

PINELANDS PERSONNEL & BUDGET COMMITTEE MEETING

This meeting was conducted in-person and available remotely.

The public could view/comment through Pinelands Commission YouTube link:

<https://www.youtube.com/c/PinelandsCommission>

June 24, 2025, 9:30 AM

MINUTES

MEMBERS IN ATTENDANCE: Remotely: Chairman Alan W. Avery Jr., Commissioners Nicholas Asselta, Mark Lohbauer, and William Pikolycky. Also remote was Governor's Authorities Unit representative Michael Elenski.

MEMBERS ABSENT: Commission Chair Laura E. Matos

STAFF PRESENT: Jessica Lynch **Remotely:** Executive Director (ED) Susan R. Grogan, Gina Berg, Charleen Cruz, April Field, Marc Paalvast and Carol Ebersberger

1. Call to Order

Chairman Avery called the Pinelands Personnel & Budget Committee meeting to order at 9:33 a.m.

2. Adoption of the October 29, 2024, Personnel & Budget Committee meeting minutes

Commissioner Lohbauer moved the adoption of the minutes of the October 29, 2024, Personnel & Budget Committee meeting. Commissioner Pikolycky seconded the motion. All voted in favor. The minutes were adopted.

3. Financial Updates:

- a. Check Register – Jessica Lynch, Business Services Manager, highlighted the more noteworthy purchases/checks on the register for October 2024 – May 2025.

More notable purchases mentioned were ESRI GIS Software renewal, Insurance renewal, Application Fee refund, National Park Service (NPS) Calendar printing, MIS Office 365 and TEAMS licensing renewal, partial payment for Fiscal Year (FY) 22 Audit services, NPS Snake Study supplies, repairs to the Richard J. Sullivan Center (RJS) Fire Panel, and mileage reimbursement to John Bunnell for 2020 – 2024.

- b. Electronic Disbursements – EFT, Direct Deposit, ACH (October 2024 – March 2025)
- c. Application Fees – Ms. Lynch stated that net application fees received as of May 2025 for FY25 are \$943,719.27, which has exceeded the anticipated \$750,000.00 amount for FY25. To date for June 2025, we have a net of \$13,000.00 in application fees, bringing total to \$956,719.27.

Commissioner Lohbauer asked if it is known how much of the collected fees may have to be refunded. Jessica Lynch said that \$800 has been refunded to date for June 2025.

4. Fixed Asset Deletion:

Ms. Lynch reviewed the fixed assets list that will be going to Trenton after approval. Commissioner Lohbauer made a motion for fixed asset deletion approval. Commissioner Pikolycky seconded the motion. All Commissioners present voted in favor. Fixed asset deletion was approved.

5. Personnel Updates

Charleen Cruz, Human Resource Manager, reviewed employee actions and recruitment efforts.

Departing employees – Jeffrey Dragon, Research Scientist 2, effective March 27, 2025

New Hires – Christine Healy, Research Scientist 3, effective November 4, 2024

Claire Osei, Resource Planning Specialist 3, effective February 10, 2025

Kate LaMotta, Environmental Specialist 3, effective March 24, 2025

Recruitment – all positions filled at this time

The Commission has 43 full-time employees and 2 hourly employees.

6. Update on Fenwick Manor rehabilitation project

Marc Paalvast, Cultural Resource Specialist, presented the Fenwick Manor Project Schedule. (attached)

Mr. Paalvast said the structural engineer, mechanical engineer and the design team visited the site and will be returning to cut some probes in the floor and ceiling to be able to look at the framing around the chimney that will be demolished and re-built. The project is currently in the Schematic Design phase. He said that once the project is completed to 60% of the Design Phase, it will be sent to the State Historic Preservation Office (SHPO) and the New Jersey Historic Trust (NJHT) for initial review. He said as part of the pre-qualification process, the Commission had already sent a pre-qualifying package to the NJHT for approval, and the package will be sent out to General Contractors to become pre-qualified to bid on the construction of the project.

Chairman Avery asked if the consultant found anything surprising. Mr. Paalvast said the structural engineer did not find anything that has not already been observed. He said we will know more when the probes are cut. He said the engineer did not see anything that was scary beyond what is already known.

Commissioner Lohbauer asked if cameras are run through the holes, the probes. Mr. Paalvast said he is not certain of the process. He said one probe was done during the Preservation Plan

process, and the hole was big enough that he could stick his head down to look. He said they will be doing a probe in the floor and ceiling on the first and third floor to see framing around the chimney for their drawings.

Chairman Avery asked if the plan is to hire a General Contractor who will then choose subs from a pre-qualified list. Mr. Paalvast said the Contractor is responsible for the subcontractors meeting the requirements of the grant, which is in the pre-qualification package.

Chairman Avery asked if the consultant knows of contractors that are relatively close to the Commission's office. Mr. Paalvast said they do, noting that the consultant is in Cranford, NJ, and does work with contractors throughout the State of New Jersey and Philadelphia that are qualified.

Mr. Paalvast completed the review of the schedule.

Chairman Avery asked if there is an allowance in the contract for unforeseen circumstances. Mr. Paalvast said unforeseen circumstances are anticipated. ED Grogan said there are monies built into the overall estimates. Mr. Paalvast said there is a 20% contingency, for economic purposes and unforeseen items. ED Grogan said she has discussed with the Governor's office the possibility of getting an additional special appropriation to cover unexpected costs for the remainder of the project. She said funding is only for Phase I, and there is Phase II for additional work that the Commission does not have the money to do at this time. The Commission will need to wait for the State budget to be adopted to see if there will be any additional funding.

Mr. Paalvast said the Commission is hoping to have the following work completed in Phase I: the two chimneys – one chimney will be re-built and the other will have its foundation secured – a couple of brick piers in the crawlspace that need foundation work, framing and painting of the exterior, which involves scraping off all old paint and refinishing all of the siding. He said the roof is in okay condition but would be part of the Phase II project.

Chairman Avery asked if the exterior shutters will be rebuilt or replaced. Mr. Paalvast said the plan is to rebuild the shutters. The shutters will be taken down, paint scraped off, sanded and repainted.

Commissioner Lohbauer said there was previous discussion regarding contracting responsibility being either with the Commission or with the State Treasury. He asked whether the Commission would have the authority to do what the Commission chooses to do or does the Commission have to collaborate with the Treasury. ED Grogan said the Commission removed itself from the Treasury and the Division of Property Management and Construction (DPMC) process, as they did not see a way for the Commission to be involved in contracting or making decisions about the project. The project was cancelled with the DPMC and the Commission did its own Request for Proposal (RFP), which led to the hiring of Connolly & Hickey. The Commission will keep Treasury informed of how the project is proceeding and submit all necessary documents. Commissioner Lohbauer said he was glad to hear that was the outcome.

7. Fiscal Year 2026 Budget Discussion

- Application Fee Projection
- Preliminary Financial Projections

Gina Berg, Director of Land Use Programs, delivered a presentation (see attached) for the projected FY26 Application Fee and Revenue Projection. She recommended for FY2026 budget purposes anticipated application fee revenue of \$850,000.

Commissioner Lohbauer said he thinks projections are prudent. He said he agrees that infrastructure and warehouse applications are likely to decline.

Chairman Avery asked if the projected \$850,000 is \$100,000 more than projected last year. ED Grogan replied that it is. She said there is no real magic to the projection, noting that the Commission is trying to factor in several things that it cannot be certain about. She said it is a conservative number, although higher than last year's budgeted amount. She said we are continuing to see a large volume of applications coming in and do not anticipate that will change in FY26. She said it is a matter of what type of development there is and that is the part that is hard to predict.

Chairman Avery asked if the \$750,000 from the projected FY25 fee revenue was used in the FY25 Budget to get a balanced budget. ED Grogan said that is correct. ED Grogan said it is better to be conservative than overestimate. Chairman Avery said he is pleased to see the level of residential development is the same over the last three years. He said he has been concerned with the Regional Growth Areas getting harder to build in. ED Grogan said in the fee revenue associated with the new development, you do not see the number of active applications that may have come in and paid a fee ten years ago, got approvals and have just been sitting all that time. Now post-Covid, these applications are active and getting building permits that the Commission is currently reviewing. She said there is a lot more development occurring in the Regional Growth Areas, especially residential development. The numbers shown in the charts are just new applications that are coming in the door this year. There are all kinds of other Regional Growth Area residential projects that are ongoing in other stages. Chairman Avery said he uses Barnegat as his benchmark and that there is not much other than the Ocean Acres portion, which is all individual lots left for major development in Barnegat. ED Grogan said she thinks there is one big mixed-use application that is active in Barnegat now.

Commissioner Lohbauer asked how the proposed CMP amendments and fee increases will impact a project that got permitted several years ago, went inactive, and is ready to build in FY26. ED Grogan said there is no impact for projects that came in ten years ago, received their Certificate of Filings from the Commission and then obtained site plan and subdivision approvals, which the Commission has previously signed off on. Such projects are not affected by any of the proposed rule amendments. Those Certificates of Filing remain valid; they do not have to reapply or pay more fees. The proposed amendments affect projects that received their Certificate of Filings and never proceeded to get any approvals. Upon expiration of such Certificates of Filing, applicants will have to re-apply and pay the appropriate application fee.

Commissioner Lohbauer asked Ms. Berg if the Commission is taking into consideration what may be happening from year to year regarding affordable housing – rulings, stipulations – and whether that will increase pressure for housing development. Ms. Berg said she does not have data on that to wrap into the fee projections. Possibly we will see something after the current fourth round of affordable housing is said and done. ED Grogan said the Commission is just starting to get updated housing elements and fair share plans from municipalities with their new numbers and their new ideas on how to satisfy their obligations. She said it could be an interesting factor if they are proposing large residential projects in the Pinelands Area to meet their affordable housing obligations. She said she does not there will be too many such projects.

Chairman Avery asked if there were any preliminary financial information. ED Grogan said she has confirmed the FY26 State appropriation and the annual grant from the National Park Service for the Long-term Economic and Environmental Monitoring Program. The Commission is waiting to see if new Environmental Protection Agency funding is awarded for a joint grant application with several other states related to box turtle research.

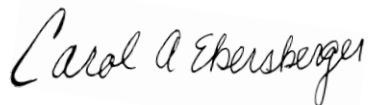
Commissioner Pikolycky asked if the unofficial amount for the State appropriation is going to be less, same or more. ED Grogan said it will be more. She said previously the Commission received an increase of \$150,000 each year, and it will be that increase, at minimum. Also, to cover the negotiated salary increases in the Union contract, there was an agreement with the Treasury Department and the Governor’s Office for a slightly larger increase. In total, an increase of around \$260,000 is expected.

8. Public comment – None

9. Closed Session

Commissioner Lohbauer moved to adjourn the meeting at 10:54 a.m. Chairman Avery seconded the motion. All voted in favor.

Certified as true and correct:



Carol A. Ebersberger
Business Specialist

July 14, 2025



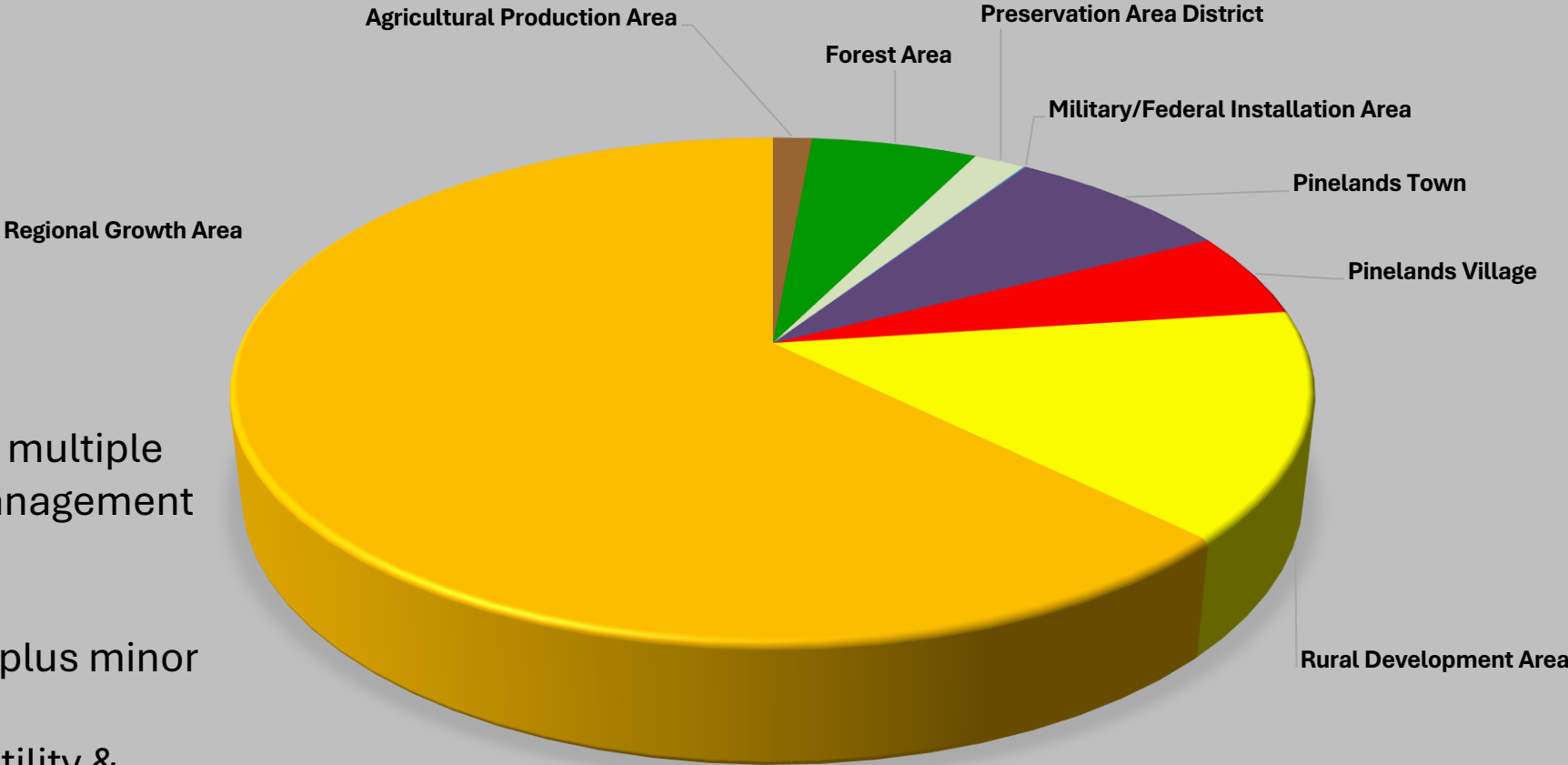
Application Fee Revenue and Projection

Personnel and Budget Committee

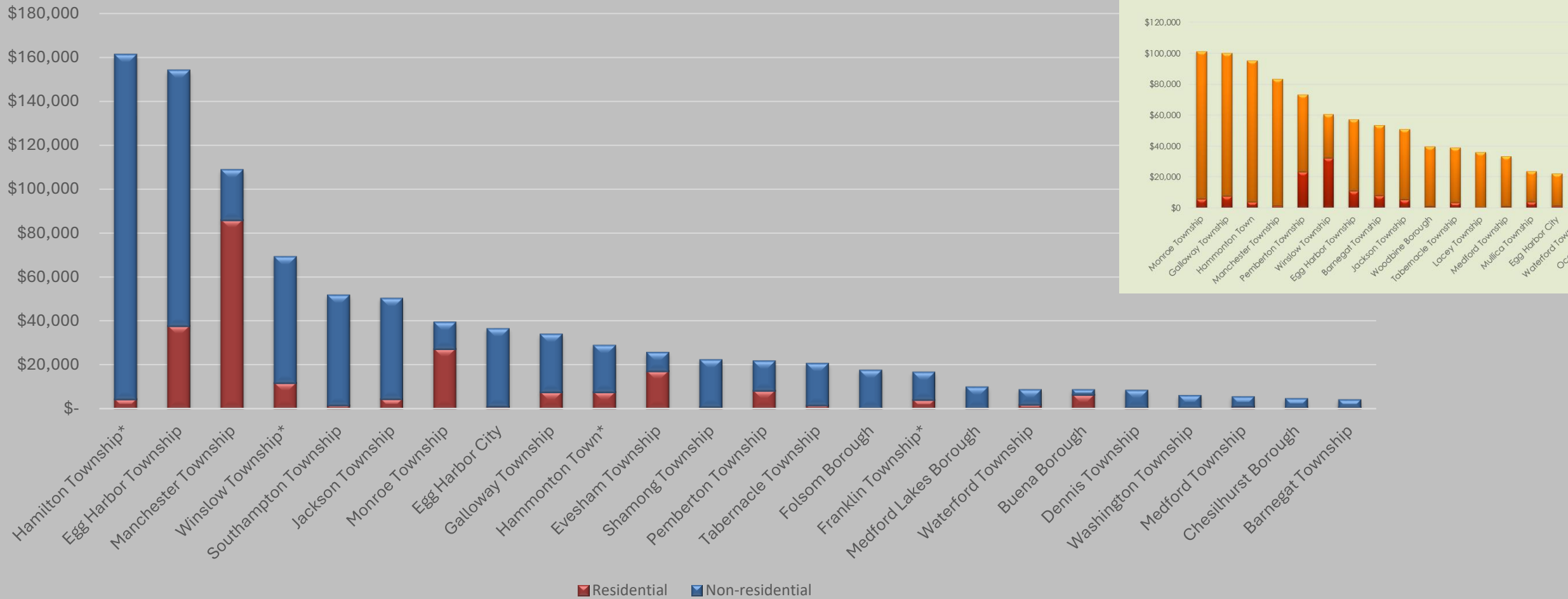
June 24, 2025



Application Fees by Management Area – FY25



- Some applications intersect multiple management areas – the management area most impacted by the development is assigned
- PAD fees primarily enduros, plus minor residential infill & forestry
- M/F –not usually seen – for utility & overpass
- Spec. Ag. – no development apps



* Applications overlap adjacent municipality

Top 25 Municipalities in Application Fees - FY25

Maximum Fees Assessed FY21-FY25

Public Development (\$25,000)

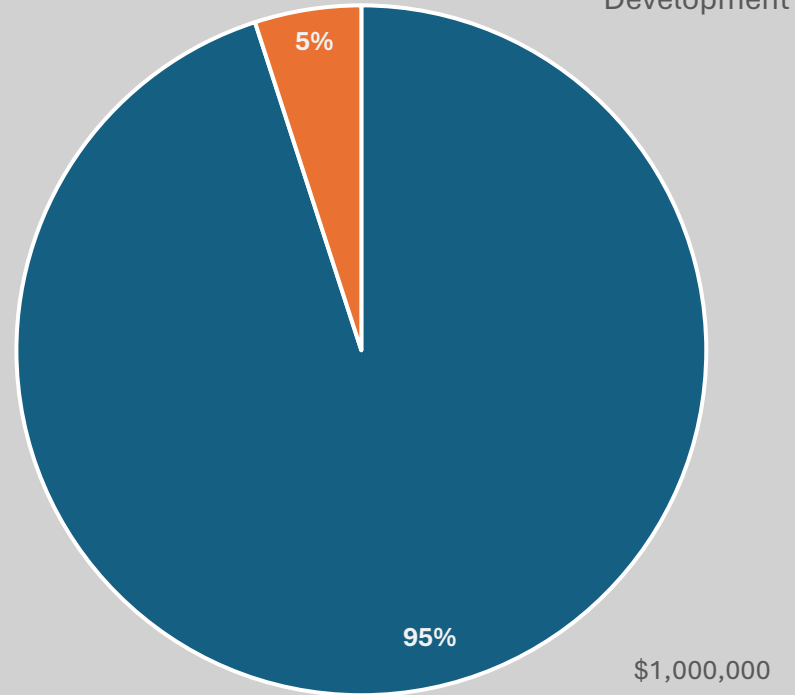
- 10 applications
- schools, recreation facilities, municipal building, landfill closure, military
- No max fees for public development application in FY 25

Private Development (\$50,000)

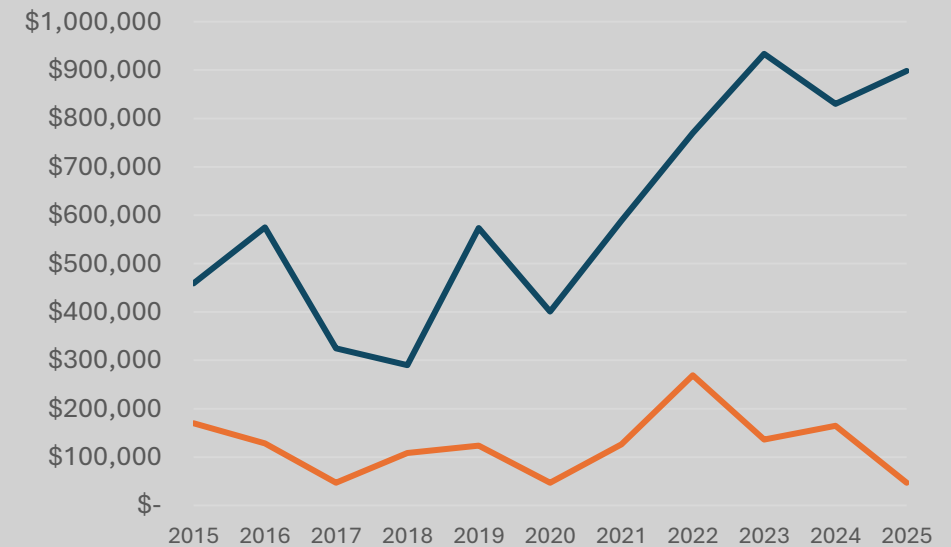
- 22 applications total
- Warehouses most frequently in the five-year window
- Then cannabis, self-storage, commercial & industrial buildings, and electric/gas/power delivery infrastructure
- 5 in FY25: electric/gas/power delivery, warehouse & another commercial development

Net Fees from Public Development & Private Development Applications

FY 2025



2015 – 2025 Trends



Net Fees Categorized by Development Type

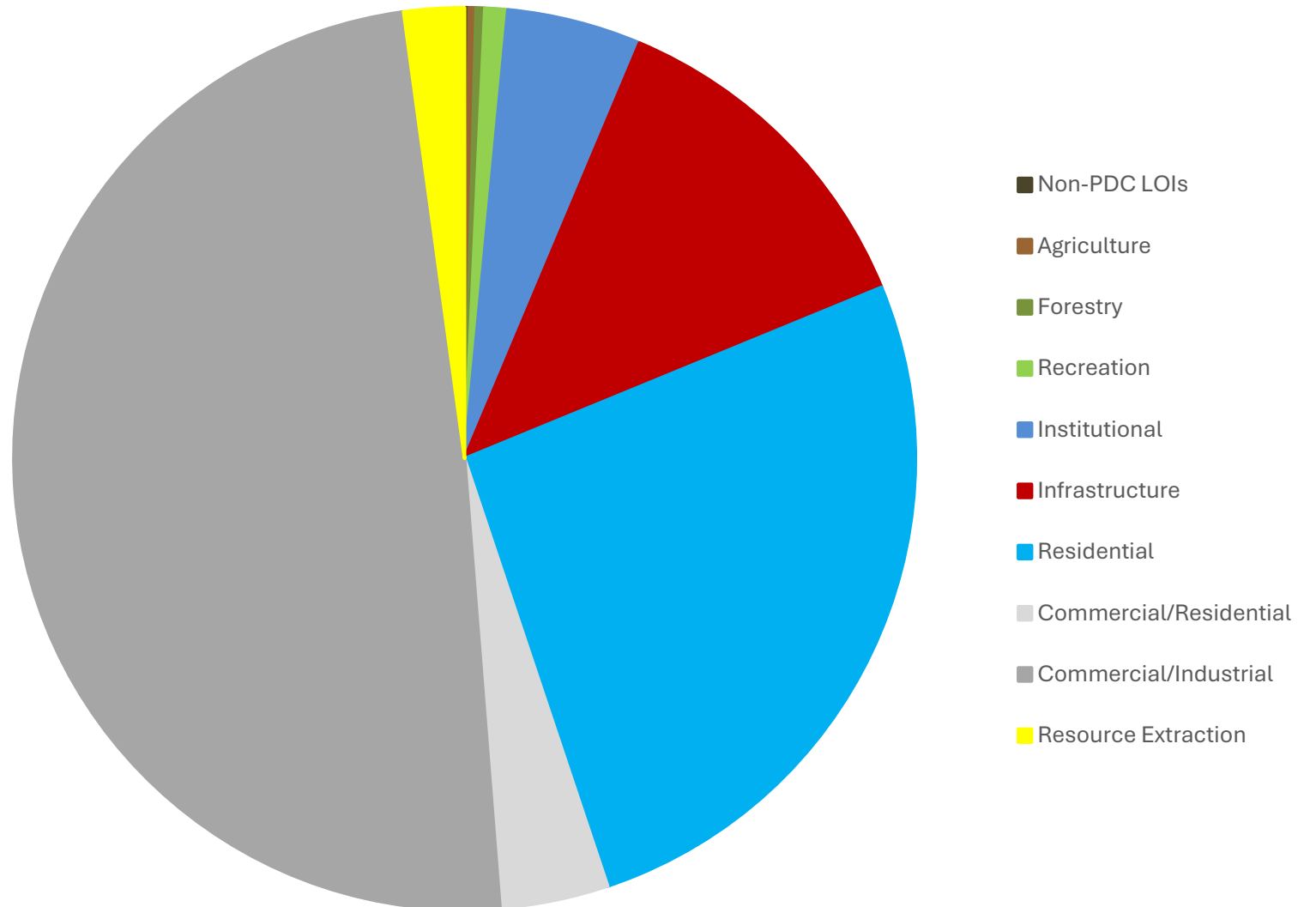
Residential includes subdivisions, accessory to residential, accessory to ag, >50yr old demos, & minor residential

Commercial/Residential is mixed-use development with residential component

Commercial/Industrial covers retail, restaurant, cannabis, home occupation, car repair. Everything else!

Agriculture category represents only seasonal employee housing

Recreation apps involved enduros, playgrounds, parks, & fields



Residential Development by Management Area in FY25

- Most residential is minor development (0 – 4 units). Notable major residential development apps in Manchester Twp, Evesham Twp, and Egg Harbor Twp
- Net fees includes **37** apps to demolish structures >50 years old
- Reconstruction of dwelling after demolition is not counted in total # of dwelling units
- 69 % of proposed units are in the Regional Growth Area
- Historical comparison:
 - FY22 = 1358 dwelling units
 - FY23 = 1346 dwelling units
 - FY24 = 1218 dwelling units

Management Area	# Dwelling Units	Net Fees
Regional Growth Area	867	\$ 168,188
Rural Development Area	316	\$ 36,740
Pinelands Town	39	\$ 13,750
Pinelands Village	19	\$ 7,844
Forest Area	14	\$ 8,955
Agricultural Production Area	6	\$ 6,438
Preservation Area District	1	\$ 1,500
Grand Total	1262	\$ 243,414

FY25 Non-residential Development (Top Ten Categories)

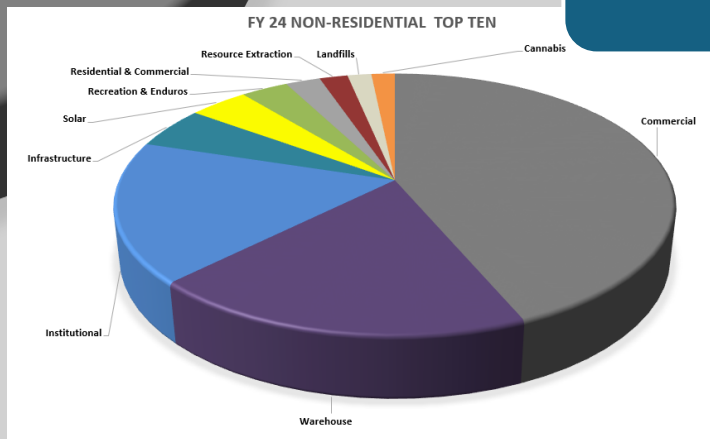
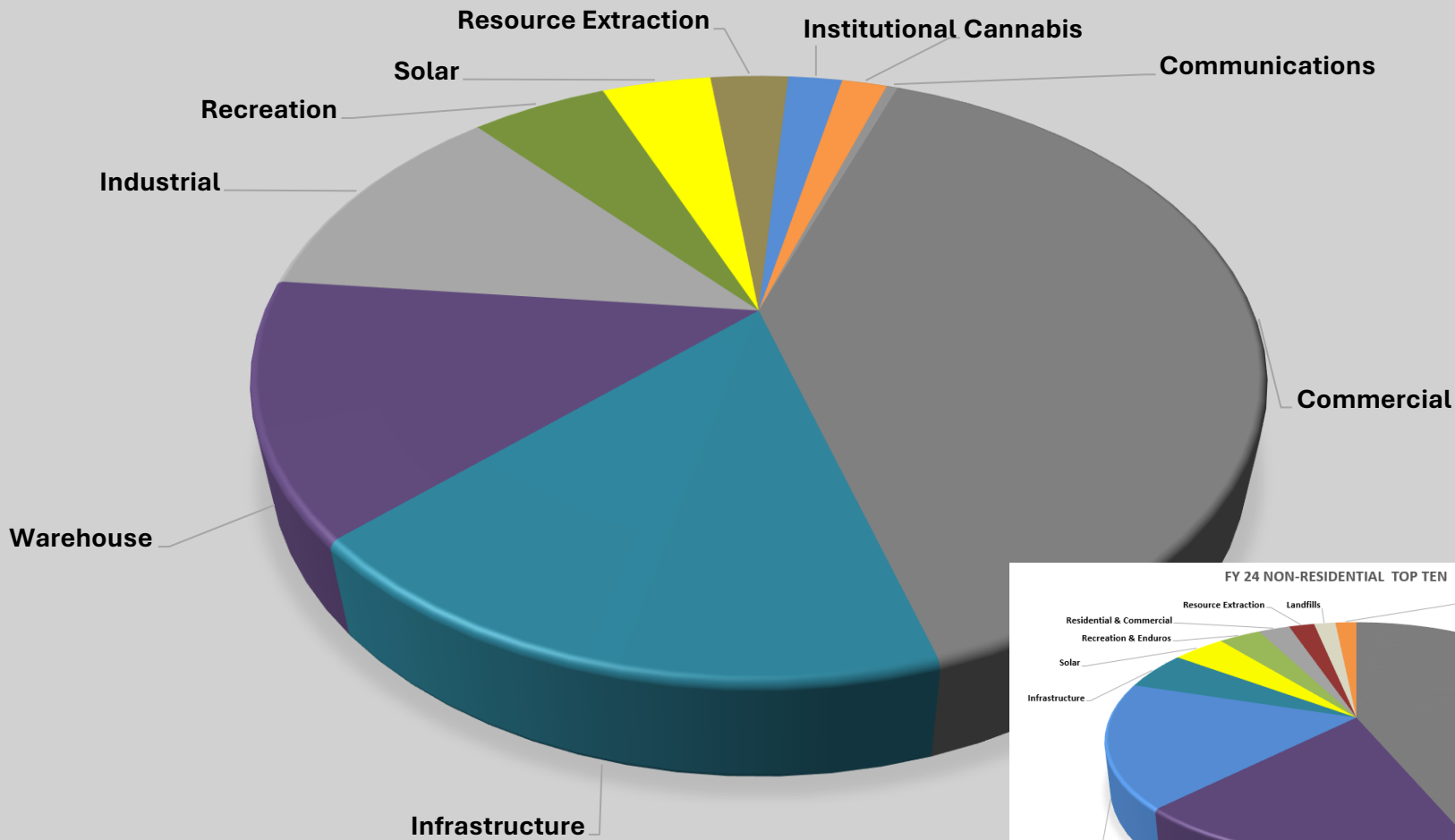
Non-residential development comprises 71% of net fees in FY25

Solar, resource extraction, and cannabis proportions about the same as FY24

Warehouses and other commercial slightly decreased

Notable decrease in institutional types of development fees

Notable increase in infrastructure



Escrow applications

Revenue held in escrow

- Landfill closure plans
- Complex development applications
- K-C well applications
- Received in FY 25

Escrow disbursements

- Staff time
- Transferred from escrow to operating/general fund
- Used in FY 25 (as of 5/27/2025): **\$11,398**

Escrows

- Escrow deposits are not included in application fee revenue
- FY25
 - Three escrow deposits received
 - Deposits in FY25 total \$18,469
 - Two landfills and one complex residential development application
 - 91 hours assessed to escrow applications
- Escrow attrition
 - 17 accounts (including septic pilot program)
 - Annual changes to fringe rate and salary make it difficult to manage escrow use over time
 - Escrow for K-C diversion model review will be based on contract with USGS
 - Recommend using a “straight rate” of \$120/hour for all staff hours and no fringe added
- Future discussion of processing and refunds in FY26

Fee Changes by Rule Proposal – June 16

Waiver applications fee added \$250 from existing \$0

Resolution of Violations

- Major development - increase fee by \$1000 from existing \$0
- Minor development - increase fee by \$500 from existing \$0
- Fee caps do not apply (\$50,000/private; \$25,000/public; \$500/nonprofit)

LOIs increased from existing \$250

- Wetlands presence/absence increased to \$1,000
- Wetlands line and/or wetlands buffer extent verification increased to \$1,000 plus \$100 per acre of parcel
- Other non-PDC LOIs increased to \$500
- PDC LOIs remain no application fee

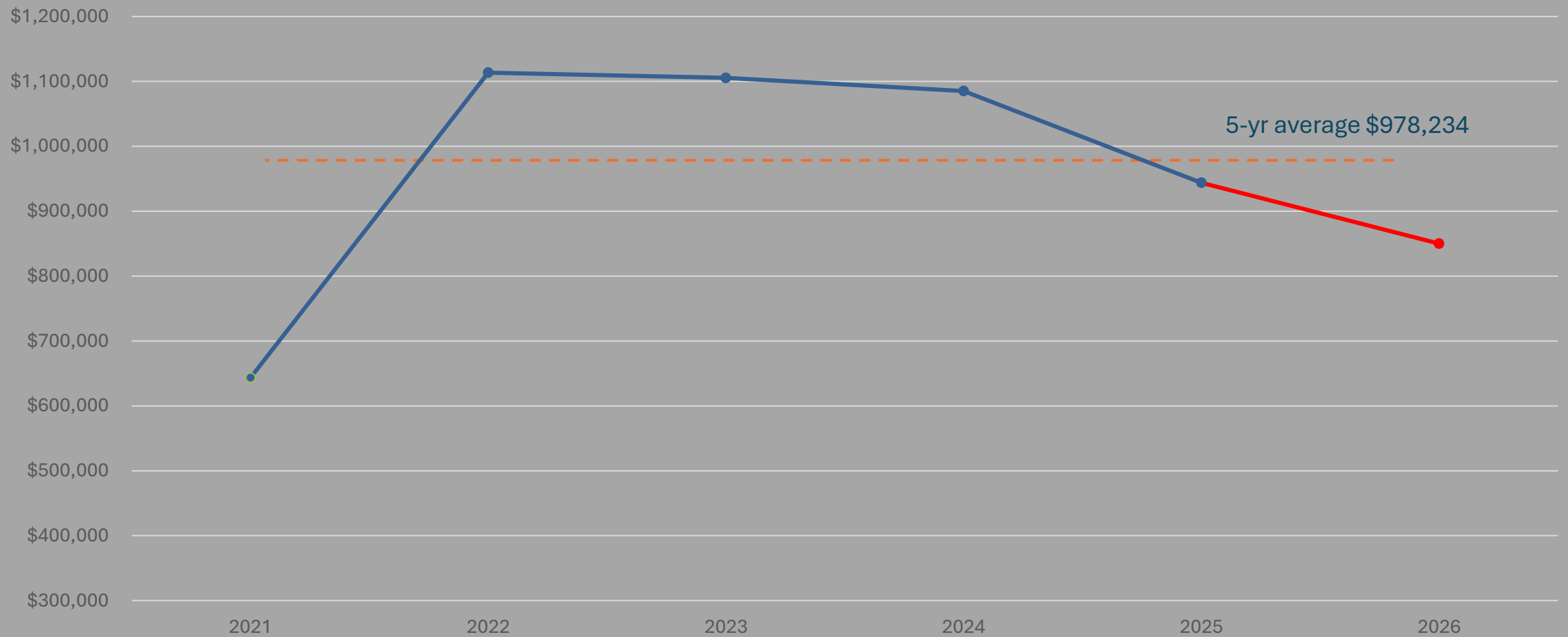


Fee Changes: Summary of Budget Impact

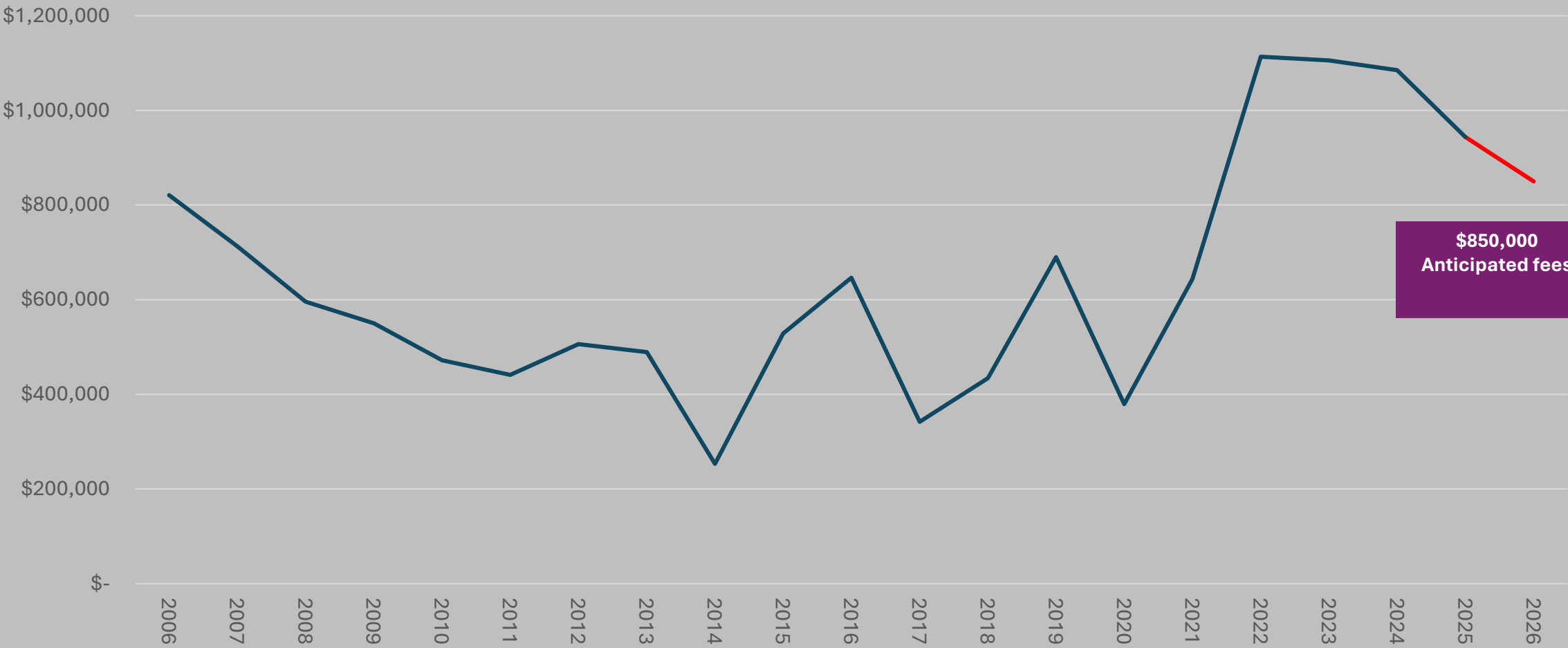
- Summed estimate of increase in fees = \$57,500
 - approximately 6% of total fees relative to FY 2025 net fee revenue
- From all categories of fee increases
 - Wetlands LOIs (5 in 2025, \$1,250 paid, \$19,389 estimated)
 - Waiver applications (12 in 2025, all SFDs, \$3000)
 - Violations (650 pursued 2013-2023, 75% minor development)
- Based on no change to typical volume of applications
- Unknown impact: CF expiration and need for new applications

Application Type	Total Sum Fees FY 2021 – FY 2025	Annual Avg Number of Applications FY 2021 – FY 2025	New Fee in Rule Amendment	Projected FY 2026 based on Annual Avg
Waiver Required Applications (2023 – 2025)	\$0 (25 applications)	10	\$250 (in add'n to app fee)	\$2,500
Resolve Major Development Violation	\$0 (25% of violations)	15	\$1,000 no cap	\$15,000
Resolve Minor Development Violation	\$0 (75% of violations)	44	\$500 no cap	\$22,000
LOI – wetlands presence/absence	\$1,000 (4 applications)	1	\$1,000 per application or amendment	\$1,000
LOI – Wetlands or buffer verification	\$6,250 (25 applications)	5 (median size: 23 acres)	\$1,000 + \$100 per acre per application or amendment	\$16,500
Non- PDC LOI other than Wetlands	\$500 (2 applications)	<1	\$500 per application or amendment	\$500

Recent Fee Revenues & Five-Year Average



Annual Fee Revenues



Fee Projection Considerations

- FY25 Year-To-Date (May 31): \$943,719
- Five Year Average (2020-2025): \$978,234
- Other considerations:
 - 5% increase for rule change
 - Infrastructure portion of fees not typical of most years
 - Fees declining in most recent three years
 - Cannabis and warehouse apps down



FY2026 Fee Projection and Revenue Recommendation

Anticipate ~ 10% below actual of FY25

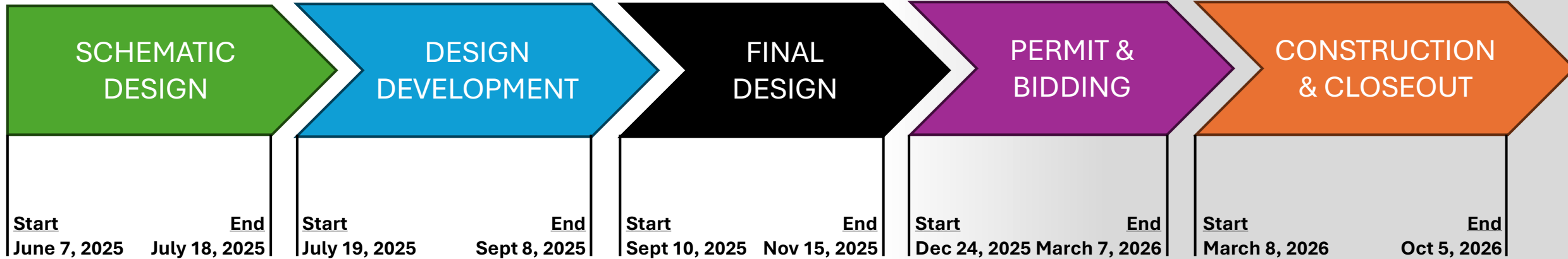
Net FY25 fees down 13% from FY24

\$850,000

Recommendation is 13% below 5-yr average

Projected fee revenue is 30% above 20-year mean

Fenwick Manor - Project Schedule



Tasks:

- Structural and MEP Assessment & Documentation
- Schematic Design Drawings & Specs
- Cost Estimates
- Commission Review

Tasks:

- Pre-Qualification of General Contractors
- Design Drawings & Specs
- Structural and MEP Drawings & Specs
- Commission Review
- Preliminary NJHPO & NJHT Review

Tasks:

- All Final Design Documents completed
- Update Cost Estimates
- Final NJHPO & NJHT Review
- Final Edits

Tasks:

- DCA Submission
- Plan Review
- Permitting
- RFP (sent to Pre-Qual Contractors)
- Bid Award

Tasks:

- Exterior and Interior rehab of Fenwick Manor
- Project Closeout