

## NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY

### BOARD MEETING

A meeting of the Board of Directors of the New Jersey Schools Development Authority (“SDA” or “the Authority”) was held on Wednesday, July 16, 2008 at 12:00 P.M. at the offices of the Authority at One West State Street, Trenton, New Jersey.

There were present:

Barry Zubrow, Chairman  
Debra Bell (for State Treasurer Rousseau)  
Caren Franzini (NJEDA)  
Cynthia Wilk (for NJDCA Commissioner Doria)  
John Hart (for NJDOE Commissioner Davy)  
Karim Hutson  
Joseph McNamara  
Preston Pinkett, III

being a quorum of the Board. Mr. Zubrow, Ms. Wilk, Mr. Hart, Mr. McNamara, Mr. Hutson, and Mr. Pinkett participated by telephone conference.

At the request of the Chairman, Scott A. Weiner, chief executive officer, Andrew Yosha, vice president; Jane F. Kelly, vice president & assistant secretary; Regina Bleck, vice president, Janesa Urbano, chief counsel, Thomas Schrum, managing director, James Poole, senior director, Megan Cox, procurement analyst, and other employees of the Authority entered and sat in the meeting. Assistant Attorney General Susan Roop and Deputy Attorney General George Ljutich, Department of Law and Public Safety; and representatives of the Office of the Inspector General and other State agencies also participated in the meeting. Ms. Roop and Mr. Ljutich participated by telephone conference.

The meeting was called to order by the Chairman, Mr. Zubrow. The Chairman announced that, in accordance with the Open Public Meetings Act, the requisite notice of

the meeting had been sent to the *Trenton Times* and *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.

### ***Procurement of Legal Services***

The Chairman asked Mr. Weiner to discuss the Authority's procurement of legal services. Mr. Weiner reported that, as proposed by the Authority, the procurement of outside legal services is not expected to exceed the budget established in December 2007 for the SDA's use of legal services provided by the Attorney General's Office. Mr. Weiner advised the Board that the SDA will provide monthly budget updates to the Authority. Mr. Weiner then asked Ms. Cox to update the Board with respect to events that occurred since the Members' receipt of the legal services memorandum that was prepared for their review by staff.

Ms. Cox reported that several firms declined the opportunity to represent the SDA as a result of the established \$200 blended hourly rate and \$90 hourly paralegal fees. She said that the remaining law firms agreed to the fees and that conflict checks were conducted by all of these firms and forwarded to the SDA. Ms. Urbano added that all of the law firms have advised the Authority that they currently have no conflicts that would prevent them from representing the SDA. Ms. Urbano further reported that periodic conflict reports would be obtained from the participating firms in the future. Mr. Weiner also stressed that conflict checks will continue to be conducted frequently and on an ongoing basis.

Mr. Weiner said that the Attorney General's Office will be ceasing its legal representation of the Authority except in connection with matters involving state procurements, the Open Public Records Act and other matters involving governmental

processes. He said that the Authority will be handling general governance matters internally. Ms. Roop said that the Attorney General's office is currently working through the allocation of duties for the SDA. She said that, going forward, representatives of the Attorney General's office will not be attending SDA Board Meetings on a regular basis but, rather, will attend when their participation is requested. Mr. Weiner then stated that a Memorandum of Agreement (MOA) is being drafted between the SDA and the Attorney General's Office and that it will be provided to the Members at a future meeting of the Board. He said that until the MOA is finalized, the Attorney General's Office will continue to function with the SDA in its current capacity.

Ms. Bell asked if the use of outside law firms will result in the Authority exceeding its current budget for legal fees. Mr. Weiner replied that there is no way of knowing at the present time since the extent to which the Authority will require legal services cannot be predicted. However, Mr. Weiner said he is confident that the amount budgeted by the Authority for legal services is appropriate and, as such, he does not expect that it will not be exceeded. Ms. Bell then inquired as to how the SDA will utilize the law firms that have been chosen. Ms. Cox and Ms. Urbano reported that the law firms will be utilized on a rotating basis in their area of expertise. Following further discussion, upon a motion duly made by Mr. Pinkett and seconded by Ms. Wilk, the following resolution was unanimously adopted by the Board:

**RESOLVED**, that the Members of the Authority hereby authorize and approve the Procurement of Legal Services by the Authority consistent with the terms and provisions set forth in Ms. Urbano's and Mr. Poole's memorandum to the Board dated July 16, 2008.

### ***Public Comments***

The Chairman then announced that the Public Comment portion of the meeting would begin and asked if any member of the public was present and wished to address the Board. Hearing no comments from the public, the Public Comment portion of the meeting was adjourned. Chairman Zubrow indicated that there were items remaining that appropriately warranted consideration by the Board in Executive Session.

### ***Executive Session***

Upon a motion by Ms. Wilk, and seconded by Ms. Bell, the Board unanimously adopted the following resolution and the meeting temporarily adjourned to Executive Session.

**WHEREAS**, Section 7 of the Open Public Meetings Act, Chapter 231 P.L. 1975 (N.J.S.A 10:4-8), permits the exclusion of the public from a meeting in certain circumstances; and

**WHEREAS**, this public body is of the opinion that such circumstances presently exist.

### **NOW THEREFORE, BE IT RESOLVED that:**

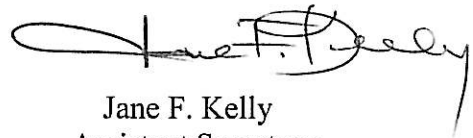
1. The public shall be excluded from discussion of an action upon the specified subject matters.
2. The general nature of the subject matters to be discussed is as follows:
  - Litigation/Contract Matter(s)
3. It is anticipated that the minutes on the subject matters of the executive session will be made available to the public upon final resolution of agreements on these matters; or conclusion, dismissal or settlement of

litigation; and in any event, when appropriate pursuant to N.J.S.A. 10:4-7 and 4-14.

4. The Board may come back into open session and may take further action.
5. This resolution shall take effect immediately.

Thereafter, upon motion by Mr. Zubrow, and with unanimous consent, the meeting 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 July 16, 2008 meeting.



Jane F. Kelly  
Assistant Secretary