

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS MEETING  
WEDNESDAY, JUNE 3, 2015**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (“SDA” or “the Authority”) was held on Wednesday, June 3, 2015 at 10:30 A.M. at the Gloucester City Jr.-Sr. High School at 1300 Market Street, Gloucester City, New Jersey.

Participating were:

Edward Walsh, Chairman  
Maureen Hassett (EDA)  
Kevin Luckie (DCA)  
Matthew Murray (Treasury)  
Kevin Egan  
Loren Lemelle  
Lester Lewis-Powder  
Robert Nixon  
Mario Vargas

being a quorum of the Board. Mr. Egan, Ms. Lemelle, Mr. Lewis-Powder, Mr. Murray and Mr. Vargas participated in the meeting by teleconference.

At the Chairman’s request, Charles McKenna, chief executive officer (by teleconference); Jason Ballard, chief of staff; Andrew Yosha, executive vice president; Jane F. Kelly, vice president and assistant secretary; Raymond Arcario, vice president; Albert Barnes, chief counsel; Cecelia Haney, senior counsel; Manuel DaSilva, director; Ritchard Sherman, managing director; and Gregory Voronov, managing director of the SDA, participated in the meeting. Additional SDA staff participated in the meeting by teleconference from the SDA offices in Trenton.

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 presented for consideration and approval the Minutes of the Board's May 6, 2015 Open and Executive Session meetings. A copy of the minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Nixon and seconded by Ms. Hassett, the Open and Executive Session minutes of the May 6, 2015 meeting were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Resolution 3a/3b*.

### *Authority Matters*

#### *CEO Report*

As Mr. McKenna was participating by teleconference, Mr. Walsh asked Mr. Yosha to discuss recent SDA activities in his stead. Mr. Yosha provided the Members with an update regarding the Paterson Catholic HS project. He reported that closing took place on May 14 on the Authority's acquisition of the former Paterson Catholic HS property. He noted that a letter was sent to the Paterson Charter School of Science and Technology to formally advise them of the transfer of title and the resulting termination of their lease.

Next, Mr. Yosha gave an update on the Trenton Central HS (TCHS) project. He said that two sections of the facility have been abated. He also reported that required documentation will be submitted to the Department of Community Affairs (DCA) for issuance of demolition permits. He added that the Department of Environmental Protection (DEP) conditionally

approved the EO 215 on May 8. Mr. Yosha then informed the Members that the Trenton Board of Education approved the schematic design submission for the project on April 20 and SDA is positioned to receive Department of Education (DOE) approval within the next month. He said that conceptual options for the exterior design of the new TCHS were developed and presented to the Project Steering Committee, school staff, and the community as part of a presentation made to the Trenton Board of Education on May 26. He added that the Trenton Times, which had a reporter at the meeting, posted the design options to their website with a poll allowing members of the public to choose their preferred design option. Mr. Yosha noted that the three designs also appeared on the front page of the Trenton Times the day following the meeting.

Mr. Yosha then gave an update on projects in the Bridgeton School District. He said that ongoing activities on the Buckshutem ES project include roof installation, interior masonry, installation of ductwork, electrical and plumbing rough-in, installation of fire sprinkler piping, and the setting of and piping to the roof top units. In regard to the Quarter Mile Lane ES project, Mr. Yosha said that, in addition to masonry work, ongoing work includes electrical and plumbing rough-in, interior masonry walls and installation of stairs.

With regard to the projects in the Elizabeth School District, Mr. Yosha noted that work continues on the building enclosure for the Elizabeth Academic HS project and that all major trade work continues in the building interior. Providing an update on the Elizabeth New ES project, he informed the Members that SDA received 6 proposals on May 7 in response to an advertisement for Construction Management (CM) services. He added that interviews were held on May 28 and price proposals were opened on June 2. Mr. Yosha advised the Board that management expects to present an award recommendation at the July Board meeting. He said that SDA reviewed and accepted the preliminary design submission of the project's design-builder. He noted that final design submission is anticipated within the next two weeks.

Mr. Yosha then reported that the DCA issued the certificate of acceptance for the Garfield James Madison ES No. 10 demolition project. He said that the procurement package for CM services was advertised on May 1 and management anticipates advertising for construction services this quarter.

Mr. Yosha then provided an update on the Gloucester ES/MS project. He said that the first construction Notice to Proceed (NTP) for underground utilities, footings, foundation and structural steel remains anticipated to be issued 3rd quarter 2015. He noted that relocation construction by the utility companies is ongoing and the surcharge operation to address the soils/peat is underway.

Next, Mr. Yosha reported that site investigation activities continue and are anticipated to be completed by the end of this month on the Harrison New PK-1 ES project. He added that design of an early site package for the district-owned parcel will follow. Mr. Yosha said that land acquisition activities continue for three residential properties and that it is anticipated that action regarding this will be brought to the Board for consideration in August. He informed the Members that the SDA Design Studio has completed the program/concept phase of design and secured district approval of the program and conceptual design.

Turning to the Irvington Madison Avenue ES project, Mr. Yosha said that site investigation activities continue and are expected to be completed by the end of June.

With respect to the Jersey City ES No. 3 project, Mr. Yosha reported that management continues to anticipate the design-builder's resubmission of the final design-phase documents this month.

Mr. Yosha noted that site work is ongoing and footings, foundations and structural steel erection are complete on the Keansburg Caruso ES project. He added that concrete slab and masonry installation work continues.

In continuing, Mr. Yosha said that SDA is anticipating issuance of a NTP for schematic design by the end of this month (June) for the addition and renovations to the existing Millville HS.

Turning to projects in the Newark School District, Mr. Yosha said that exterior masonry veneer work continues, along with roof installation, ductwork, insulation and interior masonry work on the Elliot Street ES project. He added that drywall and window installation work is ongoing. With regard to the Oliver Street ES project, he reported that interior and exterior masonry and roof installation work is ongoing.

With regard to the Newark South Street ES, Mr. Yosha advised the Members that the district has approved the schematic design re-submission for the project. He said that DOE approval is expected this month. He added that the SDA Design Studio is proceeding with preparation of bridging design documents which are expected to be completed for bidding this month.

Mr. Yosha then provided an update on projects in the Orange School District. He reported that pre-design services are on-going for the Orange HS project. He said that the SDA is reviewing the design consultant's initial draft project report. With regard to the Cleveland ES project, Mr. Yosha said that the advertisement for a design consultant was posted on May 11, with bids due June 18.

Turning to projects in the Passaic School District, Mr. Yosha said that work continues on the Henry Street ES project with occupancy anticipated for September 2015. He reported that the schematic design submission for the Leonard Place ES project has been completed, adding that district review and approval is anticipated to conclude in the next month.

Turning to the projects in the Paterson School District, Mr. Yosha said that at the Paterson Marshall Street ES project, progress is being made on the building enclosure with the

installation of windows. He added that the work of all mechanical electrical and plumbing (MEP) trades is progressing. In regard to the Paterson PS 16 project, Mr. Yosha said that slab on grade concrete work is being finalized as all underground utilities are being completed. He added that interior and exterior masonry work continues. He noted that MEP trades are on pace with masonry work.

Next, Mr. Yosha reported that the district has approved the schematic design submission for the Perth Amboy Seaman Avenue ES project and SDA is positioned to receive DOE approval within the next month.

Next, Mr. Yosha gave an update on the Phillipsburg HS project. He said that masonry work is ongoing in exterior and interior areas and significant MEP work is proceeding throughout. He added that all concrete slabs and decks have been completed with the exception of the kitchen area.

Mr. Yosha then advised the Members that the district has approved the schematic design submission for the Vineland New MS project. He said that SDA is positioned to receive DOE approval within the next month. Mr. Yosha then reported that the SDA Design Studio is proceeding with preparation of bridging design documents for the project which are anticipated to be completed for bidding in August.

Mr. Yosha then provided an update regarding SDA's current procurement activity. He said that activity underway includes procurements for: construction management services for the Elizabeth New ES project; construction management services for the Garfield James Madison ES #10 project; design-build services for the New Brunswick Paul Robeson ES project; pre-design phase services for the Orange Cleveland ES project; pre-design phase services for the Camden HS project; and a procurement for the Authority's furniture, fixtures and equipment term contract.

Mr. Yosha then discussed the Authority's upcoming events, outreach and other activity. He said that the SDA's Biannual Report, which is required by state law, is in final review and expected to be released soon. He added that SDA will forward the report to the Board as soon as it is finalized.

Mr. Yosha then advised the Members that, following the May 6 Board meeting, Mr. McKenna attended a groundbreaking event for an addition/renovation project in Guttenberg. He said SDA provided a substantial ROD grant for this project.

Finally, Mr. Yosha informed the Members that the previous Friday, Mr. McKenna spoke to students at the Orange Cleveland Street ES as part of their career day discussing what he does as SDA CEO. He said that other SDA staff members joined Mr. McKenna and spoke with the students, including Aidita Milsted, the director overseeing the project that SDA is advancing at the Cleveland School.

The Chairman then inquired regarding the status of the TCHS project. Mr. Sherman and Mr. DaSilva provided additional details regarding the project's status and schedule. Mr. Walsh also inquired as to the status of the Gloucester City MS project. Mr. Sherman discussed the project schedule, noting that it is on target for completion in 2017.

#### *Audit Committee*

The Chairman then requested that Mr. Nixon provide the report of the Audit Committee. Mr. Nixon reported that the Audit Committee met on May 18, 2015. He said that management had provided the Committee with the April 2015 New Funding Allocation and Capital Plan Update. He said that management reported that there were no changes in the Unforeseen Events Reserve or the 2008 and 2011 Capital Plan Emergent Projects Reserve balances. He advised that there was a \$3.9 million decrease in the Planning Reserve balance for the reporting period due to the provision of additional funding for the New Brunswick Paul Robeson Community ES

project. He said that this funding was needed due to an increase in building size which resulted from DOE's approval of additional Pre-Kindergarten capacity at the school.

He added that the reserve balance for the Regular Operating Districts ("RODs") increased by \$1.8 million during the reporting period due to a reduction in state share for grant projects nearing completion.

Next, Mr. Nixon reported that the Committee was provided with the April 2015 Monthly Financial Report. He said that, year-to-date, the Authority's operating expenditures total \$7.3 million which is \$1.2 million lower than the operating budget for the corresponding period. He said that this is \$141,000 higher than actual expenses for the corresponding period in the prior year. He reported that, as of April 2015, year-to-date project expenditures are \$116.7 million, down \$39.1 million as compared to the 2015 Capital spending forecast for the corresponding period and \$55.5 million higher as compared to actual expenses in the corresponding prior year. He said that this is largely attributable to a \$24.8 million increase in spending for construction activity, \$18.3 million for grant activity, \$5.6 in project insurance — including the \$4.9 million down payment for the 3 year OCIP renewal agreement along with \$3.3 million in property acquisition costs and \$3.5 million related to other project costs.

In concluding, Mr. Nixon noted that, since inception, 71.2% of the funds authorized for the SDA districts have been disbursed. He reported that 96% of all SDA disbursements relate to school facilities projects and 4% relate to program administrative and general expenses. Mr. Nixon advised the Board that the estimated value of current school facilities project activity is approximately \$2.2 billion.

### *School Review Committee*

**Change Orders: Terminal Construction; Wu & Associates; Release of Funds from Program Reserve – Newark City School District – Avon Avenue ES – Emergent Project – Masonry Repairs; Release of Funds from Program Reserve – Newark City School District**



**– Fourteenth Avenue ES – Emergent Project – Masonry and Roof Repairs; Release of Funds from Program Reserve – Newark City School District – Maple Avenue ES – Emergent Project – Masonry Repairs; Release of Funds from Program Reserve – Newark City School District – Peshine Avenue ES – Emergent Project – Masonry Repairs; Final Adoption Without Change: Title 19, Chapter 32 Section 15 Grant Procedures Rules**

Mr. Walsh asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie informed the Members that the Committee met on May 18, 2015. He then discussed management's request that the Board approve change order #2 for Terminal Construction Corporation (Terminal) in connection with the New Gloucester City ES/MS project. He reported that the New Gloucester City ES/MS is a 122,000 square foot facility designed to educate 687 students in grades 4 through 8 in the Gloucester City Public Schools District. Mr. Luckie reported that, in August 2014, Terminal was issued a NTP to provide design-build services for the project. He said that a soils related issue was identified on the project site that had to be addressed in advance of performance of other construction activity. He said that it was necessary to begin this work in May 2015 in order to deliver this school facility in September 2017. Mr. Luckie that, for this reason, SDA issued a \$0 construction change directive (CCD) to advance the necessary work on May 1, 2015 and had discussed the matter with the full Board at its meeting on May 6, 2015. He said this is the resolving change order (RCO) which reflects the final dollar value of the CCD. He added that as the RCO, in the amount of \$868,245, exceeds \$500,000 it is being presented for Board approval. He said that this matter has been forwarded to the SDA Special Projects Division for a determination as to cost recovery potential.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Nixon and seconded by Ms. Hassett, change order #2 in the amount of \$868,245 to Terminal Construction Corporation in connection with the New Gloucester City ES/MS project was approved with the Board's unanimous vote in favor of *Resolution 6a1*.

Mr. Luckie then discussed management's request that the Board approve credit change order #1 for Wu & Associates, Inc. in connection with the Trenton Central HS project. He reported that in October 2014, the Members approved a revised preliminary project charter for the TCHS project in the Trenton Public Schools District reflecting a project scope of full demolition and new construction. He noted that the revised preliminary project charter budget includes costs associated with temporary cafeteria ventilation at the vacant TCHS facility and expenditures for the lease and fit-out of temporary space as well as costs to address storage space needs. Mr. Luckie said that, following an extensive review of best storage facility options by SDA staff, Wu & Associates, Inc. was engaged through the SDA General Contractor Task Order Contract on a time materials basis, at an estimated not to exceed cost of \$309,630.00. He said the firm was engaged to provide services to address the cafeteria ventilation need at the vacant TCHS facility and to provide a necessary climate-controlled storage environment at district-owned storage space. He noted that the work of Wu & Associates, Inc. was completed as of December 16, 2014. Mr. Luckie advised the Members that certain work that was not required to be performed by Wu & Associates, Inc. has resulted in the need for a credit change order in the amount of \$130,656.63 and execution of this change order No. 1 is necessary to de-obligate the unused contract funds to advance contract closeout. He added that change order No. 1 is greater than 10% of the contract value and so must be approved by the Board. Mr. DaSilva noted that the credit is attributable to cost reductions realized in connection with the generator in the cafeteria.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Nixon and seconded by Mr. Walsh, credit change order #1 in the amount of \$130,656.63 for the TCHS project was approved with the Board's unanimous vote in favor of *Resolution 6a2*.

Mr. Luckie then advised the Board that the next four matters presented for discussion are the result of joint site visits conducted by SDA and DOE staff to review potential emergent conditions in the Newark School District. He said that, in each case, DOE issued pre-construction approval on July 18, 2012 and a grant agreement was executed on March 18, 2013. He advised the Board that, if approved, each project will advance pursuant to SDA delegation for district management. Mr. Luckie further advised the Board that each matter will be presented separately for Board consideration and approval.

Mr. Luckie then discussed management's request that the Board approve the release of funds from the program reserve for the Avon Avenue ES masonry repairs emergent project in the Newark City School District. He said that the Avon Avenue ES, built in 1905 is an approximately 79,000 square foot facility that educates 630 students in grades K to 8. He said that pre-construction approval has been granted for advancement of this emergent project to address conditions related to the building's exterior masonry.

In response to an inquiry by Mr. Walsh, Mr. Voronov provided additional details regarding the four Newark emergent project matters including the need for certain commitments on the part of the district in connection with the Maple Avenue project to be considered later in the meeting.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made Mr. Vargas and seconded by Mr. Walsh, the release of funds from the program reserve in the amount of \$2,605,000 for the Avon Avenue ES masonry repairs emergent project in the Newark City School District was approved with the Board's unanimous vote in favor of *Resolution 6b*.

Next, Mr. Luckie discussed management's request that the Board approve the release of funds from the program reserve for the Newark Fourteenth Avenue ES masonry and

roof repairs emergent project. He explained that the Fourteenth Avenue ES, built in 1906, is an approximately 43,000 square foot facility that educates 248 students in grades K to 4. He said that pre-construction approval has been granted for advancement of an emergent project to address conditions related to the building's exterior masonry and roof.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Ms. Hassett and seconded by Mr. Walsh, the release of funds from the program reserve in the amount of \$2,157,000 for the Fourteenth Avenue ES masonry and roof repairs emergent project in the Newark City School District was approved with the Board's unanimous vote in favor of *Resolution 6c*.

Next, Mr. Luckie discussed management's request that the Board approve the release of funds from the program reserve for the Maple Avenue ES masonry repairs emergent project in the Newark City School District. He advised the Board that the Maple Avenue ES is an approximately 54,000 square foot facility built in 1924. He said that pre-construction approval has been granted to allow for the advancement of a masonry repairs emergent project at the school. Mr. Luckie then informed the Members that, in this case, discussions were held with the district regarding planned future utilization of the Maple Avenue facility which is currently unoccupied. He said that, following these discussions and prior to advancement of this emergent project, SDA is requiring written confirmation from the district committing to continued use of the facility for educational purposes for a minimum of five years after completion of the emergent project. He noted that in the absence of this commitment by the district, funding for this emergent project will be canceled and returned to the program reserve. Mr. Luckie said that the Board is being asked to approve the release of funds consistent with this stipulation.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made Mr. Nixon, seconded by Mr. Vargas, and upon the terms

described by Mr. Luckie, the release of funds from the program reserve in the amount of \$2,912,000 for the Maple Avenue ES masonry repairs emergent project in the Newark City School District was approved with the Board's vote in favor of *Resolution 6d*.

Mr. Luckie then discussed management's request that the Board approve the release of funds from the program reserve for the Peshine Avenue ES masonry repairs emergent project in the Newark City School District. He said that the Peshine Avenue ES, built in 1911, is an approximately 119,000 square foot facility that educates 783 students in grades Pre-K to 8. He said that pre-construction approval has been granted for the advancement of a masonry repairs emergent project at the school.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made Mr. Vargas and seconded by Mr. Walsh, the release of funds from the program reserve in the amount of \$2,757,000 for the Peshine Avenue ES masonry repairs emergent project in the Newark City School District was approved with the Board's unanimous vote in favor of *Resolution 6e*.

Mr. Luckie then discussed management's request to approve the final adoption without change of SDA's Title 19, Chapter 32 Section 15 Grant Procedures rules (Rules). He said that Title 19, Chapter 32, was adopted on January 7, 2008 as the Authority's new rules governing Grant Procedures. He reported that Chapter 32 was scheduled to expire on January 7, 2015 but the expiration date was extended to July 6, 2015 with the filing of a re-adoption proposal with the State Office of Administrative Law. Mr. Luckie informed the Members that these Rules, which are proposed for re-adoption with amendments, provide a mechanism whereby eligible "non-SDA" school districts can receive Section 15 grants, and provide guidelines to ensure that grant funds are used properly by the grantee districts. He said that the proposed re-adoption with substantive amendments conforms the regulations with statutory changes and to the current

practices of the SDA with respect to the administration and disbursement of grant funds. In response to an inquiry by Mr. Luckie, Ms. Haney confirmed that no public comments had been submitted in connection with this rule proposal.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Ms. Hassett and seconded by Mr. Walsh, the final adoption without change of the Title 19, Chapter 32 Section 15 Grant Procedures rules was approved with the Board's unanimous vote in favor of *Resolution 6f*.

### *Public Comments*

The Chairman then opened the Public Comments portion of the meeting. He asked Superintendent Rafferty of the Gloucester City Public Schools to address the Board. Superintendent Rafferty opened his remarks by welcoming the Members of the Board to the Gloucester Jr.-Sr. High School. He thanked the Board and SDA staff for advancing the New Gloucester City MS project. He said that the New Middle School project will benefit not only the students but the community as well. He added that it has been a pleasure working with SDA staff and thanked everyone on behalf of the children. Mr. McKenna commented that the Gloucester City School Board and the Superintendent also have been great to work with in advancing the new MS project. Superintendent Rafferty concluded by saying that he cannot wait to see the children's faces when they walk into their new school.

With no other member of the public coming forward to address the Board, Mr. Walsh asked for a motion to adjourn the meeting. Upon motion and with unanimous consent, the meeting was adjourned.

There being no further business to come before the Board, upon motion of the Chairman 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 June 3, 2015 meeting.

A handwritten signature in black ink, appearing to read "Jane F. Kelly". The signature is stylized with a large, sweeping initial "J" and "K".

Jane F. Kelly  
Assistant Secretary