

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING**

TUESDAY, FEBRUARY 11, 2014

A meeting of the Board of Directors of the New Jersey Schools Development Authority (“SDA” or “the Authority”) was held on Tuesday, February 11, 2014 at 10:00 AM at the New Jersey State Museum Auditorium, 195 West State Street, Trenton, New Jersey.

Participating were:

Edward Walsh, Chairman
Maureen Hassett (NJEDA)
Kevin Luckie (NJDCA)
Jennifer D’Autrechy (Treasury)
Bernard Piaia (NJDOE)
Kevin Egan
Karim Hutson
Loren Lemelle
Michael Maloney
Joseph McNamara
Robert Nixon
Mario Vargas

being a quorum of the Board. Mr. Hutson, Mr. Egan, Mr. Vargas and Mr. Piaia participated in the meeting by telephone conference.

At the Chairman’s request, Charles McKenna, chief executive officer; Jason Ballard, chief of staff; Jane Kelly, vice president & assistant secretary; Andrew Yosha, vice president; Donald Guarriello, vice president and chief financial officer; and Albert Barnes, acting chief

counsel, of the SDA participated in the meeting. Amy Herbold 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 the State House in Trenton, New Jersey.

Approval of Meeting Minutes

Mr. Walsh then presented for consideration and approval the Minutes of the January 2, 2014 Open and Executive Session meetings. A copy of both sets of minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Ms. Lemelle, and seconded by Mr. Nixon, the Open and Executive Session minutes of the January 2, 2014 meeting were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Exhibit 3a/3b*.

Next, Mr. Walsh presented the January 16, 2014 minutes of the Authority's Annual Organizational Board meeting. Upon motion duly made by Ms. Lemelle, and seconded by Mr. McNamara, the January 16, 2014 Organizational meeting minutes of the SDA Board of Directors were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Exhibit 3c*.

Public Comments

Mr. Walsh then called for the Public Comments portion of the meeting to begin and indicated that there are a number of individuals present who wish to address the Board.

At the Chairman's request, Sasa Olessi-Montano, President of the Trenton Board of Education, came forward to address the Board. Ms. Montano advised the Board that this meeting has been 15 years in the making. She discussed Mr. McKenna's presentation before the Trenton Board of Education (TBOE) and the TBOE's unanimous vote in favor of a new Trenton Central High School (TCHS). She said that the community is unified and ready to move forward, recognizing that the once glorious TCHS building is now beyond repair. She said that she would not belabor the current conditions of TCHS or the past. However, she said that the SDA's responsibility is not limited to "bricks and mortar" but that the agency has a moral imperative and an ethical responsibility for the students' health and well-being. She spoke of the patience of the students, safety concerns of the parents, and needs of the staff. She said that the "time is now" and urged the Board to vote unanimously in favor of a new TCHS and set aside the necessary funds. She also urged the SDA to work with the community to seek to identify funds so that the TCHS pool might be renovated and maintained.

Next the Chairman asked Senator Shirley Turner to address the Board. Senator Turner thanked CEO McKenna for his presentation before the TBOE. She referenced some of the structural problems with the current facility as unhealthy and unsafe as well as difficulties with test scores that have been encountered. She said that people across the state and nation have become familiar with the problems at TCHS. She asked that the SDA advance the new facility, keep the community informed and involved in the process, and seek to employ local Trenton unemployed workers on the project. She expressed her appreciation for the Board's consideration and for Mr. McKenna's leadership and commitment.

Next Algernon Ward of the Trenton Historical Society addressed the Board. He said that he was a member of the original Trenton Facilities Advisory Board. He expressed his concerns

with the process. He urged that an emphasis and a process be put in place for the receipt of community input. He said that the community, which will be directly impacted by the project, will have good ideas. He said that the Trenton Historical Society agrees with the conceptual design of the project and urges the retention and use of those features of the building (e.g. bronze chandeliers) that can be saved. He urged that the process move forward.

Next, Reverend Gerald Truehart, a member of the TBOE, addressed the Board. As a TBOE member, pastor and citizen, he discussed the vision of the TBOE for the success of the students and said that he was speaking to the hearts of the Board Members. He urged the Members to think of their own children when considering the need to ensure that the children of Trenton attend a facility that is worthy of them. He urged the Board's support for a new high school.

At the Chairman's request, Billie Hayes, a TCHS graduate and Trenton resident and taxpayer, spoke to the Board. Mr. Hayes expressed his concern with the SDA proposal for TCHS. He expressed the view that the SDA CEO's presentation to the TBOE was biased, one-sided and fails to provide complete information. He expressed concern that this proposal was crafted and the presentation given before including the public in the discussion and said this is unacceptable. He said that no information was given regarding the materials that would be used. He said the presentation was lacking in "commitments", citing the future of the TCHS swimming pool as an example. He expressed concern that the proposal will not be prudent. He said that his biggest complaint is the proposal's failure to include a Vocational School. He opined that additional areas of the school should be preserved and expressed his concern with the quality of the facility that would be built. He said that he understands the TBOE's support for the proposal given the time that has passed and thanked TBOE for being transparent and inclusive of the

community. He asked that the Board perform needed repairs now while the children remain in the building. He emphasized the need for community input throughout the life of the project as it moves forward.

Next, Cameron Hunt, President of the Trenton Council for Civic Associations, addressed the Board. Mr. Hunt expressed the TCCA's concern that SDA is not living up to the oath that it took and that politics is being played. He cited the presence of asbestos in TCHS and the placement of the TCHS project on the "back burner". He asked when the project will start, who will be brought in to do the project, and how much of SDA's commitment will be to fulfill the project for the citizens of Trenton.

At the Chairman's request, Naomi Johnson-Lafleur, President of the Trenton Education Association, addressed the Board. Ms. Johnson-Lafleur thanked Mr. McKenna for his willingness to address the TCHS matter. She said that this issue is not a new one and that several individuals present had sat on the original committee to address the problem 13 years ago. She said that historically there had been a split of opinion regarding how to proceed with the school but that now the community is unified in support of advancing the TCHS project. Ms. Johnson-Lafleur said the students, community and educators have suffered for a long time. She said that it is "about time" for the students, teachers and those who have suffered an illness due to the condition of TCHS. She said that it is "about time" to put the resources where they belong and to move the project from the emergent repair list to the new construction list. In closing, Ms. Johnson-Lafleur urged the Members to vote in favor of a new TCHS.

Next, at the Chairman's request, TCHS Principal Hope Grant addressed the Board. She provided the Members with an overview of the TCHS facility and described the breakdown of its five (5) small learning communities which, she said, prepare students for the work or college

world. Ms. Grant expressed her anger with regard to the way her students have been depicted in recent and past news articles. She said that her students are intelligent and display great fortitude. Ms. Grant said that she views her students as “her children” and provided the Members with an example of a recent conversation she had with a student who had been accepted to attend the University of Hartford and Duke University and is awaiting an answer from Harvard University. Ms. Grant said that, prior to attending today’s meeting, she had to move four (4) classrooms due to foul odors, falling plaster and roof leaks. She said that it might as well be a giant pool on the roof, because the water is constantly flowing down. Ms. Grant described the need to constantly move students to different classrooms, noting that she often runs out of classrooms, which reduces teachers to sharing large spaces---like the community room which does not have heat. Ms. Grant discussed other problems with the facility such as the cafeteria. She said that the cafeteria is sometimes 82 degrees in the dead of winter, without students present. She said that the children go from the extreme cold of the community room to the extreme heat of the cafeteria. Ms. Grant asked the Members if they would want their children to walk in and breathe the air in a building like TCHS every day, explaining that the air quality is poor in the school and that the children suffer from the awful heat in the building when the weather is hot. Ms. Grant said that there are a few air conditioners in some offices, but that the children practically suffocate in the building. She then thanked Mr. McKenna for coming out and touring TCHS. She said that Mr. McKenna spoke not only with her and the Superintendent, but that he had conversations with the students as well. Ms. Grant said that Mr. McKenna asked the students what they viewed as the best and the worst things about TCHS. She said that the children replied that the best thing about TCHS is that they have great teachers and feel loved by them, but the worst thing about the school is the building that they have to come to every day.

The students told Mr. McKenna that the building falls on their head and makes them sick, causing headaches. Ms. Grant asked the Board Members, when casting their vote to ask themselves if they would want their children to live and breathe in that building for four (4) years. In closing, Ms. Grant shared a letter that she had received from a woman in Wisconsin expressing her concern for TCHS. She said that the woman had enclosed a donation in the amount of \$5 to help with new building construction. Ms. Grant said that she had shared the letter with the Superintendent and noted that, while, clearly, people outside of New Jersey care, what about the people right here? Ms. Grant then asked the Members of the Board for a unanimous vote in favor of a new Trenton Central High School and thanked them for allowing her the opportunity to speak today.

At the Chairman's request, Francisco Duran, Superintendent of the Trenton School District, addressed the Board. Superintendent Duran expressed his appreciation for Mr. McKenna's leadership and opined that, but for this leadership, we would not be here today. He echoed Ms. Grant's remarks and advised the Board that TCHS has been identified by the State Department of Education as a "focus school" due to a sub-par graduation rate. He said that, contrary to the opinion of some that the Trenton School District should be taken over by the State, the district's real need is the intervention of the SDA to create an environment where students can learn. He cited studies demonstrating the importance of physical learning environment to academic success. He then cited and described the poor conditions of the existing TCHS facility. He said that the students and teachers are already shining despite this poor environment. He said that the Members of the SDA Board have the ability to impact this situation and to be "educators" with their affirmative vote in favor of a new TCHS.

Mr. Walsh then called on Marie Blistan, NJEA Vice-President. Ms. Blistan thanked the Trenton District officials and legislators for their support of the community. She thanked Mr. McKenna and the members of the Board for the role they can play in support of a new TCHS facility. However, she stressed that there are other districts across the state that also are in dire need of help. She listed several such districts and invited Mr. McKenna to visit the facilities there. In closing, Ms. Blistan thanked the Board for the opportunity to speak and urged the Members to vote in favor of construction of a new TCHS.

Mr. Walsh then called on Mo Kinberg of the Work Environment Council and Healthy Schools Now Coalition. Ms. Kinberg said that nearly one year ago, the HSN Coalition attended and testified at an SDA Board meeting about the condition of TCHS. She said that, following that testimony, representatives of other districts who were present to testify regarding their facilities, urged action on TCHS first. Ms. Kinberg thanked Mr. McKenna for taking immediate action regarding TCHS. She asked the Board for a unanimous vote in favor of the TCHS proposal. She also asked that similar vigor be applied to improve other school facilities. She referenced the unpublished 2013 Department of Education (DOE) Facilities Needs Assessment. She urged Mr. McKenna to use his new position to address the poor conditions in facilities across the state.

Next, Dr. Jonathan Hodges of the Paterson Board of Education and Linda Reid of the Paterson Parents Education Organizing Committee introduced themselves to the Board. Ms. Reid said that the Paterson community is “sick and tired” of promises that never come true and of facilities that do not get built. She cited the Paterson #16 and Hazel Marshall school projects and said that there is talk and there are promises but that the facilities do not get built. She said that

the community is “sick and tired” of their children being without the proper facilities. She said that “enough is enough” and that the children should not suffer due to the inaction of adults.

Dr. Jonathan Hodges assured Mr. McKenna that he will be seeing his face again. He said that Paterson has the worst school facility conditions in the state. He strongly urged the Board, following its attention paid to TCHS, to address the conditions in Paterson. He said that Paterson representatives will continue to come back to address the Board.

Next, Jasi Edwards and Josilyn Steward, Trenton citizens and former TCHS students, spoke to the Board. Ms. Edwards and Ms. Steward said that the promises of a new TCHS were made in 2002 but that the funds were taken. The speakers indicated that they have relatives and friends at TCHS currently and that the students need a new building. They further expressed the view that the poor condition of the school has negatively impacted student motivation, performance and drop-out rates. The speakers advised the Board that they are speaking because, in addition to the adults, it is important that the Members hear the student perspective. Ms. Edward and Ms. Steward urged the Board to vote in favor of a new TCHS.

Authority Matters

CEO Report

NJSDA Capital Plan – Trenton Central High School (TCHS) Preliminary Project Charter Approval

Mr. Walsh then asked Mr. McKenna to provide the Members and the Public with a presentation regarding the proposed preliminary project charter for a new Trenton Central High School (TCHS). Mr. McKenna thanked both the Members and the Public for coming to the meeting. He began his presentation by emphasizing the importance of students obtaining a good high school education in a state of the art high school. He said that he recognizes that he has a lot of work to do in Trenton, along with the Camden, Newark, Paterson and other school districts.

Mr. McKenna noted that he has visited TCHS and, while there, was accompanied on a facility tour by the Principal and Superintendent. He said that he came to the realization that a renovation of the school was not the answer and that a new school was needed. Mr. McKenna then directed the Members' and Public's attention to a slide presentation and thanked SDA staff who were involved in its preparation. Utilizing audio-visuals, Mr. McKenna described the requirements, project scope and evaluation of constructing a new school versus renovating the existing facility. He also noted that certain historical aspects of the school (including the main entrance portico, clock tower and auditorium) will be completely renovated. Upon completion of his detailed presentation, Mr. McKenna addressed the concerns expressed about the school swimming pool. He explained that the SDA's mandate does not permit the expenditure of funds for pools. He said that the SDA cannot make any promises, but that the Authority will work with the community to explore the potential for renovation of the existing pool. Mr. McKenna discussed the difference in price between renovation and a new building, noting that, for \$3 million dollars more, TCHS can have a new school. Mr. McKenna said that the renovation would cost approximately \$127 million and building a new school would cost approximately \$130 million. Mr. McKenna then opened up the floor for questions. Mr. Walsh thanked Mr. McKenna for his presentation. He urged that communication between the Authority and the districts be a priority. Mr. McKenna noted that he will be working closely with the Trenton School District Superintendent and the TCHS Principal to ensure that there is constant communication. Mr. Walsh requested that the Members receive updates about the project on an ongoing basis in the early term. He also inquired about the materials to be used in building the new school along with the timeline for construction. Mr. McKenna said that the TCHS project is a four (4) to five (5) year project. He said that he is working with Mr. Sherman and his staff in an

effort to build the school in 4 years. He said that the biggest issue will be swing space and whether there will be space available in September 2014 or January 2015 at the latest. Upon locating swing space, Mr. McKenna said, demolition can begin. Mr. Walsh and Mr. McKenna agreed to have ongoing discussions regarding the TCHS project at School Review Committee Meetings (SRC) and regular Board meetings. Mr. Maloney then informed the Chairman that he had to leave the meeting but indicated that, before doing so, he is casting his vote in favor of the new school. Mr. McNamara and Ms. Lemelle also expressed the view that the TCHS project should move forward.

A resolution for approval of the proposed preliminary project charter for Trenton Central High School (TCHS) had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Luckie, and seconded by Mr. McNamara, the resolution attached hereto as *Exhibit 4a*. was unanimously approved by the Board.

Audit Committee Report

The Chairman then requested that Mr. Nixon provide the report of the Audit Committee. Mr. Nixon reported that the Audit Committee met on January 21, 2014. He said that management had provided the Committee with the December 2013 New Funding Allocation and Capital Plan Update. He said that management reported that there was no change in the Unforeseen Events Reserve balance. He advised that there was a \$7.5 million increase in the Planning Reserve balance. He reported an increase of \$400,000 in the 2008 Capital Plan Emergent Projects Reserve balance and a \$300,000 decrease in the 2011 Capital Plan Emergent Projects Reserve balance for the reporting period. He added that the reserve balance for the Regular Operating Districts (“RODs”) increased by \$1.5 million during the reporting period due to a reduction in state share for grant projects nearing completion.

Mr. Nixon then reported that management had shared with the Committee the results of one statutorily required audit involving Section 15 Grants and the processes and procedures followed in connection therewith. Mr. Nixon said that the audit looked at documentation supporting the execution of the grants and disbursement of funds. He said that the audit had determined that the state funds were expended in accordance with the grant agreement, applicable laws and regulations. He advised that no observations were noted.

In continuing, Mr. Nixon reported that management had also discussed, and the Committee recommends, approval of a contract amendment in the amount of \$60,000 for Experis Finance US, LLC (Experis). He noted that prior to voting on this matter, some discussion is needed in executive session after which the vote will be taken upon return to open session. He reminded the Board that Experis currently provides auditing consultant services for the Authority, noting that additional hours are needed for Experis to complete an ongoing audit. He outlined for the Board the services that the additional hours will afford. He noted that Experis will also provide training and general assistance to SDA internal audit staff on their assigned audits. In conclusion, Mr. Nixon advised the Board that some additional discussion would take place in Executive Session prior to voting on the amendment when the Board returns to Open Session.

Mr. Walsh indicated that the Executive Session of the meeting would begin. Ms. Kelly announced that the Board is adjourning into Executive Session to have a brief discussion pertaining to the Experis US, LLC contract amendment.

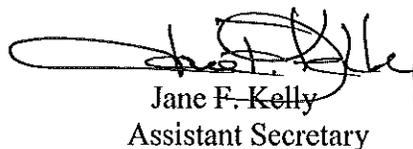
Mr. Walsh then asked for a motion to adjourn into Executive Session. Upon motion duly made by Ms. Hassett, and seconded by Mr. Luckie, the Board adjourned into Executive Session.

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

A resolution for approval of the proposed contract amendment for Experis US, LLC (Experis) had been provided to the Members in advance of the meeting. Upon a motion by Mr. Luckie, and seconded by Ms. Hassett, the proposed contract amendment for Experis US, LLC was approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Exhibit 5a*.

Mr. Walsh then asked for a motion to adjourn the meeting. Upon motion 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 11, 2014 meeting.



Jane F. Kelly
Assistant Secretary