

PINELANDS DEVELOPMENT CREDIT BANK BOARD MINUTES

APRIL 19, 1990

The new Board Chairman, Jeff Connor, called the meeting to order and read the Open Public Meetings Act.

Present at the meeting were:

Members

Samuel Garrison, for Agriculture Secretary Brown
Gregory C. Schultz, Esquire, for Attorney General Del Tufo
Richard J. Sullivan, Chairman, NJ Pinelands Commission
Judith S. Norcross, Public Member
Ann E. Myles, Public Member
Richard Chinery, Public Member

Other Officials

Anthony E. Carmosine, Assistant Commissioner-Department
of Banking
John T. Ross, Executive Director (Acting), PDCB
John M. Van Dalen, DAG, Legal Counsel for PDCB
Stephanie A. Brown, Administrative Assistant, PDCB
Carri Radcliff, as an observer for Environmental Protection
Commissioner Yaskin

Members Absent

Ralph A. Sturdivant, Public Member

Motion was made for approval of the March 15, 1990 Pinelands Development Credit Bank Board of Directors meeting minutes by Judith S. Norcross and seconded by Richard J. Sullivan.

The Board proceeded to a resolution authorizing the Executive Director to conduct a sale of Board owned credits. Mr. Ross outlined the key elements of the sale: 1) Offering 10 PDCs at a minimum bid of \$3,000 per one-quarter [1/4] credit (should the one-quarter [1/4] credit bid reach or exceed \$5,000 an additional 25 PDCs would be made available for sale) and, 2) that all successful bidders have the option of deferring closing for a period of up to 18 months. Bidders electing to defer closing would enter into an agreement with the Bank and pay a non-refundable carrying cost equal to the prime interest rate plus 2% per year, of the remaining balance of the purchase price.

Mr. Ross also stressed the importance of the Board's sale not impairing the private market. After evaluating the present market conditions, (estimated developer need) and recent sales prices on the private market, the structure of the Board's sale should ensure that the private market not be unduly hampered.

Mr. Ross concluded by informing the Board that the bid opening would be scheduled for May 25th at 10:00 AM, at the Department of Banking, Fifth Floor Conference Room. All successful bidders will be notified within one week of the sale, and will be allowed up to thirty days to purchase the credits unless they enter an agreement to defer closing. The discussion ended and a motion was made by Richard J. Sullivan to authorize the Executive Director to proceed with the sale of Board owned credits, and was seconded by Richard Chinery. The motion was carried.

Chairman Connor moved to the next business item which was a status report on the Bank that was prepared by the Office of Management and Budget (OMB). He informed the Board that the report's conclusion was that the Bank's funding could be reduced by \$1 - 1.5 million without impairing its operation. Mr. Ross presented to the Board an analysis of the Bank's previous budget and projected expenditures covering the next four years. Based on the analysis and due to the Bank not having conducted a sale of credits, Mr. Ross predicted that the Bank's operation would not be hampered if it's budget was reduced by \$1 million at this time. After the Bank conducts a sale of credits and depending upon housing market conditions, the Board may want to examine the Bank's funding again. After a short discussion, the Board recommended that the Chairman respond to OMB stating that the Bank could operate with a \$1 million reduced budget. The motion was made by Mr. Garrison and was seconded by Mr. Sullivan. The motion was carried.

The meeting adjourned at 10:35 AM. The Board will not reconvene for May unless otherwise notified. The Board will reconvene on June 21, 1990 at 20 West State Street, Department of Banking, 5th floor Conference Room, Trenton, at 10:00 AM.

Respectfully submitted,



John T. Ross
Executive Director (Acting)

JTR:sab
Enclosures