

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, AUGUST 5, 2015**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (“SDA” or “the Authority”) was held on Wednesday, August 5, 2015 at 9:00 A.M. at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Edward Walsh, Chairman
Matthew Murray (Treasury)
Maureen Hassett (NJEDA)
Kevin Luckie (NJDCA)
Bernard Piaia (NJDOE)
Kevin Egan
Loren Lemelle
Michael Maloney
Joseph McNamara
Robert Nixon
Mario Vargas

being a quorum of the Board. Mr. Egan, Ms. Lemelle, Mr. Murray, Mr. Nixon and Mr. Piaia, participated in the meeting by teleconference.

At the Chairman’s request, Charles McKenna, chief executive officer; Jason Ballard, chief of staff; Andrew Yosha, executive vice president; Jane F. Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; Raymond Arcario, vice president; Albert Barnes, chief counsel; Manuel Da Silva, director; Sean Murphy, director; Thomas Schrum, director and Robert Ryan, deputy program director of the SDA,

participated in the meeting. Lisa LeBoeuf 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 presented for consideration and approval the Minutes of the Board's July 1, 2015 Open and Executive Session meetings. A copy of both meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Luckie, the Open and Executive Session minutes of the July 1, 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

Mr. Walsh asked Mr. McKenna to discuss recent SDA activities. Mr. McKenna began by advising the Board that, on June 25, 2015, SDA received a Certificate of Occupancy (CO) for the Paterson International HS. He commended the efforts of SDA's Raymond Arcario and Ron Dworkis in securing the CO. Mr. Arcario provided additional details regarding the work required by the Department of Community Affairs (DCA) and noted that certain non-code related work remains ongoing.

Next, Mr. McKenna gave an update on the Trenton Central HS (TCHS) project. He reported that three sections of the facility have been abated and that final utility shutoff work is

complete. He said that required documentation was submitted to the DCA for issuance of demolition permits for those three sections. He added that the DCA has issued a permit for abatement and demolition of the roofs for all wings of the facility and roof demolition work commenced this week. Mr. McKenna said that SDA is positioned to receive Department of Education (DOE) approval of the schematic design. He added that the SDA Design Studio is proceeding with development of bridging documents. He said that documents have been submitted to the Office of State Comptroller (OSC) and management anticipates advertising in late September for design-build services for the new TCHS.

Mr. McKenna then gave an update on projects in the Bridgeton School District. He said that exterior brick facade and roof installation work is complete for the Buckshutem ES project. He added that interior work---including mechanical, electrical and plumbing (MEP) rough-in---is ongoing there and that drywall work has commenced. He advised that there are no changes to report regarding the Quarter Mile Lane ES project. With regard to the Camden HS project, Mr. McKenna said that the procurement process for engaging a design consultant to provide pre-design phase services is complete and a recommendation for award is on today's agenda.

Turning to projects in the Elizabeth School District, Mr. McKenna said that building enclosure work continues on the Elizabeth Academic HS project. He said that, following required revisions, the design-builder's final design submission was resubmitted and is currently being reviewed for the Elizabeth New ES project. He noted that the design-builder was at the SDA yesterday for discussions. He added that the design-builder has submitted an underground utilities, footings and foundations package to DCA for review.

Next, Mr. McKenna reported that proposals for construction management (CM) services were publicly opened on July 10 for the Garfield James Madison ES #10 project. He said that an award recommendation is on today's agenda. He noted that management advertised in June for

construction services and that a pre-bid meeting was conducted on July 21 with technical and price proposals due in September.

Mr. McKenna reported that, for the Gloucester ES/MS project, utility relocation construction by the utility companies is nearing completion. He said that placement of fill material as part of the surcharge operation is complete and continues to be monitored. He noted that it is anticipated that the stockpile will remain for approximately two months to surcharge and compress the underlying soil sufficiently to achieve the necessary compaction for construction. Mr. McKenna said that underground utility, footings and foundation installation work has commenced and that structural steel erection is anticipated to begin this quarter for this project.

In regard to the Harrison New PK-1 ES project, Mr. McKenna said that site investigation activities are complete and that management anticipates advertising the early site package in October. Mr. McKenna said that there are no changes to report regarding the Irvington Madison Avenue ES project.

Next, Mr. McKenna gave an update on projects in the Jersey City School District. He informed the Members that the Jersey City PS 20 project is approximately 80% complete and interior work is ongoing. He advised that he will be touring the project the following day with Senator Cunningham. He said that work continues at the Jersey City ES #3 project and that structural steel erection is anticipated to begin this quarter.

Mr. McKenna then reported that concrete slab, masonry and roof installation work continues at the Keansburg Caruso ES project. He added that HVAC, plumbing and electrical installation has commenced.

In regard to the existing Millville HS project, Mr. McKenna said that the SDA's bridging design consultant, RSC, has commenced the schematic design phase.

Next, Mr. McKenna reported that design-build technical and price proposals were received on July 14 for the New Brunswick Paul Robeson ES project. He said that the selection committee has reviewed and ranked the technical proposals and that management will be presenting a design-build contract award recommendation at the September Board Meeting.

Turning to the projects in the Newark School District, Mr. McKenna said that work continues on the Elliott Street ES and Oliver Street ES projects. He then informed the Members that management advertised on June 30 for design build services for the Newark South Street ES project. He reported that the pre-bid meeting and a site visit took place on July 9 and that technical and price proposals are due August 26.

Mr. McKenna then provided an update on projects in the Orange School District. He said that there are no changes to report on the Orange HS project. In regard to the Cleveland ES project, Mr. McKenna advised that Members that the procurement process to engage a design consultant to provide pre-design phase services is complete. He added that a contract award recommendation is on today's agenda.

In continuing, Mr. McKenna provided an update on projects in the Passaic School District. He said that work continues on the final phases of the Henry Street ES project and occupancy is anticipated for September 2015. He added that final inspections are ongoing and FFT&E installation is nearing completion. Mr. McKenna reported that the SDA Design Studio is finalizing the bridging design documents for the Leonard Place ES project. He said that OSC review is complete and management anticipates advertising for design-build services for the project in late August.

Turning to the projects in the Paterson School District, Mr. McKenna said that the Marshall Street ES building will be weather-tight by the end of September. He added that the contractor has commenced interior finish work including drywall, ceilings, and painting. In

regard to the Paterson PS 16 project, Mr. McKenna said that block back-up wall installation is nearing completion. He noted that brick veneer installation will follow and that MEP work is progressing well.

With regard to the Pemberton Denbo Crichton ES project, Mr. McKenna said that the kick-off meeting with design consultant SSP and the district was held July 27. He added that pre-design services are underway.

Mr. McKenna then reported that the SDA Design Studio is finalizing the bridging design documents for the Perth Amboy Seaman Avenue ES project. He said that the documents have been submitted to the OSC and management anticipates advertising in September for design-build services.

Next, Mr. McKenna said that building envelope work continues on the Phillipsburg HS project. He said that roofing, masonry block, brick walls and window installation are all well underway and it is expected that the building will be weather tight by fall 2015.

With regard to the Vineland New MS project, Mr. McKenna said that the SDA Design Studio is finalizing the bridging design documents. He added that OSC review is complete and management anticipates advertising for design-build services for the project in August.

Mr. McKenna then provided an update regarding SDA's current procurement activity. He said that, today, management will be recommending awards for services for projects in the Camden, Garfield and Orange School Districts. He advised the Board that other procurement activity is ongoing for: the Garfield James Madison ES #10 project; the New Brunswick Paul Robeson ES project; the Newark South Street ES project; furniture, fixtures and equipment; and legal services.

Mr. McKenna then discussed the Authority's upcoming events, outreach and other activity. He said that the SDA-issued summer 2015 newsletter was sent electronically to all key

stakeholders on July 9. He also noted that a Beam Signing Event had been held for the Paterson PS 16 project on July 1.

Mr. Walsh then requested the opportunity to tour the Phillipsburg HS project in September or October. A brief discussion of the history and status of the project ensued. At this time Ms. Lemelle advised that she had joined the meeting.

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 July 20, 2015. He said that management had provided the Committee with the June 2015 New Funding Allocation and Capital Plan Update. He said that management reported that there was a change in only one of the reserve balances for SDA Districts. Specifically, he advised that there was a decrease of \$7.5 million in the 2011 Capital Plan Emergent Projects Reserve balance due to an increase in commitments associated with three Board-approved emergent projects in the Newark School District at the Avon ES, Fourteenth Avenue ES and Peshine Avenue ES.

Mr. Nixon added that the reserve balance for the Regular Operating Districts (“RODs”) increased by \$2.2 million during the reporting period due to a reduction in state share for grant projects nearing completion.

Next, Mr. Nixon reported that SDA’s internal auditors presented the Committee with the results of one statutorily required audit along with observations/recommendations that management is addressing as appropriate.

Next, Mr. Nixon reported that the Committee was provided with the June 2015 Monthly Financial Report. He said that, year-to-date, the Authority’s operating expenditures total \$9.4 million which is \$2.2 million lower than the operating budget for the corresponding period. He said that this is also \$170,000 lower than actual expenses for the corresponding period in the

prior year. He reported that, as of June 2015, year-to-date project expenditures are \$207 million, down \$12 million as compared to the 2015 Capital spending forecast for the corresponding period and \$87 million higher as compared to actual expenses in the corresponding prior year. He said that this is largely attributable to a \$34 million increase in spending for construction activity, \$15 million for grant activity, and \$6 million in project insurance (including the \$5 million down payment for the three-year OCIP renewal), along with \$28 million in property acquisitions (including the \$30 million payment for the Paterson Catholic HS) and \$4 million related to other project costs.

Mr. Nixon advised the Board that, since program inception, 72% of the funds authorized for the SDA districts has 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 reported that the estimated value of current school facilities project activity is approximately \$2.2 billion.

School Review Committee

Contract Award for Pre-Design Phase Services – Camden City School District – Camden HS; Construction Manager Award – Garfield School District - James Madison ES #10; Contract Award for Pre-Design Phase Services and Approval of Planning Charter – Orange Public School District – Cleveland Street ES – Addition and Renovation Project;

Mr. Walsh asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie informed the Members that the Committee met on July 20, 2015. He then discussed management's request that the Board approve a contract award for pre-design phase services for the Camden HS project. He explained that the 2012 SDA Capital Plan identified a project to address facility conditions deficiencies at the Camden City HS which is an approximately 300,000 square foot facility currently educating approximately 720 students in Grades 9 to 12. He said that, working with representatives of the district and DOE, SDA staff reviewed and validated district needs and preliminarily identified the recommended project scope to address

those needs. Mr. Luckie added that the Working Group recognized that an evaluation and the development of options would require a more detailed assessment of the condition of the existing facility, additional program development and additional preliminary predevelopment activities resulting in a recommendation for engagement of a design consultant to perform such services. He advised the Board that a competitive procurement process to secure pre-design phase design consultant services was advertised on May 4, 2015. He reported that, upon completion of the procurement process, a fee review and subsequent negotiations, management and the Committee is recommending a contract award for design consultant pre-design phase services to the Design Ideas Group Architecture + Planning, LLC (DI Group), the firm with the highest final combined score, for a total lump sum fee of \$1,189,870, inclusive of \$900,000 in allowances. He noted that DI Group has confirmed that its fee proposal is inclusive of all pre-design scope elements contained in the contract documents.

Mr. McKenna then provided additional detail regarding the procurement process followed. In response to an inquiry by Mr. Walsh, Mr. Da Silva provided an description of the composition of the “allowances” included in the total lump sum fee.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Walsh, a contract award for pre-design phase services to Design Ideas Group Architecture + Planning, LLC, for the Camden HS project was approved with the Board’s unanimous vote in favor of *Resolution 6a*.

Next, Mr. Luckie discussed management’s request that the Board approve a contract award for the Garfield James Madison ES #10 project. He advised the Board that the New James Madison ES #10 will be a 52,961 square foot facility to educate 275 students in grades Kindergarten through 5 in the Garfield School District. He said that demolition and early site preparation work on the project was completed on March 27, 2015. He noted that a package for

construction management (CM) services was advertised as a “price (40%) and other factors (60%)” solicitation beginning on May 1, 2015. Mr. Luckie said that, upon completion of the procurement process, management and the Committee recommend award of a contract in the amount of \$956,975.90 to The McCloud Group, LLC. He added that The McCloud Group, LLC has confirmed that its price proposal is inclusive of all scope elements contained in the contract documents.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Maloney and seconded by Mr. Vargas, the contract award for construction management services to The McCloud Group LLC, for the Garfield James Madison ES #10 project was approved with the Board’s unanimous vote in favor of *Resolution 6b*.

Mr. Luckie then discussed management’s request that the Board approve a contract award for pre-design phase services and a planning charter for the Orange Public Schools District’s Cleveland Street ES addition and renovation project. He said that SDA’s 2012 Capital Plan identified a project to address facility condition deficiencies at the Cleveland ES, which is a 41,400 square foot facility educating 306 students in grades Kindergarten through 7. He said that, working with the district and the DOE, SDA staff reviewed and validated district needs and preliminarily identified the recommended project scope to address those needs. He added that DOE also performed an assessment of district enrollments and capacity and concluded that existing district facilities lack the capacity for approximately 485 students in grades Pre-Kindergarten to 12. He noted that this conclusion was validated by subsequent SDA site visits to all district schools. Mr. Luckie said that it was determined not to advance projects that solely would address facilities conditions deficiencies but, rather, to advance projects that would address both facilities conditions needs and alleviate district-wide overcrowding. He explained

that the Working Group determined that the most efficient way to address district-wide overcrowding at the high school grade level would be through the completion of addition and renovation projects at the Cleveland Street ES and Orange HS. Mr. Luckie said that a competitive procurement process for pre-design phase design consultant services for the Cleveland Street ES project was advertised on May 11, 2015. He said that management and the Committee recommend award of a contract for the services to Lan Associates for a total lump sum fee of \$321,139, inclusive of \$200,000 in allowances. He noted that Lan Associates confirmed that its fee proposal is inclusive of all pre-design scope elements contained in the contract documents.

Mr. McKenna then described the process followed in ensuring that a winning bid is sound and consistent with relevant statutory provisions.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. McNamara, the project planning charter and contract award to Lan Associates for pre-design phase services for the Orange Cleveland Street ES project was approved with the Board's unanimous vote in favor of *Resolution 6c*.

Public Comments

The Chairman then opened the Public Comments portion of the meeting. Mr. McKenna invited Darlene Womack, a Trenton resident and parent, to address the Board.

Ms. Womack said that she was pleased to see children playing on the fields at the TCHS site. She said that she had one question and asked when the demolition of the High School would commence. Mr. McKenna described the process followed and procedures and permits required during the course of the demolition and explained the nature of the DCA's ongoing role. He said that demolition work will be completed in stages and provided Ms. Womack with the

anticipated chronology of the work. He emphasized that air monitoring will continue as the work progresses and that, to date, no problems have been encountered in this regard.

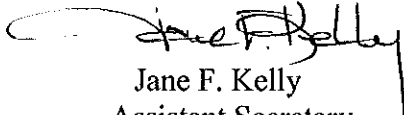
Noting that the report of the Real Estate Committee will be provided in Executive Session, Mr. Walsh then asked for a motion to adjourn the Open Session meeting into Executive Session. Ms. Kelly announced that, in the Executive Session, the Members will be discussing management's request for a determination of property value, declaration of surplus property and authorization to transfer the SDA-owned Trenton Roebling Property to the City of Trenton. Thereafter, upon motion and with unanimous consent, the meeting adjourned into Executive Session.

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

A resolution pertaining to the requested determination of property value, declaration of surplus property and authorization to transfer the Trenton Roebling Property to the City of Trenton had been provided to the Members in advance of the meeting. Upon a motion by Mr. McNamara, and seconded by Mr. Vargas, the resolution attached hereto as *Exhibit A1* was unanimously approved by the Board.

Mr. Walsh then asked for a motion to adjourn the meeting. Upon motion and with unanimous consent, the meeting adjourned.

Certification: The foregoing represents a true and complete summary of the actions taken by the Board of the New Jersey Schools Development Authority at its August 5, 2015 meeting.



Jane F. Kelly
Assistant Secretary