

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

WEDNESDAY, FEBRUARY 1, 2012

A meeting of the Board of Directors of the New Jersey Schools Development Authority (“SDA”, “NJSDA” or “the Authority”) was held on Wednesday, February 1, 2012 at 9:00 A.M. at the offices of the Authority at One West State Street, Trenton, New Jersey.

Participating were:

Edward Walsh, Chairman
Maureen Hassett (NJEDA)
Kevin Luckie (NJDCA)
James Petrino (State Treasury)
Bernard Piaia (NJDOE)
Kevin Egan
Karim Hutson
Loren Lemelle
Lester Lewis-Powder
Michael Maloney
Joseph McNamara
Robert Nixon
Mario Vargas

being a quorum of the Board. Mr. Egan, Mr. Hutson, Mr. Lewis-Powder, Ms. Lemelle, Mr. Maloney, Mr. Petrino and Mr. Piaia participated in the meeting via telephone conference.

At the Chairman’s request, Marc Larkins, chief executive officer, Jason Ballard, chief of staff; Jane F. Kelly, vice president & assistant secretary; Donald Guarriello, vice

president and chief financial officer; Andrew Yosha, vice president; Albert Barnes, senior counsel; Thomas Schrum, director; Ritchard Sherman, director; Corrado Minervini, director; Sean Murphy, director and Paul Hamilton, senior program officer of the SDA attended the meeting.

The meeting was called to order by the Chairman, Mr. Walsh. Mr. Walsh 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 that a meeting notice 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 the minutes of the meetings of the Board held January 4, 2012 for consideration and approval. He noted that presented for Board consideration were the minutes of the Board's January 4, 2012 Open Session meeting and the minutes of the Authority's Organizational Meeting held that same date. A copy of the minutes and resolutions for Board consideration and approval were provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Nixon and seconded by Mr. Vargas, the January 4, 2012 Organizational and Open Session meeting minutes were approved by the Board upon its vote in favor of the resolution attached hereto as *Exhibits 3a/3b*.

Authority Matters

CEO Report

Mr. Walsh asked Mr. Larkins to provide the report of the CEO. Mr. Larkins informed the Members of recent SDA activities and events. First, Mr. Larkins noted that

the SDA has received some attention from the press with some suggesting that the Authority is not performing any work with regard to school development. He reminded the Members that two weeks ago an article was printed in the Star Ledger including a statement that the SDA has not advanced a single project since Governor Christie's election into office. Mr. Larkins reported that the Star Ledger contacted the SDA and was informed that the statement was incorrect. He said that, following its own review, the Star Ledger concluded that the statement was inaccurate. He said that, with press attention expected to continue, Board members should feel free to contact SDA staff if they are called by the press or have any questions regarding any statements that are being made in the press. Mr. Larkins said that the SDA will give the Members the information they need in order to answer any questions that may be directed toward them by the press.

Next, Mr. Larkins provided an update regarding the emergent program. He said that there has also been criticism published with regard to the status of the emergent program. He reported that the SDA has completed emergent projects in the Irvington, East Orange and Camden school districts within the last few weeks. Mr. Larkins said that there are active emergent projects in the Trenton, Paterson and Passaic school districts. He also noted that the emergent projects continue to be inventoried and prioritized in order to be advanced expeditiously. Mr. Larkins further advised that the emergent program was undertaken in the summer of 2011. He said that the majority of the emergent projects do not advance while students are in school though there are some that can advance then. Mr. Larkins stated that the majority of the projects that the SDA

has been asked to complete will start to advance in the next few months for summer completion.

In continuing, Mr. Larkins provided the Members with an update regarding the 2011 Capital Program. He reported that the SDA is close to completing the West New York (“WNY”) PS3/MS4 school project. He reminded the Members that this was a project that had been stalled due to atrium issues. Mr. Larkins said that the temporary certificate of occupancy (“TCO”) and ultimately the certificate of occupancy (“CO”) are expected to be obtained in the short term. He said that there have been conversations with the district and the plan is to move students in later this month or within the next few months. Mr. Larkins noted that it is the SDA’s goal to have the building completed in February. Mr. Larkins also reported that there have been some issues with a project in Union City and that it is the SDA’s hope to have the project completed by early summer. Mr. Larkins then reported that the Elizabeth Mravlag project is up and running and noted that there is a change order on today’s agenda to pay for storage costs related to this project. He reminded the Members that the Elizabeth project was originally an addition/renovation that had been converted to full construction. Mr. Larkins noted that SDA staff is on site at all three projects every day and is actively involved in bringing these projects to completion. Next, Mr. Larkins reported that activity is taking place on all projects in the 2011 Capital Program. He reminded the Members that last month the SDA advertised for the Elizabeth and Long Branch projects. Mr. Larkins said that the SDA anticipates presenting the Elizabeth site package to the School Review Committee (“SRC”) this month and to the Board in March for approval. He said that the procurement for the Long Branch project is moving along and should be awarded in May.

Mr. Larkins reported that the eight (8) remaining projects in the Capital Program have site investigations in progress in order to clean up those sites prior to advancing the projects into construction. He said that a number of site packages will be advertised before the mid-point of this year. Mr. Larkins stated that the SDA has discussed with the Members that of the eight (8) projects, the first one to be advertised would be the New Brunswick project and that it would be advanced through design/build by spring of this year. Further, Mr. Larkins reported that, as far as other projects that have not been fully announced, the Members are aware that a contract for demolition on the Keansburg school project has been awarded to make way for the advancement of a new school. He said that the contract will be brought to the Committee and Board and that the SDA has attained notice to proceed ("NTP") status on the project. Mr. Larkins said that there are other demolition projects in WNY, Paterson and Jersey City. He said that all the internal work that has been advanced as far as planning activity and active construction advancement is concerned has been performed while spending less state money. He mentioned that year end accruals are in and that in 2011 the SDA spent \$7 million less in actual dollars than in 2010.

In concluding, Mr. Larkins reported that there has been significant activity in the closeout process. He said that SDA staff is also focused on resolving claims and noted that one of the items on today's meeting agenda relates to a matter that was almost a claim regarding Chanree Construction for the Morgan Village school project. He said that the SDA was able to resolve the matter at the change order level before it reached claim status. He said that there will be another matter presented at next month's meeting and that there is a claim settlement to discuss in today's Executive Session. Mr. Larkins

informed the Members that if they have any questions regarding the projects, Mr. Yosha can further elaborate. He said that SDA staff gave a brief overview of the 2011 projects at the January SRC meeting and noted that there is a schedule included in the Board materials to give the Members an idea of when the SDA anticipates advertising the first stage of advancement on each project. He said that most of the projects have a 2012 date. Mr. Larkins explained that the first project is the Bridgeton project and reminded the Members that the project is changing from new construction to a potential addition/renovation project. He said that the second project is for WNY and stated that the SDA has had conversations with the district and can address their elementary school needs in a different way that will not require the delivery of a new school. Mr. Walsh asked Mr. Yosha to walk the Members through the two projects that are moving forward for construction and to explain what will take place in the next few months. Mr. Yosha reiterated that the Long Branch project is in the bid phase and noted that the SDA has received all inquiries that are expected from potential bidders. He said that technical and price proposals are expected to be received by the end of February and that SDA is scheduled to open bids for the price proposals by the end of March. He said that Board action for construction award will be recommended in the April timeframe. Mr. Yosha informed the Members that, with regard to the Elizabeth project, the site package bids were received and will be presented at the next Board meeting for recommendation and approval. Mr. Yosha echoed Mr. Larkins' comments and noted that the Bridgeton project is the subject of discussion between SDA and the district. He said that those discussions have conceptually concluded and staff should be able to report to the Board with a recommendation on resolving the outstanding issues. With respect to the New

Brunswick project, Mr. Yosha reiterated that this will be the first project to be advanced through design/build delivery. He said that there will be follow up meetings scheduled focusing on the terms of the selection criteria to be utilized and the status of in-house work product.

Mr. Walsh then asked Mr. Ballard for an update regarding the status of project closeout. Mr. Ballard reported that the Special Projects Division, along with the Program Operations Division and Chief Counsel's Office, has closed two (2) capital projects and transferred an additional four (4) projects. Mr. Ballard thanked those involved for their diligent work. He further reported that three (3) emergent projects have been closed and an additional project transferred and closed. Mr. Ballard noted that seven (7) deeds have been transferred, resulting in insurance savings of roughly \$72,000.00. With regard to health and safety, Mr. Ballard reported that ten (10) construction contracts remain open for closeout. He said that these contracts involve open permits with the DCA and that SDA staff is working with DCA staff to address the issues. Mr. Ballard said that SDA staff and Joseph Jingoli & Sons, the pre-developer on most of SDA's demonstration projects, held a productive and positive meeting in the latter part of January in an attempt to closeout all pre-development grants by end of February. He said that, if all holds true, SDA staff anticipates closing out all demonstration projects from a grants perspective by end of 1st quarter 2012. Mr. Ballard highlighted the accomplishments of the Special Projects Division. He reported that, with regard to legacy projects from 2006 and beyond, the division closed three (3) projects and transferred and closed one (1) project. With regard to the 2007 portfolio, Mr. Ballard reported that two (2) projects were transferred. In continuing, Mr. Ballard said that with regard to the 2008 portfolio, one (1)

project was closed. He said that, with regard to the 2010 portfolio, one (1) project was closed and two (2) were transferred. Mr. Ballard said that, with regard to the emergent projects, seven (7) projects were transferred and seven (7) were transferred and closed. Lastly, Mr. Ballard reported that, prior to this administration taking office, there was no active pursuit of cost recovery. He said that Special Projects staff and the Office of Chief Counsel staff have been aggressive in seeking to recoup money back for the SDA. He said that SDA staff identified a universe of forty-three (43) cost recovery claims, initiated cost recovery action on sixteen (16) school facilities projects for an estimated potential recovery of approximately \$22 million. Mr. Ballard said that actual money recovered since 2010 exceeds \$7.5 million for environmental cost recovery inclusive of \$6.5 million in the Pleasant Gardens matter. He further reported that dollars recovered from e-Rate, Smart Start and the HDSRF total approximately \$2.85 million.

Chairman's Report

Mr. Walsh informed the Members that he has had conversations with Mr. Larkins regarding the 2011 Capital Program. He said that he is aware that the SDA is performing work on the Capital Program as well as performing work regarding closeout. Mr. Walsh noted that his focus is on the ten (10) projects slated for work in the Capital Program. Mr. Vargas inquired as to when the public will physically see work occurring in their communities. Mr. Larkins replied that each project differs and depending upon where one lives, work onsite may be occurring at the present time. Mr. Larkins reiterated that there is active ongoing site investigation work and provided brief review of environmental site issues. Mr. Walsh noted that some of the projects that were on the 2003 Capital Plan are now on the 2011 Capital Program and have changed in scope. He

said that he and Mr. Larkins went through the plans for each project. He suggested that there be an update in a month as to the status of the ten (10) projects. Mr. Walsh invited the Members to contact him if they wished to further discuss any of the projects in the Capital Program. Ms. Hassett inquired about the rule proposal regarding price and other factors and inquired as to whether the SDA has received any feedback from the industry. Mr. Larkins replied that there has been positive feedback in terms of price and other factors. He said that the SDA has not received any negative feedback, but that there has been some attention paid to one additional change, i.e. the constructability review. After discussion, Mr. Walsh recommended that, with regard to future projects, peer reviews should be conducted prior to preparing plans. Mr. McNamara commented that if the SDA has an opportunity, the public should be taken through the process and informed of the difference between an “emergent” project and an “emergency” so that they know the lengthy process involved in ultimately having work performed on a project. Mr. Walsh said that he and Mr. Larkins should have further discussions regarding Mr. McNamara’s suggestion. Mr. Nixon asked whether the legislature asked for a review of the process regarding the emergent program. Mr. Larkins replied that the SDA has had those types of conversations with the press, as well as with the legislature. Mr. Larkins said that SDA Communications Director Kristen MacLean has been making outreach to reporters but negative stories are sometimes run anyway. Mr. Larkins noted that the perception is that the state is responsible for all issues in a given school district with regard to its facility needs, which is inaccurate. He noted that there are issues for which the districts are responsible and issues for which the SDA is responsible. Mr. Larkins stated that if something goes wrong with a school the SDA is blamed for it even though, legally, the

SDA does not have the authority to perform some of that work. Mr. Vargas asked if there is a designated person to field inquiries regarding SDA projects. Mr. Larkins informed the Members that Ms. MacLean is the SDA's Communications Director and that the Members should feel free to steer inquiries to her for a response.

Audit Committee Report

Mr. Walsh then asked for the report of the Audit Committee. Mr. Nixon advised the Board that the Audit Committee met on January 17, 2012. He said that the December 2011 New Funding Allocation and Capital Program update presented to the Audit Committee had reported no changes in any of the reserve balances. He informed the Members that the reserve balance for the Regular Operating Districts ("RODs") increased by \$800,000 due to a reduction in State share for projects nearing completion. He added that no additional grants were offered during the current reporting period.

In continuing, he said that Mr. Ballard had provided the Committee with a report on the status of the Authority's audit recommendations. He noted that, as a result of the DB Realty audit, a credit adjustment in the amount of \$20,531.00 was successfully implemented regarding Common Area Maintenance ("CAM") charges for operating expenses. He reported that the SDA Design Manual Checklist audit was also completed and provides suggestive procedures which can be implemented to fit departmental needs. In conclusion, he noted that Mr. Ballard had reported that of a total of 53 audit recommendations have been recorded to date and that, of this amount, 39 have been completed. Mr. Walsh asked if the Audit Committee was planning on meeting with the outside auditors as discussed in the December meeting. Mr. Nixon responded that he

would be contacting the outside auditors and that this discussion topic would be on the February Audit Committee agenda.

Change Orders/Amendments – Ernest Bock & Sons, Inc.; Cobra Construction Company, Inc.; SSP Architectural Group, Inc.; Michael Graves & Associates; Chanree Construction Company, Inc.

The Chairman then asked Mr. McNamara to provide the report of the SRC. Mr. McNamara, who had acted as Chairman of the Committee at its most recent meeting, reported that the Committee met on January 17, 2012 and discussed various issues. He referenced materials that were previously sent to the Members for review. First, Mr. McNamara reported that the Committee had discussed a change order for Ernest Bock & Sons, Inc. for the Victor Mravlag Elementary School No. 21 in the Elizabeth school district for extended and additional material and equipment storage costs. He noted that the project was originally an addition/renovation but had been changed to become a new construction project for cost effectiveness reasons.

A resolution pertaining to the approval of a credit change order for Ernest Bock & Sons, Inc. had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Luckie, and seconded by Ms. Hassett, the resolution, attached hereto as *Exhibit 6a1*, was approved by the Board.

Next, Mr. McNamara reported that the Committee had also discussed a credit change order in the amount of \$11,000.00 regarding Cobra Construction Company, Inc. for the Thomas Dudley Elementary School in the Camden City school district. He reported that the project has been completed and that the anticipated punch list items did not have to be addressed. Some discussion ensued as to the advisability of continuing to require presentation of credit amendments for approval by the Board. Mr. Larkins noted

that SDA staff will propose an amendment to the SDA Operating Authority (“OA”) for review by the Audit Committee and Board. He said that, with a Board approved change to the OA, this type of credit amendment need no longer be presented to the Committee and Board for approval.

A resolution pertaining to the approval of a credit change order for Cobra Construction Company, Inc. had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Luckie, and seconded by Mr. Vargas, the credit change order for Cobra Construction Company, Inc. was approved by the Board upon its vote in favor of the resolution attached hereto as *Exhibit 6a2*.

Next, Mr. McNamara reported that the Committee had also discussed an amendment for SSP Architectural Group, Inc. (“SSP”) in the amount of \$950,000.00 for the New PS No. 20 Elementary School in the Jersey City school district for additional and extended design construction and administrative services. Mr. Minervini noted that there was prior approval through the CEO under the OA that did not require Board approval. He said that the schematic has been completed and will be submitted to DOE and the NTP will be effective after the veto period. Mr. Minervini briefly described the changes to this project and noted that this project served as a catalyst for the KOP approach. Mr. Walsh inquired if the project would warrant a peer review. Mr. Minervini replied that if the project is managed properly and the architect works accordingly there should not be a need for a peer review.

A resolution pertaining to the approval of the amendment had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Nixon, and seconded by Ms. Hassett, the amendment for SSP Architectural Group, Inc.

was approved by the Board upon its vote in favor of the resolution attached hereto as *Exhibit 6a3*.

In continuing, Mr. McNamara reported that the Committee had also discussed an amendment for Michael Graves & Associates for the New PS #16 Elementary School in the Paterson school district in the amount of \$332,351.00. He reported that there were revisions to program and schematic phase submissions. Mr. McNamara briefly described the project as noted in the memorandum. Mr. Yosha clarified that the amendment in its entirety will pay all remaining monies due for work performed and will essentially bring closure to the involvement of this firm with this project. He said that there will not be any additional activity or amendments regarding this project with this firm.

A resolution pertaining to the approval of the amendment had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Luckie, and seconded by Ms. Hassett, the amendment for Michael Graves & Associates was approved by the Board upon its vote in favor of the resolution attached hereto as *Exhibit 6a4*.

Next, Mr. McNamara informed the Members that there is a walk on change order that the Committee had not discussed pertaining to compensation to Chanree Construction Company Inc. regarding delays at the Morgan Village Middle School in the Camden City district. He noted that the change order is for compensation for delay in the amount of \$450,000.00. Mr. Sherman reported that there were numerous reasons for the delay. He said that the overall delay was in excess of five-hundred (500) days. Mr. Sherman further reported that CMD performed a review and concluded that two-hundred

(200) days were the result of excusable delays and that one-hundred thirty-five (135) days were compensable delays, which is the basis for the amount of the change order.

A resolution pertaining to the approval of a change order for Chanree Construction Company Inc., Inc. had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Ms. Hassett, and seconded by Mr. McNamara, the change order for Chanree Construction Company Inc. was approved by the Board upon its vote in favor of the resolution attached hereto as *Exhibit 6a5*.

Approval of Award; Package No. GP-0182-R01 – Claims Assistance Services

Mr. McNamara then asked Mr. Murphy to present the approval of award for Claims Assistance Services. Mr. Murphy reported that the Members are being asked to approve the award of three (3) contracts to three (3) consultants to assist the SDA with claims review. He reported that all firms were required to agree to hourly rates of \$185 for senior claims consultants and \$100 for claims support personnel. Mr. Murphy noted that the SDA accepted nine (9) proposals and that all nine (9) firms were interviewed. He referenced his memorandum and noted that the final rankings could be found on Table 2 of the memorandum. Mr. Murphy said that the SDA is recommending that the three (3) highest ranked firms be approved for award.

A resolution pertaining to the approval of award for Claims Assistance Services had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Ms. Hassett, and seconded by Mr. McNamara, the approval of award for Claims Assistance Services was approved by the Board upon its vote in favor of the resolution attached hereto as *Exhibit 6bi*.

Public Comments

The Chairman then announced that the Public Comment portion of the meeting would begin. He asked if there were any members of the public present that wished to address the Members. The Chairman reviewed the Public Comment Sign In sheet and asked Mr. Robert Eagleson of Ernest Bock & Sons, Inc. ("Bock") to address the Members. Mr. Eagleson thanked the Members for the opportunity to speak. He reported that he was assigned the Victor Mravlag project back in November 2006. He gave a brief background of the project and noted that he has been actively engaged in the project. He mentioned that he had originally planned to attend the December 2011 Board meeting, but that he had a conversation with Mr. Ballard who requested that he give him more time to assess the situation. Mr. Eagleson said that Ernest Bock & Sons has not been paid since December 2009 with regard to general conditions. Despite this, he said, Bock staff has shown up to the project every day. He noted that the delays at issue were not caused by Bock. Mr. Eagleson said that his staff has stood by the SDA and has sat in community meetings and spoken to reporters in defense of the SDA. Mr. Eagleson said that his staff has advocated for the state and yet can't seem to get past their general conditions change order requests which have now become claims. He said that he respects what the Board and the Authority are doing with all of the issues and changes, but that Bock's situation completely "fell through the cracks". Mr. Eagleson said that his staff actually negotiated a change order with CMD and came to a consensus agreed upon by both the SDA and Bock. He said that he signed off on the change order in the amount of \$270,000.00 along with Mr. Minervini and CMD staff. He said that the change order would take care of costs up to July 2010. Mr. Eagleson stated that the time was added

into the contract, but funds were not received. He offered to provide a copy of the contract to the Members. Mr. Ballard addressed Mr. Eagleson and noted that SDA staff has been actively working with all parties to resolve some of the general conditions that Mr. Eagleson referenced. Mr. Ballard said that there was recently a meeting held with CMD and other SDA staff to gain understanding of where the general conditions lie so that some form of payment can be disbursed to Bock. Mr. Ballard asked that Mr. Eagleson give the SDA a little more time as staff is close to a resolution. He noted that there is a difference of opinion as to what is due to Bock, but once another meeting is held to resolve the issues, some amount of payment will be disbursed to Bock. Mr. Larkins stressed that last winter when a \$3.1 million change order was negotiated, he was under the impression that everyone was in agreement that, because of the issues related to this job, the general conditions were to be addressed at the end of the project. He noted that Tom Bock was a part of that discussion. Mr. Larkins acknowledged that Bock has stood by the state and committed to getting the job finalized and that the SDA would like to do whatever is needed to help Bock in this situation. Mr. Eagleson stated that funding is needed to manage the job. Mr. Ballard said that the SDA would pay general conditions going forward, but the team has to vet the old issues regarding general conditions and determine what is owed. Mr. Eagleson confirmed that there is now a claim filed with regard to this change order. After further discussion, Mr. Walsh informed Mr. Eagleson that he has the attention of Mr. Ballard and the Members and that Mr. Ballard would be in communication with him.

Mr. Walsh then asked Wendy Kunz of the Camden school district to address the Members. Ms. Kunz reported that since she last visited the SDA, things have gotten worse in the Camden district. First, she asked the Members, with regard to emergent and emergency situations, what happens if an emergency project exceeds the \$500,000.00 that the district is allowed to spend. She said that the demolition of the Broadway School is going to approach \$1 million and that the district does not have the funding. She said that the district is asking the DOE and SDA for assistance. Ms. Kunz stated that the building is in imminent danger of falling onto a public way, which would be a public sidewalk and street. Mr. Walsh asked if that school was on the emergent projects list. Mr. Larkins replied that it is not and asked Ms. Kunz if the project was submitted as an emergent project to the SDA. Ms. Kunz replied in the affirmative. Mr. Larkins informed Ms. Kunz that the SDA will take another look at the emergent list. Ms. Kunz said that both the SDA and DOE have inspected the project on several occasions. Mr. Larkins answered Ms. Kunz' previous question regarding exceeding the \$500,000 threshold on emergency situations by informing her that if the building is in a position to fall down, that the district would have to stabilize it and that the \$500,000.00 threshold is not applicable to stabilizing the building. Ms. Kunz noted that the building has been stabilized within the threshold that can be spent and if the entire building is stabilized, it will cost approximately \$700,000.00. She said that it would also cost \$700,000.00 to demolish the building. Mr. Piaia informed Ms. Kunz that the \$500,000.00 prohibition on SDA districts is for school facilities projects. He said that if it is an emergency, it would not be considered a school facilities project and would not even need approval. Mr. Piaia noted that the district should do what is warranted to stabilize the building; if it is not

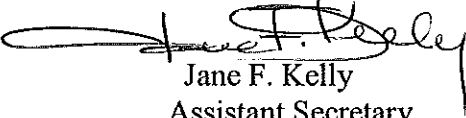
eligible for state funding, there is no \$500,000.00 cap for those types of projects either and would have to be approved with the money in the district's budget. Mr. Piaia invited Ms. Kunz to call him for an offline discussion. Ms. Kunz thanked Mr. Piaia. Mr. Larkins said that the school does not qualify as an emergent project, but that the SDA would assist the district with its critical needs. Ms. Kunz thanked Mr. Larkins and noted that the routine maintenance alone that the district is facing in 2013 exceeds \$12 million and the budget is \$5 million, not to mention the emergency projects that would bring the total to \$20 million. Mr. Larkins noted that the law does not allow the SDA to spend funds for routine maintenance, but the SDA and DOE can work with the district to try to figure out what is critical and if there is a way for the SDA to provide assistance. Next, Ms. Kunz reported that a new emergency has come to the surface. She reported that the Fedders and Broadway schools were the schools to which the students were moved from the Lanning Square School. She reported that both schools have structural problems. Ms. Kunz reported that in the past month, Fedders has had several buckling walls and that stone work is separating from the masonry back up and if it moves another inch, it will be on the sidewalk. She said that the SDA stabilized a wall in one area of the school that almost fell down. Ms. Kunz said that there are a couple of other areas on the old building where the building is actually starting to move. Mr. Larkins said that SDA staff will work with Ms. Kunz to determine the scope of the issue. Ms. Kunz then stated that she was informed that the Morgan Village demolition project is still under consideration. She said that it should have been bid by now and that bids should have been received in order to get the work done this summer. Mr. Larkins noted that the SDA is planning to advertise the demolition for Morgan Village in the short term. Ms. Kunz inquired about

the demolition for H. B. Wilson School because the school is deteriorating and is being used for illicit activity. Mr. Larkins reported that the demolition for H.B. Wilson is on the SDA's radar. Next, Ms. Kunz reminded the Members that the SDA (SCC at the time) identified problems with the terra cotta front work along the top of the Camden High School building in the 2000 Long Range Facilities Plan ("LRFP"). She said that that portion of the building was slated to be restored. Ms. Kunz said that planning for the renovations was suspended several times and as recently as 2010. Ms. Kunz said that the SCC erected a fence around the perimeter with the exception of the entrances in order to protect the public from falling masonry. She said that the SDA then erected scaffolding and put plywood protection at both the side and front entrances until the masonry could be restored. Ms. Kunz said that when the estimate came in at \$20 million, she inquired as to why \$20 million would be spent on a building that is not appropriate for an educational facility. She said that the tower at the front entrance was restored at the cost of \$4 million and that the scaffolding has been removed, but that there is still scaffolding at the other entrances of the building and the fences are still up and are being maintained by the district. Ms. Kunz then explained how the terra cotta is breaking off the building and displayed a photo. Mr. Larkins stated that he and Mr. Ballard visited the high school and the SDA made outreach to the district and will be talking to the superintendent on February 2 with regard to pursuing work at the high school. Ms. Kunz noted that her visit today was much more satisfactory than previous visits to the SDA.

Mr. Walsh then asked if there was any other member of the public present who wished to address the Board. Hearing none, upon a motion by Mr. McNamara, and

seconded by Mr. Nixon and with unanimous consent, the Open Session 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 1 2012 meeting.



Jane F. Kelly
Assistant Secretary