

**HIGHLANDS DEVELOPMENT CREDIT BANK  
MINUTES OF THE MEETING OF NOVEMBER 1, 2018**

**PRESENT**

ROBERT G. WALTON	)	CHAIRMAN
DALE DAVIS III	)	DIRECTOR
HEBERTON "RUSTY" FRICKE	)	DIRECTOR
ROBERT HOLTAWAY	)	DIRECTOR
ANDREW R. MCELROY	)	DIRECTOR
DIRECTOR RICHKO	)	DIRECTOR
GREG ROMANO	)	DIRECTOR

**ABSENT:**

RICH NIEUWENHUIS	)	DIRECTOR
SUSAN E. PAYNE	)	DIRECTOR

**CALL TO ORDER**

Chairman Robert G. Walton, called the 23<sup>rd</sup> meeting of the Highlands Development Credit Bank Board of Directors to order at 4:00pm.

**ROLL CALL**

Roll call was taken. Directors Nieuwenhuis and Payne were absent. All other directors were present. *The following Council staff members were present: Lisa J. Plevin, John Maber, James Humphries, Drew Siglin, Tom Tagliareni, and Annette Tagliareni. Also present via tele-conference were Lauren Nathan-LaRusso, Associate Counsel, Governor's Authorities Unit, and Jennifer Moriarty, DAG.*

**OPEN PUBLIC MEETINGS ACT**

Chairman Walton announced that the meeting was held in accordance with the Open Public Meetings Act at N.J.S.A. 10:4-6. The Highlands Development Credit (HDC) Bank had sent written notice of the time, date, and location of this meeting to pertinent newspapers of circulation throughout the State and posted the same on the Bank's website.

**PLEDGE OF ALLEGIANCE** was then recited.

**APPROVAL OF MEETING MINUTES FOR NOVEMBER 2, 2017**

*Director Holtaway made a motion to approve the minutes and Director Romano seconded it.*

*A roll-call vote was taken and the Minutes were APPROVED 6-0, with one abstention by Director Richko.*

**CHAIRMAN'S REPORT**

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Chair Walton welcomed new Bank Board members, Rusty Fricke, and Rich Nieuwenhuis (unfortunately unable to attend today) and Council Chair Richko to the Bank Board. Chair Walton reported that the resolution for the Election of Officers will be tabled at this time and recommendations will be brought forward at the Bank's next meeting. If interested, please let Council Chair Richko know.

As an update on the Highlands Development Credit (HDC) Purchase Program, Chair Walton reported:

- To date, the HDC Bank has purchased 1,304.25 credits resulting in over 1,600 acres preserved and over \$20 million in compensation to landowners
- Of the 62 HDC Purchase Program applications approved by the Bank over the last two years
  - 36 applications have closed
  - 15 are pending
  - 9 were withdrawn by the applicants
  - Remaining 2 will be reviewed by Bank today

**EXECUTIVE DIRECTOR REPORT**

In addition to Chair Walton's report, Ms. Plevin, reported that 25 of the 36 closings were completed this last year with credit purchases totaling over \$9M. Ms. Plevin also added that each Director received an updated Director's Manual that will be discussed at the Bank's February meeting.

Council Update

Chairman Walton reminded the Bank that at its last meeting the Bank approved several HDC Purchase applications and added a six-month deadline for applicants to provide all necessary closing documents to Highlands Council staff. Two applicants have failed to provide the closing documents by the deadline despite multiple efforts by Highlands Council staff. Council is recommending that these offers be rescinded. Chairman Walton also noted that since that time Council staff has processed over 20 new HDC allocation applications.

Director Romano asked where the funding would go for the rescinded applications. Chairman Walton responded that Council will decide if the funding returns to the HDC Purchase Program or is applied to the Open Space Matching Grant Program.

Chairman Walton asked for a motion on the Resolution.

**RESOLUTION – AUTHORIZATION TO RESCIND HIGHLANDS DEVELOPMENT CREDIT PURCHASE OFFERS UNDER THE HIGHLANDS DEVELOPMENT CREDIT PURCHASE PROGRAM, N.J.A.C. 7:70-1 et seq.**

*Director Holtaway made a motion on the Resolution and Director McElroy seconded it.*

Director Comments

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Director Richko asked if there was any communication received back from the applicants. Council staff responded that there was extensive communication to both applicants. One of the applicants failed to receive approval from their mortgage holder on the property. Council staff tried to remedy it with the mortgage holder. The other landowner, Council staff contacted approximately half a dozen times over the last 18 months via phone or written communication with no progress.

At this time, there were discussions regarding some reasons why mortgage companies fail to give approval for this type of closing.

Public Comments

**David Shope, Lebanon Township, NJ** – Mr. Shope asked why the mortgage company objects to this type of closing. Director Holtaway responded that in his experience a mortgage company objects if there is not enough remaining equity in the property. Chief Counsel Maher added that generally, it is not an issue, but in this case the mortgage company was not familiar with the transaction.

*A roll-call vote was taken and the Resolution was APPROVED 7-0.*

Chairman Walton asked for a motion on the next Resolution.

**RESOLUTION – ANNUAL MEETING SCHEDULE FOR 2019**

*Director Romano made a motion on the Resolution and Director Richko seconded it.*

There were no public comments.

*A roll-call vote was taken and the Resolution was APPROVED 7-0.*

Chairman Walton opened the floor for public comment on any other matters.

**PUBLIC COMMENT**

**Hank Klumpp, Tewksbury, NJ** - Mr. Klumpp asked where the funding came from for Peter Kellogg's land deal. Mr. Klumpp also asked what can be done since, in his opinion, the State of New Jersey must have a mortgage on his property. Council staff responded that the funding for Mr. Kellogg's property came from the PSE&G mitigation funding.

**David Shope, Lebanon Township, NJ** – Mr. Shope reiterated his comment from the Bank's November 2017 meeting minutes regarding the HDC value of \$16,000. Mr. Shope also commented on Ms. Post's analysis submitted to the Council at a recent meeting regarding the \$16,000 HDC value. Mr. Shope asked Council to submit Ms. Post's analysis to the Bank.

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**Julia Somers, New Jersey Highlands Coalition** – Ms. Somers asked, with the expiration of the Land Water Conservation Act does Council have any idea regarding funding. Ms. Plevin reported that Council has a grant application pending with the US Fish and Wildlife Service for \$4.7M in federal Highlands Conservation Act funding.

*Director Richko made a motion to adjourn the meeting and Director Holtaway seconded it. The meeting adjourned at 4:24pm.*

**CERTIFICATION**

I hereby certify that the foregoing is a true copy of the minutes of the meeting of the Highlands Development Credit Bank Board.

Date: 7/1/19

Name: Annette Tagliareni  
Annette Tagliareni, Executive Assistant

<b>Vote on the Approval of Minutes</b>	<b><u>Motion</u></b>	<b><u>Second</u></b>	<b><u>Yes</u></b>	<b><u>No</u></b>	<b><u>Abstain</u></b>	<b><u>Absent</u></b>
Director Davis	✓		✓			
Director Fricke			✓			
Director Holtaway			✓			
Director McElroy			✓			
Director Nieuwenhuis						✓
Director Payne					✓	
Director Richko		✓	✓			
Director Romano			✓			
Chairman Walton			✓			

**HIGHLANDS DEVELOPMENT CREDIT BANK  
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**Council approved the Highlands Development Credit Bank Minutes of November 1, 2018 at its December 6, 2018 meeting:**

<b>Vote on the Approval of The Minutes</b>	<b>Motion</b>	<b>Second</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Councilmember Alstede	_____	_____	✓	_____	_____	_____
Councilmember Carluccio	_____	_____	✓	_____	_____	_____
Councilmember Dougherty	_____	_____	✓	_____	_____	_____
Councilmember Dressler	_____	_____	_____	_____	_____	✓
Councilmember Francis	_____	_____	✓	_____	_____	_____
Councilmember Holtaway	_____	✓	✓	_____	_____	_____
Councilmember James	_____	_____	✓	_____	_____	_____
Councilmember Sebetich	_____	_____	✓	_____	_____	_____
Councilmember Visioli	_____	_____	✓	_____	_____	_____
Councilmember Vohden	_____	_____	✓	_____	_____	_____
Councilmember Walton	✓	_____	✓	_____	_____	_____
Chairman Richko	_____	_____	✓	_____	_____	_____