

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, AUGUST 2, 2017**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, August 2, 2017 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 (EDA)
Kevin Luckie (DCA)
Bernard Piaia (DOE)
Matthew Spadaccini (Treasury)
Michael Capelli
Loren Lemelle
Michael Maloney
Robert Nixon
Mario Vargas

being a quorum of the Board. Mr. Capelli, Ms. Lemelle, Mr. Piaia and Mr. Spadaccini participated in the meeting by teleconference.

At the Chairman's request, Charles McKenna, chief executive officer, Andrew Yosha, executive vice president; Jane F. Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; Manuel Da Silva, vice president; Albert Barnes, chief counsel; Paul Hamilton, director; Corrado Minervini, director; and Jacob Moneta, director of the SDA, participated in the meeting. Thomas Huth 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 33 West State Street 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 July 5, 2017 Open Session meeting. 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. Luckie, the July 5, 2017 Open Session meeting minutes was approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Resolution 3a***.

Authority Matters

CEO Report

At the Chairman's request, Mr. McKenna provided the Members with the report of the CEO. He began his report with an update on the Trenton Central HS (TCHS) project. He said that structural steel installation is near complete, and roofing, exterior sheathing and concrete masonry unit installation work is ongoing. He said that the final building design resubmitted to the Department of Community Affairs (DCA) in July has incorporated prior DCA comments.

With respect to the Bridgeton Buckshutem Road ES and Quarter Mile Lane ES projects, Mr. McKenna said that both projects have been completed and SDA staff is currently closing them out. In regard to the Camden HS (CHS) project, he reported that SDA staff received price

proposals for demolition services on July 25 and a recommendation of award is on today's meeting agenda. He informed the Members that a lawsuit has been filed in connection with the project but that, to date, the Authority has not been served and no temporary restraints have been sought. In connection with the project's demolition services procurement, he noted that the third ranked firm has filed a bid protest that management will be discussing later in the meeting. For the East Orange George Washington Carver ES project, he said that an initial notice to proceed (NTP) authorizing the start of the design phase was issued to the design-builder.

Mr. McKenna informed the Members that, for the Elizabeth New ES project, substantial completion is scheduled to be achieved the middle of this month. He reported that furniture, fixtures, equipment and IT work is scheduled to be completed this month. He said that SDA staff is looking forward to a hectic month of August but a smooth school opening in September. In regard to the Garfield James Madison ES No. 10 project, he said that exterior veneer work continues to progress well.

Mr. McKenna advised the Members that, for the Harrison New ES project, Brockwell & Carrington's preliminary design submission No. 1 is under review by the DCA. He added that preliminary design submission No. 2 is under review by the SDA. Concerning the Irvington Madison Avenue ES project, he advised the Members that design phase services continue. He said that SDA staff expects construction activities associated with the building's foundation to commence later this month.

Mr. McKenna said that design development phase services are ongoing for the Keansburg Port Monmouth Road ES project. For the addition and renovation project at the Millville HS, he reported that Hall Construction continues with on-site investigations to confirm existing conditions. He added that proposals for construction management (CM) services are

due this week and staff is scheduled to open sealed bids on August 22. With respect to the New Brunswick Paul Robeson ES project, Mr. McKenna said that masonry, HVAC, electrical and plumbing work is ongoing. For the Newark South Street ES project, he reported that rooftop HVAC, rough electrical and plumbing, roofing, windows and exterior brick work is ongoing.

Turning to projects in the Orange School District, Mr. McKenna advised the Members that, for the Orange Cleveland ES project, the design consultant is finalizing the design development phase. He said that the abatement, demolition and site improvements contractor mobilized the previous month. He added that SDA staff expects the three buildings to be down next month. For the Orange HS project, he reported that the design consultant has started work on the design development phase.

In continuing, Mr. McKenna gave an update on projects in the Passaic School District. He reported that, for the Leonard Place ES project, concrete deck work has been completed and design phase services are ongoing. With respect to the Dayton Avenue Educational Campus project, SDA's largest project to date, he informed the Members that SDA staff advertised the design-build services package in mid-June and technical and price proposals are due September 7. He said that SDA staff would open price proposals on September 28.

Next, Mr. McKenna reported that the Charter School formerly located on the Paterson Union Avenue MS project site has vacated the premises. He said that the demolition contractor is preparing to commence abatement work later this month.

Mr. McKenna reported that, for Pemberton Denbo Crichton ES project, temporary space is being readied for the upcoming school year and abatement has commenced. He added that design-bid-build documents are being finalized. For the Perth Amboy Seaman Avenue ES project, he said that design phase services are ongoing and site utility and curb installation work

is ongoing. He informed the Members that SDA staff is scheduled to issue a NTP with footings, foundations and under slab utility work this month.

Next, Mr. McKenna said that, for the Vineland New MS project, masonry, steel erection, roofing, electrical, plumbing, HVAC and site work are ongoing. With regard to the West New York Harry L. Bain PS No. 6 project, he reported that phased turnover of the facility to the district has begun. He noted that the school would be reopened in September.

Turning next to ongoing procurement activity, Mr. McKenna said that, later in the meeting, procurement staff would be presenting a demolition services award for the Camden HS project. He said that other activity currently underway includes procurements for: design-build services for the Passaic Dayton Avenue Educational Campus project; CM services for the Millville HS project; site consultant services; legal services; OCIP IV broker services; and business, real estate property & casualty insurance broker services.

Reporting on events, outreach and other SDA activities, Mr. McKenna informed the Members that, on Friday, July 14, SDA accepted a Good Neighbor Award from the NJ Business & Industry Association for the new Phillipsburg HS. He said that Tom Schrum and Aruna Reddy accepted the award on behalf of the SDA. He reported that fourteen construction projects received Good Neighbor Awards for improving New Jersey's economy and landscape.

In concluding, Mr. McKenna informed the Members that a ribbon cutting ceremony for the Harry L. Bain School reopening tentatively has been scheduled for September 5. He said that Communications staff is working to schedule a groundbreaking ceremony for the Perth Amboy Seaman Avenue School in the next few weeks. He added that SDA staff is waiting for the district to provide a date for the scheduling of a ribbon cutting ceremony for the New Elizabeth ES.

School Review Committee

Demolition Contractor Award – Camden City School District – Camden High School; Preliminary Project Charter – Keansburg School District – Port Monmouth Road Elementary School – Addition and Renovation Project; Change Order - Elizabeth New Elementary School - Elizabeth School District

Mr. Walsh asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie said that the Committee met on July 17, 2017. He said that the first matter for Board consideration involves a demolition contractor award in connection with the Camden HS project. He reported that the CHS project was approved for advancement in the Authority's 2012 Capital Plan. He said that, following Board approval, management engaged Design Ideas Group Architecture + Planning (DIG) to perform predesign phase services. Mr. Luckie advised the Members that DIG analyzed and developed conceptual renovation options for the High School using a renovation space program developed by the state Department of Education (DOE) in conjunction with the District's Long Range Facilities Plan. He reported that preliminary studies confirmed that a complete renovation of the existing CHS facility would not be cost effective. He informed the Members that it was determined that a new school 1) will fully address educational program requirements while a renovation project would not; 2) will better address facilities conditions needs over the extended life cycle of the facility; and 3) the cost of a project to renovate the entire existing facility is greater than the cost of delivering a new facility. Mr. Luckie said that, on October 5, 2016, the Board approved the project's preliminary charter authorizing demolition of the existing High School facility utilizing an early site package and construction of a new 242,000 square foot school facility. He said that the demolition contract scope consists of the demolition of the three existing structures on the High School site, totaling 287,500 square feet, through design-build delivery. He reported that, on June 9, 2017, SDA

began the process to procure demolition services for the project and management is now recommending Board approval of the demolition contract award in the amount of \$6,682,000 to USA Environmental Management, Inc. (USA). Mr. Luckie said that USA has confirmed that its price proposal is inclusive of all scope elements contained in the contract documents.

Mr. Barnes informed the Members that the bid protest that was received from third ranked firm Meco Constructors, Inc. is being evaluated by SDA staff. He said that if the Board approves the demolition services award, the notice of award would not be issued until legal review of the bid protest is completed. He emphasized that if the protest is meritorious, SDA staff would come back to the Board.

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. Nixon, the demolition contractor award for the Camden HS project was approved with the Board's unanimous vote in favor of *Resolution 5a*.

At the Chairman's request, Mr. Luckie discussed management's recommendation for a preliminary charter for the Port Monmouth Road School project in the Keansburg School District. He reported that, in October 2012, the Board approved a unified approach to address district-wide overcrowding in the Keansburg District by advancing projects at two facilities—the first being the recently completed Caruso ES and the second being a renovation of and addition to the Port Monmouth Road School. He said that completion of the Port Monmouth Road School Project (the Project) would provide an approximately 46,500 square foot facility designed to educate 315 pre-kindergarten students. Mr. Luckie informed the Members that, in March 2016, SDA issued LAN Associates (LAN) a NTP to develop and evaluate alternative design solutions to best address the district's educational program needs and identified facility condition

deficiencies. He said that, in December 2016, the Members authorized LAN to proceed with design and construction phase services and approved a revised planning charter for the Project. He said that, the same month, SDA staff issued LAN a NTP with advancement of schematic design phase services. Mr. Luckie advised the Members that LAN now has completed all elements of the schematic design phase and, in June 2017, SDA issued LAN a NTP with design development phase services. He said that management is now recommending that the Board approve the Project's preliminary charter as presented. He noted that the project scope and budget details are provided in the memorandum that staff previously had distributed to the Board.

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. Maloney, the preliminary charter for the Keansburg Port Monmouth Road School was approved with the Board's unanimous vote in favor of ***Resolution 5b***.

The Chairman asked Mr. Luckie to discuss management's recommendation for approval of proposed Change Order No. 1 for Torcon, Inc. in connection with the Elizabeth New ES Project (the Project). Mr. Luckie reported that the Elizabeth New ES will be a 140,000 square foot facility educating 880 students in grades 2 through 8. He said that the Board had approved advancement of the Project as part of the Authority's 2012 Capital Program. Mr. Luckie reminded the Members that, in November 2014, the Board approved the award of a contract for design-build services for the Project to Torcon, Inc. (Torcon) along with the Project's final charter. He said that, in March 2016, Torcon submitted change order requests totaling \$1,302,100 for additional work and associated costs required to satisfy acoustical performance requirements on the Project. He advised the Board that SDA initially rejected Torcon's

submittal as incomplete but that Torcon had resubmitted the package in April 2017. He explained that SDA staff then reviewed the merits of Torcon's request, a review that occurred periodically from April 2017 through July 2017, with Torcon providing SDA with additional supporting documentation. Mr. Luckie advised that all supporting documentation provided by Torcon has been assessed by SDA and negotiations have resulted in the proposed Change Order No. 1 in the amount of \$988,000. He explained that that this change order is necessary to meet acoustical performance requirements, including requirements to achieve permissible noise levels in interior spaces through minimizing impacts of outside and inside noises upon the interior spaces. He said that the negotiated resolution of this matter includes Torcon's agreement that it will not pursue additional compensation for any other costs associated with acoustical performance requirements or for any aspect reviewed and rejected by the SDA. Mr. Luckie advised the Board that, after selection of the appropriate solution to address the emergent condition, the SDA program operations division will inform the Board of that selection and provide updated project cost information within the approved not-to-exceed value. Mr. McKenna and Mr. Minervini provided additional background details pertinent to the proposed change order.

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 Ms. Hassett, the proposed Change Order No. 1 for Torcon, Inc. for was approved with the Board's unanimous vote in favor of ***Resolution 5c***.

Mr. Luckie advised the Members that staff also discussed with the Committee its recommendation for approval of revisions to the Camden HS Preliminary Project Charter. He

said that Mr. Vargas will formally present this matter as part of the Real Estate Committee's report.

Real Estate Committee

Revised Preliminary Project Charter for the Camden City School District's New Camden High School project and authorization to enter into an agreement with the Camden School District to reimburse the District for lease expenses associated with the temporary use of the Camden Boys and Girls Club

The Chairman then requested that Mr. Vargas provide the report of the Real Estate Committee. Mr. Vargas reported that the Real Estate Committee met on July 17, 2017 to consider two matters. He explained that he would present one matter in Open Session for approval and the second matter in Executive Session to be followed by a vote upon the Board's return to Open Session. Referencing material that previously had been provided for Board review, Mr. Vargas said that the first matter is management's recommendation of a preliminary project charter revision for the new CHS project. He reminded the Members that, in October 2016, the Board had approved a preliminary project charter for the construction of a new CHS on the site of the existing school. He said that the project scope includes demolition of the existing facility and construction of a new modern high school facility in its place. He advised the Board that, in an effort to identify potential options to provide "swing space" for the students during construction, SDA and the district have reviewed existing district facilities, city-owned properties and privately owned facilities. He reported that this review concluded that the combined use of the district-owned Hatch Middle School, Woodrow Wilson High School and Camden Boys and Girls Club (B&GC) facilities will provide the most efficient, timely and cost effective solution for housing the CHS general and alternative programs during construction. Mr. Vargas noted that staff presented this recommendation to both the School Review

Committee (SRC) and the Real Estate Committee (REC). He said that the SRC joins the REC in recommending Board approval of the CHS preliminary project charter as revised. Mr. Vargas further explained that, in approving the revised preliminary charter, the Board is authorizing the Authority to enter into an agreement with the Camden City School District to reimburse the district for lease expenses associated with the temporary use of the B&GC. Mr. Luckie then confirmed that the SRC also agreed to advance this recommendation to the Board. Mr. Walsh asked if the swing space would be needed for the entire four (4) years. Mr. McKenna noted that only time will tell if all four years will be required. Mr. Hamilton reminded the Board that the Authority would be reimbursing the district since the lease agreement is between the B&GC and the district. Ms. Hassett asked if the B&GC would still be able to continue in its regular capacity. Mr. McKenna answered in the affirmative.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. After discussion, upon a motion duly made by Mr. Luckie and seconded by Mr. Nixon the Board unanimously approved ***Resolution 6a***, thereby approving the revised preliminary project charter for the Camden City School District's New Camden High School project and authorizing staff to enter into an agreement with the Camden City School District to reimburse it for lease expenses associated with the temporary use of the Camden Boys and Girls Club.

Public Comments

The Chairman called on Frank Faras to address the Board. Mr. Faras said that he resides across the street from the TCHS site. He said that, over the previous few months, he has come to the Board and shared "the facts"-- pictures and a safety data sheet showing the clouds that are coming across the street from the site every twenty minutes all day. He said that the safety data sheet reflects that the material is carcinogenic. He said that he does not know what else to do as

he has been presenting the facts and SDA has done nothing about it. He said that this is going into the fourth month of this situation. He said that he is going to appeal to the Members' emotions—that one or two Members must have a “modicum of decency”. He asked what the Members would do if people were pouring carcinogens on their cars, their homes, near their families. He referenced the “Good Neighbor” award that SDA recently received and said that SDA is not a good neighbor. He asked that SDA “please stop it”.

Mr. McKenna asked Jay Moneta, SDA's safety director, to address the Board. Mr. Moneta provided the Board with a photo of the mortar mixing stations on the TCHS site reflecting that the same are enclosed by a tarp draping. Mr. Moneta said that the key is the exposure levels. He said that a senior environmental specialist from the Mercer County Department of Human Service visited the site, surveyed the situation and said that the tarp structure on the site is beyond what would be required. He noted that numerous other regulatory governmental entities have been to the site as well. Mr. Moneta said that SDA's safety staff is on the site at least once or twice each week and that he personally has parked across the street and did not observe the dust that Mr. Faras has described. He said that staff would continue to monitor the situation.

Mr. Faras responded to Mr. Moneta's comments. He disagreed with Mr. Moneta's comments given the nature of the silica at the site. He said that no one knows what the safe amount of exposure is. He said that he has videos of the dust coming across the street. He said that the County Inspector smelled and tasted the dust on his front steps and that the tarp was installed at her suggestion. He said that the worst time is at 6 AM but that the cloud continues all day, blowing onto the leaves and the roof. He said that, given the summer heat, he must leave

his windows open and the dust comes into his house. He invited Mr. Moneta to come to his home and experience what he has experienced.

Next, Jerrell Blakely addressed the Board. Mr. Blakeley said that he represents the Healthy Schools Now Coalition and Work Environment Council. He said that he would like to discuss the most recent emergent projects request process and ask a few questions. He said that twenty-one districts out of the thirty-one districts submitted 325 project applications as part of the most recent project request process. He said that the repair requests included such things as leaky roofs, crumbling facades, fire safety issues and the like. He said that, unfortunately, 95% of the submitted projects were rejected. He said that those approved included 11 projects in Newark, 2 in Plainfield, 1 in Camden and 1 in Bridgeton. He asked how 95% of the projects could be rejected. He said that he would be reaching out to the DOE as well. He described the particulars of two individual projects that were approved and rejected respectively. He expressed his concern that the process appears to be “arbitrary” and questioned what constitutes a complete application. He asked whether the districts would have the opportunity to submit additional documentation; whether there will be additional opportunities for districts to submit applications; and whether training was provided to assist the districts in preparing applications for submission. He also questioned how much money had been set aside for the process and how much remains. Mr. McKenna and Mr. Blakeley both noted that they meet periodically to discuss these issues. Mr. McKenna indicated that he understood Mr. Blakeley’s desire to put his concerns on the public record. Mr. Blakeley offered to work with DOE and SDA to provide training to the districts. Mr. Blakeley thanked the Members for the opportunity to speak and said that he would continue to meet with Mr. McKenna.

Ms. Kelly then announced that the Board would be adjourning into Executive Session to discuss management's request for the authority to enter into an agreement wherein SDA would consent to the transfer and redevelopment of real property purchased in connection with the East Orange Cicely L. Tyson School demonstration project. She said that the Board would vote on this matter when it returns 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.

A resolution pertaining to an East Orange real property transfer and redevelopment matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Ms. Hassett, management's request for authorization to enter into an agreement consenting to the transfer and redevelopment of real property acquired in connection with the East Orange Cicely L. Tyson School Demonstration Project was approved with the Board's unanimous vote in favor of ***Resolution A1***.

Adjournment

There being no further business to come before the Board, Mr. Walsh 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 August 2, 2017 meeting.

/s/ Jane F. Kelly
Assistant Secretary