

PINELANDS DEVELOPMENT CREDIT BANK BOARD MINUTES

MAY 16, 1991

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
James F. Hall, for Environmental Protection Commissioner
Scott A. Weiner
Judith S. Norcross, Public Member

Other Officials

Anthony E. Carmosine, Assistant Commissioner of Banking
John T. Ross, Executive Director (Acting), PDCB
John M. Van Dalen, DAG, Legal Counsel for PDCB
Stephanie A. Wall, Administrative Assistant, PDCB

Members Absent

Richard J. Sullivan, Chairman, NJ Pinelands Commission
Richard Chinery, Public Member
Ann E. Myles, Public Member
Ralph A. Sturdivant, Public Member

Public

Patricia Griffith, Dept. of Treasury/OMB/Budget

Motion was made by Judith S. Norcross, and seconded by Gregory C. Schultz, for approval of the January 17, 1991 Pinelands Development Credit Bank Board of Directors meeting minutes.

The meeting began with Old Business. Mr. Carmosine advised the Board that the Banks audit was complete. The review of the Banks accounting system disclosed that adequate books and records are maintained to support financial accountability for operations. Current ledger system in place is rated adequate and quality of personnel is excellent. There were two recommendations that resulted from the audit: 1) The By-Laws should provide for an annual examination of the Banks records, and 2) a cap should be established on the amount of an expenditure that the Executive Director can authorize without Board approval. These proposed amendments to the By-Laws have been reviewed by John M. Van Dalen, DAG. A motion was made for the Boards approval by Judith S. Norcross, and seconded by James F. Hall. The motion was carried.

The discussion focused on New Business. Mr. Ross began his report by informing the Board of the PDC private market activity. Since the January meeting, 51 development rights have been severed and 43 development rights have been privately sold. Through the severance, approximately 460 acres have been protected.

Mr. Ross advised the Board that a report on the PDC program, prepared by the Pinelands Commission was included in their packets. He pointed out the dramatic increase in participation since the Bank became operational. He cautioned the Board that although the Bank has not experienced a slowdown in developer interest, he did not know if there would be a lag due to the current sluggish market in the housing industry.

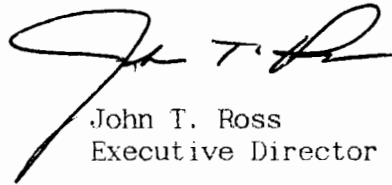
Mr. Ross continued by informing Board that in the Department of Treasury, OMB, has inquired about the possibility of the Bank returning a portion of its funding to the General Treasury. He advised the members that although the program is operating as intended (transactions are occurring in the private market), the Bank must remain as a safety net for the program. If the current housing industry crisis continues, sellers may turn to the Bank as a buyer of last resort. Based on a financial analysis that included current funding available, anticipated profits from the Banks auction of credits, unsold credits existing in the marketplace, and the possible demand on the Bank, Mr. Ross suggested that \$500,000 could be returned. A motion was made for approval by Gregory C. Schultz, and seconded by Judith S. Norcorss. The motion was carried.

Mr. Ross informed the Board that it may be possible to apply for a grant from a private foundation to fund the salary of a professional who would work on the developer side of the program. He indicated that the Bank has been very successful on the landowners side of the program and that we now need to focus on the developers side to insure continued interest in purchasing PDCs.

Mr. Ross concluded his report with a discussion regarding the renewal of the Pinelands Commission agreement with the Bank for informational services. This agreement like the previous ones will be for a one-year period, and will cost \$6,000 plus disbursements. In addition, with the intent to focus the Banks efforts on the developer side of the program, Mr. Ross asked the Board to consider sharing the cost of a Pinelands Commission staff member to complete tasks that identify Regional Growth Areas of the Pinelands, the property owners, block & lot identifications, and densities with and without PDCs. The cost for this person would be \$10,500 plus disbursements. The total cost to the Bank would be \$16,500 plus disbursements. There was a motion to authorize Mr. Ross to enter into an agreement with the Pinelands Commission by James F. Hall, and seconded by Samuel Garrison. The motion was carried.

The meeting adjourned at 11:10 AM. The Board will reconvene on October 17, 1991 at a location in the pinelands, not yet determined. The Board will be notified once a decision has been reached.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John T. Ross". The signature is fluid and cursive, with a long, sweeping underline that extends to the left and then curves back under the name.

John T. Ross
Executive Director (Acting)

JTR:sab
Enclosures