

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

**WEDNESDAY, MAY 1, 2013**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (“SDA”, “NJSDA” or “the Authority”) was held on Wednesday, May 1, 2013 at 9:00 AM 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)  
Jennifer D’Autrechy (Treasury)  
Bernard Piaia (NJDOE)  
Michael Capelli  
Kevin Egan  
Loren Lemelle  
Lester Lewis-Powder  
Michael Maloney  
Joseph McNamara  
Robert Nixon  
Martin Perez  
Mario Vargas

being a quorum of the Board. Ms. Lemelle, Mr. Lewis-Powder, Mr. Perez, Mr. Capelli and Mr. Piaia participated in the meeting via teleconference.

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

Da Silva, program director; Corrado Minervini, program director; James Adams, program director; and Sean Murphy, director, of the SDA participated in the meeting. Nicole Crifo of the Governor's Authorities Unit also participated in the meeting by teleconference.

The meeting was called to order by the Chairman of the Board, 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 Open and Executive Session meetings of the Board held April 3, 2013 for consideration and approval. A copy of the minutes and resolutions presented had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Vargas, and seconded by Ms. Hassett, the Open and Executive Session meeting minutes were approved by the Board upon its vote in favor of the resolutions attached hereto as *Exhibit 3a & 3b*.

### ***Authority Matters***

#### ***CEO Report***

Mr. Walsh asked Mr. Larkins to provide the report of the CEO. Mr. Larkins reported that the SDA was involved in several public events over the last month. He reported that the SDA had graduated a class of seventeen (17) firms from its Small Minority and Women Owned Business Enterprises (SMWBE) program, noting that, in the three (3) years that the program has been in place, the list of graduating firms totals forty (40) SMWBEs. He said that the program has been very successful. He reported that, as part of SDA's efforts to encourage relationships

between the graduate SWMBEs and general contractors, general contractors (GCs) were invited to participate in the graduation event affording excellent networking opportunities. Mr. Larkins advised the Members that he had appeared before the Assembly Budget Committee on April 11. He said that questions were raised regarding specific SDA projects and SDA funding. Mr. Larkins said that he will be appearing before the Senate Budget Committee shortly. In continuing, Mr. Larkins reported that, on April 22, SDA staff participated in "Earth Day" in the Neptune School District along with the State Department of Environmental Protection (DEP).

With regard to SDA project activity, Mr. Larkins reported that there are several emergent and Capital Project awards and procurements on today's meeting agenda for consideration. He said that the SDA advertised a design contract award for the Trenton Central High School project (TCHS). He said that, upon the approval of the award, activity will proceed on the project. Mr. Larkins said that the SDA has open advertisements for the ES #3 and PS #20 Elementary Schools in the Jersey City School District. He added that the SDA has also advertised for the demolition of the old H.B. Wilson Elementary School in the Camden School District.

Mr. Larkins reported that, in the coming months, the SDA will be advertising a design/build contract for PS #16 Elementary School in the Paterson School District and two (2) addition/renovation projects in the Bridgeton School District, as well as for a new Caruso Elementary School (Caruso) in the Keansburg School District.

Next, Mr. Larkins reported that there are two adjustments to today's agenda. He explained that the two (2) Rule Readoptions (Rules) that were to be considered are now being tabled due to the need for minor adjustments. He said that the Rules will come before the Members for consideration at the appropriate time, and if needed, a special Board meeting will be scheduled. Mr. Larkins said that Agenda Item 6bv, the Marshall Street Elementary School

matter, will require discussion in the Executive Session of today's Board meeting due to protest issues and so will proceed in that fashion.

Lastly, Mr. Larkins reminded the Members that their Financial Disclosure Statements (FDS) are required to be filed by May 15, 2013. He said that if Financial Disclosure Statements are not filed at the designated time, \$50 per day fines will be imposed. He offered the Members the assistance of SDA staff in this process if needed.

### *School Review Committee Report*

**Change Orders/Amendments – 1) Tricon Enterprises, Inc.; 2) Patock Construction Co., Inc. Approval of Awards; 3) Release of Funds from Program Reserve, Award of Contract and Approval of Final Charter – Irvington Public Schools – Union Avenue Middle School – Emergent Project – Roof Repairs/Replacement, Masonry Repairs and Lintel Replacement/Repairs; 4) Release of Funds from Program Reserve, Award of Contract and Approval of Final Charter – Irvington Public School District – Chancellor Avenue School – Emergent Project – Roof Repairs/Replacement, Masonry Repairs, and Lintel Repairs/Replacement; 5) Release of Funds from Program Reserve, Award of Contract and Approval of the Final Charter – Passaic City Public School District – Passaic High School 12 – Emergent Project – Masonry Repair, Lintel Replacement and Window Assembly and Grade Level Drainage Repairs; 6) Release of Funds from Program Reserve, Award of Contract and Approval of Final Charter – Salem City School District – Salem High School – Emergent Project – Partial Roof Replacement and Repairs; 7) Award of Contract and Approval of Revised Final Charter – Paterson School District – Marshall Street Elementary School – Construction of New Elementary School; 8) Construction Award – Jersey City School District – Frank R. Conwell Public School 3/Middle School 4 – Corrective Work; 9) Construction Manager Award – Paterson School District – Marshall Street Elementary School – Construction Management Services; 10) Construction Manager Award – Jersey City School District – PS No. 20 Elementary School – Construction Management Services**

Mr. Luckie advised the Members that the School Review Committee (Committee) met on April 15, 2013 and discussed various issues. He reported that the Committee recommends that the Board approve a change order to Tricon Enterprises for the Joseph C. Caruso Elementary

School (Caruso School) in the Keansburg School District in the amount of \$30,495.98. He said that the change order is for the abatement and disposal of additional asbestos contaminated material found during the demolition of the building. Mr. Adams added that the contractor has completed the demolition work and that the project is currently in the administrative closeout phase.

A resolution pertaining to the approval of change order #6 for the Caruso School project had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Egan, and seconded by Mr. Vargas, the change order was approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Exhibit 6a1*.

Mr. Luckie then reported that the Committee recommends that the Board approve a change order to Patock Construction Co., Inc. (Patock) for the Elizabeth Academic High School project in the Elizabeth School District in the aggregate amount of \$879,525. The change order is associated with work items identified during the constructability review process. Mr. Minervini provided the Members with an overview of the project.

A resolution pertaining to the approval of change order #1 for Patock Construction Co., Inc. had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Vargas, and seconded by Mr. Nixon, the change order was approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Exhibit 6a2*.

Mr. Luckie then reported that the Committee had considered a release of funds from the program reserve, contract award and approval of final charter for Union Avenue Middle School (Union Avenue) in the Irvington School District for a roof repair or replacement, masonry repairs and lintel repairs or replacement emergent project. He reported that the Members are requested to approve the award of a construction contract in the amount of \$2,397,018 to Catcord

Construction Company, Inc. (Catcord); the release of \$3,126,332 from the program reserve to address the emergent project, and approval of the final charter for the emergent project. Mr. Murphy provided the Members with an overview of the project.

A resolution for approval of a release of funds from the program reserve, contract award to Catcord Construction Company, Inc. and final charter for Union Avenue in the Irvington School District for a roof repairs or replacement, masonry repairs and lintel repairs or replacement emergent project had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Vargas, and seconded by Mr. Nixon, the award, final charter and release of funds were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Exhibit 6bi*.

Mr. Luckie then presented a memorandum regarding the release of funds from the program reserve, contract award and approval of the final charter for Chancellor Avenue School in the Irvington Public School District for a roof repairs or replacement, masonry repairs and lintel repairs or replacement emergent project. He reported that the Members are requested to approve the award of a construction contract in the not-to-exceed (NTE) amount of \$555,490 to The Bennett Company (Bennett), the release of \$804,253 from the program reserve to address the emergent project; and the final charter for emergent project. Mr. Murphy then provided the Members with an overview of the project.

A resolution pertaining to the release of funds from the program reserve, contract award to The Bennett Company and final charter for the Chancellor Avenue School in the Irvington School District for a roof repairs or replacement, masonry repairs and lintel repairs or replacement emergent project had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Ms. Hassett, and seconded by Ms. D'Autrechy, the

award, final charter and release of funds were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Exhibit 6bii*.

Mr. Luckie then presented a memorandum regarding the release of funds from the program reserve, contract award and approval of the final charter for Passaic High School 12 (Passaic) in the Passaic City School District for a masonry repair, lintel replacement and window assembly and grade level drainage repairs emergent project. He reported that the Members are requested to approve the award of a construction contract in the Not To Exceed (NTE) amount of \$458,812 to Molba Construction (Molba), the release of \$669,339 from the Program Reserve to address the emergent project, and the final charter for emergent project. Mr. Murphy provided the Members with an overview of the project.

A resolution pertaining to the release of funds from the program reserve, contract award to Molba Construction and final charter for Passaic High School 12 in the Passaic School District for a masonry repair, lintel replacement and window assembly and grade level drainage repairs emergent project had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Piaia, and seconded by Mr. Vargas, the award, final charter and release of funds were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Exhibit 6biii*.

Mr. Luckie then presented a memorandum regarding the release of funds from the program reserve, contract award and approval of the final charter for Salem High School in the Salem City School District for a partial roof replacement and repairs emergent project. He reported that the Members are requested to approve the award of a construction contract in the NTE amount of \$647,271 to Hall Construction Co., Inc. (Hall), the release of \$887,143 from the

program reserve, and the final charter for the emergent project. Mr. Murphy provided the Members with an overview of the project.

A resolution pertaining to the release of funds from the program reserve, contract award to Hall and final charter for the Salem High School in the Salem City School District for a partial roof replacement and repairs emergent project had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Vargas, and seconded by Ms. Hassett, the award, final charter and release of funds were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Exhibit 6biv*.

Mr. Luckie then presented a memorandum regarding a contract award and approval of final charters for the Frank R. Conwell Public School 3 (PS3)/Middle School 4 (MS4) projects in the Jersey City School District in the amount of \$688,000 for corrective work. Mr. Murphy provided the Members with an overview of the projects.

A resolution pertaining to the contract award and approval of final charters for the Frank R. Conwell Public School 3 (PS3)/Middle School 4 (MS4) projects had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Egan, and seconded by Ms. D'Autrechy, the contract award and approval of final charters were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Exhibit 6bvi*.

Mr. Luckie then reported that the Committee recommends that the Board approve the construction management services award to the firm with the highest Final Combined Score, STV Construction, Inc. (STV) for a total lump sum fee of \$1,522,607 for Construction Management Services for the new Marshall Street Elementary School (Marshall Street) in the Paterson Public School District. Mr. Murphy provided the Members with an overview of the project, noting that the package was advertised as a solicitation for price and other factors with



price weighted at 40% of the overall weight, and all non-price factors with a combined weight of 60%.

A resolution pertaining to the construction manager award for the Marshall Street project had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. McNamara, and seconded by Mr. Vargas, the construction manager award to STV Construction, Inc. was approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Exhibit 6ci*.

Mr. Luckie then advised the Members that it is recommended that they approve an award to the firm with the highest Final Combined Score, Gilbane Building Company (Gilbane), for a total lump sum fee of \$1,102,736 for construction management services for the new PS No. 20 Elementary School (PS#20) in the Jersey City Public School District. Mr. Murphy provided the Members with an overview of the project. After discussion, Mr. Walsh suggested that the Board focus on the particulars of the review process going forward.

A resolution pertaining to the construction management services award for the PS#20 project had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Vargas, and seconded by Mr. Egan, the award to Gilbane Building Company was approved by the Board upon its vote in favor of the resolution attached hereto as *Exhibit 6cii*.

### ***Audit Committee Report***

The Chairman then requested that Mr. Nixon provide the Board with the report of the Audit Committee. Mr. Nixon advised the Members that the Audit Committee met on April 15, 2013. He said that management had provided the Committee with the March 2013 New Funding Allocation and Capital Plan Update. He said that management reported no change in the

Unforeseen Events Reserve balance and an increase of \$15.3 million in the Planning Reserve balance. He reported a \$200,000 increase in the 2008 Capital Plan Emergent Projects Reserve balance and noted a \$4.4 million decrease in the 2011 Capital Plan Emergent Projects Reserve balance. Mr. Nixon advised that the reserve balance for the Regular Operating Districts (“RODs”) increased by \$900,000.

Mr. Nixon then reported that management had discussed with the Committee two (2) completed recommendations. He advised that the allowance authorization form has been created in response to the SDA Design Consultant Allowance recommendation and its use has been implemented. He noted that the second completed recommendation relates to the SDA Design Consultant Amendments. He explained that staff has received direction with respect to the documentation of amendment activities, including completion of the necessary forms and their inclusion in the amendment files, with the main focus on improving the paperwork which facilitates tracking capabilities.

In continuing, Mr. Nixon said that Management presented a revised proposal for the statutorily mandated audits. He advised that the SDA, in consultation with the Office of the State Comptroller, has developed a model for auditing these projects. He advised that updates would be forthcoming. Mr. Nixon then noted that an assessment was presented to the Committee on acquisition and pre-development activity conducted in connection with an SDA Capital Project. He explained that the assessment determined that project funds were appropriately spent in accordance with contractual terms, SDA practices and New Jersey rules and regulations.

Mr. Nixon then reported that the Committee was provided with the March 2013 Monthly Financial Report with management advising that, as of March 2013, the Authority’s operating

expenditures totaled \$9.7 million which is \$1.3 million lower than budget for the period. He said that this is an \$866,000 decrease from the corresponding period in the prior year. Mr. Nixon added that, as of March 2013 year to date, project expenditures, at \$35 million, are down \$3.8 million as compared to corresponding prior year; and down \$26.1 million in comparison to the 2013 Capital spending forecast. He said that the year-over-year variance is attributable to a decrease in grant activity (\$13.1 million), offset by increases in construction (\$5.7 million) and personnel expenses (\$3.6 million) now allocated to project costs and not operating expenses. Mr. Nixon reported that, since inception, 66.5% of the funds authorized for the SDA Districts have been disbursed. He advised that 96% of all SDA disbursements relate to school facilities projects and 4% relate to program administrative and general expenses. In conclusion, Mr. Nixon said that the estimated value of current school facilities project activity is approximately \$2.2 billion.

### *Reports*

Mr. Walsh referenced the monthly reports and asked Mr. Ballard to update the Members regarding Project Closeouts. Mr. Ballard provided an update regarding the Project Closeout Status Report. He reported that five (5) Capital projects have been closed, one (1) Capital project has been transferred to the local district and six (6) additional emergent projects were closed. Mr. Ballard further reported that there has been much activity with regard to the demonstration projects. Mr. Ballard reported that he and Mr. Yosha received a copy of a recommendation for closeout of the Vineland demonstration project which is currently under review. He said that the project is anticipated for full closure in the coming months. Mr. Ballard said that the Trenton demonstration project will follow. Lastly, Mr. Ballard reported that the New Brunswick demonstration project will be the next project for closeout.

### *Public Comments*

Mr. Walsh announced that, consistent with the Open Public Meetings Act, the Public Comments portion of the meeting would begin. He requested, whenever possible, that multiple individuals from the same organization or district come up together to offer comments. He advised that the public comment period is to afford citizens the opportunity to comment on matters pertinent to the Authority's business. He requested that those speaking hold their comments to between three (3) and five (5) minutes.

Referencing a list of those who had indicated an interest in providing public comment, Mr. Walsh then invited Minister Lee Ingram, to address the Members. Minister Ingram thanked the Members for the immediate attention that was granted with regard to the Trenton Central High School roof issue. He then shared photos with the Members. Minister Lee noted that while it is great to see work being performed at the high school, there continues to be the need for a brand new Trenton Central High School.

Next, Diana Crowder, Certified Industrial Hygienist and consultant with the New Jersey Work Environment Council (NJWEC) spoke regarding the human element of how old and damaged schools impact the health of students and administrative and teaching staffs. She explained that she provides industrial hygiene technical assistance to the members of the New Jersey Education Association (NJEA). Ms. Crowder provided examples of her work which include performing walkthroughs and inspections of schools, air sampling, interpretation of air sampling results, educational seminars and conferences to educate staff on health and safety hazards in their schools and the prevention of such exposures. She shared a list of hazardous conditions and their potential health impacts with the Members.

Next, Georgia Koenig, TCHS graduate and representative of Urban Promise Trenton spoke on behalf of the TCHS project. She said that she had brought a few students with her so that they could witness the commitment and determination that a number of their fellow residents have regarding the need for improvements at their high school. Ms. Koenig noted the deplorable conditions of the high school. She said that the physical condition of the building does not demonstrate that a priority is placed on education. Ms. Koenig added that she was happy to hear that some progress is being made with regard to fixing the roof, but that there is still a long way to go. She begged the Members to do the right thing and modernize the school.

Next, teacher Cheryl Skeete of AFT New Jersey invited the Members to come out and visit some of the schools in the Newark School District. She reiterated some of Ms. Crowder's remarks regarding the health impacts of being in a classroom with mold and other disease related issues. She said that she is aware that processes have to be followed in moving forward with projects. She noted that some things are better off not being fixed but, rather, should be newly constructed because patching only puts a band aid on bad elements like asbestos and mold. Ms. Skeete reiterated the need for the Members to come visit some of the schools and see the conditions for themselves.

Next, Linda Reid spoke on behalf of the Paterson schools. She was accompanied to the podium by other Paterson representatives and shared photos of the Marshall & Hazel Elementary School (Marshall Street) project site with the Board. She also provided a chart to the Members listing all of the Paterson schools that are 100 years old and older. She also invited the Members to attend an event celebrating the 126<sup>th</sup> year of School #14. She said that several organizations will be in attendance and that the event will be held on May 2 at 11:00 a.m. Ms. Reid noted that the last time that School #14 was mentioned for advancement was in 2005. She said that School

#14 is a death trap and noted that if a fire were to break out, someone would get hurt. She reiterated that all the Members are welcome to attend the event for School #14 and noted that she is putting School #14 on her watch list along with the Marshall Street School.

Lastly, Emerson Simmons, concerned citizen of Trenton, addressed the Members. He noted that in 1998-99 he was a member of Trenton's first five-year (5) facility plan group. He said that, soon after, when Governor Whitman was in office, she put the school program in place. Mr. Simmons said that he also served on TCHS' committee where a plan was put in place and a promise was made to put more than \$120 million into TCHS for renovations. He said that approximately \$2 million was spent on the actual plan and no one has mentioned the status of the \$120 million for TCHS. Mr. Simmons said that for ten (10) years, TCHS was told that the SDA would not build a new school and then the SDA said that it would provide a new school, even though a committee came up with a less expensive renovation plan. He said that the SDA had a meeting last year and said that they were not going to do that either. Mr. Simmons said that he has attended meetings as part of a committee over the last four (4) months with the understanding that the committee was a renovation committee, only to find out later that it was a committee to fix eighteen (18) to thirty (30) issues at the high school. Mr. Emerson reminded the Members that he spoke about having windows fixed at last month's meeting and that a representative from the SDA noted that anything the SDA fixes, the district is responsible for bringing up to code. He said that what used to be emergent projects have now become emergency projects which are left to the district to fix. After further comment, Mr. Simmons said that urban districts do not have the money to fix emergency projects, so the buildings will continue to deteriorate. In conclusion, Mr. Simmons said that instead of putting a roof on a rotting building, a new school should be built. He also said that the new buildings that have

recently been built are now having issues and if the SDA wants to do something right for the children, they should stop taking short cuts and cheap ways to build and properly build a school. He said that even if it means only building three (3) or four (4) well-built schools.

Following the Public Comments portion of the meeting, Mr. Walsh asked for a motion to adjourn into Executive Session. He and Ms. Kelly explained that, in Executive Session, the Board will be discussing a proposed lease extension in connection with the Joseph C. Caruso School project and an award of contract and charter approval for the Marshall Street Elementary School along with certain legal issues associated therewith.

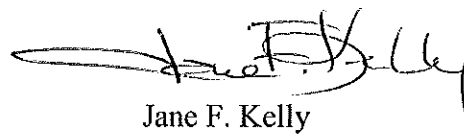
Upon motion duly made by Mr. Egan, and seconded by Mr. Maloney, the Board adjourned into Executive Session.

Upon a return to Open Session, Mr. Walsh presented the matter involving approval of contract award, revised final project charter, sole source designation and settlement with Haberle Steele, Inc. in connection with the Marshall Street Elementary School project in Paterson.

A resolution in this matter had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Egan, and seconded by Mr. Nixon, the contract award, revised final project charter, sole source designation and proposed settlement in the Paterson Marshall Street Elementary School matter were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Exhibit 6bv*.

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 May 1, 2013 meeting.

A handwritten signature in black ink, appearing to read "Jane F. Kelly". The signature is stylized with a long horizontal stroke at the beginning and a large, looped "K" at the end.

Jane F. Kelly  
Assistant Secretary