



RESOLUTION OF THE NEW JERSEY PINELANDS COMMISSION

NO. PC4-20- 04

TITLE: Approving With Conditions an Application for **Public Development** (Application Number 1983-5837.058)

Commissioner Pikolycky moves and Commissioner Avery seconds the motion that:

WHEREAS, the Pinelands Commission has reviewed the Public Development Application Report and the recommendation of the Executive Director that the following application for Public Development be approved with conditions:

1983-5837.058

Applicant:	South Jersey Transportation Authority
Municipality:	Egg Harbor Township
Management Area:	Pinelands Military & Federal Installation Area
Date of Report:	January 23, 2020
Proposed Development:	Construction of a twelve acre deicing pad at the Atlantic City International Airport.

WHEREAS, no request for a hearing before the Office of Administrative Law concerning the Executive Director's recommendation has been received for this application; and

WHEREAS, the Pinelands Commission hereby adopts the Conclusion of the Executive Director for the proposed development; and

WHEREAS, the Pinelands Commission hereby determines that the proposed public development conforms to the standards for approving an application for public development set forth in N.J.A.C. 7:50-4.57 if the conditions recommended by the Executive Director are imposed; and

WHEREAS, pursuant to N.J.S.A. 13A-5h, no action authorized by the Commission shall have force or effect until ten (10) days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the meeting of the Commission has been delivered to the Governor for review, unless prior to expiration of the review period and Governor shall approve same, in which case the action shall become effective upon such approval.

NOW, THEREFORE BE IT RESOLVED that Application Number 1983-5837.058 for public development is hereby **approved** subject to the conditions recommended by the Executive Director.

Record of Commission Votes

AYE NAY NP A/R*				AYE NAY NP A/R*				AYE NAY NP A/R*			
Ashmun			X	Irick	X			Quinn			X
Avery	X			Jannarone		X		Rohan Green			X
Christy	X			Lloyd	X			Prickett	X		
Earlen	X			Lohbauer	X						
Howell	X			Pikolycky	X						

*A = Abstained / R = Recused

Adopted at a meeting of the Pinelands Commission

Nancy Wittenberg
Nancy Wittenberg
Executive Director

Date: February 14, 2020

Richard Prickett
Richard Prickett
Chairman



State of New Jersey

THE PINELANDS COMMISSION

PO Box 359

NEW LISBON, NJ 08064

(609) 894-7300

www.nj.gov/pinelands



PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

General Information: Info@pinelands.nj.gov
Application Specific Information: AppInfo@pinelands.nj.gov

RICHARD PRICKETT
Chairman
NANCY WITTENBERG
Executive Director

January 23, 2020

Tim Kroll
South Jersey Transportation Authority
P.O. Box 351
Hammonton, NJ 08037

Re: Application # 1983-5837.058
Block 101, Lot 9
Egg Harbor Township

Dear Mr. Kroll:

The Commission staff has completed its review of this application for construction of a twelve acre deicing pad at the Atlantic City International Airport. Enclosed is a copy of a Public Development Application Report. On behalf of the Commission's Executive Director, I am recommending that the Pinelands Commission approve the application with conditions at its January 10, 2020 meeting.

Any interested party may appeal this recommendation in accordance with the appeal procedure attached to this document. If no appeal is received, the Pinelands Commission may either approve the recommendation of the Executive Director or refer the application to the New Jersey Office of Administrative Law for a hearing.

Prior to any development, the applicant shall obtain any other necessary permits and approvals.

Sincerely,

Charles M. Horner, P.P.

Director of Regulatory Programs

Encs: (2) Appeal Procedure
Public Comment

c: Secretary, Egg Harbor Township Planning Board (via email)
Egg Harbor Township Construction Code Official (via email)
Egg Harbor Township Environmental Commission (via email)
Atlantic County Department of Regional Planning and Development (via email)
Gilberto Bosque



State of New Jersey

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General Information: Info@pinelands.nj.gov
Application Specific Information: AppInfo@pinelands.nj.gov

RICHARD PRICKETT
Chairman
NANCY WITTENBERG
Executive Director

PUBLIC DEVELOPMENT APPLICATION REPORT

January 23, 2020

Tim Kroll
South Jersey Transportation Authority
P.O. Box 351
Hammonton, NJ 08037

Application No.: 1983-5837.058
Block 101, Lot 9
Egg Harbor Township

This application proposes construction of a twelve acre deicing pad at the Atlantic City International Airport located on the above referenced 2,381 acre parcel in Egg Harbor Township.

The proposed deicing pad will be located within an existing grassed infield area in the center of four existing aircraft taxiways.

STANDARDS

The Commission staff has reviewed the proposed development for consistency with all standards of the Pinelands Comprehensive Management Plan (CMP). The following reviews the CMP standards that are relevant to this application:

Land Use (N.J.A.C. 7:50-5.29)

The Pinelands Protection Act designates the boundaries of the 938,000 acre Pinelands Area. Within the boundaries of the Pinelands Area, the Pinelands Protection Act also designates the 366,000 acre Pinelands Preservation Area and the 572,000 acre Pinelands Protection Area. The CMP then establishes land management areas such as Regional Growth, Rural Development and Military and Federal Installation that overlay the entire Pinelands Area.

The parcel subject of this application is located in a Military and Federal Installation Management Area. The CMP permits any proposed use associated with the function of a federal installation in a Military and Federal Installation Management Area. The CMP also permits any other public purpose use undertaken by or on behalf of another level of government in a Military and Federal Installation Management Area. The proposed deicing pad is proposed by the South Jersey Transportation Authority (SJTA), another level of government, in the Military and Federal Installation Management Area. The deicing pad will service aircraft utilizing the Atlantic City International Airport.

The CMP requires that, where feasible, proposed development in a Military and Federal Installation Management Area shall be located in the Pinelands Protection Area portion of the Pinelands Area. The development proposed in this application meets this requirement.

As further provided for in the CMP, the proposed use will not require any development in a Forest Management Area or the Pinelands Preservation Area District.

The proposed development is a permitted use in a Military and Federal Installation Management Area.

Vegetation Management Standards (N.J.A.C. 7:50-6.23 & 6.26)

The proposed development will be located within an existing grassed area. The proposed soil disturbance is limited to that which is necessary to accommodate the proposed development.

The Landscaping and Revegetation guidelines of the CMP recommend the use of grasses that are tolerant of droughty, nutrient poor conditions. To stabilize the disturbed areas, the applicant proposes to utilize a seed mixture which meets that recommendation.

Threatened and Endangered Species Standards (N.J.A.C. 7:50-6.33)

On February 26, 2004, the Commission entered into a Memorandum of Agreement (MOA) with the SJTA to facilitate the review of certain classes of public development that are defined in the MOA. To address proposed impacts to habitat critical to the survival of local populations of threatened and endangered animal species by the development proposed in the MOA, the SJTA agreed to develop a Grassland Conservation and Management Plan, which included the creation of a Grassland Conservation and Management Area. The MOA authorized the construction of a seven acre deicing pad on the parcel. The current application proposes to increase the size of the deicing pad to twelve acres.

The additional five acres to be disturbed by the proposed twelve acre deicing pad will be located in habitat that is critical to the survival of Upland sandpiper and Grasshopper sparrow, both threatened or endangered animal species. To address the impacts from the additional five acres not authorized by the 2004 MOA, the applicant proposes to eliminate five acres from an approximately thirty acre area designated for development and identified in the MOA as an "Auxiliary Area Development."

The applicant has submitted a revised Airport Layout Plan that identifies five acres within the Auxiliary Area Development as a "Grassland Offset Area- to be held in reserve. No development shall occur without the approval of the New Jersey Pinelands Commission." This five acre area, although critical habitat for Upland sandpiper and Grasshopper sparrow, was capable of being developed under the 2004 MOA.

Based upon this revision to the Airport Layout Plan, the proposed twelve acre deicing pad will not result in a greater disturbance to habitat critical to the survival of local populations of threatened and endangered animal species than was previously authorized by the 2004 MOA.

Water Quality Standard (N.J.A.C. 7:50-6.83)

The Atlantic City International Airport existed prior to the 1981 effective date of the regulations contained in the CMP. During current deicing activities, aircraft are sprayed with a glycol based deicing fluid on the existing paved tarmac. The deicing fluid currently flows to the edge of the tarmac and into

the existing soils. Upon completion of the proposed deicing pad, an operator will open a valve on the stormwater collection system during deicing events which will cause all runoff from the deicing pad to enter a separate collection system and be discharged into the existing sanitary sewer collection and treatment system. The valve will remain closed during all other times to permit stormwater runoff to be directed into the proposed surface and underground stormwater infiltration systems.

Stormwater Management Standards (N.J.A.C.7:50-6.84(a)6)

The applicant has demonstrated that the proposed development is consistent with the CMP stormwater management standards. To meet these standards, the application proposes to construct an underground stormwater infiltration facility and a stormwater infiltration basin.

Cultural Resource Standards (N.J.A.C. 7:50-6.151)

The Commission staff reviewed the application for evidence of cultural resources on the parcel. Based upon the lack of potential for significant cultural resources on the parcel, a cultural resource survey was not required.

PUBLIC COMMENT

The applicant has provided the requisite public notice. Newspaper public notice was completed on January 13, 2016. The application was designated as complete on the Commission's website on November 13, 2019. The Commission's public comment period closed on December 13, 2019. The Commission received oral public comment from one individual at the December 13, 2019 Commission meeting. That commenter also submitted a letter (attached) dated December 13, 2019 reiterating and detailing their comments.

Public Comment: The commenter questioned whether SJTA had met the following conditions of the approved 2019 amendment to the 2004 MOA between SJTA and the Pinelands Commission:

- Commenter Question One: Had SJTA met the requirement to acquire land within the Pinelands for creation and long-term maintenance of a new Grassland Conservation Management Area, of which 62 acres (the minimum area of potential habitat required for the Upland sandpiper) is already cleared, and located at least 50 meters from any structure or forest edge?

Staff Response: The SJTA provided an approved resolution between SJTA and the Atlantic County Board of Chosen Freeholders authorizing a Memorandum of Agreement for the County of Atlantic to purchase the required land. Preliminary investigations have been completed and a site inspection of potential sites is scheduled for January 31, 2020. The 2019 amendment to the MOA provide that SJTA has until April 16, 2020 to acquire the site. The 2019 amendment to the MOA also provides that SJTA may request a one-time six month extension at the discretion of the Pinelands Commission Chairperson and the Executive Director of the Pinelands Commission.

- Commenter Question Two: Has SJTA met that requirement to enhance an approximately twelve acre site located adjacent to the Forest Preservation Area in the northeast quadrant of the airport for Frosted elfin butterfly?

Staff Response: The 2019 MOA amendment provides that SJTA has until April 16, 2021 to complete this enhancement. The applicant has provided information indicating that SJTA has included funding in its 2020 budget for the purchase of Wild indigo plants and has located a nursery that will provide the required plants.

- Commenter Question Three: Has SJTA met the 2019 MOA amendment to make an initial payment of \$500,000 (due before any development approvals)?

Staff Response: SJTA made the initial payment of \$500,000 dollars on April 12, 2019.

- Commenter Question Four: Has SJTA provided a resolution (due before any development approvals) from the SJTA Board committing to the remaining five annual payments of \$500,000 each to be paid no later than January 5th of each year, and a timeframe for the acquisition and creation of the new Grassland Conservation Management Area, and enhancement of the habitat for the Frosted elfin butterfly.

Staff Response: On April 5, 2019, the SJTA board approved a resolution committing to the five remaining payments and a timeframe for the acquisition and creation of the new Grassland Conservation Management Area. The 2019 MOA amendment requires that the Grassland Conservation Management Area be acquired by April 16, 2020, the creation of the Grassland Conservation Management Area occur by April 16, 2022 and the enhancement of the habitat for Frosted elfin butterfly in the concerned twelve acres be completed by April 16, 2021.

- Commenter Question Five: Has SJTA provided a written agreement (due May 2019) from the Federal Aviation Administration (FAA) indicating that the FAA concurs with the expansion of the Forest Preservation Area to include the twelve acre enhanced Frosted elfin butterfly habitat and a nearby area where a well-documented Frosted elfin butterfly colony is located, on all subsequent layout plans for the airport?

Staff Response: SJTA obtained a revised Airport Layout Plan approved by the Federal Aviation Administration on November 21, 2019 which expanded the “Forest Preservation Area – to be Held in Reserve. No Development Shall Occur” to include the twelve acre area for the enhancement of habitat for Frosted elfin butterfly and the existing Frosted Elfin colony located approximately 2,500 feet southwest of the twelve acres.

- Committer Question Six: Has SJTA provided monthly written status reports to the Pinelands Commission commencing July 2019?

Staff Response: The 2019 MOA requires submission of monthly written status reports beginning in July 2019. Although SJTA had fallen behind in providing the monthly written status reports, the reports for the months of July through December of 2019 have now been provided.

- Committer Question Seven: In addition to the conditions of the 2019 MOA amendment and the 2004 MOA, the commenter questioned whether the SJTA submitted a revised airport layout plan which removed five acres from the 2004 MOA designated “Auxiliary Development Area.”

Staff Response: SJTA has provided the Commission with a copy of a revised Airport Layout Plan which delineates five acres of habitat critical to the survival of Upland sandpiper and Grasshopper sparrow within the Auxiliary Development Area as “Grassland Offset Area” with a note indicating that “Grassland Offset Area- To be held in reserve. No development shall occur without the approval of the New Jersey Pinelands Commission.”

CONDITIONS

1. Except as modified by the below conditions, the proposed development shall adhere to the plan, consisting of 38 sheets, prepared by Michael Baker International and dated as follows:

Sheets 1-25 & 32-38 – August 2015

Sheets 26-31 – April 2017

2. Disposal of any construction debris or excess fill may only occur at an appropriately licensed facility.
3. Any proposed revegetation shall adhere to the "Vegetation" standards of the CMP. Where appropriate, the applicant is encouraged to utilize the following Pinelands native grasses for revegetation: Switch grass, Little bluestem and Broom-sedge.
4. Prior to any development, the applicant shall obtain any other necessary permits and approvals.

CONCLUSION

As the proposed development conforms to the standards set forth in N.J.A.C. 7:50-4.57, it is recommended that the Pinelands Commission **APPROVE** the proposed development subject to the above conditions.



State of New Jersey

THE PINELANDS COMMISSION

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General Information: Info@pinelands.nj.gov
Application Specific Information: AppInfo@pinelands.nj.gov

RICHARD PRICKETT
Chairman
NANCY WITTENBERG
Executive Director

PINELANDS COMMISSION **APPEAL PROCEDURE**

The Pinelands Comprehensive Management Plan (N.J.A.C. 7:50-4.91) provides an interested party the right to appeal any determination made by the Executive Director to the Commission in accordance with N.J.A.C. 7:50-4.91. An interested party is someone who has a specific property interest sufficient to require a hearing on constitutional or statutory grounds. Only appeal requests submitted by someone meeting the definition of an interested party will be transmitted to the New Jersey Office of Administrative Law for a hearing. Any such appeal must be made in writing to the Commission and received by the Commission's office no later than 5:00 PM on February 10, 2020 and include the following information:

1. the name and address of the person requesting the appeal;
2. the application number;
3. the date on which the determination to be appealed was made;
4. a brief statement of the basis for the appeal; and
5. a certificate of service (a notarized statement) indicating that service of the notice has been made, by certified mail, on the clerk of the county, municipal planning board and environmental commission with jurisdiction over the property which is subject of this decision.

Within 15 days following receipt of a notice of valid appeal, the Executive Director shall initiate the procedures for assignment of an Administrative Law Judge to preside at the hearing pursuant to the Administrative Procedures Act, N.J.S.A. 52:14B-1 et seq., and the procedures established by the Office of Administrative Law. The time, date and location of such hearing shall be designated by the Office of Administrative Law.



PINELANDS PRESERVATION ALLIANCE

Bishop Farmstead • 17 Pemberton Road • Southampton, NJ 08088
Phone: 609-859-8860 • ppa@pinelandsalliance.org • www.pinelandsalliance.org

December 13, 2019

Pinelands Commission
15 Springfield Road
New Lisbon, NJ 08064

Re: Application No. 1983-5837.058 – South Jersey Transportation Authority

Dear Chairman Prickett and Pinelands Commissioners,

I am writing on behalf of Pinelands Preservation Alliance to express concern regarding the application to build a 12-acre deicing pad at the Atlantic City International Airport (ACY). The 2004 Memorandum of Agreement (MOA) with South Jersey Transportation Authority (SJTA) was created to facilitate several short-term projects at ACY, including the deicing apron presently under consideration. The agreement described a number of mitigation measures, including the development of a Grassland Conservation and Management Plan, to create and enhance habitat to compensate for the loss of critical habitat for grassland species of concern. The mitigations intended to provide the state-listed Upland sandpiper, Grasshopper sparrow and Frosted elfin butterfly with an equivalent level of protection and resources of the Pinelands as they would have been afforded if the Comprehensive Management Plan (CMP) standards were upheld.

The 2004 MOA allowed for certain projects to proceed if and only if a Grassland Conservation and Management Plan with environmental commitments was developed. According to the MOA, an area of 290 acres was to be designated "Grassland Conservation and Management Area (GCMA) - to be Held in Reserve. No Development Shall Occur". This restriction was intended to "run with the land and shall be referenced in the deed for the property" (MOA IIIA7(b)).

However, the GCMA was destroyed this year, as a result of the approved amendment to the MOA. This April 2019 amendment laid out several provisions to be met by the SJTA, and a specific timeline to do so. These requirements include:

1. Acquire land within the Pinelands for creation and long-term maintenance of a new GCMA, of which 62 acres (the minimum area of potential habitat required for the Upland sandpiper) is already cleared, and located at least 50 meters from any structure or forest edge;

2. Enhance an approximately 12-acre site located adjacent to the Forest Preservation Area in the northeast quadrant of the airport for the Frosted elfin butterfly;
3. An initial payment of \$500,000 (due before any development approvals);
4. A resolution (due before any development approvals) from the SJTA Board committing to the remaining five annual payments of \$500,000 each to be paid no later than January 5th of each year, AND a timeframe for the acquisition (within 1 year) and creation (within 3 years) of the new GCMA, and enhancement of the habitat for the Frosted elfin butterfly (within 2 years);
5. A written agreement (due May 2019) from the Federal Aviation Administration (FAA) indicating that the FAA concurs with the expansion of the Forest Preservation Area to include the 12-acre enhanced Frosted elfin butterfly habitat, as well as a nearby area where a well-documented colony is located, on all subsequent layout plans for the airport;
6. Monthly written status reports to the Pinelands Commission commencing July 2019.

Additionally, several letters were sent from Pinelands Commission staff to SJTA requesting an Airport Layout Plan. The original MOA approved a 7-acre deicing pad, and those plans were not altered in the 2019 amendment. But the project currently under consideration is for a 12-acre deicing pad, so SJTA agreed to remove that 5-acre balance from the Auxiliary Development Area authorized by the MOA. An Airport Layout Plan clearly illustrating this change was first requested by your staff in March 2017, and the most recent letter in this application's file requesting the same thing was sent in May of this year. There was no reply or Airport Layout Plan in this application's file as of my file review on December 12, 2019.

The April 16, 2019 first amendment to the MOA specifically states that until the initial payment and SJTA Board resolution are received, no development activities will be approved by the Pinelands Commission. Additionally, the amendment states that "all development activities authorized by this Agreement or the February 26, 2004 MOA... shall immediately cease and these agreements shall be considered suspended in the event the [SJTA] fails to make any of the annual payments..., or fails to meet the time lines for either 1) the acquisition, creation and maintenance for the new off-airport Grassland Conservation and Management Area or 2) the enhancement and maintenance of the Frosted elfin butterfly habitat in the northeast quadrant of the Property."

In light of the fact that the 2004 MOA allowed for the destruction of critical habitat for 3 state-listed threatened and endangered species *only* under the condition of 290 acres of habitat creation that was to be protected into perpetuity, only to have THAT critical habitat destroyed a mere 15 years later, I urge the Commission to ensure that every last requirement set forth in the MOA amendment has been met before approving the construction of 12 acres of impervious surface at the airport: a proposal that already, in the planning stage, deviates from the MOA by being 5 acres larger than agreed upon.

Prior to your vote on this application, an annual payment must be received by January 5th, and status reports must have been received every month since July. The SJTA's Board resolution, and the written agreement from the FAA should **already** have been received by the Pinelands Commission, and in just a few months, in April, the acquisition of the new GCMA habitat must be complete. Plus, the Airport Layout Plan, compensating for 5 extra acres added to this deicing pad as compared to the original 7-acre proposal, must be received as requested repeatedly by your staff over the past two and a half years.

At the December 13, 2019 Pinelands Commission meeting, Stacey Roth stated, during discussion of this application, that SJTA "started in August but there's been a recent lapse" in the monthly reporting. She said "we remind them", which is absolutely outside of the responsibility of the Pinelands Commission. An applicant unable to uphold a clear obligation per a legal Memorandum of Agreement with a state agency without reminders should not be rewarded with a development approval.

The Pinelands Commission has already accommodated the South Jersey Transportation Authority by allowing non-compliance with the CMP in the original 2004 MOA, and then further non-compliance as well as a renegeing of the MOA terms by approving the 2019 amendment. We urge the Commission to not give another approval to SJTA unless they have fulfilled absolutely every one of their requirements under the new agreement.

Thank you for your consideration,



Rhyan Grech

Policy Advocate



RESOLUTION OF THE NEW JERSEY PINELANDS COMMISSION

NO. PC4-20- 05

TITLE: Approving With Conditions an Application for Public Development (Application Number 1984-0514.008)

Commissioner Lohbauer moves and Commissioner Earlen seconds the motion that:

WHEREAS, the Pinelands Commission has reviewed the Public Development Application Report and the recommendation of the Executive Director that the following application for Public Development be approved with conditions:

1984-0514.008

Applicant:	Ocean County
Municipality:	Barnegat Township Ocean Township
Management Area:	Pinelands Forest Area Pinelands Regional Growth Area
Date of Report:	January 24, 2020
Proposed Development:	Forestry on 899 acres of a 2,290 acre parcel.

WHEREAS, no request for a hearing before the Office of Administrative Law concerning the Executive Director's recommendation has been received for this application; and

WHEREAS, the Pinelands Commission hereby adopts the Conclusion of the Executive Director for the proposed development; and

WHEREAS, the Pinelands Commission hereby determines that the proposed public development conforms to the standards for approving an application for public development set forth in N.J.A.C. 7:50-4.57 if the conditions recommended by the Executive Director are imposed; and

WHEREAS, pursuant to N.J.S.A. 13A-5h, no action authorized by the Commission shall have force or effect until ten (10) days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the meeting of the Commission has been delivered to the Governor for review, unless prior to expiration of the review period and Governor shall approve same, in which case the action shall become effective upon such approval.

NOW, THEREFORE BE IT RESOLVED that Application Number 1984-0514.008 for public development is hereby **approved** subject to the conditions recommended by the Executive Director.

Record of Commission Votes

AYE	NAY	NP	A/R*	AYE	NAY	NP	A/R*	AYE	NAY	NP	A/R*
		X		X							X
			R			X					X
X				X				X			
X				X					X		
X				X							

*A = Abstained / R = Recused

Adopted at a meeting of the Pinelands Commission

Nancy Wittenberg
Nancy Wittenberg
Executive Director

Date: February 14, 2020

Richard Prickett
Richard Prickett
Chairman

SJTA's Responsibilities Under the April 2019 Amended Memorandum of Agreement (MOA)				
	Obligation	Paragraph in Amended MOA	SJTA Compliance to Date	Date of Action
1	6 annual payments of \$500,000	3	Payments received in April 2019 and December 2020	Checks received April 15, 2019 & December 19, 2019
2	Acquire land within the Pinelands, of which at least 62 acres is already cleared and the cleared acreage is located at least 50 meters from any structure or forest edge.	4	SJTA entered into an agreement with Atlantic County for the County to assist it with finding appropriate site. Visit of potential site occurred on January 31, 2020.	MOA between SJTA and AC executed on December 17, 2019.
3	Fund the creation, dedication and long term maintenance of new GCMA	4	SJTA put \$2 million in its 2020 capital budget for establishment of the new GCMA and Frosted elfin butterfly habitat enhancement project.	Occurred in November 2019
4	Execute and File DCR for new GCMA to preserve in perpetuity	4	Must be done 90 days after site for new GCMA is acquired	
5	Fund enhancement of ~12 acre site in northeast quadrant of airport for Frosted Elfin Butterfly through planting of wild indigo	5	SJTA put \$2 million in its 2020 capital budget for establishment of the new GCMA and Frosted elfin butterfly habitat enhancement project.	Occurred in November 2019
6	Obtain FAA's approval to expand the "Forest Preservation Area" located in the northeastern portion of the airport to include not only the 12 acre frosted elfin butterfly site but also the area where frosted elfin butterfly has been documented	5	SJTA received formal approval from the FAA and this 12-acre area has been added to the ALP. The signed ALP was provided to the Commission in November.	Sent November 29, 2019
7	Provide copy of the revised ALP to the PC	5	Copy of revised and approved ALP provided to PC in November.	Sent November 29, 2019

8	Provide resolution from Board acknowledging SJTA's commitment to undertake and complete offsetting measures and provide time line for acquisition and creation of the GCMA and frosted elfin butterfly habitat enhancement project including deadlines below.	6	Resolution 2019-19 was executed by the SJTA on April 5, 2019	Copy of minutes approving the resolution wre sent to the Commission on April 10, 2019
9	Acquisition of new GCMA site within 1 year of SJTA's execution of the MOA (April 12, 2020)	6	As noted above, SJTA is working with AC to acquire an appropriate site.	
10	Establishment of new GCMA within 3 years of SJTA's execution of the MOA (April 12, 2022)	6		
11	Completion of Frosted elfin butterfly habitat enhancement project within 2 years of SJTA's execution of the MOA (April 12, 2021).	6	SJTA has another nursery capable of providing the wild indigo plants needed for the site. SJTA has reserved 200 plugs and nursery expects to have 1,500 plugs in June, which has also been reserved for SJTA.	Noted in the December 2019 Status Report
12	SJTA may request one, 6 month extension of 1 year deadline for acquisition of a site for the new GCMA. Request for extension must be submitted in writing by March 11, 2020.)	8		

13	45 days prior to commencing creation of new GCMA or Frosted elfin butterfly habitat enhancement project, SJTA has to submit info to the PC and cannot commence either project until submitted info and received approval from the ED	9 & 10		
14	If SJTA fails to acquire a parcel for the new GCMA within 1 year (or 1.5 years if extension granted), it must make an additional payment to the PC equal to FMV to acquire a GCMA site and the present day value of the costs that would be incurred to create and maintain the GCMA. PC will determine the payment amount based on info submitted by SJTA within 30 days of April 12, 2020 (or September 12, 2020 if extension granted.)	11 & 12		
15	Additional payment in lieu of creating new GCMA shall be provided to PC within 60 days of receipt of payment amount from the PC.	12		

16	Provide monthly status reports delineating steps taken to implement the offsetting measures (new GCMA & Frosted elfin butterfly habitat enhancements.) After acquisition of the site for the new GCMA, duration of submission of status reports may be changed by written authorization of the ED with concurrence of the chair.	18	Status reports have been received for July 2019 through December 2019 and January 2020	
17	MOA Amendment suspended if any of the annual payments not made or time-lines for the creation and maintenance of new GCMA or Frosted elfin butterfly habitat enhancement project are not met.	13		
18	If MOA is suspended for lack of payment or failure to meet deadlines associated with the new GCMA or Frosted elfin butterfly habitat enhancement project, the Commission may demand immediate payment of all remaining \$500,000 annual payments.	17		
19	Attend meeting of the P&I Committee as requested by the Committee to provide an update on efforts to satisfy offsetting obligations.	20		



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SHEILA Y. OLIVER
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Application Specific Information: AppInfo@pinelands.nj.gov

RICHARD PRICKETT
Chairman
NANCY WITTENBERG
Executive Director

January 24, 2020

Mark Villinger (via email)
Ocean County
1198 Bandon Road
Cattus Island County Park
Toms River, NJ 08753

Re: Application # 1984-0514.008
Wells Mill County Park
Block/Lots: See Attachment A
Barnegat and Ocean Townships

Dear Mr. Villinger:

The Commission staff has completed its review of this application for forestry at the Wells Mills County Park located in Barnegat and Ocean Townships. Enclosed is a copy of a Public Development Application Report. On behalf of the Commission's Executive Director, I am recommending that the Pinelands Commission approve the application with conditions at its February 14, 2020 meeting.

Any interested party may appeal this recommendation in accordance with the appeal procedure attached to this document. If no appeal is received, the Pinelands Commission may either approve the recommendation of the Executive Director or refer the application to the New Jersey Office of Administrative Law for a hearing.

Prior to any development, the applicant shall obtain any other necessary permits and approvals.

Sincerely,

Charles M. Horner, P.P.

Director of Regulatory Programs

Enc: Attachment A: List of Blocks/Lots
Attachment B: Commenter Letter dated 1/9/2020
Appeal Procedure

c: Secretary, Barnegat Township Planning Board (via email)
Barnegat Township Environmental Commission (via email)
Secretary, Ocean Township Planning Board (via email)

Ocean Township Environmental Commission (via email)
Secretary, Ocean County Planning Board (via email)
Robert Williams



State of New Jersey
THE PINELANDS COMMISSION
PO Box 359
NEW LISBON, NJ 08064
(609) 894-7300
www.nj.gov/pinelands



PHILIP D. MURPHY
Governor
SHEILA Y. OLIVER
Lt. Governor

General Information: Info@pinelands.nj.gov
Application Specific Information: AppInfo@pinelands.nj.gov

RICHARD PRICKETT
Chairman
NANCY WITTENBERG
Executive Director

PUBLIC DEVELOPMENT APPLICATION REPORT

January 24, 2020

Mark Villinger (via email)
Ocean County
1198 Bandon Road
Cattus Island County Park
Toms River, NJ 08753

Application No.: 1984-0514.008
Wells Mills County Park
Blocks/Lots: See Attachment A
Barnegat and Ocean Townships

Dear Mr. Villinger:

This application proposes forestry on the above referenced 2,290 acre parcel. Approximately 2,273 acres of the parcel are located in Ocean Township and approximately 17 acres of the parcel are located in Barnegat Township. No forestry activities are proposed in Barnegat Township. The Wells Mills County Park is located on the parcel.

The applicant proposes to undertake prescribed burning on 198 acres of the parcel located in both Ocean and Barnegat Townships. Prescribed burning does not require application to the Commission.

The application proposes forest thinning of 837 acres of overstocked upland oak and pine forest types on the parcel. Proposed thinning will occur within seven different upland forest stands on the parcel. The application also proposes harvesting of 62 acres in Atlantic white cedar (AWC) and Hardwood swamps/Pitch pine lowlands within three different wetland forest stands on the parcel.

The proposed forestry is intended to achieve many goals. Those goals include thinning of upland Pitch pine stands to reduce wildfire risk to adjacent residential development and a nearby Boy Scout Camp and restoring and expanding AWC forest. Firewood will be generated by the proposed forest thinning. The harvest of dead and declining AWC will provide cedar lumber to reduce the cost of the forestry operation.

STANDARDS

The Commission staff has reviewed the proposed forestry for consistency with all standards of the Pinelands Comprehensive Management Plan (CMP). The following reviews the CMP standards that are relevant to this application:

Land Use (N.J.A.C. 7:50-5.23)

Approximately 2,273 acres of the parcel are located in a Pinelands Forest Area. Approximately 17 acres of the parcel are located in a Pinelands Regional Growth Area. All forestry is proposed to occur within a Forest Management Area. Forestry is a permitted use in a Pinelands Forest Area.

Wetlands Standards (N.J.A.C. 7:50-6.9)

There are wetlands located on the parcel. Some of the proposed forestry will be located in wetlands. Forestry is authorized in wetlands provided the forestry meets the requirements and standards specified in the CMP (N.J.A.C. 7:50-6.41-6.48). These requirements and standards include minimizing access through wetlands, avoidance of herbicides, placing log landings outside of wetlands wherever feasible, maintaining streamside no-work zones for upland work areas and creating contoured edges to harvest areas. No new or temporary forestry access roads are proposed as part of the forestry plan. Herbicide application is not proposed. All log landings will be located in uplands. All AWC harvests will occur in a patchwork mosaic throughout the parcel. The proposed forestry in wetlands meets the forestry requirements and standards specified in the CMP.

Forestry (N.J.A.C. 7:50-6.41-6.48)

The proposed forestry will maintain Pinelands Native Forest Types on the parcel. Forest thinning is permitted in all Pinelands Native Forest Types. Forest thinning is proposed in 837 acres of dense pine-oak, oak-pine, oak, pine, pine-oak-laurel and oak-laurel forest. These forest types are extremely susceptible to forest fire. Thinning is defined by the CMP as a silvicultural practice involving the removal of competing trees to favor certain species, sizes and qualities of trees. For the seven stands subject of the proposed thinning, tree cutting will range between 8% and 25% of the trees in a given stand. The application also proposes 62 acres of forestry to encourage the regeneration of AWC in older cedar stands and the return of AWC to adjacent hardwood swamps which were formerly cedar swamps.

No herbicide application is proposed. Natural regeneration with no site preparation is proposed. As required by the CMP, the proposed forestry meets the standards of the New Jersey Forestry and Wetlands Best Management Practices developed by the New Jersey Department of Environmental Protection and dated October 1995, as amended. The proposed forestry is consistent with the CMP forestry requirements and standards.

Threatened and Endangered Species Standards (N.J.A.C. 7:50-6.27 & 6.33)

All areas where forestry is proposed were visually searched for T&E raptor nests or cavities. No such nest or cavities were found. To avoid impacting T&E snake species which may be denning, any proposed forestry that will utilize heavy equipment is limited to the time period between April 15th through November 15th, the time period when snakes are active and not denning. To avoid impacts to T&E treefrog species, potential breeding habitat was identified and mapped. No forestry will occur within 100 feet of any wetland or pond that constitutes potential T&E treefrog breeding habitat. The proposed forestry is designed to avoid irreversible adverse impact on habitats critical to the survival of any local population of T&E animal species.

The forestry plan evaluated potential habitat for T&E plant species. The densely forested upland areas are too shaded to be suitable habitat for upland T&E plant species. The forestry plan provides a 100 foot no activity buffer to both those wetland areas known to be habitat for, and those wetlands determined to

be potential habitat for, T&E plant species. In addition, a T&E plant survey will be conducted by a qualified person prior to any proposed forestry in wetlands. The proposed forestry is designed to avoid irreversible adverse impact on the survival of any local populations of T&E plant species.

Cultural Resource Standards (N.J.A.C. 7:50-6.151)

No new or temporary forestry access roads are proposed as part of this application. Minimal soil disturbance caused by harvesting trees and moving them to proposed log landings will occur. No new or temporary stream crossings are proposed. As a result, a cultural resource survey was not required for the proposed forestry.

PUBLIC COMMENT

The applicant has provided the requisite public notices. Newspaper public notice was completed on November 13, 2019. Notice to required land owners within 200 feet of the above referenced parcel was completed on November 30, 2019. The application was designated as complete on the Commission's website on December 30, 2019. The Commission's public comment period closed on January 10, 2020. The Commission received one written public comment letter (Attachment B) regarding the application. One oral public comment, summarizing the written public comment letter, was received at the Commission's January 10, 2020 meeting.

Public Comment:

- Comment One: The commenter is generally in favor of the proposed forestry.

Staff Response: The Commission appreciates the commenter's support of the proposed forestry.

- Comment Two: The commenter expressed concern that the forestry Stand Map and Activity Map do not address known T&E plant occurrences like Swamp pink.

Staff Response: The text and map of the forestry plan that was reviewed by the commenters had been redacted to remove all known locational information on T&E species. The protection of all known T&E plant and animal locations was incorporated into the design of the proposed forestry plan.

- Comment Three: The commenter expressed concern that the Forest Inventories in the forestry plan for the wetlands stands indicate that there is no habitat for plants like Curly grass fern, Torrey's muhly and Barratt's sedge. The commenters believe there is habitat and that the habitat should be protected.

Staff Response: In the AWC stands, only select harvesting is proposed. The Hardwood swamp and Pitch pine lowland stands adjacent to the AWC stands will be cleared of trees to allow the adjacent AWC stand to spread out into the Hardwood swamp or Pitch pine lowland stands. By letter dated January 22, 2020, the forestry plan has been revised to indicate that, prior to any forestry occurring in wetlands, a visual search of all proposed wetland harvest areas for all T&E plant species will be conducted.

- Comment Four: The commenter expressed concern that detailed data about what the

forest will look like after the harvest is missing or misrepresented in the plan. Specifically, the age/size class of trees to be harvested is not accurately stated in the plan.

Staff Response: Information addressing what the forest will look like after the harvest is provided on a comprehensive table of forest metrics on pages 62 and 63 of the Forest Plan. This detailed information is not discussed in the text of the Forest Plan. The data tables at the beginning of each Stand Description have been revised to accurately indicate the DBH class and age class distributions of the forest.

The thinning proposed in this forestry plan will harvest a few trees of each age class across the size/age range of all the trees in the stand. This will leave the age class distribution of the forest the same before the harvest as it will be after the thinning. The forest composition will be identical after the thinning compared to prior to the thinning.

- Comment Five: The commenter expressed concern that the small opening patch cuts to improve habitat for T&E snakes known to inhabit the parcel will invite ORV use deeper into the forest beyond existing roads.

Staff Response: Access to the proposed interior forestry patch cuts is limited, with the use of the lightest equipment needed for the proposed forestry. The forestry plan has been amended by letter dated January 22, 2020 to indicate that felled trees will be placed across the skid trails and that stumps and branches will remain along the equipment access to prevent ORV's/vehicles from entering the harvest areas. The January 22, 2020 letter also amends the Forestry Plan to propose the use of corduroy path in the AWC projects. Small/salvage cedar trees are cut and laid down long-ways to create a path for the harvesting equipment, leading to and from the log landings, then, as feasible, the cedar trees are removed as the machine backtracks out of the harvest area, eliminating their "tracks." No new or temporary forestry access roads will be created for the proposed patch cuts.

CONDITIONS

1. The proposed forestry activities shall adhere to the Forest Stewardship Plan for Wells Mills County Park, prepared by Pine Creek Forestry, dated January 1, 2019 and clarified by letters from the applicant dated January 22, 2020 and January 23, 2020.
2. No forestry operation may occur after February 14, 2030 unless a new application for forestry has been completed with and approved by the Pinelands Commission.
3. Prior to any forestry occurring in wetlands, a qualified person shall conduct a visual search of all proposed wetland harvest areas for all T&E plant species for which suitable habitat is present. If any T&E plant species are identified, the applicant shall not harvest within 100 feet of the habitat for the concerned plant species and notify the Commission staff in writing of the T&E plant sighting.
4. To avoid impacting T&E snake species which may be denning, any proposed forestry that will utilize heavy equipment is limited to the time period between April 15th through November 15th, the time period when snakes are active and not denning.

5. No forestry shall occur within 100 feet of any wetland or pond that constitutes potential T&E treefrog breeding habitat.
6. No forestry shall occur within 100 feet of any wetland known to be habitat for, or areas determined to be potential habitat for, T&E plant species.
7. Prior to any forestry, the applicant shall obtain any other necessary permits and approvals.

CONCLUSION

As the proposed forestry conforms to the standards set forth in N.J.A.C. 7:50-4.57, it is recommended that the Pinelands Commission **APPROVE** the proposed forestry subject to the above conditions.



State of New Jersey

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RICHARD PRICKETT
Chairman
NANCY WITTENBERG
Executive Director

PINELANDS COMMISSION **APPEAL PROCEDURE**

The Pinelands Comprehensive Management Plan (N.J.A.C. 7:50-4.91) provides an interested party the right to appeal any determination made by the Executive Director to the Commission in accordance with N.J.A.C. 7:50-4.91. An interested party is someone who has a specific property interest sufficient to require a hearing on constitutional or statutory grounds. Only appeal requests submitted by someone meeting the definition of an interested party will be transmitted to the New Jersey Office of Administrative Law for a hearing. Any such appeal must be made in writing to the Commission and received by the Commission's office no later than 5:00 PM on February 11, 2020 and include the following information:

1. the name and address of the person requesting the appeal;
2. the application number;
3. the date on which the determination to be appealed was made;
4. a brief statement of the basis for the appeal; and
5. a certificate of service (a notarized statement) indicating that service of the notice has been made, by certified mail, on the clerk of the county, municipal planning board and environmental commission with jurisdiction over the property which is subject of this decision.

Within 15 days following receipt of a notice of valid appeal, the Executive Director shall initiate the procedures for assignment of an Administrative Law Judge to preside at the hearing pursuant to the Administrative Procedures Act, N.J.S.A. 52:14B-1 et seq., and the procedures established by the Office of Administrative Law. The time, date and location of such hearing shall be designated by the Office of Administrative Law.

Attachment A

Block 95, Lots 1.01, 1.02, 2 & 2.01
Barnegat Township

Block 15, Lot 2

Block 16, Lots 1 & 3

Block 17, Lots 1 & 2

Block 18, Lots 1, 2.01, 4.01, 5 - 10, 11.01, 12.01 & 13 - 16

Block 27, Lot 5

Block 28, Lot 2

Block 29, Lot 1

Block 30, Lots 6 - 10, 11.01, 13 - 15, 17.01, 17.03 - 17.06 & 18

Block 31, Lots 1, 2, 4, 5 & 9

Block 32, Lots 1 - 10, 11.01, 12 - 14, 15.01 - 15.09 & 16 - 20

Block 33, Lots 9, 10, 11.01, 11.02, 13 - 15, 19 & 21

Block 33.01, Lots 1, 2, 4.01 & 4.02

Block 35, Lots 1, 2.01, 3.01, 3.02, 4.01, 4.02, 5, 14, 15, 19 & 20

Block 36, Lots 3, 4, 5.01, 5.02, 8 - 18, 20 & 21

Block 37, Lots 1 & 2

Block 38, Lots 3.01, 3.02, 8 - 11, 15 - 19, 21 & 27

Ocean Township

Attachment B

APP # 19840514.008
Doc Type 100

JAN 10 2020



January 9, 2020

New Jersey Pinelands Commission
Attn: Charles Horner, Director of Regulatory Programs
P.O. Box 359
New Lisbon, NJ 08064

Re: Pinelands Application No. 1984-0514.008

Dear Director Horner,

Please accept this letter from Pinelands Preservation Alliance (PPA) and New Jersey Conservation Foundation (NJCF) regarding the proposed stewardship plan at Wells Mills County Park and Wilderness Area ("Park") in Ocean County. PPA and NJCF support Ocean County's Department of Parks and Recreation, and their goals for managing public land. In general, we find this plan to be adequate and appropriate for the forest types found within Wells Mills Park, based on the information provided. However, clarification is required before approval should be granted by the Pinelands Commission.

While twelve rare species identified through natural heritage data base results are addressed in the plan, it is evident that surveys have not been conducted in the proposed management stands for these species. For example, an occurrence of swamp pink (*Helonias bullata*) exists on the Park site at the head of Wells Mills Lake, as confirmed by Ocean County Parks staff. As referenced in the plan, an unpublicized High Conservation Value Map delineates habitat and buffers for the Pine Barrens tree frog (*Hyla andersonii*). A comparable map should exist for swamp pink, clearly indicating locations of existing individuals and a 100-foot buffer where no activity will occur. The plan should include a description of the response when threatened and endangered species are identified within the proposed activity areas.

We disagree with the plan's statement that no habitat exists on site for curly-grass fern (*Schizaea pusilla*), Barratt's sedge (*Carex barrattii*) and Torrey's Muhly (*Muhlenbergia torreyana*). Curly-grass fern is known from hummocks in bogs (Gleason and Cronquist 1993), more specifically on the hummocks of Atlantic white-cedars trees in the Pine Barrens. The proposal states "The areas planned for Atlantic White-cedar restoration, presently dominated by hardwood species are unsuitable habitat" (page 21). This statement conflicts with the stand descriptions for both Atlantic White-cedar stands (Stand 1 and 9) which are described as monocultures in the text. In the case of Barratt's sedge and Torrey's Muhly, both species can be found in a variety of habitats and conditions in the Pine Barrens where moist to wet soils

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exist. This conflicts with the proposal that lists management in Atlantic White-cedar swamps, Pitch Pine lowlands and hardwood swamps, yet states for both species "Forest inventory/site visits of designated active management areas show no potential suitable habitat... in or near any wetland activity areas" (page 21). Forest inventories are not rare species surveys, and proper rare species surveys should be conducted in areas proposed for management in order to have confidence in the above statements.

Contradictions persist throughout the proposal in the individual stand descriptions making it difficult, if at all possible, to determine the existing conditions of the stand and the proposed outcome for management. Descriptions of age class, age structure and stocking level in the text often are not consistent with what is presented in the stand description tables. Similarly, the cords and diameter at breast height (DBH) class distribution outlined in the stand description texts do not coincide with the histograms in the text, which themselves do not match with the corresponding appendices attached to the proposal. Estimates of volume per acre in cords on site and number of cords to be removed are not consistent in descriptions of the same stand. Consistency is needed in order to properly review this proposal. For each stand identified in the plan, descriptions include a histogram depicting trees per acre by size class. One crucial piece of missing information from each stand description is the makeup of the proposed targeted trees when thinning is prescribed. In other words, an additional graph and number to show from which size classes the proposed harvest will take place. Mature trees provide important canopy cover, habitat value and carbon sequestration for each habitat type, and the plan should include proposals to focus on younger, smaller trees for the stewardship activities.

Patch cuts are another type of stewardship activity proposed. These openings will create suitable habitat for a number of species, including the Northern pine snake. However, open areas like those created by patch cuts provide an ideal setting for off-road vehicle abuse: a challenge existing throughout the Pinelands. Snake dens are particularly vulnerable to destruction by off-road vehicles, so access is an important consideration. As patch cuts are executed, new roads must not be created that would aid access to the open spaces by unauthorized vehicles. Particular care must be taken to hide the route after the stewardship is complete for that area.

Without clarifying information about the above points, it is impossible to make an informed decision about the appropriateness of the stewardship plan. We reiterate our support for Ocean County Parks, but a stewardship plan should be clear, concise and consistent throughout. This clarity will also help guide the monitoring efforts described throughout the proposal. Acquiring the above information will form a more complete picture about the final habitat value of Wells Mills County Park and Wilderness Area after the proposed activity takes place, and only then can the plan's conformance with the Comprehensive Management Plan and best ecological practices be evaluated.

Thank you for your consideration,

Ryan Rebozo, Ph.D.
Director of Conservation Science
Pinelands Preservation Alliance

Emile DeVito, Ph.D.
Manager of Science and Stewardship
New Jersey Conservation Foundation



RESOLUTION OF THE NEW JERSEY PINELANDS COMMISSION

NO. PC4-20- 06

TITLE: Approving With Conditions an Application for a Waiver of Strict Compliance (Application Number 2019-0138.001)

Commissioner Lohbauer moves and Commissioner Lloyd seconds the motion that:

WHEREAS, the Pinelands Commission has reviewed each of the Findings of Fact, Conclusion and the recommendation of the Executive Director that the following application for Waiver of Strict Compliance be approved with conditions:

2019-0138.001

Applicant: Alan Krupnick
Municipality: Manchester Township
Management Area: Pinelands Regional Growth Area
Date of Report: January 22, 2020
Proposed Development: Single family dwelling.

WHEREAS, no request for a hearing before the Office of Administrative Law concerning the Executive Director's recommendation has been received for this application; and

WHEREAS, the Pinelands Commission hereby adopts the Findings of Fact and Conclusion of the Executive Director for the requested Waiver of Strict Compliance; and

WHEREAS, the Pinelands Commission hereby determines that the requested Waiver conforms to the standards for approving an application for a Waiver of Strict Compliance based on extraordinary hardship as set forth in N.J.A.C 7:50-4.62, N.J.A.C. 7:50-4.63 and N.J.A.C. 7:50-4.65 if the conditions recommended by the Executive Director are imposed; and

WHEREAS, pursuant to N.J.S.A. 13A-5h, no action authorized by the Commission shall have force or effect until ten (10) days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the meeting of the Commission has been delivered to the Governor for review, unless prior to expiration of the review period and Governor shall approve same, in which case the action shall become effective upon such approval.

NOW, THEREFORE BE IT RESOLVED that Application Number 2019-0138.001 for a Waiver of Strict Compliance is hereby **approved** subject to the conditions recommended by the Executive Director.

Record of Commission Votes

AYE NAY NP A/R*				AYE NAY NP A/R*				AYE NAY NP A/R*			
Ashmun			X	Irick	X			Quinn			X
Avery	X			Jannarone		X		Rohan Green			X
Christy	X			Lloyd	X			Prickett	X		
Earlen	X			Lohbauer	X						
Howell	X			Pikolycky	X						

*A = Abstained / R = Recused

Adopted at a meeting of the Pinelands Commission

Nancy Wittenberg
Nancy Wittenberg
Executive Director

Date: February 14, 2020

Richard Prickett
Richard Prickett
Chairman



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General Information: Info@pinelands.nj.gov
 Application Specific Information: AppInfo@pinelands.nj.gov

RICHARD PRICKETT
 Chairman
 NANCY WITTENBERG
 Executive Director

REPORT ON AN APPLICATION FOR A WAIVER OF STRICT COMPLIANCE

January 22, 2020

Alan Krupnick (via email)
 Suburban Agency, Inc.
 P.O. Box 109
 Lakewood, NJ 08701

Re: Application # 2019-0138.001
 Block 63.06, Lots 1, 5, 7 & 11
 Manchester Township

Dear Mr. Krupnick:

The Commission staff has completed its review of the above referenced application for a Waiver of Strict Compliance (“Waiver”) proposing the development of one single family dwelling on the above referenced parcel. Based upon the facts and conclusions contained in this Report, on behalf of the Commission’s Executive Director, I am recommending that the Pinelands Commission approve the application with conditions at its February 14, 2020 meeting.

FINDINGS OF FACT

This application is for the development of one single family dwelling serviced by an alternate design onsite septic system on the above referenced 0.73 acre parcel in Manchester Township. The parcel is located in a Pinelands Regional Growth Area and in Manchester Township’s PR-15 zoning district. In this zoning district, Manchester Township’s certified land use ordinance establishes a minimum lot size of 1.0 acre to develop a single family dwelling that is serviced by an alternate design onsite septic system.

As no Commission accepted alternate design onsite septic system will meet the two parts per million average nitrogen concentration in the groundwater at the property line of the 0.73 acre parcel, the applicant is requesting a Waiver from the groundwater quality standard contained in the CMP (N.J.A.C. 7:50-6.84(a)5iv).

The appropriate resource capability maps and other information available to the Commission staff have been reviewed.

The parcel includes all contiguous land in common ownership on or after January 14, 1981. The proposed single family dwelling will be the sole principal use of the entire contiguous parcel. The development of a single family dwelling on the parcel will be consistent with the purposes and

provisions of the Pinelands Protection Act, the Federal Act and the CMP. The proposed single family dwelling will not result in a substantial impairment of the resources of the Pinelands Area as required by the CMP (N.J.A.C. 7:50-4.65(b)).

Only if the parcel is developed in accordance with the conditions recommended below will the adverse impacts on groundwater quality be minimized.

PUBLIC COMMENT

The applicant provided the requisite public notices. Public notice to all property owners within 200 feet of the parcel was completed on October 31, 2019. Newspaper public notice was completed on November 2, 2019. The application was designated as complete on the Commission's website on December 11, 2019. The Commission's public comment period closed on January 10, 2020. No public comment was received by the Commission for this application.

CONCLUSION

The CMP (N.J.A.C. 7:50-4.62) sets forth the standards which must be met before a Waiver can be approved. The CMP (N.J.A.C. 7:50-4.62(a)) requires that for a Waiver application to be approved based on extraordinary hardship, the applicant must demonstrate that the conditions of either N.J.A.C. 7:50-4.63(a) or (b) have been met.

N.J.A.C. 7:50-4.63(a) sets forth five conditions which must be met for an applicant to qualify for an extraordinary hardship pursuant to that subsection.

The first condition is that the only relief sought is from one or more of the standards contained in N.J.A.C. 7:50-6 for certain specified development. One of the specified types of development is a single family dwelling on a parcel within a Regional Growth Area, Pinelands Town or Pinelands Village which is at least 20,000 square feet, excluding road rights of way, in size and is not served by a centralized waste water treatment system. This application is for a Waiver from the groundwater quality standard contained in N.J.A.C. 7:50-6. The applicant is proposing to develop a single family dwelling serviced by an alternate design onsite wastewater treatment system on a 0.73 acre (31,799 square foot) parcel. The parcel contains more than 20,000 square feet, excluding road rights of way, and is located in a Pinelands Regional Growth Area. As a result, the applicant meets the criteria set forth in N.J.A.C. 7:50-4.63(a)1v.

The second condition is that the parcel includes all contiguous land in common ownership on or after January 14, 1981, including lands which are contiguous as a result of ownership of other contiguous lands. Since the parcel includes all such contiguous land, the applicant meets the criteria set forth in N.J.A.C. 7:50-4.63(a)2.

The third condition is that the proposed use will be the sole principal use on the entire contiguous parcel, except as expressly provided in N.J.A.C. 7:50 5.1(c). As the proposed single family dwelling will be the sole principal use on the parcel, the applicant meets the criteria set forth in N.J.A.C. 7:50-4.63(a)3.

The fourth condition is that all necessary municipal lot area and density variances have been obtained if the parcel is located in a municipality whose master plan and land use ordinance have been certified by the Pinelands Commission. Manchester Township's master plan and land use ordinance have been certified by the Pinelands Commission. The Manchester Township certified land use ordinance provides that for residential development not serviced by a centralized wastewater treatment plant on lots between

20,000 square feet and one acre in size in the Township's PR-15 zoning district, a dwelling may be constructed without the necessity of a municipal lot size or density variance, provided a Waiver is granted by the Pinelands Commission. Based upon this Township land use ordinance provision, the development of a single family dwelling on the parcel will not require a municipal lot area or residential density variance. As a result, the applicant meets the criteria set forth in N.J.A.C. 7:50-4.63(a)4.

The fifth condition is that the development of the parcel will not violate any of the criteria contained in N.J.A.C 7:50-4.65(b). N.J.A.C. 7:50-4.65(a) precludes the granting of a Waiver which permits a parcel to be developed unless such development will be consistent with the purposes and provisions of the Pinelands Protection Act, the Federal Act and the CMP and will not result in a substantial impairment of the resources of the Pinelands Area. The N.J.A.C. 7:50-4.65(b) sets forth the circumstances which do not comply with N.J.A.C. 7:50-4.65(a). With the conditions recommended below, the proposed development will not violate any of the circumstances contained in N.J.A.C. 7:50-4.65(b). As a result, the applicant meets the criteria set forth in N.J.A.C. 7:50-4.63(a)5.

Since the applicant meets all five conditions set forth in N.J.A.C. 7:50-4.63(a), the applicant has demonstrated that an extraordinary hardship exists pursuant to N.J.A.C. 7:50-4.62(a).

As required by N.J.A.C. 7:50-4.62(b), the proposed dwelling will not result in substantial impairment of the resources of the Pinelands or be inconsistent with the provisions of the Pinelands Protection Act, the Federal Act or the CMP in accordance with the criteria set forth in N.J.A.C. 7:50-4.65.

As required by N.J.A.C. 7:50-4.62(c), and with the conditions recommended below, the proposed dwelling will not involve trespass or create a public or private nuisance by being materially detrimental or injurious to other property or improvements in the area in which the parcel is located, increase the danger of fire or endanger public safety.

The CMP (N.J.A.C. 7:50-4.62(d)) requires that the Waiver only grant the minimum relief necessary to relieve the extraordinary hardship. The proposed single family dwelling is the minimum relief necessary to relieve the extraordinary hardship which has been shown to exist.

The CMP (N.J.A.C. 7:50-4.62(d)1iii) requires the acquisition and redemption of 0.25 Pinelands Development Credits (PDCs) whenever a Waiver provides relief from one or more of the standards of N.J.A.C. 7:50-6. As the applicant is obtaining a Waiver from the groundwater quality standard (N.J.A.C. 7:50-6.84(a)5iv.), a condition is included to require the applicant to purchase the requisite 0.25 PDCs.

The CMP (N.J.A.C. 7:50-4.62(d)1ii)) also requires the acquisition and redemption of any PDCs that are otherwise required pursuant to N.J.A.C. 7:50-5.27, 5.28 or 5.32. The CMP (N.J.A.C. 7:50-5.27(c)) provides that any local approval in a Pinelands Regional Growth Area which grants relief from density or lot area requirements shall require that PDCs be used for all dwelling units or lots in excess of that otherwise permitted, unless a Waiver for the dwelling unit or lot has been approved by the Commission. Since the applicant qualifies for a Waiver, PDCs are not required for any local approval.

To meet the requirements of N.J.A.C. 7:50-4.62, N.J.A.C. 7:50-4.63(a) and N.J.A.C. 7:50-4.65, the Pinelands Commission staff has determined that the parcel must be developed in accordance with the following conditions:

1. The septic system must be located in an area where the seasonal high water table is at least five feet below the natural ground surface.

2. The proposed dwelling must utilize an alternate design onsite wastewater treatment system authorized pursuant to the CMP on a 1.0 acre lot and approved for use by the Pinelands Commission and the New Jersey Department of Environmental Protection.
3. Except as provided in N.J.A.C. 7:50-5.1(c), the single family dwelling approved herein shall be the sole principal use of the parcel.
4. Prior to Commission issuance of a letter advising that any municipal or county permit or approval may take effect, a recorded copy of a deed consolidating Block 63.06, Lots 1, 5, 7, and 11 into one lot must be submitted to the Pinelands Commission.
5. Prior to Commission issuance of a letter advising that any municipal or county permit or approval may take effect, the Commission must receive a letter from the Pinelands Development Credit Bank indicating that the requisite 0.25 PDCs have been acquired and submitted to the PDC Bank for redemption.
6. This Waiver shall expire February 14, 2025 unless all necessary construction permits have been issued by that date. The Waiver shall also expire if any construction permit is allowed to expire or lapse after February 14, 2025 or if any renewal or extension of any permit or approval or issuance of a new construction permit is necessary after that date.
7. Prior to completion of an application with the Commission for development of the proposed dwelling, a copy of a recorded deed containing all of the above conditions shall be submitted to the Pinelands Commission. The deed shall specify that the conditions are being imposed pursuant to a Waiver of Strict Compliance referring to the application number. The deed shall also state that the conditions are enforceable by the Pinelands Commission, Manchester Township, the Ocean County Health Department and any other party of interest.

With the above conditions, the applicant qualifies for a Waiver from the requirements of N.J.A.C. 7:50-6.84(a)5iv.

Since the applicant meets the provisions of N.J.A.C. 7:50-4.62, N.J.A.C. 7:50-4.63(a) and N.J.A.C. 7:50-4.65 for the development of one single family dwelling on the parcel, it is recommended that the Pinelands Commission APPROVE the requested Waiver of Strict Compliance subject to the above conditions.

APPEAL


The CMP (N.J.A.C. 7:50-4.91) provides an interested party the right to appeal this recommendation in accordance with N.J.A.C. 7:50-4.91. An interested party is someone who has a specific property interest sufficient to require a hearing on constitutional or statutory grounds. Only appeal requests submitted by someone meeting the definition of an interested party will be transmitted to the New Jersey Office of Administrative Law for a hearing. Any such appeal must be made in writing to the Commission and received by the Commission's office no later than 5:00 PM on February 10, 2020 and include the following information:

1. the name and address of the person requesting the appeal;

2. the application number;
3. a brief statement of the basis for the appeal; and
4. a certificate of service (a notarized statement) indicating that service of the notice has been made, by certified mail, on the clerk of the county, municipal planning board and environmental commission with jurisdiction over the property which is subject of this decision.

If no appeal is received, the Pinelands Commission may either approve the determination of the Executive Director or refer the application to the New Jersey Office of Administrative Law for a hearing.

Recommended for Approval by: _____



Charles M. Horner, P.P., Director of Regulatory Programs

- c: Secretary, Manchester Township Planning Board (via email)
Manchester Township Construction Code Official (via email)
Manchester Township Environmental Commission (via email)
Secretary, Ocean County Planning Board (via email)
Ocean County Health Department (via email)



RESOLUTION OF THE NEW JERSEY PINELANDS COMMISSION

NO. PC4-20- 07

TITLE: Issuing an Order to Certify the Folsom Borough 2018 Master Plan Reexamination Report and Ordinance 07-2019, Amending Chapter 170 (Subdivision and Land Development) and Chapter 200 (Zoning) of the Code of Folsom Borough

Commissioner Lohbauer moves and Commissioner Pikolejczyk seconds the motion that:

WHEREAS, on November 3, 1989, the Pinelands Commission fully certified the Master Plan and Land Use Ordinances of the Borough of Folsom; and

WHEREAS, Resolution #PC4-89-143 of the Pinelands Commission specified that any amendment to the Borough's certified Master Plan and codified Land Use Ordinances be submitted to the Executive Director in accordance with N.J.A.C. 7:50-3.45 (Submission and Review of Amendments to Certified Master Plans and Land Use Ordinances) of the Comprehensive Management Plan to determine if said amendment raises a substantial issue with respect to conformance with the Pinelands Comprehensive Management Plan; and

WHEREAS, Resolution #PC4-89-143 further specified that any such amendment shall only become effective as provided in N.J.A.C. 7:50-3.45 of the Comprehensive Management Plan; and

WHEREAS, on November 28, 2018, the Planning Board of the Borough of Folsom adopted Planning Board Resolution 07-2018, approving the Folsom Borough 2018 Master Plan Reexamination Report and incorporating into the Borough's 2007 Master Plan revised goals and objectives, a Housing Element, and a Recreational Element; and

WHEREAS, the Pinelands Commission received a certified copy of Planning Board Resolution 07-2018 and the 2018 Master Plan Reexamination Report on February 4, 2019; and

WHEREAS, the 2018 Master Plan Reexamination Report includes rezoning recommendations requiring the adoption of one or more implementing ordinances; and

WHEREAS, pursuant to N.J.A.C. 7:50-3.32 of the Comprehensive Management Plan, the Executive Director cannot accept a master plan amendment for formal review and certification without an adopted ordinance that implements said master plan, unless no such ordinance is necessary; and

WHEREAS, by letter dated February 27, 2019, the Executive Director notified the Borough of Folsom that the 2018 Master Plan Reexamination Report would be deemed incomplete until such time that the necessary implementing ordinances were adopted and submitted to the Commission for certification; and

WHEREAS, on December 10, 2019, the Borough of Folsom adopted Ordinance 07-2019, amending Chapter 170 (Subdivision and Land Development) and Chapter 200 (Zoning) of the Code of Folsom Borough to implement recommendations of the 2018 Master Plan Reexamination Report; and

WHEREAS, the Pinelands Commission received a certified copy of Ordinance 07-2019 on December 12, 2019; and

WHEREAS, by letter dated December 20, 2019, the Executive Director notified the Borough that its 2018 Master Plan Reexamination Report and Ordinance 07-2019 would require formal review and approval by the Pinelands Commission; and

WHEREAS, a public hearing to receive testimony concerning the Borough's application for certification of its 2018 Master Plan Reexamination Report and Ordinance 07-2019 was duly advertised,

noticed and held on January 8, 2020 at the Richard J. Sullivan Center, 15C Springfield Road, New Lisbon, New Jersey at 9:30 a.m.; and

WHEREAS, the Executive Director has found that the 2018 Master Plan Reexamination Report and Ordinance 07-2019 are consistent with the standards and provisions of the Pinelands Comprehensive Management Plan; and

WHEREAS, the Executive Director has submitted a report to the Commission recommending issuance of an order to certify that the 2018 Master Plan Reexamination Report and Ordinance 07-2019 are in conformance with the Pinelands Comprehensive Management Plan; and

WHEREAS, the Commission's CMP Policy and Implementation Committee has reviewed the Executive Director's report and has recommended that the 2018 Master Plan Reexamination Report and Ordinance 07-2019 be certified; and

WHEREAS, the Pinelands Commission has duly considered all public testimony submitted to the Commission concerning the 2018 Master Plan Reexamination Report and Ordinance 07-2019 and has reviewed the Executive Director's report; and

WHEREAS, the Pinelands Commission accepts the recommendation of the Executive Director; and

WHEREAS, pursuant to N.J.S.A. 13:18A-5h, no action authorized by the Commission shall have force or effect until ten (10) days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the meeting of the Commission has been delivered to the Governor for review, unless prior to expiration of the review period the Governor shall approve same, in which case the action shall become effective upon such approval.

NOW, THEREFORE BE IT RESOLVED that

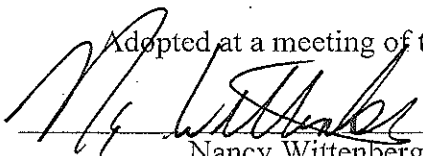
1. An Order is hereby issued to certify that the Folsom Borough 2018 Master Plan Reexamination Report and Ordinance 07-2019, Amending Chapter 170 (Subdivision and Land Development) and Chapter 200 (Zoning) of the Code of Folsom Borough, are in conformance with the Pinelands Comprehensive Management Plan.
2. Any additional amendments to the Borough of Folsom's certified Master Plan and Land Use Ordinances shall be submitted to the Executive Director in accordance with N.J.A.C. 7:50-3.45 to determine if said amendments raise a substantial issue with respect to the Comprehensive Management Plan. Any such amendment shall become effective only as provided in N.J.A.C. 7:50-3.45.

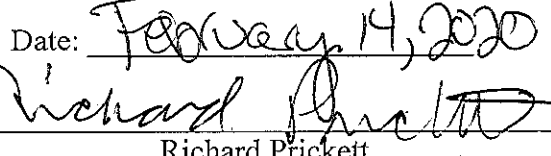
Record of Commission Votes

	AYE	NAY	NP	A/R*		AYE	NAY	NP	A/R*		AYE	NAY	NP	A/R*
Ashmun			X		Irick	X				Quinn			X	
Avery	X				Jannarone			X		Rohan Green			X	
Christy	X				Lloyd	X				Prickett	X			
Earlen	X				Lohbauer	X								
Howell	X				Pikolycky	X								

*A - Abstained / R - Recused

Adopted at a meeting of the Pinelands Commission


 Nancy Wittenberg
 Executive Director

Date: February 14, 2020

 Richard Prickett
 Chairman



State of New Jersey
 THE PINELANDS COMMISSION
 PO Box 359
 NEW LISBON, NJ 08064
 (609) 894-7300
 www.nj.gov/pinelands



PHILIP D. MURPHY
 Governor
 SHEILA Y. OLIVER
 Lt. Governor

General Information: Info@pinelands.nj.gov
 Application Specific Information: AppInfo@pinelands.nj.gov

RICHARD PRICKETT
 Chairman
 NANCY WITTENBERG
 Executive Director

REPORT ON THE FOLSOM BOROUGH 2018 MASTER PLAN REEXAMINATION REPORT AND ORDINANCE 07-2019, AMENDING CHAPTER 170 (SUBDIVISIONS AND LAND DEVELOPMENT) AND CHAPTER 200 (ZONING) OF THE CODE OF FOLSOM BOROUGH

January 24, 2020

Folsom Borough
 1700 12th Street
 Folsom, NJ 08037

FINDINGS OF FACT

I. **Background**

The Borough of Folsom is located in the southwestern portion of the Pinelands Area in western Atlantic County. Pinelands municipalities adjacent to Folsom Borough include the Townships of Buena Vista and Hamilton as well as the Town of Hammonton in Atlantic County; the Township of Monroe in Gloucester County; and the Township of Winslow in Camden County.

On November 3, 1989, the Pinelands Commission fully certified the Master Plan and Land Use Ordinances of the Borough of Folsom.

In 2017, Folsom Borough began working with the New Jersey Department of Community Affairs (DCA), Office of Local Planning Services, on the development of a master plan reexamination report. Commission staff was consulted during the Borough’s master plan reexamination process, specifically on possible ways that the Borough could promote greater opportunities for non-residential development along the Black Horse Pike. The Black Horse Pike is one of three arterial roads within the Borough and serves as its primary commercial corridor. Development along the corridor is constrained due to the presence of expansive wetlands systems in the area. Going back to the Borough’s original certification in 1989, Commission staff has provided assistance in developing zoning plans along the Black Horse Pike that balance the protection of these wetland systems, while providing limited opportunities for development in appropriate areas.

Various zoning scenarios along the Black Horse Pike were proposed by DCA and the Borough and evaluated by Commission staff. The Borough initially sought to expand its existing Forest Commercial (FC) district along the Black Horse Pike. The FC district is located within the Pinelands Forest Area. Its boundaries were established consistent with the CMP’s provisions for roadside retail sales and service establishments (N.J.A.C. 7:50-5.23(b)6). Those provisions require that no portion of any proposed

roadside retail sales and service establishment structure be more than 300 feet from an existing roadside retail sales and service establishment structure in existence on February 7, 1979. Based on an evaluation of structures in the vicinity, staff concluded that the FC district could not be expanded any further without violating those CMP provisions.

The possibility of expanding the Borough's existing Pinelands Rural Development Area at the eastern end of the Black Horse Pike was then explored. Pinelands Rural Development Areas are permitted to have a variety of commercial uses that are not limited by the presence or absence of other pre-existing commercial uses in the vicinity. Lots zoned Forest Area (F-20) with frontage along the Black Horse Pike and significant upland areas were identified as possible candidates for rezoning to a new Rural Development Commercial (RDC) district that could also incorporate commercially developed properties already in the Rural Development Area. To balance such an increase in the size of the Rural Development Area, staff also identified lands for the Borough's consideration that appeared appropriately suited for a Pinelands Management Area redesignation from Rural Development Area to Forest Area.

On November 28, 2018, the Folsom Borough Planning Board adopted Planning Board Resolution 07-2018, approving the Borough's 2018 Master Plan Reexamination Report, and incorporating into the Borough's 2007 Master Plan a set of revised goals and objectives, a Housing Element, and a Recreational Element contained as appendices to the report. The Pinelands Commission received a certified copy of Planning Board Resolution 07-2018 and the 2018 Master Plan Reexamination Report on February 4, 2019.

The 2018 Master Plan Reexamination Report includes recommendations requiring the adoption of implementing ordinances, including recommendations for changes in zoning district boundaries and permitted uses. By letter dated February 27, 2019, the Executive Director notified the Borough of Folsom that, pursuant to N.J.A.C. 7:50-3.32, the 2018 Master Plan Reexamination Report would be deemed incomplete until such time that the necessary implementing ordinances were adopted and submitted to the Commission for certification.

On December 10, 2019, the Borough of Folsom adopted Ordinance 07-2019, amending Chapter 170 (Subdivision and Land Development) and Chapter 200 (Zoning) of the Code of Folsom Borough. Ordinance 07-2019 implements recommendations of the Borough's 2018 Master Plan Reexamination Report. The ordinance adopts a revised zoning map that establishes the boundaries of a new Rural Development Commercial (RDC) district and reflects the rezoning of land between the Pinelands Forest and Rural Development Areas. The ordinance also repeals and replaces the Borough's conservation subdivision provisions with the CMP's mandatory clustering provisions, and includes other miscellaneous zoning amendments described below.

The Pinelands Commission received a certified copy of Ordinance 07-2019 on December 12, 2019. By letter dated December 20, 2019, the Executive Director notified the Borough that its 2018 Master Plan Reexamination Report and Ordinance 07-2019 would require formal review and approval by the Pinelands Commission.

II. Master Plans and Land Use Ordinances

The following documents have been submitted to the Pinelands Commission for certification:

- * Planning Board Resolution 07-2018, approving the Folsom Borough 2018 Master Plan Reexamination Report and amendments to the 2007 Master Plan contained in the report, adopted November 28, 2018; and
- * Ordinance 07-2019, Amending Chapter 170 (Subdivision and Land Development) and Chapter 200 (Zoning) of the Code of Folsom Borough, introduced on October 1, 2019 and adopted on December 10, 2019.

The above referenced master plan reexamination report and ordinance have been reviewed to determine whether they conform with the standards for certification of municipal master plans and land use ordinances as set out in N.J.A.C. 7:50-3.39 of the Pinelands Comprehensive Management Plan. The findings from this review are presented below. The numbers used to designate the respective items correspond to the numbers used to identify the standards in N.J.A.C. 7:50-3.39.

1. **Natural Resource Inventory**

Not applicable.

2. **Required Provisions of Master Plans and Land Use Ordinances Relating to Development Standards**

2018 Master Plan Reexamination Report

Folsom Borough's 2018 Master Plan Reexamination Report incorporates into the Borough's 2007 Master Plan a set of revised goals and objectives, a Housing Element, and a Recreational Element. The revised goals and objectives are based on a review of the 2007 Master Plan, taking into consideration current conditions and planning approaches. The Housing Element provides data and analysis on the Borough's housing stock, and considers approaches to meeting current and future housing needs. The Housing Element does not have an affiliated Fair Share Plan. The Recreational Element provides an inventory of existing recreational facilities, an analysis of current and future community recreational needs, and recommendations for strengthening recreational opportunities. The adopted Master Plan goals and objectives, Housing Element, and Recreational Element are consistent with the land use and development standards of the Comprehensive Management Plan.

The Reexamination Report also makes specific recommendations pertaining to the Master Plan Land Use Element, including the establishment of a new Rural Development Commercial (RDC) district along the Black Horse Pike as well as implementation of amendments made to the Pinelands CMP in recent years. The Reexamination Report includes as appendices three draft ordinances that implement these recommendations: a draft ordinance establishing the RDC district (Appendix D); a draft ordinance that responds to three sets of CMP amendments adopted between 2012 and 2018 (Appendix E); and a draft ordinance adopting the CMP's mandatory clustering provisions (Appendix F). Appendix E was adopted as Ordinance 02-2019 and found to

raise no substantial issues with respect to CMP standards by letter dated March 18, 2019. Since the adoption of the Reexamination Report, Appendix D and F were combined into a single ordinance, and adopted as Ordinance 07-2019.

Ordinance 07-2019

Zoning Boundary and Pinelands Management Area Changes

Ordinance 07-2019 implements the Reexamination Report's recommended zoning amendments. The ordinance establishes the RDC district with the following permitted uses: community commercial uses, agricultural products sales establishments, agricultural processing facilities and other light industrial uses, as well as recreational facilities other than amusement parks. The RDC district conditionally permits nursery schools and day-care centers, institutional uses, and public service infrastructure. Single family detached dwellings existing at the time of ordinance adoption are permitted; however, new residential development is not a permitted use.

Ordinance 07-2019 also adopts a revised Borough zoning map (see exhibit 1) that delineates the RDC district as well as necessary offsets. The new RDC district is located along the Black Horse Pike and is made up of 13 lots, containing a total of approximately 62 acres (see exhibits 2 and 3, Table 1). These lots have frontage on the Black Horse Pike, are undeveloped, and have significant upland areas, all of which make them suitable for development. Three of those lots were wholly or partially within the Borough's F-20 district within the Pinelands Forest Area (approximately 49.3 acres), while the balance of lots were within the Borough's RD district within the Pinelands Rural Development Area (approximately 12.5 acres). The lots from the RD district contain existing commercial uses suitable for inclusion in the RDC district.

To balance the redesignation of lands from the Forest to the Rural Development Areas, Ordinance 07-2019 rezones 69 lots totaling approximately 76 acres from the RD district in the Rural Development Area to the F-30 district in the Forest Area (see exhibits 4 and 5). The rezoned lots are undeveloped, include significant wetlands and/or wetlands transition areas, and, with the exception of three undersized lots, are owned by the State or the Borough. Redesignation to the Forest Area is therefore an appropriate reflection of their extremely limited development potential.

Table 1. Summary of Zoning and Pinelands Management Area Changes

Municipal Zoning Change	Pinelands Management Area Change	Quantity of Lots	Area (in acres)
F-20 to RDC	Forest Area to Rural Development Area	3*	49.3
RD to RDC	No Change	11*	12.5
RD to F-30	Rural Development Area to Forest Area	69**	76

*One lot rezoned to RDC was split between the F-20 and RD districts.

**Two lots rezoned to F-30 were split between the RD and F-30 districts.

Ordinance 07-2019 also establishes standards in the RDC district for lot area, yard, bulk, building length, landscaping and screening, and parking. The RDC district requires a minimum lot size of one acre. Portions of the three lots that are rezoned from F-20 to RDC appear to include some wetlands transition areas (see exhibit 3). All development on these lots will still be required to meet wetlands buffer requirements and all other environmental standards of the CMP.

Forest Commercial (FC) District Permitted Uses

Ordinance 07-2019 amends the FC district regulations to eliminate residential uses as a permitted use. The Forest Commercial district is located along the Black Horse Pike within the Pinelands Forest Area. The district is divided into a Forest Commercial Sending (FC-S) area and a Forest Commercial Receiving (FC-R) area. This zoning plan was established to provide the opportunity for new commercial development to be clustered on parcels in the receiving area while utilizing contiguous commonly-owned parcels in the sending area for septic dilution purposes. Although the FC district is targeted for commercial development, residential development was permitted in both the FC-R and FC-S areas. The Reexamination Report recommended that non-residential development should be specifically targeted in these districts and that new residential development should no longer be permitted. The ordinance provides that single family detached dwellings existing at the time of ordinance adoption are permitted.

In the FC-R area, a variety of nonresidential uses will continue to be permitted, including roadside retail sales and service establishments, bars, taverns and nightclubs, garden centers, banks, auto car washes, sales and service centers, hotels, motels, theaters, offices, commercial trade training facilities and like uses to serve Pinelands residents and travelers. Other uses, such as forestry, fish and wildlife management, accessory uses, agriculture and low intensity recreational facilities will continue to be permitted in both the FC-R and FC-S areas.

Mandatory Clustering Provisions

Ordinance 07-2019 repeals the Borough's conservation subdivision provisions and establishes mandatory clustering provisions consistent with the 2009 CMP clustering amendments (N.J.A.C. 7:50-5.19). Prior to 2009, Pinelands Area municipalities had the option of permitting cluster development in both the Pinelands Forest and Rural Development Management Areas. In 2007, under these optional clustering provisions, the Borough adopted a conservation subdivision ordinance (Ordinance 15-2007), which was certified by the Commission on April 11, 2008.

In 2009, the Pinelands Commission adopted amendments to the CMP requiring mandatory residential cluster development in the Pinelands Forest and Rural Development Management Areas. Upon adoption of these CMP amendments, municipalities with land in the Pinelands Forest and Rural Development Areas were required to adopt these mandatory clustering provisions. The Borough was not required to amend its ordinance since it had recently adopted a conservation subdivision ordinance. Although the Borough's conservation subdivision provisions were slightly different than the CMP's mandatory clustering provisions, Commission staff deemed them to be substantially consistent with the CMP. During the reexamination process the Borough determined that it should repeal and replace its conservation subdivision standards with the CMP's clustering standards to ensure that no issues arise during the review of any future clustering development application.

Ordinance 07-2019 permits residential cluster development in the Borough's Forest Area (F-20 and F-30) districts as well as the RD district. It requires that the proposed residential development of two or more units be clustered on 1-acre lots, with the balance of the parcel deed restricted as open space. The number of residential lots permitted within a cluster development is calculated based on the size of the parcel and the residential density of the underlying zoning district. For example, in the Borough's F-20 district, where the permitted density is one residential unit per 20 acres, a 100-acre parcel would be permitted to have five residential units clustered on 1-acre lots. The ordinance also contains bonus density opportunities to parcels of 50

acres or more. This bonus density ranges from 20% to 40%, depending on the size of the parcel and the permitted density of the district it is located within. The larger the parcel and the lower the permitted density, the larger the percentage of bonus density provided. For the example given above, the 100-acre parcel in the F-20 district would receive a 25% bonus, which would yield one additional residential unit, for a total of six units.

Lastly, the ordinance provides standards applicable to the location and design of the clustered residential development area as well as the remaining open space of the parcel. The ordinance requires that the open space area be permanently protected through recordation of a deed of conservation restriction. Permitted uses in the open space area are limited to low intensity recreation, ecological management, and forestry, all of which are subject to specific limitations on clearing and impervious surface. Open space areas with existing agricultural uses are permitted to continue and may expand if certain conditions related to impervious surface and the preparation of a Resource Management System Plan are met. If a cluster development applicant elects to continue or expand an existing agricultural use on the parcel, the ordinance requires that all new dwelling units in the cluster development utilize on-site septic waste water treatment systems designed to reduce the level of nitrate/nitrogen in the waste water.

Development Transfer Program

Ordinance 07-2019 revises the provisions of the Borough's development transfer program consistent with the 2009 CMP development transfer amendments (N.J.A.C. 7:50-5.30). These revisions clarify the types of uses that may be permitted on noncontiguous lands used to meet density requirements. The ordinance requires that the noncontiguous area be permanently protected through recordation of a deed of conservation restriction. Permitted uses in the protected area are limited to low intensity recreation, ecological management, and forestry, all of which are subject to specific limitations on clearing and impervious surface. Protected areas with existing agricultural uses are permitted to continue and may expand if certain conditions related to impervious surface and the preparation of a Resource Management System Plan are met.

The Folsom Borough 2018 Master Plan Reexamination Report, and adopted amendments to the 2007 Master Plan, as well as Ordinance 07-2019 are consistent with the land use and development standards of the Comprehensive Management Plan. This standard for certification is met.

3. Requirement for Certificate of Filing and Content of Development Applications

Not applicable.

4. Requirement for Municipal Review and Action on All Development

Not applicable.

5. Review and Action on Forestry Applications

Not applicable.

6. Review of Local Permits

Not applicable.

7. Requirement for Capital Improvement Program

Not applicable.

8. Accommodation of Pinelands Development Credits

Not applicable.

9. Referral of Development Applications to Environmental Commission

Not applicable.

10. General Conformance Requirements

The 2018 Master Plan Reexamination Report and Ordinance 07-2019 are consistent with the standards and provisions of the Pinelands Comprehensive Management Plan.

Therefore, this standard for certification is met.

11. Conformance with Energy Conservation

Not applicable.

12. Conformance with the Federal Act

The 2018 Master Plan Reexamination Report and Ordinance 07-2019 are consistent with the standards and provisions of the Pinelands Comprehensive Management Plan. No special issues exist relative to the Federal Act.

Therefore, this standard for certification is met.

13. Procedure to Resolve Intermunicipal Conflicts

Ordinance 07-2019 adopts a revised zoning map, and establishes a new RDC district along the Black Horse Pike. The newly established district contains a parcel that abuts the border with Hamilton Township. The lot contains an existing gas station, which is a permitted use under both the current and proposed zoning designation. Opposite the parcel within Hamilton Township, there exists a

Highway Commercial district that also permits a variety of non-residential uses. The adopted zoning map also rezones seven lots from RD to F-30 that are adjacent to the border with Monroe Township. These lots are undeveloped with severely limited development potential due to the presence of wetlands and wetland transition areas. As such, intermunicipal conflicts are not anticipated with any of the bordering municipalities of the Borough.

Therefore, this standard for certification is met.

PUBLIC HEARING

A public hearing to receive testimony concerning Folsom Borough's application for certification of its 2018 Master Plan Reexamination Report and Ordinance 07-2019 was duly advertised, noticed and held on January 8, 2020 at the Richard J. Sullivan Center, 15C Springfield Road, New Lisbon, New Jersey at 9:30 a.m. Ms. Grogan conducted the hearing, at which no testimony was received.

Written comments on the 2018 Master Plan Reexamination Report and Ordinance 07-2019 were accepted through January 13, 2020. However, no written comments were received.

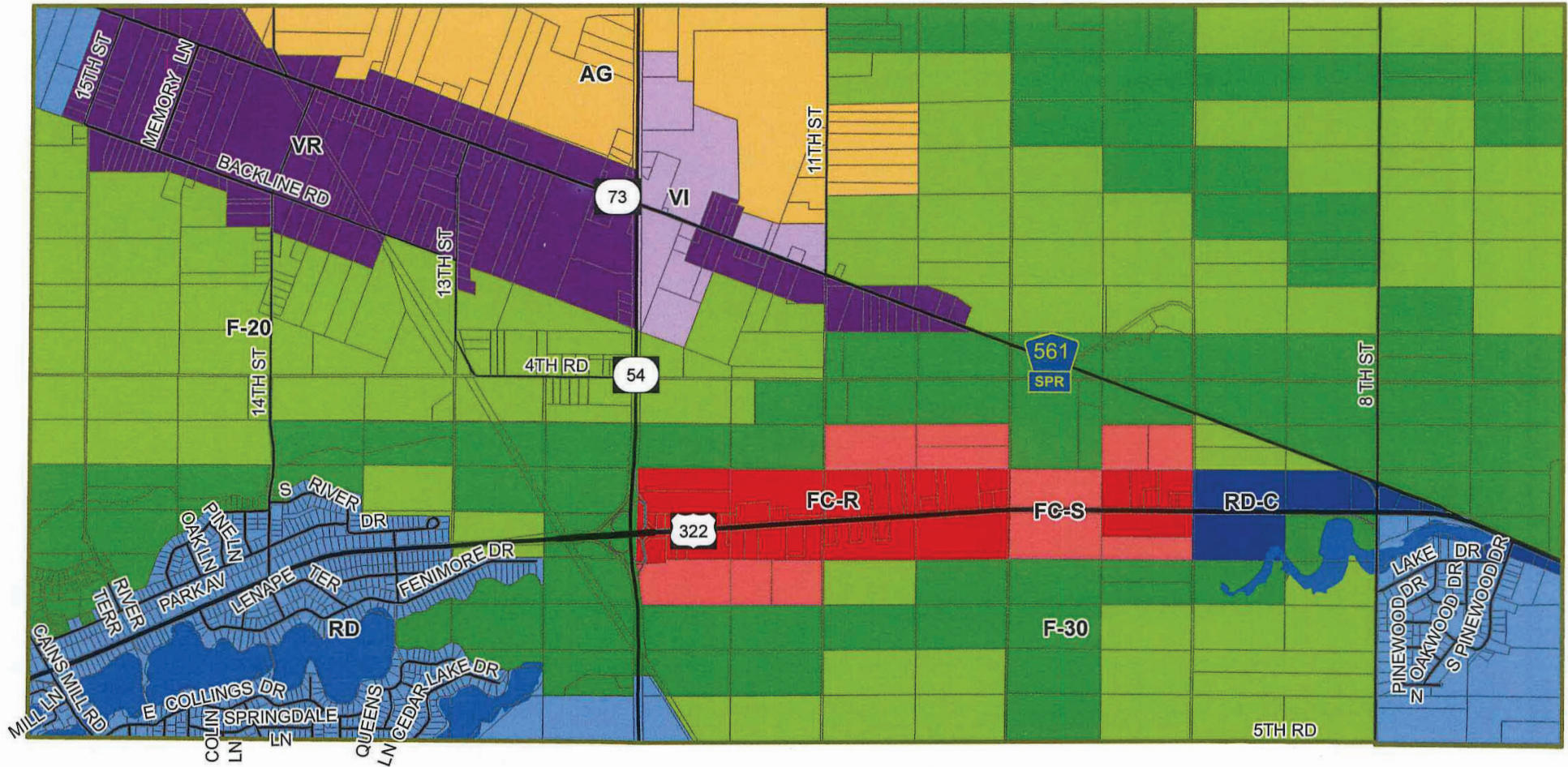
CONCLUSION

Based on the Findings of Fact cited above, the Executive Director has concluded that the Folsom Borough 2018 Master Plan Reexamination Report and Ordinance 07-2019, amending Chapter 170 (Subdivision and Land Development) and Chapter 200 (Zoning) of the Code of Folsom Borough, comply with the Comprehensive Management Plan standards for the certification of municipal master plans and land use ordinances. Accordingly, the Executive Director recommends that the Commission issue an order to certify the 2018 Master Plan Reexamination Report and Ordinance 07-2019 of Folsom Borough.

SRG/DBL/CFO
Attachments

Folsom Borough Zoning District Map

Executive Director's Report
Folsom 2018 MP Reex Report,
Ordinance 07-2019
Exhibit 1
1/24/2020



Zoning Disticts

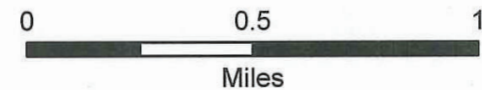
 Agricultural Production (AG)	 Forest Commercial Receiving (FC-R)	 Rural Development (RD)
 Forest Area (F-20)	 Forest Commercial Sending (FC-S)	 Village Industrial (VI)
 Forest Area (F-30)	 Rural Development Commercial (RD-C)	 Village Residential (VR)



**BOROUGH OF
FOLSOM
NEW JERSEY**



Date Prepared: October 2018



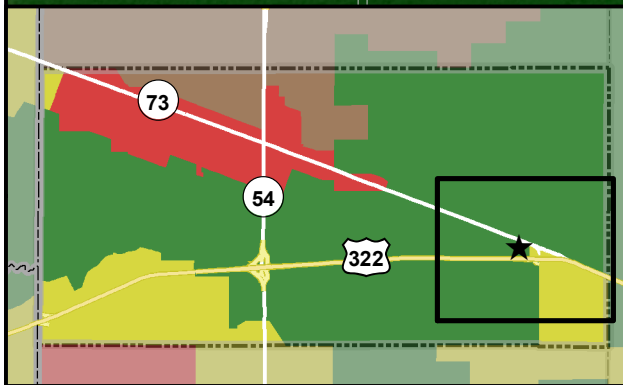
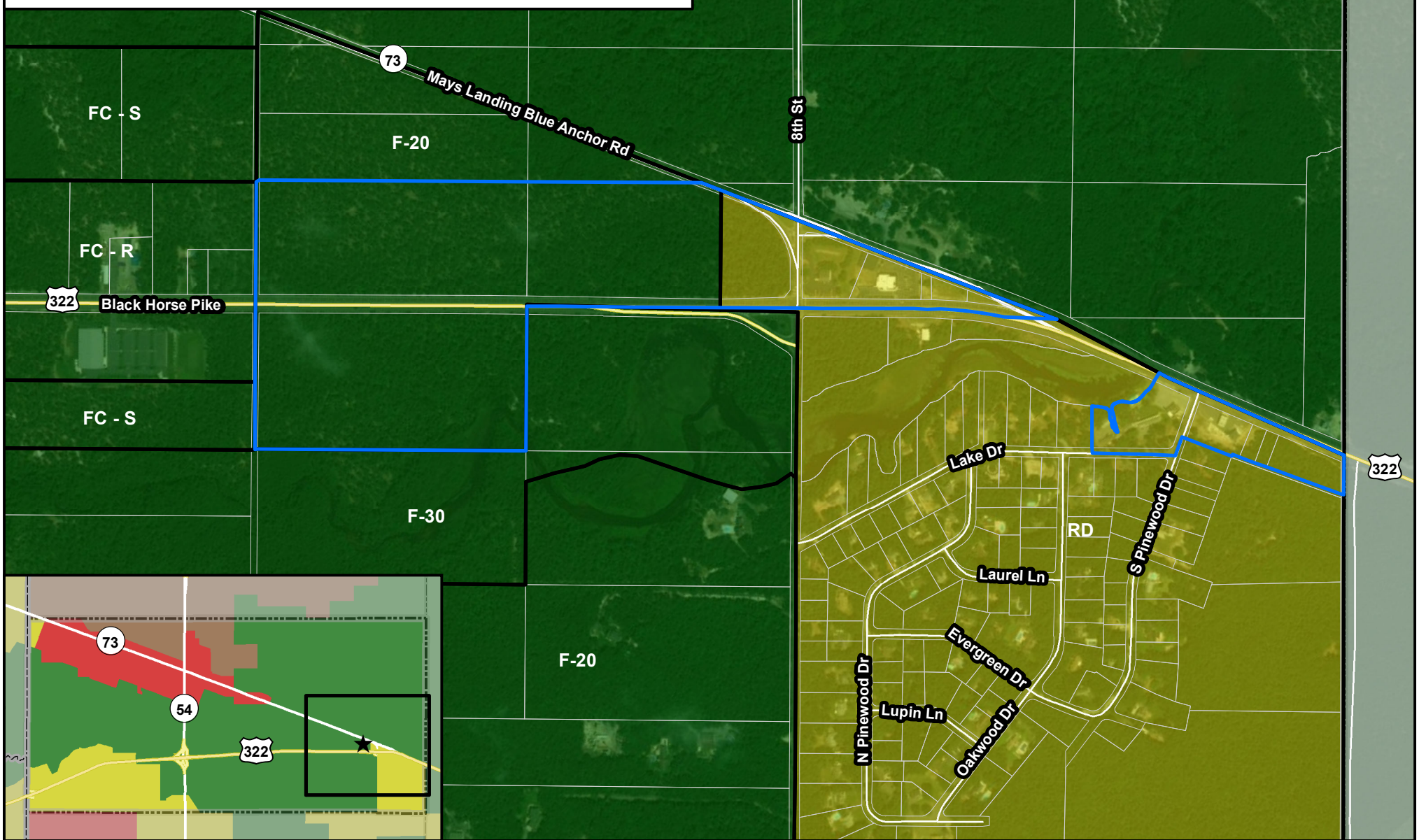
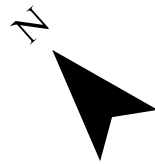
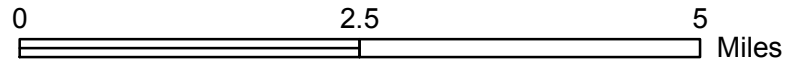
Sources: NJOGIS, NJDCA,
Borough of Folsom

Existing Conditions of Lots to be Rezoned

Executive Director's Report
Folsom 2018 MP Reex Report,
Ordinance 07-2019
Exhibit 2
1/24/2020

Pinelands Management Areas

- Pinelands Forest Area
- Rural Development Area
- Pinelands Village
- Lots Rezoned RDC
- Parcels
- Existing Zoning

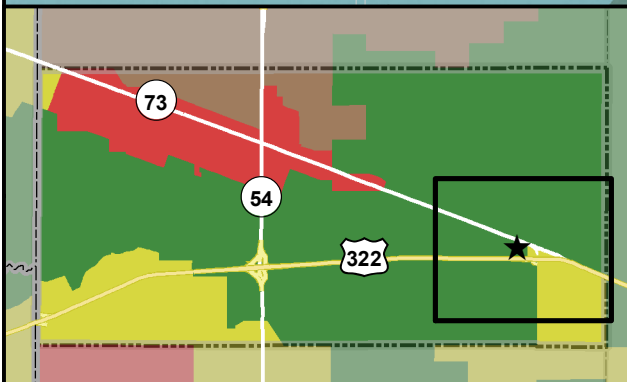
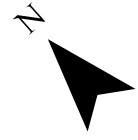
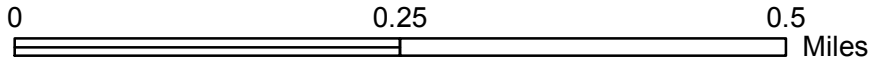


Existing Conditions of Lots to be Rezoned

Executive Director's Report
 Folsom 2018 MP Reex Report,
 Ordinance 07-2019
 Exhibit 3
 1/24/2020

Pinelands Management Areas







- Pinelands Forest Area
- Rural Development Area
- Pinelands Village
- Lots Rezoned RDC
- Parcels
- Existing Zoning
- Pinelands Wetlands
- Pinelands 300' Buffer

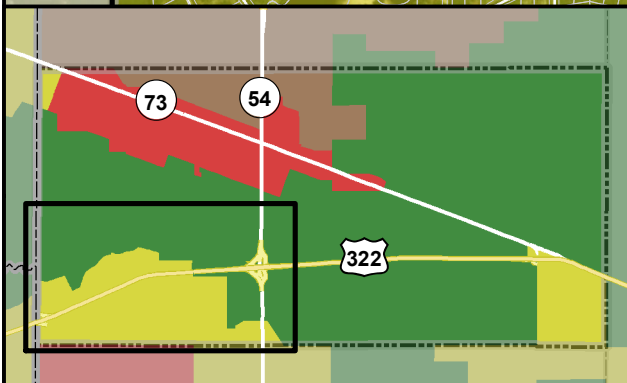
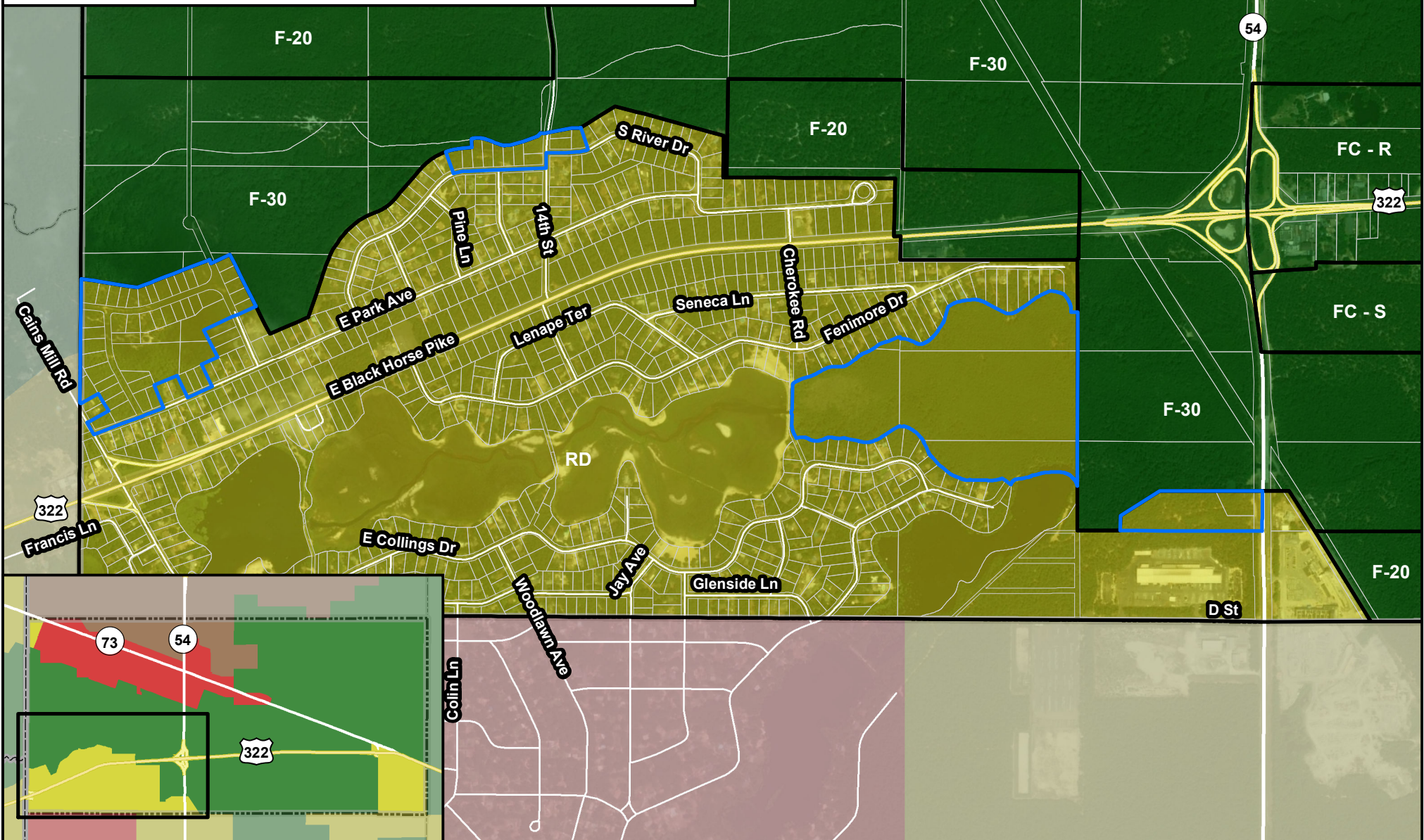
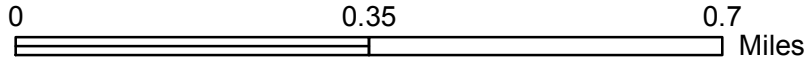
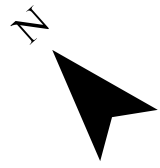


Existing Conditions of Lots to be Rezoned

Executive Director's Report
Folsom 2018 MP Reex Report,
Ordinance 07-2019
Exhibit 4
1/24/2020

Pinelands Management Areas

-  Pinelands Forest Area
-  Rural Development Area
-  Pinelands Village
-  Lots Rezoned F-30
-  Parcels
-  Existing Zoning

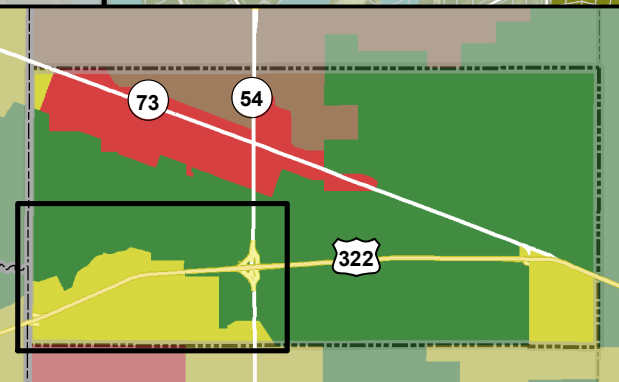
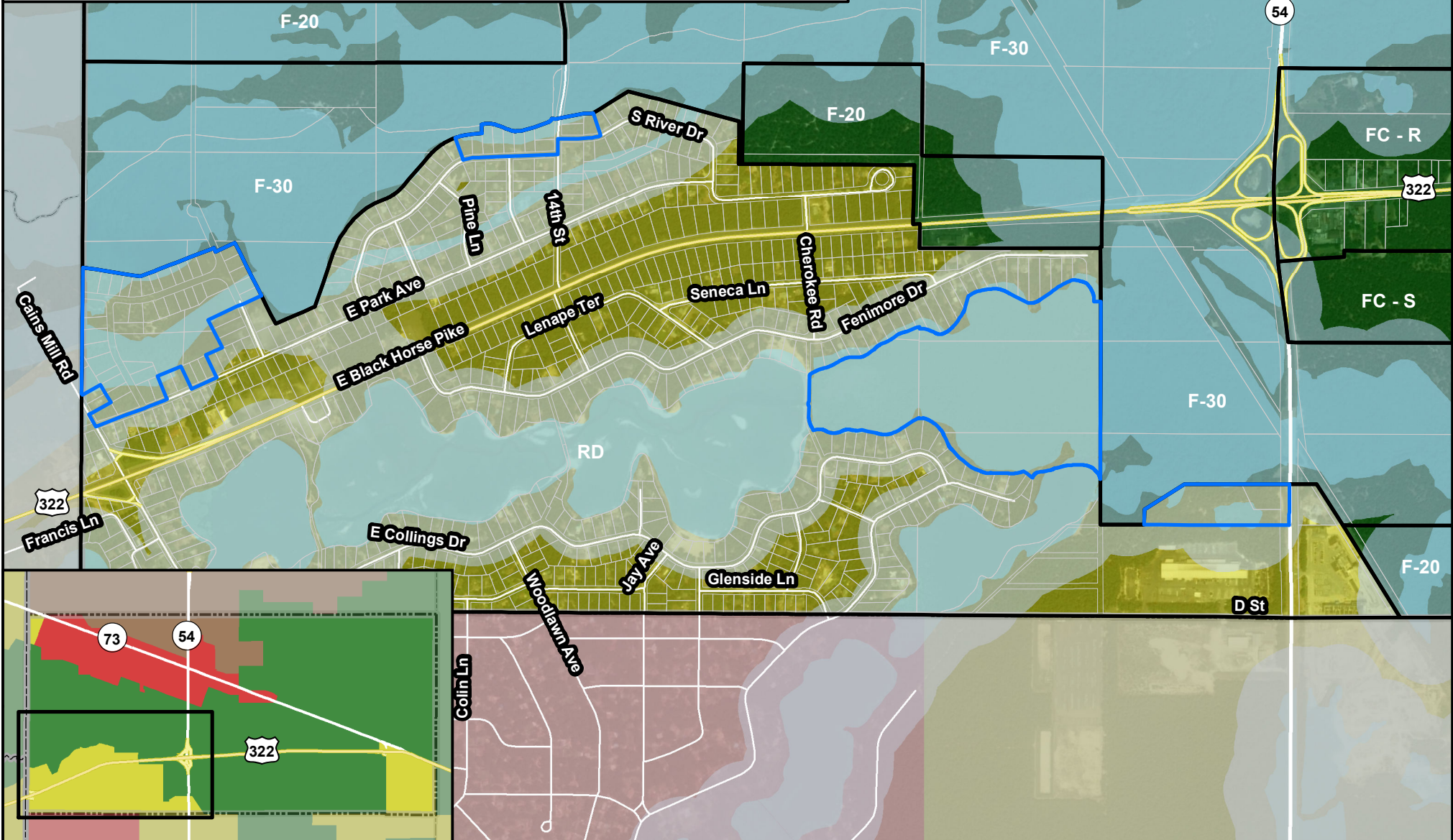
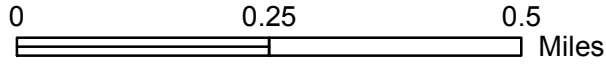


Existing Conditions of Lots to be Rezoned

Executive Director's Report
 Folsom 2018 MP Reex Report,
 Ordinance 07-2019
 Exhibit 5
 1/24/2020

Pinelands Management Areas

- Pinelands Forest Area
- Rural Development Area
- Pinelands Village
- Lots Rezoned F-30
- Parcels
- Existing Zoning
- Pinelands Wetlands
- Pinelands 300' Buffer





RESOLUTION OF THE NEW JERSEY PINELANDS COMMISSION

NO. PC4-20- 00

TITLE: To Accept the Fiscal Year 2018 Audit Report

Commissioner Avery moves and Commissioner Pikolycky seconds the motion that:

WHEREAS, the audit of the Pinelands Commission Fiscal Year 2018 Financial Statements, Notes to the Financial Statements and Schedules of Federal and State Assistance was performed by the Office of the State Auditor; and

WHEREAS, the Fiscal Year 2018 Audit Report has no findings; and

WHEREAS, pursuant to N.J.S.A. 13:18A-5h, no action authorized by the Commission shall have force or effect until ten (10) days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the meeting of the Commission has been delivered to the Governor for review, unless prior to expiration of the review period the Governor shall approve same, in which case the action shall become effective upon such approval.

NOW, THEREFORE BE IT RESOLVED that the Pinelands Commission hereby accepts the Audit Report for Fiscal Year 2018 and directs that it be included as a publication available through the Pinelands Commission's website.

Record of Commission Votes

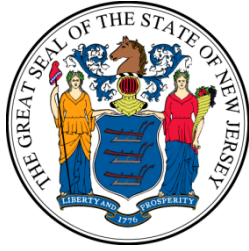
	AYE	NAY	NP	A/R*		AYE	NAY	NP	A/R*		AYE	NAY	NP	A/R*
Ashmun					Irick	X				Quinn				X
Avery	X				Jannarone			X		Rohan Green				X
Christy	X				Lloyd	X				Prickett	X			
Earlen	X				Lohbauer	X								
Howell	X				Pikolycky	X								

*A = Abstained / R = Recused

Adopted at a meeting of the Pinelands Commission

Nancy Wittenberg
Nancy Wittenberg
Executive Director

Date: February 14, 2020
Richard Prickett
Richard Prickett
Chairman

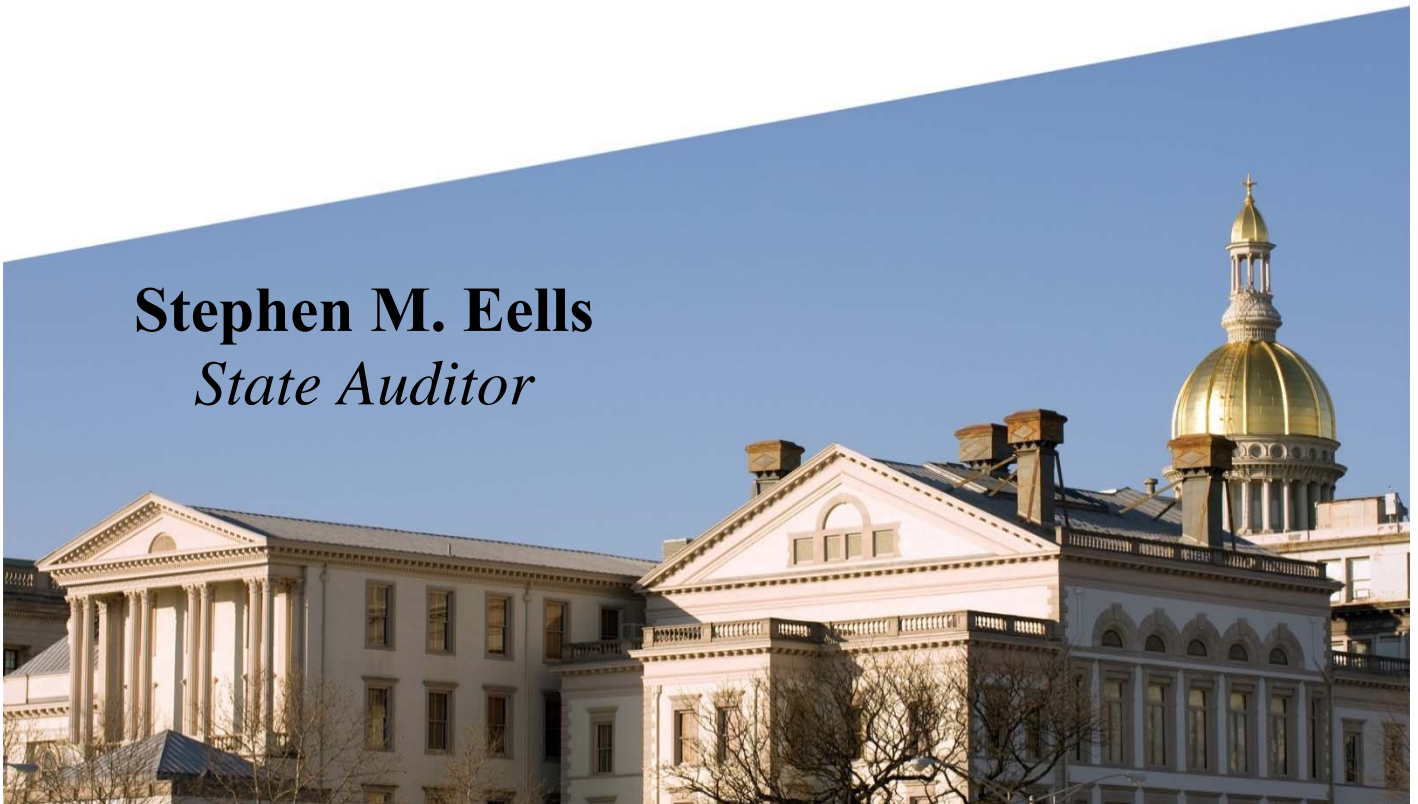


New Jersey Legislature
★ *Office of* LEGISLATIVE SERVICES ★
OFFICE OF THE STATE AUDITOR

Pinelands Commission

Fiscal Year 2018

Stephen M. Eells
State Auditor



SENATE

CHRISTOPHER J. CONNORS
KRISTIN M. CORRADO
NIA H. GILL
LINDA R. GREENSTEIN
THOMAS H. KEAN, JR.
JOSEPH PENNACCHIO
STEPHEN M. SWEENEY
LORETTA WEINBERG

GENERAL ASSEMBLY

JON M. BRAMNICK
JOHN J. BURZICHELLI
CRAIG J. COUGHLIN
JOHN DIMAIO
THOMAS P. GIBLIN
LOUIS D. GREENWALD
NANCY F. MUNOZ



New Jersey State Legislature

OFFICE OF LEGISLATIVE SERVICES

OFFICE OF THE STATE AUDITOR
125 SOUTH WARREN STREET
PO BOX 067
TRENTON NJ 08625-0067

OFFICE OF THE STATE AUDITOR
(609) 847-3470
FAX (609) 633-0834

STEPHEN M. EELLS
State Auditor

DAVID J. KASCHAK
Assistant State Auditor

THOMAS TROUTMAN
Assistant State Auditor

PERI A. HOROWITZ
Executive Director
(609) 847-3901

The Honorable Philip D. Murphy
Governor of New Jersey

The Honorable Stephen M. Sweeney
President of the Senate

The Honorable Craig J. Coughlin
Speaker of the General Assembly

Ms. Peri A. Horowitz
Executive Director
Office of Legislative Services

Enclosed is our report on the audit of the Pinelands Commission for the fiscal year ended June 30, 2018. If you would like a personal briefing, please call me at (609) 847-3470.

A handwritten signature in black ink, appearing to read "Stephen M. Eells".

Stephen M. Eells
State Auditor
January 3, 2020

**PINELANDS COMMISSION
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SENATE

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THOMAS TROUTMAN
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INDEPENDENT AUDITOR'S REPORT

The Honorable Philip D. Murphy
Governor of New Jersey

The Honorable Stephen M. Sweeney
President of the Senate

The Honorable Craig J. Coughlin
Speaker of the General Assembly

Ms. Peri A. Horowitz
Executive Director
Office of Legislative Services

Report on the Financial Statements

We have audited the accompanying modified accrual basis financial statements of the Pinelands Commission as of and for the year ended June 30, 2018, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified accrual basis of accounting described in Note 1; this includes determining that the modified accrual basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As discussed in Note 1, the Pinelands Commission prepares its financial statements on a modified accrual basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified accrual basis financial position of the Pinelands Commission as of June 30, 2018, and the respective changes in financial position, and budgetary comparisons for the General Fund and the Special Revenue Funds for the year then ended in accordance with the modified accrual basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified accrual basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

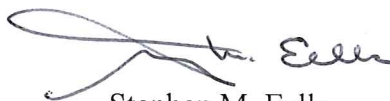
Other Information

Our audit was conducted for the purpose of forming an opinion on the Pinelands Commission's financial statements. The schedule of expenditures of state financial assistance is presented for the purpose of additional analysis as required by New Jersey Department of the Treasury Circular 15-08-OMB and is not a required part of the financial statements.

The schedule of expenditures of state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2019 on our consideration of the Pinelands Commission management's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pinelands Commission's internal control over financial reporting and compliance.



Stephen M. Eells
State Auditor
September 6, 2019

**PINELANDS COMMISSION
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	GOVERNMENTAL		FIDUCIARY	ACCOUNT GROUPS		TOTAL (Memorandum Only)
	FUND TYPES		FUND TYPE	GENERAL	GENERAL	
	GENERAL	SPECIAL	PRIVATE	GENERAL	LONG-TERM	
	FUND	REVENUE	PURPOSE	FIXED ASSETS	DEBT	
		FUNDS	TRUST FUNDS			
ASSETS						
Cash & Cash Equivalents	\$ 2,381,416	\$ 9,027,910	\$ 46,264	\$ -	\$ -	\$ 11,455,590
Receivables						
Federal	137,382	-	-	-	-	137,382
Other	-	-	-	-	-	-
General Fixed Assets						
Furniture & Equipment	-	-	-	1,132,442	-	1,132,442
Vehicles	-	-	-	110,720	-	110,720
Amount to be Provided for						
Retirement of Long-Term Liabilities	-	-	-	-	351,517	351,517
Due from Other Funds	362,505	-	-	-	-	362,505
Total Assets	<u>\$ 2,881,303</u>	<u>\$ 9,027,910</u>	<u>\$ 46,264</u>	<u>\$ 1,243,162</u>	<u>\$ 351,517</u>	<u>\$ 13,550,156</u>
LIABILITIES & FUND EQUITY						
Liabilities						
Accounts Payable	\$ 332,974	\$ -	\$ -	\$ -	\$ -	\$ 332,974
Salaries Payable	59,631	-	-	-	-	59,631
Payroll Deductions Payable	85,924	-	-	-	-	85,924
Compensated Absences	35,271	-	-	-	351,517	386,788
Deferred Revenue	29,600	1,759,199	-	-	-	1,788,799
Due to State	6,980	-	-	-	-	6,980
Due to Other Funds	-	352,854	9,651	-	-	362,505
Total Liabilities	<u>550,380</u>	<u>2,112,053</u>	<u>9,651</u>	<u>-</u>	<u>351,517</u>	<u>3,023,601</u>
Fund Equity						
Restricted For						
Unemployment Compensation	-	-	14,301	-	-	14,301
Katie Fund	-	-	7,312	-	-	7,312
Timber Rattlesnake Study	6,570	-	-	-	-	6,570
Rattlesnake Fencing	21,407	-	-	-	-	21,407
Committed To						
Pinelands Conservation	-	5,511,140	-	-	-	5,511,140
Kirkwood-Cohansey Study	-	13,582	-	-	-	13,582
Encumbrances	77,252	450,269	-	-	-	527,521
Retirees' Health Benefits	799,155	-	-	-	-	799,155
Microfilming Project	10,984	-	-	-	-	10,984
Building Improvements	42,381	-	-	-	-	42,381
Vehicle Replacements	131	-	-	-	-	131
Computer Replacements	27,295	-	-	-	-	27,295
Other	5,000	-	-	-	-	5,000
Investment in General Fixed Assets	-	-	-	1,243,162	-	1,243,162
Assigned To						
Subsequent Years Expenditures	570,563	928,667	15,000	-	-	1,514,230
Other	1,835	12,199	-	-	-	14,034
Unassigned Fund Balance	<u>768,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>768,350</u>
Total Fund Equity	<u>2,330,923</u>	<u>6,915,857</u>	<u>36,613</u>	<u>1,243,162</u>	<u>-</u>	<u>10,526,555</u>
Total Liabilities & Fund Equity	<u>\$ 2,881,303</u>	<u>\$ 9,027,910</u>	<u>\$ 46,264</u>	<u>\$ 1,243,162</u>	<u>\$ 351,517</u>	<u>\$ 13,550,156</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

PINELANDS COMMISSION
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	GOVERNMENTAL FUND TYPES		FIDUCIARY FUND TYPE	TOTAL (Memorandum Only)
	GENERAL FUND	SPECIAL REVENUE FUNDS	PRIVATE PURPOSE TRUST FUNDS	
REVENUES				
State of New Jersey Appropriations	\$ 2,649,000	\$ -	\$ -	\$ 2,649,000
Credit from State - Fringe Benefits	687,000	-	-	687,000
Federal Grants	310,336	30,000	-	340,336
Other Grants	-	-	-	-
Interest Income	37,146	123,641	563	161,350
Unemployment Deductions	-	-	6,334	6,334
Application Fees	433,952	-	-	433,952
Other	132,805	-	71	132,876
Total Revenues	4,250,239	153,641	6,968	4,410,848
EXPENDITURES				
Current:				
Personnel	4,039,184	562,232	872	4,602,288
Supplies	65,589	1,373	-	66,962
Services	395,703	33,431	-	429,134
Maintenance & Rent	63,911	-	-	63,911
Capital Outlay	28,351	-	-	28,351
Land Acquisition	-	223,363	-	223,363
Total Expenditures	4,592,738	820,399	872	5,414,009
Excess (Deficiency) of Revenues Over Expenditures	(342,499)	(666,758)	6,096	(1,003,161)
OTHER FINANCING SOURCES (USES)				
Uncollectible Receivables	-	(24,378)	-	(24,378)
Operating Transfers In	92,021	-	-	92,021
Operating Transfers Out	-	(92,021)	-	(92,021)
Total Other Financing Sources (Uses)	92,021	(116,399)	-	(24,378)
Excess (Deficiency) of Revenues and Other Sources over Expenditures & Other Uses	(250,478)	(783,157)	6,096	(1,027,539)
Fund Balances - Beginning of the Year	2,581,401	7,699,014	30,517	10,310,932
Fund Balances - End of the Year	\$ 2,330,923	\$ 6,915,857	\$ 36,613	\$ 9,283,393

The accompanying Notes to the Financial Statements are an integral part of this Statement.

PINELANDS COMMISSION
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL AND SPECIAL REVENUE FUNDS TYPES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	GENERAL FUND			VARIANCE FAVORABLE (UNFAVORABLE)	SPECIAL REVENUE FUNDS			VARIANCE FAVORABLE (UNFAVORABLE)
	ADOPTED BUDGET	FINAL BUDGET	ACTUAL		ADOPTED BUDGET	FINAL BUDGET	ACTUAL	
REVENUES								
State of New Jersey Appropriations	\$ 2,649,000	\$ 2,649,000	\$ 2,649,000	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000
Credit from State - Fringe Benefits	687,000	687,000	687,000	-	-	-	-	-
Federal Grants	658,500	658,500	310,336	(348,164)	-	-	-	-
Other Grants	8,000	8,000	-	(8,000)	-	-	-	-
Interest Income	5,000	5,000	37,146	32,146	31,000	31,000	123,641	92,641
Application Fees	340,000	340,000	433,952	93,952	-	-	-	-
Anticipated from Reserves	122,070	122,070	122,070	-	-	-	-	-
Fund Balance Anticipated	394,468	394,468	394,468	-	162,792	162,792	162,792	-
Pinelands Conservation Activities Reserves	-	-	-	-	1,269,075	1,269,075	1,269,075	-
Other	81,800	81,800	132,805	51,005	-	-	-	-
Total Revenues	4,945,838	4,945,838	4,766,777	(179,061)	1,462,867	1,462,867	1,585,508	122,641
EXPENDITURES								
Current:								
Personnel	4,286,323	4,286,323	4,039,183	247,140	590,672	590,672	562,232	28,440
Supplies	81,060	81,060	65,045	16,015	2,975	2,975	1,316	1,659
Services	490,831	490,831	281,135	209,696	289,220	289,220	63,481	225,739
Maintenance & Rent	122,400	122,400	63,164	59,236	-	-	-	-
Capital Outlay	45,224	45,224	24,408	20,816	-	-	-	-
Land Acquisition	-	-	-	-	500,000	500,000	223,363	276,637
Total Expenditures	5,025,838	5,025,838	4,472,935	552,903	1,382,867	1,382,867	850,392	532,475
OTHER FINANCING SOURCES (USES)								
Uncollectible Receivables	-	-	-	-	-	-	(24,378)	(24,378)
Operating Transfers In	80,000	80,000	92,021	12,021	-	-	-	-
Operating Transfer Out	-	-	-	-	(80,000)	(80,000)	(92,021)	(12,021)
Total Other Financing Sources (Uses)	80,000	80,000	92,021	12,021	(80,000)	(80,000)	(116,399)	(36,399)
Net Increase (Decrease) in Fund Balance	\$ -	\$ -	\$ 385,863	\$ 385,863	\$ -	\$ -	\$ 618,717	\$ 618,717

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**PINELANDS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity – The Pinelands Commission was formed in 1979 by the Pinelands Protection Act. The Commission is charged with the development and implementation of the Comprehensive Management Plan for the Pinelands. It plays significant roles in monitoring the level and types of development that occur within the Pinelands including, but not limited to, acquisition of land, planning, zoning, permitting, research, and education. The Commission consists of 15 members. Seven are appointed by the Governor of New Jersey. Another seven are appointed by each of the counties within the Pinelands, i.e. Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, and Ocean. One member is appointed by the U.S. Secretary of the Interior. The Commission works closely with all levels of government, organizations, and interested citizens to help them understand and implement the Pinelands Comprehensive Management Plan.

The primary criterion for including activities within the Commission's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the Commission. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The combined financial statements include all funds and account groups of the Commission over which the board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year.

Basis of Presentation – The financial statements are prepared on the modified accrual basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The more significant of the Commission's accounting policies are described in this note.

The accounts of the Commission are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The various funds and accounts are grouped into three fund types within two broad fund categories and two account groups as follows:

GOVERNMENTAL FUNDS

General Fund – The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenues, other than trusts, that are legally restricted to expenditures for specified purposes. The Commission utilizes the following three special revenue funds:

Pinelands Development Credit Fund – This fund is used to account for appropriations from the State of New Jersey that are restricted for purchasing Pinelands Development Credits through the Pinelands Development Credit Bank.

Kirkwood-Cohansey Study Fund – This fund is used to account for monies transferred to the Commission from the “Water Supply Fund” by the State of New Jersey to fund the completion of a report on the assessment on how the future and current water supply needs within the Pinelands area may be met while protecting the Kirkwood-Cohansey aquifer system.

Pinelands Conservation Fund – The Commission has reserved a portion of this fund to be used for preservation of land and designated other portions to be used for conservation planning/research and for community planning/design.

FIDUCIARY FUNDS

Private Purpose Trust Funds – The Private Purpose Trust Funds are used to account for assets held by the Commission in a trustee capacity or as an agent on behalf of others. These include two Private Purpose Trust Funds, the Unemployment Compensation Insurance Fund, and the “Katie” Fund. Private Purpose Trust Funds are accounted for in essentially the same manner as governmental funds. Private Purpose Trust Funds account for assets of which both the principal and interest may be spent.

ACCOUNT GROUPS

General Fixed Assets Account Group – Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds.

General Long-Term Debt Account Group – Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt

Account Group, not in the governmental funds. This includes the non-current portion of the liability for compensated absences.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

Basis of Accounting and Measurement Focus – The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental and fiduciary fund types. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

Budgets/Budgetary Control – An annual appropriated budget is approved by the Commission each year for the General Fund and Special Revenue Funds. The budgets are prepared using the budgetary basis of accounting. Formal budgetary integration into the accounting system is employed as a management control device during the year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types.

The accounting records of the General Fund and Special Revenue Funds are maintained on the budgetary basis. The budgetary basis differs from modified accrual basis in that the budgetary basis recognizes encumbrances as expenditures and also recognizes increases/decreases in internal designations of fund balance, whereas the modified accrual basis does not. Sufficient supplemental records are maintained to allow for the presentation of modified basis financial reports.

The budget, as detailed on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – General and Special Revenue Fund Types, Budget and Actual – Budgetary Basis, include all amendments to the adopted budget.

The following presents a reconciliation of the General Fund from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – General and Special Revenue Fund Types – Budget and Actual – Budgetary Basis to the modified accrual basis of accounting as presented in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental and Fiduciary Fund Types.

Net increase (decrease) in fund balances for the year (budgetary basis) adjustments:	\$ 385,863
Less: net decrease in revenue recognized in previous years	(516,538)
Less: prior year encumbrances recognized as current year expenditures	(119,803)
Add: current year encumbrances	<u> -</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (modified accrual basis)	<u>\$ (250,478)</u>

The following presents a reconciliation of the Special Revenue Funds from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – General and Special Revenue Fund Types – Budget and Actual – Budgetary Basis to the modified accrual basis of accounting as presented in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental and Fiduciary Fund Types.

Net increase (decrease) in fund balances for the year (budgetary basis) adjustments:	\$ 618,717
Less: net decrease in revenue recognized in previous years	(1,431,867)
Less: prior year encumbrances recognized as current year expenditures	(57)
Add: current year encumbrances	<u>30,050</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (modified accrual basis)	<u>\$ (783,157)</u>

Encumbrances – Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Cash and Cash Equivalents – Cash and cash equivalents include petty cash, change funds, cash in banks, and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost which approximates fair value. The

Commission also participates in the State of New Jersey Cash Management Fund administered by the New Jersey Department of the Treasury, Division of Investment, wherein amounts contributed by the state as well as other local government units are combined into a large scale investment program.

Fixed Assets – General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the General Fixed Assets Account Group. Fixed assets are defined by the Commission as assets, which have a cost in excess of \$1,000 at the date of acquisition and a useful life of one year or more.

Compensated Absences – Compensated absences are those absences for which employees will be paid, such as vacation, sick, administration, and paid leave bank. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Commission and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Commission and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the General Long-Term Debt Account Group.

Due from/to Other Funds – Amounts due from/to other funds represent monies owed from or to other funds. The General Fund disburses all the funds for expenditures incurred by all other funds, and the monies are transferred between funds.

Deferred Revenue – Deferred revenue in the General and Special Revenue Funds represents cash that has been received but not yet earned.

Fund Balance – Refer to Note 11 for full description.

Total Columns on Combined Statements – Total columns are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America, nor is such data comparable to a consolidation.

Note 2: CASH AND CASH EQUIVALENTS

The Pinelands Commission is governed by the deposit limitations of New Jersey state law. The deposits held at June 30, 2018, and reported at fair value are as follows:

Deposits:	Amount
Demand deposits	\$ 11,454,961
Cash on hand	629
Total deposits	<u>\$ 11,455,590</u>
Reconciliation of Statement of Comparative Balance Sheets:	
General Fund	\$ 2,381,416
Special Revenue Funds	9,027,910
Private Purpose Trust Funds	46,264
Total reconciliation of comparative balance sheets	<u>\$ 11,455,590</u>

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires that the Pinelands Commission disclose bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Commission will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party. None of the Commission's funds were at risk at June 30, 2018.

The balance of the Commission's cash and cash equivalents are deposited in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Fund's participants. An amount totaling \$11,259,828 is deposited with the Fund as of June 30, 2018; the Commission had \$195,133 in the operating account and \$629 in petty cash. The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, NJ 08625-0290.

Note 3: FIXED ASSETS

The following schedule is a summarization of general fixed assets by source as of June 30, 2018:

	*Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Furniture/Equipment	\$ 1,157,658	\$ 21,923	\$ 47,139	\$ 1,132,442
Vehicles	110,720	-	-	110,720
Total	<u>\$ 1,268,378</u>	<u>\$ 21,923</u>	<u>\$ 47,139</u>	<u>\$ 1,243,162</u>

*Beginning Balance for Furniture/Equipment was restated by \$5,020 to reflect prior period adjustment to Fixed Assets - Furniture/Equipment.

Note 4: LEASES

Lease Obligations – At June 30, 2018, the Commission had an operating lease agreement in effect for one copy machine. Future minimum rental payments under the operating lease agreement are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2019	\$1,218

Rental payments under the operating lease for the fiscal year ended June 30, 2018 were \$6,499.

Note 5: RETIREMENT SYSTEM

All required employees of the Commission are covered by the Public Employees' Retirement System (PERS), which has been established by state statute and is administered by the New Jersey Division of Pensions and Benefits (division). According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the system terminate. The division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<http://www.nj.gov/treasury/pensions/gasb-notices.shtml>

General Information about the Pension Plan

Description of Retirement Plan

PERS – is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Vesting and Benefit Provisions

PERS – The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit are available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit are available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

PERS – The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012.

The member contribution rate was 7.36% in state fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent state fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The Commission's contribution amounts are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Commission's contractually required contribution rate for the fiscal year ended June 30, 2018 was 13.53% of the Commission's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2017, the Commission's contractually required contribution to the pension plan for the fiscal year ended June 30, 2018 was \$394,615, and was paid by March 29, 2019. The Commission's contractually required contribution to the pension plan for the fiscal year ended June 30, 2017 was \$359,000 and was paid by March 28, 2018. Commission employee contributions to the pension plan during the fiscal year ended June 30, 2018 were \$213,943.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

PERS – At June 30, 2018, the Commission's proportionate share of the net pension liability was \$9,020,949. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2017 measurement date, the Commission's proportion was .0387524433%, which was a decrease of .0005944297% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the Commission's proportionate share of the pension expense was \$619,747. This pension expense was based on the pension plan's June 30, 2017 measurement date. This expense is not recognized by the Commission because of the basis of accounting as described in Note 1; however, as previously mentioned for the fiscal year ended June 30, 2018 the Commission's contribution to PERS was \$359,000 and was paid by March 28, 2018.

At June 30, 2017, the Commission reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 212,412	\$ -
Changes of assumptions	1,817,410	1,810,747
Net difference between projected and actual earnings on pension plan investments	61,427	-
Changes in proportion	191,880	302,622
Commission contributions subsequent to the measurement date	<u>394,615</u>	<u>-</u>
	<u>\$ 2,677,744</u>	<u>\$ 2,113,369</u>

The amount of \$394,615, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	
Ending June 30,	Amount
2019	\$ 181,444
2020	289,541
2021	163,536
2022	(265,170)
2023	<u>(199,591)</u>
	<u>\$ 169,760</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of pension plan deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of assumptions		
Year of pension plan deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
Net difference between projected and actual earnings on pension plan investments		
Year of pension plan deferral:		
June 30, 2014	-	5.00
June 30, 2015	5.00	-
June 30, 2016	5.00	-
June 30, 2017	-	5.00
Changes in proportion		
Year of pension plan deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48

Actuarial Assumptions

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>
Inflation	2.25%
Salary increases:	
FY 2016 to 2026	1.65% - 4.15% Based on Age
FY 2026 and thereafter	2.65% - 5.15% Based on Age
Investment rate of return	7.00%
Mortality rate table	RP-2000
Period of actuarial experience	
Study upon which actuarial	
Assumptions were based	July 1, 2011 - June 30, 2014

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Pre-Retirement Mortality Table for male and female active participants. Mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after

consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries.

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>PERS</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate – The discount rate used to measure the total pension liability at June 30, 2017 was 5.00%. The single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates for PERS assumed that contributions from plan members will be made at the current member

contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040.

Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of Commission’s Proportionate Share of Net Pension Liability to Changes in the Discount Rate

PERS – The following presents the Commission’s proportionate share of the net pension liability at June 30, 2017, the plan’s measurement date, calculated using a discount rate of 5.00%, as well as what the Commission’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(4.00%)	(5.00%)	(6.00%)
Commission's proportionate share of the net pension liability	\$ 11,191,100	\$ 9,020,949	\$ 7,212,945

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS, and additions to/deductions from PERS’s fiduciary net position have been determined on the same basis as they are reported by PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS, please refer to the plan’s Comprehensive Annual Financial Report (CAFR) which can be found at the following link. www.nj.gov/treasury/pensions.

Supplementary Pension Information

In accordance with GASB 68, the following information is presented for the PERS pension plan. These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which the information is available.

Schedule of the Commission's Proportionate Share of the Net Pension Liability – Public Employees' Retirement System (PERS) – Local (Last Five Years)

	Measurement Date Ending June 30,				
	2017	2016	2015	2014	2013
Commission's proportion of the net pension liability	0.0387524433%	0.0393468730%	0.0385232928%	0.0406718663%	0.0394699485%
Commission's proportionate share of the net pension liability	\$ 9,020,949	\$ 11,653,415	\$ 8,647,707	\$ 7,614,886	\$ 7,543,491
Commission's covered payroll (plan measurement period)	2,713,988	2,706,800	2,739,132	2,796,096	2,698,088
Commission's proportionate share of the net pension liability as a percentage of covered payroll	332.39%	430.52%	315.71%	272.34%	279.59%
Plan fiduciary net position as a percentage of the total pension liability	48.10%	40.14%	47.93%	52.08%	48.72%

Schedule of the Commission's Contributions – Public Employees' Retirement System (PERS) – Local (Last Five Years)

	Fiscal Year Ended June 30,				
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 394,615	\$ 359,000	\$ 349,552	\$ 331,197	\$ 335,293
Contributions in relation to the contractually required contribution	(394,615)	(359,000)	(349,552)	(331,197)	(331,197)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ 4,096
Commission's covered payroll (fiscal year)	\$ 2,915,910	\$ 2,692,751	\$ 2,707,759	\$ 2,697,688	\$ 2,697,688
Contributions as a percentage of commission's covered payroll	13.53%	13.33%	12.91%	12.28%	12.43%

Other Notes to Supplementary Pension Information

Changes in Benefit Terms – None

Changes in Assumptions – For 2017, the discount rate changed to 5.00%, the long-term expected rate of return changed to 7.00%, demographic assumptions were revised in accordance with the results of the July 1, 2011 – June 30, 2014 experience study, and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary was assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2016, the discount rate changed to 3.98%. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2016, increasing 4.00% per annum, compounded annually, and the

Internal Revenue Code Section 401(a)(17) pay limit was set at \$265,000 for 2016, increasing 3.00% per annum, compounded annually. For 2015, the discount rate was 4.90%.

Note 6: HEALTH CARE BENEFITS

The Commission provides health care benefits, through the New Jersey State Health Benefits Program, to all continuing employees who are scheduled to work 25 or more hours per week, along with their spouses and eligible dependents. Expenditures for health care benefits are recognized on a pay-as-you-go basis.

In accordance with P.L. 2011, Chapter 78, employees enrolled in the New Jersey State Health Benefits Program are required to contribute a portion of their bi-weekly salary. The balance of the monthly health care benefits premium is paid by the Commission which receives a credit from the state. Employees covered by other health insurance can elect to waive coverage and receive \$1,000 annually.

The Commission’s health care benefits premiums, including employees’ contributions, are as follows:

Health Care Costs				
Fiscal Year	Premium	Cost to Commission	Employee Contributions	Credit from State
2018	\$ 806,293	\$ 135,627	\$ 154,447	\$ 516,219
2017	798,708	152,158	134,323	512,227
2016	797,988	152,839	134,285	510,864
2015	840,454	195,690	130,114	514,650
2014	728,622	256,173	94,524	377,925

Note 7: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan Description and Benefits Provided – The Commission contributes to the State Health Benefits Local Government Retired Employees Plan (plan), which is a cost-sharing multiple-employer defined benefit OPEB plan administered by the State of New Jersey. It covers employees of local government employers that have adopted a resolution to participate in the plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions (GASB 75)*; therefore, assets are accumulated to pay associated benefits. For additional information about the plan, please refer to the State of New Jersey (state), Division of Pensions and Benefits’ (division)

Comprehensive Annual Financial Report (CAFR), which can be found at the following link. <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The plan provides medical and prescription drug coverage to retirees and their covered dependents. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide post-retirement medical coverage to their employees must file a resolution with the division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of post-retirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a state or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a state or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

Pursuant to Chapter 78, P.L., 2011, future retirees eligible for post-retirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Contributions – The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from participating local employers, and retired members.

The Commission was billed monthly by the plan and has expended \$284,092 for the fiscal ended June 30, 2018, representing 9.74% of the Commission's covered payroll. The Commission has recognized revenue in the amount of \$170,781 for a credit from the State of New Jersey to cover retiree health benefits; however this credit has no effect on the calculations in the plan. At June 30, 2018, there were no retirees required to pay a percentage of the cost of their health care coverage.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability – At June 30, 2018 the Commission’s proportionate share of the net OPEB liability was \$11,091,694. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017.

The Commission’s proportion of the net OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the plan’s nonspecial funding situation during the measurement period July 1, 2016 through June 30, 2017. For the June 30, 2017 measurement date, the Commission’s proportion was .054329% which was a decrease of .001496% from its proportion measured as of the June 30, 2016 measurement date.

OPEB Expense – At June 30, 2018, the Commission’s proportionate share of the OPEB expense, calculated by the plan as of June 30, 2017 measurement date is \$717,850. This expense is not recognized by the Commission because of the basis of the accounting as described in Note 1; however, as previously mentioned, for the fiscal year ended June 30, 2018, the Commission made contributions to the plan totaling \$284,092.

Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2018, the Commission had deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	1,231,084
Net difference between projected and actual earnings on OPEB plan investments	1,901	-
Changes in proportion	-	284,484
Changes in contributions subsequent to the measurement date	284,092	-
Total	<u>\$ 285,993</u>	<u>\$ 1,515,568</u>

The amount of \$284,092, included in deferred outflows of resources, resulting from the Commission’s contributions subsequent to the measurement date, will be included as a reduction of the Commission’s net OPEB liability in the fiscal year ending June 30, 2019.

The Commission will amortize the other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	-	8.04
Net difference between projected and actual earnings on OPEB plan investments	5.00	-
Changes in proportion	8.04	8.04

Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2019	\$ (214,805)
2020	(214,805)
2021	(214,805)
2022	(214,805)
2023	(215,280)
Thereafter	<u>(439,167)</u>
Total	<u>\$ (1,513,667)</u>

Actuarial Assumptions

The total OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total OPEB liability as of June 30, 2016, was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. The actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

<u>Actuarial Assumptions</u>	
Inflation	2.50%
* Salary increases:	
Through 2026	1.65% - 8.98%
Thereafter	2.65% - 9.98%

* Salary Increases are Based on the Defined Benefit Plan that the Member is Enrolled in and his or her Age.

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female Mortality Table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female Mortality Table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the July 1, 2016 valuation were based on the results of the pension plan's experience study for which the members are eligible for coverage under this plan, the Public Employees' Retirement System (PERS). The PERS experience study was prepared for the period July 1, 2011 to June 30, 2014.

Discount Rate – The discount rate used to measure the OPEB liability at June 30, 2017 was 3.58%. This represents the municipal bond return rate as chosen by the state. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Health Care Trend Assumptions – For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate

after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The net OPEB liability as of June 30, 2017, the plans measurement date, for the Commission, calculated using a discount rate of 3.58%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Commission's proportionate share of the net OPEB liability	<u>\$ 13,082,984</u>	<u>\$ 11,091,694</u>	<u>\$ 9,511,639</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rate – The following presents the Commission’s proportionate share of the net OPEB liability as of June 30, 2017, calculated using the healthcare trend rate as well as using a healthcare trend rate that is 1% lower or 1% higher than the current healthcare trend rate:

	1% Decrease	Healthcare Trend Rate	1% Increase
Commission's proportionate share of the net OPEB liability	<u>\$ 9,217,522</u>	<u>\$ 11,091,694</u>	<u>\$ 13,532,084</u>

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the plan’s respective fiduciary net position have been determined on the same basis as they are reported by the plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about the plan, please refer to the plan’s Comprehensive Annual Financial Report (CAFR) which can be found at the following link. <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Supplementary OPEB Information

In accordance with GASB 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until

a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Commission's Proportionate Share of the Net OPEB Liability (Last 2 Years)

	Measurement Date Ended June 30,	
	2017	2016
Commission's proportion of the net OPEB liability	0.054329%	0.055825%
Commission's proportionate share of the net OPEB liability	\$ 11,091,694	\$ 12,123,775
Commission's covered payroll (plan measurement period)	\$ 2,692,751	\$ 2,707,759
Commission's proportionate share of the net OPEB liability as a percentage of covered payroll	411.91%	447.74%
Plan fiduciary net position as a percentage of the Total OPEB liability	1.03%	0.69%

Schedule of the Commission's Contributions (Last 2 Years)

	Fiscal Year Ended June 30,	
	2018	2017
Commission's required contributions	\$ 284,092	\$ 305,161
Commission's contributions in relation to the required contribution	(284,092)	(305,161)
Commission's contribution deficiency (excess)	\$ -	\$ -
Commission's covered payroll (fiscal year)	\$ 2,915,910	\$ 2,692,751
Commission's proportionate share of the net OPEB liability as a percentage of covered payroll	9.74%	11.33%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms – None

Changes in Assumptions – The increase in the OPEB liability from June 30, 2015 to June 30, 2016 is due to the assumed discount rate from 3.80% as of June 30, 2015 to 2.85% as of June 30, 2016. The decrease in the OPEB liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

Note 8: RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance – The Commission maintains an umbrella policy and commercial insurance coverage for property, general liability, commercial auto, and worker’s compensation.

New Jersey Unemployment Compensation Insurance – In 1979, the Commission elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Commission is required to reimburse the New Jersey Unemployment Compensation Fund for benefits paid to its former employees and charged to its account with the state. The Commission is billed quarterly for amounts due to the state. The following is a summary of employee contributions, reimbursements to the state for benefits paid, and the ending balance of the Commission's trust fund for the current and previous four years:

<u>Fiscal Year</u>	<u>Employee Contribution</u>	<u>Annual Reimbursement</u>	<u>Funding Balance *</u>
2018	\$ 6,334	\$ 872	\$ 14,302
2017	4,375	12,050	8,566
2016	4,133	-	16,168
2015	5,602	-	12,016
2014	4,037	-	6,408

* Includes annual interest income

Note 9: LONG-TERM DEBT

Compensated Absences – The Commission’s policy states that employees are entitled, upon termination, to the current year’s earned but unused vacation time in addition to any unused vacation time previously earned. In addition, employees are eligible, at retirement, to receive payment for one-half of their accumulated sick leave up to a maximum of \$15,000. Unused vacation time expected to be taken in the succeeding fiscal year in the amount of \$35,271 has been recorded as a liability in the General Fund on the accompanying balance sheet.

A liability for vested compensated absences has also been established in the General Long-Term Debt Account Group as the benefits accrue to employees. As of June 30, 2018, the estimated long-term liability for compensated absences was \$351,517. Net long-term debt as of June 30, 2018 is as follows:

	<u>Balance</u> <u>6/30/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2018</u>	<u>Due Within</u> <u>One Year</u>
Compensated absences payable	\$ 33,026	\$ 2,245	\$ -	\$ 35,271	\$ 35,271
Estimated compensated absences payable	308,684	42,833	-	351,517	-
Total	<u>\$ 341,710</u>	<u>\$ 45,078</u>	<u>\$ -</u>	<u>\$ 386,788</u>	<u>\$ 35,271</u>

Note 10: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2018:

<u>Fund</u>	<u>Interfund</u> <u>Receivable</u>	<u>Interfund</u> <u>Payable</u>
General Fund	\$ 362,505	\$ -
Special Revenue Funds	-	352,854
Private Purpose Trust Funds	-	9,651
Total	<u>\$ 362,505</u>	<u>\$ 362,505</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of the other funds. During the fiscal year 2019, the Commission expects to liquidate such interfunds, depending on the availability of cash flow.

Note 11: GASB 54 – FUND BALANCE DISCLOSURES

In accordance with Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Pinelands Commission classifies governmental fund balances as follows:

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund Balance may be assigned by the Executive Director or the Board of Commissioners.
- Unassigned – includes balance within the General Fund that has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

Specific reservations of fund balances are described below:

RESTRICTED FOR:

Unemployment Compensation – This reserve was established with funds contributed by employees and used to reimburse the state for benefits paid, \$14,301.

Katie Fund – The Kathleen M. Lynch-van de Sande Fund consists of contributions from the public which are dedicated to the support of reforestation and vegetation activities in the Pinelands and to further educational programs and projects that enhance the understanding of the Pinelands National Reserve, \$7,312.

Timber Rattlesnake Study – This reserve was created as a result of a settlement in order to fund an escrow for the study and monitoring of the timber rattlesnakes in and near a particular development site, \$6,570.

Rattlesnake Fencing – This reserve was created to account for funds restricted for possible future fencing necessitated by the above rattlesnake study, \$21,407.

COMMITTED TO:

Pinelands Conservation Fund – This reserve was established with funds provided by the Atlantic Electric Co. as a result of the proposed electric transmission line project to further the Pinelands protection program and ensure a greater level of protection for the unique resources of the Pinelands area, \$5,511,140.

Kirkwood-Cohansey Study – This reserve was created from funds from the Water Supply Fund to assess and prepare a report on the key hydrological and ecological information needed to determine how the current and future water supply needs with the Pinelands may be met while protecting the Kirkwood-Cohansey aquifer system and avoiding any adverse ecological impact, \$13,582.

Encumbrances – The reserve for encumbrances was created to represent encumbrances outstanding at the end of the year based on purchase orders and contracts signed by the Commission but not completed as of the close of the fiscal year, \$527,521.

Retirees' Health Benefits – This is a designation of fund balance that the Commission intends to utilize to fund future retirees' health benefits, \$799,155.

Microfilming Project – This is a designation of fund balance that the Commission intends to utilize for the microfilming or imaging of Commission records and documents, \$10,984.

Building Improvements – This is a designation of fund balance that the Commission intends to utilize to fund building improvements, \$42,381.

Vehicle Replacements – This is a designation of fund balance that the Commission intends to use to replace existing Commission motor vehicles, \$131.

Computer Replacements – This is a designation of fund balance that the Commission intends to use to replace obsolete computer hardware and software, \$27,295.

Other – This represents designations of fund balance that the Commission intends to utilize for various projects, such as educational activities, \$5,000.

Investment in General Fixed Assets – This represents the amount invested in fixed assets, \$1,243,162

ASSIGNED TO:

Subsequent Year's Expenditures – This designation of fund balance has been appropriated and included as anticipated revenue for the year ending June 30, 2019, \$1,514,230.

Other – This represents designations of fund balance that the Commission intends to utilize for various projects, such as Pinelands poster reprinting and service awards, \$14,034.

UNASSIGNED FUND BALANCE:

Unassigned – This represents the portion of fund balance resources available for appropriation, \$768,350.

Note 12: ECONOMIC DEPENDENCY

The Commission receives a significant portion of its total revenues from the State of New Jersey. Since these revenues are subject to annual appropriation, any reduction in the amount appropriated in the state’s budget will have a material impact on the operations of the Commission. A comparison of annual operating revenues is shown below:

Fiscal Year	Total State Aid Revenues	General Fund Revenues*	Percentage
2018	\$ 3,336,000	\$ 4,342,260	77%
2017	3,486,000	4,225,149	83%
2016	3,186,000	4,200,943	76%
2015	3,156,000	4,154,901	76%
2014	3,156,000	3,753,832	84%

* Includes transfers from other funds

Other Information

PINELANDS COMMISSION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Grantor/Pass Through Grantor/Program Title	STATE GRANT or GMIS NUMBER	PROGRAM or AWARD AMOUNT	GRANT PERIOD FROM TO		ACCOUNTS RECEIVABLE 6/30/17	DEFERRED REVENUE 6/30/17	CASH/CREDIT RECEIVED	EXPENDITURES	ACCOUNTS RECEIVABLE 6/30/18	DEFERRED REVENUE 6/30/18
Department of Environmental Protection										
State Aid	100-042-4800-082	\$ 2,649,000	7/1/2017	6/30/2018	\$ -	\$ -	\$ 2,649,000	\$ 2,649,000	\$ -	\$ -
Pinelands Development Credit Purchases	100-042-4800-324	\$ 13,000,000	7/1/1999	Completion	-	1,759,199	-	-	-	1,759,199
Credit from State - Fringe Benefits	not applicable	\$ 687,000	7/1/2017	6/30/2018	-	-	687,000	687,000	-	-
Total State Assistance					\$ -	\$ 1,759,199	\$ 3,336,000	\$ 3,336,000	\$ -	\$ 1,759,199

See Report and Notes to Schedules of Expenditures of State Financial Assistance.

**PINELANDS COMMISSION
NOTES TO THE SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Note 1: GENERAL

The accompanying Schedule of Expenditures of State Financial Assistance presents the activity of all state financial assistance programs of the New Jersey Pinelands Commission. The Commission is defined in Note 1 to the financial statements. All state financial assistance received directly from state agencies is included on the Schedule of Expenditures of State Financial Assistance.

Note 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of State Financial Assistance is presented using the modified accrual basis of accounting. This basis of accounting is described in Note 1 to the Commission's financial statements.

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Commission's financial statements.

Note 4: RELATIONSHIP TO STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related state financial reports.

Note 5: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the Schedule of Findings and Questioned Costs.

Pinelands Commission

**Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

For Fiscal Year Ended June 30, 2018

SENATE

CHRISTOPHER J. CONNORS
KRISTIN M. CORRADO
NIA H. GILL
LINDA R. GREENSTEIN
THOMAS H. KEAN, JR.
JOSEPH PENNACCHIO
STEPHEN M. SWEENEY
LORETTA WEINBERG

GENERAL ASSEMBLY

JON M. BRAMNICK
JOHN J. BURZICHELLI
CRAIG J. COUGHLIN
JOHN DIMAIO
THOMAS P. GIBLIN
LOUIS D. GREENWALD
NANCY F. MUNOZ



New Jersey State Legislature

OFFICE OF LEGISLATIVE SERVICES

OFFICE OF THE STATE AUDITOR
125 SOUTH WARREN STREET
PO BOX 067
TRENTON NJ 08625-0067

OFFICE OF THE STATE AUDITOR
(609) 847-3470
FAX (609) 633-0834

STEPHEN M. EELLS
State Auditor

DAVID J. KASCHAK
Assistant State Auditor

THOMAS TROUTMAN
Assistant State Auditor

PERI A. HOROWITZ
Executive Director
(609) 847-3901

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR’S REPORT

The Honorable Philip D. Murphy
Governor of New Jersey

The Honorable Stephen M. Sweeney
President of the Senate

The Honorable Craig J. Coughlin
Speaker of the General Assembly

Ms. Peri A. Horowitz
Executive Director
Office of Legislative Services

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Pinelands Commission, as of and for the year ended June 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated September 6, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Pinelands Commission’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of

the Pinelands Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pinelands Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pinelands Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Stephen M. Eells
State Auditor
September 6, 2019

Pinelands Commission

**Report on Compliance for Each Major State Program; Report on
Internal Control Over Compliance; and Report on Schedule of
Expenditures of State Financial Assistance Required by New Jersey Department of the
Treasury Circular 15-08-OMB**

For the Fiscal Year Ended June 30, 2018

SENATE

CHRISTOPHER J. CONNORS
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OFFICE OF THE STATE AUDITOR
(609) 847-3470
FAX (609) 633-0834

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OFFICE OF LEGISLATIVE SERVICES

OFFICE OF THE STATE AUDITOR
125 SOUTH WARREN STREET
PO BOX 067
TRENTON NJ 08625-0067

PERI A. HOROWITZ
Executive Director
(609) 847-3901

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY DEPARTMENT OF THE TREASURY CIRCULAR 15-08-OMB

INDEPENDENT AUDITOR'S REPORT

The Honorable Philip D. Murphy
Governor of New Jersey

The Honorable Stephen M. Sweeney
President of the Senate

The Honorable Craig J. Coughlin
Speaker of the General Assembly

Ms. Peri A. Horowitz
Executive Director
Office of Legislative Services

Report on Compliance for Each Major State Program

We have audited the Pinelands Commission's compliance with the types of compliance requirements described in the New Jersey Grant Compliance Supplement that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018. The Pinelands Commission's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Pinelands Commission's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and New Jersey Department of the Treasury Circular 15-08-OMB. These standards and New Jersey Department of the Treasury Circular 15-08-OMB require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Pinelands Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Pinelands Commission's compliance.

Opinion on Each Major State Program

In our opinion, the Pinelands Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Pinelands Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Pinelands Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey Department of the Treasury Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Pinelands Commission's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected,

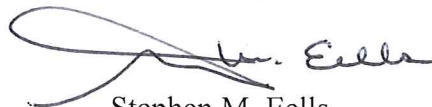
on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey Department of the Treasury Circular 15-08-OMB. Accordingly, this report is not suitable for any other purposes.

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey Department of the Treasury Circular 15-08-OMB

We have audited the financial statements of the Pinelands Commission as of and for the year ended June 30, 2018, and have issued our report thereon dated September 6, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by New Jersey Department of the Treasury Circular 15-08-OMB and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.



Stephen M. Eells
State Auditor
September 6, 2019

**PINELANDS COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED JUNE 30, 2018**

Section I - Summary of Auditor's Results (continued):

Identification of major programs:

<u>State Program Number</u>	<u>Name of State Program</u>
100-042-4800-082	State of New Jersey Appropriation
Not applicable	Credit from State - Fringe Benefits

Section II – Schedule of Financial Statement Findings

No compliance or internal control over financial reporting findings were noted that are required to be reported under *Government Auditing Standards*.

Section III – Schedule of State Awards Findings and Questioned Costs

The audit disclosed no findings or questioned costs for the current period.

**PINELANDS COMMISSION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED JUNE 30, 2018**

<u>Finding No.</u>	<u>Condition</u>	<u>Status</u>
None.		



PHILIP D. MURPHY
Governor
SHEILA Y. OLIVER
Lt. Governor

State of New Jersey
THE PINELANDS COMMISSION
PO Box 359
NEW LISBON, NJ 08064
(609) 894 7300
www.nj.gov/pinelands



RICHARD PRICKETT
Chairman
NANCY WITTENBERG
Executive Director

General Information: Info@pinelands.nj.gov
Application Specific Information: AppInfo@pinelands.nj.gov

February 7, 2020

Mr. Mark Demitroff
822 Main Avenue
Vineland, N.J. 08360

Re: Municipal Redevelopment Plans
in the Pinelands Area

Dear Mr. Demitroff:

I am writing in response to your letter inquiring as to the relationship between municipal "Redevelopment Plans" in the State of New Jersey and the Pinelands Comprehensive Management Plan (CMP).

Although your letter specifically inquires about Buena Vista Township, this letter addresses the relationship of all municipal Redevelopment Plans in the Pinelands Area, including Buena Vista Township's, to the CMP.

In the Pinelands Area, any municipal Redevelopment Plan is subject to the same Pinelands Commission review and certification (approval) process as any other Pinelands Area municipal land use or zoning ordinance. The Commission reviews any Redevelopment Plan for consistency with all requirements of the CMP. Until the Commission certifies (approves) a Redevelopment Plan, it does not take effect. In addition, no actual development that is proposed in a Redevelopment Plan can occur until a development application is approved by the Commission in accordance with the provisions of the CMP.

I also wanted to note that it remains necessary for a municipality/applicant to secure all other approvals or permits that may be required by other agencies in the State of New Jersey.

Except as applicable to the Commission's regulations, I do not have the expertise or knowledge to offer guidance on the role and requirements of the New Jersey Department of Community Affairs and New Jersey municipalities with respect to the designation of redevelopment areas or the adoption, review, approval and implementation of Redevelopment Plans.

I hope this letter clarifies the role of the Pinelands Commission with Redevelopment Plans in the Pinelands Area.



State of New Jersey
OFFICE OF THE ATTORNEY GENERAL
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF LAW
25 MARKET STREET
PO Box 093
TRENTON, NJ 08625-0093

CHRIS CHRISTIE
Governor

PAULA T. DOW
Attorney General

KIM GUADAGNO
Lt. Governor

ROBERT M. HANNA
Director

November 23, 2011

Via Regular & Certified Mail

Mark Demitroff
822 Main Ave.
Vineland, NJ 08360-9346

Re: September 23, 2011 Correspondence to the Office of
the Attorney General

Dear Mr. Demitroff:

I am in receipt of your September 23, 2011 correspondence to the Office of the Attorney General. You asked for a determination as to "who has authority over redevelopment within the Pinelands National Reserve."

As noted in the August 1, 2011 correspondence sent to you by DAG Julie Cavanagh, this office is unable to provide you with legal advice or assistance.

That being said, the New Jersey Constitution authorizes redevelopment. N.J. Const., art. VIII, § III, ¶ 1. Municipal redevelopment is primarily governed by the New Jersey Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., which gives municipalities the authority to designate "areas in need of redevelopment." N.J.S.A. 40A:12A-5. The New Jersey Pinelands Commission's ("Commission") role in municipal redevelopment is only to ensure that any such redevelopment in the Pinelands Area comports with the Pinelands Comprehensive Management Plan ("CMP") adopted in accordance with the Pinelands Protection Act, N.J.S.A. 13:18A-1 et seq. See N.J.A.C. 7:50-4.11 et seq. (development in municipalities not certified in compliance with the CMP); N.J.A.C. 7:50-4.31 et seq. (development in municipalities certified in compliance with the CMP). The Commission has no authority to implement the New Jersey Local Redevelopment and Housing Law.



Finally, it should be clarified that, since your letter asks who has authority over redevelopment in the "Pinelands National Reserve," the Commission's authority is limited to the "Pinelands Area" as defined by N.J.S.A. 13:18A-11. See also N.J.S.A. 13:18A-3; N.J.S.A. 13:18A-8. Although the CMP constitutes the management plan called for by the National Parks and Recreation Act of 1978, 16 U.S.C. §471i(f), the Commission's jurisdiction is limited to those portions of the Pinelands National Reserve that overlap with the Pinelands Area. The New Jersey Department of Environmental Protection has primary jurisdiction over those portions of the Pinelands National Reserve located outside the Pinelands Area within the Coastal Area. See N.J.S.A. 13:18A-23 and N.J.A.C. 7:7E-3.44 which provides that "[w]ithin the Pinelands National Reserve, the Pinelands Commission will serve as a reviewing agency for the coastal construction permit applications."

Sincerely yours,

PAULA T. DOW
ATTORNEY GENERAL OF NEW JERSEY

By: 

Kristen D. Heinzerling
Deputy Attorney General

C: AAG Kevin Auerbacher
AAG Robert H. Stoloff
DAG John Renella
DAG Christine Piatek