

PINELANDS DEVELOPMENT CREDIT BANK BOARD MINUTES

JANUARY 16, 1992

Board Chairman Jeff Connor called the meeting to order and read the Open Public Meetings Act. The Chairman began the meeting by introducing Al Metzger, a new public member, to the Board of Directors.

Present at the meeting were:

Members

Peter Anderson, for Agriculture Secretary Brown
Patricia Leuzzi, Esquire, for Attorney General Del Tufo
Al Metzger, Public Member
James F. Hall, for Environmental Protection Commissioner
Scott A. Weiner

Other Officials

Francis P. Carr, Chief Examiner, Dept. of Banking
John T. Ross, Executive Director (Acting), PDCB
John M. Van Dalen, DAG, Legal Counsel, PDCB
Stephanie A. Wall, Administrative Assistant, PDCB
Robert Jaworski, Deputy Commissioner, Dept. of Banking

Members Absent

Richard Chinery, Public Member
John J. Tarditti, Public Member
Ralph A. Sturdivant, Public Member

Public

Judith S. Norcross

Motion was made by Peter Anderson, and seconded by Patricia Leuzzi, for approval of the October 22, 1991 Pinelands Development Credit Bank Board of Directors meeting minutes.

The first order of business was to discuss a draft copy of the 1991 Annual Report. Mr. Ross asked the Members to contact him by January 24th if they had any suggestions or changes. He advised the Board that if all are in agreement, he would present the draft report to the printers the following week. Chairman Connor outlined the fiscal segment of the report which indicated annual expenditures and receivables, as well as the 1.5 million that was returned to the General Treasury.

As the meeting continued, Mr. Ross explained the Analysis of Estimated Operating Costs for FY 1992 and FY 1993. It outlined the Bank's balance carried over from the prior fiscal year, anticipated expenses for the coming fiscal year, and the approximate balance at the close of the fiscal year. The analysis also noted the PDC Bank inventory of credits and their value. Mr. Ross emphasized the importance of maintaining a sufficient balance in order for the Bank to function as an interim buyer of credits.

He pointed out that due to the current economic conditions in the housing industry, credit owners may turn to the Bank until new home construction improves.

Mr. Ross advised the Board that there has been some interest in using PDCs as collateral and that in order for the Bank to extend guarantees, it would be necessary to promulgate rules and regulations. He informed the Members that this process would take approximately eight months to complete, however, the Bank's authority to purchase credits and extend loan guarantees expires December 31, 1992. Chairman Connor suggested that Mr. Ross contact Senator Lesniak and Assemblyman Shinn to determine if they would have an interest in legislation extending the Bank's authority. Chairman Connor also suggested that if Senator Lesniak and Assemblyman Shinn express an interest, that Mr. Ross initiate the rule making process in order to eliminate any lag in the Bank's ability to extend guarantees.

A resolution was brought before the Board for the purchase of 5.0 Pinelands Development Credits. A motion was made by James F. Hall and seconded by Patricia Leuzzi. All in favor. Motion carried.

The meeting continued with an update on the program's activity. Since the October 1991 meeting, 135 rights have been severed, preserving an additional 1,192 acres. During that time 51 rights were sold on the private market. To date a total of 7,732.77 acres have been permanently preserved.

Mr. Ross announced that the Bank's application for a grant from the William Penn Foundation was recently approved and that the Bank had received a check in the amount of \$50,000. He informed the Board that the grant was for a one year period and that it would behoove the Board to move ahead quickly. Mr. Ross suggested that the fastest way to engage an individual for this project may be to contact other government agencies to determine if a current employee has the skills we are looking for and if so, would the agency consider loaning that person to the Bank. If we are unsuccessful, he suggested that we engage an individual through a personal services contract. Chairman Connor suggested that a personnel sub-committee review all potential candidates for this position. It was proposed that the sub-committee consist of Richard Sullivan, NJ Pinelands Commission, James F. Hall, DEPE, and Samuel Garrison, Dept. of Agriculture. A motion was made by Al Metzger and seconded by James F. Hall, to accept the \$50,000 grant and to authorize the forming of a personnel sub-committee. Based on the personnel sub-committee's selection and the Chairman's approval, the Board authorized the Executive Director to engage an individual for these services. All in favor. Motion carried.

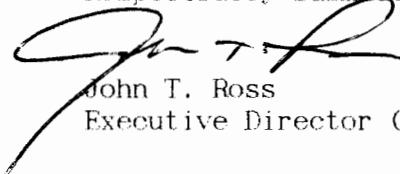
Robert Jaworski, Deputy Commissioner of the Department of Banking, was in attendance and outlined a recent Supreme Court case that involved property in a Pinelands Agricultural Production Area. The case involved whether or not the pinelands zoning constituted a taking of land. The court found that in addition to the agricultural uses of the property, it was also allocated PDCs and between the remaining uses of the land and the value of the PDCs, the zoning did not constitute a taking.

Mr. Ross continued by informing the Board that two parties who entered into agreements for the deferred purchase of 12.75 PDCs are requesting a six month extension. Mr. Ross advised the Members that under the terms of the original agreements, the Board has no obligation to grant an extension, however, due to current economic conditions it may be in the Bank's best interest. Mr. Ross went on to explain that both parties have their projects temporarily on hold, but plan to resume in the spring. He stated that both individuals have demonstrated a sincere desire to purchase the credits, between the two parties over \$70,000 has been paid to the Bank in the form of deposits and deferral carrying costs. Mr. Ross pointed out that by granting an extension it would require an additional deferral payment to the Bank of approximately \$15,000 and reminded the Board that if the parties default, all deposits and carrying costs are retained by the Bank. Mr. Van Dalen advised the Members that he found nothing in the Bank's regulations that would prohibit them from granting an extension. A motion was made to authorize a six month extension of the original deferral agreements by James F. Hall, and seconded by Al Metzger. All in favor. Motion carried. The Board stated that this decision is purely a voluntary business judgment made in its sole discretion.

In conclusion, Chairman Connor read a resolution to outgoing Member Judith S. Norcross for her dedication and enthusiasm to the Pinelands Development Credit Bank as a Member of the Board of Directors. A similar resolution was also prepared for Ann E. Myles for her contributions to the Bank as a Board Member. A motion was made by James F. Hall, and seconded by Al Metzger. All in favor. Motion carried.

The meeting adjourned at 11:20 AM. The Board will reconvene on May 21, 1992 at the Department of Banking, 20 W. State Street, Trenton, New Jersey, 5th floor conference room.

Respectfully submitted,



John T. Ross
Executive Director (Acting)

JTR:sab
Enclosures