

## **PERSONNEL & BUDGET COMMITTEE MEETING**

The June 14, 2022, Personnel & Budget Committee meeting was conducted both remotely and in-person. The public could view/comment through the Pinelands Commission YouTube link: [www.YouTube.com/c/PinelandsCommission](http://www.YouTube.com/c/PinelandsCommission); Meeting ID 827 1822 7208

### **MINUTES**

#### **Members Present**

Alan W. Avery, Jr., Committee Chairman; William Pikolycky; Laura E. Matos

#### **Members Absent**

Mark Lohbauer; Gary Quinn; Jane Jannarone

#### **Staff Present**

Susan R. Grogan, Acting Executive Director (AED); Jessica Lynch, Paul Leakan, April Field, Teri Melodick, Carol Ebersberger

Janice Venables, Governor's Authorities Unit.

Chairman Avery called the meeting to order at 9:32 a.m.

#### **Adoption of the minutes from the August 24, 2021, Personnel and Budget Committee Meeting**

Chair Matos moved the adoption of the minutes of the August 24, 2021, Personnel and Budget Committee meeting. Commissioner Pikolycky seconded the motion.

The minutes were adopted with all voting in favor.

#### **Financial Updates**

Check Register (July 2021 to May 2022) – Business Services Manager Jessica Lynch highlighted the more noteworthy purchases/checks on the register.

Electronic Disbursements – EFT, Direct Deposit, ACH (July 2021 to May 2022)

Application Fees – Ms. Lynch stated that application fees have exceeded the anticipated amount and are currently at 207% of the budgeted amount for FY2022.

AED Grogan stated that staff processed a significant number of refunds this year, and will be looking into ways to help applicants make accurate payments.

#### **Fixed Asset Deletion**

Fixed Assets for Disposal – Ms. Lynch reviewed the fixed assets list that will be going to Trenton after approval. Commissioner Pikolycky made a motion for fixed asset deletion approval. Chair Matos seconded the motion. All Commissioners present voted in favor. Fixed asset deletion was approved.

## Resolution

Authorizing the Acting Executive Director to Continue to Expend Funds for Fiscal Year 2023 at the Same Level of Expenditures as Fiscal Year 2022 Until the Adoption of the Fiscal Year 2023 Budgets.

A motion to approve the resolution was made by Commissioner Pikolycky. Chair Matos seconded the motion. All Commissioners present voted in favor, and the resolution was approved.

## Fiscal Year 2023 Budget Discussion

AED Grogan delivered a presentation on Development Application & Fee Projections for FY23 (*Attachment A to these minutes*).

## Application Fees

- By Management Area – most fees are derived from applications in the Regional Growth Area (RGA)
- Private Applications vs. Public Development Applications – most fees are derived from private development applications
- Categorized by Development Type – most fees are derived from proposed commercial or industrial projects
- By Municipality – top five are Winslow, Galloway, Manchester, Jackson and Hamilton
- Top Ten Non-Residential Uses (trends) – applications for commercial uses and warehouses each provide approximately a quarter of the fee revenue. New this year are large cannabis-related facilities.
- Top 25 in Net Fees – Winslow, Galloway, Manchester, Jackson, Hamilton, Berkeley, Barnegat, Wrightstown, Egg Harbor Township, Buena Vista, Woodbine, Medford, Hammonton, Evesham, Southampton, Pemberton, Lacey, Mullica, Stafford, Monroe, Berlin Borough, South Toms River, Waterford, Egg Harbor City and Folsom
- Residential Development by Management Area – most development in the RGA and Pinelands Towns

## Preliminary Financial Projections and Initiatives

AED Grogan reviewed a rolling Five-Year Estimate as a way of calculating anticipated application fees for the new fiscal year. She noted there is no foolproof method to predict fee revenue and suggested that the Commission “regress toward the mean” and budget \$650,000 for FY23.

The Committee discussed what to do with excess application fee revenue. The formation of a possible Capital Fund, to be used for climate change related projects and expenses, was raised. It will be discussed in more detail by the Committee as part of the budget process.

Commissioner Avery said the Commission needs to continue to be conservative because three of the biggest fee generators are limited, such as applications for landfill closures, solar facilities, and warehouse facilities.

Commissioner Avery asked if towns are rethinking their cannabis ordinances. AED Grogan said the Commission is starting to see towns come in with more specific cannabis-related ordinances.

Commissioner Pikolycky asked what the State is currently contributing to the Commission's budget. Ms. Lynch said the State appropriation is \$3.4 million, which has remained unchanged.

Commissioner Avery said the biggest help would be for the State to cover the full cost of healthcare.

AED Grogan said the Commission receives a fixed amount of \$687,000, which has not changed since 2004. The Commission absorbs the increase in healthcare costs without an increase from the State.

Commissioner Pikolycky asked if the Commission is looking for the State to cover salaries and benefits. Ms. Lynch said yes, stating that currently the State covers approximately 75% of these costs. The balance of expenses is covered through grants.

Commissioner Pikolycky suggested AED Grogan sit with Commission Chair Matos and make her familiar with the Commission's budgetary concerns, so that there could be serious dialogue with the Governor's office.

Chairman Avery stated his concern that the Commission seems to have an "orphan" building (Fenwick Manor) that does not have the normal state agencies coming in to do maintenance and repairs.

Commissioner Pikolycky asked about doing a shared agreement with the New Lisbon Development Center. AED Grogan said the Commission can explore the possibility.

AED Grogan said that there have been discussions with Treasury and the New Jersey Department of Environmental Protection (NJDEP) regarding the Commission's buildings. She said she will put together some numbers from the last couple of years and review those figures with the Commission Chair.

AED Grogan said for the next budget year the Commission is looking into receiving application fees electronically, purchasing new vehicles, and a buying an electric-powered lawn mower.

Commissioner Pikolycky asked what positions still need to be filled. AED Grogan said that there were four positions advertised, two of which remain unfilled.

Commissioner Pikolycky asked how the Commission is dealing with the workweek schedule. AED Grogan said the Commission submitted its Telework Pilot Program plan to the Governor's office for approval. Revisions requested by the Governors were made to the draft and the plan was re-submitted to the Governor's office. Once approved it will be released to the staff and

those who want to participate will submit their requested schedule and application. This will allow staff to work remotely two days a week. The hours of operation for Commission offices will remain the same.

Chairman Avery said the staff has done a remarkable job through the last couple of COVID years.

AED Grogan said she agrees with Chairman Avery that the Commission did a remarkable job transitioning to a remote, paperless environment. The staff would like to continue with the paperless process by investing in additional laptops and scanners for people to facilitate remote work. She said staff was extraordinarily productive working from home. She said the Telework plan will be shared with the Commissioners after it is approved. The Telework Pilot Program is for FY2023, and if the Governor's office and the Communications Workers of America agree that it was a success, hopefully it will continue.

#### Commission vehicles

AED Grogan said the intent is to look for hybrid sports utility vehicles (SUVs) or pickup trucks appropriate for fieldwork by the Science and Regulatory Programs offices. Staff has not yet identified an all-electric vehicle that meets all the criteria.

Other Items of Interest - none


Employee Actions – none

Public Comment – none


Closed Session - none

Commissioner Pikolycky moved a motion for the adjournment of the meeting. Chair Matos seconded the motion and all agreed. The meeting adjourned at 10:35 a.m.

Minutes submitted as true and correct.

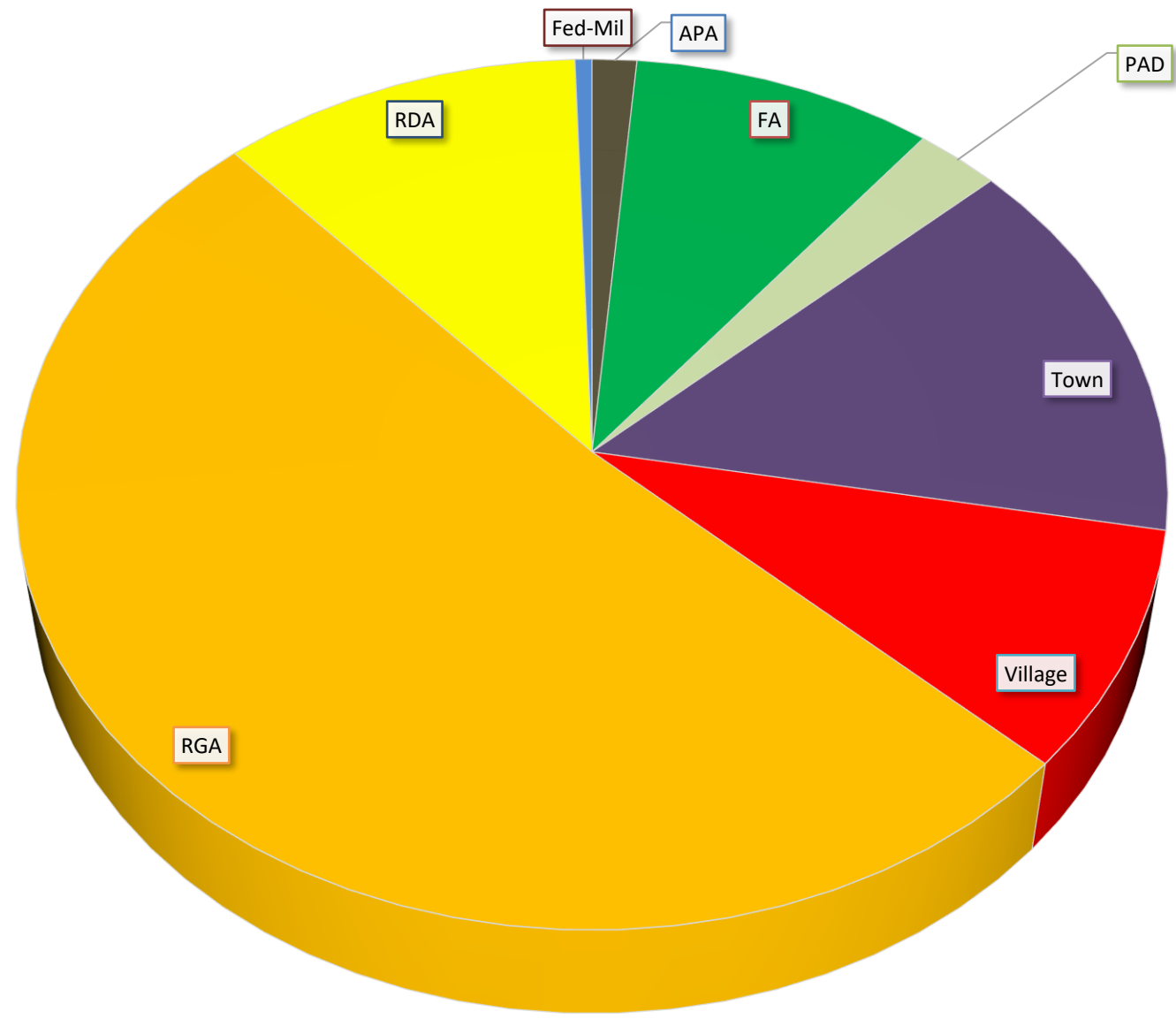
  
Teri Melodick  
Principal Clerical Assistant

Date: 8/9/2022



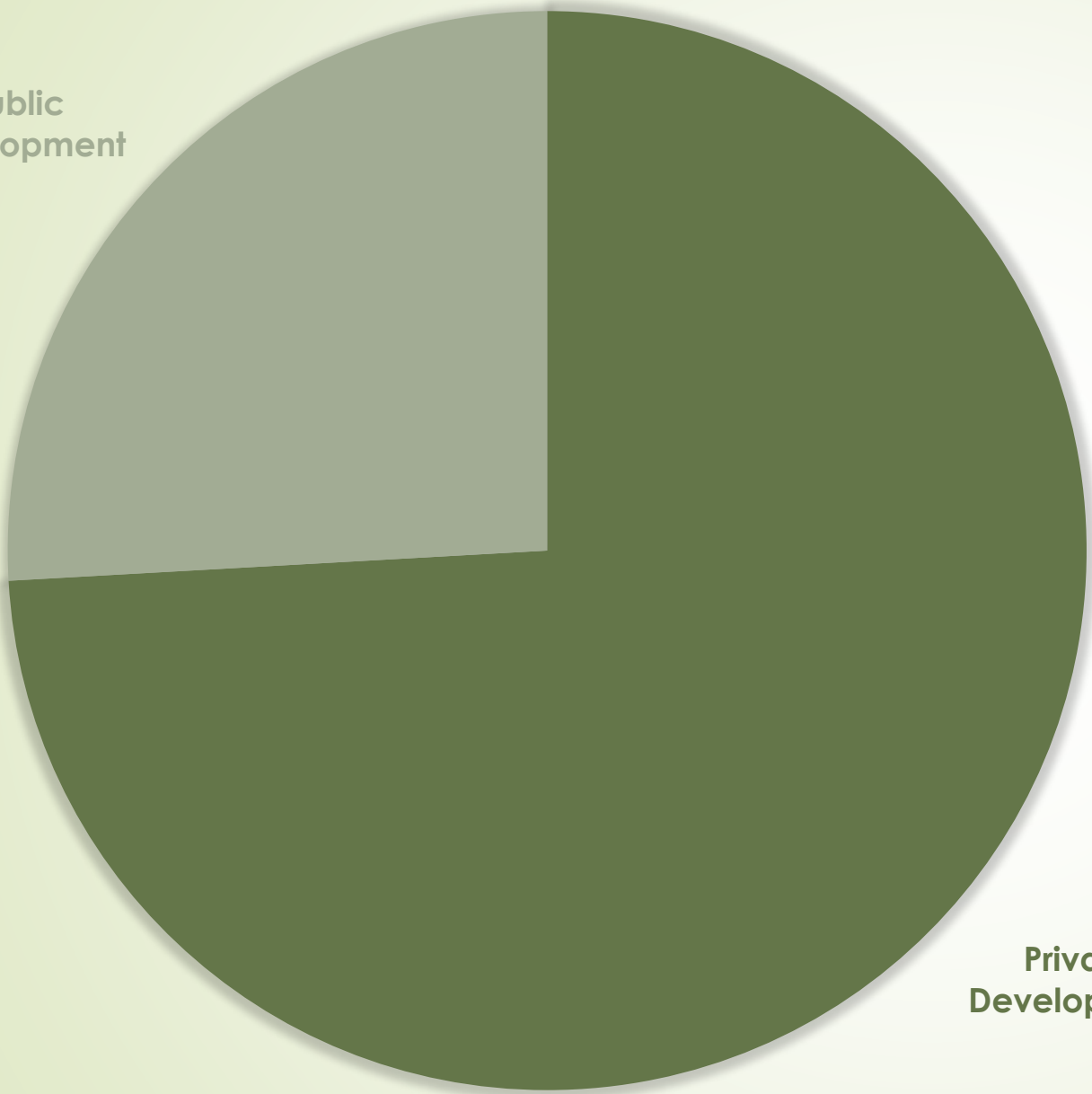
# Development Application & Fee Projections FY22 (7/1/21-6/6/22)

# Application Fees by Management Area



Some project span multiple management areas:  
proportions are approximate

Public  
Development



Private  
Development

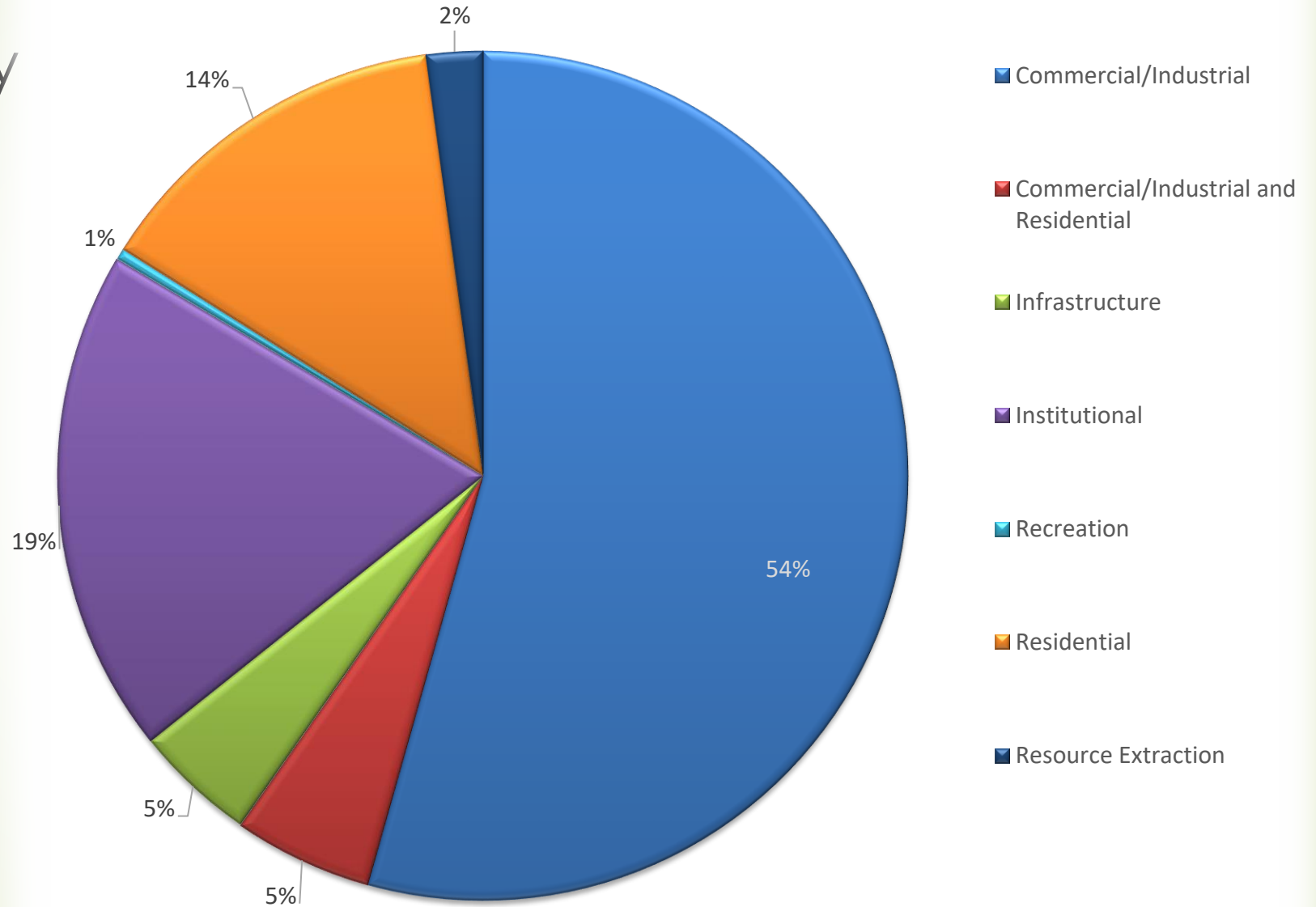


Proportions of  
Net Fees from  
Public  
Development  
and Private  
Development  
Applications

**FY22**

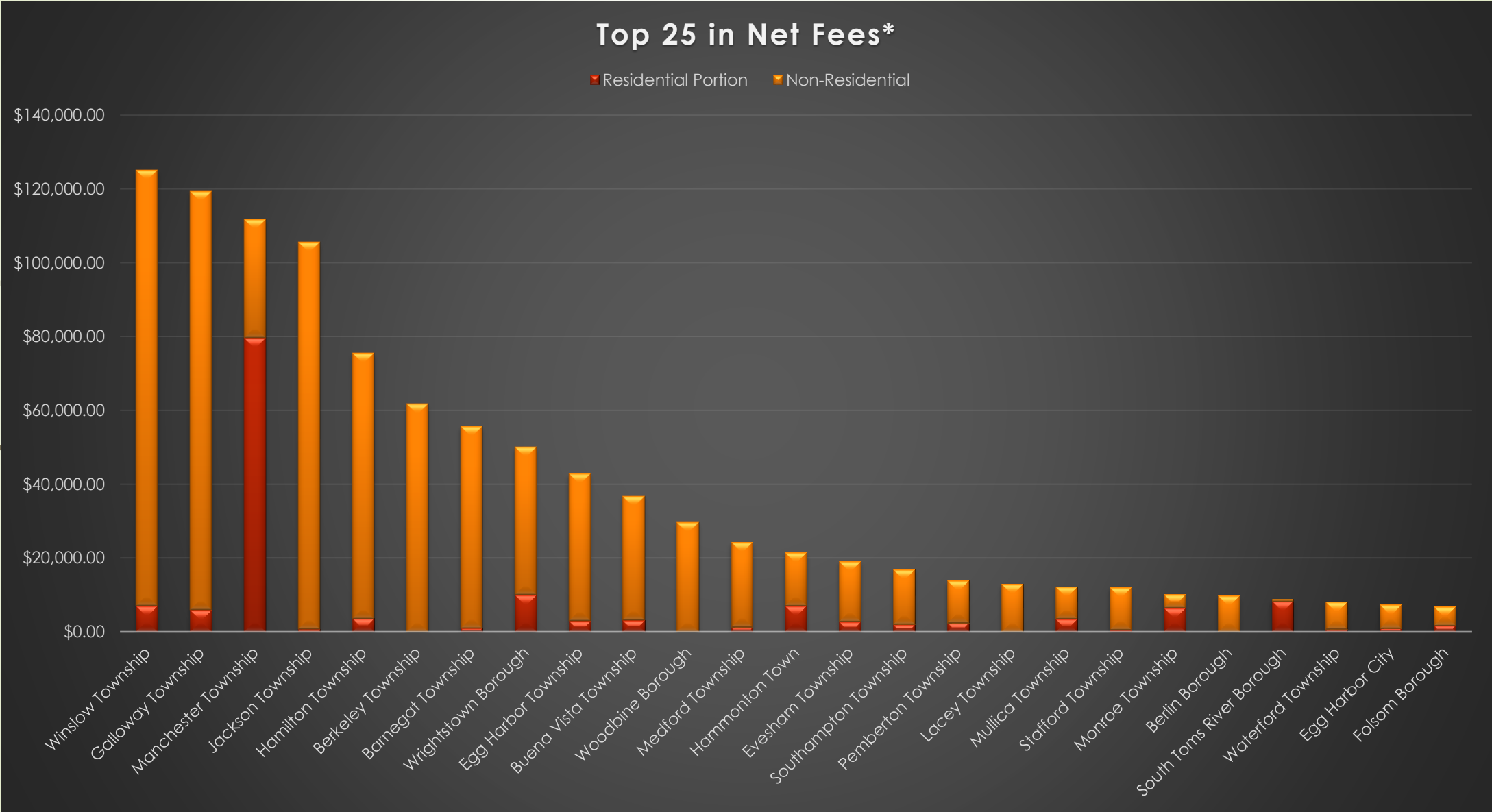
# Proportion of All Net Fees Categorized by Development Type

- Net unrefunded fees
- Residential development includes subdivisions, demolition of 50-yr old or greater
- Commercial/Industrial includes retail, restaurant, home occupation, warehouse, solar, self-storage, etc.
- Commercial/Industrial and Residential is a mixed-use development with residential component



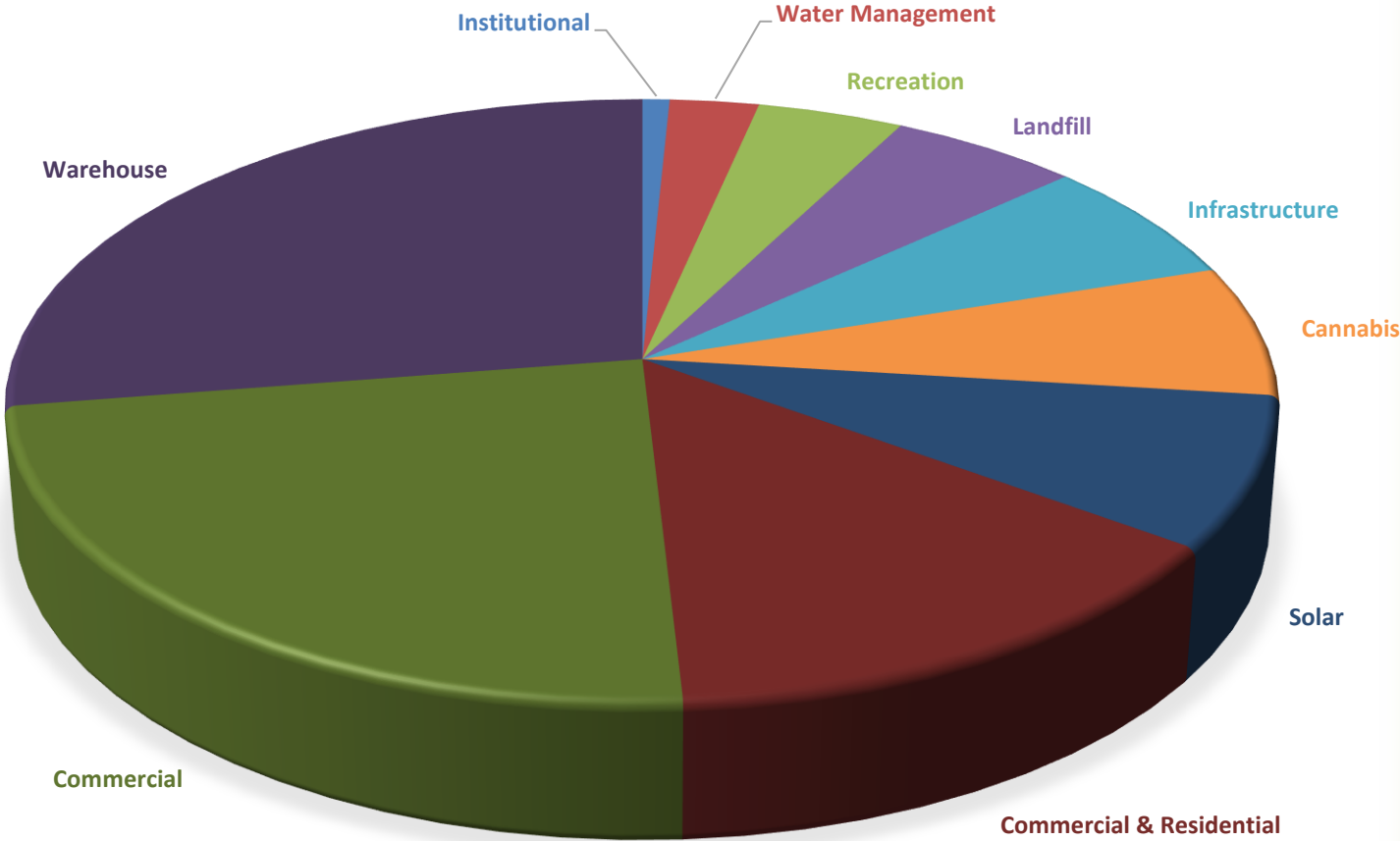


# Top 25 Municipalities by Application Fees – FY22



# FY 22 NON-RESIDENTIAL TOP TEN

- Top Ten Non-Residential Uses
- Proportion by Application Fees

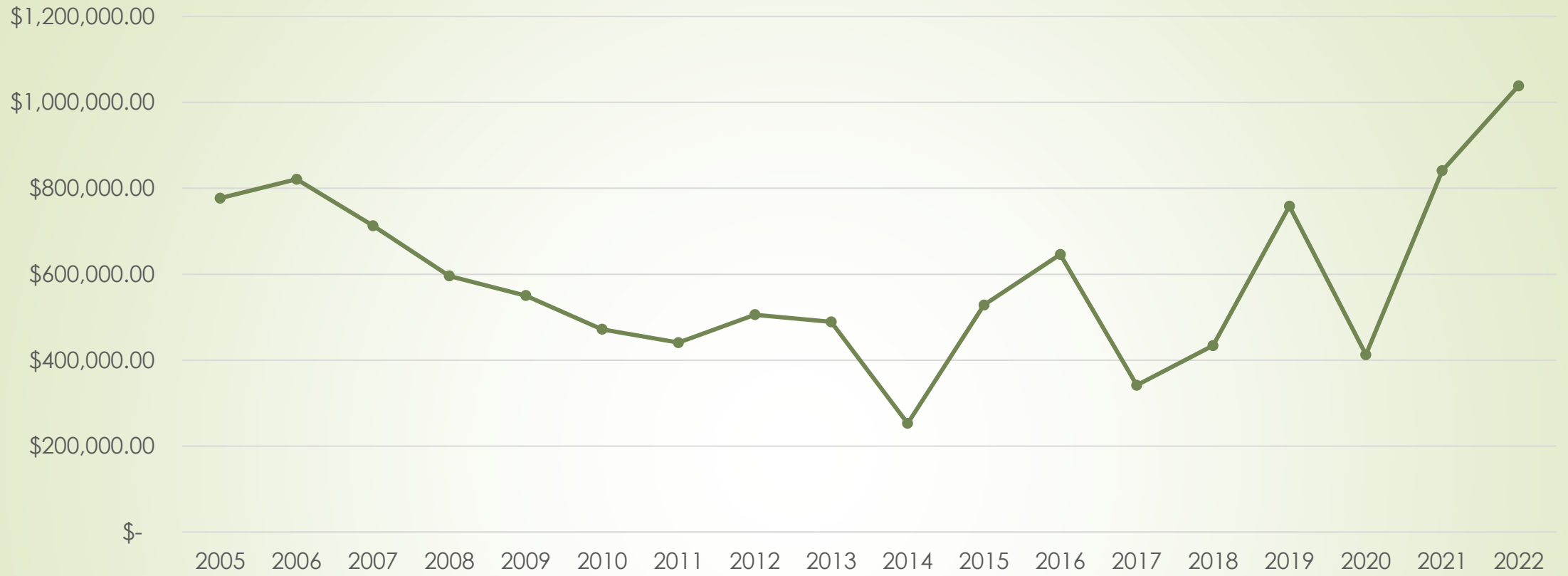





# Residential Development by Management Area

Management Area Residential Units	Sum of Units	Net Fees
Preservation Area District	2	\$500
Forest Area	18	\$6,500
Agricultural Production Area	14	\$5,265
Rural Development Area	30	\$12,250
Pinelands Village	18	\$7,280
Pinelands Town	535	\$79,669
Regional Growth Area	1398	\$87,182
<b>Grand Total</b>	<b>2,015</b>	<b>\$198, 646</b>

This table does not include subdivisions with no additional development, demolition of 50 years or older, or refunded fees. Mixed use developments or other development costs increase the net fees.



# Annual Fee Revenues



# Fee Projections – Rolling five-year estimate

- ▶ FY 22 Year-To-Date (June 6): \$1,038,222
- ▶ Average over five years (2016 to 2022): \$697,035
- ▶ Mean Net Annual since 2005: \$557,288
- ▶ Other considerations:
  - ▶ **59%** of years **anticipated** fee revenue is above **actual** fee revenue;
  - ▶ **56%** of years see actual **decreases below prior year** actual fee revenue;
- ▶ No fool-proof method to predict fee revenue
- ▶ Regress toward the mean

# FY2023 Projection and Recommendation

Recommendation is 30% increase over FY22 anticipated revenue

Actual FY22 fee revenue about 23% above FY21 revenue

**\$650,000**

Recommendation is 6.75% below five-year average

Recommendation is 17% above mean net actual since 2005