

**PINELANDS DEVELOPMENT CREDIT BANK
BOARD MEETING**

Thursday, October 26, 2000

The meeting was called to order by Director Nicholas J. Ketcha Jr., who then read the Open Public Meeting Act Statement.

The roll was called by Executive Director John Ross. Present at the meeting were:

Members

Karen L. Suter, Commissioner, Department of Banking & Insurance
Nicholas J. Ketcha Jr., Director, Department of Banking & Insurance
John Tarditi, Jr., Public Member
George Rover, Office of the Attorney General
Jerrold Jacobs, Chairman, Pinelands Commission
Samuel Garrison, Department of Agriculture

Other Officials

John Ross, Executive Director, Pinelands Development Credit Bank
Dennis Massimo, Project Manager, Pinelands Development Credit Bank
Helene Chudzik, Deputy Attorney General, Department of Law & Public Safety
Lorraine Strickland, Recording Secretary

Members Absent

Richard Chinery, Public Member
Cari J. Wild, Department of Environmental Protection
Donald McCauley, Public Member

Motion for approval of the minutes of the last meeting was made by Messrs. Tarditi and Garrison, with a unanimous approval given by the membership.

Mr. Ross presented the Board with an analysis of recent private market sales prices, and asked that they consider approving an increase in the Bank's purchase price. The Board is authorized to increase its purchase price provided that, as increased, it does not exceed 80 percent of private market

value. Mr. Ross stated that the analysis demonstrates that, as of September 30, 2000, the average sales price in the private market was \$7,500 per 1/4 Pinelands Development Credit, and, if the Board was in agreement, the purchase price could be raised to \$6,000 per 1/4 Pinelands Development Credit. Mr. Ross went on to say that the Board's current purchase price of \$3,150 per 1/4 Pinelands Development Credit was substantially below what Pinelands Development Credits are selling for, and that it could also artificially keep Pinelands Development Credit prices low. He stated that the proposed increase to \$6,000 per 1/4 Pinelands Development Credit will make the Bank's purchase price more commensurate with the private market, while staying within the Legislative limit of 80 percent of the market price. Mr. Ross said that the proposed increase to \$6,000 is reasonable, based on the analysis, and that if the Board is in agreement, he would like to file the proposed amendment with the Office of Administrative Law by October 31, 2000, and that it could take effect in mid-February.

Mr. Tarditi asked if there was any down side to this, and Mr. Ross replied that, in his opinion, there was none, that the proposed increase is justified, and that if we did nothing, we would possibly be criticized for not paying a price that is more commensurate with the private market.

Mr. Rover inquired about the Cranberry Growers, and whether anyone can say that the Board is raising the price to help the Department of Environmental Protection. Mr. Jacobs said he didn't think so. Mr. Ross replied that raising the price is justified, due to current private market prices, and that he did not foresee a great deal of activity with the Cranberry Growers.

Mr. Tardidi moved for approval to increase the Board's purchase price. It was seconded by Mr. Garrison, and unanimously approved by the members of the Board.

Mr. Ross then gave a presentation on the Special Purchase Program. He said that the program was funded with \$3,000,000 in Fiscal Year 2000, and that another \$20,000,000 was appropriated for Fiscal Year 2001. He stated that, to date, nearly 3,000 acres of land have been permanently protected under the program, and that about \$2,700,000 has been expended. He went on to say that, with private market prices now reaching \$9,000 per 1/4 Pinelands Development Credit, it will be difficult for landowners to accept \$5,500 under the Special Purchase Program. Mr. Ross also informed the members that the Bank has received from the Office of Management & Budget approximately \$70,000 to help with the administrative costs of implementing the program.

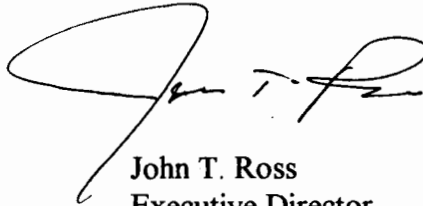
He also informed the members that the Pinelands Commission has proposed amendments to their regulations that would set the purchase price for the Special Purchase Program at the Bank's proposed new price of \$6,000 per right.

At this time, the Board went into Executive Session to discuss personnel issues. Mr. Massimo left the room, and Thomas Gallagher, Assistant Commissioner of Administration, entered. Mr. Ross subsequently left the room after participating in some discussion.

Messrs. Tarditi and Jacobs motioned to re-open the regular meeting. Messrs. Ross and Massimo were asked to return. Mr. Tarditi made a motion to modify last year's Executive Director position at the current salary of \$70,970.00, with an increase of 5 percent, whether through the current Manager's Bonus Program, or at the Commissioner's discretion. Mr. Ross agreed with this. He also moved to make the Project Manager full time, with compensation reflecting an hourly rate of \$20, plus benefits. The Project Manager is to be responsible for 7 percent of the value of the Benefits Package. Mr. Massimo agreed with this. Authorization was then given for a full-time Clerk Typist to be engaged by the Executive Director, based upon his determination of work load and need. These motions were seconded by Mr. Jacobs, and unanimously agreed upon by the Board. The members set the following dates for the Board's Year 2001 meetings: January 11, May 17, and October 11.

Mr. Tarditi made a motion to adjourn, which was seconded by Mr. Garrison. All were in favor.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John T. Ross". The signature is stylized with a large, looping initial "J" and a distinct "T" and "R".

John T. Ross
Executive Director