

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, MARCH 1, 2023**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, March 1, 2023 at 9:00A.M. in the Joseph A. McNamara Board Room at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Robert Nixon, Public Member, Chairman

Juan Burgos (EDA)

Kevin Luckie (DCA)

David Moore (Treasury)

Bernard Piaia (DOE)

Daniel Gumble, Public Member

Lester Lewis-Powder, Public Member

Michael Maloney, Public Member

Mario Vargas, Public Member

being all the Members of the Board. Mr. Gumble, Mr. Moore, Mr. Lewis-Powder and Mr. Piaia participated in the meeting by teleconference.

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

Pledge of Allegiance

Led by the Chairman, the Members and all assembled stood and recited the Pledge of Allegiance.

The meeting was called to order by Mr. Nixon, 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 been duly posted on the Secretary of State's bulletin board at 20 West State Street in Trenton, New Jersey and on the SDA Website. Ms. Kelly then conducted a roll call and indicated that all the Members of the Board were present.

Approval of Meeting Minutes

The Chairman presented for consideration and approval the minutes of the Board's January 4, 2023 Open Session and Executive Session meetings, along with the minutes of the 2023 SDA Organizational meeting. A copy of all meeting minutes and resolutions were provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Vargas, the January 4, 2023 Open Session, Executive Session and 2023 SDA Organizational meeting minutes of the SDA Board were approved with the Members' unanimous vote in favor of the resolutions attached hereto as ***Resolutions 3a., 3b. and 3c.***

Authority Matters

CEO Report

Mr. Nixon asked Mr. Da Silva for the report of the CEO. Mr. Da Silva began his report with an update on design-bid-build projects in the construction stage. He said that for the Union City New Grade 7-9 School project, site earthwork is ongoing and the initial design review package is currently under review by the Department of Community Affairs.

Turning to design-build projects in construction, Mr. Da Silva reported that for the Millville High School addition and renovations project, Phase IV auditorium addition interior finish work is ongoing with an expected delivery later this month. For the Perth Amboy High

School project, he said that interior wall framing continues and drywall work is commencing. He advised the Board that for the Plainfield Woodland Avenue Elementary School project, all finish work is proceeding on the interior and exterior of the building. He added that staff anticipates building turnover to the District later this summer.

Next, Mr. Da Silva gave an update on design-bid-build projects in the construction stage. He reported that for the Orange High School project, the building has been turned over and is being occupied by the District. He added that staff will return mid-year to install the new boiler breeching and the greenhouse.

With respect to projects in the procurement stage, Mr. Da Silva said that the Authority's procurement for a general contractor for the Orange Cleveland Street Elementary School project was advertised in late January. He added that bids will be publicly opened on April 5.

Turning to Authority events, outreach and other activities, Mr. Da Silva informed the Committee that director Joseph Lucarelli attended and received a New Jersey Leading Capital Construction Project Award from the Alliance for Action on Thursday, February 16. He said that this award recognizes the new Perth Amboy High School project that is currently in construction. Mr. Nixon thanked Mr. Lucarelli and his team for their work on the project.

Mr. Da Silva then reported that, the previous month, management attended the Presentation Award of Extraordinary Personal Action to Juancito "Tip" Jones, a construction trades professional at the Perth Amboy High School. He said that Mayor Caba and Kevin Duncan with the Trade Union Bricklayers and Allied Craftworks, presented the award in recognition of Mr. Jones' selfless and courageous act of rendering lifesaving aid to a co-worker on November 7, 2022, which resulted in Mr. Jones saving his co-worker's life.

Next, Mr. Da Silva gave an update on Assembly Bill No. 4496 (the Bill). He said that the Bill, which revises various statutory provisions governing construction of school facilities

projects and operations of SDA, was released by the Assembly Appropriations Committee on Thursday, February 23.

Finally, Mr. Da Silva said that the Members will recall that, after a competitive process, Mark Conte, was selected to fill the safety director role following the death of the Authority's longtime safety director, Jacob Moneta, in 2022. He advised the Board that Mr. Conte has been a member of the Safety team since 2003, serving as a field compliance inspector. He said that Mr. Conte has over 30 years of experience in construction safety and health, environmental safety and health management and has extensive training credentials. He explained that management posted the director position as a field-based position this time, meaning that, in addition to his leadership responsibilities in the unit, Mr. Conte continues to retain individual project-related responsibilities as well. Mr. Da Silva then introduced Mr. Conte to the Members.

Audit Committee

Mr. Nixon, as Audit Committee Chairman, reported that the Audit Committee met on February 13, 2023 at which time management provided the Committee with the January 2023 New Funding Allocation and Capital Plan Update. He reported that there was a \$3.7 million decrease in the Unforeseen Events Reserve balance. He said that this increase in commitments follows Board approval of the revised final project charter for the Orange High School addition and renovation project. He advised the Board that there were no changes in any of the other reserve balances for the reporting period. Additionally, he said that there was no change in the Program Reserve for the Regular Operating Districts during the reporting period.

Mr. Nixon said that, for informational purposes, management provided the Committee with the Authority's 2023 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. He reported that the forecast anticipates the expenditure of approximately \$271 million

for school facilities projects, representing a decrease of approximately \$16.2 million over the estimated actual spending in 2022. He advised the Board that this decrease is attributable to a lower amount of forecasted payments for emergent & capital maintenance grants and school furniture, fixtures, equipment & technology costs. He noted that the decreases are offset primarily by increases in forecasted spending for design services, project insurance and property acquisition, relocation & environmental costs.

Next, Mr. Nixon reported that SDA's internal auditors (IA) provided the Committee with the results of one operational audit. He then advised the Members that the IA division also presented the Committee with the proposed 2023 Audit Plan (Plan) and identified audits initiated or to be initiated this year by IA staff or SDA's contract auditors, Baker Tilly. He said that the Plan equates to approximately 5,000 audit hours – 1,400 staff auditor hours, and 3,600 Baker Tilly hours.

Lastly, Mr. Nixon advised that, in compliance with the 2019 changes to the SDA Bylaws and Audit Committee Charter, the CEO reported to the Committee regarding Authority personnel matters in his quarterly staffing report.

School Review Committee

The Chairman asked Mr. Vargas to provide the report of the School Review Committee. Mr. Vargas reported that the Committee met on February 13, 2023, at which time four items were discussed. He said that the management is seeking Board approval of the proposed adoption of the Authority's Section 15 Grant Procedures Rules (Rules). He reported that these Rules govern the Authority's administration of a grant program for the state share of the final eligible costs for school facilities projects in non-SDA Districts (i.e. RODs). He explained that the Rules were scheduled to expire on July 1, 2022 and, in their review, staff determined that the Rules, in their then-current form, required no changes with the exception of certain minor

amendments. He reminded that Members that the Board approved the rules for proposal and publication and that they were later published in the New Jersey Register on September 6 as a Notice of Adoption of New Rules. He said that the Board memorandum includes a full discussion of the Rules' background and prior regulatory history, along with a summary of the proposed amendments.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Piaia, the Board approved the Adoption of the Authority's New Rules for Section 15 Grant Procedures with minor amendments, the issuance of the Notice of Adoption and the filing of the Notice with the Office of Administrative Law upon the Board's unanimous vote in favor of ***Resolution 6a***.

Mr. Vargas informed the Members that the next three matters involve emergent work for two projects in Union City and one in Newark. He advised that in all three matters, management is seeking approval for a release of funds from the program reserve, a task order award and a final project charter. He said that, with respect to the funding source, the Members will recall that in 2008 and 2011, the Board approved a total of \$197 million to fund emergent project work in SDA Districts. He reported that, later, in July 2020, the Members provided an additional \$55.6 million to support the advancement of emergent projects by authorizing the reallocation of funds from the SDA's Unforeseen Events Reserve to the Emergent Projects Reserve. He said that also relevant to all three matters the Members are considering today is the General Contractors Task Order (GCTO) contract that the Authority has utilized for many years, the most recent one having been approved in 2019 and subsequently amended in 2022.

In continuing, Mr. Vargas advised that the first emergent project matter for Board consideration is the Union City Emerson Middle School (School) emergent project (Project). He said that the School was built in 1915 and is a 104,000 square foot facility educating 1,050

students in grades 6 through 8. He explained that in September 2021, after confirming the need for emergent roof replacement and stucco repairs at the School, the SDA engaged PS&S Architects to provide Project scope development services to address these conditions. He said that SDA staff decided to advance the Project through the GCTO contract and to require the general contractor (GC) to engage the services of a design consultant to complete design services. He informed the Members that on November 30, 2022, procurement staff contacted Delric Construction Company (Delric), the next firm on the GCTO contractor rotational list and, on December 1, 2022, Delric confirmed acceptance of the Task Order assignment. He noted that SDA staff will provide construction management oversight for the Project. Mr. Vargas said that SDA staff and Delric held a site visit on December 8, 2022 at the School to review and assess the condition of the roof and stucco. He noted that Delric's initial work will focus on project design based on the Project scope of work for a total not-to-exceed (NTE) cost of \$334,640. He explained that after the design work is completed, staff will review and validate the final projected cost and schedule and determine whether to advance the work on a time and materials (T&M) basis for the NTE amount or on a fixed cost basis. He said that the value of Delric's contract award will be \$2,047,000, with total funding for the Project estimated at \$2,843,000 as reflected in the Project's Charter. He added that funding for the total project costs is available within the SDA Program Reserve maintained for emergent projects.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Burgos and seconded by Mr. Luckie, a release of funds from the program reserve, task order award and final charter for the Union City Emerson Middle School emergent project were approved with the Board's unanimous vote in favor of ***Resolution 6b.***

Next, Mr. Vargas said management is requesting that the Board approve a release of funds from the program reserve, a task order award and final project charter for the Union City Hill Middle School (School) emergent Project (Project). He reported that the School, built in 1913, is a 102,000 square foot facility in the Union City Public Schools District educating 895 students in grades 7 and 8. He informed the Members that after confirming the need for emergent roof replacement and stucco and masonry repairs at the School, the SDA engaged Aptim Environmental & Infrastructure, LLC in November 2021 for the performance of Project scope development services. He explained that, upon completion of the services, staff determined to use the GCTO contract to advance the Project and to require the GC to engage the services of a design consultant. He advised that on November 28, 2022, procurement staff contacted Integrated Construction Enterprises (ICE), the next firm on the contractor rotational list and, on November 30, 2022, ICE confirmed acceptance of the Task Order assignment. Mr. Vargas reported that the assignment will be awarded on a T&M basis for a NTE value representing the most extensive scope of work pursuant to the Task Order Contract and that SDA staff will provide construction management oversight for the Project. He said that SDA staff and ICE held a site visit on December 8, 2022 at the School to review and assess the condition of the roof, stucco and masonry. He explained that ICE's initial work will focus on project design based on the Project scope of work for a total not-to-exceed cost of \$414,000. He said that once design work is completed, Authority staff will review and validate the final projected cost along with the schedule and determine whether to advance the work on a T&M basis for the NTE amount or on a fixed cost basis. He said that the value of the ICE contract award will be \$2,581,000, with total funding for the Project estimated at \$3,507,000, as reflected in the Project's Charter. He added that funding for the total project costs is available within the SDA Program Reserve maintained for emergent projects.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Piaia and seconded by Mr. Maloney, a release of funds from the program reserve, task order award and final charter for the Union Hill Middle School emergent project were approved with the Board's unanimous vote in favor of ***Resolution 6c.***

Mr. Vargas said that the final matter for Board consideration pertains to the Newark University High School (School) emergent project (Project). He advised that the School was built in 1957 and is a 149,000 square foot facility in the Newark Public Schools District educating 464 students in grades 7 through 12. He said that staff confirmed the need for an emergent roof replacement at the School and engaged Dewberry Engineers in October 2021 to perform Project scope development services to address these conditions. He explained that, upon completion of these services, the SDA determined to advance the Project through the GC Task Order Contract and to require the GC to engage the services of a design consultant to complete the design services. He advised that on December 2, 2022, staff contacted Hall Building Corporation (HBC) the next firm on the Task Order contractor rotational list and, that same day, HBC confirmed acceptance of the assignment. He added that the assignment will be awarded on a T&M basis for a NTE value representing the most extensive scope of work pursuant to the contract.

In continuing, Mr. Vargas said that on December 20, 2022 SDA staff and HBC held a site visit at the School to review and assess the condition of the roof. He noted that HBC's initial work will focus on project design based on the Project scope of work for a total NTE cost of \$204,400. He reported that upon completion of design work, Authority staff will review and validate the final projected cost along with the schedule and determine whether to advance the work on a T&M basis for the NTE amount or on a fixed cost basis. He said that the value of

HBC's contract award will be \$1,172,000, with total funding for the Project estimated at \$1,819,500, as reflected in the Project's Charter. He explained that funding for this Project is available from 2 sources--the SDA Program Reserve maintained for emergent projects, and a separate fund maintained by the Authority that contains the remaining proceeds from the sale of the former Newark Central High School (Central HS). He added that the Central HS fund will provide \$486,000 towards the Project's cost. He said that, as with the two Union City projects, since the construction award and the funds requiring release from the Program Reserve exceed \$500,000, both require Board approval, along with their Project Charters.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Piaia, and with Mr. Lewis-Powder recused and abstaining, a release of funds from the program reserve, task order award and final charter for the Newark University High School emergent project were approved with the Board's unanimous vote in favor of ***Resolution 6d***.

Mr. Nixon then asked for a motion to adjourn the Open Session of the meeting into Executive Session. He asked Ms. Kelly to announce the matter to be considered by the Board in Executive Session. Ms. Kelly advised that the Board will adjourn into Executive Session to discuss one item. She said that the Board will discuss the Authority's acquisition of real property in the City of Newark for a school facilities project and associated legal issues.

Upon motion by Mr. Maloney and seconded by Mr. Vargas the Board unanimously voted to approve ***Resolution No. 9*** and thereby adjourn the Open portion of the meeting into Executive Session.

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 March 1, 2023 meeting.

/s/ Jane F. Kelly
Assistant Secretary