

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS MEETING  
WEDNESDAY, JANUARY 4, 2017**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, January 4, 2017 at 9:15 A.M. at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Edward Walsh, Chairman  
Maureen Hassett (EDA)  
Kevin Luckie (DCA)  
Bernard Piaia (DOE)  
Matthew Spadaccini (Treasury)  
Michael Capelli  
Kevin Egan  
Loren Lemelle  
Lester Lewis-Powder  
Michael Maloney  
Robert Nixon  
Mario Vargas

being all the Members of the Board. Mr. Capelli, Mr. Egan, Ms. Lemelle, Mr. Lewis-Powder, Mr. Piaia, and Mr. Spadaccini 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 (by teleconference); Jane F. Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; Raymond Arcario, vice president; Albert Barnes, chief counsel; Ritchard Sherman, managing

director; and Aidita Milsted, director, of the SDA participated in the meeting. Labinot Berlajolli 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. 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. Ms. Kelly then conducted a roll call and indicated that a quorum of the Members was present.

### ***Approval of Meeting Minutes***

Mr. Walsh presented for consideration and approval the minutes of the Board's December 7, 2016 Open Session meetings. A copy of the meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Maloney, the December 7, 2016 Open Session meeting minutes were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as

***Resolution 3a.***

### ***Authority Matters***

#### ***CEO Report***

At the request of the Chairman, Mr. McKenna provided the Report of the Chief Executive Officer. In beginning his remarks, Mr. McKenna informed the Board that the SDA has received an infusion of approximately \$342 million in bond money, issued by the State Economic Development Authority (EDA).

Mr. McKenna then gave an update on the Trenton Central HS (TCHS) project. He reported that the design-builder, Terminal Construction (Terminal), continues with design phase services. He said that footings, foundations, and under slab utility work is ongoing.

Turning to projects in the Bridgeton School District, Mr. McKenna reported that the playground surface coating installation will be completed as soon as weather permits for the Buckshutem Road ES project. In regard to the Quarter Mile Lane ES project, he said that renovation work on the existing school is ongoing.

Mr. McKenna advised the Board that for the Camden HS project, environmental consultant Brinkerhoff Environmental was issued a task order and is actively performing additional investigative work that will inform the development of the school design by the Authority. In regard to the East Orange George Washington Carver ES project, he said that the contractor is proceeding with building demolition.

Mr. McKenna next gave an update on the Elizabeth New ES project. He said that major site-work activities including sanitary system, storm water management system, and natural gas utility installation are all progressing well. He added that building exterior concrete masonry unit back-up wall installation has been completed and the building has been enclosed from the weather. He said that the finished façade masonry installation work will begin within the next few weeks. He noted that electrical, mechanical, and plumbing rough-in work is ongoing and progressing well.

With respect to the Garfield James Madison ES No. 10 project, Mr. McKenna said that structural steel erection is approximately 85% complete and major site-work activities are ongoing. He reported that for the Gloucester ES/MS project, a temporary certificate of occupancy (TCO) was issued by Department of Community Affairs on December 20. He said

that the design-builder, Terminal, is expected to complete all work necessary for substantial completion within the next few weeks.

At this time, Mr. Lewis-Powder joined the meeting by teleconference.

In regard to the Harrison New ES project, Mr. McKenna reported that a notice to proceed (NTP) with design phase services and demolition had been issued to Brockwell & Carrington the previous month. He said that the kick-off meeting was held on December 19 and Brockwell & Carrington has commenced with design phase services. For the Irvington Madison Avenue ES project, Mr. McKenna informed the Board that building demolition and site work are complete. He reminded the Members that a recommended award for design-build services to Ernest Bock & Sons, Inc. (EBS) was approved by the Board the previous month. He said that a notice of award was issued on December 23.

Mr. McKenna reported that for the Keansburg Port Monmouth Road ES project, LAN Associates was issued a NTP with schematic design phase services late the previous month. With respect to the Jersey City ES No. 3 project, he said that the district has asked that the turnover of the school take place in April (2017). He added that the adjusted completion schedule anticipates TCO and substantial completion sometime later in the current month.

Mr. McKenna then gave an update on the addition and renovation project at the Millville HS. He said that price and technical proposals for design-build services are scheduled to be received January 18, 2017. In regard to the New Brunswick Paul Robeson ES project, he said that footings, foundation, and site work is ongoing and structural steel erection and masonry work had begun the previous month.

Turning to projects in the Newark School District, Mr. McKenna reported that, following the 11-month walk-through at the Newark Elliott Street ES project, SDA issued a list of items to

be addressed by the design-builder, Hall Construction. In regard to the South Street ES project, he said that the design-builder, EBS, is actively working on the final design phase. He added that footings, foundations, and under slab utility work is complete. He said that structural steel erection began the previous month and is anticipated to be completed by the end of the current month.

Mr. McKenna then gave an update on projects in the Orange School District. He said that for the Cleveland ES project, the design consultant, LAN Associates, continues work on the design phase. In regard to the Orange HS project, he reported that additional investigation activities by the design consultant, Kliment Halsband Architects (KHA), are completed. He said that a recommendation to approve the project planning charter is on today's agenda. Mr. McKenna advised the Board that approval of the planning charter will allow SDA to authorize KHA to proceed with design and construction administration services and procure the professional and construction services needed to complete the project.

With respect to the Passaic Leonard Place ES project, Mr. McKenna said that footings, foundation, and underground work is well underway. For the Pemberton Denbo-Crichton ES project, he reported that the early site package is in development in anticipation of advertising during the first quarter of 2017. He noted that the SDA design studio continues development of the bridging design.

Mr. McKenna reported that for the Perth Amboy Seaman Avenue ES project, design phase services by the design-builder, Epic Management, Inc. are ongoing. In regard to the Vineland New MS project, he said that the design-builder, EBS, continues with the project's design services phase. He said that footings, foundations, and under slab utility work are ongoing. With respect to the West New York Harry L. Bain PS No. 6 project, Mr. McKenna that

that courtyard masonry repair work is 90% complete and window installation work is ongoing. He added that ceiling, HVAC, and electrical system work continues.

Turning next to ongoing procurement activity, Mr. McKenna said that a procurement for design-build services for the Millville HS project is currently underway.

Reporting on events, outreach and other SDA activities, Mr. McKenna advised the Board that the SDA's December 2016 Biannual Report was released the previous month and posted on the SDA's website.

He then advised the Board that SDA staff had recently volunteered at the Community Foodbank of NJ in Hillside and in South Jersey. He said that staff sorted food donations that will be utilized by less fortunate families around the state.

Mr. McKenna informed that Board that a beam signing ceremony for the new South Street ES in Newark is scheduled for Friday, January 6. He said that SDA staff is working on similar events in Garfield for the James Madison ES and the Paul Robeson Community School for the Arts in New Brunswick. He reported that Governor Christie has expressed an interest in touring the TCHS swing spaces and that Communications staff is in the process of scheduling that tour.

By way of follow up to public comments expressed during the Organizational Meeting, Mr. Maloney said that, as a Board Member, he has the utmost confidence in Mr. McKenna in his role as the Authority's CEO.

### ***Audit Committee***

At the Chairman's request Mr. Nixon provided the report of the Audit Committee. Mr. Nixon reported that the Audit Committee met on December 19, 2016. He advised the Board that

management had provided the Committee with the November 2016 New Funding Allocation and Capital Plan Update. He said that management reported that there was a change in only one of the reserve balances for SDA Districts. Specifically, he advised that there was an increase in commitments of \$1.5 million in the Planning Reserve balance following the Board's approval of the final project charter for the Harrison New ES. He reported that the increase was based upon the award value for that design-bid project. He noted that the reserve balance for the Regular Operating Districts (RODs) increased by \$4.7 million during the reporting period.

Next, Mr. Nixon said that management also provided the Committee with the Authority's 2017 Capital Spending Forecast. He explained that the forecast anticipates expenditures of approximately \$363 million for school facilities projects, which represent a decrease of approximately \$19 million over the estimated actual spending in 2016. Mr. Nixon explained that the forecast is based on the Treasury Updated Spending Models which help to ensure that there is an optimum level of cash on hand and that additional funds are appropriately obtained within the State's bonding schedule.

Mr. Nixon then reported that management presented the results of the Authority's Prompt Payment Compliance Act Audit (the Audit). He described the scope of the Audit and advised the Board that the Audit showed that there were no instances of untimely payments. He advised that, as part of the Audit, a sample of 72 paid invoices between July 1, 2015 and June 30, 2016 was reviewed. He said that the Audit demonstrated that the SDA is complying with the requirements of the Prompt Payment Act.

In continuing, Mr. Nixon reported that the results of three real-time construction audits were presented to the Committee. He explained that the audits were conducted in compliance with the statutory requirement that capital portfolio projects costing over \$10 million be

reviewed to assess whether state funds are being expended consistent with applicable contract terms, SDA practices and state rules and regulations. He advised that the audits revealed that the State funds utilized for the projects were expended prudently and consistent with legal requirements.

### *School Review Committee*

#### **Planning Charter and Design Consultant Services Advancement – Orange Public Schools District – Orange High School – Addition and Renovation Project**

Mr. Walsh asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie said that the School Review Committee met on December 19, 2016. He then presented for Board consideration management's recommendation for advancement of a planning charter and design consultant services for the Orange HS project (the Project). Mr. Luckie reported that the SDA's 2012 Capital Plan identified a project to address facility conditions deficiencies at the Orange HS in the Orange Public School District. He said that the Orange HS is a 111,314 square foot facility currently educating 804 students in grades 10 through 12. He informed the Board that the work being advanced by the Authority at the High School will include renovations to address facility conditions deficiencies and an addition which will allow for a district-wide change in grade alignment to address district-wide overcrowding at all grade levels. Mr. Luckie said that, on April 1, 2015, the Members of the Authority approved the award of a contract for design consultant services to KHA for the Project and, in May 2015, KHA was authorized to proceed with pre-design phase services. He reported that KHA developed and analyzed options for delivery of the Project's scope to most effectively and efficiently address the identified facilities conditions deficiencies along with educational program needs. He advised that, based upon the results of the predesign phase services and the completion of successful negotiations,



management is recommending that the Board approve the retention of KHA for performance of design and construction administration services for a total lump sum fee of \$3,146,441.00, inclusive of \$530,000.00 in allowances. Mr. Luckie said that management has found KHA's proposal to be inclusive of all needed design consultant services through Project completion. He said that management is also recommending that the Board approve the Project's planning charter. In response to an inquiry by Mr. Walsh, Mr. Sherman offered additional details regarding the project.

A resolution pertaining to the planning charter and design consultant services advancement for the Orange HS addition and renovation project had been provided to the Board prior to the meeting. Upon motion duly made by Mr. Maloney and seconded by Mr. Walsh, the recommended revised planning charter and advancement of the design consultant services by LAN Associates were approved with the Board's unanimous vote in favor of ***Resolution 6a***.

### ***Public Comments***

The Chairman announced the opening of the Public Comments portion of the Board Meeting.

The Chairman asked Mr. Frank Faras of the City of Trenton to address the Board. Mr. Faras said that two months prior, at a Board meeting, he had asked the Chairman to look into providing him with a copy of a feasibility study for the TCHS project as he had not been able to obtain it through an Open Public Records Act (OPRA) request. He asked if the Chairman had had a chance to follow up. The Chairman indicated that he had not. Mr. Faras said that the documentation he had received in response to an OPRA request was not what he had been seeking. Mr. Walsh said that he would look into it but requested some clarity as to exactly what Mr. Faras is seeking. Mr. Faras said that he is looking for the feasibility study required by law.

He said that he had been provided a feasibility study for the school's Building A but noted that the law requires a feasibility study of the entire building. He said that he would return to a Board meeting at a later date to obtain the study.

Ms. Kelly then announced that the Board would be adjourning into Executive Session to discuss two items: first, a recommendation for declaration of surplus property, determination of property value and authorization for the transfer of certain SDA owned properties to the City of Camden; and second, a recommendation for settlement of litigation between the NJSDA and Sambe Construction Co., Inc. relating to the Egg Harbor Township HS project. She said that the Board would vote on these matters upon its return to Open Session.

Thereafter, upon motion by the Chairman and with unanimous consent, the meeting adjourned into Executive Session.

Following discussion in Executive Session, the Board returned to Open Session.

Mr. Vargas said that the Committee recommends that the Members of the Authority declare SDA owned Property located at 707-709 Market Street and 108 North 7<sup>th</sup> Street in the City of Camden to be surplus property, determine its property value to be as set forth in the meeting materials and authorize its transfer to the successful bidder(s) following a public process. Upon motion duly made by Mr. Mr. Nixon and seconded by Ms. Hassett, the Board approved the Committee's recommendation in this matter with its unanimous vote in favor of ***Resolution A1.***

A resolution pertaining to the settlement of litigation between the SDA and Sambe Construction Co. Inc. relating to the Egg Harbor Township HS project that had been provided to the Board in advance of the meeting. It was agreed that the resolution distributed to the Board in advance of the meeting would be revised to reflect the Board's discussion and its direction as

provided in Executive Session. Upon motion duly made by Mr. Maloney and seconded by Ms. Hassett the recommended litigation settlement was approved with the Board's unanimous vote in favor of *Resolution A2* as revised.

There being no further business to come before the Board, 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 January 4, 2017 meeting.

*/s/ Jane F. Kelly*  
Assistant Secretary