Introduction

The Pinelands Conservation Fund (Fund) is established pursuant to a 2004 agreement (Agreement) between the Pinelands Commission (Commission) and the Board of Public Utilities. It is financed through a $13 million payment to the Commission from Conectiv. As specified in the Agreement, this Fund shall be used to “further the Pinelands protection program and ensure a greater level of protection of the unique resources of the Pinelands Area.”

To ensure that the Fund supports this goal, the Pinelands Commission hereby establishes the following policies to govern the use and management of the Fund.

Fund Objectives

Three principal objectives are established for the Fund. They are to:

1. Permanently protect important natural, cultural, historic and agricultural resources through the purchase of land or interests therein. $6 million of the Fund’s initial proceeds are hereby dedicated for this purpose.

2. Support planning and research initiatives that directly benefit the conservation of Pinelands resources. $3½ million of the Fund’s initial proceeds are hereby dedicated for this purpose.

3. Support community planning and design initiatives that help to create sustainable communities which serve as an essential component of the Pinelands protection program. $3½ million of the Fund’s initial proceeds are hereby dedicated for this purpose.

Except as otherwise provided herein for administrative expenses, all Fund proceeds and income derived pursuant thereto shall be used exclusively for the objectives enumerated above.

Investment Policies

Funds dedicated for the acquisition of land and interests therein shall remain liquid so that they are available for use on an as-needed basis. These funds shall be deposited in the New Jersey Cash Management Fund and maintained as a separate cash account such that the interest income is credited to the account.

$500,000 of the amount dedicated for conservation planning and research shall be deposited in a separate New Jersey Cash Management Fund account and reserved for conservation planning and
research. $500,000 of the amount dedicated for community planning and design shall also be deposited in a separate New Jersey Cash Management Fund account and reserved for community planning and design. Interest income shall be reinvested in each account.

To ensure that conservation planning/research and community planning/design objectives are sustained on a long term basis, the remaining $3 million dedicated for each such objective (a total of $6 million) shall be invested in secure, long term, investments that yield an annual income. The annual investment income shall be apportioned equally amongst the two objectives and deposited in each of the two New Jersey Cash Management Fund accounts specified above.

Program Policies

Land Acquisition

The Commission shall appropriate, through the Pinelands Conservation Fund Budget, such money from the Cash Management Fund account as may from time to time be needed to assist other governmental and qualifying, tax exempt non-governmental organizations purchase fee or lesser interests in real property so as to permanently protect their important natural, agricultural, cultural or historic attributes. Such appropriations shall be for (1) the acquisition of land recommended in a regional or sub-regional plan duly adopted by the Commission or (2) the acquisition of other land recommended by the Commission’s Permanent Land Protection Committee and duly approved by the Commission. Priority shall be given to projects which supplement Fund proceeds with other state, federal, local or private funding.

Nothing herein shall be construed to limit the Commission’s authority to contract with another party to administer this acquisition program on its behalf provided that the Commission determines that such an arrangement is consistent with applicable contracting requirements, implements the objectives enumerated in the above paragraph and is cost effective, taking into account the contractor’s administrative expenses in comparison to the Commission’s administrative expenses if it administered the program.

Conservation Planning and Research

The Commission shall appropriate, through the Pinelands Conservation Fund Budget, such money from the Cash Management Fund account as may from time to time be needed to support qualifying conservation planning or research projects. Such projects may be undertaken by the Commission or by another governmental organization and may include all reasonable expenses associated with the project or its implementation, except capital expenditures.

Qualifying projects shall consist of (1) the preparation of an ecologically based electric transmission right-of-way maintenance plan as provided for in the Agreement, (2) the natural resource assessment project initiated pursuant to Commission Resolution PC4-05-20, (3) other regional or sub-regional conservation planning projects that are recommended by either the Permanent Land Protection or Policy and Implementation Committee and duly authorized by the Pinelands Commission, or (4) applied research projects that will directly benefit Pinelands
resource protection, as recommended by the Science Committee and duly authorized by the Pinelands Commission.

When other governmental projects are considered, priority shall be given to those which supplement Fund proceeds with other state, federal, local or private funding.

Community Planning and Design

The Commission shall appropriate, through the Pinelands Conservation Fund Budget, such money from the Cash Management Fund account as is needed to sustain a community planning and design technical assistance program and as may be needed from time to time to support other qualifying projects. The community planning and design technical assistance program and other qualifying projects may include all reasonable expenses associated with the project or its implementation, except capital expenditures.

The purpose of the community planning and design technical assistance program shall be to build upon the Dodge Foundation-supported Pinelands Excellence Program by institutionalizing within the Commission’s staff the capability to provide community planning and design assistance to Pinelands municipalities on an ongoing basis. The Executive Director shall present to the Commission for its approval an annual budget for this technical assistance program that finances one community planning/design position and associated expenses.

Other qualifying projects shall consist of (1) the timed growth assessment authorized pursuant to Commission Resolution PC4-05-20 and (2) contracts with or grants to other governmental agencies to undertake specific community planning or design projects to supplement the technical assistance program, provided such projects are recommended by the Policy and Implementation Committee and duly authorized by the Pinelands Commission.

Administrative Policies

The Executive Director shall be responsible for managing Fund proceeds in accordance with applicable Commission policies and procedures. To ensure appropriate management, administration and oversight of the Fund and the programs it supports, a portion of the Fund’s income shall be allocated for administrative purposes in accordance with the following policies.

- An annual assessment of $20,000 shall be made against each of the three Cash Management Fund accounts to finance indirect costs associated with the management of the investments, accounting services, contracting and purchasing services and other centralized support services.

- All interest accrued in the Cash Management Fund account for acquisition shall be reserved in that account to pay for the above specified indirect cost assessment and any direct administrative expenses of the land acquisition program. Should any portion of this reserve remain after the principal has been expended, the Commission shall determine whether the remaining amount is sufficient to finance additional acquisitions or, if not
sufficient, should be transferred to either or both of the conservation planning/research or community planning/design accounts.

**Implementation**

To date, the Pinelands Commission has received $9.75 million, the full amount of which has been deposited in a separate Cash Management Fund account. The remaining $3.25 million is scheduled to be received on or before March 13, 2006.

The Executive Director shall immediately establish additional Cash Management Fund accounts for the conservation planning/research and community planning/design programs and transfer $3½ million into each such account. A proportionate share of the interest earned to date shall also be transferred into each account. The existing Cash Management Fund account shall be retained for the land acquisition program.

The Executive Director shall also identify one or more secure, long term investment options in consultation with the New Jersey Department of the Treasury, Division of Investments. Upon approval by the Personnel and Budget Committee, arrangements for the $6 million investment shall be finalized, the funds for which shall be transferred from the conservation planning/research and community planning/design Cash Management Fund accounts.

Upon receipt, the remaining payment of $3.25 million shall be deposited in the Cash Management Fund account for land acquisition.