wires.

Some of these impacts include: the scenic impacts, the impacts on the recreational resources, impacts on historic and cultural resources, and impacts on rare migratory birds which are very likely to be killed by

running into these new higher towers and wires which are double the size of the trees that surround these wires. Right now, the trees are about the same height as the transmission towers. And so birds are likely to miss them. But these are going to be sticking way up there, and DEP issued a couple of deficiency letters to PSE&G in February of this year and in July of this year and noted that the impacts on the birds had never yet been addressed.

So we request that, number one, this become a more transparent type process and that Green Acres hold a hearing -- hearings on the remaining State lands that are going to be traversed by this line, which include the Wildcat Wildlife Management Area and, I believe, Farney State Park. I'm not positive about the latter. But I know it passes very, very close to Farney State Park, if it does not actually go through it. And so you could certainly include that in a public hearing.

And I would say that holding the hearing would give an opportunity for people to address the specific impacts on the State Parks and Wildlife Management lands.

Thank you very much.

MR. DiROCCO: Thank you, Ms. Frey.

Any questions, comments? (no response)

Next, please.

J E F F T I T T E L: I'll try not to be redundant.

Jeff Tittel, Director, New Jersey Sierra Club.

Just a couple of issues on this power line that raise some serious concerns from an overall picture but, very specifically, when it comes to Green Acres and open space.

As this Commission knows, we're now running out of Open Space funds and we're running on fumes. I don't believe because of the 25-year lease, because this is still valued as open space, that the State is getting adequate or fair compensation. There's also historic impacts and viewshed impacts that need to be mitigated for, or at least funded so that we can use the money for other projects to make up for it.

And this has been a long-standing problem that we've had: This whole concept of these 20-year leases on 50-year infrastructure, to get around both public scrutiny and getting a higher and fairer value for public lands. These lands were bought in the public trust; these lands belong to all of us; and, again, we just see, to quote AC/DC, "a dirty deal done dirt cheap."

I really believe that given this line and given its impact to the park-- Because it's not just the lands that it's going to impinge on or directly take, it's going to be visible from all over. The way I would describe this power line to the average person is that it's like taking Route 202 and building 287 with it. This is really like a superhighway compared to a local road or an old road. And it's going to have major, major impacts.

And we also believe there are real problems when it comes to wetland impacts -- raptors, in particular -- flyways, the historic viewshed; and we're not getting the funding. We also strongly believe that this line is completely unnecessary. As this Legislature knows and this Administration knows, there have been approvals for at least three new gas-fired power plants, with another one probably going to get built. We've seen two coal plants in New Jersey are coming back as natural gas plants. We have proposals for, if we get our offshore wind going, at least 1,100 megawatts;

we've already built almost 800 megawatts of solar. Distributed generation has worked. And the only purpose of this line is to bring in coal power from Pennsylvania to undermine clean energy in New Jersey. And we know that this Administration and this Legislature have been very concerned about pollution from Pennsylvania. So not only does this electricity undermine clean energy, it ends up giving us more air pollution as well.

But I know that's beyond your scope, but I just wanted to put it on the record. But for us, I think, it's again-- Even though long-term energy consumption has gone down, other power lines have been cancelled -- both the PATH line and the MAPP line; we're building new sources of power, distributed generation works, and we have a big renewable program-- This line is not only unnecessary, but it's damaging to those programs and it's more damaging to our State parks. It's more damaging to the open spaces that we've protected. This line cuts a big scar right through the Highlands preservation area which these properties are in; it goes through State parks; it goes through county parks; it goes through areas that have been set aside for the public's enjoyment. And it will impact that wilderness experience when you're camping in Mahlon Dickerson; it will impact the environment. And I believe that the State of New Jersey, again, should have a 25-year lease; there should be a public hearing; and we should be valuing this, not only as commercial property, but also putting a value on those negatives impact to our viewshed and being compensated for it.

Thank you very much.

MR. DiROCCO: Thank you, Mr. Tittel.

Any questions, comments from the Commission? (no response)

Anyone else from the public?

Good morning.

DENNIS M. TOFT: Good morning. I'm Dennis Toft from Wolff and Samson, representing PSE&G. I just wanted to make a couple of points.

First, to answer any questions the Commission members may have about the project, representatives of the company are here. If you have any specific questions, we'd be happy to address them.

More importantly, just to make it clear what we're talking about here: This is an existing right-of-way that predates the establishment of Green Acres or other restrictions on any of the areas that we're talking about. The rights the company needs here are the right to add an additional line. The towers exist already, the area is cleared already, and the line exists already.

Unfortunately, when the easements language was drafted back in 1920s, it was not broad enough to encompass all the rights the company now needs after the fact, and after now that they've become subject to Green Acres and other restrictions by the State.

So we're talking about a very limited set of rights. This is not a new line, unlike some of the other projects you've seen.

The other point to make clear is that in addition to the compensation being offered for these limited additional rights, a number of the other impacts mentioned by other speakers are being mitigated as a result of other programs, including \$18 million that's going to the Highlands Council to address viewshed issues, other open space acquisitions, etc.

That's the extent of my statement. If there are any questions, we do have company representatives here as well to address them.

Thank you.

SENATOR SMITH: If I might, Mr. Toft, what did the original easement permit Public Service to do?

MR. TOFT: It permitted them to construct one circuit only; and now we need two circuits.

SENATOR SMITH: Will they be on the same tower, or new towers?

MR. TOFT: There will be new towers; the towers do have to be higher because it's a 500 kilovolt line. So they do have to be higher. So there will be new towers. But I don't believe any of these areas are affected by actual towers.

SENATOR SMITH: And how high will the new towers be compared to the old towers?

MR. TOFT: I think it's another 100-- About twice as high.

SENATOR SMITH: How high are they now?

MR. TOFT: They are now 85 feet, so they're going up to about 170 feet.

SENATOR SMITH: Okay. At the time of the granting of the original easements, did the State of New Jersey receive compensation?

MR. TOFT: The properties were not owned by the State of New Jersey at that time.

SENATOR SMITH: Oh. So how did we get rights to them subsequently?

MR. TOFT: They took title to the properties through other means -- either through Green Acres acquisition or, in the one case, through a donation, subject to the language of the existing easements.

SENATOR SMITH: All right. So Public Service's interests was strictly an easement as opposed to fee simple ownership.

MR. TOFT: Correct.

SENATOR SMITH: Okay. The money that you're giving to the Highlands Council -- was that specifically for mitigation of this project?

MR. TOFT: Yes.

SENATOR SMITH: And are there any constraints on the use of that money?

MR. TOFT: It's supposed to be used to offset the impacts from the project, including viewshed impacts, etc. So it's designed to relate directly to mitigating impacts for the project.

SENATOR SMITH: Okay. I think this might be a question for Judeth Yeany: on valuation, if I might. May I ask Ms. Yeany to come forward?

I was reading the discussion of valuation. I believe the number that is being used is 15 cents per square foot.

MS. YEANY: That's correct.

SENATOR SMITH: And that's every year for the length of the lease.

MS. YEANY: Yes, with a 2.5 percent escalation after the first year.

SENATOR SMITH: Why did the Department opt for a lump sum payment as opposed to annual payments?

MS. YEANY: I don't know if we figured out for this project whether there will be a lump sum or not. I think the company has expressed preference for that -- is that correct, Dennis?

MR. TOFT: That's correct.

SENATOR SMITH: Okay.

MS. YEANY: I think at the point where we thought the money was going for acquisition it made sense to get a lump sum so that we could do a particular acquisition with it.

SENATOR SMITH: Okay.

MS. YEANY: Either way, the company's paying the same amount.

SENATOR SMITH: Right. And the 15 cent figure -- where did that come from?

MS. YEANY: That comes from the Interagency Lease Task Force report that was released in August 2011; that was the same policy that we applied to the Tennessee Gas and Spectra projects, and we then applied to this project. The policy-- Both talk about the 15 cents a square foot and also expresses a preference for these types of leases to be 20-year leases, subject to renegotiation at the end of those 20 years.

SENATOR SMITH: What about the criticism -- the (indiscernible) criticism that we heard this morning, that the 20-year lease subverts the Ogden-Rooney process?

MS. YEANY: Well, I think we're trying to balance a couple of factors here. We do feel with the Lease Task Force policy that we articulated a consistent and clear policy as to how we're going to value these leases. And from that perspective, doing a 25-year lease just to trigger that

public process doesn't necessarily make sense. But we do try to evaluate on a case-by-case basis whether there's particular issues that warrant a public hearing. So in Spectra, even though we proposed a 20-year lease, we conducted a public meeting at Liberty State Park. In fact, we had two -- one during the day and one in the evening -- because we knew that that was a new impact on the ground, on that project; they were breaking new corridors in Liberty State Park, which is a pretty precious area to begin with. So we voluntarily had public meetings and conducted it as if it were a public hearing.

And this project-- I'm sorry, we were a little less concerned about that with this project because, as it has been described, these are air rights.

SENATOR SMITH: Which I guess gets to the question of viewshed impact. What is the DEP's position on that additional concern that has been expressed by the public?

MS. YEANY: Well, we certainly were aware that that had been a lot of the focus of the Highlands valuation of this project. In fact, I think that \$18 million figure was derived from a specific formula that the Highlands put together to come up with an algorithm to value those impacts. So I think we had felt that there are a lot of impacts associated with this project that are not within the purview of our program.

SENATOR SMITH: That \$18 million figure -- was that done -- I had heard a 2009 date; was that done in 2009, or is that a current--

MS. YEANY: That's my recollection that that approval was one of the ones issued in 2009. Because we have known about this project for three years. We've been involved in discussions with the company. But

there was a period of time in between 2009 and now when some of the Federal issues were being vetted.

SENATOR SMITH: Okay. Mr. Toft, maybe you could have somebody from Public Service address the other issue that was raised, which is the public benefit. There was a statement made that there's no need for this. I'd like to hear Public Service's response to that.

MR. TOFT: Sure.

MR. DiROCCO: Before we get to that -- real quick, while you're both here -- can we talk for a quick second, before we get to that, on the mitigation? You talk about mitigation efforts that are going to be undertaken. Will that happen in concert with DEP? Is that at the sole discretion of the company? How does mitigation bear out?

MR. TOFT: Mitigation, really, is not within the company's control. We propose plans and we provide funding. And we have to implement the plans once they're approved by the appropriate agency -- be it DEP for certain impacts; be it the Highlands Commission for other impacts; be it the National Park Service for impacts that may impact the National Park. Some of those are cash that's provided, where the agencies then go out and either acquire property or do good works; or some of it's in kind, where the company will create new wetlands, where the company will create new riparian zones -- depending on the nature of the impacts. So it's not something the company has really a lot of say in, other than to propose things that are then subject to review and approval by the agencies.

Is that accurate, Ms. Yeany?

MS. YEANY: Yes, I believe that's accurate.

Unlike the gas pipelines projects, we don't have a specific mitigation component associated with this lease. If you recall with the gas pipelines, we required replacement land and some other additional mitigation measures because of the impacts that that activity was going to have on our property. Here, with this just having to do with stringing this additional line, we're not specifically requiring mitigation associated with this lease.

We were aware of the Highlands process; our land-use program is still reviewing the project and there will be mitigation associated with that. That will be entirely administered by those other programs.

MR. DiROCCO: Thank you.

Maybe we can swap out DEP for PSE&G for the public benefit question.

MR. TOFT: Sure. Just to set the foundation to address the need issue: There was an order issued by the Board of Public Utilities in February of 2010, after a comprehensive set of hearings where the need for the project was determined. Subsequent to that we've been through an entire process under the National Environmental Policy Act with the National Park Service -- which, again, addressed the purpose and need for the project. That environmental impact statement was issued at the beginning of September or the end of August where, again, they looked at project, purpose, and need.

In terms of the time since 2010, PJM, which is the regional grid operator, constantly updates and reviews the need for transmission line projects. We heard Mr. Tittel say that a number of projects were cancelled because of that process. In fact, this project has not been cancelled; if

anything, the need for this project has been reaffirmed several times by PJM over the course of the two-year period since we got the BPU order approving the project and finding there's a need.

This is John Ribardo from PSE&G. Would you like to add anything to that, John?

J O H N R I B A R D O: Well, originally PJM found 23 reliability criteria violations -- and I won't go into detail what they are, but they're problems with the transmission system. So this project -- the 500 KV Susquehanna-to-Roseland project -- relieves those criteria violations.

As Dennis said, PJM reaffirmed this recently following the cancellation of the MAPP and PATH projects. So it is basically a reliability project and it does, as was mentioned earlier -- it does relieve transmission congestion in northern Jersey, parts of Pennsylvania, and it's a reliability improvement for the whole State of New Jersey.

SENATOR SMITH: What is the-- We had this discussion, I think, when we were talking about Susquehanna. What is the bottom line, in the sense of real bottom line benefit to Public Service, by doing this? Is it solely reliability, or is there a profit incentive to this as well?

MR. RIBARDO: Well, the project is-- We get a return on dollars invested for the project. The project cost is estimated at \$750 million. So through FERC we recover that through rates.

SENATOR SMITH: Rates? Okay.

MR. RIBARDO: But PSE&G ratepayers will, with the relieving of the congestion costs, see benefits in the actual rates.

SENATOR SMITH: Okay.

MR. DiROCCO: Thank you, Senator.

Any other questions, comments for either of the witnesses? (no response)

Thank you.

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

Seeing none, we will close the public portion of this agenda item.

Any of the Commission members have any final thoughts or comments?

SENATOR SMITH: A little discussion I think would be good.

A couple of things that are very interesting about this project: Number one, you have existing easements, all right? And this is not a new transmission-- It's a new transmission line in the sense that it's an upgrade; but it's already there. And as someone who played a significant role in the Highlands legislation, one of the specific exemptions that we put in -- there were 17 exemptions -- one of the specific exemptions was in regards to power lines. And that's not because the authors had any less love of open space, but we live in the 21st century world and we do need electricity.

Now, Public Service is a little different than the gas pipelines. If you remember when we had the discussion about the gas pipelines, we said, "What does this mean to your bottom line?" And I think we had a number like three-quarters of a billion dollars, all right? So I thought I made a pretty strenuous argument -- which didn't carry -- that we were being underpaid; that the commercial benefit to the party seeking the right-of-way was so great that the Interagency Task Force report was a pittance.

That being said, like I said, that argument didn't carry. This is somewhat different. I think we have an existing line; I'm not particularly thrilled that it impacts the viewshed, but again, we're living in the 21st century society -- we need electricity. It's already there -- the line is already there. The swath is already through some of our really wonderful forests. And Public Service is a utility, so the benefit that they're going to derive from this when they say there's a reliability issue -- that sounds like they're trying to do what they have to do have a reliable electric system. And it doesn't sound like it's windfall profits, which is what it sounded like with the gas line. They're trying to service their customers, and they've had, I guess, pretty serious criticism that their system is currently unreliable.

So while I would normally be in the mode to say, you know, this has a very significant impact on the environment, I think there are some mitigating factors here that lead me in my vote to go the other way -- that I think this is the appropriate-- It's part of being in the 21st century society.

So that's where I come out on it. I think I'm going to end up on the "yes" side of this.

MR. DiROCCO: Thank you, Senator.

Any other comments from Commission members?

ASSEMBLYMAN BROWN: I do.

MR. DiROCCO: Assemblyman.

ASSEMBLYMAN BROWN: You said you co-authored the Highlands Act?

SENATOR SMITH: I claim to, yes. (laughter)

ASSEMBLYMAN BROWN: Okay. It's likely an Al Gore to the internet thing, kind of-- (laughter)

SENATOR SMITH: Well, maybe not quite as egregious.

ASSEMBLYMAN BROWN: Well, I just-- If it is one of the exemptions, I'm just curious: Why is PSE&G paying \$18 million for mitigation factors?

SENATOR SMITH: What I have from Mr. Toft was that it's not just DEP, but a whole bunch of Federal agencies that require some mitigation plan. Now, I don't know if that's the case, but I'd love to hear his comments.

MR. TOFT (off mike): We could go on for about an hour describing why we're paying \$18 million, but suffice to say it was the result of discussions with the Highlands Council about the nature of the impacts of the project and the need to offset those impacts.

In other words, to make sure we stayed within the bounds of the intention that's in the legislation.

ASSEMBLYMAN BROWN: Okay.

SENATOR SMITH: And that being said, we should collect more money -- the Interagency Task Forces, as far I'm concerned, is on the low side; but this is different.

ASSEMBLYMAN BROWN: It just seems concerning that here we're trying to make New Jersey a competitive place, and yet we're asking industry to pay \$18 or whatever millions to--

SENATOR SMITH: And it won't be industry; it will be their customers.

MR. DiROCCO: Thank you, Assemblyman.

Any other comments, questions?

SENATOR CARDINALE: Yes, I wanted to make one point.

MR. DiROCCO: Yes, Senator.

SENATOR CARDINALE: All of these monies, while they're going to be paid by their customers, their customers are our constituents. They are the people who live in New Jersey; they are the people who work in New Jersey. And while I did support the idea that some of the fees ought to be increased -- and, as you know, we put a bill in together -- at the same time, it's a trade-off. And the trade-off is really whose pet projects are going to be funded by the money that all of the consumers of electricity in New Jersey are being forced to pay through this indirect process. None of the money that Public Service is paying -- it's not going to be reimbursed to them. They're a pass-through operation; and we need to not lose sight of that.

When we begin to then burden-- And it was interesting that we heard from a few labor unions that I don't generally agree with. But I have a great agreement with them that our economy really needs a boost, particularly now. And if we continue to burden it with additional costs -- even for good purposes, and I think putting aside land is a good purpose -- that has a time and place.

And so I think we really should support this forcefully.

MR. DiROCCO: Thank you, Senator.

MS. FREY (off mike): Excuse me. I'm wondering if the microphones are working, and if the members of the Commission could please speak into the microphones?

Thank you.

MR. DiROCCO: Thank you, Ms. Frey.

So as a suggestion, please use your microphones so the members of the public can hear.

Assemblyman, did you have any final comments?

ASSEMBLYMAN BROWN: Who has oversight over the \$18 million that's being paid into the Highlands Council? That's what-- I would really like to know and, again, I've gone along with the comments that have taken place so far. You're correct, Senator, this is a service going to our constituents. It's an existing lease that occurred -- or easement -- that occurred way before the Highlands Act. Eighteen million -- I'd just like to understand that aspect. I mean, I understand for the Highlands Council to request the \$18 million. But to use money as an argument, saying you're not being paid enough, so you should stop this, or to say it's going to hurt the environment -- the two arguments don't work. It's a money thing here.

And I'm wondering who has oversight with the \$18 million, and what is it going towards?

MR. DiROCCO: Assemblyman, I think I tried to drill down that a little bit as well.

I think the answer I got -- and Judeth, if you have the-- If you could come back up and just help out on this; but I think the answer I got was that it's not going to be within the sole discretion of the company, obviously; this is a mitigation effort that's going to be done in collaboration with the State.

MS. YEANY: It's my understanding that the Highlands Council will administer that money. As you know, they have a relatively new Executive Director and I think they're still trying to figure out the

process for that. If you want, we can put them in contact with you about that.

ASSEMBLYMAN BROWN: I'd just like to say-- And also, are the funds coming to DEP and then going to the Highlands Council?

MS. YEANY: No, the Council is a separate entity.

ASSEMBLYMAN BROWN: So it's going right to the Highlands.

MS. YEANY: Yes, yes.

ASSEMBLYMAN BROWN: Is that a one-time payment?

MS. YEANY: I don't know.

D O N N A M A H O N: Donna Mahon with the DEP.

Just having read the agreement for the Highlands Council funding, there is a special fund that's supposed to be established for land and stewardship preservation. That's where the \$18 million is supposed to actually be funded. It's a two-part payment: half of the payment goes, I guess, prior to construction in escrow, and then the balance after construction.

ASSEMBLYMAN BROWN: Okay.

MR. DiROCCO: Thank you.

Any final thoughts, comments? (no response)

Seeing none, I think we're ready for a vote on this item.

Does anyone make a motion on this agenda item?

SENATOR CARDINALE: So moved.

ASSEMBLYMAN BROWN: Second.

MR. DiROCCO: Motion and second.

Roll call, please.

MR. SHAUGHNESSY: Thank you, Mr. Chair.

Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: 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 Brown.

ASSEMBLYMAN BROWN: Yes.

MR. SHAUGHNESSY: That matter is approved.

MR. DiROCCO: Moving on, we have, I guess, the next agenda item -- No. 21 relates to this insofar as it's the local Morris County portion of this project.

MR. SHAUGHNESSY: That's correct, Mr. Chair, and I'll bring that forward now.

The Mahlon Dickerson Reservation, Block 320, part of Lot 9 and Block 335, part of Lot 4, Jefferson Township, County of Morris.

DEP, on behalf of the County of Morris, is seeking approval to convey to PSE&G additional easement rights relating to an existing electric utility right-of-way that is located on parts of two parcels of land that are

administered by Morris County as part of the Mahlon Dickerson Reservation in Jefferson Township, Morris County. The total land area of the existing right-of-way on the subject parcels is approximately 1.28 acres.

The additional easement rights would be conveyed to PSE&G to accommodate an upgrade of the transmission capacity. To compensate for the diversion of the additional easement rights, PSE&G proposes to remit \$44,000 cash compensation -- 10 times the appraised value of the diverted area. The cash compensation will be used by the County for park improvements and/or land acquisition projects.

MR. DiROCCO: Thank you.

Any members of the Commission have any comments, questions on this item? (no response)

Anyone from the public wish to be heard on this specific agenda item? (no response)

Seeing none, we'll close the public portion.

And may I have a motion on this agenda item?

SENATOR CARDINALE: So moved.

ASSEMBLYMAN BROWN: Second.

MR. SHAUGHNESSY: Motion and second.

I'll call the roll.

Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: 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 Brown.

ASSEMBLYMAN BROWN: Yes.

MR. SHAUGHNESSY: That matter is approved as well.

MR. DiROCCO: Moving back on--

MR. SHAUGHNESSY: We'll move back to the beginning of the agenda, under old business.

The first matter under old business is approval of the June 7, 2012, State House Commission meeting minutes.

May I have a motion for that?

SENATOR SMITH: So moved.

MR. SHAUGHNESSY: Second?

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: I'll call the roll.

Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: 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 Brown.

ASSEMBLYMAN BROWN: Abstain.

MR. SHAUGHNESSY: Thank you, sir.

Okay, those are approved.

Next under old business, No. 2 is an update on the residential lease increases.

Briefly, as the Commission recalls, in March the Commission approved a number of leases -- new one-year leases -- at fair market value. In the June meeting we discussed four individuals who had written complaining about the rent increases. Very briefly, those four were Anne Sobel -- Ms. Sobel is here today, by the way; Diana Millman; James Smith; and Jeffrey Snyder. In the interim we had an opportunity to go out and inspect the properties and talk with the tenants.

Ms. Millman, I'll report, is vacating her property and has turned in the keys. Ms. Sobel and Mr. Smith, both -- we discussed with them repairs and we are willing to cooperate with them to the extent that we can to make repairs or make abatements to the rent based upon, perhaps, repairs that you have made; and Mr. Snyder -- it turns out that his house is a 2-bedroom and not a 3-bedroom house. So there's a slight reduction in the appraised value and the rental rate, which is the subject of the next matter on the agenda.

But at the time being, all individuals have signed the leases at the fair market value rent. I know that Ms. Sobel has requested and wants to be heard about her request to freeze her rent.

I don't know if any members have any discussion before we hear from the public.

MR. DiROCCO: I would like to bring up Ms. Sobel.

Before we do that, do any members of the Commission have any thoughts or comments on the synopsis that Mr. Shaughnessy just provided?

SENATOR SMITH: Just one, which was, I believe this came up at the last State House Commission meeting. And the concern was -- as I recollect, and I'd love somebody to clarify it in my own head -- we were trying to bring our rents to fair market value. But there was a concern that some of the lessees had unique circumstances.

MR. DiROCCO: Yes.

SENATOR SMITH: So we asked for a review of that policy, I believe, and then we said anybody who had a continuing disagreement we wanted them to come to the Commission. Is that pretty much how we got here today?

MR. SHAUGHNESSY: I believe so. I think there was, Senator, a belief, I think, among the Commission members that the fair market value rent should be equally applied; but if there were certain repairs or items that needed to be addressed we should do so that. And we certainly have fiscal responsibilities too; we just can't go back and pay for repairs past -- beyond the fiscal year. But otherwise we will continue to work making repairs.

One gentleman, Mr. -- I think -- Smith; well, actually, Mr. Snyder had some storm damage to the roof and we were immediately going to do an emergent repair on that.

MR. DiROCCO: My recollection is similar insofar as there were several dozen leases that were the subject of our prior discussions. And after an analysis and an appraisal on all of those, the lion's share have been resolved and new leases, new agreements-- So we have, I guess, four outliers now, and even two of those, it seems like, have even been resolved insofar as one tenant has decided to seek other quarters; one has an agreement with respect to repairs. So it looks like we have, really, just two folks left -- which, I think, is actually pretty -- a fairly good track record when you consider there were several dozen lease revisions that we were seeking.

SENATOR SMITH: Good.

MR. DiROCCO: So we have-- I'm sorry, Senator -- yes.

SENATOR CARDINALE: The determinations that we make are certainly guided by appraisals. And we have to be confident in the appraisal process. And I know that the appraisal process is not an exact science. However, it's a little disturbing to hear that an appraiser made a mistake of a whole room. I wonder how that can come about. Is that an error by an in-house appraiser? Someone we hired to do the appraisal? It seems to me kind of a gross situation. Is there an explanation for that?

MR. SHAUGHNESSY: These are outside, independent appraisers that we used to conduct these. Actually, I understand the staff, upon visiting the property and verifying it, located the discrepancy.

MR. DiROCCO: Is it possible it was just a drafting error in a report as opposed to-- Because I think the Senator's concern is interesting insofar that you have someone inspecting a premises which, as you expect it, would be hard to miss that. But maybe it was a clerical type of an error. I don't know if we have any anecdotal information on that, Bob?

MR. SHAUGHNESSY: I don't-- I think it could have been a clerical, administrative-type error.

SENATOR CARDINALE: I would suggest that, at the very least, that that appraiser -- that some judgments be made about utilizing that outside appraiser in the future. Because, you know-- I mean, that's not a measurement that's off by a few square feet or something along that line. It's not a judgment about the character of the neighborhood; it's not a judgment about the quality of the construction. It's a pretty gross error.

MR. DiROCCO: Thank you, Senator.

Any other comments, questions? (no response)

So at this time we'll bring up Ms. Sobel.

Ms. Sobel, please come forward.

A N N E S O B E L: I would like to thank the Commission for the opportunity to come before you to try and stabilize my monthly rent and reduce the new monthly increase.

I would like to also thank Mr. Shaughnessy and Mr. Brian Adams for all their cooperation in this matter.

I've been the proud owner of my property for 25 years, from 1964 to 1989. In 1989 I reluctantly sold my property to the State Department of Environmental Protection under the Green Acres Program for the purpose of building a reservoir.

Since 1989 to 2012 -- that's a total of 23 years that have gone by -- and there's no evidence of ever building a reservoir. This has been very fortunate for me because I was able to live on the property as a tenant, and I certainly enjoyed the past 48 years in the home and area I love so much. And that's more than half a lifetime.

During the past 48 years that I lived on this property I was able to pay the rent and meet all the other requirements as a tenant. I am now 78 years old, living on a fixed income, and unable to earn additional income due to health problems.

This year, as you know, you raised my rent \$675 -- which brings my new monthly rent to \$1,720. This is far beyond what I could afford, especially on my fixed income. While the rent amounts have increased more than the CPI, they have never increased by this tremendous amount. To make matters worse, Byram Township wants me to pay property taxes to them directly, effective August 1, 2012. I am currently in discussions with the tax assessor as to whom and how these taxes will be paid.

I would like to know from this Commission if the new fair market appraisals include or exclude the property taxes in the new rental fees. Are they included or excluded? Do we know?

MR. SHAUGHNESSY: Ms. Sobel, let me answer that.

When we went out to procure the appraisal, it's my understanding it was a full, fair market value rental. That would include -- I'm not the appraiser -- but I believe that would include taxes being in that rental value.

So the issue that you talk about with Byram Township is a new one and, believe me, it's under discussion and it's being vetted as we speak.

MS. SOBEL: Okay. Well, they need something in writing because they have sent me a bill. It was due August 1, and I am in arrears.

Well, if the property taxes are included, then the maintenance and repairs would come to \$2,420 a month that I would have to pay in rent. I'm living on Social Security and an annuity, and that's stabilized. That's like half of my income. I can't afford that amount. That leaves me a little money for medicine, my insurance payments, plus I do pay the insurance on the house and the maintenance and--

NATHAN GLINBIZZI: -- and (indiscernible) other taxes.

MS. SOBEL: Oh -- well, no. The property taxes are included then.

MR. DiROCCO: Ms. Sobel, I'm going to jump in for a minute.

I think the second issue you talked about -- the Byram Township tax bill is something that's new. We were not aware of that. And, unfortunately, it's not really something this Commission has any power over except the fact that we have Treasury representatives with us, Department of Treasury representatives who I know are aware that -- I think yours is not the only property that's affected in that regard. They're aware of this issue so they're doing some internal investigations, and study, and analysis into the propriety of those local tax bills.

So unfortunately it's not something that we can help you with today, but I do know that the State generally is looking into that. And hopefully there will be some resolution.

We can talk specifically about the lease increase -- the rental lease increase. It was based on a fair market appraisal, and that's something that's within our power to discuss.

MS. SOBEL: Well, I don't think we should use the appraisal. I mean, I think you should base it in the fact that this has been my home since 1964. I've been taking care of it as a homeowner, not as a tenant. So I'm not a new tenant. So I don't think you should increase my rent.

MR. DiROCCO: Any members have any thoughts, comments on this?

MS. SOBEL: Well, I don't see why-- Okay.

MR. GLINBIZZI: Excuse me. She has a little problem hearing, so you have to speak louder.

MR. DiROCCO: Okay, thank you. (laughter)

Assemblyman Brown.

ASSEMBLYMAN BROWN: What was your monthly payment that you were making prior to the increase?

MS. SOBEL: One thousand and forty five dollars.

ASSEMBLYMAN BROWN: And that consisted of -- what? That was just the lease payment?

MS. SOBEL: Yes.

ASSEMBLYMAN BROWN: And then you paid taxes on top of that?

MS. SOBEL: No, this is the first time we've been approached to pay the taxes.

ASSEMBLYMAN BROWN: So the State has been paying the taxes.

MS. SOBEL: No, nobody has.

MR. SHAUGHNESSY: It's tax exempt, Assemblyman.

ASSEMBLYMAN BROWN: That's what I was thinking.

SENATOR SMITH: Local authorities can't tax the State.

ASSEMBLYMAN BROWN: That's where I was going. Where do the tax discussions come in?

MR. DiROCCO: This is a new-- This is, literally, within the last -- to my knowledge -- the last 24 hours. Maybe it's been a little bit longer, but this is a new development on these properties that we weren't aware of. They've always been considered tax exempt; now, apparently, localities are considering whether they can apply a tax. And they're going right to the leaseholders, which is another issue.

But Treasury is in the midst of an investigation into that.

ASSEMBLYMAN BROWN: So the municipality has been sending you a tax bill?

MS. SOBEL: Right.

ASSEMBLYMAN BROWN: And when did that start?

MS. SOBEL: It started-- Well, the first payment was due August 1 --

ASSEMBLYMAN BROWN: So the third quarter.

MS. SOBEL: -- \$250.

ASSEMBLYMAN BROWN: Two hundred and fifty dollars -- is that for the quarter or the month.

MS. SOBEL: For the month.

ASSEMBLYMAN BROWN: For the month.

MS. SOBEL: Yes. Every month it will be \$250.

ASSEMBLYMAN BROWN: And now the State is proposing to go to \$1,720.

MS. SOBEL: Right.

MR. GLINBIZZI: My name is Nate Glinbizzi, and I'm just a supporter of Anne and her cause.

Yes, the State raised it \$675 a month, and now Byram Township wants \$250 a month for taxes. So you're looking at a \$725 (*sic*) increase.

MR. DiROCCO: Assemblyman.

ASSEMBLYMAN BROWN: The only thing I would say at this point -- I don't think we should implement an increase until we find out what this property tax situation is. I mean, it's unfair to the tenant. It's a \$900 increase -- that's what you're talking about.

SENATOR CARDINALE: Eight times 12.

ASSEMBLYMAN BROWN: What's that?

SENATOR CARDINALE: It's \$250 times 12.

ASSEMBLYMAN BROWN: Right; plus the increase in the tenant payment.

SENATOR SMITH: Quite frankly, though, I believe the tax thing will be ended very quickly.

Who does the local government do a tax lien on?

ASSEMBLYMAN BROWN: I understand that.

SENATOR SMITH: The State of New Jersey? Can't be done. I would love to see that foreclosure action. (laughter) I would love to represent the State on that one. I think you're going to solve that very quickly.

MR. DiROCCO: Could a suggestion be that we -- I'm just throwing ideas out -- but could we suggest that we freeze the rent until the tax issue is resolved and then take this up at a later meeting? Or is that--

SENATOR CARDINALE: Well, I think that it would be reasonable to take into consideration the tax question and the amount that is being taxed. And it would also be interesting for the Commission to know that that tax bill has to be based on some sort of assessment. How does that coordinate with the valuation appraisal that we got done?

MR. DiROCCO: Good point.

ASSEMBLYMAN BROWN: Do you have the bill?

SENATOR CARDINALE: And given the thought that we had -- I don't know if this is the same appraiser who forgot about a room-- If there is a question about our appraisal process, I think that question needs to be resolved.

MR. KOTLER: Mr. Chair.

MR. DiROCCO: Yes, Mr. Kotler.

MR. KOTLER: Yes. There was a suggestion just made about possibly freezing the rent. I think the difficulty with that-- I have no objection to the Commission taking this under advisement because of this new issue. But there are other tenants in the same area that might be similarly affected by this.

MR. SHAUGHNESSY: I believe there may be four or five residences in Byram Township, including Ms. Sobel's.

ASSEMBLYMAN BROWN: Did you see this?

MR. DiROCCO: Is that the local tax assessment?

MR. GLINBIZZI: Yes.

ASSEMBLYMAN BROWN: They assessed the property at \$92,000.

MR. GLINBIZZI: They used the same assessment that your Commission authorized for the appraisal for the properties. And that's what they're using.

ASSEMBLYMAN BROWN: It's just under \$3,000 a year in taxes.

I don't particularly like the letter that the Township sent. "Enclosed please find your tax bill that you returned to us. I believe you should pay your taxes as billed. Any late payments will be subject to interest and charges." So.

ASSEMBLYMAN MORIARTY: That's odd.

SENATOR CARDINALE: Of course, there's another question that comes up.

I don't know what the overall policy is; I was not on this Commission in 1989 or when they were thinking about building a reservoir. But when the State takes property or forces people to sell the property as a practical matter and then does not go forward with the project, do we not have some process or should we not have some process by which the properties can be returned to the former owners if the State's plans have changed?

Now, I've read about situations like that; I haven't ever had one that I've had on my desk. But it seems to me imminently unfair for us to use the power of government to take people's property away which they have lived in for a long period of time -- or even for a short period of time. It's theirs. And when we take it away and then we change our mind-- Now,

that's how we've gotten into, I guess, most of the areas that we have been dealing with on the leasing of the properties. Should there not be a-- Do we have a process whereby we can say to this person, "You give us our money back, and we'll give you your property back."

ASSEMBLYMAN BROWN: They're claiming in the letter that the leasehold that she holds, or has an interest in, is taxable. And that was provided by the State of New Jersey in the letter from the municipality. So I think somebody needs to--

MR. DiROCCO: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes. A question-- Thank you for coming here today, Ms. Sobel; thank you very much.

I just had a question. When you had this property from 1964 to 1989, was the house paid off?

MS. SOBEL: Oh, yes.

ASSEMBLYMAN MORIARTY: So you owned the house. How much did you sell it for to the State?

MS. SOBEL: To the State? I think it was \$219,000 and a couple of hundred.

MR. GLINBIZZI: Which, by the way, she has paid back in rent since then.

MS. SOBEL: Oh, that's right.

ASSEMBLYMAN MORIARTY: I would imagine.

And they came to you and said we want to build a reservoir and we're going to take this land. Is that what they said? Or-- I don't want to put words in your mouth.

MS. SOBEL: No. That's what they said. Well, they needed the land for either the campgrounds-- The initial plans were that they were going to demolish the homes and they were going to put log cabins up in the woods. And it was going to be like a camp site.

Then those plans fell through. See, the plans change every time we have a new Governor. (laughter) Different priorities.

MR. GLINBIZZI: They exerted the eminent domain on her and that's why they were forced to sell.

ASSEMBLYMAN MORIARTY: So you didn't really want to sell; you wanted to stay--

MS. SOBEL: Right.

ASSEMBLYMAN MORIARTY: --at that location.

MS. SOBEL: No, we didn't. We fought with them. We had several meetings, but eventually--

MR. GLINBIZZI: That's why she says in her letter that it was fortunate for her they didn't go through with the plans because she was able to live in her house that she's always loved.

ASSEMBLYMAN MORIARTY: So after they paid you, you then worked out an agreement where you could remain there until they did whatever they did?

MS. SOBEL: Right. They gave us a 10-year lease at \$600 a month. And then after 10 years, we were given the right to renew from year to year. So that's what I've been doing.

And I offered to buy back several years ago. And because-- First they said there's a possibility that the State will sell back to the original owners if the plans fell through. And then they said, well, they

were discussing it and that they would let me know if they ever decided to do that. And they haven't.

But I'm willing to buy at the assessed price now if the DEP wants to sell it to us. I would appreciate that.

ASSEMBLYMAN MORIARTY: Mr. Chairman, I think this is what I raised at the last meeting that brought us to this particular case. I remember speaking about this particular case. And I think that there-- The idea of getting the maximum amount of money for the taxpayers -- you know, I share that concern and want to get to that, and I applaud the efforts to do so. But I think there are always special cases and this may be one of them. This woman owned her house free and clear; didn't really want to sell it; the State came and said, "You need to sell it." She got a good price -- sounds like a good price at the time -- and then was able to live there. And has probably paid that amount of money in rent since that time. And now her monthly rent goes up \$675, which is a pretty steep increase from what she was paying last year. She has a fixed income. She would have bought the property back. I think this is a special case. I personally feel that the rent increase is excessive because of the circumstances surrounding this. And I hope that we can at least freeze it now until we find out more about the local taxes, and maybe even rethink this case and whether it's appropriate to raise it this amount -- given the fact that she didn't want to sell in the first place. She wouldn't mind buying it back. Maybe we can come to some accommodation. She is on a fixed income. And seems like very sweet lady. (laughter) And I hope she can stay in her house.

MR. GLINBIZZI: She is a sweet lady.

ASSEMBLYMAN MORIARTY: And continue to pay her bills and live a good life.

MR. DiROCCO: Yes, I would agree. I think that we have-- especially when you add in the new angle of the local tax issue, which is another-- I think it kind of requires us to take a step back and see where this all clusters out.

The practical difficulty, of course, as Counsel has advised is that we have several other people who are in the same boat. So we may be back here with those folks. But I guess we have to take each case on a case-by-case basis. This is what we have before us today. So I would second your suggestion.

Anybody else have any thoughts on that?

SENATOR CARDINALE: Yes, we have the Department here that controls this property. I think we should ask them to -- if they can, now, or at least get back to us -- on why they haven't declared this excess property. We get those declarations every meeting. Why these properties should not be declared excess properties and make them available for sale. And if it takes legislation to give a preference to -- and I think it probably might take legislation -- to give a preference to the former owner, I think you have four Legislators here who probably would be very happy to move such legislation.

MR. DiROCCO: I think maybe it's a good idea to put that as an item on our next agenda, so we give the DEP some time to prepare and study the issue and come back, as opposed to putting them on the spot now.

MR. GLINBIZZI: If I may interject: We're trying to set up a meeting with the Commissioner of the DEP to, hopefully, declare this property surplus. And so we're hoping that we can speak to him and he'll go along with making it surplus so that Ms. Sobel can purchase the property. So we're hoping that will go through.

MS. SOBEL: Well, maybe we don't have to go that route. Maybe they can help us.

ASSEMBLYMAN BROWN: I think we're going to be working on that for you. I think that's the direction that the Senator gave.

MR. GLINBIZZI: That's fine. We need all the help we can get. Thank you.

MR. DiROCCO: So can we ask-- So thank you for your time.

Can we ask you to step back? And could we have someone from the DEP step up to address some of these issues?

MR. GLINBIZZI: Yes, sir.

MR. DiROCCO: Thank you.

Marci, good morning.

M A R C I D. G R E E N, E S Q.: Hi. Marci Green with the New Jersey Department of Environmental Protection.

We did look into this issue of this property having been acquired for the purpose of building the Hacketstown Reservoir, and the fact that it hasn't been built. And I consulted with the Division of Water Supply at DEP, and they explained that the property was acquired-- The Hacketstown Reservoir properties were acquired with the purpose of augmenting the Delaware River Basin flow during periods of low precipitation.

The reservoir, obviously, has not been built yet, but it still remains, basically, on the master plan for the Division of Water Supply. And the DEP is currently still negotiating with fellow Delaware River Basin Commission partners to address this issue of low Delaware River flow during low precipitation.

So their feeling is that they want to hold on to these properties because this still remains an issue and it could be built in the future. So that was their response. Regarding why we're not willing to sell the property back is because it basically remains in the master plan for water supply.

MR. DiROCCO: Thank you, Ms. Green.

Any questions, comments? (no response) That answers, I think, this sell-back question. But I guess what we had before us is just a suggestion to freeze the rent now until we get the local property tax issue resolved. Does anybody want to make a motion on that?

ASSEMBLYMAN MORIARTY: I'll make that motion.

ASSEMBLYMAN BROWN: Second.

MR. DiROCCO: A motion and a second.

MR. SHAUGHNESSY: Okay, we have a motion and a second to freeze the rent at the existing rate--

MR. DiROCCO: Indefinitely, I guess.

MR. SHAUGHNESSY: --until--

MR. DiROCCO: Until we get more information on the local tax issues. We should freeze it indefinitely, I guess, for now.

MR. SHAUGHNESSY: And one clarification: Is that with regard to Ms. Sobel or the others who may-- I think there are four or five -- a handful -- in Byram Township.

ASSEMBLYMAN BROWN: Who have the same situation?

MR. DiROCCO: I don't know; I assume. I can't speak--

SENATOR SMITH: You know what might be a better-- I might want to suggest an amendment to that. Maybe the better approach is to allow for the collection of the existing rent -- not freeze the rent -- pending a resolution of the tax matter. If you freeze the rent then you are setting the precedent for every other one in Byram. So in effect, you're going to forego a tenancy proceeding until the resolution of the matter is done. That way we haven't done a rent decrease, if you understand what I'm saying; a subtle distinction.

MR. DiROCCO: Makes sense.

MR. SHAUGHNESSY: I just need some more clarification.

SENATOR SMITH: All right. So the motion would be to not undertake a tenancy action until the tax issue has been resolved.

MR. SHAUGHNESSY: Okay, that's clear.

MR. DiROCCO: Which would, in effect, result in a--

SENATOR SMITH: She would pay whatever is her existing rent, and if she's very smart she'll put the balance in an escrow account waiting to see what happens. So that she has the money if-- If the ultimate decision is that the rent should be the \$1,700 not the \$1,900 (*sic*), and if that's what the Commission continues with, she needs to be in a position where she has the money if that's the final decision.

MR. DiROCCO: Essentially she'll be paying her original rent while this is being vetted, with the understanding that her rent, technically, is the \$1,700. But we're not going to take a leasehold action until the other issues are resolved. Correct?

Thank you.

SENATOR SMITH: Yes. Then you're not setting a bad precedent.

SENATOR CARDINALE: But I think we could also add to that that our rent anticipates that she would not have a property tax to pay. So that in any event--

MR. SHAUGHNESSY: I believe that's correct, Senator.

SENATOR CARDINALE: --if there is, ultimately, some validity to Byram Township assessing a property tax, probably all of the folks who are affected in that similar manner should get credit, because our appraisal did not anticipate that there would be property tax being paid by the tenant.

SENATOR SMITH: Can't wait to hear the answer to that question. (laughter)

MR. DiROCCO: So we have a motion--

SENATOR CARDINALE: It's creative that the letter is -- I don't know if you've seen the letter yet -- but the letter has some real weasel words in it. (laughter)

ASSEMBLYMAN MORIARTY: I made that motion, but now I don't want to be the one making that motion. Because I just want to be clear: I don't think this young lady sitting before me should have a rent increase that goes from \$1,050 to \$1,720. I think that the rent that we've

increased is a real hardship to this woman. And I think that the State has made some representations to her in the past they didn't follow through. She probably wouldn't be in this position other than we put her in this position. So I still would like to revisit, at some point, the increase. So I don't want to support that motion.

I mean, I don't want to be the one putting the motion up there because I don't believe that her increase should be to \$1,720.

MR. DiROCCO: Senator Smith, would you make that motion?

SENATOR SMITH: I do.

MR. DiROCCO: And do we have a second?

SENATOR CARDINALE: Second.

MR. DiROCCO: Motion and second.

Your roll call, please.

MR. SHAUGHNESSY: Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: I'm saying yes so that we can freeze her rent and go forward. But I'm hoping that we can look at this issue again.

ASSEMBLYMAN BROWN: We're still going to revisit this issue.

ASSEMBLYMAN MORIARTY: For now, I'm a yes.

MR. SHAUGHNESSY: Assemblyman Moriarty, that's a yes? Yes -- correct?

ASSEMBLYMAN MORIARTY: Yes.

MR. SHAUGHNESSY: Assemblyman Brown.

ASSEMBLYMAN BROWN: We're not freezing her rent, so my answer is no at this time. My vote is no.

MR. SHAUGHNESSY: I believe we have six affirmatives, so that matter is approved.

MR. DiROCCO: Okay, thank you.

MR. GLINBIZZI: Could you kindly explain to us now what this last process was as far as the rent increase? (laughter) Does she-- Is she--?

ASSEMBLYMAN BROWN: I don't think they know, either. (laughter)

SENATOR CARDINALE: She's not going to be evicted, okay? Essentially, what the Senator has crafted very carefully is that she won't be evicted until we get a resolution of all of these issues.

MR. GLINBIZZI: But how about-- What rent does she have to pay monthly?

ASSEMBLYMAN BROWN: Right now you're at the \$1,045.

MR. GLINBIZZI: Okay.

MS. SOBEL: Can we freeze it at that?

ASSEMBLYMAN BROWN: But the advice-- No, no. Right now you're at \$1,045. And then once the tax issue has been addressed, the State's going to come back and ask you to pay the additional rent from when the increase occurred, up until and to bring you current.

So do you follow what just took place? You're paying \$1,045, but when the tax issue gets resolved, whenever the increase was enacted, you're going to be paying the increase on top of what you've already paid.

MR. GLINBIZZI: Right, okay. All right. We understand that. I appreciate that; thank you.

ASSEMBLYMAN BROWN: But we'll hear this again.

MR. GLINBIZZI: Okay, thank you.

MS. SOBEL: Okay.

MR. DiROCCO: Thank you.

MS. SOBEL: Thank you very much.

MR. SHAUGHNESSY: Thank you very much. Thank you for your time.

Okay, we're onto No. 3 under old business.

This is, as previously mentioned, Treasury requests to lease to Jeffrey and Dolly Snyder, for the appraised value of \$1,190 per month for a 1-year term.

This was the lease previously mentioned that there was a discrepancy. And we're requesting a slight reduction.

May I have a motion?

Any discussion? (no response)

Okay.

SENATOR CARDINALE: I'll move that.

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Second.

Okay, I'll call the roll.

Senior Counsel DiRocco.

I'm sorry.

MR. DiROCCO: Can I just-- Do we have any other members who plan on leaving within the next half hour or so?

ASSEMBLYMAN BROWN: I'm just going to go leave and then come right back. I have to do a couple of votes, and then come back.

MR. DiROCCO: Okay. Can we-- Will we run afoul of the quorum if we have two people leave, or will we be okay?

MR. KOTLER: No, we have to have a minimum.

MR. DiROCCO: All right, that's fine. Thank you.

ASSEMBLYMAN MORIARTY: Thank you, Mr. Chairman. I have to go chair a committee meeting that starts at 11:00. I am in the affirmative on the rest of the agenda items.

MR. DiROCCO: Okay.

ASSEMBLYMAN MORIARTY: And also in the affirmative on the judicial items.

MR. SHAUGHNESSY: Easy; thank you very much, Assemblyman.

ASSEMBLYMAN MORIARTY: Thank you.

MR. DiROCCO: Assemblyman?

ASSEMBLYMAN BROWN: Me too, as well.

MR. DiROCCO: Ditto.

ASSEMBLYMAN BROWN: Ditto. (laughter)

MR. DiROCCO: Thank you.

MR. SHAUGHNESSY: That's good -- okay.

MR. DiROCCO: So I'm sorry. We had a motion on agenda item No. 3?

MR. SHAUGHNESSY: Yes, we had a motion and a second -- I think we had a second as well -- did we capture a second?

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Okay, Senior Counsel DiRocco.

MR. DiROCCO: Yes.

Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty and Assemblyman Brown in the affirmative.

That matter is approved.

No. 4 -- bear with me one second, please. No. 4 under old business: Treasury, on behalf of the Department of Corrections, requests approval to include access language in the deed of conveyance to enable periodic access for inspection and/or maintenance. At the July 2010

meeting the State House Commission approved the conveyance of vacant land located at the Albert C. Wagner Correctional Facility to the New Jersey Turnpike Authority for a road widening project. Included in the original approval was an easement to Sunoco for the relocation of a pipeline. It was subsequently discovered that the Authority actually owned the portion of the property upon which the Sunoco easement was located, thereby reducing the size of the property to be conveyed to the Turnpike Authority and also eliminating the need for the Sunoco easement. As a result, the NJ Turnpike Authority now requires access to portions of the property that are inaccessible to the Authority.

So I think this is just an addition in the deed of conveyance which will provide access -- needed access.

SENATOR SMITH: So moved.

MR. SHAUGHNESSY: Second?

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: And both Assemblymen Moriarty and Brown in the affirmative.

That matter is approved.

Next, No. 5: RPR #12-13, Block 215, Lot 37 and part of Lot 38, Ewing Township, Mercer County.

Treasury requests approval for the conveyance of an additional 6 plus-or-minus acres of land to the College of New Jersey to run a stormwater line that is necessary to service the college's Campus Town project. Since this conveyance is to a State College and also provides a direct benefit to the State, the property is proposed to be transferred to the College of New Jersey for \$1.

Any member comment on that? (no response)

Any public comment on that? (no response)

Do I have a motion?

SENATOR CARDINALE: So moved.

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Motion and second.

I'll call the roll.

Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: And both Assemblymen noted in the affirmative.

And that is approved.

SENATOR SMITH: Mr. Shaughnessy?

MR. SHAUGHNESSY: Yes, sir?

SENATOR SMITH: I'm going to abstain on No. 6.

MR. SHAUGHNESSY: Okay.

SENATOR SMITH: I know of no conflict with regard to it, but whenever there is anything going on in Piscataway, I tend to feel-- You never know. So I'm going to abstain.

MR. SHAUGHNESSY: Fair enough, Senator. Thank you, sir.

No. 6 is in Piscataway, as a matter of fact. Ambrose and Doty's Brooks Park, Block 496 -- now 5701 -- Lot 1.02, and part of Lot 8 and part of Lot 9.01, Piscataway Township, Middlesex County.

DEP, on behalf of the County of Middlesex, requests approval to allow the County to grant a 0.189 plus-or-minus acre stormwater drainage easement to the Township of Piscataway on a portion of Ambrose and Doty's Brooks Park. This project was previously approved at the May 2, 2011, State House Commission meeting. The DEP determined that Lot 8 was depicted on the Aerial Exhibit Plan as part of the easement corridor but was not listed on the State House Commission's Approval Summary sheet. In addition, since the original approval, Piscataway has changed the Block designations on the tax lots involved with this approval, so that it is clarified with this approval as well.

Do I have a motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

MR. DiROCCO: Second.

MR. SHAUGHNESSY: Motion and second.

Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith has been marked as an abstention.

Assemblyman Moriarty and Assemblyman Brown both in the affirmative.

So that matter is approved as well. Thank you.

No. 7 -- this is under the new business portion. No. 7: Department of the Treasury requests-- We have a request, at least on the agenda, RPR #13-06, Block 2101, part of Lot 53, Vineland City, Cumberland County.

Treasury requests approval to lease two buildings located on the grounds of the former Vineland Developmental Center, West Campus, to the nonprofit Boys and Girls Club of America to be used for after-school

and youth programs. The proposed lease is for a term of one year at an annual rental of \$18,000.

Is there any member discussion on this? (no response)

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

SENATOR SMITH: Move it.

MR. SHAUGHNESSY: Okay, move it.

Second?

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Motion and second. I'll call the roll.

Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty and Assemblyman Brown have both been marked in the affirmative.

That matter is approved.

Onto the next one. No. 8: RPR #13-07, Block 10701, part of Lot 2, Trenton City, Mercer County.

Treasury requests approval to extend the lease of space beneath the helipad located by the Richard J. Hughes Justice Complex to Veolia Energy LLP (*sic*) to continue to house an existing chilled water storage tank that is used to cool State-owned buildings. The original lease has expired and new approvals are needed. Please note that the existence of the chilled water storage tower does not interfere with the use of the helipad. The lease will be for a 20-year term with five, two-year renewal options. Since this lease directly benefits the State and its facilities -- energy facilities -- to the State buildings, it is proposed to be granted for \$1.

Is there any Commission discussion on this matter? (no response)

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

Hearing none -- I have a motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Motion and second, thank you.

Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty and Assemblyman Brown both in the affirmative as well.

That matter is unanimously approved.

Okay, next, onto the DOT matters -- Department of Transportation requests.

First, Routes 1 and 9, Section 1, Parcel VX231D; Route 25 -- currently Route 1 and 9 -- Section 6, Parcel VX3A1B, adjacent to Block 847.01, Lot 1, Woodbridge Township, Middlesex County.

The Department of Transportation requests approval to sell by direct sale, to the only adjacent property owner, excess surplus lots as described previously. The property will be sold for assemblage purposes to the only adjacent property owner -- that's Colonia Investment, LLC, Ralph Mocci, M-O-C-C-I, Managing Member. The recommended sale price is \$14,000, the appraised value.

Any board comment? (no response)

Motion?

SENATOR SMITH: So moved.

MR. SHAUGHNESSY: Second?

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: And both Assemblymen in the affirmative.

Thank you; that matter is approved.

No. 10: Route 55 Freeway, Section 8, Parcels VX14C, VX15C, and VX16B, Block 602, Lot 13, Vineland, Cumberland County.

The Department of Transportation requests approval to sell a landlocked property containing approximately 7.423 acres to the adjacent property owner, Mr. and Mrs. Lampe -- Russell and Jacqueline Lampe -- L-A-M-P-E. The property will be encumbered in its entirety with a conservation easement restricting the property for forestry use only. The fair market value purchase price is \$6,000.

Any discussion?

SENATOR SMITH: Yes. A suggestion on that.

MR. SHAUGHNESSY: Yes, sir?

SENATOR SMITH: The sale, I think, should be contingent on the property owners, within a year of the transaction, getting an approved forest stewardship plan for the property. The problem with the conservation easement is that all that says is, "you're not going to build something on it." But our forests in New Jersey are going to rot -- not literally, but they're really deteriorating rapidly. And the way in which we can prevent that is to have an actual forest stewardship plan where they manage it properly.

MR. SHAUGHNESSY: So there's an amended motion then to require -- you call it a *forest stewardship plan*?

SENATOR SMITH: A forest stewardship plan.

MR. SHAUGHNESSY: Within a year.

SENATOR SMITH: Right. It's approved by the DEP within a year of the sale.

MR. SHAUGHNESSY: Okay.

Any comment from the Commission on that amended motion?

(no response)

Any public comment? Anyone to be heard on that? (no response)

Hearing none, motion?

MR. DiROCCO: I'll make a motion.

MR. SHAUGHNESSY: Second?

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: And Assemblyman Moriarty and Assemblyman Brown are marked in the affirmative.

No. 11: It's Route S31, Section 5, Parcels VX8 and VX9, Block 26, Lot 19, Frankford Township, Sussex County.

DOT requests approval to sell a landlocked property containing approximately 11.417 acres. The property will be sold at public auction to the highest bidder with a minimum bid price of \$84,000, the appraised value.

Any Commission discussion? (no response)

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

May I have a motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Motion and second -- thank you.

I'll call the roll.

Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: And both the Assemblymen in the affirmative.

No. 12, the last DOT request. Route 6 and 23, part of Parcel 3X, adjacent to Block 207, Lot 1, Wayne Township, Passaic County.

DOT requests approval to lease an approximately 100-square-foot piece of property to the only adjacent property owner, 190 Route 23, LLC, Raymond Maroon Jr., Managing Member, for a business sign which is currently encroaching within the State right-of-way and will be relocated to this area. The rental is \$35 per month, appraised value, and the lease will be on a month-to-month-to-month basis.

SENATOR CARDINALE: So moved.

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Okay, motion and second.

Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: And likewise both Assemblymen in the affirmative.

That matter is approved.

Next, onto the DEP requests. The remaining DEP requests; we addressed two earlier.

No. 13: Belleplaine State Forest, Block 37, Lot 13, Dennis Township, Cape May County. DEP requests approval to enter into a 20-year lease with the New Jersey DOT for use of a small parcel of land, consisting of 7 square feet, associated with the installation of a dynamic message sign along Route 47. Proposed compensation is a one-time payment of \$1 -- so a State-to-State transaction.

Any Commission discussion? (no response)

Any public comment? (no response)

Motion?

MR. DiROCCO: I'll make a motion.

MR. SHAUGHNESSY: Second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Motion and second.

Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: And both Assemblymen in the affirmative.

No. 14: Cheesequake State Park, Block 2000, Lot 1, Old Bridge Township, Middlesex County. DEP requests approval to enter into a 20-year lease with the New Jersey Turnpike Authority for the use of a small parcel of land -- approximately 0.029 acres; 1,263 square feet -- to gain access to a supply of electricity for the installation, operation, and maintenance of variable signage along the Garden State Parkway. The total rent for the 20-year term will be \$1,613.15.

Any Commission comment? (no response)

Any public comment? (no response)

Motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty and Assemblyman Brown both in the affirmative.

That matter is approved.

No. 15: Kittatinny Valley State Park, Block 2002, Lots 15.01, 17, and 18, Blirstown Township, Warren County. The DEP requests approval to convey 97 plus-or-minus acres of DEP-owned property as a nonadjacent part of the Kittatinny Valley State Park to the Ridge and Valley Conservancy. In exchange, the Ridge and Valley Conservancy and The Nature Conservancy will transfer 137 acres of land to the DEP. The land exchange will consolidate properties owned by Ridge and Valley Conservancy, and lands administered by the DEP as part of Allamuchy State Park. The Ridge and Valley Conservancy shall deed restrict the lands received from the State for public recreational purposes.

There are more comments concerning the values and valuation in members' binders.

Any Commission member comments or questions?

SENATOR SMITH: Same comment as the earlier matter.

MR. SHAUGHNESSY: Okay.

SENATOR SMITH: The 97 acres that are going to go to Kittatinny State Park to the Ridge and Valley Conservancy -- that should be within one year of the transaction, they should file and get approved a forest management plan for that property.

MR. SHAUGHNESSY: Okay. Based upon that similar comment and amendment, does any Commission member have a comment or question? (no response)

Okay; any public member? (no response)

Fine.

Motion?

SENATOR CARDINALE: So moved.

MR. SHAUGHNESSY: Second?

MR. DiROCCO: Second.

MR. SHAUGHNESSY: Motion and second.

Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Assemblyman Moriarty and Assemblyman Brown indicated their votes in the affirmative.

That matter is approved.

No. 16: Grace Lord Park, also known as Canalside Park, Block 34, part of Lot 15, Boonton, Morris County. DEP requests approval to divert 4,223 plus-or-minus square feet of parkland, approximately 0.10 acre, for a permanent 20-foot wide sewer line easement along a new sanitary sewer alignment. The new sewer line is needed to restore service to a residential area that was severed when Hurricane Irene washed away a downstream section of the sanitary sewer crossing the Rockaway River. The

current emergency bypass system installed to temporarily restore service to affected areas has had a number of failures due to location and exposure, and continues to be susceptible.

To compensate, the town will use a \$3,000 payment to be made by Rockaway Valley Regional Sewerage Authority toward park improvements within the town. The Authority will also make a \$54,400 payment for tree replacement.

It's noted that the compensation will also cover the value of a temporary right-of-entry required for construction -- which is on Page 5 and 6 of your members' packet. Per the statute, a public hearing was held with no public opposition.

Any Commission comment? (no response)

Any public member comment? (no response)

SENATOR CARDINALE: So moved.

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Motion and second; thank you.

Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: And both Assemblymen in the affirmative.

No. 17: Douglass and Harrison Parks, Block 2556--

Pardon me.

MR. KOTLER: (Indiscernible). I think we lost our quorum.

MR. SHAUGHNESSY: Oh. Can you vote? (laughter)

Is there any member of the public here who wants to be heard on this matter? (no response)

MR. DiROCCO: It's agenda item No. 17.

MR. SHAUGHNESSY: Yes the one-- Pardon me.

SENATOR SMITH: I'm here.

MR. KOTLER: You're still here? Okay. I saw your binder--

SENATOR SMITH: Just getting ready for the next meeting.

MR. SHAUGHNESSY: Okay, thanks. (laughter)

Okay, so I believe we have No. 17 in front of us now -- just reported as to it.

Douglass and Harrison Parks, Block 2556, part of Lot 1.02, Newark, Essex County. DEP, on behalf of the City of Newark, requests approval to allow the city to reconfigure Douglass Park -- 2.22 acres -- and Harrison Park -- 2.37 acres -- to improve the functioning of both parks. Once the reconfiguration is completed, a 1.019 plus-or-minus acre of the current site of Douglass Park will be used as part of an affordable housing development. Both Douglass and Harrison Parks will continue to be used predominately for passive open space purposes.

The city conducted a public hearing on June 13, 2012, at which time a number of residents were in attendance who voiced opposition to the

proposed housing project. Comments are located in the members' briefing materials, as well as more details on reimbursement.

Do we have any Commission comment on this? (no response)

And I think I already asked: any public member comment? (no response)

Hearing none, do I have a motion?

SENATOR SMITH: Motion.

MR. SHAUGHNESSY: Second?

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Motion and second.

Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Both Assemblymen have been marked in the affirmative.

No. 18: Mercer County Central Park and Flowage Easements, Block 25, part of Lot 93, Block 32, Lots 6.03, 7, and part of Lot 8, West Windsor, Mercer County. DEP, on behalf of the County of Mercer, requests approval to divert/dispose of a total of 0.34 plus-or-minus acre of

parkland in fee and easement for a bridge replacement and road improvements on County Route 535.

To compensate for the diversion and disposal, the township will install playground equipment valued at \$34,000 at Zaitz Park in West Windsor. The township will also plant a minimum of 399 trees, valued at \$110,124, at Duck Pond Park. This approval will also serve to release the Greenbelt Conservation Restriction on the area to be diverted by the DEP. Based on the above, no additional compensation is proposed for the conservation restriction release.

Any Commission members' comments?

SENATOR SMITH: Well, just one comment.

I'm very impressed by whoever negotiated this to get, for the replacement of 12 trees, putting in 399 trees valued at \$110,000. (laughter) Whoever did that one is one hell of a negotiator. (laughter)

MR. SHAUGHNESSY: Okay, thank you for your comment and observation.

Any public member comment? (no response)

May I have a motion?

SENATOR CARDINALE: So moved.

SENATOR SMITH: Second.

MR. SHAUGHNESSY: Motion and second.

Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Both Assemblymen in the affirmative.

That matter is approved.

No. 19: Greenbelt Conservation Easement, Block 32, part of Lot 6.03, West Windsor, Mercer County. DEP, on behalf of the Township of West Windsor, requests approval to divert an easement interest in the amount of 0.05 plus-or-minus acres of parkland for a bridge replacement and road improvements on County Route 535. There is similar compensation as described in the agenda.

Do I have any member comment? (no response)

Public comment? (no response)

SENATOR SMITH: So moved.

MR. SHAUGHNESSY: Second?

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Motion and second.

Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: Both Assemblymen marked in the affirmative.

We've previously dealt with Items 20 and 21. We are now concluded with our regular agenda, and I need a motion for the State House Commission to sit as the Judicial Retirement System Board.

Do I have a motion?

MR. DiROCCO: I'll make that motion.

MR. SHAUGHNESSY: Second?

SENATOR SMITH: Second.

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

MR. SHAUGHNESSY: Any opposed? (no response)

Any abstentions? (no response)

Okay, hearing none, we are now into the Judicial Retirement System portion of the agenda.

Treasury, on behalf of the Division of Pensions-- We're sitting as the Board of Trustees for the Judicial Retirement System.

May I have a motion for the approval of the minutes held on June 7, 2012?

SENATOR SMITH: Motion.

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Okay, motion and second.

All in favor? (affirmative responses)

MR. SHAUGHNESSY: Any opposed? (no response)

Any abstentions? (no response)

That matter is approved.

Then we move on to our confirmation of death claims, retirements, and survivor benefits.

Motion as to that?

SENATOR SMITH: So moved.

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Second. Motion and second.

All in favor? (affirmative responses)

MR. KOTLER: (Indiscernible)

MR. SHAUGHNESSY: The roll call? Pardon me, thank you.

Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: And both Assemblymen noted their vote in the affirmative. Thanks.

Now to No. 3: Receipt of the financial statements for period of April 2012 to June 2012.

Do we have approval of that? Motion?

SENATOR SMITH: So moved.

SENATOR CARDINALE: Second.

MR. SHAUGHNESSY: Motion and second.

Senior Counsel DiRocco.

MR. DiROCCO: Yes.

MR. SHAUGHNESSY: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SHAUGHNESSY: Director Holzbaur.

DIRECTOR HOLZBAUR: Yes.

MR. SHAUGHNESSY: Senator Cardinale.

SENATOR CARDINALE: Yes.

MR. SHAUGHNESSY: Senator Smith.

SENATOR SMITH: Yes.

MR. SHAUGHNESSY: And both Assemblymen have noted their vote in the affirmative on that.

The final portion of this part of the agenda is a presentation -- or receipt by the Judicial Retirement System of the revised July 1, 2011, Actuarial Report and the June 30, 2011, Experience Study.

Do we have anyone from Pensions on this?

Thank you for patiently waiting to the end of this agenda; I apologize.

JANET H. CRANNA: No, that's fine.

You should have received a handout that I am going to briefly go through.

I'm Janet Cranna from Buck Consultants.

And what we had to do was revise the July 1, 2011, valuation report. And that was because -- you look on page 2 -- the Treasurer has recommended a change in the economic assumptions that we used to value those liabilities.

The discount rate was revised from 8.25 percent down to 7.95 percent. And in addition, the salary scale was revised from 4.5 percent per year down to 2.5 percent for Fiscal Years 2012 through 2016. And the salary scale thereafter was revised down to 3.75 percent. So that then changed the liabilities on the contributions that are needed to fund the benefits.

Page 3 shows the change in the results because of these changes. The liability -- which is the value of all the benefits that will be paid out in the future -- actually went down by \$7.8 million, down to \$585.7 million. As a result, the unfunded liability, which is the difference between your assets and liabilities, also went down by that same amount.

If we look at the funded ratios -- and that's the percentage of assets that can cover your liabilities -- that actually went up slightly. It's up to 53.1 percent. If we used a smoothed asset value, if I look at market value, it's up to 46.1 percent. However, that's still below what Chapter 78 defines as the *target funded level*. Until you reach that level you can no longer give any kind of benefit enhancements to the Judicial Retirement System. So that is the key significance when you compare what the actual funded ratio is compared to that target. So you're still significantly below that target funded level.

SENATOR SMITH: What is the target?

MS. CRANNA: The target is 75.714 percent. That will gradually go up each year, until it hits 80 percent in six more years.

Page 4 shows what the contribution requirements are. In total, the contribution is made up of two components: The normal contribution is the value of benefits that are accruing during the year; and then there is an unfunded accrued liability contribution which is going to amortize that unfunded liability over 30 years. In total, the recommended contributions have come down slightly because of these revised assumptions. It's now \$40.7 million; however, Chapter 1 only requires that two-sevenths of that amount be contributed for Fiscal Year 2013. So as a result, the State is only required to contribute \$11.6 million for Fiscal Year 2013.

The other thing that we recently did is, we did an Experience Study which looks at all the assumptions that go into the valuation. We compare the number of people who actually retired or died during a three-year period and compare it to what our assumptions were expecting. And we are required by statute to look at these assumptions every three years. And what we do is we compare the two, and to the extent we feel that any assumptions need to be modified, we'll make recommendations; because in the end, we want these assumptions to be reasonable.

Page 6 shows the results of that. Very briefly, we looked at the number of people who left before they were eligible to retire. We did not feel that any change was warranted to those assumptions. Same thing with the number of judges becoming disabled during the year; that was as expected, so no changes were required.

If I look at the number of judges who retired over the three-year period, that also looked in line with expectations. However, the one

recommendation we're asking for is that we change the mortality assumption, because people are living longer -- which means you're going to be paying out benefits for a longer period of time. And the actuarial standards of practice, which guide actuaries and sets (indiscernible) assumptions, says that we should provide for improved life expectancy over the years. So we are just asking to revise this assumption to bring the table up to date and to provide for future mortality improvements.

If we do that, what this does is a slight increase in the liability in contributions. The liability would go up by about \$7 million to \$585.7 million; funded ratio will come down slightly, by 0.7 percent, down to 52.4 percent. And your contribution before you get into that Chapter 1 phase would then go up by 41 million. And, if approved, these would actually be effective for the Fiscal Year 2014 contribution amounts.

Any questions?

MR. SHAUGHNESSY: Thank you for your presentation.

I don't know if there are any questions.

MR. DiROCCO: Thank you.

SENATOR SMITH: I'm not quite sure I understood very much (laughter). Did the one page say that we were decreasing the contribution?

MS. CRANNA: The contribution for the 7/1/11 valuation, which is Fiscal Year 2013 contributions -- it would come down slightly from what we originally proposed. And that was because the Treasurer had recommended revised assumptions.

SENATOR SMITH: Assumptions, right.

MS. CRANNA: Yes.

SENATOR SMITH: And when you say we're doing less of contribution -- the State of New Jersey is making less contributions?

MS. CRANNA: It's the State of New Jersey that makes the contributions -- yes.

SENATOR SMITH: Okay. Is this in anticipation of the ballot question passing?

MS. CRANNA: No. This has nothing to do with that.

SENATOR SMITH: Okay. That one is more on the health-centered question. Is that correct?

MR. DiROCCO: No.

MS. CRANNA: Well, there is one thing out there that has to do with the contributions that judges would contribute for the pension plan. That would not affect this particular valuation; however, if that passes-- Right now, there is a law-- The judges were supposed to increase their contributions to the system. But there was a lawsuit and the results of that is it claimed that the judges did not have to pay those increased contributions. It would only be for newly hired judges who would have to contribute that. My understanding is that it's now going to go on the ballot to have all existing judges pay those higher amounts. So it would impact future valuations because more money would come into the system from those higher contributions. But that would be prospective.

SENATOR SMITH: Yes, that would lower the State's contribution?

MS. CRANNA: Not exactly. Because even though the judges have contributed more, we have not been lowering what the State otherwise would be contributing because of the increase in judges' contributions. So

it would just be additional money coming in. Over the long term it would slightly lower the unfunded liability, so a small percentage of that would go down. But that's the piece that gets funded over 30 years. So it would only have a minimal impact on the State's contribution.

SENATOR SMITH: Okay. Thank you.

DEPUTY STATE TREASURER ROMANO: Excuse me, I just have one question.

Page 6--

MS. CRANNA: Yes.

DEPUTY STATE TREASURER ROMANO: This is consistent with the other retirement system?

MS. CRANNA: Yes. We are-- For all the system we are recommending that we improve the mortality of the system and reflect that people are living longer and that you'll be paying out benefits for a longer period of time.

SENATOR SMITH: Deeper in the hole. (laughter)

Excuse me, I have to leave.

MR. SHAUGHNESSY: Thank you very much. We appreciate and receive your report.

MS. CRANNA: Okay. Do we need to just vote on the report and the assumption change?

MR. SHAUGHNESSY: No.

MR. KOTLER: It's just a presentation.

MS. CRANNA: Okay.

MR. SHAUGHNESSY: Thank you very much.

MR. DiROCCO: Thank you.

MS. CRANNA: Thank you.

MR. SHAUGHNESSY: We appreciate it.

MR. DiROCCO: Any other business? Or we take a motion to adjourn?

DEPUTY STATE TREASURER ROMANO: We're adjourned.

MR. SHAUGHNESSY: We're adjourned.

(MEETING CONCLUDED)