

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS TELECONFERENCE MEETING
WEDNESDAY, FEBRUARY 3, 2021**

A teleconference meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, February 3, 2021 at 9:00 A.M.

Participating by teleconference were:

Robert Nixon, Chairman
Michael Kanef (Treasury)
Bernard Piaia (DOE)
David Nuse (EDA)
Kevin Luckie (DCA)
Kevin Egan
Richard Elbert
Loren Lemelle
Lester Lewis-Powder
Michael Maloney
Mario Vargas

being all the Members of the Board.

At the Chairman's request, Manuel Da Silva, chief executive officer; Andrew Yosha, vice president; Jane F. Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; and Albert Barnes, chief counsel, of the SDA, participated in the meeting by teleconference. Joy Johnson of the Governor's Authorities Unit (GAU) also participated in the meeting by teleconference.

The meeting was called to order by the Chairman of the Board, Mr. Nixon. The Chairman then asked Ms. Kelly to 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. She said that a call-in number was provided on the SDA Website so that members of the public could participate in the meeting by teleconference. She also advised the Members that the call-in number for the meeting was posted at the SDA offices earlier in the morning. Ms. Kelly then conducted a roll call and indicated that all of the Board Members were present.

Approval of Meeting Minutes

The Chairman presented for consideration and approval the minutes of the Board's December 2, 2020 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 Ms. Lemelle, the Open Session minutes of the December 2, 2020 SDA Board meeting were approved by the Board with the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 3a.***

Next, Mr. Nixon presented the January 6, 2021 minutes of the Authority's Annual Organizational Board meeting. A copy of the minutes and a resolution were provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Ms. Lemelle, the SDA's January 6, 2021 Organizational Board meeting minutes were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Resolution 3b.***

Authority Matters

CEO Report

The Chairman then asked Mr. Da Silva for the Report of the CEO. Mr. Da Silva began his report with an update on design-build projects in the design phase. He reported that the Department of Community Affairs (DCA) has issued the permit for Package 1A and work is underway for the Perth Amboy HS project. He said that the permit application for piles, grade

beams and pile caps has been submitted to DCA. He added that soil settlement monitoring is underway and test pile work is anticipated to begin this month. For the Plainfield Woodland ES project, he advised that the design-builder, Epic Management (Epic), is responding to DCA comments on the design package. He noted that Epic has initiated non-permit site work i.e. drainage and water detention.

With respect to design-bid-build projects in the construction stage, Mr. Da Silva reported that, Niram, Inc., the construction contractor, has completed asbestos abatement and demolition activities for the Keansburg Port Monmouth Road School project. He added that footings and foundations activities are anticipated to begin there this month. For the Orange Cleveland Street ES project, he said that footings and foundations are complete and underground utility and masonry work is ongoing. He reported that the first phase of structural steel work is complete, with the final phase anticipated to be completed this month. He also reported that Phase 1 interior structural renovations in the existing building are complete, adding that asbestos abatement is in progress. Mr. Da Silva advised the Members that, after completion of Phase 1, Phase 2 renovation work in the existing building can be completed. For the Orange HS project, he advised the Board that exterior masonry veneer work, exterior window installation work and full building enclosure are complete. He added that interior finish work has begun.

Turning to design-build projects in construction, Mr. Da Silva advised that for the Passaic Dayton Avenue Educational Campus project, the building is weather tight and temporary heat is being provided to allow finish work to continue through the winter.

Audit Committee

Mr. Nixon, as Audit Committee Chairman, reported that the Audit Committee met on January 19, 2021 at which time management provided the Committee with the December 2020 New Funding Allocation and Capital Plan Update. He said that staff had informed the

Committee that there were no changes in any of SDA District Reserve balances during the reporting period.

He then advised the Board that the reserve balance for the Regular Operating Districts (RODs) increased by \$1.6 million during the reporting period due to a reduction in state share for grant projects nearing completion.

Next, Mr. Nixon reported that the Internal Audit Division (IA) provided the Committee with the 2021 proposed Audit Plan. He advised the Board that the audits would be initiated in 2021 by either IA staff or the Authority's contract auditors, Baker Tilly. He reported that IA has proposed initiation of 8 real-time project audits, one grant audit, and 7 operational audits. Mr. Nixon thanked Mr. Green and his staff of auditors for their professionalism and hard work.

In concluding his report, Mr. Nixon said that, for informational purposes, management provided the Committee with the Authority's 2020 Capital Spending Forecast. He explained that the forecast is based on 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. He reported that the forecast anticipates the expenditure of approximately \$317 million for school facilities projects, representing an increase of approximately \$20 million over the estimated actual spending in 2020. Mr. Nixon thanked Rob Carney, Greg Voronov and their staffs for their hard work.

Public Comments

The Chairman then opened the Public Comments portion of the meeting. At his request, Mr. Charles Kratovil of New Brunswick addressed the Board.

Mr. Kratovil began his remarks by stating that he has a lot of concerns regarding the SDA. He referenced a report that was issued by the State Commission of Investigation and read certain sections of the report's executive summary, including those focused on "bad hires".

Mr. Kratovil noted his concerns with the Governor who had placed a former SDA Chief of Staff and a former Chief Executive Officer with the Authority. He also referenced the Governor's nomination of a current member of the SDA Board of Directors to serve on the Rutgers Board of Governors. He said that he does not understand why the children of New Brunswick cannot have good schools when an agency exists to build schools for them. He questioned whether this is due to incompetence, hiring decisions, or failed leadership by the Governor. He asked whether this is why the Robert Wood Johnson organization is in the position of building schools. He said that this (RWJ school project) will result in the children of New Brunswick being denied the best schools and with the children being warehoused until this private organization comes through on its promise. He questioned the SDA's future viability and funding.

The Chairman thanked Mr. Kratovil for his comments, adding that the SDA organizational matters he referenced occurred in the past and that significant steps have been taken by the Board and management to address them. He said that there is time to talk about the Authority's future and funding and SDA is looking forward to working towards the provision of funding so that the Authority can continue to do what it does—build schools.

Mr. Nixon then announced that the Board would be adjourning into Executive Session. Ms. Kelly announced that the Board will adjourn into Executive Session to discuss a proposed settlement of cost recovery litigation relating to the New Long Branch HS project. She added that the Board will vote on this matter upon its return to Open Session. She asked that the Chairman present ***Resolution 9***.

Upon motion duly made by Mr. Piaia and seconded by Mr. Lewis-Powder, the Board resolved to adjourn the meeting into Executive Session to discuss the matter so described with its unanimous vote in favor of ***Resolution 9***.

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

Mr. Luckie announced that in Executive Session the Board had discussed the SRC's recommendation that the Board approve the proposed settlement of cost recovery litigation in connection with the New Long Branch HS project.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Ms. Lemelle, the Committee's recommendation in this matter was approved by the Board with its unanimous vote in favor of *Resolution A1*.

Adjournment

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 February 3, 2021 meeting.

/s/ Jane F. Kelly
Assistant Secretary