

NEW JERSEY SCHOOLS CONSTRUCTION CORPORATION

September 27, 2006

**Board of Directors Meeting
1 West State Street, Trenton, NJ**

MINUTES OF THE MEETING

Directors of the Corporation present: Barry Zubrow, Chairman; Scott Weiner, Chief Executive Officer, New Jersey Schools Construction Corporation (SCC); Caren Franzini, Chief Executive Officer, New Jersey Economic Development Authority; Melissa Liebermann, representing the Office of the Governor; Michael Lihvarcik, representing Bradley Abelow, State Treasurer; Dominic Rota (telephonically), representing Virginia Bauer, Chief Executive Officer/Secretary, New Jersey Commerce, Economic Growth and Tourism Commission; Joseph Latooif, representing David Socolow, Commissioner, State Department of Labor and Workforce Development; Donna Arons, representing Lucille Davy, Acting Commissioner, State Department of Education (DOE); Thomas J. Manning, Raymond Burke, Joseph McNamara, Laurence Downes, Gabriella Morris and Carmen T. Ambar, Public Members.

Absent from the meeting: William Connolly, representative of Susan Bass Levin, Commissioner, State Department of Community Affairs.

Also present: Gerald T. Murphy, Chief Operating Officer; Scott Guibord, Sr. Director; Donald Guarriello, Acting Chief Financial Officer; Beth Sztuk, Sr. Director; Richard Kunz, Sr. Director; John Clark, Chief Counsel; Barbara Bohi, Managing Director; Andrew Yosha, Managing Director; Thomas Schrum, Managing Director; Phillip Luccarelli, Managing Director; Regina Bleck, Regional Director; Paul Hamilton, Director; Ronald DeVito, Director; Peter McGlinchy, Director; Neil Hodes, Director; Joanne Walsh, Director; and other staff - all employees of the New Jersey Schools Construction Corporation; AAG Susan Roop, DAG George Ijutch and DAG Gary Kotler—all staff of the Department of Law and Public Safety, Division of Law; Bernie Piaia and James Ballentine, New Jersey Department of Education, Shirley Allen, Office of Government Integrity; Adam Hughes and Harry Simonini, Office of the Inspector General; Lorna Stark and Meghan Watson, KPMG, LLP, visitors and guests.

Chairman Zubrow called the meeting to order at 10:05 a.m.

In accordance with the Open Public Meetings Act, Chairman Zubrow announced that notice of the special meeting had been sent to the *Trenton Times* and the *Star Ledger* at least 48 hours prior to the meeting, and that a meeting notice had been duly posted on the Secretary of State's bulletin board at the State House in Trenton, New Jersey.

MINUTES OF THE BOARD MEETINGS

The first item presented was the approval of the August 15, 2006 Board Public Session Special Meeting Minutes.

MOTION TO APPROVE: Ms. Franzini **SECOND:** Mr. Downes

AYES: 14

The next item presented was the approval of the August 15 2006 Board Closed Session Special Meeting Minutes.

MOTION TO APPROVE: Ms. Franzini **SECOND:** Mr. Downes

AYES: 14

ANNUAL ORGANIZATIONAL MEETING

Chairman Zubrow welcomed the Directors to the annual organizational meeting and referred to his September 22, 2006 memo to the Board (Organizational Memo), which outlines the necessary organizational matters to be addressed, including the election/appointment of officers, the appointment of directors to serve as members of the three committees of the Board and the establishment of a schedule of regular Board meetings for the ensuing year. He stated that prior to addressing each of these matters, he was bringing forth a recommendation of the SCC's selection committee that Mr. Weiner be appointed as the SCC's chief executive officer. Chairman Zubrow reported that a national search was undertaken with the help of an outside executive search firm, Gilbert Tweed Associates, to identify candidates for the position, that a robust job description had been developed that reflected the skills and experience necessary for the position and that Gilbert Tweed Associates had identified a number of interesting candidates. He further stated that the selection committee comprised of himself, Ms. Franzini, Mr. Downes and Mr. Burke had interviewed numerous candidates; and that the selection committee concluded that Mr. Weiner's considerable professional background and experience and his excellent performance as interim chief executive officer of the SCC made him the ideal candidate to be appointed to the chief executive position. Chairman Zubrow said that the HayGroup Executive Compensation Study had provided an interim report which documented that the compensation for a comparable chief executive position in private industry would be in the mid-two hundred thousand dollar range. He further reported that the Board's Audit Committee had recommended that the Chief Executive Officer's annual salary be \$195,000. Based on the HayGroup's final compensation study, Chairman Zubrow indicated that a recommendation will be made that a bonus program be created in order to recognize the individual contributions of senior executives of the SCC who achieve certain measurable goals and to promote the type of corporate culture that is necessary for the schools construction program to thrive.

Chairman Zubrow, referring to his Organizational Memo, then made his recommendations to the Board for the election/appointment of officers. He also recommended that the Board fix the Chief Executive Officer's annual salary at \$195,000 as recommended by the Audit Committee.

After discussion, a motion was made by Mr. Burke, and seconded by Mr. Downes, upon which the following resolutions were unanimously adopted by the Board:

RESOLVED, that, effective immediately, the following persons be, and hereby are, elected to the office of the Corporation opposite their name, to serve in that office until the next annual meeting of the Board and thereafter until their successors shall have been duly elected, or until such earlier time as provided in Section 4.3 of the Corporation's By-Laws:

Vice Chairperson:
Treasurer:

Caren S. Franzini
Bradley I. Abelow

RESOLVED, that, effective immediately, the following persons be, and hereby are, appointed to the office of the Corporation opposite their name:

Chief Executive Officer:
Assistant Treasurer:
Chief Financial Officer (Acting):
Secretary:
Assistant Secretary:
Assistant Secretary:

Scott A. Weiner
Michael J. Lihvarcik
Donald R. Guarriello
Scott L. Guibord
Gerald T. Murphy
Beth E. Sztuk

provided, that Donald R. Guarriello shall serve as Chief Financial Officer (Acting) until such time as a permanent Chief Financial Officer is appointed by the Board.

RESOLVED, that, effective immediately, the annual salary of the Chief Executive Officer of the Corporation is hereby fixed at \$195,000.

At this time Mr. Manning joined the meeting.

Chairman Zubrow next announced his appointment of directors to the three committees of the Board, as well as his committee chairperson designations, as follows:

Audit Committee:

1. Laurence M. Downes, Chairperson (Public Member)
2. Barry L. Zubrow (Public Member)
3. A. Matthew Boxer (Office of the Governor)
4. Michael Lihvarcik (as designated representative of the State Treasurer per By-Law Section 2.2)
5. Raymond M. Burke III (Public Member)
6. Gabriella E. Morris (Public Member)

Schools Review Committee:

1. Caren S. Franzini, Chairperson (Chief Executive Officer of the New Jersey Economic Development Authority)
2. Barry L. Zubrow (Public Member)

3. Donna S. Arons (as designated representative of the Commissioner of the New Jersey Department of Education per By-Law Section 2.2)
4. Gabriella E. Morris (Public Member)
5. Joseph A. McNamara (Public Member)
6. William M. Connolly (as designated representative of the Commissioner of the New Jersey Department of Community Affairs per By-Law Section 2.2)

Land Acquisition Review Committee:

1. Joseph A. McNamara, Chairperson (Public Member)
2. Carmen Twille Ambar (Public Member)
3. Dominic Rota (as designated representative of the Chief Executive Officer & Secretary of the New Jersey Commerce & Economic Growth Commission per By-Law Section 2.2)
4. Leonard Katz (as designated representative of the Acting Commissioner of the New Jersey Department of Labor and Workforce Development per By-Law Section 2.2)
5. A. Matthew Boxer (Office of the Governor)
6. Thomas J. Manning (Public Member)
7. William M. Connolly (non-voting - as designated representative of the Commissioner of the New Jersey Department of Community Affairs per By-Law Section 2.2)

Chairman Zubrow then proposed, with Mr. Downes' concurrence, that Mr. Downes be designated by the Board as the Audit Committee's "financial expert," pursuant to the provisions of the Sarbanes-Oxley Act as required by Article III.C of the Audit Committee Charter.

After discussion, upon a motion made by Ms. Franzini, and seconded by Mr. Rota, the following resolution was unanimously adopted:

RESOLVED, that, pursuant to Article III.C of the Charter of the Audit Committee created by the Board, the Board hereby designates Audit Committee member Laurence M. Downes as the "Audit Committee financial expert" as defined pursuant to the provisions of Sarbanes-Oxley.

Chairman Zubrow next called attention to proposed Board meeting dates for the ensuing year. Upon motion made by Mr. Rota, and seconded by Ms. Liebermann, the following schedule of 2006-2007 Board meeting dates was unanimously approved and adopted:

**New Jersey Schools Construction Corporation
Board Meeting
@ 10:00 a.m.**

October 25, 2006
November 29, 2006
December 27, 2006
January 24, 2007
February 28, 2007
March 28, 2007
April 25, 2007
May 30, 2007
June 27, 2007
July 25, 2007
August 29, 2007
September 26, 2007

All Board meetings are to be held in the Board Room at the New Jersey Schools Construction Corporation, 1 West State Street, Trenton, New Jersey

CHAIRMAN'S REPORT

Chairman Zubrow noted that, in addition to the Board's meeting agendas and meeting minutes that are posted on the SCC website, the website postings will now include appropriate memoranda and other materials being considered by the Board for action during its public session. He further noted that these website enhancements constitute an important step towards more open and transparent SCC operations, and welcomed input from the public and fellow Board members regarding additional improvements. Chairman Zubrow referred to the fact that the day before Governor Corzine had signed Executive Order No. 37, which implements new reforms to increase transparency, efficiency and accountability of the State's Independent Authorities. He stated that he is confident that the SCC is in compliance with both the substance and the spirit of that Executive Order.

EXECUTIVE MANAGEMENT REPORT

Mr. Weiner expressed pride and thanks for the recognition given to him for leading the SCC and thanked Governor John Corzine for his support. He related the series of steps that led him from his position as Director of the Center for Energy, Economic and Environmental Policy at the Bloustein School of Planning and Public Policy at Rutgers University to his appointment as the SCC's chief executive officer--first, as a member of the Governor's transition team, then, as Special Counsel to the Governor and most recently as interim chief executive officer of the SCC. He conveyed his respect and