

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, MAY 4, 2016**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, May 4, 2016 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 (NJDCA)
Bernie Piaia (NJDOE)
Matthew Spadaccini (Treasury)
Kevin Egan
Loren Lemelle
Lester Lewis-Powder
Michael Maloney
Joseph McNamara
Mario Vargas

being a quorum of the Board. Mr. Egan, Ms. Lemelle, Mr. Lewis-Powder, Mr. Maloney, Mr. Piaia, Mr. Spadaccini and Mr. Vargas, participated in the meeting by teleconference. At the Chairman's request, Charles McKenna, chief executive officer; Jason Ballard, chief of staff; Andrew Yosha, executive vice president; Raymond Arcario, vice president; Albert Barnes, chief counsel, Cecelia Haney, senior counsel; Sean Murphy, director; and Jamie Henneke, executive assistant, of the SDA participated in the meeting. Lisa LeBouef of the Governor's Authorities Unit also participated in the meeting.

The meeting was called to order by the Chairman of the Board, Mr. Walsh, who requested that Ms. Henneke read the requisite notice of the meeting. Ms. Henneke 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 Board's April 6, 2016 Open and Executive Session meetings. A copy of both meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. McNamara, the Open and Executive Session minutes of the April 6, 2016 meeting were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Resolution 3a/3b***.

Authority Matters

CEO Report

The Chairman asked Mr. McKenna to provide the report of the Chief Executive Officer. Mr. McKenna began his report by offering an update on the Trenton Central HS (TCHS) project. He reported that foundation crushing and backfill work was completed late last month. He advised the Members that management issued a Notice to Proceed (NTP) for the design phase of design-build services to Terminal Construction (Terminal) last month and held the kick-off meeting on April 19. Mr. McKenna said that following review and ranking of the technical proposals, price proposals for construction management (CM) services will be opened on May 13 and management anticipates presenting a recommendation of award at the June Board meeting.

Turning to projects in the Bridgeton School District, Mr. McKenna said that work is proceeding on the Buckshutem Road ES and Quarter Mile Lane ES projects.

With respect to the Camden HS project, Mr. McKenna reported that the Design Ideas Group is actively working on pre-design phase services. He said that management recently met with the Mayor and Superintendent. He said that management advertised the early site package late last month for the East Orange George Washington Carver ES project. He added that the Design Studio is advancing the design of the new school.

In continuing, Mr. McKenna gave an update on projects in the Elizabeth School District. He said that the Academic HS project is moving along towards a September opening. In regard to the Elizabeth New ES project, he said that footings, foundation and major site-work activities are progressing well. He advised the Members that the final design package was released by the Department of Community Affairs last month and the design-builder, Torcon, is in the process of obtaining the final construction permits.

With respect to the Garfield James Madison ES No. 10 project, Mr. McKenna reported that following the constructability review, negotiations for the constructability change order are complete and the change order to address all items has been executed. He said both the CM and general contractor (GC) have been issued a NTP to commence construction phase activities. He added that management anticipates the GC mobilizing on-site later this month.

In regard to the Gloucester ES/MS project, Mr. McKenna said that construction work continues there.

Mr. McKenna advised the Members that Ambient was issued a NTP for the early site work for the Harrison New ES project and has assumed control of the site as of April 15. He said that management anticipates that the contractor will mobilize and commence construction

activities this month. He added that the Design Studio is advancing the design of the new school. He said that management anticipates advertising for design-build services in June.

In regard to the Irvington Madison Avenue ES project, Mr. McKenna informed the Members that D&K Construction assumed control of the project site on April 13. He said that management met with the community on Monday. He added that the Design Studio is advancing the design of the new school.

Turning to projects in the Keansburg School District, Mr. McKenna reported that interior finish work, HVAC, electric, and plumbing work continues on the Caruso ES project. He noted that the project is on schedule for substantial completion in July. He said that for the Port Monmouth Road ES project, LAN Associates, the design consultant, is working on pre-design phase.

In continuing, Mr. McKenna gave an update on projects in the Jersey City School District. He said that the Jersey City PS 20 project is on target for September occupancy. He reported that all major trades continue to progress well on the Jersey City ES No. 3 project and interior and exterior masonry work is ongoing there.

With respect to the Millville HS addition/renovation project, Mr. McKenna reported that the schematic design for the project was finalized by RSC, the bridging design consultant, and submitted to the Department of Education (DOE) for review and approval. He said that management issued a NTP to RSC to proceed with bridging design services.

Mr. McKenna reported that the design-builder Hall Construction is actively working on the preliminary design phase for the New Brunswick Paul Robeson ES project. He said that management received bids for CM services last month and anticipates presenting a recommendation of award at the June Board meeting.

Turning to projects in the Newark School District, Mr. McKenna said that in regard to the Oliver Street ES project, the Temporary Certificate of Occupancy (TCO) was issued by Department of Community Affairs in April. He said that the district has commenced move-in activities in anticipation of occupancy later this month.

In continuing, Mr. McKenna gave an update on the Orange HS and Orange Cleveland ES projects. He reported that management is working with the district on finalizing conceptual options for both projects. In regard to the Orange Cleveland ES project, he reported that the purchase of the three properties has been completed.

Mr. McKenna reported that the design-builder Dobco, Inc. has begun design work for the Passaic Leonard Place ES project and is anticipating the start of construction activities this summer. He said that management received bids for CM services last month, and anticipates presenting a recommendation of award at the June Board meeting.

In continuing, Mr. McKenna gave an update on projects in the Paterson School District. With respect to the Marshall Street ES project, he advised the Members that the Passaic Valley Water Commission completed the replacement of an old failing water line allowing for final fire inspection to take place. He said that management anticipates receipt of the TCO later this month in anticipation of a September opening. Mr. McKenna reported that the Paterson PS 16 is anticipating a September opening. He said interior finish work is ongoing including drywall installation and painting.

Mr. McKenna informed the Members that the final draft pre-design report has been received and internal review is underway for the Pemberton Denbo Crichton ES project. With respect to the Perth Amboy Seaman Avenue ES project, he said that that technical and price proposals for design-build services are due later this month. He reported that all interior

mechanical, electrical, and HVAC work is well underway and that interior building finish work has commenced for the Phillipsburg HS project.

Mr. McKenna and Mr. Yosha informed the Board that, with the September 2016 school openings, the SDA will have delivered approximately 9000 new seats in the SDA districts.

With respect to the Vineland New MS project, Mr. McKenna said that EBS continues with the design services phase and that a recommendation of award for CM services is on today's agenda for discussion. In regard to the West New York Harry L. Bain PS No. 6 project, he reported that a Notice of Award was issued to Paul Otto Building Company late last month.

Turning to the Authority's ongoing procurement activity, Mr. McKenna said that in addition to the construction services awards for the Paterson International HS and the temporary space at the Paterson Union Avenue MS projects and the CM services award for the Vineland MS No. 2 project, other activity currently underway includes procurements for design-build services for the Perth Amboy Seaman Avenue ES project; demolition services for the East Orange George Washington Carver E.S. project; and CM services for the TCHS, New Brunswick Paul Robeson ES, Newark South Street ES and Passaic Leonard Place ES projects.

Reporting on events, outreach and other activities, Mr. McKenna advised the Members that, in July 2013, the Board approved a Memorandum of Understanding (MOU) between the Higher Education Student Assistance Authority (HESAA) and SDA to effectuate the New Jersey Governor's Industry Vocations Scholarship (NJGIVS) program. He said the MOU was for a period of three years with an option to extend on an annual basis subject to the availability of funds. He reported that, on May 1, SDA exercised its option to extend the program for 1 year. He said that the scholarship has awarded over \$443,535 to 250 recipients over the past three

years so that economically disadvantaged women and minorities can pursue careers in the construction industry.

Mr. McKenna informed the Members that on April 12, he appeared before the Senate Budget Committee to answer questions about SDA's program and on April 20 he appeared before the Assembly Committee. He said that he received positive feedback from legislators on the work the SDA is doing.

Mr. McKenna reported that SDA held a community meeting in Garfield to discuss the construction at the new James Madison ES project with community members. He said management also held a community meeting in Irvington. He explained that this is part of SDA's continuing efforts to ensure open communication with the communities affected by SDA's projects.

Mr. McKenna said that Communications staff is working to schedule a community meeting in New Brunswick and a ground breaking ceremony in Garfield this month.

In continuing, Mr. McKenna said that he wanted to remind the Members that their individual Financial Disclosure Statement (FDS) must be electronically filed with the New Jersey State Ethics Commission by May 15, 2016. He added that a \$50 per day late fee will be assessed for any FDS filed after that time.

Mr. McKenna informed the Members that the USDOE recently released its list of Green Ribbon Schools and named the recipient of its 2016 Director's Award. He reported that three pillars of the Green Ribbon School sustainability program are 1) reduced environmental impact and cost; 2) improved health and wellness; and 3) effective environmental education. He said that Bernie Piaia was honored with the 2016 Director's Award for his efforts to advance green schools in the State of New Jersey through his exemplary efforts to administer the Green Ribbon

School Program. He added that he would also note that five New Jersey schools were listed as honorees. Mr. McKenna then congratulated Mr. Piaia.

In conclusion, Mr. McKenna then informed the Members the SDA has completed the sixth offering of its Small Minority and Women Owned Business Enterprises (SMWBE) contractor training program, explaining that this program was developed to teach SMWBEs how to navigate the state system. He said that the program has been successful in past years and was successful this year as well.

School Review Committee

Amendment-- Manders Merighi Portadin Farrell Architects, LLC; Change Order--Falasca Mechanical, Inc.; Resolving Construction Change Order--Epic Management, Phillipsburg High School; Award of Construction Contract--International High School, Paterson School District; Award of Construction Contract--Paterson School District, Temporary Swing Space for New Middle School at Union Avenue; Construction Manager Award-- Vineland School District, Vineland New Middle School No. 2; Final Re-adoption Without Change: Title 19, Section 34 Preconstruction Rules; Final Re-adoption Without Change: Title 19, Chapter 34A: Section 13(a) Delegation Agreement Rules; Credit Change Order--Promedia Technology Services, Inc.

Mr. Walsh asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie said that the SDA School Review Committee met on April 18, 2016. He advised the Board that the first two agenda items pertain to the Vineland HS South (VHS) HVAC emergent project. He said that the first is an amendment and the second is a change order. He then discussed management's recommendation for approval of an amendment for Manders Merighi Portadin Farrell Architects (MMPF) for the VHS HVAC emergent project. He said that the VHS, built in 1963, is a 231,000 square foot facility educating 1,300 students in grades 9 through 12. He advised the Members that staff utilized the Design Consultant Services Task Order Contract to engage MMPF for investigation and design activities. Mr. Luckie reported that this \$125,000 amendment is needed to increase the hazardous materials investigation and abatement

oversight allowance in order to conduct additional investigation for the emergent project. He added that funding for this amendment is available within the most recent project charter.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Ms. Hassett and seconded by Mr. Walsh, the amendment in the amount of \$125,000 for Manders Merighi Portadin Farrell Architects, LLC for the Vineland HS South project was approved with the Board's unanimous vote in favor of ***Resolution 5a.***

Mr. Luckie then discussed management's recommendation for approval of a change order for Falasca Mechanical, Inc. for the VHS HVAC emergent project. He reported that, on June 19, 2015, Falasca Mechanical, Inc. was issued a NTP for construction services to address the emergent condition---which involves providing new HVAC equipment and a distribution system to replace the existing boilers and low pressure steam distribution system. Mr. Luckie said that the contract for the Project included a \$50,000 allowance for asbestos containing material abatement and related activities and this \$350,000 change order will increase this allowance in order to address unforeseen conditions. He noted that the change order will be forwarded to the SDA Special Projects Division for determination of cost recovery potential.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Piaia and seconded by Ms. Hassett, the change order in the amount of \$350,000 for Falasca Mechanical, Inc. for the Vineland HS South project was approved with the Board's unanimous vote in favor of ***Resolution 5b.***

Mr. Luckie then discussed management's recommendation for approval of a construction change order for Epic Management (Epic) for Phillipsburg HS project. He reported that when completed, the Phillipsburg HS will be a 330,021 square foot facility designed to educate 1,846

students in grades 9 through 12. He said that, in June 2013, Epic was issued a NTP to provide construction services for the Phillipsburg HS project. He informed the Members that Construction Change Directive (CCD) No. 1 was issued in February 2016 for the updated information technology (IT) infrastructure as this work was on the critical path for completing the school consistent with the project schedule. Mr. Luckie said that this Resolving Change Order (RCO) No. 51, in the amount of \$1,168,595.00, is for labor, equipment and materials to update the IT infrastructure systems in order for the school to meet the latest SDA standards and district needs. He explained that the change order provides for the procurement and installation of IT infrastructure as identified in updated drawings and reflects the agreement with Epic as to the dollar value for the work.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Piaia and seconded by Mr. Walsh and with Mr. McNamara recused and abstaining, the construction change order in the amount of \$1,168,595.00 for Epic Management for the Phillipsburg HS project was approved with the Board's unanimous vote in favor of ***Resolution 5c***.

Mr. Luckie discussed management's recommendation for approval of a construction contract award for the International HS (IHS) project in the Paterson School District. He reported that the IHS, a grade 9-12 technology magnet HS, was issued a certificate of occupancy (CO) in June 2015. He said that certain corrective work is necessary to maintain the building longevity and systems' life-cycles so management is seeking Board approval today to issue a contract award based upon the General Contractor (GC) Task Order Contract for the work. He informed the Members that Molba Construction, the next firm on the rotational list, has confirmed its interest in the project and provided a cost proposal to complete the entirety of the

scope of work which represents the most extensive solution for the Project. Mr. Murphy outlined the procurement as presented in the memorandum. Mr. Arcario provided details relevant to the corrective work.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Ms. Hassett and seconded by Mr. McNamara, the contract award to Molba Construction for construction services for the Paterson International HS project was approved with the Board's vote in favor of ***Resolution 5d***.

In continuing, Mr. Luckie discussed management's recommendation for approval of a construction contract award in connection with the Paterson Union Avenue MS project. He reported that the Paterson Union Avenue MS, formerly Don Bosco, will be a 161,000 square foot facility designed to educate 996 students in grades 6 through 8. He said that the construction of the new MS on the Union Avenue site requires that, prior to advancement, the District vacate and relocate the students currently occupying the facility on that site. He informed the Members that the SDA acquired the former Paterson Catholic HS facility in order to provide temporary space for the students during advancement and delivery of the new MS. He added the SDA must now engage a contractor to perform work to prepare the former Paterson Catholic building for use as swing space for the students currently occupying the facility on the Don Bosco site. Mr. Luckie said that the construction contract award recommended for this project results from utilization of the SDA GC Task Order Contract. He advised the Members that Intercontinental Construction Contractors, Inc. (ICCI), the next firm on the rotational list has confirmed its interest in the project and management is seeking to award to ICCI in the amount of \$570,000. He said that should the negotiations with ICCI fail to result in an agreement, management is seeking approval to award the contract to another firm on the rotational list in that same not-to-exceed amount. A

brief discussion ensued regarding the occupancy of the Paterson Catholic HS facility and the Don Bosco Academy demolition project.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. McNamara and seconded by Ms. Hassett, the construction contract award to Intercontinental Construction Contractors, Inc. or to another firm in the same not-to-exceed amount for the Paterson Union Avenue MS project swing space was approved with the Board's vote in favor of *Resolution 5e*.

Mr. Luckie discussed management's request that the Board approve the construction management contract award for the Vineland New MS No. 2 project. He said that the Vineland New MS No. 2 project in the Vineland School District will be a 98,750 square foot facility educating 620 students in grades 6 through 8. He reported that, in January, the Board approved the final project charter and award of a design-build construction contract for the project to Ernest Bock & Sons, Inc. (EBS) and in February EBS was issued the NTP for design phase services. He said that a package for CM services was advertised as a price 40% and other factors 60% solicitation beginning February 10, 2016 and that management is now recommending the award of a CM services contract in the amount of \$1,326,500 to Joseph Jingoli and Sons, Inc. Mr. Luckie informed the Members that Joseph Jingoli and Sons, Inc. has confirmed that its price proposal is inclusive of all scope elements contained in the contract documents and that funding is available within the Project Budget in accordance with the final project charter approved by the Board in January 2016.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Ms. Hassett and seconded by Mr. McNamara, the contract

award for construction management services to Joseph Jingoli & Sons, Inc. for the Vineland New Middle School No. 2 project was approved with the Board's vote in favor of **Resolution 5f**.

In continuing, Mr. Luckie informed the Members that the Committee has two (2) Rule re-adoptions to consider. He said that, in both cases, a single comment was received during the 60 day comment period which did not result in a change to the Rules as proposed. He added that, in both cases, any amendments to the Rules were largely technical in nature---to update statutory citations and to ensure that the Rules reflect the current practices of the Authority.

First, Mr. Luckie discussed management's request for Board approval of the Authority's preconstruction activities Rules. He reported that SDA's Chapter 34 Rules, proposed for re-adoption with amendments, implement statutory provisions which provide guidance to school districts on the SDA's undertaking and funding of preconstruction activities. He said that the Chapter 34 Rules were last readopted effective December 8, 2008 and, following Board approval of a re-adoption proposal in December 2015 and its filing with the Office Administrative Law (OAL), the Rules are now due to expire June 5, 2016. Ms. Haney discussed the details relevant to the Re-Adoption as presented in the memorandum.

A resolution pertaining to the proposed re-adoption with amendments of the N.J.A.C 19:34 preconstruction activities rules had been provided to the Board in advance of the meeting. Upon motion duly made by Ms. Hassett and seconded by Mr. Walsh, the rule re-adoption as presented was approved with the Board's unanimous vote in favor of **Resolution 5g**.

Mr. Luckie then discussed management's request for Board approval of the Authority's delegation agreement Rules. He reported that Chapter 34A governs the delegation of capital maintenance school facilities projects to SDA school districts pursuant to a delegation and grant agreement under Section 13(a) of the Educational Facilities Construction and Financing Act. He

said that the Chapter 34A Rules were last readopted effective December 8, 2008 and, following Board approval of the re-adoption proposal in December 2015 and its filing with the OAL, the Rules are now due to expire June 5, 2016. Ms. Haney discussed the details relevant to the Re-Adoption as presented in the memorandum.

A resolution pertaining to the proposed re-adoption with amendments of the N.J.A.C 19:34A delegation agreement Rules had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Piaia and seconded by Mr. Walsh the rule re-adoption as presented was approved with the Board's unanimous vote in favor of ***Resolution 5h***.

In continuing, Mr. Luckie discussed management's recommendation for approval of a credit change order. He reported that a SDA construction contract for E-Rate eligible work in the Paterson Public School District was awarded to Promedia Technology Services Inc. (Promedia) in April 2005 for a lump sum price of \$985,243.00. He said, however, that no work was directed to be performed under the construction contract on the basis that either E-Rate rebate funds would not be pursued or because an included project was not then advancing. He added that, in December 2007, SDA issued a written order of termination for convenience to Promedia in accordance with the contract. He informed the Members that Promedia has been compensated for certain bond costs and that funds associated with one of the four school facilities included in the Promedia engagement have been deobligated. Mr. Luckie said that, with this credit change order, the SDA will de-obligate the funds for line item balances in the amount of (\$872,531). He said that these are associated with the three school facilities projects with respect to which work that will no longer be performed. He added that as this credit change order exceeds both the \$500,000.00 threshold and equals 10% of the contract value, it requires Board approval

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Walsh, credit change order No.2 in the amount of (\$872,531) for the Paterson Public School District was approved with the Board's unanimous vote in favor of ***Resolution 5i***.

Public Comments

Mr. Walsh then opened the Public Comments portion of the meeting. He asked if any member of the public wished to address the Board. No member of the public stepped forward.

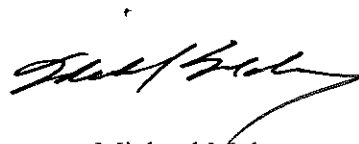
Thereafter, upon motion and with unanimous consent, the meeting adjourned into Executive Session to discuss a matter relating to the potential divestiture of NJSDA-owned property.

Following discussion in Executive Session, the Board returned to Open Session. Mr. Walsh noted that no vote was taken regarding the executive session item.

Adjournment

There being no further business to come before the Board, Mr. Walsh then asked for a motion to adjourn the meeting. Upon motion by the Chairman 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 May 4, 2016 meeting.

A handwritten signature in black ink, appearing to read "Michael Maloney", with a stylized flourish at the end.

Michael Maloney
Secretary