

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD MEETING
WEDNESDAY, APRIL 1, 2015 AT 9:00 A.M.
32 EAST FRONT STREET, TRENTON, N.J.
BOARD ROOM**

AGENDA

- 1. NOTICE OF PUBLIC MEETING**
- 2. ROLL CALL**
- 3. APPROVAL OF MEETING MINUTES**
 - a. Board Open Session Meeting Minutes of March 4, 2015
- 4. AUTHORITY MATTERS**
 - a. CEO Report
 - i. 2014 Annual Report Pursuant to Executive Order No. 37 (2006) [PLACEHOLDER]
 - b. Chairman's Report
- 5. REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE (CHAIRMAN'S REPORT)**
 - a. 2014 Financial Statements
- 6. REPORT AND RECOMMENDATIONS OF THE SCHOOL REVIEW COMMITTEE (CHAIRMAN'S REPORT)**
 - a. Release of Funds from Program Reserve, Award of Contract, and Approval of Final Charter - Irvington School District – Irvington High School – Emergent Project - Roof, HVAC and Masonry [PLACEHOLDER]
 - b. Award of Contract for Pre-Design Phase Services - Orange Public School District - Orange High School – Addition and Renovation Project
 - c. Revised Program and Preliminary Charter- New Brunswick Public School District – Paul Robeson Community Elementary School
 - d. Preliminary Project Charter – Paterson School District – New Middle School
- 7. MONTHLY REPORTS**
 - a. *For Informational Purposes*
 - i. Active Projects Report
 - ii. Project Close Out Status Report
 - iii. Project Status Reports
 - iv. Contracts Executed Report/Amendments & Change Orders Executed Report
 - v. Contract Terminations Report (*no activity*)
 - vi. Settlement Activities Report (*no activity*)
 - vii. Contractor and Workforce Compliance Report
 - viii. Regular Operating District Grant Activity Report
 - ix. Notification of Amendments to Goods and Services Contracts Not Exceeding \$250,000 (*no activity*)
 - x. Communications Report (*no activity*)

- xi. Monthly Financial Report
- xii. Design Contract De-Obligations Report (*no activity*)

8. PUBLIC COMMENTS

9. EXECUTIVE SESSION

- a. Litigation/Contract Matter(s) – OPMA Exemption N.J.S.A. 10:4-12b (7)
CCD Report

10. ADJOURNMENT

APPROVAL OF MEETING MINUTES

MARCH 4, 2015 OPEN SESSION

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, MARCH 4, 2015**

A teleconference meeting of the Board of Directors of the New Jersey Schools Development Authority (“SDA” or “the Authority”) was held on Wednesday, March 4, 2015 at 9:00 A.M. at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Edward Walsh, Chairman
Maureen Hassett (NJEDA)
Kevin Luckie (DCA)
Matthew Murray (Treasury)
Bernard Piaia (DOE)
Kevin Egan
Lester Lewis-Powder
Michael Maloney
Joseph McNamara
Mario Vargas

being a quorum of the Board.

At the Chairman’s request, Charles McKenna, chief executive officer; Jason Ballard, chief of staff; Jane F. Kelly, vice president & assistant secretary; Donald Guarriello, vice president and chief financial officer; Raymond Arcario, vice president; Albert Barnes, chief counsel; and Sean Murphy director of the SDA, attended the meeting. Andrew Yosha, executive vice president of the SDA and Michael Collins of the Governor’s Authorities Unit participated in the meeting by teleconference.

The meeting was called to order by the Chairman of the Board, Mr. Walsh, who requested that Ms. Kelly read the requisite notice of the meeting. Ms. Kelly announced that the meeting notice had been sent to the *Trenton Times* and *Star-Ledger* at least 48 hours prior to the meeting, and had been duly posted on the Secretary of State's bulletin board at the State House in Trenton, New Jersey.

Approval of Meeting Minutes

Mr. Walsh presented for consideration and approval the Minutes of the February 4, 2015 Open Session meeting. A copy of the minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Ms. Hassett and seconded by Mr. Vargas, the Open Session minutes of the February 4, 2015 meeting were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Resolution 3a*.

Authority Matters

CEO Report

Mr. Walsh asked Mr. McKenna to discuss recent SDA activities. Mr. McKenna provided the Members with an update regarding the Trenton Central High School (TCHS) project. He informed the Members that SDA and the Department of Environmental Protection met on February 24, 2015 to establish an approach to finalize the EO 215. He noted that finalization is underway. Next, Mr. McKenna reported that the demolition solicitation was advertised in December and bids were received on February 3, 2015. He said that price proposals were opened and USA Environmental Management, Inc. and Luzon, Inc., JV, is the highest ranked responsive bidder for asbestos abatement and demolition services. Mr. McKenna added that the prospective awardee was the highest technically ranked company and that their bid was

\$8,496,870, which is approximately a million dollars under the second highest bid. He noted that this matter is on today's agenda. Mr. McKenna informed the Members that, with Board approval, the Notice to Proceed (NTP) is anticipated to be issued April 9. He said that SDA continues to work with the District in the development of schematic design documents, including the site plan, schematic floor plans, detailed room layout, and educational specifications. Mr. McKenna then advised the Board that the SDA Design Studio hosted a meeting for grade school students from the Trenton School District to explore their ideas for design of the new high school. He also reported that SDA staff and Trenton district representatives visited the new Union City and New Brunswick High School facilities on January 28 and 30 respectively to inform the development of room layouts at the new TCHS.

With regards to the Bridgeton Buckshutem ES project, Mr. McKenna said the building is partially enclosed with temporary heat. He added that roofing installation is underway. He noted that, once the weather gets better, there will be a topping off ceremony on the steel for the Buckshutem and the Quarter Mile Schools.

Turning to the Garfield James Madison ES No. 10 demolition project, Mr. McKenna said that the building is down, the site has been graded and the fence is being installed.

Mr. McKenna then reported that the design-builder continues with the design phase and is anticipated to submit the first design package in April for the Gloucester ES/MS project. He said that a construction NTP is anticipated for July 2015.

In continuing, Mr. McKenna informed the Members that a meeting was held with the District on February 5 to initiate SDA in-house design of the Harrison New PK-1 ES project.

With regard to the Jersey City No. 3 project, Mr. McKenna reported that the design-builder's final design phase documents are under review by both the SDA and Department of Community Affairs (DCA).

Next, Mr. McKenna said that foundation and footing work is ongoing for the Keansburg Caruso ES project.

Mr. McKenna then provided a status update on projects in the Newark School District. With regard to the Elliot Street project, Mr. McKenna reported that interior masonry work is approximately 80% complete. He said that, as weather permits, exterior masonry veneer is progressing and roof installation work continues. Mr. McKenna noted that the rooftop HVAC units have been set in place on the Oliver Street ES project. He added that masonry work continues as weather permits. Turning to the South Street ES project, Mr. McKenna advised the Members that early site package work is substantially complete and punch list and close out activities are underway. He noted that the District has selected a conceptual plan and that schematic design is underway.

With regard to the Passaic Henry Street ES project, Mr. McKenna said that construction progress continues in all areas of the building. He advised the Members that the contractor has been using the neighboring Leonard Place property for staging and trailers. He said that, as of February 23, the trailers and stored materials have been relocated so that the environmental study work necessary for the Leonard Place School can be completed.

Mr. McKenna then discussed ongoing activity at the Paterson Marshall Street ES project. He reported that masonry work is ongoing in all exterior and interior areas. He added that the facing brick will be erected in the spring. Mr. McKenna said that mechanical, electrical and

plumbing (MEP) trades are working on rough-in work. He advised the Members that the pedestrian bridge fabrication is ongoing and that the bridge will be set in the spring.

In continuing, Mr. McKenna gave an update regarding the Phillipsburg HS project. He said that the steel erection is complete, masonry work is ongoing in the interior areas, and MEP work continues. Mr. McKenna noted that, when the weather permits, the contractor will commence exterior column fireproofing and masonry enclosures.

Next, Mr. McKenna reported that design procurement for addition and renovation services for the Orange HS project was advertised on December 30 and technical and price proposals were received from 16 firms.

Mr. McKenna then gave an update on the Orange Cleveland ES project. He said that 3 properties need to be acquired and advised the Board that the task order list for real estate appraisers which the Board approved last month will be utilized so that the Authority can move forward with the acquisition of the property.

Mr. McKenna then provided the Members with an update regarding SDA's procurement activity. He advised the Members that the design procurement for the Denbo-Crichton School Facility Project in Pemberton was advertised on February 6. He said that technical and price proposals are due on March 19.

Mr. McKenna reported that the construction procurement for roof, HVAC and masonry repairs for the Irvington HS project was advertised on February 11 and price proposals are due on March 19.

In continuing, Mr. McKenna said that procurement for State-Wide Property Management and Maintenance Services was advertised on February 26. He advised the Board that technical and price proposals are due on March 25.

Next, Mr. McKenna provided a status with regard to events, outreach and other activities. He informed the Members that Communications staff is working on the scheduling of a beam signing ceremony for PS 16 in Paterson. He also said that beam signing ceremonies for the Buckshutem and Quarter Mile Lane Schools in Bridgeton have been scheduled for the end of March.

Mr. McKenna then reported that the SDA began its fifth offering of the Small Minority and Women Business Enterprise (SMWBE) contractor training program with an orientation that was held on February 18. He said classes are underway at both SDA offices in Newark and in Trenton and the program will conclude with a graduation/networking event on April 29.

Following up on his earlier reference to this event, Mr. McKenna said that SDA hosted a design charrette for the Trenton District students with the Design Studio. He said that it appears that the students want a clock incorporated in some way into the new school design and that this will be on the Design Studio's agenda.

Mr. McKenna then noted that, in 2014, SDA held Board Meetings in Paterson and Union City. He said that SDA plans to continue holding Board meetings in SDA Districts. He added that the April or May 2015 SDA meeting may be held in the southern part of the state.

Audit Committee Report

Mr. Walsh noted that the Audit Committee Chairman was unable to participate in today's meeting and advised that he would provide the report of the Audit Committee. Mr. Walsh then reported that the Audit Committee met in February. He said that Management had provided the Committee with the January 2015 New Funding Allocation and Capital Plan Update. He said that there were no changes in commitments reported in the Unforeseen Events Reserve or in the 2008 and 2011 Capital Plan Emergent Project Reserve balances during the reporting period. He

advised the Board that there was a \$1.6 million decrease in commitments in the Planning Reserve balance due to the Board-approved revised Preliminary Project Charter for the Millville High School Addition and Renovation Project.

Mr. Walsh then reported that the reserve balance for the Regular Operating Districts (“RODs”) increased by \$1.6 million during the reporting period.

Next, Mr. Walsh reported that Management had provided the Committee with the results of the State Ethics Commission’s audit of SDA’s ethics program. He explained that the State Ethics Commission periodically audits the ethics programs of state agencies, authorities and commissions and that the Commission had completed its review of SDA’s ethics program in the fall of 2014. He said that the Commission had determined that the Authority’s program is in substantial compliance with all relevant laws, executive orders and regulations and that no deficiencies were identified. He added that the Commission had highlighted 8 areas in particular that are being handled by SDA in an exemplary manner.

In continuing, Mr. Walsh advised the Board that the Committee was provided with the December 2014 Monthly Financial Report. He reported that Management advised the Committee that, as of December 2014, the Authority’s operating expenditures totaled \$17.4 million which is \$3.1 million lower than the operating budget for the corresponding period. He said that this is a \$2.7 million decrease from actual expenses for the corresponding period in the prior year. He advised that the decrease largely is due to lower monthly rent expenses and lower personnel costs. He then reported that, as of December 2014, year to date project expenditures are \$288.9 million, down \$53.2 million as compared to the 2014 Capital spending forecast for the corresponding period. He then reported that year to date project expenditures, actual vs. the prior year actual, have increased approximately \$77 million as compared to actual expenses in

the corresponding prior year. He noted that, while the expenditures show that SDA activity has increased in actual volume compared to the corresponding prior year, the increased figure is lower than the forecasted budget. Mr. Walsh asked for an explanation of the difference between the actual and the forecasted budget numbers. Mr. Voronov noted that the variance is due in part to a decrease in expenditures related to the grant program. Mr. Walsh inquired as to what percentage the ROD grant program contributes to the year to date expenditures of \$288.9 million. Mr. Voronov said that he did not have that figure on-hand. Mr. McKenna said that the figure would be provided to the Board. Mr. Walsh requested that the dollar amounts spent on construction and the forecasted expenditures for 2015 be provided at the next Board meeting. At this time Mr. Lewis-Powder noted he had joined the meeting.

School Review Committee

Approval of Award - Package No. WT-0022-N01 – Trenton Central High School – Abatement and Demolition

Mr. Walsh asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie informed the Members that the Committee met on February 17, 2015 and discussed Management's recommended abatement and demolition award for the TCHS project. He reported that, in October 2014, the Members of the Authority approved a revised preliminary project charter for the TCHS project. Mr. Luckie said that the project charter identified the project scope as a complete demolition of the existing school and construction of an approximately 350,000 square feet high school. He noted that the scope of work in this contract includes significant asbestos abatement throughout the existing structure prior to demolition. Mr. Luckie informed the Members that the package for demolition services was publicly advertised on December 19, 2014 as a price and other factors solicitation with a CCE of

\$9,394,717. He said that Management is recommending the award of the contract to the highest ranked bidder, a joint venture of USA Environmental Management, Inc. and Luzon, Inc., in the amount of \$8,496,870. He added the amount is approximately \$900,000 less than the CCE. Mr. Luckie advised the Members that the proposed awardee has confirmed that its price proposal is inclusive of all scope elements contained in the contract documents. He noted that the funding requested for the abatement and demolition services is included in the Board approved revised preliminary project charter. Finally, Mr. Luckie reported that, prior to execution of the contract, the contract and related documentation will be reviewed and approved by the SDA Division of Chief Counsel.

A resolution pertaining to the abatement and demolition award had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. McNamara, and seconded by Ms. Hassett, the resolution attached hereto as *Exhibit 6a*. was unanimously approved by the Board.

Mr. McKenna then advised the Board that Mr. Guarriello had provided him with some general calculations regarding the issue raised earlier in the meeting regarding project expenditures. He said that 2014 project expenditures were \$288 million, with construction for SDA District projects totaling \$167 million and ROD grants comprising \$67 million. He added that, compared to the prior year, construction expenditures for the SDA Districts increased by over \$75 million in 2014, while ROD grant disbursements showed a decrease of approximately \$33 million as had been explained by Mr. Voronov.

Next, the Chairman asked about the close out of projects. Mr. Ballard informed the Board that staff has closed out the legacy project for the Gloucester Middle/Senior High School and continues to work on the demonstration project audit.

Public Comments

On March 2, 2014, Mr. Joel Torres, a member of the Jersey City Board of Education and Chairman of the BOE's Facilities Committee, had forwarded comments via the SDA Website for inclusion in the meeting record. Mr. Torres' formal written comments, which were provided to the Members of the Authority in advance of the meeting, follow:

"Good morning Chairman Walsh, members of the SDA board, CEO Charles McKenna, and members of the public. My name is Joel Torres and I am a board member on the Jersey City Board of Education. I am here to speak with you today about Jersey City Public Schools severe need for support, and more importantly funding, from the School Development Authority to deal with the district's long-term facilities needs.

A few weeks ago, Jersey City Board of Education members received a summary report on the Evaluation of the Trailers located at school sites throughout the entire district. The evaluation gave details on the age, structural stability, and other information regarding the 98 trailers that are used to educate over 1,500 students throughout the district. Most of these trailers have already been in use past their life expectancy of 15 years, with the oldest being 37 years old. Along with this, data collected by our district for a report to the State Board of Education shows that most of our school buildings are over 50 years old, with some being over 80 and 100 years old.

As mentioned in the report, five sites in particular are congested with trailers that take up space that could be used for outdoor play space, lead to possible security risks because they are detached from the main facility, and decrease the cohesiveness of a school community by having a section of children and educators who are disconnected from the main school building.

Jersey City is currently going through a major development boom throughout the entire city. Recent reports state that there are currently 6,000 units under construction and 18,000 others in development. In addition, there are more residents moving into existing homes and apartments throughout the city. The current and eventual increase in occupancy will lead to more students occupying space within our already overcrowded schools.

Due to the development boom and our district's aging infrastructure, it is imperative for the School Development Authority to work with the Jersey City Public School District in developing and funding new school construction and additions and alterations to current school buildings. We must focus on the benefits of accommodating our children with facilities that will provide long-term stability to our district rather than short-term, temporary replacements that will cost our children and taxpayers in more in future repair, maintenance, and replacement costs.

With this in mind, when will Jersey City, an Abbott District, get additional funding from the SDA to provide the long-term stability? In addition, what other funding mechanisms are available for our district to use in order to address the items that were sent to the Department of Education in 2014? You can find these items in the Introduction section of the district's CAFRA ending June 30, 2014."

The Chairman asked if any member of the public was present and wished to address the Board. At the Chairman's request, Mr. Torres addressed the Members.

Mr. Torres expanded upon his written comments to emphasize the condition of the trailers, express the security concerns presented, seek assistance in identifying funding sources and to further describe the increase in development pressures in the district. He expressed his interest in working with the SDA to address these issues.

Mr. McKenna responded by emphasizing the need to include the Department of Education (DOE) in any discussion between the district and SDA as DOE is the agency that actually determines district facilities needs and generally directs those projects that the SDA advances. He noted that, given the nature of some of the development in the district and the availability of charter schools and other alternatives, it will be important that an assessment be conducted to determine the actual impact of the development on the public school system. Mr. McKenna and Mr. Torres agreed to communicate regarding the issues raised moving forward.

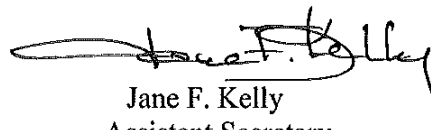
Next, at the Chairman's request, Gina Verdibello, a parent from Jersey City addressed the Members. Mr. Verdibello referenced an assessment that was conducted on the Jersey City School trailers that currently house the district's Pre-K students. She noted that the oldest trailer in use is 37 years old. She said that trailers were introduced as a "temporary solution" but that the situation is not so temporary anymore. She discussed overcrowding in the district, noting that the last of her three children is now attending class in a trailer. She inquired as to how a solution might be reached for the overcrowding situation in Jersey City. Ms. Verdibello noted that she also has testified before the DOE and expressed these same concerns. She also noted the assessment's findings regarding asbestos and mold in the trailers. She advised the Board that Queens and Seattle are two cities that are eliminating the use of school trailers and asked why Jersey City cannot do the same. She expressed her fear that the trailers simply will be rotated throughout the city in place of the building of new schools. She asked for an end to this "temporary solution". Ms. Verdibello then described the new high rises being built and the greatness of Jersey City. She said that she wants to have pride in her city and in the facilities that are provided for its students. She also noted her support of public education. Mr. McKenna said that he had toured PS 27 and is aware of the trailers that are located there. He advised that he has

had a discussion with the DOE concerning the trailers. He then discussed the Long Range Facilities Plan (LRFP) process that districts conduct to assess their entire facilities needs. He said that the DOE informed him that, while there are schools that experience overcrowding in Jersey City, the District overall is not particularly overcrowded. Mr. McKenna explained that there are other schools in the district that the children can be moved to, adding that he recognizes that this is not the answer that people want to hear. He emphasized that this is not an SDA issue, but a district issue. A discussion ensued regarding parents' desire to have their children attend their local schools rather than be bused out of their neighborhoods.

Mr. McKenna then explained the process by which the SDA receives projects for advancement from the DOE. Ms. Verdibello asked what more she can do. Mr. McKenna suggested that she meet with the Jersey City Committee responsible for the LRFP to make sure that the result of the LRFP is that the DOE acknowledges the need. Mr. McKenna thanked Ms. Verdibello for her comments.

With no other member of the public there to address the Board, Mr. Walsh asked for a motion to adjourn the meeting. Upon motion and with unanimous consent, the meeting was adjourned.

Certification: The foregoing represents a true and complete summary of the actions taken by the Board of the New Jersey Schools Development Authority at its March 4, 2015 meeting.



Jane F. Kelly
Assistant Secretary

RESOLUTION—3a.**Approval of Minutes**

WHEREAS, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Schools Development Authority be approved by the Authority's Board of Directors; and

WHEREAS, pursuant to Section 3(k) of P.L. 2007, Chapter 137, the minutes of the March 4, 2015 Board meeting of the New Jersey Schools Development Authority, for the Open Session were forwarded to the Governor on March 4, 2015.

NOW, THEREFORE, BE IT RESOLVED, that the minutes of the New Jersey Schools Development Authority's March 4, 2015 Open Session meeting are hereby approved.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Dated: April 1, 2015

AUTHORITY MATTERS

CEO REPORT (*ORAL*)

2014 ANNUAL REPORT PURSUANT TO EXECUTIVE ORDER NO. 37 (2006)

(PLACEHOLDER)

RESOLUTION—4ai.**Resolution Approving the SDA Annual Report**

WHEREAS, the New Jersey Schools Development Authority (“SDA” or “the Authority”) was established by law pursuant to P.L.2007, C.137 (N.J.S.A. 52:18A-235 et. seq.) as an entity “in but not of” the New Jersey State Department of the Treasury; and

WHEREAS, pursuant to law, the Authority is authorized to “adopt bylaws for the regulation of its affairs and the conduct of its business” which bylaws were adopted by the Authority on August 15, 2007; and

WHEREAS, consistent with Article VIII, Section 8.3 of the Authority’s bylaws, and in accordance with Executive Order No. 37 (2006), the Authority has prepared a comprehensive report including, among other things, Authority financial statements, and an identification of internal controls that govern expenditures, procurement and other financial matters and transactions; and

WHEREAS, the Authority’s financial statements were presented to the SDA Audit Committee on March 16, 2015 and are presented for Board approval on this date; and

WHEREAS, consistent with Article VIII, Section 8.3 of the Authority’s bylaws, and in accordance with Executive Order No. 37 (2006), following approval of the Authority’s Annual Report by the Members, a copy of same shall be submitted to the Governor’s Authorities Unit and the posted on the Authority’s website; and

WHEREAS, the 2014 SDA Annual Report has been prepared by executive management consistent with Executive Order No. 37 and is presented in the attachment hereto with a recommendation for Board approval.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby approve the New Jersey Schools Development Authority’s 2014 Annual Report as presented by executive management on this date.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Attached: Memorandum and 2014 SDA Annual Report, dated April 1, 2015

Dated: April 1, 2015

CHAIRMAN'S REPORT (*ORAL*)

REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE
(CHAIRMAN'S REPORT)

2014 FINANCIAL STATEMENTS



STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY

100 EAST FRONT STREET
P.O. BOX 991
MANTON, NJ 08625-0991
609-943-5955

MEMORANDUM

TO: The Members of the Authority

FROM: Sherman E. Cole, CPA /s/ Sherman E. Cole
Controller

DATE: April 1, 2015

SUBJECT: 2014 Financial Statement Audit

The Office of the Chief Financial Officer is providing the attached draft report of the 2014 financial statement audit to the Members of the Authority. Pursuant to Executive Order 122, as amended by Executive Order 37 (2006), the audited financial statements are being presented to the Members for review and approval.

On March 16, 2015, the 2014 Financial Statements were presented and discussed at length with the Audit Committee, and Ernst & Young LLP presented their results booklet and required communication in accordance with Statement of Auditing No. 114.

Recommendation

The Members of the Authority are recommended to approve the attached 2014 Financial Statement Audit.

Attachment

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
(a component unit of the State of New Jersey)



FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended December 31, 2014

New Jersey Schools Development Authority
(a component unit of the State of New Jersey)

Financial Statements and Required Supplementary Information

For the Year Ended December 31, 2014

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DRAFT

Report of Independent Auditors

Management and Members of the Authority
New Jersey Schools Development Authority

We have audited the accompanying financial statements of the New Jersey Schools Development Authority (the "Authority"), a component unit of the State of New Jersey, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic 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 conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2014, and the changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis and the schedule of funding progress on pages 3 through 8 and page 30, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

March XX, 2015

New Jersey Schools Development Authority
(a component unit of the State of New Jersey)

Management's Discussion and Analysis

For the Year ended December 31, 2014

This section of the New Jersey Schools Development Authority's (the "Authority" or "SDA") annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended December 31, 2014. This management discussion and analysis should be read in conjunction with the Authority's financial statements and accompanying notes.

Nature of the Authority

The SDA was established on August 6, 2007 to replace the New Jersey Schools Construction Corporation ("SCC") pursuant to reform legislation (P.L.2007, c.137). As of the date of the legislation, the SCC was dissolved and all its functions, powers, duties and employees were transferred to the SDA. Organizationally, the Authority is situated in, but not of, the New Jersey Department of the Treasury.

The School Construction Program is the largest public construction program undertaken by the State of New Jersey ("State") and represents one of the largest school construction programs ever undertaken in the nation. The program was initiated in response to the New Jersey Supreme Court's decision in Raymond Abbott et al. v. Fred G. Burke, 153 N.J. 480 (1998), which eventually led to the Legislature's adoption of the Educational Facilities Construction and Financing Act, P.L.2000, c.72 ("EFCFA") on July 18, 2000. The EFCFA, as amended in P.L.2008, c.39, provides for an aggregate \$12.5 billion principal amount of bond proceeds ("EFCFA funding") to be issued by the New Jersey Economic Development Authority ("EDA"), the financing agent for the Schools Construction Program, and transferred to the Authority. Of this amount, \$8.9 billion is allocated to 31 urban school districts referred to as the "SDA Districts" (formerly Abbott Districts), \$3.45 billion is for non-SDA districts ("Regular Operating Districts") and \$150 million is reserved for vocational schools.

School Construction Program Authorized Funding and Disbursements

The Authority does not have an economic interest in any school facility project. With the exception of interest income on invested funds, the Authority does not generate substantial operating revenues, yet it incurs significant operating expenses to administer the School Construction Program. Costs related to school facilities projects are reported as school facilities project costs in the statement of activities. Program administrative and general expenses not identifiable specifically to school facilities projects are considered eligible project costs under EFCFA and are therefore paid from EFCFA funding.

Through December 31, 2014, the Authority has received \$9.61 billion of the designated \$12.5 billion principal amount of bond proceeds authorized for the School Construction Program. In addition, as of that date, the Authority has disbursed 72.7% of the currently authorized program funding, as follows:

	<u>Bonding Cap</u>	<u>Program Funding</u> ¹	<u>Disbursements</u>	<u>% Paid</u>
SDA Districts	\$ 8,900,000,000	\$ 9,007,311,022	\$6,318,449,908	70.1%
Regular Operating Districts	3,450,000,000	3,492,862,183	2,774,849,563	79.4%
Vocational Schools	150,000,000	151,712,625	107,151,542	70.6%
Totals	<u>\$12,500,000,000</u>	<u>\$12,651,885,830</u>	<u>\$9,200,451,013</u>	72.7%

¹ Program funding includes the amounts authorized under the respective bonding caps in addition to approximately \$152 million of interest income and miscellaneous revenue earned through December 31, 2014.

The 31 SDA Districts are located in 14 Counties throughout the State, as follows:

<u>County</u>	<u>School District</u>	<u>County</u>	<u>School District</u>
Atlantic	Pleasantville	Hudson	Union City
Bergen	Garfield	Hudson	West New York
Burlington	Burlington City	Mercer	Trenton
Burlington	Pemberton Township	Middlesex	New Brunswick
Camden	Camden	Middlesex	Perth Amboy
Camden	Gloucester City	Monmouth	Asbury Park
Cumberland	Bridgeton	Monmouth	Keansburg
Cumberland	Millville	Monmouth	Long Branch
Cumberland	Vineland	Monmouth	Neptune Township
Essex	East Orange	Passaic	Passaic City
Essex	Irvington	Passaic	Paterson
Essex	Newark	Salem	Salem City
Essex	Orange	Union	Elizabeth
Hudson	Harrison	Union	Plainfield
Hudson	Hoboken	Warren	Phillipsburg
Hudson	Jersey City		

In 2014, the Authority completed two new school facilities projects in the SDA Districts, which benefited approximately 11,900 students.

From inception through December 31, 2014, the School Construction Program has completed 669 projects in the SDA Districts. The completed projects consist of: 68 new schools, including 6 demonstration projects; 43 extensive additions, renovations and/or rehabilitations; 31 rehabilitation projects; 354 health and safety projects; and 173 Section 13 Grants for SDA District-managed projects under \$500,000. The demonstration projects serve as a cornerstone of revitalization efforts and are funded by the Authority but managed by a municipal redevelopment entity and redeveloper. In addition, in the Regular Operating Districts the Authority has completed 26 projects that it managed for the districts, and state funding was provided through Section 15 Grants for 3,506 school projects throughout the 21 counties of New Jersey.

As of December 31, 2014, the SDA has 12 active construction projects in the SDA Districts. In addition, pre-construction activity has commenced on several other projects. Furthermore, the Authority is currently in construction on 11 emergent need projects in the SDA Districts. Emergent need projects most often address roof repairs or replacements; deteriorating façades; water infiltration; heating and cooling system issues; and plumbing, electrical, mechanical and security systems. The Authority maintains separate program reserves to address such emergent conditions as well as unforeseen events.

Through the approval of various capital plans, the Authority’s current capital portfolio of school facilities projects includes 40 projects consisting of: 36 new or addition/major renovation projects; and 4 capital maintenance projects that address serious facility deficiencies. The total estimated project costs for the current capital program exceeds \$1.5 billion. The SDA continues to evaluate other school facilities projects for advancement.

The following un-audited information provides insight into the activities of the School Construction Program during the last five years and is not intended to be presented in accordance with generally accepted accounting principles.

	\$ In thousands				
	2014	2013	2012	2011	2010
EFCFA funding received from State	\$585,000	\$ -	\$375,000	\$ -	\$499,200
Investment earnings, net	170	272	205	546	1,299
Administrative and general expenses *	17,293	19,835	34,749	35,699	44,333
Capital expenditures	115	295	54	26	52
School facilities project costs *	282,023	172,238	145,584	154,930	274,584
Employee count at end of year	227	243	241	255	304

* Commencing January 1, 2013, the Authority began allocating employee salaries and benefit costs between operating expense (i.e., administrative and general expenses) and school facilities project costs.

2014 Financial Highlights

- At year end, the Authority’s net position is \$467.1 million.
- At year end, cash and cash equivalents total \$560.9 million.
- For the year, revenues total \$585.3 million, \$585.0 million of which is from EFCFA funding received from the State (or 99.95%).
- For the year, expenses total \$299.4 million, \$282.0 million (94.2%) of which is for school facilities project costs.
- For the year, general fund revenues exceed general fund expenditures by \$275.1 million.

Overview of the Financial Statements

The financial section of this annual report consists of three parts: Management’s Discussion and Analysis (this section); the basic financial statements; and required supplementary information. The Authority’s basic financial statements consist of three components: 1) government-wide financial statements; 2) governmental fund financial statements (these are also referred to as the “general fund” financial statements); and 3) notes to financial

statements. Because the Authority operates a single governmental program, its government-wide and governmental fund financial statements have been combined using a columnar format that reconciles individual line items of general fund financial data to government-wide data in a separate column on the face of the financial statement.

Government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private sector business. The statement of net position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, an increase or decrease in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of activities presents information showing how the Authority's net position changed during the most recent period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal period.

Governmental fund financial statements are designed to provide the reader information about an entity's various funds. A fund is a grouping of related accounts that is used to maintain control over the resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority operates a single governmental fund for financial reporting purposes and this fund is considered a general fund.

The focus of governmental fund financial statements is on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Authority's near-term financing requirements.

Because the focus of the governmental fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental fund with similar information presented in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Authority's near-term financing decisions. Both the fund balance sheet and the statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison.

Financial Analysis of the Authority

Net Position - The Authority's net position increased to \$467.1 million at year-end, primarily due to 2014 State funding under EFCFA (\$585.0 million) exceeding 2014 expenditures for school facilities projects (\$282.0 million).

The following table summarizes the Authority's net position at December 31, 2014 and 2013.

	\$ In thousands			
	2014	2013	\$ Increase/ (Decrease)	% Increase/ (Decrease)
Current assets	\$561,987	\$283,909	\$278,078	97.9%
Capital assets-net	386	370	16	4.3%
Total assets	\$562,373	\$284,279	\$278,094	97.8%
Current liabilities	\$ 55,849	\$ 52,358	\$ 3,491	6.7%
Non-current liabilities	39,403	50,672	(11,269)	(22.2)%
Total liabilities	\$ 95,252	\$103,030	\$ (7,778)	(7.5)%
Net position:				
Invested in capital assets	386	370	16	4.3%
Restricted for schools construction:				
Special revenue fund	466,735	180,879	285,856	158.0%
Total net position	467,121	181,249	285,872	157.7%
Total liabilities and net position	\$562,373	\$284,279	\$278,094	97.8%

Note: All percentages are calculated using unrounded figures.

Operating Activities – The Authority earns interest on invested funds primarily through its participation in the State Cash Management Fund, a fund managed by the Division of Investment under the Department of Treasury. The fund consists of U.S. Treasury obligations, government agencies obligations, certificates of deposit and commercial paper.

The following table summarizes the change in net position for the years ended December 31, 2014 and 2013.

	\$ In thousands			
	2014	2013	\$ Increase/ (Decrease)	% Increase/ (Decrease)
Revenues				
EFCFA funding received from State	\$585,000	\$ -	\$585,000	N/A
Investment earnings, net	170	272	(102)	(37.3)%
Rental property income	115	150	(35)	(23.8)%
Other revenue	2	5	(3)	(54.9)%
Total revenues	\$585,287	\$ 427	\$584,860	136,879.1%

	\$ In thousands			
	2014	2013	\$ Increase/ (Decrease)	% Increase/ (Decrease)
Expenses				
Administrative and general expenses	\$ 17,293	\$ 19,834	\$ (2,541)	(12.8)%
Depreciation	99	570	(471)	(82.6)%
School facilities project costs	282,023	172,238	109,785	63.7%
Total expenses	299,415	192,642	106,773	55.4%
Change in net position	285,872	(192,215)	478,087	248.7%
Beginning net position	181,249	373,464	(192,215)	(51.5)%
Ending net position	\$467,121	\$ 181,249	\$ 285,872	157.7%

Note: All percentages are calculated using unrounded figures.

Contacting the Authority’s Financial Management

This financial report is designed to provide New Jersey citizens and taxpayers, and the Authority’s customers, clients and creditors, with a general overview of the Authority’s finances and to demonstrate the Authority’s accountability for the funds it receives from the State. If you have questions about this report or need additional financial information, contact the Office of the Chief Financial Officer, New Jersey Schools Development Authority, P.O. Box 991, Trenton, NJ 08625-0991, or visit our web site at www.njsda.gov.

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Statement of Net Position and General Fund Balance Sheet

December 31, 2014

	General Fund Total	Adjustments (Note 8)	Statement of Net Position
Assets			
Cash and cash equivalents	\$560,858,585		\$560,858,585
Receivables	165,830	\$ 152,800	318,630
Prepaid expenses	809,737		809,737
Capital assets-net		386,044	386,044
Total assets	\$561,834,152	\$ 538,844	\$562,372,996
Liabilities			
Accrued school facilities project costs	\$ 51,007,810	\$22,319,743	\$ 73,327,553
Other post-employment benefits obligation		16,015,367	16,015,367
Other accrued liabilities	545,962	1,068,278	1,614,240
Deposits	4,294,768		4,294,768
Total liabilities	\$ 55,848,540	\$39,403,388	\$ 95,251,928
Fund Balance/Net Position			
Invested in capital assets		386,044	386,044
Nonspendable:			
Prepaid expenses	809,737	(809,737)	
Restricted for schools construction:			
Special revenue fund	505,175,875	(38,440,851)	466,735,024
Total fund balance/net position	505,985,612	(38,864,544)	467,121,068
Total liabilities and fund balance/net position	\$561,834,152	\$ 538,844	\$562,372,996

See accompanying notes.

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Statement of Activities and General Fund Revenues,
Expenditures and Changes in Fund Balance

For the Year Ended December 31, 2014

	General Fund Total	Adjustments (Note 8)	Statement of Activities
Revenues			
School Construction Program:			
EFCFA funding received from State	\$585,000,000		\$585,000,000
General:			
Investment earnings	170,381		170,381
Rental property income	114,453		114,453
Other revenue	2,338		2,338
Total revenues	<u>585,287,172</u>		<u>585,287,172</u>
Expenditures/Expenses			
Administrative and general expenses	15,222,312	\$ 2,070,320	17,292,632
Capital expenditures	114,931	(114,931)	
Capital depreciation		99,040	99,040
School facilities project costs	294,803,450	(12,780,260)	282,023,190
Total expenditures/expenses	<u>310,140,693</u>	<u>(10,725,831)</u>	<u>299,414,862</u>
Excess of revenues over expenditures	275,146,479	10,725,831	
Change in net position			285,872,310
Fund Balance/Net Position			
Beginning of year, January 1, 2014	230,839,133	(49,590,375)	181,248,758
End of year, December 31, 2014	<u>\$505,985,612</u>	<u>\$(38,864,544)</u>	<u>\$467,121,068</u>

See accompanying notes.

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Notes to Financial Statements

1. Nature of the Authority

The New Jersey Schools Development Authority (the "Authority" or "SDA") was established on August 6, 2007 to replace the New Jersey Schools Construction Corporation ("SCC") pursuant to reform legislation (P.L.2007, c.137). As of the date of the legislation, the SCC was dissolved and all its functions, powers, duties and employees were transferred to the SDA. The Authority is governed by its own Board of Directors and is fiscally dependent upon the State of New Jersey ("State") for funding. Organizationally, the Authority is situated in, but not of, the New Jersey Department of the Treasury.

The School Construction Program was initiated in response to the New Jersey Supreme Court's decision in Raymond Abbott et al. v. Fred G. Burke, 153 N.J. 480 (1998), which eventually led to the Legislature's adoption of the Educational Facilities Construction and Financing Act, P.L.2000, c.72 ("EFCFA") on July 18, 2000. The EFCFA, as amended in P.L.2008, c.39, provides for an aggregate \$12.5 billion principal amount of bond proceeds ("EFCFA funding") to be issued by the New Jersey Economic Development Authority ("EDA"), the financing agent for the Schools Construction Program, and transferred to the Authority. Of this amount, \$8.9 billion is allocated to 31 urban school districts referred to as the "SDA Districts" (formerly Abbott Districts), \$3.45 billion is for non-SDA districts ("Regular Operating Districts") and \$150 million is reserved for vocational schools.

2. Summary of Significant Accounting Policies

(a) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the activities of the Authority.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) EFCFA funding received from the State which monies are restricted to meeting either the operational or capital requirements of the School Construction Program.

Separate financial statements are provided for the Authority's governmental fund (these are also referred to as the "general fund" financial statements). Because the Authority operates a single governmental program, its government-wide and governmental fund financial statements have been combined using a columnar format that reconciles individual line items of general fund financial data to government-wide data in a separate column on the face of the financial statement.

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Notes to Financial Statements (Continued)

(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The Authority's governmental fund is classified as a general fund and its financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual basis accounting; however, expenditures related to compensated absences and certain other accruals are recorded only when payment is due. With regard to the Authority's restricted schools construction special revenue fund, restricted amounts are considered to have been spent only after the expenditure is incurred for which there is available restricted fund balance.

(c) Revenue Recognition

Rental property income is received under month-to-month lease occupancy agreements. Acquisitions of various properties for the construction of school facilities projects generate rental revenue prior to the relocation of the occupants. Rental property income is generally recognized when received.

(d) Allocation of Employee Salaries and Benefits Costs

Commencing January 1, 2013 the Authority began allocating employee salaries and benefits costs between operating expense (i.e., administrative and general expenses) and school facilities project costs on the Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance. Previously, these costs were charged entirely to operating expense. The allocation of employee salaries to school facilities project costs is supported by weekly time sheet data; employee benefits costs are allocated to projects based on a projected annual fringe benefit rate determined by the Authority. The fringe benefit rate utilized for 2014 is 40.6%.

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 Notes to Financial Statements (Continued)

For the year ended December 31, 2014, employee salary and benefit costs are allocated as follows:

Employee salary and fringe benefits costs:	
Charged to administrative and general expenses	\$13,490,995
Charged to school facilities project costs	<u>14,256,615</u>
Total employee salary and benefits costs	<u><u>\$27,747,610</u></u>

(e) Rebate Arbitrage

Rebate arbitrage is defined by Internal Revenue Code (“IRC”) Section 148 as earnings on investments purchased with the gross proceeds of a bond issue in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on the bond issue. The amount of rebates due the federal government is determined and payable during each five-year period and upon final payment of the tax-exempt bonds. The Authority, the EDA and the New Jersey Department of the Treasury, Office of Public Finance have determined that any rebate arbitrage liability associated with an issue of School Facilities Construction Bonds shall be recorded on the Authority’s books since the Authority retains the income on the investment of bond proceeds.

It is the Authority’s policy to record rebate arbitrage liabilities only when it is probable that any excess investment income, as defined above, will not be retained by the Authority. The Authority does not record rebate liabilities in cases where it is projected that the liability will be negated by the 24-month spending exception in accordance with the IRC.

Rebate arbitrage calculations have been performed for all series of School Facilities Construction Bonds up through 2014 Series RR and UU. As of December 31, 2014, no rebate arbitrage liabilities exist.

(f) Cash Equivalents

Cash equivalents consist of highly liquid debt instruments with original maturities of three months or less, and participation in the State’s Cash Management Fund (“NJCMF”), a fund managed by the Division of Investment under the Department of Treasury. It consists of U.S. Treasury obligations, government agencies obligations, certificates of deposit and commercial paper. Cash equivalents are stated at fair value.

(g) Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and governmental fund financial statements.

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Notes to Financial Statements (Continued)

(h) Capital Assets

Capital assets are reported in the governmental activity column in the government-wide financial statements and are recorded at historical cost or estimated historical cost if purchased and constructed. The Authority's current capitalization threshold is \$10,000 for individual items meeting all other capitalization criterion. As of December 31, 2014, the Authority's capital assets consist of leasehold improvements, equipment, computer software and furniture and fixtures. Depreciation is provided by the straight-line method over the shorter of the life of the lease or the useful life of the related asset.

The Authority does not have an economic interest in any school facility project that it finances. Therefore, costs related to school facilities projects are not recorded as capital assets in the Authority's Statement of Net Position but instead are reported as school facilities project costs in the statement of activities.

(i) Taxes

The Authority is exempt from all federal and state income taxes and real estate taxes.

(j) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(k) Recent Accounting Pronouncements

In June 2012, the Governmental Accounting Standards Board ("GASB") issued Statement No. 67, *Financial Reporting for Pension Plans* ("GASB 67"). The objective of this Statement is to improve the usefulness of pension information included in the general purpose external financial reports of state and local governmental pension plans for making decisions and assessing accountability. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. Since this standard impacts the financial reporting of pension plans, this standard did not have an impact on the Authority's financial statements.

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. GASB 68 also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014.

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Notes to Financial Statements (Continued)

5

The Authority has not completed the process of evaluating the impact of GASB 68 on its financial statements.

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations* ("GASB 69"). The objective of this Statement is to improve the accounting for mergers and acquisitions among state and local governments by providing guidance specific to the situations and circumstances encountered within the governmental environment. The provisions of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. The implementation of this standard did not have an impact on the Authority's financial statements.

In February 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* ("GASB 70"). The objective of this Statement is to improve the comparability of financial statements among governments by requiring consistent reporting by those governments that extend and/or receive nonexchange financial guarantees. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. The implementation of this standard did not have an impact on the Authority's financial statements.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB 68*, ("GASB 71"). The objective of this Statement is to address an issue regarding application of the transition provisions of GASB 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement amends GASB 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. GASB 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of GASB 68. The Authority has not completed the process of evaluating the impact of GASB 71 on its financial statements.

3. Cash, Cash Equivalents and Investments

(a) Cash Flows

Overall cash and cash equivalents increased during the year by \$278.9 million to \$560.8 million as follows:

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Notes to Financial Statements (Continued)

Cash and cash equivalents, beginning of year	\$281,909,622
Changes in cash:	
EFCFA funding received from State	585,000,000
Investment and interest income	170,381
Miscellaneous revenue	116,791
School facilities project costs	(288,876,308)
Administrative and general expenses	(15,240,748)
Capital expenditures	(114,931)
Deposits	(2,106,222)
Cash and cash equivalents, end of year	\$560,858,585

(b) Cash and Cash Equivalents

Operating cash, in the form of Negotiable Order of Withdrawal (“NOW”) accounts, is held in the Authority’s name by two commercial banking institutions. At December 31, 2014, the carrying amount of operating cash is \$856,516 and the bank balance is \$1,200,495. Regarding the amount held by commercial banking institutions, up to \$250,000 at each institution is insured with Federal Deposit Insurance.

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, NOW accounts are profiled in order to determine exposure, if any, to custodial credit risk (risk that in the event of failure of the counterparty the account owner would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to custodial credit risk if they are: uninsured and uncollateralized (securities not pledged to the depositor); collateralized with securities held by the pledging financial institution; or collateralized with securities held by the financial institution’s trust department or agent but not in the government’s name. At December 31, 2014, all of the Authority’s deposits were insured or collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The Authority does not have a policy for custodial credit risk.

As of December 31, 2014, cash and cash equivalents include deposits of \$4,294,768 consisting mainly of district local share funding requirements (see Note 5).

(c) Investments

In order to maximize liquidity, the Authority utilizes the NJCMF as its sole investment. The NJCMF invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries; short-term commercial paper; U.S. Agency Bonds; Corporate Bonds; and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At December 31, 2014, the Authority’s investments in the NJCMF total \$560,002,069.

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Notes to Financial Statements (Continued)

Custodial Credit Risk: Pursuant to GASB Statement No. 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk disclosure. As previously stated, the Authority does not have a policy for custodial credit risk.

Credit Risk: The Authority does not have an investment policy regarding the management of credit risk. GASB Statement No. 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

Interest Rate Risk: The Authority does not have a policy to limit interest rate risk. The average maturity of the Authority's sole investment, the NJCMF, is less than one year.

4. Prepaid Expenses

As of December 31, 2014, the Authority's prepaid expenses are as follows:

Insurance	\$490,925
Office rents	100,169
Service contracts	179,851
Other	38,792
Total prepaid expenses	<u>\$809,737</u>

5. Deposits

The Authority has received funds from several local school districts as required by Local Share Agreements for the funding of the local share portion of Regular Operating District school facility projects, or to cover certain ineligible costs pertaining to projects in the SDA Districts. These deposits, including investment earnings, are reflected as liabilities in the accompanying financial statements.

As of December 31, 2014, deposits held in SDA bank accounts, inclusive of interest earned but not refunded to the district, are as follows:

City of Newark	\$3,638,679
Egg Harbor City	641,089
Other	15,000
Total deposits	<u>\$4,294,768</u>

6. Rental of Office Space

The Authority rents commercial office space for its headquarters facility in Trenton, as well as other office space in Newark. The remaining terms of these leases range from 4 to 9 years. With respect to the Trenton office lease, the Authority has the right to terminate the lease

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Notes to Financial Statements (Continued)

after five years. Total rental expense for the year ended December 31, 2014 amounted to \$1,487,645.

Future rent commitments under operating leases as of December 31, 2014 are as follows:

2015	\$1,197,407
2016	1,212,416
2017	1,227,651
2018	1,243,113
Total future rent expense	<u>\$4,880,587</u>

7. Capital Assets

Capital asset activity for the year ended December 31, 2014 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Leasehold improvements	\$ 502,679	\$ -	\$ -	\$ 502,679
Office furniture and equipment	5,320,479	33,323	-	5,353,802
Computer software	568,993	-	-	568,993
Automobiles	331,615	81,608	-	413,223
Capital assets-gross	6,723,766	114,931	-	6,838,697
Less: accumulated depreciation	(6,353,613)	(99,040)	-	(6,452,653)
Capital assets-net	<u>\$ 370,153</u>	<u>\$ 15,891</u>	<u>\$ -</u>	<u>\$ 386,044</u>

8. Reconciliation of Government-Wide and Fund Financial Statements

(a) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

“Total fund balances” for the Authority’s general fund (\$505,985,612) differs from the “net position” reported on the statement of net position (\$467,121,068). This difference results from the long-term economic focus of the statement of net position versus the current financial resources focus of the fund balance sheet. When capital assets that are to be used in the Authority’s activities are constructed or acquired, the costs of those assets are reported as expenditures in the fund financial statements. However, the statement of net position includes those capital assets among the assets of the Authority as a whole. In addition, expenses associated with depreciation, accrued school facilities project costs not currently due for payment and non-current other post-employment benefits and compensated absences are not recorded in the fund financial statements until paid. A summary of these differences at December 31, 2014 is as follows:

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Notes to Financial Statements (Continued)

Fund balances	\$505,985,612
Capital assets, net of related depreciation of \$(6,452,653)	386,044
Accrued school facilities project costs, net of related receivable	(22,166,943)
Accrued other post-employment benefits	(16,015,367)
Accrued compensated absences	(1,068,278)
Net position	<u>\$467,121,068</u>

(b) Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between excess of revenues over expenditures and changes in net position as reported in the government-wide statement of activities. Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. A summary of these differences for the year ended December 31, 2014 is as follows:

Excess of revenues over expenditures	\$275,146,479
School facilities project costs	12,780,260
Other post-employment benefits expense	(2,134,600)
Compensated absences expense	64,280
Capital asset acquisitions	114,931
Depreciation expense	(99,040)
Changes in net position	<u>\$285,872,310</u>

9. Pollution Remediation Obligations

In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the Authority has recorded in the statement of net position a pollution remediation obligation (“PRO”) liability (net of environmental cost recoveries not yet realized) in the amount of \$18,193,355 as of December 31, 2014. Additionally, as of the same date the Authority has recorded in the statement of net position a receivable in the amount of \$152,800 for realized environmental cost recoveries. The Authority’s PRO liability and asset are charged or credited to school facilities project costs in the statement of activities. The Authority’s PRO liability is measured based on the current cost of future activities. Also, the PRO liability was estimated using “the expected cash flow technique,” which measures the liability as the sum of probability weighted amounts in a range of possible estimated outcomes.

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Notes to Financial Statements (Continued)

The Authority owns numerous properties with environmental issues that meet the criteria for “obligating events” and disclosure under GASB Statement No. 49. All of the properties meeting the criteria were acquired by the Authority for the purpose of constructing a school facilities project on behalf of an SDA District and, at the present, the Authority believes it has obligated itself to commence clean-up activities. The Authority will continue to evaluate the applicability of this Statement relating to specific project sites as adjustments are made to its portfolio of school facilities projects. The Authority’s remediation activities generally include: pre-cleanup activities including preliminary assessment and site investigation; asbestos and lead based paint removal; underground storage tank removal; neutralization, containment, removal and disposal of ground pollutants; site restoration; and post-remediation monitoring and oversight. The following table summarizes the Authority’s expected cash outlays (estimated costs), payments and cost recoveries related to numerous SDA-owned properties associated with school facilities projects in various stages of pre-development and construction.

Description	Estimated Cost	Payments to Date	PRO at 12-31-2014
Pre-cleanup activities	\$ 5,308,692	\$ 5,468,874	\$ (160,182)
Site remediation work	72,816,812	55,623,824	17,192,988
Post-remediation monitoring	1,112,858	405,256	707,602
Asbestos and lead based paint removal	18,463,218	16,132,941	2,330,277
Sub-total	97,701,580	77,630,895	20,070,685
Less: Estimated environmental cost recoveries (ECR) not yet realized	1,877,330	-	1,877,330
Liability for pollution remediation obligations	<u>\$95,824,250</u>	<u>\$77,630,895</u>	<u>\$18,193,355</u>
Receivable for realized ECR	<u>\$ 152,800</u>	<u>\$ -</u>	<u>\$ 152,800</u>

The following table summarizes the changes in the Authority’s PRO liability during the year ended December 31, 2014:

PRO at 12-31-2013	Decrease in Expected Cash Outlays	PRO Payments	Decrease in ECR Not Yet Realized	PRO at 12-31-2014
\$24,554,794	\$1,168,608	\$(7,438,062)	\$(91,985)	\$18,193,355

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Notes to Financial Statements (Continued)

10. Commitments and Contingencies

(a) Contractual Commitments

At December 31, 2014, the Authority has approximately \$827 million of unaccrued contractual commitments relating to future expenditures associated with school facilities projects.

(b) Contractor Claims

Numerous contractor claims, the vast majority of which are not in litigation, have been filed with the Authority by design consultants, general contractors and project management firms relating to disputes concerning school construction matters (e.g., delays, labor and material price increases). The Authority resolves contractor claims by following the administrative process noted in the relevant contract. As of December 31, 2014, the Authority's potential loss from these claims has been estimated at approximately \$4.1 million, which represents a decrease of \$7.0 million from the prior year end accrual. The decrease resulted primarily from paid settlements in 2014. Accordingly, as of December 31, 2014, an accrued liability of \$4.1 million is reflected in the statement of net position and, for the year then ended, \$7.0 million is offset against school facilities project costs on the statement of activities.

(c) Insurance

The Authority maintains commercial insurance coverage for, among other things, workers' compensation, tort liability (including public liability and automobile) and property damage. Additionally, in support of its construction operations the Authority has implemented an Owner-Controlled Insurance Program ("OCIP") and has also purchased Owners Protective Professional Indemnity Insurance ("OPPI"), both of which are discussed below. As of December 31, 2014, management is not aware of any insurable claim that is expected to exceed its commercial insurance coverage. The Authority is also involved in several lawsuits not covered under its commercial insurance; however, in the opinion of management, none of the claims is expected to have a material effect on the Authority's financial statements.

The Authority has implemented an OCIP that "wraps up" multiple types of insurance coverage into one program. The Authority initially implemented a three-year OCIP, effective December 31, 2003 ("OCIP I"), to provide workers' compensation, commercial general liability, umbrella/excess liability and builders risk insurance for all eligible contractors performing labor on school facilities projects. OCIP I was subsequently extended to March 31, 2009. Builders risk coverage for OCIP I expired as of December 31, 2009. Policy limits for OCIP I vary depending upon, among other things, the type of insurance coverage; a \$300 million umbrella/excess liability program provides additional protection against potentially catastrophic losses resulting from workers' compensation and commercial general liability claims. Losses are subject to a \$250,000 per claim deductible. Although OCIP I is no longer enrolling new projects into the program since its expiration, completed operations

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Notes to Financial Statements (Continued)

coverage continues for 10 years from the end of construction for all previously enrolled projects.

In 2009, the Authority approved the purchase of a succeeding five-year OCIP ("OCIP II") program to coincide with the expiration of the OCIP I enrollment period for new projects. OCIP II, as originally purchased, provided coverage for projects commencing construction between March 31, 2009 and March 31, 2012. The OCIP II enrollment period was extended to March 31, 2014 at no additional cost to the Authority. The extension also provides an additional two years for the completion of enrolled projects. Subsequently, the Authority has authorized the purchase of a new three-year OCIP ("OCIP III") with an anticipated effective date of March 1, 2015. Similar to OCIP I, policy limits for OCIP II and OCIP III vary depending upon, among other things, the type of insurance coverage; a \$200 million umbrella/excess liability program provides additional protection against potentially catastrophic losses resulting from workers' compensation and commercial general liability claims. Losses are subject to either a \$250,000 per claim deductible or a \$350,000 deductible in the event that both a workers' compensation and general liability claim occur from the same incident. Additionally, OCIP II and OCIP III each provide 10 years of completed operations coverage for claims that arise after the completion of construction. Premiums for OCIP II and OCIP III are adjustable based upon actual construction values for enrolled contractors (not all trades are eligible for enrollment) on insured projects.

In connection with OCIP I, the Authority executed a Funded Multi-Line Deductible Program Agreement which, among other things, required the Authority to fund a Deductible Reimbursement Fund ("DRF") to collateralize the Authority's estimated deductible obligations under certain OCIP I policies. The DRF, which was established at \$37 million, consists of cash payments by the Authority totaling \$34.9 million, and a one-time credit of \$2.1 million received at inception for estimated interest. The cash portion of the DRF was funded by the Authority in installments during the period from December 2003 through December 2006, and expensed as paid as school facilities project costs on the statement of activities and general fund revenues, expenditures and changes in fund balance.

Concurrent with the Authority's purchase of OCIP II, the insurer agreed to transfer the available funds from the Authority's DRF to a new Loss Reimbursement Fund ("LRF"). The LRF for OCIP II was initially established at approximately \$18.9 million to partially fund a maximum deductible obligation of \$26 million. The funds remaining, totaling approximately \$9.9 million, were allocated to fund the LRF for OCIP I. All monies deposited in the LRF accrue interest to the benefit of the Authority and are available to pay claim costs arising from construction projects enrolled within the respective OCIP.

As of December 31, 2014, the Authority has incurred general liability and workers' compensation claims totaling approximately \$14.3 million and \$1.7 million, under OCIP I and OCIP II, respectively. All monies deposited in the LRF and not used to pay claims will be refunded to the Authority along with accrued interest. Under the terms of the contract, the

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Notes to Financial Statements (Continued)

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Authority has no claim or interest in the LRF until six (6) months after the expiration of the program. At this time, and annually thereafter, the LRF for OCIP I shall be reviewed and the deductible obligation re-determined.

In connection with the OCIP II extension, discussed above, the maximum deductible obligation is \$16 million. A reasonable estimate of future refunds from the OCIP II LRF is not yet known since the majority of covered school facilities projects are in various stages of completion and therefore the Authority's ultimate obligation cannot be immediately determined.

Coverage under the current Builders Risk program was purchased for a three-year term for projects commencing construction from December 31, 2013 through December 31, 2016.

In October 2009, the Authority purchased a 5-year, \$25 million limit of liability OPPI policy designed to provide additional protection in excess of the professional liability insurance maintained by the Authority's contracted design professionals. The policy is subject to a \$500,000 self-insured retention, and provides coverage for construction projects. The policy also provides an Extended Reporting Period ("ERP") of up to 10 years to report claims, commencing on the earlier of project substantial completion or the policy expiration date of October 1, 2014.

In December 2014, the Authority approved the purchase of a new 5-year OPPI policy, including excess Contractors Pollution Liability ("CPL"), for SDA construction projects commencing construction on or after December 31, 2014 and prior to December 31, 2019. The policy provides a \$25 million limit of liability subject to a \$500,000 self-insured retention for OPPI, and a \$250,000 self-insured retention for CPL. Additionally, the policy provides an ERP of up to 8 years to report claims, commencing on the earlier of project substantial completion or the policy expiration date of December 31, 2019.

11. Employee Benefits

(a) Public Employees Retirement System of New Jersey

All active, full-time employees of the Authority are required as a condition of employment to participate in the Public Employees Retirement System of New Jersey ("PERS" or "Plan"), a cost-sharing, and multiple-employer defined benefit plan administered by the State. Effective July 1, 2014, employees are required to contribute 6.64% (up from 6.5%) of their annual compensation to the Plan. An additional 0.86% increase will be phased in over the next 6 years, bringing the total pension contribution rate to 7.5%. All Plan participants are categorized within membership Tiers in accordance with their enrollment date in the PERS, as follows: Tier 1 includes those members enrolled in PERS prior to July 1, 2007; Tier 2 includes those members enrolled in PERS on or after July 1, 2007 and prior to November 2, 2008; Tier 3 includes those members enrolled in PERS on or after November 2, 2008 and on

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Notes to Financial Statements (Continued)

or before May 21, 2010; Tier 4 includes those members enrolled in PERS after May 21, 2010 and prior to June 28, 2012; and Tier 5 includes those members enrolled in PERS on or after June 28, 2012. Depending on the Tier, other factors including minimum base salary amounts and/or minimum hours worked, among other things, may impact an employee's eligibility in the PERS. As discussed below, members enrolled in the PERS on or after July 1, 2007, and who earn an annual salary in excess of established limits, are eligible to participate in a Defined Contribution Retirement Program ("DCRP") administered by Prudential Financial on behalf of the State.

The Authority's total payroll for the years ended December 31, 2014, 2013 and 2012, which approximates its covered payroll, was \$18,549,600, \$18,329,051 and \$18,472,472, respectively.

In 2014, 2013 and 2012, the Authority's pension contributions to the PERS totaled \$1,960,286, \$2,163,895, and \$2,673,145, respectively; such amounts were charged to salaries and benefits expense. The Authority's 2015 pension contribution, due on April 1, 2015, is expected to be \$2,102,418.

The general formula for annual retirement benefits for Tier 1, Tier 2, and Tier 3 members is the final 3 year average salary divided by 55, times the employee's years of service. The formula for Tier 4 and Tier 5 members is the final 5 year average salary divided by 60, times the employee's years of service. Pension benefits for all members fully vest upon reaching 10 years of credited service. Tier 1 and Tier 2 members are eligible for normal retirement at age 60, while Tier 3 and Tier 4 members are eligible for normal retirement at age 62. Tier 5 members are eligible for normal retirement at age 65. No minimum years of service is required once an employee reaches the applicable retirement age.

Tier 1 members who have 25 years or more of credited service may elect early retirement without penalty at or after age 55, and receive full retirement benefits; however, the retirement allowance is reduced by 3% per year (1/4 of 1 percent per month) for each year the member is under age 55. For Tier 2 members with 25 years or more of credited service the retirement allowance is reduced by 1% per year (1/12 of 1 percent per month) for each year the member is under age 60 (until age 55) and 3% per year (1/4 of 1 percent per month) for each year the member is under age 55. For Tier 3 and Tier 4 members the retirement allowance is reduced by 1% per year (1/12 of 1 percent per month) for each year the member is under age 62 (until age 55) and 3% per year (1/4 of 1 percent per month) for each year the member is under age 55. Lastly, for Tier 5 members the retirement allowance is reduced by 3% per year (1/4 of 1 percent per month) for each year the member is under age 65.

The PERS also provides death and disability benefits. The State of New Jersey has the authority to establish and/or amend any of the benefit provisions and contribution requirements. The State of New Jersey, Department of the Treasury, Division of Pension and Benefits, issues publicly available financial reports that include the financial statements and

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Notes to Financial Statements (Continued)

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required supplementary information for the PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

(b) Defined Contribution Retirement Program and Early Retirement Changes for Employees Enrolled in the PERS on or after July 1, 2007

The DCRP was established on July 1, 2007 under the provisions of P.L.2007, c.92 and P.L.2007, c.103. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with death and disability benefits. A PERS member who becomes eligible and is enrolled in the DCRP is immediately vested in the DCRP. To be eligible for the DCRP, an employee is required to have enrolled in the PERS on or after July 1, 2007 (Tiers 2 through 5), and they must earn an annual salary in excess of established "maximum compensation" limits. The maximum compensation is based on the annual maximum wage for Social Security and is subject to change at the start of each calendar year. A PERS member who is eligible for the DCRP may voluntarily choose to waive participation in the DCRP for a reduced retirement benefit from the State. If a member waives DCRP participation and later wishes to participate, the member may apply for DCRP enrollment, with membership to be effective January 1 of the following calendar year. PERS members who participate in the DCRP continue to receive service credit and are eligible to retire under the rules of the PERS, with their final salary at retirement limited to the maximum compensation amounts in effect when the salary was earned. The participating member would also be entitled to a supplementary benefit at retirement based on both the employee (above the maximum compensation limit) and employer contributions to the DCRP. For the direct benefit of those participating in the DCRP, the Authority would be required to contribute 3% to the DCRP ("employer matching") based on the member's annual compensation (base salary) in excess of the maximum compensation limit.

For the year ending December 31, 2014, the Authority had eleven active employees enrolled in the DCRP and made matching contributions totaling \$9,239. Employer matching contributions relating to 2013, 2012 and 2011 totaled \$8,271, \$5,596, and \$6,858, respectively.

(c) Deferred Compensation

The Authority has established an Employees Deferred Compensation Plan under section 457 of the Internal Revenue Code. All active, full-time employees are eligible to participate in the plan, which permits participants to defer a portion of their pay in accordance with the contribution limits established in section 457(b) of the Internal Revenue Code. The Authority does not make any contributions to the plan.

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 Notes to Financial Statements (Continued)

(d) Other Post-Employment Benefits

The Authority provides post-employment healthcare benefits (including Medicare Part B reimbursement) and prescription drug coverage through participation in the New Jersey Health Benefits Program, as sponsored and administered by the State of New Jersey, to retirees having 25 years or more of service in the PERS, or to those individuals approved for disability retirement. These post-employment benefits also extend to the retirees' covered dependents. Upon turning 65 years of age, a retiree must opt for Medicare as their primary coverage, with State benefits providing supplemental coverage. In addition, life insurance is provided to retirees in an amount equal to 3/16 of their average salary during the final 12 months of active employment. These post-employment benefits, referred to as OPEB, are presently provided by the Authority at no cost to the retiree. The State has the authority to establish and amend the benefit provisions offered and contribution requirements. The plan is considered an agent multiple-employer defined benefit plan for financial reporting purposes. The State of New Jersey, Department of the Treasury, Division of Pension and Benefits, issues publicly available financial reports that include the financial statements for the State Health Benefits Program Funds. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

The Authority accounts for its OPEB obligations in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Authority's OPEB cost is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The Authority's annual OPEB cost for 2014 and 2013 and the related information for the plan are as follows:

	<u>2014</u>	<u>2013</u>
Annual required contribution	\$ 1,794,877	\$ 2,001,296
Adjustment to annual required contribution *	<u>503,368</u>	<u>381,181</u>
Annual OPEB cost	2,298,245	2,382,477
Contributions made	<u>(163,645)</u>	<u>(136,736)</u>
Increase in net OPEB obligation	2,134,600	2,245,741
Net OPEB obligation – beginning of year	<u>13,880,767</u>	<u>11,635,026</u>
Net OPEB obligation – end of year	<u>\$16,015,367</u>	<u>\$13,880,767</u>

* The adjustment to the ARC includes interest on the net OPEB obligation, less amortization of the net OPEB obligation.

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Notes to Financial Statements (Continued)

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014, 2013, and 2012 is as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2014	\$2,298,245	7.1%	\$16,015,367
12/31/2013	\$2,382,477	5.7%	\$13,880,767
12/31/2012	\$2,215,653	5.7%	\$11,635,026

As of the most recent valuation date (January 1, 2014), the Authority’s actuarial accrued liability was \$18,641,861, all of which was unfunded as of December 31, 2014. The Authority is recognizing this liability over a 30-year period using level dollar amortization, which is representative of amortizing on a closed basis. The covered payroll (annual payroll of active employees covered by the plan) as of the valuation date was \$18,224,900 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 102.3%. Additionally, as of December 31, 2014, seven active and seven retired employees were eligible for post-employment benefits.

The Authority has elected at this time to finance its annual OPEB cost on a pay-as-you-go basis in view of the fact that the Authority is not authorized to pre-fund an OPEB trust from the proceeds of tax-exempt bonds (nor from the income earned on the investment of those proceeds) from which it presently derives essentially all of its revenue. Payments for retiree post-employment benefits totaled \$163,645 and \$136,736, respectively, in 2014 and 2013.

Actuarial Methods and Assumptions: Actuarial valuations of a perpetual plan involve formulating estimates and assumptions about the probability of occurrence of future events, such as employment, mortality and healthcare costs, among other things. Consequently, the amounts derived from an actuarial valuation are subject to continual revision as actual results will undoubtedly differ from past expectations and assumptions. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation date and the historical pattern of benefit cost sharing between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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Notes to Financial Statements (Continued)

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For the most recent actuarial valuation the projected unit credit actuarial cost method was used with a 4.5% discount rate. Pursuant to this method, benefits are recognized from date of hire to the date the employee is first eligible for benefits. No investment return was assumed in the current valuation since there are no OPEB plan assets. The annual healthcare cost inflation rates (trend) for retiree benefits is 9% for 2014, which is assumed to decline 1% per year to an ultimate trend assumption of 5% for the year 2018 and beyond. The same trend rates are assumed for Medicare Part B premium reimbursement and prescription drug costs. As required in GASB Technical Memorandum 2006 1 on the accounting for the federal Retiree Drug Subsidy ("RDS"), the Authority's actuarial liabilities are shown without a reduction for the RDS even though the NJ Health Benefits Program has opted to receive the RDS.

To be consistent with the NJ Health Benefits Program, the Authority's January 1, 2012 actuarial valuation included the impacts of both the healthcare reform law (i.e., excise "Cadillac" tax), and the new Mortality Improvement Projection Scale AA. These assumptions were not applied in previous actuarial valuations.

12. Compensated Absences

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the Authority recorded a liability in the amount of \$1,068,278 as of December 31, 2014 in the statement of net position. The liability is the value of employee accrued vacation time as of the balance sheet date and vested sick leave benefits that are probable of payment to employees upon retirement. The vested sick leave benefit to future retirees for unused accumulated sick leave is calculated at the lesser of ½ the value of earned time or \$15,000. The payment of sick leave benefits, prior to retirement, is dependent on the occurrence of sickness as defined by the Authority's policy; therefore, such unvested benefits are not accrued.

13. Long-Term Liabilities

During 2014, the following changes in long-term liabilities are reflected in the statement of net position:

	Beginning Balance	Additions	Deductions	Ending Balance
Accrued school facilities project costs	\$35,658,300	\$ -	\$(13,338,557)	\$22,319,743
Other post-employment benefits obligation	13,880,767	2,298,245	(163,645)	16,015,367
Compensated absences	1,132,558	-	(64,280)	1,068,278
Total long-term liabilities	<u>\$50,671,625</u>	<u>\$2,298,245</u>	<u>\$(13,566,482)</u>	<u>\$39,403,388</u>

For further information, see Notes 11(d) and 12.

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Notes to Financial Statements (Continued)

14. Net Position

The Authority's net position is categorized as either invested in capital assets, or restricted for schools construction. At December 31, 2014, the Authority's net position is \$467.1 million. Invested in capital assets includes leasehold improvements, furniture and fixtures, equipment and computer software used in the Authority's operations, net of accumulated depreciation. Restricted for schools construction includes sub-categories for Build America Bond ("BAB") proceeds, which proceeds were fully expended in 2013, and special revenue fund for all other sources. Net position arising from BAB proceeds are more restricted than those in the special revenue fund. Additionally, only the portion of the Authority's operating costs deemed capitalizable may be funded from BAB proceeds. The special revenue fund includes all net position not included in the other categories. When both restricted and unrestricted resources are available for use, it is the Authority's policy to first use restricted resources then unrestricted resources as needed.

The changes during 2013 and 2014 in net position are as follows:

	Invested in Capital Assets	Restricted for Schools Construction Build America Bond Program	Restricted for Schools Construction Special Revenue Fund	Totals
Net position, January 1, 2013	\$645,218	\$ 98,297,315	\$274,522,225	\$373,464,758
(Loss)/excess before receipt of EFCFA funding and transfers	(570,279)	(3,777,151)	(15,630,096)	(19,977,526)
Capital assets acquired	295,214	-	(295,214)	-
School facilities project costs	-	(94,520,164)	(77,718,310)	(172,238,474)
Net position, December 31, 2013	370,153	-	180,878,605	181,248,758
(Loss)/excess before receipt of EFCFA funding and transfers	(99,040)	-	(17,005,460)	(17,104,500)
Capital assets acquired	114,931	-	(114,931)	-
EFCFA funding received from State	-	-	585,000,000	585,000,000
School facilities project costs	-	-	(282,023,190)	(282,023,190)
Net position, December 31, 2014	<u>\$386,044</u>	<u>\$ -</u>	<u>\$466,735,024</u>	<u>\$467,121,068</u>

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
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REQUIRED SUPPLEMENTARY INFORMATION

New Jersey Schools Development Authority
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Schedule of Funding Progress - Post-Employment Healthcare Benefit Plan

\$ In thousands

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Level Dollar (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b) - (a) / (c)
1-1-2014	\$ -	\$18,642	\$18,642	- %	\$18,225	102%
1-1-2012	\$ -	\$15,905	\$15,905	- %	\$18,789	85%
1-1-2011*	\$ -	\$15,706	\$15,706	- %	\$22,667	69%

* The actuarial valuation for this year does not include the impacts of either the healthcare reform law (i.e., the excise “Cadillac” tax) or the new Mortality Improvement Projection Scale BB.

RESOLUTION—5a.**Resolution Approving the 2014 SDA Financial Statements**

WHEREAS, the New Jersey Schools Development Authority (“SDA” or “the Authority”) was established by law pursuant to P.L.2007, C.137 (N.J.S.A. 52:18A-235 et. seq.) as an entity “in but not of” the New Jersey State Department of the Treasury; and

WHEREAS, pursuant to law, the Authority is authorized to “adopt bylaws for the regulation of its affairs and the conduct of its business”, which bylaws were adopted by the Authority on August 15, 2007; and

WHEREAS, consistent with N.J.S.A 52:18A-237(l), the Authority’s bylaws, at Article VIII, Section 8.2, provide that “the Authority shall provide for an annual audit of the financial statements of the Authority by a certified public accountant, and cause a copy thereof to be filed with the Secretary of State, the Director of the Division of Budget and Accounting in the Department of Treasury, and the State Auditor”; and

WHEREAS, in accordance with Executive Order No. 122 (2004) as amended by Executive Order No. 37 (2006) and consistent with Article VIII, Section 8.3 of the Authority’s bylaws, the Authority shall prepare a comprehensive report regarding its operations and, following approval of same by the members of the Authority, submit the report to the Governor’s Authorities Unit and the State Treasurer and post it on the Authority’s website; and

WHEREAS, the comprehensive report shall, among other things, include “authority financial statements”; and

WHEREAS, the independent accounting firm of Ernst & Young (E&Y) has completed an audit of the Authority’s financial statements for 2014; and

WHEREAS, E&Y has expressed its intent to issue an “unqualified” opinion on the financial statements, the highest level of assurance that an audit firm can provide for a financial statements audit; and

WHEREAS, pursuant to Article IX, Section 9.5 of the Authority’s bylaws and Article VI of the SDA Audit Committee Charter, the Audit Committee met on March 16, 2015 to review and discuss the integrity and quality of the Authority’s financial statements and E&Y’s audit of the Authority’s 2014 financial statements; and

WHEREAS, following presentation of the 2014 financial statements to the Committee by executive management and E&Y and following the Committee’s discussions with executive management and E&Y, and following its deliberations, the Committee recommends approval of same by the Authority’s Board of Directors; and

WHEREAS, the 2014 financial statements are presented in the attachment hereto.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby approve the Authority's 2014 financial statements as presented by executive management and the accounting firm, Ernst & Young, and as recommended by the SDA Audit Committee and appended hereto.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Attached: Memorandum 2014 Financial Statements, dated April 1, 2015

Dated: April 1, 2015

REPORT AND RECOMMENDATIONS OF THE SCHOOL REVIEW COMMITTEE (CHAIRMAN'S REPORT)

RELEASE OF FUNDS FROM PROJECT RESERVE, AWARD OF CONTRACT, AND APPROVAL OF FINAL CHARTER - EP-0083-C01 - IRVINGTON SCHOOL DISTRICT - IRVINGTON HIGH SCHOOL - EMERGENT PROJECT - ROOF, HVAC AND MASONRY

[PLACEHOLDER]

**AWARD OF CONTRACT FOR PRE-DESIGN PHASE SERVICES - ORANGE PUBLIC SCHOOL DISTRICT -
ORANGE HIGH SCHOOL - ADDITION AND RENOVATION PROJECT**



MEMORANDUM

TO: Members of the Authority

FROM: Sean Murphy
Procurement Director

C. Aidita Milsted
Program Director, Program Operations

RE: District: Orange Public School District
School: Orange High School
Description: Engagement of Design Consultant for Pre-Design Phase Services
for Addition and Renovation Project
Package No.: ES-0042-A01
Award: \$412,070
CM: TBD

DATE: April 1, 2015

SUBJECT: Award of Contract for Pre-Design Phase Services
Orange Public School District - Orange High School
Addition and Renovation Project

INTRODUCTION

We are writing to recommend approval by the Members of the Authority of the award of a design contract for pre-design phase services for an addition and renovation project at Orange High School in the Orange Public School District. At the NJSDA's option, we may elect to engage the design consultant for Design and Construction Phase services.

At the March 7, 2012 NJSDA Board Meeting, the Members approved the Authority's 2012 Capital Plan. That Plan identified a project to address facility conditions deficiencies at the Orange School District's Orange High School. Working with representatives of the Orange School District and the New Jersey Department of Education (DOE), NJSDA staff has reviewed and validated District needs and has preliminarily identified the recommended project scope to address those needs.

BACKGROUND

Orange High School is an 111,314 square foot facility educating 804 students in grades 10 to 12. Prior to inclusion of the project in the 2012 Capital Plan, a Working Group comprised of District, DOE and NJSDA staff was convened to review and validate the conditions deficiencies and to identify project scope items necessary to be addressed at the Orange HS.

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Orange Public School District - Orange High School - Facilities Deficiencies Project

April 1, 2015

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Upon identification of those deficiencies, the Working Group proceeded to review and collaborate on the conditions for inclusion in the project scope. Concurrent with the facility deficiencies review, DOE performed an assessment of district enrollments and capacity, utilizing information that had been updated after the inclusion of the project in the Capital Plan; specifically, DOE utilized the May 2013 Educational Facilities Needs Assessment. Based upon that assessment, DOE concluded that existing District facilities lack the capacity of approximately 485 students in grades Pre K to 12. As a result, additional NJSDA site visits to all District schools were conducted which served to validate the existence of District-wide overcrowding. Therefore, it was determined that advancement of projects that would only specifically address facilities conditions deficiencies would not address District-wide overcrowding needs.

Based on this review and validation, the Working Group proceeded to preliminarily identify potential solutions to address both the facilities conditions needs of the facility and alleviate the District-wide overcrowding. Working group discussions served to reveal that the most efficient means of addressing District-wide overcrowding at the high school grade level would be through the completion of an addition and renovation at Orange HS. This expansion will allow for the Orange Preparatory Academy and Orange HS facilities, which share a site, to be combined into a campus serving students in grades 7 to 12. These combined actions will serve to address overcrowding at grade levels 7 to 12.

PROJECT SCOPE

The project scope is anticipated to include an approximately 38,000 square foot, two story addition to the existing Orange High School facility, on District-owned land, an enclosed circulation link between the Orange High School and the Orange Preparatory Academy, and selective renovations to address facility conditions deficiencies related to the existing HVAC system, science room renovations, interior doors, flooring, roofing and rest room upgrades at the existing Orange High School facility.

The design engagement for this project shall be done in two phases; Pre-Design Phase Services and Design and Construction Administration Phase Services. The purpose of the Pre-Design phase is to more fully develop an appropriate project scope and identify alternative solutions to address the identified conditions.

The Pre-Design Services will correlate to the scope of work for the project recommended by the joint District/DOE/SDA Working Group. The NJSDA Project team review of the analysis of the Site Visit Working Group supports their findings and recommendations, which are outlined below and will be further validated by the engaged design consultant to develop options to address the identified conditions:

1. Educational Program Requirements – Addition of 16 classrooms, an approximately 3,500 square foot Auxiliary Gymnasium, an approximately 4,600 square foot Media Center, circulation elements and student toilet facilities as required by code. Use of the existing Media Center to address these program requirements shall also be considered. Renovations or other work necessary to provide appropriate dining capacity based on increased building capacity may also be required depending upon further evaluation by the Design Consultant.

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Orange Public School District - Orange High School - Facilities Deficiencies Project

April 1, 2015

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2. Site Requirements – Provide necessary modifications and/or improvements to existing site utilities and other existing site features as necessary to support the proposed addition.
3. Existing Facility Conditions Deficiencies – Subject to further investigations by the Design Consultant, the Project Scope is anticipated to include the following renovation work to address existing conditions deficiencies:
 - a. Exterior Renovations including the replacement of the built up roof;
 - b. Interior Renovations including replacement of doors, flooring, bathroom partitions, drinking fountains, repairs to lockers and the provision of an emergency generator; and
 - c. Existing systems and components requiring further investigation by Design Consultant in order to determine what, if any, work may be required to address the existing science labs, the entire HVAC system, the fire alarm and intercom systems and the Gymnasium bleachers.

A Construction Management firm (CM) will be hired to manage the construction phase of the addition and renovation of the Orange HS.

PROCUREMENT PROCESS

In accordance with NJSDA regulations, the NJSDA employed a two-step process for this procurement. The first step was to issue a Request for Proposals (RFP) and then review all responses in order to shortlist the top six (6) ranked firms. The second step was to interview the shortlisted firms.

The RFP was advertised beginning on December 30, 2014 on the NJSDA website and the New Jersey State website. In addition, the advertisement was distributed to those firms that are pre-qualified in the area of Architecture (P001) with an Unlimited Rating by both the Department of Treasury-Division of Property Management and Construction and the NJSDA.

A Selection Committee consisting of three NJSDA staff members was established.

A mandatory pre-bid conference held on January 9, 2015 was attended by twenty-six (26) prequalified architectural firms. Responsive proposals were received from fifteen (15) firms by February 11, 2015. Technical Proposals were evaluated by the Selection Committee. Evaluations were based upon the information provided by the firms in response to the RFP for this project. The three Committee members independently evaluated the Technical Proposals for Design Consultant Services based on the following criteria:

- Team Design Consultant Experience
- Key Team Member Qualifications
- Team Approach to Predesign Phase Services
- Team Approach to Design Phase Services
- Team Approach to Construction Phase Services

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Orange Public School District - Orange High School - Facilities Deficiencies Project

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- Team Approach to Minimizing Potential for Change Orders
- Team Approach to Achieving LEED Certification

Each Selection Committee member evaluated each Technical Proposal, assigning a raw score for each criterion on a scale of 0 to 10 as follows:

- Outstanding (9–10): depth and quality of response offers significant advantages.
- Superior (7-8): exceeds RFP requirements with no deficiencies.
- Sufficient (5-6): meets RFP requirements with no significant deficiencies.
- Minimal (3-4): meets RFP requirements but contains some significant deficiencies.
- Marginal (1-2): comprehends intent of RFP but contains many significant deficiencies.
- Unsatisfactory (0): requirements not addressed and lack of detail precludes adequate evaluation.

Weighting factors were applied to each of the Selection Committee member's raw scores for each criterion to arrive at a total weighted score as follows:

Criteria	Weighting Factor (Applied to Raw Score)	Maximum Weighted Points
Team Design Consultant Experience	2.0	20
Key Team Members Qualifications	2.0	20
Team Approach to Predesign Phase Services	1.5	15
Team Approach to Design Phase Services	1.5	15
Team Approach to Construction Phase Services	1.0	10
Team Approach to Minimizing Potential for Change Orders	1.0	10
Team Approach to Achieving LEED Certification	1.0	10
Total Possible Points		100

For each firm's Technical Proposal, the individual criteria scores awarded by a particular Selection Committee member were added together to calculate a Technical Proposal Score for that firm. The maximum Technical Proposal Score is 100. All of the scores awarded by the Selection Committee members to a particular firm's Technical Proposal were added together and averaged to arrive at a Final Technical Proposal Score for each firm. The responsive firms, their scores and rankings are listed in Table 1 below:

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Orange Public School District - Orange High School - Facilities Deficiencies Project

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TABLE 1

Firm	Final Technical Proposal Score	Technical Proposal Rank
Urbahn Architects, PC	64.333	1
USA Architects, Planners + Interior Designers, PA	59.167	2
Mount Vernon Group Architects, Inc.	54.333	3
Kliment Halsband Architects, LLP	53.333	4
Fletcher Thompson Architecture Engineering, LLC	51.833	5
The RBA Group	50.917	6
SSP Architectural Group, Inc.	50.417	7
NK Architects	49.500	8
Clarke Caton Hintz	46.000	9
Design Ideas Group Architecture + Planning, LLC	44.667	10
DMR Architects, PC	44.333	11
CDI Architects Group, LLC dba L.R. Kimball Architect	42.333	12
Fraytak Veisz Hopkins Duthie, PC	36.333	13
SBLM Architects, PA	33.667	14
Environetics Group Architects, PC	31.833	15

A shortlist of the six (6) highest-ranked firms was determined based on the Final Technical Proposal Scores. The shortlisted firms participated in interviews with the Selection Committee on March 9, 2015. The interviews allowed the firms to expand and detail their firm and team experience with respect to NJSDA requirements for Design Consultant Services. The Selection Committee interviewed each of the shortlisted firms and evaluated each firm on Interview Criteria and Weighting Factors that were the same as those used in the evaluation of the Technical Proposals, as detailed above.

The individual criteria scores awarded by a particular Selection Committee member were added together to calculate an Interview Score for that firm. The maximum Interview Score is 100. All of the Interview Scores awarded to a particular firm by the Selection Committee members were added together and averaged to arrive at a Final Interview Score for each firm. The shortlisted firms, their scores and rankings are listed in Table 2 below:

TABLE 2

Firm	Final Interview Score	Interview Rank
Kliment Halsband Architects, LLP	67.333	1
Fletcher Thompson Architecture Engineering, LLC	57.833	2
Mount Vernon Group Architects, Inc.	57.333	3
USA Architects, Planners + Interior Designers, PA	56.000	4
Urbahn Architects, PC	49.667	5
The RBA Group	42.000	6

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The Final Technical Proposal Score and the Final Interview Score assigned each shortlisted firm were added together and averaged to obtain the firm's Final Combined Score. The maximum Final Combined Score is 100. The Final Combined Scores and Final Rankings are listed in Table 3 below:

TABLE 3

Firm	Final Combined Score	Final Rank
Kliment Halsband Architects, LLP	60.333	1
USA Architects, Planners + Interior Designers, PA	57.583	2
Urbahn Architects, PC	57.000	3
Mount Vernon Group Architects, Inc.	55.833	4
Fletcher Thompson Architecture Engineering, LLC	54.833	5
The RBA Group	46.458	6

Kliment Halsband Architects, LLP (KHA) received the highest Final Combined Score.

Once all the Final Combined Scores for all shortlisted firms were calculated, the NJSDA opened the sealed Fee Proposals for Predesign Phase Services and reviewed them for responsiveness. The results of the NJSDA's review of the Fee Proposals are listed in Table 4 below:

TABLE 4

Firm	Predesign Fee	Allowance	Total Fee
Fletcher Thompson Architecture Engineering, LLC	\$112,090	\$200,000	\$312,090
USA Architects, Planners + Interior Designers, PA	\$204,020	\$200,000	\$404,020
Kliment Halsband Architects, LLP	\$217,830	\$200,000	\$417,830
Urbahn Architects, PC	\$239,685	\$200,000	\$439,685
The RBA Group	\$269,410	\$200,000	\$469,410
Mount Vernon Group Architects, Inc.	\$280,504	\$200,000	\$480,504

The firm receiving the highest Final Combined Score (Kliment Halsband Architects, LLP) proposed a lump sum fee of \$417,830 for the required Design Consultant Predesign Phase Services. NJSDA staff, in accordance with NJSDA regulations, reviewed the fees proposed by KHA, and conducted a detailed fee review with KHA. The deliverables were reviewed and the anticipated level of effort for each task was discussed comparing the effort KHA proposed to the effort NJSDA estimated each task would require. This discussion revealed a clearer understanding of the work effort required and it was established that certain economies that had not been anticipated earlier by KHA were available. Accordingly, KHA was asked to review its fee for these reasons, taking into account the anticipated level of effort. KHA revised its fee in response to NJSDA comments resulting in a fee consistent with the anticipated level of effort. Negotiations yielded a net reduction of \$5,760 to arrive at a total lump

Members of the Authority
 Orange Public School District - Orange High School - Facilities Deficiencies Project
 April 1, 2015
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sum fee of \$412,070 for Design Consultant Predesign Phase Services for the Orange High School project. The negotiated fees are listed in Table 5 below:

TABLE 5

Firm	Predesign Fee	Allowance	Total Fee
Kliment Halsband Architects, LLP	\$212,070	\$200,000	\$412,070

At the time of review, KHA confirmed that its Fee Proposal is inclusive of all predesign scope elements contained in the Contract Documents. The Program Operations Director and the Managing Director of Design consider the negotiated fee to be fair and reasonable for the services to be provided and recommend award of the engagement for Design Consultant Predesign Phase Services to KHA.

RECOMMENDATION

The Members of the Authority are requested to approve the award of a contract to the firm with the highest Final Combined Score, Kliment Halsband Architects, LLP, for a total lump sum fee of \$412,070 for Predesign Phase Services for the Orange High School in the Orange Public School District. Prior to execution of the contract, the contract and related documentation will be reviewed and approved by the NJSDA Division of Chief Counsel.

/s/ Sean Murphy
 Sean Murphy, Procurement Director

/s/ C. Aidita Milsted
 C. Aidita Milsted, Program Director, Program Operations

Reviewed and Recommended by: Andrew Yosha, EVP, Program Operations and Strategic Planning
 Reviewed and Recommended by: Donald Guarriello, Vice President and Chief Financial Officer
 Reviewed and Recommended by: Raymond A. Arcario, Vice President, Construction Operations
 Reviewed and Recommended by: Gregory Voronov, Managing Director, Program Operations
 Reviewed and Recommended by: Vincent Lechmanick, Deputy Director, Program Operations
 Prepared and Recommended by: Katherine Gallo, Sr. Program Officer, Program Operations

Resolution – 6b.

Award of Contract for Pre-Design Phase Services
Orange Public School District - Orange High School
Addition and Renovation Project

District: Orange Public School District
 School: Orange High School
 Description: Engagement of Design Consultant for Pre-Design Phase Services for Addition and Renovation Project
 Package No.: ES-0042-A01
 Award: \$412,070
 CM: TBD

Resolution

WHEREAS, in March 2012 the Members of the Authority approved the SDA's 2012 Capital Plan which identified a project to address facility conditions deficiencies at the Orange School District Orange High School; and

WHEREAS, working with representatives of the Orange School District and the New Jersey Department of Education (DOE), SDA staff has reviewed and validated District needs and preliminarily identified the recommended project scope to address those needs; and

WHEREAS, Orange High School (the project) is an 111,314 square foot facility educating 804 students in grades 10 to 12; and

WHEREAS, prior to inclusion of the project in the 2012 Capital Plan, a Working Group comprised of District, DOE and SDA staff was convened to review and validate the conditions deficiencies and to identify project scope items necessary to be addressed; and

WHEREAS, upon identification of those deficiencies, the Working Group reviewed and collaborated on the conditions for inclusion in the project scope and DOE performed an assessment of district enrollments and capacity; and

WHEREAS, following this assessment, DOE concluded that existing District facilities lack the capacity of approximately 485 students in grades Pre K to 12 and subsequent SDA site visits to all District schools validated the existence of District-wide overcrowding; and

WHEREAS, it was determined that advancement of projects that would only specifically address facilities conditions deficiencies would not address District-wide overcrowding needs and potential solutions were sought to address both the facilities conditions needs and alleviate the District-wide overcrowding; and

WHEREAS, the Working Group determined that the most efficient means of addressing District-wide overcrowding at the high school grade level would be through the completion of an addition and renovation project at Orange High School; and

WHEREAS, a competitive procurement process for pre-design phase design consultant services was advertised on December 30, 2014; and

WHEREAS, the project scope, and a detailed description of the procurement process followed are set forth in a memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, management recommends award of the engagement for design consultant pre-design phase services to Kliment Halsband Architects, LLP, the firm with the highest Final Combined Score for a total lump sum fee of \$412,070 for pre-design services for the project; and

WHEREAS, at the time of review, Kliment Halsband Architects, LLP confirmed that its fee proposal is inclusive of all predesign scope elements contained in the contract documents and the Program Operations Director and the Contract Management Director consider the negotiated fee to be fair and reasonable for the services to be provided.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the award of a contract to the firm with the highest Final Combined Score, Kliment Halsband Architects, LLP for a total lump sum fee of \$412,070 for pre-design phase services for the Orange High School addition-renovation project in the Orange Public School District, consistent with the memorandum presented to the Board on this date and incorporated herein.

BE IT FURTHER RESOLVED, that, prior to execution of the contract, the contract and related documentation will be reviewed and approved by the SDA Division of Chief Counsel.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Attached: Memorandum- Award of Contract for Pre-Design Phase Services, Orange Public School District - Orange High School Addition and Renovation Project, dated April 1, 2015

Dated: April 1, 2015

**REVISED PROGRAM AND PRELIMINARY CHARTER - NEW BRUNSWICK PUBLIC SCHOOL DISTRICT -
PAUL ROBESON COMMUNITY ELEMENTARY SCHOOL**



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

32 EAST FRONT STREET
P.O. BOX 991
TRENTON, NJ 08625-0991
609-943-5955

MEMORANDUM

TO: Members of the Authority

FROM: Ritchard J. Sherman
Managing Director of Design

Gregory Voronov
Managing Director, Program Operations

DATE: April 1, 2015

SUBJECT: Revised Program and Preliminary Charter

RE: New Brunswick Public School District – Paul Robeson Community Elementary School

INTRODUCTION

At the March 7, 2012 NJSDA Board Meeting, the Members approved the Authority's 2012 Capital Program. That Program identified the New Brunswick Paul Robeson Community Elementary School as a project addressing high priority educational needs. We are writing at this time to advise the Members of project advancement activities and to recommend approval of the attached Revised Preliminary Project Charter, created by Program Operations staff, which details a project scope and budget revised from what had been approved by the CEO on November 21, 2013.

The Revised Preliminary Charter reflects the addition of 13 pre-kindergarten classrooms as requested by the District and subsequently approved by the New Jersey Department of Education (DOE). Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, a revision to a project charter due to/based upon a DOE modeling (Program) change requires approval by the Members of the Authority. Although it is anticipated that a Final Project Charter will be recommended to the Members in September of this year, it was deemed appropriate to seek approval of the revised project scope by the Members at this time, prior to advertisement of the project Design-Build procurement.

BACKGROUND

Based upon the DOE 2010 Educational Facility Needs Assessment (EFNA), which identified severe overcrowding in grades PK to 5 in the New Brunswick Public School District, the NJSDA 2012 Capital Program identified the New Brunswick Paul Robeson Community Elementary School project for validation and advancement. Following approval of the SDA 2012 Capital Program, SDA staff commenced review and validation activities which included a review of the District's proposed Long Range Facilities Plan (LRFP) and identification of existing and proposed school facilities included in that plan.

In June 2012, a Working Group comprised of District, DOE and SDA representatives was convened to review and validate current District needs and discuss the proposed Paul Robeson Community Elementary School Addition and Renovation. The validation process began with a review of current District enrollments and current District educational capacity.

Through Working Group discussions, the District expressed a clear preference to proceed with the Addition and Renovation to the Paul Robeson Community Elementary School project based upon location of the school, the addressing of District needs, and other considerations. No other projects were found to

Members of the Authority
Revised Preliminary Project Charter
New Brunswick Public School District – Paul Robeson Community Elementary School
April 1, 2015
Page 2 of 3

effectively address the identified overcrowding issue. Based on these considerations, the Working Group recommended advancement of the Paul Robeson Community Elementary School Addition and Renovation project.

The Working Group also noted that swing space, which is necessary for completion of the Robeson ES project, was anticipated to be available upon completion of the Redshaw ES project which was projected at that time to finish no later than summer 2015.

The Working Group preliminarily identified the Paul Robeson Community Elementary School Addition and Renovation, a project designed by Potter Architects, LLC (Potter), which had been previously advanced by the SDA, for further review and consideration.

Negotiations proceeded in June 2013 to re-engage Potter Architects, LLC (Potter) to complete recommended design and construction services assuming there could be cost and schedule benefits for reuse of work completed on the previously initiated design. The concluded negotiations with Potter revealed lesser cost savings than were expected based on a combination of factors, including the need to replace original team subconsultants and costs related to ensuing re-design and the assumption of responsibility by those replacement subconsultants.

Given the results of those negotiations with Potter, SDA staff proceeded with a cost and schedule analysis for other potential delivery method options, including a Design-Bid-Build method through procurement of a new design consultant and delivery through a Design-Build approach. That analysis concluded that advancement using a Design-Build approach would result in greatest efficiencies in regard to both cost and schedule. On November 21, 2013, a revised Project Charter recommending a Design-Build project advancement approach, in lieu of re-engagement of Potter, was approved by the CEO, consistent with the Operating Authority.

SDA staff proceeded with in-house design activities. At that time, the recommended project scope called for the construction of a 28,600 square foot addition and selective renovation of the existing facility in order to educate 600 students in grades K-5. SDA staff completed the Program-Concept Phase of in-house design in April 2014, secured District approval of the Program and Conceptual Design, and proceeded with the Schematic Design Phase. However, during the Schematic Design Phase, the District raised concerns regarding the need for additional Pre-Kindergarten classrooms in the District. The District subsequently made a formal request to DOE and, after review and evaluation, DOE agreed that the District request was warranted. In November 2014, DOE approved a revised programmatic model which incorporated 13 additional Pre-Kindergarten classrooms as well as other program modifications. SDA staff have since recommenced in-house design activities and have developed a revised project scope, based on the revised programmatic model, as detailed below.

Relatedly, on August 6, 2014, SDA staff requested and received approval from the Members to exercise the 5 year lease renewal option for 30 Van Dyke Avenue in order to secure swing space for the Paul Robeson project in accordance with requirements of the approved project schedule.

RECOMMENDED REVISED PROJECT SCOPE

Based on the revised DOE programmatic model and developed Schematic Design documents, the revised Project Scope consists of an approximately 57,580 square foot addition and selective renovations to the existing Robeson Community School facility in order to educate 823 students in grades PK to 5, including 195 Pre-Kindergarten students.

Members of the Authority
Revised Preliminary Project Charter
New Brunswick Public School District – Paul Robeson Community Elementary School
April 1, 2015
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PROJECT BUDGET

A revised project budget has been developed for the recommended project scope (see attached Project Charter). The estimated cost of \$39.9 million for the project represents an increase of approximately \$4 million from the estimated cost that was previously recognized for delivery of the proposed Paul Robeson Community Elementary School Addition and Renovation in the Revised Project Charter approved by the CEO on November 21, 2013. This increase in project cost is largely attributable to the addition of the 13 Pre-Kindergarten classrooms and associated program revisions which have been offset, to some extent, by a reduction in estimated renovation costs based upon a more detailed development of the renovation scope of work.

PROJECT SCHEDULE

A preliminary project schedule has also been developed for the recommended project scope consistent with recommendations for project delivery.

The current schedule for advancement of the proposed Paul Robeson Community Elementary School project includes completion of in-house design activities, Design-Build procurement and completion of design and construction by the engaged Design-Builder. Based on the proposed Design- Build project delivery, occupancy of the New Paul Robeson Community Elementary School Addition and Renovation is projected for occupancy in Fall 2018.

RECOMMENDATION

The Members are requested to approve the Revised Preliminary Project Charter which details a revised project scope and budget for the New Brunswick Paul Robeson Community Elementary School Project.

Recommended by:

/s/ Ritchard Sherman

Ritchard J. Sherman, Managing Director of Design

/s/ Gregory Voronov

Gregory Voronov, Managing Director, Program Operations

Reviewed and Recommended by:

Manuel DaSilva, Program Operations Director

Raymond Arcario, Vice President of Construction

Andrew Yosha, Executive Vice President, Program Operations & Strategic Planning

New Jersey Schools Development Authority Project Charter - Summary

Charter Date
04/01/15

Supersedes Charter Dated
11/21/13

Region: Central
District: New Brunswick
Project Name: Paul Robeson Community ES
School Type: Elementary School
DOE # / Project #: 3530-123-03-1034
Project Type (New/Add/Reno): Add/Reno
Project Location: 199 Commercial Ave, New Brunswick
Number of Students: 823
Land Acquisition Required? Yes No
Temporary Space Required? Yes No
Project Budget: \$ 39,884,262
Anticipated Substantial Completion Date: 04/05/18
Anticipated School Occupancy Date: 09/01/18
Project Team Leader: Manuel Da Silva
Project Initiation Date: 03/07/12
SDA Board - Project Charter Approval Date: 04/01/15

Funding Source
2012 Capital Plan

Funding Allocated
\$34,999,358

District Local Share
\$0.00

Charter Version and Date	Project Summary
<input type="checkbox"/> Planning	The existing Paul Robeson Community ES will undergo selective renovation of the existing facility totaling 59,400 sf and will receive a 57,580 sf addition. When complete the school will educate 823 students in grades Pre-K to 5.
<input checked="" type="checkbox"/> Preliminary 02/04/09	
<input type="checkbox"/> Final	
Purpose for Advancement of Current/Revised Project Charter	
Revision # and Date	The revised charter is being advanced to update budget and schedule based upon the revised DOE approved program increasing the capacity from 600 to 823 students and incorporating Pre-K classrooms in the facility.
<input type="checkbox"/> One 11/21/13	
<input checked="" type="checkbox"/> Two 04/01/15	
District Project Goals	
<input type="checkbox"/> Four	Address overcrowding in grades Pre-K to 5.
<input type="checkbox"/> Five	
<input type="checkbox"/> Six	

Recommendation

Program Director - Program Operations Manuel Da Silva	Date	Managing Director - Capital Planning Gregory Voronov	Date
Vice President - Construction Operations Raymond Arcario	Date	EVP - Prog. Ops. & Strategic Planning Andrew Yosha	Date

Approval

Chief Executive Officer _____ Date _____
 Charles McKenna

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**New Jersey Schools Development Authority
Project Charter - Milestones & Delivery Method**

Charter Date
04/01/15

District / Project Name:	New Brunswick / Paul Robeson Community ES
DOE # / Project #:	3530-123-03-1034

Project Milestones	Date
School Occupancy Date	09/01/18

DELIVERY METHOD	Design/Build
------------------------	---------------------

<u>Real Estate Services</u>	<u>Start</u>	<u>Est.</u>	<u>Act.</u>	<u>Finish</u>	<u>Est.</u>	<u>Act.</u>
Feasibility	N/A	<input type="checkbox"/>	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>
EO215 Requirements	N/A	<input type="checkbox"/>	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>
Site Acquisition	N/A	<input type="checkbox"/>	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>
Relocation	N/A	<input type="checkbox"/>	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>
Demolition	N/A	<input type="checkbox"/>	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>
Remediation	N/A	<input type="checkbox"/>	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>
Deed Restriction Required?	Date					
District Notified?		<input type="checkbox"/>	<input type="checkbox"/>			
Classification Exception Area?						
District Notified?		<input type="checkbox"/>	<input type="checkbox"/>			

Special Considerations

<u>Design:</u>	<u>Date</u>	<u>Est.</u>	<u>Act.</u>		<u>Est.</u>	<u>Act.</u>
Design Start (NTP)	N/A	<input type="checkbox"/>	<input type="checkbox"/>			
Design Restart (if applicable)	N/A	<input type="checkbox"/>	<input type="checkbox"/>			
	<u>Start</u>	<u>Est.</u>	<u>Act.</u>	<u>Finish</u>	<u>Est.</u>	<u>Act.</u>
Program Concept Phase	12/17/13	<input type="checkbox"/>	<input checked="" type="checkbox"/>	03/20/14	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Schematic Design Phase	04/10/14	<input type="checkbox"/>	<input checked="" type="checkbox"/>	02/27/15	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bridging Documents	12/22/14	<input type="checkbox"/>	<input checked="" type="checkbox"/>	04/04/15	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Design-Build Bid/Award	04/20/15	<input checked="" type="checkbox"/>	<input type="checkbox"/>	09/25/15	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Design-Build NTP	10/16/15	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Final Design	10/16/15	<input checked="" type="checkbox"/>	<input type="checkbox"/>	07/28/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Special Considerations

<u>Construction:</u>	<u>Date</u>	<u>Est.</u>	<u>Act.</u>
Construction Start (NTP)	07/29/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Substantial Completion (TCO)	04/05/18	<input checked="" type="checkbox"/>	<input type="checkbox"/>
School Occupancy Date	09/01/18	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Title Transfer	N/A	<input type="checkbox"/>	<input type="checkbox"/>
Final Completion (C of O)	07/02/18	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Post Occupancy Walk Through	03/01/19	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Project Close-Out	03/29/19	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Special Considerations

New Jersey Schools Development Authority Project Charter - Project Budget		Charter Date
		04/01/15
District / Project Name:	New Brunswick / Paul Robeson Community ES	
DOE # / Project #:	3530-123-03-1034	
2012 Capital Plan Funding Allocation	\$	34,999,358
Special Considerations:		
The project budget represented below is based upon the application of planning assumptions based upon the current project scope as well as expenditures related to prior engaged design services.		
Project Budget:		
Gross Building Area (GSF):		Grossing Factor:
New	0	1.52
Addition	57,580	
Renovation	59,400	
Total Gross Building Area (GSF):	116,980	
Estimated Building Cost / GSF		
New Construction Cost/GSF	\$277.18	
Renovation Cost/GSF	\$75.57	
Design Builder Costs:		
Design Costs	\$1,200,000	
Addition Costs	\$14,400,000	
Renovation Costs	\$4,050,000	
Site Costs	\$1,630,000	
Demolition	\$0	
E-Rate (If separately bid)	\$0	
Cost Escalation 26 months at 5 % per year	\$2,305,000	
Design Contingency	\$2,628,845	
Construction Contingency	\$1,180,000	
Total Construction Costs	\$27,393,845	
Pre-Development Costs:		
Consultant Services (Including Design Support)	\$559,218	
Early Site Packages	\$0	
Land Acquisition	\$1,600	
Relocation	\$0	
Property Maintenance/Carry Costs	\$0	
Total Pre-Development Costs	\$560,818	
Other Costs:		
Prior Design Services	\$1,361,457	
In House Design	\$339,157	
Project Management (SDA Staff)	\$1,447,000	
PMF/CM	\$1,500,000	
FF&E	\$2,156,910	
Technology	\$1,790,075	
Commissioning	(Included in DB Scope)	
Temporary Space	\$2,884,000	
Other Costs	\$451,000	
Total Other Costs	\$11,929,599	
Other Funding Sources		
Rebates & Refunds	\$0	
District Local Share Funds	\$0	
Total Other Funding Sources	\$0	
Total Project Budget	\$39,884,262	
Funding from Prior Allocation	\$2,170,717	
Funding from 2012 Capital Plan	\$37,713,545	

**New Jersey Schools Development Authority
Project Charter - Budget Variance**

Charter Date

04/01/15

District / Project Name: New Brunswick / Paul Robeson Community ES
DOE # / Project #: 3530-123-03-1034

Project Budget:

	Revised Prelim. Charter 11/21/13	Current Budget	VARIANCE Fav/(Unfav)
Grossing Factor:	1.48	1.52	-0.04
Gross Building Area (GSF):			
New	0	0	0
Addition	28,599	57,580	(28,981)
Renovation	59,640	59,400	240
Total Gross Area (GSF):	88,239	116,980	(28,741)
Construction Costs			
Design Costs	\$1,110,765	\$1,200,000	(\$89,235)
Addition Costs	\$7,244,270	\$14,400,000	(\$7,155,730)
Renovation Costs	\$9,713,567	\$4,050,000	\$5,663,567
Site Costs	\$1,554,919	\$1,630,000	(\$75,081)
Demolition	\$0	\$0	\$0
E-Rate (If separately bid)	\$0	\$0	\$0
Cost Escalation	\$2,125,881	\$2,305,000	(\$179,119)
Design Contingency	\$2,776,913	\$2,628,845	\$148,068
Construction Contingency	\$1,031,932	\$1,180,000	(\$148,068)
Total Construction Costs	\$25,558,247	\$27,393,845	(\$1,835,598)
Pre-Development Costs:			
Consultant Services	\$559,218	\$559,218	\$0
Early Site Packages (Demolition/Remediation)	\$0	\$0	\$0
Land Acquisition	\$1,600	\$1,600	\$0
Relocation	\$0	\$0	\$0
Property Maintenance/Carry Costs	\$0	\$0	\$0
Total Pre-Development Costs	\$560,818	\$560,818	\$0
Other Costs:			
Prior Design	\$1,361,457	\$1,361,457	\$0
In House Design	\$339,157	\$339,157	\$0
Project Management (SDA Staff)	\$1,753,000	\$1,447,000	\$306,000
PMF/CM	\$1,969,250	\$1,500,000	\$469,250
FF&E	\$816,135	\$2,156,910	(\$1,340,775)
Technology	\$1,150,699	\$1,790,075	(\$639,376)
Commissioning	\$254,368	(Included in DB Scope)	\$254,368
Temporary Space	\$1,774,493	\$2,884,000	(\$1,109,507)
Other Costs	\$412,773	\$451,000	(\$38,227)
Total Other Costs	\$9,831,332	\$11,929,599	(\$2,098,267)
Other Funding Sources			
Rebates & Refunds	\$0	\$0	\$0
District Local Share Funds	\$0	\$0	\$0
Total Other Funding Sources	\$0	\$0	\$0
Total Project Budget	\$35,950,397	\$39,884,262	(\$3,933,865)
Funding from Prior Allocation	\$2,170,717	\$2,170,717	\$0
Funding from 2012 Capital Plan	\$33,779,680	\$37,713,545	(\$3,933,865)

Budget Variance Analysis:

Budget increase is due to an increase of 28,981 SF to the size of the addition necessary to accommodate the revised DOE approved program which incorporates Pre-K capacity within the building necessary to meet the District's educational needs.

Schedule Variance Analysis:

Resolution—6c.

Approval of
Revised Program and Preliminary Charter
New Brunswick Public School District – Paul Robeson Community Elementary School

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Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA) or the Authority) requires that the Members of the Authority approve revisions to project charters due to/based upon a State Department of Education (DOE) modeling (Program) change; and

WHEREAS, the DOE 2010 Educational Facility Needs Assessment (EFNA) identified severe overcrowding in grades Pre-K to 5 in the New Brunswick Public School District (District); and

WHEREAS, on March 7, 2012 the Members of the Authority approved the SDA's 2012 Capital Program which identified the New Brunswick Paul Robeson Community Elementary School as a project addressing high priority educational needs; and

WHEREAS, following the Board's approval, in June 2012, a Working Group comprised of District, DOE and SDA representatives was convened to review and validate current District needs and discuss a proposed Paul Robeson Community Elementary School Addition and Renovation; and

WHEREAS, initially the recommended project scope called for the construction of a 28,600 square foot addition and selective renovation of the existing facility in order to educate 600 students in grades K-5; and

WHEREAS, the District thereafter requested, and the DOE subsequently approved, a revised programmatic model which incorporated 13 additional Pre-Kindergarten classrooms as well as other program modifications; and

WHEREAS, SDA staff has since recommenced in-house design activities and developed a revised project scope, based on the revised programmatic model; and

WHEREAS, the revised project scope consists of an approximately 57,580 square foot addition and selective renovations to the existing Robeson Community School Facility in order to educate 823 students in grades PK to 5; and

WHEREAS, the project background, revised project scope, project budget and project schedule are described in detail in the memorandum presented to the Board on this date and incorporated herein.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the Revised Program and Preliminary Project Charter as set forth in the memorandum presented to the Board on this date which details a revised project scope and budget for the New Brunswick Paul Robeson Community Elementary School Project.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Attached: Memorandum, Revised Project Scope and Preliminary Project Charter, Paul Robeson
Community Elementary School, New Brunswick School District, April 1, 2015

Dated: April 1, 2015

PRELIMINARY PROJECT CHARTER - PATERSON SCHOOL DISTRICT - NEW MIDDLE SCHOOL



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Ritchard J. Sherman
Managing Director of Design
Gregory Voronov
Managing Director, Program Operations

DATE: April 1, 2015

SUBJECT: Preliminary Project Charter

RE: Paterson School District – New Middle School

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INTRODUCTION

At the March 7, 2012 NJSDA Board Meeting, the Members approved the Authority's 2012 Capital Plan. That Plan identified a Paterson elementary school grade level project addressing high priority educational needs that required further discussion with the District. Working with representatives of the Paterson School District and the New Jersey Department of Education (DOE), SDA staff has reviewed and validated District needs. We are writing to advise the Members of the results of that validation performed by SDA staff and to provide detail of recommended action for advancement of the above-identified project.

We are also writing to recommend approval by the Members of the attached Preliminary Project Charter, created by Program Operations staff, which details project advancement recommendations including estimated project costs for project completion. Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, Preliminary Project Charters require approval by the Members of the Authority.

BACKGROUND

Based upon the DOE's 2010 Educational Facilities Needs Assessment (EFNA), which identified severe overcrowding in all grade levels of the Paterson Public School District, the SDA 2012 Capital Plan identified a Paterson elementary school grade level project for validation and advancement.

Working Group Activities

Following approval of the SDA 2012 Capital Plan, SDA staff commenced review and validation activities which included a review of the District's Long Range Facilities Plan (LRFP) and the identification of existing and proposed school facilities included in that plan. A Working Group comprised of District, DOE and SDA staff was convened to review and validate current District needs and to identify and evaluate alternative project scopes which might address those needs. The validation process began with a review of current and projected District enrollments and current District educational capacity. Given the extent and severity of the overcrowding at the elementary school grade level throughout the District as evidenced by DOE's 2013 EFNA, which indicated that the District lacked capacity for over 1,700 students in grades Pre-K to 8, the Working Group concluded that further evaluation of District capacity was unnecessary at this time.

Based upon this validation of needs, the Working Group proceeded to identify potential projects which might address these needs. This activity included a review of projects identified in the District's LRFP as well as consideration of the application of the SDA Kit of Parts. The review determined that several constraints limited the number of project options readily available due to the fact that most District owned facilities and sites are fully developed or would offer only modest capacity gains through additions to existing school buildings. There are also a number of facilities that the District leases which are not appropriate to consider for purchase or potential expansion.

Members of the Authority
Preliminary Project Charter
Paterson School District – New Middle School
April 1, 2015
Page 2 of 3

The review concluded that advancement of construction of a new middle school project on the Authority owned Union Avenue property would provide the most expeditious course of action to assist the District in relieving overcrowding at the elementary school grade levels. A new middle school project serving grades 6 to 8 was selected as it will provide the District with flexibility to alleviate district-wide overcrowding by drawing students from multiple facilities throughout the District.

The Union Avenue property was acquired in May 2004 to utilize the buildings and land to provide temporary space for District school facility projects during their construction and, at a later point in time, as the site for building of a permanent school facility to be identified based upon District needs. Since being acquired, the Union Avenue property has previously provided temporary space for the International High School and BUILDS Academy students. The property is currently utilized by the District to house the Don Bosco School which educates approximately 600 students in grades 6 to 8 to relieve severe overcrowding at the District's existing PS #5 and PS #27 facilities. Selective demolition, renovation and additions to the existing facilities on the Union Avenue site were considered to address District needs; however development of appropriate educational facilities would be severely limited by the physical constraints imposed by the existing facilities. Additionally, it was determined that construction of a new facility would provide the most efficient means of maximizing the educational capacity that can be provided on the site.

Temporary Facilities Needs

Based upon the planned use for the Union Avenue site to construct a new middle school it is necessary that the District vacate the site prior to advancement of any project. The working group reviewed potential strategies to address the need to vacate the site and consistent with prior Board action in December 2014 the SDA is in the process of acquiring the former Paterson Catholic High School facility to address the need to relocate the students on the Union Avenue property and provide additional educational capacity to the District upon completion of the project at the Union Avenue site.

Current Advancement Status

In May 2013, SDA staff undertook a conceptual approach to environmental site closure at the proposed Union Avenue site. Staff reviewed environmental documents pertaining to the site to identify potential data gaps and identify a preliminary scope of work for closure of these gaps. During this review, staff identified areas of concern and formulated a scope of work for a site environmental consultant that would require further investigation prior to the continuation of development of the site for a school facility.

In September 2013, LAN associates (LAN) was engaged through the existing task order agreement to undertake additional site investigation activities. The purpose of the additional site investigation activities was to build upon previous site investigation work completed in 2012, fill certain geotechnical and environmental data gaps, and to evaluate other critical site elements in support of advancing design-related services for the project.

LAN's preliminary investigations have identified a number of findings that will need to be addressed in further development of the site, however, they will not inhibit advancement of the project.

Upon approval of the Preliminary Project Charter, LAN will be engaged through additional task order assignments to complete site investigation activities necessary to support project advancement concurrently with other recommended design activities including development of design documents for necessary site preparation work to be performed prior to advancement of building construction and design work necessary to support the development of bridging documents.

NJSDA staff has developed a proposed project scope based on application of standard programmatic models and has considered application of Kit of Parts in project delivery. Based on that analysis, the following project is being recommended for advancement to address District overcrowding.

Members of the Authority
 Preliminary Project Charter
 Paterson School District – New Middle School
 April 1, 2015
 Page 3 of 3

Recommended Project Scope:

The recommended project scope calls for the demolition of all existing structures on the SDA-owned Union Avenue site and construction of an approximately 161,000 SF new school facility to educate 996 students in grade levels 6 through 8. The recommended project will utilize a standard SDA Kit of Parts programmatic model and design, while being delivered through in-house design and a Design-Build construction contract.

Project Delivery Recommendations:

The potential for use of standard SDA design elements, including Kit of Parts components, and alternatives for project delivery have been analyzed. While the proposed grade alignment of the project does not exactly correspond to SDA model programs, it has been concluded that kit of parts components, with some modification, may be utilized in the design of this project. Therefore, it is recommended that this project be advanced utilizing in-house design staff through Schematic Design and that bridging documents be prepared to support a Design-Build delivery process.

The project budget which has been developed is reflective of the recommendation for Design-Build project delivery.

PROJECT BUDGET

The estimated cost of \$112.7 million for the project reflected in the Preliminary Project Charter is inclusive of all prior expenditures related to acquisition and related costs for the Union Avenue site (\$6.4 million), as well as costs associated with the acquisition and fit-out as temporary facilities of the former Paterson Catholic School High School facility (\$33.5 million) and estimated future costs necessary for advancement of the current project scope, inclusive of the demolition of all existing structures on site. The estimated costs are based upon the application of planning estimates to the current anticipated project scope.

RECOMMENDATION

The Members are requested to approve the Project Charter for the Paterson School District's New Middle School project. In so doing, the Board is providing the Authority with approval to:

1. Proceed with in-house design activities.
2. Procure necessary professional and construction services in relationship to this project.

The Operating Authority will govern the award of all professional services and construction contracts and the Board's notification of the use of contingency monies.

Recommended by:

/s/ Ritchard Sherman

Ritchard J. Sherman, Managing Director of Design

/s/ Gregory Voronov

Gregory Voronov, Managing Director, Program Operations

Prepared by: Mike Wielage, Program Officers, Program Operations

Reviewed and Recommended by: Paul Hamilton, Senior Program Officer, Program Operations

Reviewed and Recommended by: Andrew Yosha, Executive Vice President, Strategic Planning & Program Operations

New Jersey Schools Development Authority Project Charter - Summary

Charter Date
04/01/15

Supersedes Charter Dated
N/A

Region: Northern
District: Paterson
Project Name: New Middle School on Union Ave Site
School Type: Middle School
DOE # / Project #: 4010-N05-02-0954
Project Type (New/Add/Reno): New
Project Location: 202 Union Avenue Paterson, NJ
Number of Students: 996

Land Acquisition Required? Yes No
Temporary Space Required? Yes No

Funding Source
2012 Capital Plan

Project Budget: \$ 112,937,944
Anticipated Substantial Completion Date: TBD
Anticipated School Occupancy Date: TBD

Funding Allocated
\$112,937,944

Project Team Leader: Thomas Schrum / Ritchard Sherman
Project Initiation Date: Apr-15
SDA Board - Project Charter Approval Date: 04/01/15

District Local Share
\$0.00

Charter Version and Date	Project Summary
<input type="checkbox"/> Planning	Construction of a New Middle School facility to educate 996 students in grades 6 to 8 consisting of 36 general classrooms, science labs, self contained special education classrooms, as well as, cafeteria, multipurpose room and gymnasium on the SDA acquired Union Ave Site. Project includes acquisition of the former Paterson Catholic High School to serve as temporary facilities during construction and upon completion of the New MS as a permanent district facility to assist in alleviating district-wide overcrowding.
<input checked="" type="checkbox"/> Preliminary	
<input type="checkbox"/> Final	
Purpose for Advancement of Current/Revised Project Charter	
Revision # and Date	Project advancement, including in-house design and procurement of necessary professional and construction services for the project.
<input type="checkbox"/> One	District Project Goals
<input type="checkbox"/> Two	
<input type="checkbox"/> Three	
<input type="checkbox"/> Four	
<input type="checkbox"/> Five	
<input type="checkbox"/> Six	
District Project Goals	
New middle school to help alleviate district wide overcrowding.	

Recommendation

Program Director - Program Operations _____ Date
 Thomas Schrum

Managing Directors - Capital Planning / Design _____ Date
 Gregory Voronov / Ritchard Sherman

Vice President - Construction Operations _____ Date
 Raymond Arcario

EVP- Prog. Ops. and Strategic Planning _____ Date
 Andrew Yosha

Approval

Chief Executive Officer _____ Date
 Charles McKenna

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New Jersey Schools Development Authority Project Charter - Milestones & Delivery Method						Charter Date	
						04/01/15	
District / Project Name:		Paterson / New Middle School on Union Ave Site					
DOE # / Project #:		4010-N05-02-0954					
Project Milestones						Date	
School Occupancy Date						TBD	
DELIVERY METHOD				Design/Build			
Real Estate Services		Start	Est.	Act.	Finish	Est.	Act.
Feasibility		Complete	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Complete	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Site Investigations		04/22/15	<input checked="" type="checkbox"/>	<input type="checkbox"/>	09/03/15	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Site Acquisition (Temporary Space)		12/19/14	<input type="checkbox"/>	<input checked="" type="checkbox"/>	05/15/15	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Relocation		N/A	<input type="checkbox"/>	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>
Demolition		TBD	<input type="checkbox"/>	<input type="checkbox"/>	TBD	<input type="checkbox"/>	<input type="checkbox"/>
Early Site Package		TBD	<input type="checkbox"/>	<input type="checkbox"/>	TBD	<input type="checkbox"/>	<input type="checkbox"/>
Deed Restriction Required?		Unknown	Date				
District Notified?		_____	<input type="checkbox"/>	<input type="checkbox"/>			
Classification Exception Area?		Unknown	Date				
District Notified?		_____	<input type="checkbox"/>	<input type="checkbox"/>			
Special Considerations							
Based upon staff's review of existing site environmental documentation the project is planned to be advanced with the need for an early site package prior to advancement of construction by a design-builder. A Site Environmental Consultant will be engaged to conduct additional site investigations and prepare design documents necessary to support the early site package.							
Design:		Date	Est.	Act.			
Design Start (NTP)		04/22/15	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Design Restart (if applicable)		NA	<input type="checkbox"/>	<input type="checkbox"/>			
		Start	Est.	Act.	Finish	Est.	Act.
Program Concept Phase		04/22/15	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Schematic Design		TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bridging Documents		TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Design-Build Bid/Award		TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Design-Build NTP		TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Final Design		TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Special Considerations							
The project is planned to be advanced through in-house design and engagement of a Design-Builder.							
Construction:		Date	Est.	Act.			
Construction Start (NTP)		TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Substantial Completion (TCO)		TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
School Occupancy Date		TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Title Transfer		TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Final Completion (C of O)		TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Post Occupancy Walk Through		TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Project Close-Out		TBD	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Special Considerations							

New Jersey Schools Development Authority Project Charter - Project Budget		Charter Date
		04/01/15
District / Project Name:	Paterson / New Middle School on Union Ave Site	
DOE # / Project #:	4010-N05-02-0954	
2012 Capital Plan Funding Allocation	\$	112,937,944
Special Considerations:		
<p>The project budget is inclusive of all prior expenditures related to acquisition and related costs for the Union Avenue site (\$6.4 million), as well as, costs associated with the acquisition and fit-out as temporary facilities of the former Paterson Catholic School High School facility (\$33.5 million) and estimated future costs necessary for advancement of the current project scope, inclusive of the demolition of all existing structures on site. The estimated costs are based upon the application of planning estimates to the current anticipated project scope.</p>		
Project Budget:		
Gross Building Area (GSF):		Grossing Factor:
New	161,000	1.55
Addition	0	
Renovation	0	
Total Gross Building Area (GSF):	161,000	
Estimated Building Cost / GSF		
New Construction Cost/GSF	\$283.76	
Renovation Cost/GSF		
Design-Builder Costs		
Design	\$2,200,000	
Building Costs	\$38,100,000	
Site Costs	\$3,400,000	
Demolition	\$0	
E-Rate (If separately bid)	\$0	
Cost Escalation 48 months at 5 % per year	\$8,700,000	
Design Contingency	\$4,400,000	
Construction Contingency	\$2,800,000	
Total Construction Costs	\$59,600,000	
Pre-Development Costs:		
Consultant Services	\$1,174,096	
Early Site Package (Demolition/Remediation)	\$2,550,000	
Completed Remedial Work (Don Bosco Facility)	\$254,424	
Land Acquisition (Don Bosco Site)	\$5,840,279	
Relocation (Don Bosco Site)	\$63,123	
Property Maintenance/Carry Costs	\$461,021	
Total Pre-Development Costs	\$10,342,944	
Other Costs:		
Design		
Prior Design Services	N/A	
In-House Design	\$800,000	
Project Management (SDA Staff)	\$1,410,000	
PMF/CM	\$1,485,000	
FF&E	\$2,500,000	
Technology	\$2,100,000	
Commissioning	(Included in DB Scope)	
Temp Space: Paterson Catholic (Acquisition & Related)	\$33,500,000	
Other Costs	\$1,200,000	
Total Other Costs	\$42,995,000	
Other Funding Sources		
Rebates & Refunds	\$0	
District Local Share Funds	\$0	
Total Other Funding Sources	\$0	
Total Project Budget	\$112,937,944	
Funding from Prior Allocation	\$6,441,754	
Funding from 2012 Capital Plan	\$106,496,189	

New Jersey Schools Development Authority Project Charter - Budget Variance			Charter Date
			04/01/15
District / Project Name:		Paterson / New Middle School on Union Ave Site	
DOE # / Project #:		4010-N05-02-0954	
Project Budget:			
	Capital Plan Estimate	Current Budget	VARIANCE Fav/(Unfav)
Grossing Factor:		1.55	
Gross Building Area (GSF):	New	161,000	
	Addition	0	
	Renovation	0	
Total Gross Area (GSF):		161,000	
Design-Builder Costs			
Design	N/A	\$2,200,000	N/A
Building Costs	N/A	\$38,100,000	N/A
Site Costs	N/A	\$3,400,000	N/A
Demolition	N/A	\$0	N/A
E-Rate (If separately bid)	N/A	\$0	N/A
Cost Escalation	N/A	\$8,700,000	N/A
Design Contingency	N/A	\$4,400,000	N/A
Construction Contingency	N/A	\$2,800,000	N/A
Total Construction Costs		\$59,600,000	N/A
Pre-Development Costs:			
Consultant Services	N/A	\$1,174,096	N/A
Early Site Package (Demolition/Remediation)	N/A	\$2,550,000	N/A
Completed Remedial Work (Don Bosco Facility)	N/A	\$254,424	N/A
Land Acquisition (Don Bosco Site)	N/A	\$5,840,279	N/A
Relocation (Don Bosco Site)	N/A	\$63,123	N/A
Property Maintenance/Carry Costs	N/A	\$461,021	N/A
Total Pre-Development Costs		\$10,342,944	N/A
Other Costs:			
Design			
Prior Design Services	N/A	N/A	N/A
In-House Design	N/A	\$800,000	N/A
Project Management (SDA Staff)	N/A	\$1,410,000	N/A
PMF/CM	N/A	\$1,485,000	N/A
FF&E	N/A	\$2,500,000	N/A
Technology	N/A	\$2,100,000	N/A
Commissioning	N/A	(Included in DB Scope)	N/A
Temp Space: Paterson Catholic (Acquisition & Related)	N/A	\$33,500,000	N/A
Other Costs	N/A	\$1,200,000	N/A
Total Other Costs		\$42,995,000	N/A
Other Funding Sources			
Rebates & Refunds	N/A	\$0	N/A
District Local Share Funds	N/A	\$0	N/A
Total Other Funding Sources		\$0	N/A
Total Project Budget		\$112,937,944	N/A
Funding from Prior Allocation		\$6,441,754	N/A
Funding from 2012 Capital Plan		\$106,496,189	N/A
Budget Variance Analysis:			
Schedule Variance Analysis:			

Resolution—6d.

Approval of Preliminary Project Charter
Paterson School District – New Middle School

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA) requires that the Members of the Authority authorize and approve Preliminary Project Charters; and

WHEREAS, the State Department of Education's (DOE) 2010 Educational Facilities Needs Assessment (EFNA) identified severe overcrowding in all grade levels in the Paterson Public School District (District); and

WHEREAS, at the March 7, 2012 SDA Board Meeting, the Members approved the Authority's 2012 Capital Plan which identified a Paterson elementary school grade level project addressing high priority educational needs that required further discussion with the District; and

WHEREAS, representatives of the District, the DOE and SDA staff (the Working Group) have reviewed and validated District needs; and

WHEREAS, the validation process conducted by the Working Group is described in detail in the memorandum presented to the Board on this date; and

WHEREAS, the Working Group recommends construction of an approximately 161,000 square foot new school facility to educate 996 students in grade levels 6 through 8 project; and

WHEREAS, the recommended project will utilize a standard SDA Kit of Parts programmatic model and design, while being delivered through in-house design and a Design-Build construction contract; and

WHEREAS, the memorandum presented to the Board on this date sets forth in detail the background of the Project, specifics of the Working Group's activities and current advancement status along with Project scope, budget and delivery recommendations; and

WHEREAS, the estimated cost of the Project as reflected in the Preliminary Project Charter is inclusive of all prior expenditures related to acquisition and related costs for the Union Avenue site (\$6.4 million), as well as costs associated with the acquisition and fit-out as temporary facilities of the former Paterson Catholic School High School facility (\$33.5 million) and estimated future costs necessary for advancement of the current project scope, inclusive of the demolition of all existing structures on site.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve the Preliminary Project Charter for the Paterson Public School District's New Middle School project as presented to the Board on this date.

BE IT FURTHER RESOLVED, that, in approving this Preliminary Project Charter, the Members of the Authority authorize SDA management and staff to proceed with in-house design activities and procure the necessary professional and construction services in relationship to this project.

BE IT FURTHER RESOLVED, that the SDA Operating Authority shall govern the award of all professional services and construction contracts and Board notification of the use of contingency monies.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Attached: Memorandum, Preliminary Project Charter, Paterson School District – New Middle School,
dated April 1, 2015

Dated: April 1, 2015

MONTHLY REPORTS
(For Informational Purposes)

ACTIVE PROJECTS STATUS REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director

DATE: April 1, 2015

SUBJECT: Active Project Status Report
(For Informational Purposes Only)

The 1st section of the report includes an Activities Summary of projects identified for advancement in the Authority's Capital Plans.

The 2nd part of the report displays project completion milestones for all other active major capital projects and emergent projects for which a contract for construction has been awarded.



2011 & 2012 Portfolio Projects Activities Summary

as of 3/18/15

2011 Portfolio Projects - sorted by District		1					
District	Project	Grade Alignment	Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Bridgeton	Buckshutem ES	K-8	581	\$23.3	Kit of Parts/ Design-Build	Award for D-B approved at Oct. 2013 Board (Bock).	5/31/13
Bridgeton	Quarter Mile Lane ES	PK-8	731	\$39.0	Kit of Parts/ Design-Build	Award for D-B approved at Oct. 2013 Board (Bock).	5/31/13
Elizabeth	Academic HS	9-12	1,091	\$64.1	Existing Design	Phase 2 Award approved Nov. 2012 Board (Patock Construction)	12/8/11 7/11/12
Jersey City	ES 3	PK-5	778	\$54.0	Kit of Parts/ Design-Build	Award for D-B approved May 2013 Board (Dobco, Inc.)	6/25/12 2/25/13
Jersey City	PS 20	K-5	628	\$48.2	Existing Design	Phase 2 Construction approved Aug. 2013 Board (Dobco, Inc.)	4/17/12 3/6/13
Long Branch	Catrambone ES	PK-5	794	\$40.0	Existing Design	Construction Contract Approved Apr. 2012 Board (Terminal Construction).	12/20/11
New Brunswick	Redshaw ES	PK-5	906	\$51.2	Kit of Parts/ Design-Build	Award for D-B approved at Sep. 2012 Board (Hall Construction).	5/29/12
Newark	Oliver St. ES	PK-8	848	\$73.6	Kit of Parts/ Design-Build	Award for D-B approved Mar. 2013 Board. (Epic Management)	6/27/12 11/29/12
Paterson	Marshall St. ES	K-8	650	\$55.2	Existing Design	Construction Contract approved at May 2013 Board (Bock).	6/13/12 2/12/13
Paterson	PS 16	PK-8	705	\$62.4	Kit of Parts/ Design-Build	Award for D-B approved at Dec. 2013 Board (Hall Construction).	3/27/12 8/28/13
West New York	Harry L. Bain PS 6	PK-6	736	TBD	Pre-Design Services	NTP for Design Phase Services sent Dec. 1, 2014.	2/27/12

***PLEASE NOTE** - Dates in the Past are ACTUAL. Includes Advertisement dates for Early Site Preparation Construction & School Construction where applicable.
NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions utilized in the 2010 reassessment. Recommendations of DOE/SDA/District Working Groups may impact this information in the future.

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2011 & 2012 Portfolio Projects Activities Summary

as of 3/18/15

2012 Portfolio Projects - sorted by District

		1					
District	Project	Grade Alignment	Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Gloucester City	Elementary/Middle School	4-8	687	\$63.9	Kit of Parts/ Design-Build	Award for D-B approved Jul. 2014 Board (Terminal Construction).	3/4/14
Keansburg	Caruso ES	K-4	736	\$50.9	Kit of Parts/ Design-Build	Award for D-B approved Nov. 2013 Board (Hall Construction).	10/20/11 6/27/13
Keansburg	Port Monmouth Road School	PK	318	\$17.5	Kit of Parts/ Design-Build	Planning Charter approved Oct. 2012 Board.	3 QTR 15
New Brunswick	Robeson ES	K-5	599	\$36.0	Kit of Parts/ Design-Build	SDA In-House Design Underway. Revised Preliminary Charter advancing to Apr. 2015 Board.	2 QTR 15
Newark	Elliot Street ES	PK-8	848	\$46.7	Kit of Parts/ Design-Build	Award for D-B approved Apr. 2013 Board (Hall Construction).	12/27/12
Newark	South Street ES	PK-8	640	\$68.7	Kit of Parts/ Design-Build	Revised Preliminary Charter and ROA for Phase 1 Construction (USA Environmental) approved Nov. 2013 Board meeting.	6/28/13 2 QTR 15
Passaic	Dayton Ave. Campus	PK-8	2,741	\$209.5	Kit of Parts/ Design-Build	Project now to be sequenced with the advancement of the Leonard Place Project.	TBD
Phillipsburg	High School	9-12	1,846	\$127.5	Existing Design	Construction Contract Approved Apr. 2013 Board (Epic Management).	9/27/12
West New York	Memorial HS	9-12	1,859	\$16.0	Alternative Delivery (acquisition) & Renovation	Acquisition of Existing St. Joseph's HS complete. Renovation work will be completed via District Grant.	n/a

***PLEASE NOTE** - Dates in the Past are ACTUAL. Includes Advertisement dates for Early Site Preparation Construction & School Construction where applicable.
NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions utilized in the 2010 reassessment. Recommendations of DOE/SDA/District Working Groups may impact this information in the future.

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2011 & 2012 Portfolio Projects Activities Summary

as of 3/18/15

2012 Portfolio Projects (Educational Priority that require further conversations with District & 2013 Amended Projects) - sorted by District

District	Project	1			Design Status	Advancement Status	Projected Construction Advertisement Date*
		Grade Alignment	Capacity	Total Estimated Cost (millions)			
East Orange	George Washington Carver ES	ES	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Elizabeth	New ES @ Halloran PS #22 ES Site	ES	860	\$55.3	Kit of Parts/ Design-Build	Award for D-B approved at Nov. 2014 Board (Torcon).	6/9/14
Garfield	James Madison ES	ES	275	\$28.0	Existing Design	Preliminary Charter Approved Aug. 2013 Board. Existing Building Demolition ongoing (Tricon).	2/11/14 Apr-15
Harrison	MS Grade Level	MS	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	3 QTR 15 3 QTR 16
Irvington	Madison Avenue ES	PK-5	463	\$35.4	Kit of Parts/ Design-Build	Preliminary Charter approved at Dec. 2014 Board.	3 QTR 15 4 QTR 15
Millville	Senior HS Addition/Renovation	HS	2,026	\$110.0	Design-Build	Revised Preliminary Charter approved Jan. 2015 Board.	4 QTR 15
Passaic	New ES @ Leonard Place	K-5	628	\$56.2	Kit of Parts/ Design-Build	Preliminary Charter approved Sep. 2014 Board.	2 QTR 15
Paterson	ES Grade Level	ES	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Pemberton	Denbo ES	ES	TBD	TBD	TBD	Advertisement for Design Services 2/6/15.	TBD
Perth Amboy	All Grade levels	All	TBD	TBD	TBD	SDA and District continue to work to identify an appropriate site to address needs at the high school and middle school grade levels.	TBD
	Seaman Avenue ES	K-5	700	\$56.8	Kit of Parts/ Design-Build	Preliminary Charter approved Aug. 2014 Board.	3 QTR 15
Plainfield	Woodland/Cook ES	ES	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Union City	ES Grade Level	ES	TBD	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Vineland	New MS	6-8	620	\$49.4	Kit of Parts/ Design-Build	Preliminary Charter approved Aug. 2014 Board.	2 QTR 15

*PLEASE NOTE - Projected Construction Advertisement Date reflects the first construction activity for the Project. Dates in the Past are ACTUAL.
 NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions utilized in the 2010 reassessment. Recommendations of DOE/SDA/District Working Groups may impact this information in the future.

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2011 & 2012 Portfolio Projects Activities Summary

as of 3/18/15

2012 Portfolio Projects (Facilities Deficiencies) - sorted by District

District	Project	1			Design Status	Advancement Status	Projected Construction Advertisement Date*
		Grade Alignment	Capacity	Total Estimated Cost (millions)			
Camden	High School	9-12	1,244	TBD	TBD	Advertisement for Design Services forecasted 2 QTR 15.	TBD
Hoboken	Connors ES	PK-4	351	TBD	TBD	Scoping Conversations with Working Group (DOE/SDA/District).	TBD
Orange	Cleveland St. ES	PK-8	492	TBD	TBD	Advertisement for Design Services forecasted 2 QTR 15.	TBD
Orange	High School	9-12	1,048	TBD	TBD	Advertisement for Design Services 12/30/14.	TBD
Trenton	Central HS	9-12	1,850	\$138.8	Design-Build	Phase 1 Construction (Early-Site Package) advertised 12/19/14. ROA for Phase 1 Construction approved Mar. 2015 Board.	12/19/14 3 QTR 15

*PLEASE NOTE - Projected Construction Advertisement Date reflects the first construction activity for the Project. Dates in the Past are ACTUAL.
 NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions utilized in the 2010 reassessment. Recommendations of DOE/SDA/District Working Groups may impact this information in the future.



**Active Project Status Report
Status as of 3/1/2015**

Major Capital Projects - With Contract for Building Construction Awarded

#	District	Project Name	Project Scope	Project Status	Substantial Completion	Status Substantial Completion	School Opening	Status of School Opening	Total Estimated Project Cost
1	Bridgeton	Buckshutem Road ES	Addition/Renovation	Construction	2Q 2017	On-target	Sep-17	On-target	\$ 23,253,232
2	Bridgeton	Quarter Mile Lane ES	Addition/Renovation	Construction	2Q 2017	On-target	Sep-17	On-target	\$ 39,043,619
3	Elizabeth	New Academic HS	New Construction	Construction	2Q 2016	On-target	Sep-16	On-target	\$ 64,061,687
4	Elizabeth	New ES	New Construction	Design-Build Design Phase	2Q 2017	On-target	Sep-17	On-target	\$ 55,312,580
5	Gloucester City	New ES/MS	New Construction	Design-Build Design Phase	1Q 2017	On-target	Sep-17	On-target	\$ 63,829,937
6	Jersey City	New ES #3	New Construction	Construction	2Q 2016	On-target	Sep-16	On-target	\$ 54,004,014
7	Jersey City	New PS #20	New Construction	Construction	1Q 2016	On-target	Sep-16	On-target	\$ 48,202,265
8	Keansburg	New Caruso ES	New Construction	Construction	3Q 2016	On-target	Sep-16	On-target	\$ 47,271,503
9	Newark	Elliott Street ES	New Construction	Construction	1Q 2016	On-target	Sep-16	On-target	\$ 46,678,296
10	Newark	Oliver Street ES	New Construction	Construction	4Q 2015	On-target	Sep-16	On-target	\$ 73,548,257
11	Passaic City	New Henry Street ES	New Construction	Construction	2Q 2015	On-target	Sep-15	On-target	\$ 55,023,004
12	Paterson	New Marshall Street ES	New Construction	Construction	1Q 2016	On-target	Sep-16	On-target	\$ 55,150,306
13	Paterson	New PS #16	New Construction	Construction	3Q 2016	On-target	Sep-16	On-target	\$ 62,347,275
14	Phillipsburg	New HS	New Construction	Construction	2Q 2016	On-target	Sep-16	On-target	\$ 127,508,125

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**Active Project Status Report
Status as of 3/1/2015**

Emergent Projects - With Contract for Construction Awarded

#	District	Project Name	Project Scope	Project Phase	Substantial Completion	Status Substantial Completion	Final Completion	Status of Final Completion	Total Estimated Project Cost
1	Irvington	Union Ave MS	Building Envelope	GC TO w/ Design	Nov-14	Achieved	Mar-15	On-Target	\$ 3,126,332
2	Irvington	University MS	Building Envelope	GC TO w/ Design	Nov-14	Achieved	Apr-15	On-Target	\$ 3,641,797
3	Orange	Preperatory Academy	Roof	Construction	Oct-14	Achieved	May-15	On-Target	\$ 1,554,349
4	Passaic City	School #11	Building Envelope	GC TO w/ Design	Oct-14	Achieved	Mar-15	On-Target	\$ 1,754,983
5	Passaic City	Passaic HS #12	Building Envelope	GC TO w/ Design	Sep-14	Achieved	Jun-15	On-Target	\$ 782,154
6	Salem City	Salem MS	Building Envelope	GC TO w/ Design	Nov-14	Achieved	Mar-15	On-Target	\$ 1,618,348

PROJECT CLOSEOUT STATUS REPORT



32 EAST FRONT STREET
P.O. BOX 991
TRENTON, NJ 08625-0991
609-858-5395

To: Members of the Authority

From: /s/ Jason E. Ballard, Chief of Staff

Date: April 1, 2015

Subject: Project Close-Out Status Report

The attached report, provided by the Special Projects Division, shows a listing of all SDA managed Capital and Emergent projects which have achieved school occupancy but have not yet been contractually and administratively closed. The listing further details projects which have achieved building and/or land transfer to the district but also have outstanding open contracts. Finally, to emphasize the accomplishments of project close-out, we have included a running total of all school facilities projects, health and safety contracts, and suspended design contracts which have already been closed.

We continue to advance projects and contracts through the close out process. The following projects have been closed since the last Board Meeting:

Year of Occupancy	Project #	Project Type	District	School	Status
2010	4010-N02-05-0ADG	Capital Plan	Paterson	Roberto Clemente ES K-1 Center (Madison Avenue K Center)	Closed
2012	5240-N03-02-0397	Capital Plan	Union City	Colin Powell Elementary School (Columbus ES)	Transferred
N/A	3570-220-04-00UE	Emergent	Newark	Avon Avenue – Playground	Closed
N/A	3570-715-04-00TZ	Emergent	Newark	Thirteenth Avenue – Boiler	Closed

Prepared by: Ayisha Cooper
Reviewed by: Bridget Capasso

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of March 1, 2015**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Outstanding Issues Remaining for Complete Close Out
Burlington City				
2007	New HS	Land and/or School Transferred	12/29/11	Open contract(s)
Camden				
2007	Octavius V. Catto Community School - Demonstration Project	Land and/or School Transferred	01/09/12	Open contract(s)
2009	Camden ECDC	Land and/or School Transferred	11/04/09	Open contract(s)
2009	HB Wilson ES	Land and/or School Transferred	04/14/10	Open contract(s)
2009	Dudley ES	Land and/or School Transferred	02/06/12	Open contract(s)
2011	Morgan Village	Land and/or School Transferred	02/25/13	Open contract(s)
Cumberland				
2009	Cumberland Regional HS	Land and/or School Transferred	06/25/10	Open contract(s)
East Orange				
2008	Mildred Barry Garvin	Land and/or School Transferred	03/29/13	Open contract(s)
2009	Cicely Tyson School of Performing and Fine Arts - Demonstration Project	Land and/or School Transferred	12/01/09	Open contract(s)
2010	Benjamin Banneker (New ES #5)	Land and/or School Transferred	07/23/12	Open contract(s)
Egg Harbor City				
2010	New MS	Land and/or School Transferred	01/01/12	Open contract(s)
Egg Harbor Township				
2011	Egg Harbor Township High School			
Elizabeth				
Legacy	#30 Ronald Reagan Academy	Land and/or School Transferred	07/09/12	Open contract(s)
2009	New PreK-8 #28	Land and/or School Transferred	08/26/10	Open contract(s)
2013	Victor Mravlag ES # 21			
Garfield				
2007	Garfield MS	Land and/or School Transferred	06/25/09	Open contract(s)
Gloucester City				
Legacy	Cold Springs ES	Land and/or School Transferred	06/05/09	Open contract(s)
Greater Egg Harbor Township				
2010	Greater Egg Harbor HS (Cedar Creek HS)	Land and/or School Transferred	01/01/12	Open contract(s)
Harrison				
2007	New Harrison HS	Land and/or School Transferred	10/23/12	Open contract(s)

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of March 1, 2015**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Outstanding Issues Remaining for Complete Close Out
Jersey City				
Legacy	Freshman Academy - Lincoln HS			
Legacy	New ES #3 (Frank R. Conwell ES #3)			
Legacy	Jersey City MS # 4 (Frank R. Conwell MS # 4)			
2007	Heights MS # 7			
Long Branch				
2007	Gregory ES	Land and/or School Transferred	05/25/12	Open contract(s)
2008	Long Branch High School & Athletic Fields	Land and/or School Transferred	12/07/12	Open contract(s)
2014	George L. Catrambone ES			
Manchester				
Legacy	Manchester Township HS			
New Brunswick				
2007	McKinley K Center #3	Land and/or School Transferred	07/09/12	Open contract(s)
2010	New Brunswick High School - Demonstration Project	Land and/or School Transferred	08/19/11	Open contract(s)
Newark				
Legacy	Science Park	Land and/or School Transferred	05/03/13	Open contract(s)
2007	1st Avenue ES	Land and/or School Transferred	09/28/11	Open contract(s)
2008	Central HS	Land and/or School Transferred	03/28/12	Open contract(s)
2009	Park ES (aka North Ward Park ES)	Land and/or School Transferred	02/24/10	Open contract(s)
2010	Speedway ES			
Orange				
2009	Park Ave ES	Land and/or School Transferred	07/19/12	Open contract(s)
2010	Lincoln Ave ES	Land and/or School Transferred	09/07/12	Open contract(s)
Paterson				
Legacy	Roberto Clemente ES	Letter sent to District - No Response		Unable to close due to upcoming repairs.
2008	International HS			
2008	#24 ES			
Pemberton				
2011	ECC	Land and/or School Transferred	02/01/13	Open contract(s)
Perth Amboy				
Legacy	ECC I - Ignacio Cruz	Land and/or School Transferred	06/17/10	Open contract(s)

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of March 1, 2015**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Outstanding Issues Remaining for Complete Close Out
Trenton				
2008	Daylight/Twilight Alternative School - Demonstration Project	Land and/or School Transferred	12/01/08	Open contract(s)
2010	MLK-Jefferson	Land and/or School Transferred	12/01/11	Open contract(s)
Union City				
2007	ECC @ JFK	Land and/or School Transferred	06/25/14	Open contract(s)
2009	Union City High School and Athletic Complex - Demonstration Project	Land and/or School Transferred	10/27/11	Open contract(s)
2012	Columbus Elementary School	Land and/or School Transferred	02/24/15	Open contract(s)
Vineland				
2007	Gloria M. Sabeter Elementary School - Demonstration Project	Land and/or School Transferred	05/06/11	Open contract(s)
West New York				
2009	ES #2	Land and/or School Transferred	05/14/13	
2012	West New York #3	Land and/or School Transferred	01/29/14	Open contract(s)
Capital and Demonstration Projects Totals				
Total Capital and Demonstration Projects				
		130		
Closed Capital and Demonstration Projects				
		82		
Capital and Demonstration Projects Not Closed				
		48		
	Capital and Demonstration Projects Not Closed, Land and/or School Transferred			
		37		
Emergent Projects				
Camden				
	East Camden Middle School			
Irvington				
	Irvington High School - Roof, HVAC, Bathroom			

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
SPECIAL PROJECTS DIVISION
PROJECT STATUS REPORT - As of March 1, 2015**

Year of Occupancy	School	Disposition	Land & School Transferred Date	Outstanding Issues Remaining for Complete Close Out
Newark				
	Speedway			
	American History High School (Warren Street ES)			
Passaic				
	Passaic City High School			
Salem				
	Salem Middle School			
Trenton				
	TCHS (Main Campus) - Original portion of building			
West New York				
	Public School #1			
	Public School #5			
Emergent Project Totals				
Total Emergent Projects		63		
Emergent Projects Closed		54		
Emergent Projects Not Closed		9		
	Emergent Projects Not Closed but Transferred	0		
Health and Safety Contract Totals				
Total Contracts		399		
# of Open Contracts		1		
# of Contracts Closed		398		
Open Design Contracts				
Total Contracts		106		
# of Open Contracts		10		
# of Contracts Closed		96		

PROJECT STATUS REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director – Program Operations

DATE: April 1, 2015

SUBJECT: Executive Summary – Monthly Project Status Reports

MONTHLY PROJECT STATUS REPORT

Projects that have Expended 75% or More of Board Approved Contingency:

No new data to report

Projects Greater than 90 Days Behind Schedule:

No new data to report

Revisions to Project Charters:

No new data to report



Projects that have Expended 75% or More of Board Approved Contingency
 Reporting Period: Jan. 1, 2008 to February 28, 2015

District	Project ¹	Board Approved Project Charter Contingency	Contingency Expended/Committed	Contingency Remaining ²	% of Contingency Expended/Committed	Project Completion %	Cause(s)	Current Status
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In Construction

NO DATA TO REPORT								
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Substantially Complete & Building Occupied

Please refer to the Project Close-Out Activity Report for status of close-out activities

Burlington City	Burlington City H.S.	\$17,830,990	\$17,814,403	\$16,587	99.9%	99%	1. Unforeseen soil remediation 2. Unforeseen asbestos abatement.	Project complete and building occupied. Working towards project close-out.
Camden	Dudley E.S.	\$3,215,000	\$3,163,271	\$51,729	98.4%	99%	1. Installation of IT/AV systems	Project complete and building occupied. Working towards project close-out.
Camden	Camden ECDC	\$11,314,645	\$9,942,247	\$1,372,398	87.9%	99%	1. Unforeseen soil remediation	Project complete and building occupied. Working towards project close-out.
Elizabeth	Number 21, Victor Mravlag E.S.	\$8,240,000	\$8,221,967	\$18,033	99.8%	99%	1. Unforeseen asbestos abatement 2. Unforeseen structural integrity issues. 3. Project changed from addition/renovation to new construction.	Project complete and building occupied. Working towards project close-out.
East Orange	Mildred B. Garvin E.S.	\$1,429,632	\$1,305,993	\$123,639	91.4%	99%	1. Unforeseen soil remediation 2. Modifications to security system	Project complete and building occupied. Working towards project close-out.
Newark	Speedway Avenue E.S.	\$1,826,000	\$1,754,119	\$71,881	96.1%	99%	1. Removal of unforeseen impacted materials	Project complete and building occupied. Working towards project close-out.
Orange	Lincoln Ave E.S.	\$5,615,000	\$4,978,583	\$636,417	88.7%	99%	1. Unforeseen asbestos abatement 2. Structural repairs to interior walls 3. Extended general conditions	Project complete and building occupied. Working towards project close-out.
Orange	Park Avenue E.S.	\$3,360,000	\$3,275,103	\$84,897	97.5%	99%	1. Unforeseen asbestos abatement	Project complete and building occupied. Working towards project close-out.
Paterson	E.S. #24	\$4,616,120	\$4,616,120	\$0	100.0%	99%	1. Unforeseen soil remediation and clean fill.	Project complete and building occupied. Working towards project close-out.



Projects that have Expended 75% or More of Board Approved Contingency
 Reporting Period: Jan. 1, 2008 to February 28, 2015

District	Project ¹	Board Approved Project Charter Contingency	Contingency Expended/Committed	Contingency Remaining ²	% of Contingency Expended/Committed	Project Completion %	Cause(s)	Current Status
West New York	West New York P.S. #2	\$2,708,883	\$2,708,883	\$0	100.0%	99%	1. Unforeseen site foundation issues	Project complete and building occupied. Working towards project close-out.

¹ * Indicates Final Project Charter Revision
² Does not include expended contingency or contingency funds allocated for change orders, amendments



Projects Greater than 90 Days Behind Schedule or with Occupancy Date in Jeopardy
 Reporting Period: February 2015

#	Event Date	District	Project	Board Approved Project Charter SubComp Date	Current Contract SubComp Date	Forecasted Contract SubComp Date	# of Days Behind Schedule	Cause(s)	Current Status
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No Activity During the Reporting Period



Revisions to Project Charters

Reporting Period: February 2015

#	District	Project	Financial & Schedule Impacts	Additional Funds Approved	Additional Funds as % of Total Project Budget	Operating Authority Approval Requirement	Description of Revision
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No Activity During the Reporting Period

CONTRACTS EXECUTED REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: April 1, 2015

SUBJECT: Contracts Executed Report and Amendments & Change Orders Report
(For Informational Purposes Only)

Contracts Executed Report

No data to report for the period February 1 through February 28, 2015.

Noteworthy Items during the reporting period:

- No activity during the reporting period.

Amendments & Change Orders Report

This report contains the activity of Amendments and Change Orders executed during the period February 1 through February 28, 2015.

Noteworthy Items during the reporting period:

- Execution of 2 Design Contract Amendments totaling a credit of \$30k, of the 2 executed amendments none required board approval
- Execution of 13 Construction Services Change Orders totaling \$408k, of the 13 executed change orders none required board approval.

Report of change orders less than \$10,000 yet requiring Board Approval

In accordance with the Operating Authority adopted by the Members on December 1, 2010 as amended on March 7, 2012, the Members are to be provided a report of any change order which received delegated approval by the CEO due to the fact that they are valued at less than \$10,000 yet require Board approval due the total change orders exceeding 10% of the contract value.

- No Activity to Report

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)



New Jersey Schools Development Authority
Amendments & Change Orders Report

Reporting Period 2/1/15 through 2/28/15

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Prior Board Approval Date (if necessary)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	RBC Value	Cumulative % since last Board Approval
Professional Services & Grants																
Design Consultant																
Paterson	John F. Kennedy H.S.	PA-0003-A01	4/25/02	1	Dean Marchetto Architects, PC	2/9/15	\$78,830	\$0		\$-2,223			\$76,607	-2.81%	\$78,830	-2.81%
Paterson	Madison Ave K Center/Roberto Clemente ES	PA-0026-A01	1/6/06	4	CAM Design Group Architects	2/9/15	\$247,393	\$8,300		\$-28,440			\$227,253	-8.14%	\$247,393	-8.14%
Design Consultant																
Site Acquisition																
Asbury Park	New Early Childhood Center (-x02)	ET-0038-L08	4/15/05	72	Verizon of New Jersey, Inc.	2/10/15	\$1,399	\$5,032		\$74			\$6,505	365.11%	\$1,399	365.11%
Asbury Park	New Early Childhood Center (-x02)		4/15/05	73	Verizon of New Jersey, Inc.	2/27/15	\$1,399	\$5,106		\$74			\$6,579	370.39%	\$1,399	370.39%
Newark	South Street E.S.	NE-0003-L26	7/14/09	9	Treasurer, State of NJ	2/25/15	\$1,400	\$7,700		\$150			\$9,250	560.71%	\$1,400	560.71%
Paterson	Marshall Street Elementary School	PA-0006-L36	12/14/06	7	New Jersey Transit Corporation	2/27/15	\$17,551	\$5,036		\$972			\$23,559	34.23%	\$17,551	34.23%
Site Acquisition																
Site Investigation																
Multi-District, Project, or Statewide	Cooper's Poynt E.S.	GP-0171-L03	12/1/11	17	Whitman	2/27/15	\$0	\$1,209,997		\$-4,911			\$1,205,086	0.00%	\$0	NA
Multi-District, Project, or Statewide	Number 20 E.S.		12/1/11	18	Whitman	2/27/15	\$0	\$1,205,086		\$10,040			\$1,215,126	0.00%	\$0	NA
Multi-District, Project, or Statewide	Madison Avenue E.S.	GP-0204-L09	10/30/14	1	Hatch Mott MacDonald, LLC	2/25/15	\$0	\$0		\$460,550			\$460,550	0.00%	\$0	NA
Multi-District, Project, or Statewide	New E.S.	GP-0204-L11	10/30/14	1	Louis Berger Group (The)	2/27/15	\$0	\$0		\$321,218			\$321,218	0.00%	\$0	NA
Site Investigation																
Others																
Allendale	Brookside E.S.	G5-4808-D01	6/11/14	1	District - Allendale	2/2/15	\$38,500	\$0		\$-25,585			\$12,915	-66.45%	\$38,500	-66.45%
Asbury Park	New Early Childhood Center (-x02)	ET-0038-L05	4/15/05	205	NJ Natural Gas Co.	2/10/15	\$36,693	\$16,439		\$366			\$53,498	45.79%	\$36,693	30.64%
Asbury Park	New Early Childhood Center (-x02)		4/15/05	206	NJ Natural Gas Co.	2/10/15	\$36,693	\$16,805		\$25			\$53,523	45.86%	\$36,693	30.71%
Asbury Park	New Early Childhood Center (-x02)		4/15/05	207	NJ Natural Gas Co.	2/10/15	\$36,693	\$16,830		\$249			\$53,771	46.54%	\$36,693	31.39%
Asbury Park	New Early Childhood Center (-x02)		4/15/05	208	NJ Natural Gas Co.	2/10/15	\$36,693	\$17,078		\$64			\$53,835	46.71%	\$36,693	31.56%

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)

Reporting Period 2/1/15 through 2/28/15

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Prior Board Approval Date (if necessary)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	RBC Value	Cumulative % since last Board Approval
Professional Services & Grants																
Others																
Asbury Park	New Early Childhood Center (-x02)	ET-0038-L05	4/15/05	209	NJ Natural Gas Co.	2/10/15	\$36,693	\$17,142		\$125			\$53,960	47.05%	\$36,693	31.90%
Asbury Park	New Early Childhood Center (-x02)		4/15/05	210	NJ Natural Gas Co.	2/10/15	\$36,693	\$17,267		\$88			\$54,048	47.29%	\$36,693	32.14%
Asbury Park	New Early Childhood Center (-x02)		4/15/05	211	NJ Natural Gas Co.	2/27/15	\$36,693	\$17,355		\$469			\$54,517	48.57%	\$36,693	33.42%
Asbury Park	New Early Childhood Center (-x02)		4/15/05	212	NJ Natural Gas Co.	2/27/15	\$36,693	\$17,824		\$25			\$54,542	48.64%	\$36,693	33.49%
Asbury Park	New Early Childhood Center (-x02)		4/15/05	213	NJ Natural Gas Co.	2/27/15	\$36,693	\$17,849		\$412			\$54,954	49.76%	\$36,693	34.61%
Asbury Park	New Early Childhood Center (-x02)		4/15/05	214	NJ Natural Gas Co.	2/27/15	\$36,693	\$18,261		\$185			\$55,139	50.26%	\$36,693	35.12%
Asbury Park	New Early Childhood Center (-x02)		4/15/05	215	NJ Natural Gas Co.	2/27/15	\$36,693	\$18,445		\$250			\$55,388	50.94%	\$36,693	35.80%
Asbury Park	New Early Childhood Center (-x02)		4/15/05	216	NJ Natural Gas Co.	2/27/15	\$36,693	\$18,695		\$148			\$55,536	51.35%	\$36,693	36.20%
Asbury Park	New Early Childhood Center (-x02)	ET-0038-L06	4/15/05	119	JCP&L	2/12/15	\$8,060	\$16,148		\$230			\$24,438	203.19%	\$8,060	203.19%
Asbury Park	New Early Childhood Center (-x02)		4/15/05	120	JCP&L	2/13/15	\$8,060	\$16,378		\$244			\$24,682	206.21%	\$8,060	206.21%
Asbury Park	New Early Childhood Center (-x02)	ET-0038-L16	8/2/11	42	New Jersey American Water	2/13/15	\$410	\$6,996		\$171			\$7,577	1,749.56%	\$410	1749.56%
Bayonne	Number 3, Walter F. Robinson E.S.	G5-3190-D01	9/17/10	1	District - Bayonne	2/3/15	\$607,762	\$0		\$-231,967			\$375,795	-38.16%	\$607,762	-38.16%
Bayonne	Number 12, John M. Bailey E.S.	G5-3191-D01	9/17/10	1	District - Bayonne	2/2/15	\$335,724	\$0		\$-120,088			\$215,636	-35.76%	\$335,724	-35.76%
Bayonne	Henry E. Harris No. 1 E.S.	G5-3192-D01	9/17/10	1	District - Bayonne	2/2/15	\$358,851	\$0		\$-139,076			\$219,775	-38.75%	\$358,851	-38.75%
Brick Township	Midstreams E.S.	G5-4757-D01	7/14/11	1	District - Brick Township	2/23/15	\$23,391	\$0		\$-7,554			\$15,837	-32.29%	\$23,391	-32.29%
Brick Township	Brick Township Memorial H.S.	G5-4764-D01	2/29/12	1	District - Brick Township	2/23/15	\$203,774	\$0		\$-38,064			\$165,710	-18.67%	\$203,774	-18.67%
Bridgewater-Raritan Regional	Bridgewater-Raritan H.S.	G5-5794-D01	4/30/14	1	District - Bridgewater-Raritan Regional	2/10/15	\$208,800	\$0		\$-24,118			\$184,682	-11.55%	\$208,800	-11.55%
Chatham, Sch Dist Of The	Chatham M.S.	G5-5639-D01	8/12/14	1	District - Sch Dist Of The Chathams	2/23/15	\$46,728	\$0		\$-6,401			\$40,327	-13.69%	\$46,728	-13.69%
Denville Township	Lakeview E.S.	G5-5556-D01	4/17/14	2	District - Denville Township	2/23/15	\$181,640	\$-22,040		\$-5,164			\$154,436	-14.97%	\$181,640	-14.97%
Denville Township	Lakeview E.S.	G5-5557-D01	4/17/14	1	District - Denville Township	2/18/15	\$94,000	\$0		\$-12,870			\$81,130	-13.69%	\$94,000	-13.69%
Denville Township	Riverview E.S.	G5-5558-D01	4/17/14	1	District - Denville Township	2/18/15	\$188,000	\$0		\$-48,301			\$139,699	-25.69%	\$188,000	-25.69%
Denville Township	Valleyview M.S.	G5-5562-D01	4/17/14	1	District - Denville Township	2/18/15	\$188,000	\$0		\$-70,877			\$117,123	-37.70%	\$188,000	-37.70%
Dunellen	Dunellen H.S.	G5-5287-D01	4/23/14	1	District - Dunellen	2/12/15	\$365,117	\$0		\$-49,804			\$315,313	-13.64%	\$365,117	-13.64%
Fort Lee	Fort Lee H.S.	G5-4161-D01	5/17/13	1	District - Fort Lee	2/18/15	\$1,592,000	\$0		\$-886,914			\$705,086	-55.71%	\$1,592,000	-55.71%
Fort Lee	Number 1 E.S.	G5-4164-D01	3/26/12	1	District - Fort Lee	2/18/15	\$531,900	\$0		\$-204,536			\$327,364	-38.45%	\$531,900	-38.45%
Garfield	James Madison School #10 (Most Holy Name)	NT-0014-L18	1/16/08	86	Public Service Electric and Gas Company	2/12/15	\$188	\$1,195		\$4			\$1,387	636.62%	\$188	636.62%
Hawthorne	Washington E.S.	G5-4262-D01	9/30/11	1	District - Hawthorne	2/23/15	\$96,423	\$0		\$-23,023			\$73,400	-23.87%	\$96,423	-23.87%
Lodi	Columbus E.S.	G5-4874-D01	4/9/14	1	District - Lodi	2/23/15	\$31,759	\$0		\$-7,816			\$23,943	-24.60%	\$31,759	-24.60%
Lodi	Hilltop E.S.	G5-4875-D01	4/9/14	1	District - Lodi	2/23/15	\$32,756	\$0		\$-6,885			\$25,871	-21.02%	\$32,756	-21.02%
Lodi	Washington E.S.	G5-4879-D01	4/9/14	1	District - Lodi	2/23/15	\$36,080	\$0		\$-9,881			\$26,199	-27.38%	\$36,080	-27.38%

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)

Reporting Period 2/1/15 through 2/28/15

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Prior Board Approval Date (if necessary)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	RBC Value	Cumulative % since last Board Approval
Professional Services & Grants																
Others																
Lodi	Roosevelt	G5-5963-D01	4/9/14	1	District - Lodi	2/23/15	\$26,108	\$0		\$-9,095			\$17,013	-34.83%	\$26,108	-34.83%
Middletown Township	Middletown - North H.S.	G5-5499-D01	9/18/14	1	District - Middletown Township	2/25/15	\$61,566	\$0		\$-15,652			\$45,914	-25.42%	\$61,566	-25.42%
Middletown Township	Bayview E.S.	G5-5501-D01	9/18/14	1	District - Middletown Township	2/25/15	\$13,335	\$0		\$-3,390			\$9,945	-25.42%	\$13,335	-25.42%
Middletown Township	Ocean Avenue E.S.	G5-5503-D01	9/18/14	1	District - Middletown Township	2/25/15	\$9,988	\$0		\$-2,539			\$7,449	-25.42%	\$9,988	-25.42%
Middletown Township	Leonardo E.S.	G5-5506-D01	9/18/14	1	District - Middletown Township	2/25/15	\$9,790	\$0		\$-2,489			\$7,301	-25.42%	\$9,790	-25.42%
Middletown Township	Lincroft E.S.	G5-5508-D01	9/18/14	1	District - Middletown Township	2/25/15	\$10,187	\$0		\$-2,590			\$7,597	-25.42%	\$10,187	-25.42%
Middletown Township	New Monmouth E.S.	G5-5510-D01	9/18/14	1	District - Middletown Township	2/25/15	\$15,521	\$0		\$-3,946			\$11,575	-25.42%	\$15,521	-25.42%
Middletown Township	Nut Swamp E.S.	G5-5513-D01	9/18/14	1	District - Middletown Township	2/25/15	\$12,938	\$0		\$-3,289			\$9,649	-25.42%	\$12,938	-25.42%
Multi-District, Project, or Statewide	Adverts As Contracts	GP-0004-R01	4/12/01	64	NJ Advance Media	2/12/15	\$130,907	\$16,669		\$38			\$147,615	12.76%	\$130,907	12.76%
Multi-District, Project, or Statewide	New PS#16 New Academic HS New HS (-x01) Paul Robeson Community E.S. South Street E.S. Speedway Ave. ES Replacement	GP-0005-R10	7/3/02	42	Napco Copy Graphics Center Corp.	2/27/15	\$251,397	\$163,028		\$1,367			\$415,792	65.39%	\$251,397	65.39%
Vineland	Vineland New MS	GP-0034-R01	10/1/03	6	Acu-Print Reprographic Services	2/26/15	\$215,281	\$1,123		\$22			\$216,426	0.53%	\$215,281	0.53%
Long Branch	New H.S. (-x03)	GP-0162-R12	10/20/11	28	Greenbaum, Rowe, Smith & Davis LLP	2/12/15	\$0	\$222,991		\$23,447			\$246,438	0.00%	\$0	NA
Egg Harbor Twp	New Davenport E.S. #2 New Slaybaugh E.S. #3	GP-0162-R13	10/20/11	27	Hill Wallack, LLP	2/12/15	\$0	\$145,843		\$200			\$146,043	0.00%	\$0	NA
Multi-District, Project, or Statewide	Procurement of Outside Counsel	GP-0162-R14	10/20/11	14	Schenck, Price, Smith & King, LLP	2/12/15	\$0	\$233,086		\$8,478			\$241,564	0.00%	\$0	NA
Jersey City	Frank R. Conwell ES #3 (aka New PS3 ES) Frank R. Conwell MS #4 (New Middle School #4)	GP-0162-R15	10/20/11	22	Eckert Seamans Cherin & Mellott, LLC	2/24/15	\$0	\$420,281		\$6,538			\$426,819	0.00%	\$0	NA

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)

Reporting Period 2/1/15 through 2/28/15

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Prior Board Approval Date (if necessary)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	RBC Value	Cumulative % since last Board Approval
Professional Services & Grants																
Others																
Jersey City	Frank R. Conwell ES #3 (aka New PS3 ES) Frank R. Conwell MS #4 (New Middle School #4)	GP-0162-R15	10/20/11	23	Eckert Seamans Cherin & Mellott, LLC	2/25/15	\$0	\$426,819		\$10,317			\$437,136	0.00%	\$0	NA
Cumberland Regional	Cumberland Regional H.S.	GP-0162-R18	10/20/11	46	Dilworth Paxson LLP	2/12/15	\$0	\$365,229		\$3,580			\$368,809	0.00%	\$0	NA
Camden	Early Childhood Development Center #25		10/20/11	47	Dilworth Paxson LLP	2/24/15	\$0	\$368,809		\$9,757			\$378,567	0.00%	\$0	NA
Newark	West Side H.S.	GP-0200-R04	11/14/13	4	Brown & Connery, LLP	2/13/15	\$0	\$5,321		\$1,485			\$6,806	0.00%	\$0	NA
Newark	West Side H.S.		11/14/13	5	Brown & Connery, LLP	2/27/15	\$0	\$6,806		\$704			\$7,510	0.00%	\$0	NA
City of Orange	Park Avenue E.S.	GP-0200-R07	11/14/13	5	Dilworth Paxson LLP	2/23/15	\$0	\$24,560		\$1,508			\$26,068	0.00%	\$0	NA
City of Orange	Park Avenue E.S.		11/14/13	6	Dilworth Paxson LLP	2/24/15	\$0	\$26,068		\$2,641			\$28,709	0.00%	\$0	NA
Jersey City	Lincoln H.S. Dr. C. T. Epps Freshman Academy	GP-0200-R10	11/14/13	3	Hill Wallack, LLP	2/24/15	\$0	\$19,252		\$7,171			\$26,422	0.00%	\$0	NA
Jersey City	Lincoln H.S. Dr. C. T. Epps Freshman Academy		11/14/13	4	Hill Wallack, LLP	2/25/15	\$0	\$26,422		\$6,509			\$32,931	0.00%	\$0	NA
New Brunswick	Temporary School	ET-0071-G01	9/7/12	30	30 Van Dyke Avenue, Urban Renewal	2/27/15	\$0	\$-2,112,984		\$-61,683			\$-2,174,667	0.00%	\$0	NA
Newark	Malcolm X. Shabazz H.S.	GB-0232-D01	3/18/13	2	District - Newark	2/12/15	\$15,000	\$307,675		\$33,200			\$355,875			
Newark	New Franklin Elementary School Replacement	GP-0047-L07	9/1/04	69	Carella, Byrne, Cecchi, Olstein, Brody & Agnello	2/12/15	\$1,443,843	\$659,423		\$195			\$2,103,461	45.68%	\$1,443,843	45.68%
Newark	New Franklin Elementary School Replacement		9/1/04	70	Carella, Byrne, Cecchi, Olstein, Brody & Agnello	2/27/15	\$1,443,843	\$659,618		\$195			\$2,103,656	45.69%	\$1,443,843	45.69%
Newark	New Franklin Elementary School Replacement		9/1/04	71	Carella, Byrne, Cecchi, Olstein, Brody & Agnello	2/27/15	\$1,443,843	\$659,813		\$60			\$2,103,716	45.70%	\$1,443,843	45.70%
Newark	West Side H.S.	NE-0008-L56	7/1/04	58	City of Newark	2/12/15	\$2,512	\$6,116		\$698			\$9,327	271.22%	\$2,512	271.22%
Newark	West Side H.S.		7/1/04	59	City of Newark	2/13/15	\$2,512	\$6,814		\$23			\$9,350	272.15%	\$2,512	272.15%
Newark	Elliott Street E.S.	NE-0067-L62	1/31/13	2	Treasurer, State of NJ	2/20/15	\$450	\$450		\$450			\$1,350	200.00%	\$450	200.00%

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)

Reporting Period 2/1/15 through 2/28/15

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Prior Board Approval Date (if necessary)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	RBC Value	Cumulative % since last Board Approval
Professional Services & Grants																
Others																
Newark	Elliott Street E.S.		1/31/13	3	Treasurer, State of NJ	2/20/15	\$450	\$900		\$565			\$1,915	325.55%	\$450	325.55%
Newark	Elliott Street E.S.		1/31/13	4	Treasurer, State of NJ	2/20/15	\$450	\$1,465		\$-450			\$1,465	225.55%	\$450	225.55%
Newark	West Side H.S.	NE-0070-L22	4/8/10	176	Public Service Electric and Gas Company	2/9/15	\$22	\$17,343		\$174			\$17,539			
Newark	West Side H.S.		4/8/10	177	Public Service Electric and Gas Company	2/9/15	\$22	\$17,518		\$109			\$17,649			
Newark	West Side H.S.		4/8/10	178	Public Service Electric and Gas Company	2/12/15	\$22	\$17,627		\$23			\$17,671			
Newark	West Side H.S.		4/8/10	179	Public Service Electric and Gas Company	2/12/15	\$22	\$17,650		\$149			\$17,821			
Newark	West Side H.S.		4/8/10	180	Public Service Electric and Gas Company	2/27/15	\$22	\$17,799		\$6			\$17,827			
Paterson	Number 19 E.S.	GB-0148-D01	2/20/09	1	District - Paterson	2/23/15	\$15,000	\$0		\$19,327			\$34,327			
Paterson	Number 9 E.S.	GB-0152-D01	2/20/09	2	District - Paterson	2/25/15	\$15,000	\$23,580		\$12,620			\$51,200			
Runnemede Borough	Bingham E.S.	G5-3597-D01	6/2/10	1	District - Runnemede Borough	2/18/15	\$224,392	\$0		\$-8,726			\$215,666	-3.88%	\$224,392	-3.88%
Runnemede Borough	Mary E. Volz E.S.	G5-3599-D01	6/2/10	2	District - Runnemede Borough	2/17/15	\$120,121	\$-13,934		\$12,279			\$118,466	-1.37%	\$120,121	-1.37%
Salem City	Salem M.S.	GB-0173-D01	5/12/09	1	District - Salem City	2/19/15	\$355,870	\$0		\$-50,610			\$305,260	-14.22%	\$355,870	-14.22%
Trenton	Martin Luther King/Jefferson School	WT-0011-R05	12/1/06	53	Gibbons P.C.	2/19/15	\$359,274	\$514,918		\$10,000			\$884,191			
Trenton	Martin Luther King/Jefferson School		12/1/06	54	Gibbons P.C.	2/19/15	\$359,274	\$524,918		\$10,310			\$894,501			
Trenton	Martin Luther King/Jefferson School		12/1/06	55	Gibbons P.C.	2/19/15	\$359,274	\$535,227		\$10,098			\$904,599			
Trenton	Martin Luther King/Jefferson School		12/1/06	56	Gibbons P.C.	2/27/15	\$359,274	\$545,326		\$125			\$904,724			
Trenton	Martin Luther King/Jefferson School		12/1/06	57	Gibbons P.C.	2/27/15	\$359,274	\$545,451		\$700			\$905,424			
Trenton	Martin Luther King/Jefferson School		12/1/06	58	Gibbons P.C.	2/27/15	\$359,274	\$546,151		\$345			\$905,769			
Trenton	Martin Luther King/Jefferson School		12/1/06	59	Gibbons P.C.	2/27/15	\$359,274	\$546,496		\$325			\$906,094			
Trenton	Martin Luther King/Jefferson School		12/1/06	60	Gibbons P.C.	2/27/15	\$359,274	\$546,821		\$24,500			\$930,594			
Others																
										-\$1,012,587						
Professional Services & Grants																

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NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)

Reporting Period 2/1/15 through 2/28/15

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Prior Board Approval Date (if necessary)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	RBC Value	Cumulative % since last Board Approval
Construction Services																
Contractor																
Elizabeth	New Academic HS	EL-0006-C01	12/20/12	19	Patock Construction Co.	2/19/15	\$42,977,700	\$1,038,414	5/1/13	\$17,172			\$44,033,286	2.45%	\$42,977,700	0.40%
Elizabeth	New Academic HS		12/20/12	22	Patock Construction Co.	2/19/15	\$42,977,700	\$1,055,586	5/1/13	\$39,582			\$44,072,868	2.54%	\$42,977,700	0.50%
Elizabeth	New Academic HS		12/20/12	24	Patock Construction Co.	2/19/15	\$42,977,700	\$1,095,168	5/1/13	\$2,496			\$44,075,364	2.55%	\$42,977,700	0.50%
Elizabeth	New Academic HS		12/20/12	21	Patock Construction Co.	2/20/15	\$42,977,700	\$1,097,664	5/1/13	\$73,373			\$44,148,737	2.72%	\$42,977,700	0.67%
Elizabeth	New Academic HS		12/20/12	23	Patock Construction Co.	2/20/15	\$42,977,700	\$1,171,037	5/1/13	\$37,745			\$44,186,482	2.81%	\$42,977,700	0.76%
Elizabeth	New Academic HS		12/20/12	26	Patock Construction Co.	2/20/15	\$42,977,700	\$1,208,782	5/1/13	\$42,222			\$44,228,704	2.91%	\$42,977,700	0.86%
Phillipsburg	New HS (-x01)	NT-0003-C02	6/6/13	15	Epic Management, Inc.	2/2/15	\$80,490,000	\$903,259	5/30/14	\$3,420			\$81,396,679	1.12%	\$80,490,000	0.16%
Phillipsburg	New HS (-x01)		6/6/13	13	Epic Management, Inc.	2/11/15	\$80,490,000	\$906,679	5/30/14	\$188,425			\$81,585,104	1.36%	\$80,490,000	0.39%
Phillipsburg	New HS (-x01)		6/6/13	14	Epic Management, Inc.	2/11/15	\$80,490,000	\$1,095,104	5/30/14	\$10,000			\$81,595,104	1.37%	\$80,490,000	0.40%
Phillipsburg	New HS (-x01)		6/6/13	16	Epic Management, Inc.	2/11/15	\$80,490,000	\$1,105,104	5/30/14	\$-2,457			\$81,592,647	1.36%	\$80,490,000	0.40%
Phillipsburg	New HS (-x01)		6/6/13	17	Epic Management, Inc.	2/11/15	\$80,490,000	\$1,102,647	5/30/14	\$7,825			\$81,600,472	1.37%	\$80,490,000	0.41%
Phillipsburg	New HS (-x01)		6/6/13	18	Epic Management, Inc.	2/11/15	\$80,490,000	\$1,110,472	5/30/14	\$-2,261			\$81,598,211	1.37%	\$80,490,000	0.41%
Phillipsburg	New HS (-x01)		6/6/13	19	Epic Management, Inc.	2/11/15	\$80,490,000	\$1,108,211	5/30/14	\$-9,500			\$81,588,711	1.36%	\$80,490,000	0.40%
Contractor																
Construction Services										\$408,042						

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)

Reporting Period 2/1/15 through 2/28/15

Grand Totals	Total Change Order Summary -\$604,545	Total Change Orders 110
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Column Description Legend

CO Execution Date	Date the Change Order was entered into the SIMS system
Revised Contract Amount	Current value of the contract (excluding additional assignments) including current change order
Cumulative CO %	Cumulative percentage change in contract value (excluding additional assignments) over the original contract award amount
RBC Value	Revised Basis Contract Value – This value is the Original Award amount for contracts executed after July 27, 2005 or contracts for which board approval has been required after July 27, 2005. Otherwise, this value is the contract value as of July 27, 2005.
Cumulative % since last Board Approval	Cumulative percentage change in contract value since either the later of July 27, 2005 or last board action date over the RBC Value. If the current change order received approval prior to July 27, 2005 this value is not applicable.

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CONTRACT TERMINATIONS REPORT (*no activity*)

SETTLEMENT CLAIMS (*no activity*)

CONTRACTOR AND WORKFORCE COMPLIANCE REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Karon Simmonds /s/ Karon Simmonds
Director Risk Management and Vendor Services
Office of the Chief Financial Officer

DATE: April 1, 2015

SUBJECT: Contractor and Workforce Compliance Monthly Update for January, 2015

Vendor Services staff continues to participate at mandatory pre-bid and pre-construction meetings to instruct and inform bidders regarding SDA’s SBE goals, policies and procedures, including:

- Small Business Enterprise subcontracting goal of 25% of all contracts
- County workforce goals for minorities and females
- Detailed process procedures to monitor and track the progress made toward these goals throughout the life cycle of each project

At these meetings, vendors are strongly encouraged to identify and hire minority-owned and women-owned firms, as well as locally-based enterprises, for diverse business participation on all school building projects. Additional outreach strategies are discussed and utilized.

SMALL BUSINESS ENTERPRISE (SBE) COMPLIANCE MONITORING

The SDA regularly exceeds the State-mandated 25% SBE goal. The total SDA contract dollars awarded through January 31, 2015 was \$800,000. The figures below demonstrate compliance with this requirement.

SBE Breakdown

The total contract dollars awarded to all SBE contractors was \$800,000 (including minorities and women). This represents 100% of all SDA contracts.

Type of Business Enterprise	Contract Amount	% of Total SDA Contracts
Small Business Enterprises	\$ 792,600	99.07%
Small/ Minority Business Enterprises	\$ -0-	0.00%
Small/Women Business Enterprises	\$ 7,400	0.93%
Small/Minority/Women Business Enterprises	\$ -0-	0.00%
TOTAL SBE CONTRACTS	\$ 800,000	100.00%

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 April 1, 2015
 Page 2 of 4

Ethnic Breakdown

For the month of January, 2015, the total SBE contracts awarded with minority participation were zero.

Ethnicity	Contract Amount	Percentage
American Indian	\$ -0-	0.00%
Asian	\$ -0-	0.00%
Black	\$ -0-	0.00%
Hispanic	\$ -0-	0.00%
Total	\$ -0-	0.00%

WORKFORCE COMPLIANCE MONITORING

For the month of January, 2015 there was a contractor workforce of 664 on SDA projects. This represents a total of 45,802 contractor workforce hours as follows:

Contractor Workforce Breakdown (All Trades/Districts/Counties)			
Ethnicity	Total Workforce	Total Workforce Hours	Workforce Hours Percentage
Black	82	6,012	13.13%
Hispanic	85	5,349	11.68%
American Indian	4	180	0.39%
Asian	0	0	0.00%
Total Minority Participation	171	11,541	25.20%
Total Non-Minority Participation	493	34,261	74.80%

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 April 1, 2015
 Page 3 of 4

There was a contractor workforce of 45,802 total workforce hours and 104 total female workforce hours on SDA projects for the period of January 1, 2015 through January 31, 2015. The following table highlights the *Local County contractor workforce* participation for that period:

Local County Workforce Participation	Workforce Hours	Percentage
*Total Workforce Hours	45,802	100.00%
*Total Local County Workforce Hours	6,286	13.72%
Total Local County Non-Minority Workforce Hours	3,624	7.91%
Total Local County Female Workforce Hours	-0-	0.00%
Total Local County Minority Workforce Hours	2,662	5.81%
**Local County Workforce Hours by Ethnicity:		
Black	1,522	3.32%
Hispanic	1,140	2.49%
American Indian	-0-	0.00%
Asian	-0-	0.00%

*Total workforce and total local county workforce represent all laborers including females.

**Minority breakdown represents Black, Hispanic, American Indian, and Asian laborers. Minority female laborers are captured as female laborers only and are not included in the minority breakdown.

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 April 1, 2015
 Page 4 of 4

The following table represents contractor and female workforce for all SDA active Capital Projects and all active and completed Emergent Projects for the period of January 1, 2015 through January 31, 2015. There was no reported activity for Emergent Projects in January, 2015.

SDA Managed Project	Total Workforce Hours	Minority Workforce Hours & Percentage		Local County Workforce Hours & Percentage	
		Hours	Percentage	Hours	Percentage
Bridgeton, Buckshutem ES & Qtr. Mile	3,215	648	20.16%	317	9.86%
Elizabeth, New Academic HS	2,113	1,208	57.17%	2,113	100.00%
Jersey City, PS #20	5,738	1,647	28.70%	188	3.28%
Jersey City, ES #3	133	3	2.26%	32	24.06%
Keansburg, Caruso ES	2,293	535	23.33%	39	1.70%
Newark, Elliott Street ES	6,730	2,867	42.60%	1,038	15.42%
Newark, Oliver Street ES	2,874	759	26.41%	703	24.46%
Passaic, New Henry Street	6,452	613	9.50%	316	4.90%
Paterson, PS #16	3,417	868	25.40%	128	3.75%
Paterson, Marshall Street ES	3,438	1,380	40.14%	401	11.66%
Phillipsburg HS	8,932	946	10.59%	1,155	12.93%

Prepared by: Adele Bonar, CPA
 Vendor Analyst

REGULAR OPERATING DISTRICTS (RODs) ACTIVITY REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: April 1, 2015

SUBJECT: Regular Operating District Grant Activity Report
(For Informational Purposes Only)

This report summarizes the Regular Operating District Grant activity from inception to date and for the month of February 2015. Also included is a detailed list of grants executed and grants offered during the reporting period.

Monthly Update:

- No new grants were offered during the reporting period.
- 8 grants impacting 3 districts were executed during the reporting period representing \$6.0M in total project costs and state share of \$2.4M.
- 17 grant impacting 13 districts were closed out during the reporting period representing \$4.8M in total project costs and state share of \$2.5M.
- Since inception, over \$2.48B has been disbursed to over 515 regular operating districts through the grant program.
- Since inception over \$3.3B in funding has been approved by the Department of Education and offered to regular operating districts through the grant program.



Monthly Regular Operating District Grant Report - Summary

February 2015

ROD Grant Summary Since Program Inception				
	Offered ¹	Executed	Closed-Out	Active
Districts Impacted	250	519	493	314
Number of Grant Projects	1,153	4,892	3,481	1,411
Total Project Cost Estimate	\$ 1,266,344,101	\$ 8,575,934,585	\$ 7,165,756,825	\$ 1,410,177,761
Grant Amount	\$ 505,084,207	\$ 2,844,326,230	\$ 2,296,173,222	\$ 548,153,009
Amount Disbursed	N/A	\$ 2,480,419,267	\$ 2,296,173,222	\$ 184,246,045

Total Funding Offered to School Districts via Grant Program	\$ 3,349,410,437
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Total ROD Grant Funding remaining for new Grant Projects	\$ 10,512,679
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1. Includes grants that have been offered to District's but have not yet been executed.

ROD Grant Summary - February 2015		
	Executed	Closed-Out
Districts Impacted	3	13
Number of Grant Projects	8	17
Total Project Cost Estimate	\$ 5,958,387	\$ 4,782,676
Grant Amount	\$ 2,383,355	\$ 2,474,570
Amount Disbursed	NA	\$ 2,474,570

* Report is inclusive of all Regular Operating Districts grants (including vocational school districts)

** Total Project Cost Estimate and Grant Amount may be adjusted as the projects advance. Grant Amount is capped at the value approved in the DOE Final Eligible Cost Approval.

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NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)



Monthly Regular Operating District Grant Report - Monthly Executed Grant Detail

February 2015

County	District	School Name	Total Project Cost Estimate	Grant Amount	Project Description
Bergen	Fair Lawn	Edison School	\$ 812,650	\$ 325,060	Window replacement
Bergen	Fair Lawn	Radburn E.S.	\$ 50,200	\$ 20,080	Replacement of window in main office and nurse's area
Hunterdon	Delaware Valley Regional High	Delaware Valley Regional H.S.	\$ 2,604,424	\$ 1,041,770	Window replacement
Hunterdon	Delaware Valley Regional High	Delaware Valley Regional H.S.	\$ 236,113	\$ 94,445	Replacement of potable well
Hunterdon	Frenchtown Borough	Frenchtown E.S.	\$ 770,000	\$ 308,000	Window replacement
Hunterdon	Frenchtown Borough	Frenchtown E.S.	\$ 630,000	\$ 252,000	Roof replacement
Hunterdon	Frenchtown Borough	Frenchtown E.S.	\$ 450,000	\$ 180,000	Boiler conversion and HVAC upgrades
Hunterdon	Frenchtown Borough	Frenchtown E.S.	\$ 405,000	\$ 162,000	Toilet room renovation
Grand Total			\$ 5,958,387	\$ 2,383,355	

NOTIFICATION OF AMENDMENTS TO GOODS AND SERVICES CONTRACTS NOT EXCEEDING \$250,000
(no activity)

COMMUNICATIONS MONTHLY REPORT *(no activity)*

MONTHLY FINANCIAL REPORT



100 EAST FRONT STREET
P.O. BOX 991
MANTON, NJ 08625-0991
609-858-5325

MEMORANDUM

TO: Members of the Authority

FROM: Sherman E. Cole, CPA /s/ Sherman E. Cole
Controller

DATE: April 1, 2015

SUBJECT: Monthly Financial Report – February 2015

The Office of the Chief Financial Officer is providing the attached monthly financial report to the Members of the Authority for their information. Included on pages 1 and 2 of this report is a “Financial Summary” of the Authority’s activities for the year. On pages 3 and 4 of the report is a summary of the Authority’s operating expenditures, and headcount information. Page 3A contains an itemized breakdown of personnel costs that have been allocated to school facilities project costs from program general and administrative (“Operating”) expense. The basic financial statement and cash flow report follow.

Year-to-Date Authority Operating Expenses (Actual vs. Budget)

For February 2015 year to date, Authority operating expenses, **\$2.8 million**, are **down \$451 thousand** as compared to the operating budget for the *corresponding period*. The deviation of actual expenses versus budget is due to:

- Lower salary & benefit costs **\$681K**. The Authority is currently 28 FTEs under budget.

Year-to-Date Authority Operating Expenses (Actual vs. Prior Year Actual)

For February 2015 year to date, Authority operating expenses, **\$2.8 million**, are **\$56 thousand** lower as compared to the *corresponding prior year*. The decrease in the year-over-year expense is due to:

- Salary & benefit costs, **\$246K** – 13 fewer FTE’s, resulting in lower salary & benefit costs;
- Partially offset by higher MIS system maintenance costs, and software & hardware costs **\$88K**.

Members of the Authority
April 1, 2015
Page 2

Year-to-Date School Facilities Project Expenditures (Actual vs. Forecast)

For February 2015 year to date, project expenditures, **\$52.6 million**, are **down \$13.4 million** as compared to the capital spending forecast for the *corresponding period*. The variance is primarily due to lower than anticipated expenditures in; construction activity **\$9.8M**, grant activity **\$1M**, and other related project costs **\$2.6M**.

Year-to-Date School Facilities Project Expenditures (Actual vs. Prior Year Actual)

For February 2015 year to date, project expenditures, **\$52.6 million**, have **increased by \$19.3M** as compared to the *corresponding prior year*. The year-over-year variance is attributable to increased spending in; construction activity **\$12.4M**, grant activity **\$1.9M**, and other related project costs **\$5M**.

Other

Since program inception, 70.7% of the funds authorized for the SDA Districts have been disbursed. Additionally, since program inception 96% of all SDA disbursements relate to school facilities projects and 4% relate to Operating expense.

The *estimated value* of active school facilities projects is approximately \$2.2B.

Attachment



**New Jersey Schools Development Authority
Monthly Financial Report**

February 2015

(Unaudited)



New Jersey Schools Development Authority
 Financial Summary
 February 28, 2015

To: The Audit Committee

From: Sherman E. Cole, Controller

The following unaudited financial statements (pages 5 & 6) and supplementary information is presented as of, and for the year-to-date ending, February 28, 2015.

Selected Financial Information:

► Overall **Cash and Cash Equivalents** has decreased by \$55 million to \$506 million, as follows:

■ Receipt of bond and note proceeds (Issued by EDA)	\$ -
■ Investment earnings	60,380
■ Miscellaneous revenue	20,531
■ Project costs	(52,566,511)
■ SDA operating expenses	(2,353,693)
■ SDA capital expenditures	-
■ Deposits (primarily district local shares)	484
Net Change in Cash	<u>\$ (54,838,809)</u>

► **Prepaid Expenses** total \$636,136 as follows:

- Prepaid insurance of \$409,104.
- Prepaid rents of \$100,169 for the Authority's leased office space in Trenton and Newark.
- Prepaid MIS maintenance service contracts of \$88,621.
- Prepaid security deposits of \$10,937 for the Authority's leased swing space.
- Other prepaids of \$27,305.

► **Capital Assets** total \$.4 million (net of accumulated depreciation of \$6.5 million), consisting of leasehold improvements (SDA offices), capitalized software, equipment, furniture and fixtures in support of SDA operations. Depreciation on capital assets is calculated using the straight-line method over the life of each asset. For the year to date, **Capital Expenditures** are \$0 and **Depreciation Expense** is \$13,109.

► **Accrued Liabilities** total \$61.1 million, as follows:

- Accrued project costs of \$20.9 million consisting of unpaid invoices (\$9.7 million); retainage (\$11.2 million).
- Pollution remediation obligations (PRO) under GASB 49 net to \$18.2 million (PRO liability \$20.1 million, offset by expected cost recoveries of \$1.9 million).
- Estimated liability for loss contingencies totaling \$4.1 million (contractor claims \$4.1 million).
- Payroll related liabilities of \$1.4 million.
- Post-employment benefits obligation of \$16.4 million.
- Other accrued liabilities of \$.1 million.

► **Deposits** total \$4.3 million, as follows:

- \$4.3 million is held for local share agreements (pass-through item).

(Continued on Next Page)



New Jersey Schools Development Authority
Financial Summary
February 28, 2015

Financial Summary (Continued)

School Construction Highlights:

▶ **Bond Proceeds & School Facilities Project Disbursements**

- During the current year to date, the SDA has received \$0 bond and note proceeds. The total amount of proceeds received from program inception is \$9.605 billion.
- Project disbursements for the month and year-to-date periods total \$34.8 million and \$52.6 million, respectively, as follows:

Category	Month	Year-To-Date	From Inception
■ Construction	\$ 19,658,663	\$ 30,065,583	\$ 4,049,404,262
■ Design Services	234,011	568,712	403,273,917
■ PMF/CM Services	723,922	1,067,420	435,330,076
■ SDA Project Management	940,401	1,918,926	30,193,528
■ Property Acquisition, Relocation & Environmental	3,659,120	4,160,197	542,020,944
■ School Furniture, Fixtures & Equipment	80,132	97,975	105,715,109
■ Project Insurance	970,651	970,581	98,041,043
■ NJ State Inter-Agency Transfers	-	-	46,013,851
■ SDA District Grant & Funding Agreements	2,585,280	5,903,431	813,273,087
■ Regular Operating District Grant Agreements	5,618,059	7,294,502	2,489,351,818
■ Real-Time Project Audits	-	-	-
■ Property Management, Maintenance & Utilities	32,554	107,173	13,521,198
■ Legal & Claims Resolution Services	108,529	170,814	5,722,786
■ Other Project Costs	208,635	241,197	55,228,026
■ Project Credits	-	-	(54,902,944)
Total Project Expenditures	<u>34,819,957</u>	<u>52,566,511</u>	<u>9,032,186,701</u>
■ Less: Local Share Disbursements	-	-	(178,290,095)
Project Expenditures (State Share)	<u>\$ 34,819,957</u>	<u>\$ 52,566,511</u>	<u>\$ 8,853,896,606</u>
■ Invoice Accruals at Month End (not included above)	\$ 9,648,569	\$ 9,648,569	

▶ **Program Funding & Disbursements Allocation** (From Inception)

	Bonding Cap ¹	Available Funding ²	Paid to Date ³	% Paid to Date
■ SDA Districts	\$ 8,900,000,000	\$ 9,007,373,678	\$ 6,365,231,106	70.7%
■ Regular Operating Districts	3,450,000,000	3,492,879,735	2,782,954,720	79.7%
■ Vocational Schools	150,000,000	151,713,328	107,185,391	70.6%
Totals - State Share	<u>\$ 12,500,000,000</u>	<u>\$ 12,651,966,741</u>	<u>\$ 9,255,371,217</u>	73.2%

▶ **Procurement Activity** (Current Year)

- 1 construction contract has been awarded with an aggregate contract value of \$800,000.
- No design contracts have been awarded on a year-to-date basis.
- 49 Section 15 Grant Agreements have been executed with an aggregate contract value of \$28,858,237 (State Share - Non-SDA Districts).
- 5 purchase orders has been issued for school furniture & technology (i.e., computers & related equipment) purchases with an aggregate contract value of \$598,662.

¹ Of the \$12.5 billion authorized for the school construction program, \$9,605,129,000 principal amount of bond and note proceeds have been received to date.

² Includes bonding cap amounts as well as other income and miscellaneous revenue earned to date, consisting primarily of interest income on invested funds and State appropriations.

³ These amounts include the allocation of SDA operating expenses and capital expenditures totaling \$401,474,611.

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)



**New Jersey Schools Development Authority
Flash Operating Report
February 28, 2015**

	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Prior Yr	Variance - Favorable/(Unfavorable)		Annual Budget
				Actual vs. YTD Budget	Actual vs. Prior Yr	
Authority Operating Expenses:						
Employee Salaries	\$ 2,808,830	\$ 3,294,398	\$ 3,031,140	\$ 485,568	\$ 222,310	\$ 19,766,360
Employee Benefits	1,188,315	1,360,568	1,215,262	172,253	26,947	10,265,797
Direct Hire Temporary Employee Costs	57,759	81,136	54,764	23,377	(2,995)	486,816
Total Employee Salaries & Benefits Costs	4,054,904	4,736,102	4,301,166	681,198	246,262	30,518,973
Less: Employee Salaries & Benefits Costs Charged to Projects	(1,918,926)	(2,513,490)	(2,072,562)	(594,564)	(153,636)	(15,080,941)
Operating Employee Salaries & Benefits Costs	2,135,978	2,222,612	2,228,604	86,634	92,626	15,438,032
Temporary Employees	-	21,666	922	21,666	922	130,000
Interagency Agreements	3,639	26,666	17,508	23,027	13,869	160,000
Other Contract & Professional Outside Services	532	67,416	487	66,884	(45)	199,500
Employee Expense Reimbursements	2,534	6,336	1,227	3,802	(1,307)	37,990
Training & Professional Development	6,447	18,994	5,553	12,547	(894)	113,895
Parking	13,599	18,000	8,160	4,401	(5,439)	108,000
Automobiles	10,335	16,500	11,340	6,165	1,005	99,000
Communications & Outreach	-	84	360	84	360	500
Management Information Systems	226,748	283,278	138,723	56,530	(88,025)	1,272,700
General Office & Facilities	384,790	488,253	426,700	103,463	41,910	2,929,500
Other General	1,069	4,000	1,619	2,931	550	24,000
Reserve for Unforseen Events & New Initiatives	-	8,334	-	8,334	-	50,000
Total Non-Capitalized Operating Expenses	2,785,671	3,182,139	2,841,203	396,468	55,532	20,563,117
Capitalized Operating Expenses (Internal)	-	54,166	-	54,166	-	385,000
Total Authority Operating Expenses	\$ 2,785,671	\$ 3,236,305	\$ 2,841,203	\$ 450,634	\$ 55,532	\$ 20,948,117
Total Authority Operating Expenses Before Allocation of Salaries & Benefits Costs to Projects	\$ 4,704,597	\$ 5,749,795	\$ 4,913,765	\$ 1,045,198	\$ 209,168	\$ 36,029,058

(Continued on Next Page)



New Jersey Schools Development Authority
Flash Operating Report
February 28, 2015

	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Prior Yr	Variance - Favorable/(Unfavorable)		Annual Budget
				Actual vs. YTD Budget	Actual vs. Prior Yr	
Authority Project Management Expenses:						
Direct - Project Management Salaries & Benefits						
Design Studio - Employee Salaries	\$ 110,386	\$ 134,704	\$ 79,919	\$ 24,318	\$ (30,467)	\$ 808,222
Design Studio - Employee Benefits	44,638	57,060	33,853	12,422	(10,785)	342,363
Design Studio - Direct Hire Temps	50,850	52,000	48,209	1,150	(2,641)	312,000
Field Staff - Employee Salaries	387,014	692,480	476,324	305,466	89,310	4,154,877
Field Staff - Employee Benefits	156,504	293,334	201,763	136,830	45,259	1,760,006
Field Staff - Direct Hire Temps	-	-	-	-	-	-
Support Staff - Employee Salaries	154,524	287,144	167,367	132,620	12,843	1,722,867
Support Staff - Employee Benefits	62,490	121,634	70,896	59,144	8,406	729,807
Total Direct Project Management Salaries & Benefits	966,406	1,638,356	1,078,331	671,950	111,925	9,830,142
Indirect - Project Management Salaries & Benefits						
Indirect - Employee Salaries	678,660	614,734	698,055	(63,926)	19,395	3,688,396
Indirect - Employee Benefits	273,770	260,400	294,445	(13,370)	20,675	1,562,403
Indirect - Direct Hire Temps	90	-	1,731	(90)	1,641	-
Total Indirect Project Management Salaries & Benefits	952,520	875,134	994,231	(77,386)	41,711	5,250,799
Total Authority Project Management Expenses	\$ 1,918,926	\$ 2,513,490	\$ 2,072,562	\$ 594,564	\$ 153,636	\$ 15,080,941



New Jersey Schools Development Authority
Flash Operating Report
February 28, 2015

Flash Operating Report (Continued)

SDA Headcount by Division/Unit	<u>Current Month</u>	<u>EOY Budget</u>	<u>Variance</u>
Office of Chief Executive Officer (CEO)	3	3	-
COS, Program Assessment & Development	9	8	(1)
COS, Special Projects	8	10	2
Program Operations, Program Operations Management	5	6	1
Program Operations, Capital Planning & Grants Admin.	23	26	3
Program Operations, Safety	8	9	1
Program Operations - Design Studio	12	14	2
Program Operations, Project Teams	57	66	9
Corp Governance & Operations, Management	3	3	-
Corporate Governance & Operations, Human Resources	8	8	-
Corporate Governance & Operations, Chief Counsel	11	14	3
Corporate Governance & Operations, Information Systems	14	15	1
Corporate Governance & Operations, Facilities	6	6	-
Corporate Governance & Operations, Communications	9	11	2
Financial Operations, CFO Management	5	5	-
Financial Operations, Controller	12	12	-
Financial Operations, Contract Management	12	13	1
Financial Operations, Real Estate Services	6	6	-
Financial Operations, Procurement & Contract Services	9	10	1
Financial Operations, Risk Management & Vendor Services	9	12	3
Total Full-Time Employees	<u>229</u>	<u>257</u>	<u>28</u>
EOM Budget	<u>257</u>		



New Jersey Schools Development Authority
Statement of Net Position and General Fund Balance Sheet
February 28, 2015

	General Fund		Statement of Net Position	
	Total	Adjustments	Current Yr	Prior Yr End
ASSETS				
Cash and Cash Equivalents	\$ 506,019,776		\$ 506,019,776	\$ 560,858,585
Receivables	165,745	\$ 152,800	318,545	318,630
Prepaid Expenses	636,136		636,136	809,737
Capital Assets (Net of Accumulated Depreciation of \$6,465,761)		372,936	372,936	386,044
Total Assets	\$ 506,821,657	\$ 525,736	\$ 507,347,393	\$ 562,372,996
LIABILITIES				
Accrued Project Costs	\$ 20,851,518	\$ 22,319,743	\$ 43,171,261	\$ 73,327,553
Accrued Other Post-Employment Benefits Obligation		16,352,178	16,352,178	16,015,367
Other Accrued Liabilities	467,443	1,068,278	1,535,721	1,614,240
Deposits	4,295,252		4,295,252	4,294,768
Total Liabilities	25,614,213	39,740,199	65,354,412	95,251,928
FUND BALANCE/NET POSITION				
Invested in Capital Assets		372,936	372,936	386,044
Nonspendable:				
Prepaid Expenses	636,136	(636,136)		
Restricted:				
Schools Construction Build America Bond Program	-		-	-
Schools Construction Special Revenue Fund	480,571,308	(38,951,263)	441,620,045	466,735,024
Total Fund Balance/Net Position (Deficit)	481,207,444	(39,214,463)	441,992,981	467,121,068
Total Liabilities and Fund Balance/Net Position	\$ 506,821,657	\$ 525,736	\$ 507,347,393	\$ 562,372,996



New Jersey Schools Development Authority
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balances
February 28, 2015 Year-To-Date

	<u>General Fund</u> <u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>	
			<u>Current Yr</u>	<u>Prior Yr</u>
Revenues				
Program Revenues:				
Bond and Note Proceeds (Issued by EDA)	\$ -		\$ -	\$ -
Bidding Fees-Plans & Specs	-		-	-
General Revenues:				
Investment Earnings	60,380		60,380	25,088
Rental Income	20,531		20,531	23,677
Other Revenue-OPRA	-		-	-
Total Revenues	<u>80,911</u>	<u>-</u>	<u>80,911</u>	<u>48,765</u>
Expenditures/Expenses				
Administrative & General Expenses	2,448,861	\$ 336,810	2,785,671	2,841,203
Capital Expenditures	-		-	-
Capital Depreciation		13,109	13,109	19,179
School Facilities Project Costs	<u>22,410,218</u>	<u>-</u>	<u>22,410,218</u>	<u>9,611,293</u>
Total Expenditures/Expenses	<u>24,859,079</u>	<u>349,919</u>	<u>25,208,998</u>	<u>12,471,675</u>
Excess of Revenues Over Expenditures	(24,778,168)	(349,919)		
Change in Net Position			(25,128,087)	(12,422,910)
Fund Balance/Net Position (Deficit)				
Beginning of Year	<u>505,985,612</u>	<u>(38,864,544)</u>	<u>467,121,068</u>	<u>181,248,758</u>
End of Period	\$ <u>481,207,444</u>	\$ <u>(39,214,463)</u>	\$ <u>441,992,981</u>	\$ <u>168,825,848</u>

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY - MONTHLY REPORTS (FOR INFORMATIONAL PURPOSES)



**New Jersey Schools Development Authority
Summary of Cash Receipts & Disbursements
February 28, 2015**

Cash Receipts - State Share

Cash Disbursements - State Share

Year	Principal Amount ¹ Bond Proceeds	Appropriations ² from State	Investment Earnings	Miscellaneous ³ Revenue	Project Costs	Operating Expenses	Gross Capital ⁴ Expenditures	Deposits ⁵	Totals
2000	-	\$1,510,975	\$5,013	-	-	\$639,406	\$1,150	-	\$875,432
2001	\$508,600,000	47,125,988	18,862,686	\$10	\$18,967,828	6,705,756	1,735,148	-	547,179,952
2002	629,400,000	(43,500,000)	9,991,010	221,897	460,970,915	11,318,973	1,440,184	\$11,453,239	133,836,074
2003	607,929,000	-	5,488,373	305,596	1,096,480,983	19,983,448	7,609,761	13,612,751	(496,738,472)
2004	1,700,000,000	-	8,098,130	356,167	1,289,801,167	28,882,347	844,489	6,299,119	395,225,413
2005	2,075,000,000	-	17,472,686	638,597	1,332,923,106	27,460,855	194,394	53,393,712	785,926,640
2006	600,000,000	-	39,701,591	446,994	1,069,330,378	30,483,062	349,158	(9,559,780)	(469,573,793)
2007	800,000,000	-	28,304,347	541,065	890,787,821	35,055,800	572,252	(24,223,201)	(121,793,662)
2008	450,000,000	-	13,584,070	837,796	880,936,507	39,760,922	940,178	12,538,723	(444,677,018)
2009	775,000,000	-	2,197,675	260,902	613,756,613	43,258,213	243,801	(40,375,956)	79,823,994
2010	499,200,000	-	(2,749,864)	171,035	282,888,651	41,612,847	82,769	(10,494,369)	161,542,535
2011	-	-	546,039	316,761	173,991,754	34,509,603	26,142	(1,490,714)	(209,155,413)
2012	375,000,000	-	204,840	230,997	189,648,010	32,441,010	54,142	(1,232,687)	152,059,988
2013	-	-	271,871	155,411	211,970,054	17,264,215	295,214	(3,519,847)	(232,622,048)
2014	585,000,000	-	170,381	116,791	288,876,308	15,240,748	114,931	(2,106,222)	278,948,963
2015	-	-	60,380	20,531	52,566,511	2,353,693	-	484	(54,838,809)
Totals	9,605,129,000	5,136,963	142,209,228	4,620,550	8,853,896,606	386,970,898	14,503,713	4,295,252	\$506,019,776
Cash & Cash Equivalents									\$506,019,776

¹ Pursuant to the provisions of the Educational Facilities Construction and Financing Act (C.18A:7G-14a), as amended, the aggregate principal amount of bonds, notes or other obligations the EDA may issue to finance school facilities projects, and the costs related thereto, shall not exceed \$12.5 billion. This limitation excludes indebtedness incurred for refunding purposes.

² Represents funds received prior to the first bond issuance by the EDA in 2001.

³ Consists of rental income and cash receipts for bidding fees and OPRA requests.

⁴ Consists of leasehold improvements (SDA offices), capitalized software, furniture, fixtures & equipment for SDA operations.

⁵ Consists primarily of deposits held for Section 13(B) Local Share Agreements (\$4,295,252).

⁶ 2010 Investment Earnings includes: 2009 New Brunswick legal settlement, \$144,736, and interest income \$1,299,176, offset by the Rebate Arbitrage payment of \$4,193,776



New Jersey Schools Development Authority
Interagency Agreements
February 28, 2015

<u>State of New Jersey Department / Agency</u>	<u>Service(s) Provided to SDA</u>	<u>Current Yr Payments</u>	<u>Payments from Inception through December 31, 2014</u>	<u>Total Payments</u>
<u>Included in Project Costs:</u>				
Department of Community Affairs	Provide code inspections, plan reviews and permits for schools.	\$ -	\$ 19,477,895	\$ 19,477,895
Department of Labor and Workforce Development	Provide training in construction trades to women and minorities pursuant to the Educational Facilities Construction & Financing Act (EFCFA). Also, provide enforcement of prevailing wage requirements on SDA projects.	-	10,541,812	10,541,812
Office of the Attorney General - Division of NJ State Police (services formerly provided by the Bureau of Fiscal Oversight)	Perform prequalifying review and investigative services related to vendor integrity as required by the EFCFA.	-	5,902,958	5,902,958
Department of Education	Perform educational adequacy reviews for Abbott district schools.	-	3,276,059	3,276,059
New Jersey Institute of Technology	High Performance Schools guideline development and program implementation costs.	-	4,164,319	4,164,319
Rutgers University	Perform studies on the potential cost savings that could be realized through the use of standardized design elements, components, and construction materials. Also, includes fees paid to NJ Small Business Development Centers.	-	477,326	477,326
Department of Environmental Protection	Provide expedited environmental remediation review and support services.	-	1,638,055	1,638,055
Department of Transportation (terminated)	Provide relocation assistance services.	-	355,875	355,875
Other	Miscellaneous	-	179,552	179,552
Payments Included in Project Costs		-	46,013,851	46,013,851

(Continued on Next Page)



New Jersey Schools Development Authority
 Interagency Agreements
 February 28, 2015

Interagency Agreements (Continued)

<u>State of New Jersey Department / Agency</u>	<u>Service(s) Provided to SDA</u>	<u>Current Yr Payments</u>	<u>Payments from Inception through December 31, 2014</u>	<u>Total Payments</u>
<u>Included in Administrative & General:</u>				
Office of the Attorney General - Division of Law (TRE009)	Provide legal services and contract reviews. Also, provide legal support for environmental cost recoveries.	-	9,796,417	9,796,417
Governor's Authorities Unit	Annual assessment (not all years)	-	109,388	109,388
Office of the Inspector General (TRE030) (terminated in 2010)	Salaries & benefits for Assistant Inspector Generals assigned to SDA.	-	858,872	858,872
Rutgers University, Center for Organizational Development and Leadership (RUT009) (terminated)	Assist SDA in the development of a mission statement, vision statement and statement of values.	-	8,300	8,300
Department of Community Affairs (terminated)	Salaries & benefits for DCA employee assigned to SDA.	-	349,471	349,471
Payments Included in Administrative & General		-	11,122,448	11,122,448
Total Interagency Payments		\$ -	\$ 57,136,299	\$ 57,136,299

DESIGN CONTRACT DE-OBLIGATIONS REPORT *(no activity)*

PUBLIC COMMENT STATEMENT

We will now begin the Public Comment Portion of the Meeting consistent with the New Jersey Open Public Meetings Act.

We would ask that any member of the public who wishes to address the Board limit their comments to 3 minutes. If there are multiple individuals from the same organization or district who wish to address the Board on the same matter, we would ask that you come up together to offer your remarks.

Please keep in mind that public comment is to afford citizens the opportunity to comment on matters pertinent to the Authority's business. Should you seek answers to questions on any topic, please contact the Authority at 609-943-4585 at your convenience.