

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, FEBRUARY 6, 2019**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, February 6, 2019 at 9:00 A.M. at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Robert Nixon, Chairman
Kevin Luckie (DCA)
Michael Kanef (Treasury)
Bernard Piaia (DOE)
Donna Sullivan (EDA)
Kevin Egan
Richard Elbert
Loren Lemelle
Michael Maloney
Mario Vargas

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

At the Chairman's request, Lizette Delgado Polanco, chief executive officer; Roy Garcia, chief of staff; Andrew Yosha, chief operating officer; Jane F. Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; Manuel Da Silva, vice president; Thomas Schrum, vice president; Pamela Luster, vice president; Patricia Cabrera, deputy chief of staff; and Albert Barnes, chief counsel of the SDA, participated in the meeting. Adam Sternbach of the Governor's Authorities Unit also participated in the meeting.

The meeting was called to order by Mr. Nixon, 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 20 West State Street in Trenton, New Jersey. Ms. Kelly then conducted a roll call and indicated that a quorum of the Members was present.

Pledge of Allegiance

Led by the Chairman, the Members and all assembled recited the Pledge of Allegiance.

Approval of Meeting Minutes

The Chairman presented for consideration and approval the minutes of the Board's January 2, 2019 Open Session meeting. A copy of the meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Vargas, the January 2, 2019 Open Session meeting minutes of the SDA Board meeting minutes were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Resolution 4a.***

Next, Mr. Nixon presented the January 2, 2019 minutes of the Authority's Annual Organizational Board meeting. A copy of the minutes and a resolution were provided to the Members for review in advance of the meeting. Upon motion duly made by Ms. Lemelle and seconded by Mr. Luckie, the January 2, 2019 Organizational Board meeting minutes of the SDA Board of Directors were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Resolution 4b.***

Authority Matters

CEO Report

Mr. Nixon asked Chief Executive Officer (CEO) Lizette Delgado Polanco for the Report of the CEO. Ms. Delgado Polanco began her report with an update on projects in design. She reported that for the Camden HS project, the contract for construction management (CM) services was awarded the previous month to CBRE Heery. For the Passaic Dayton Avenue

Educational Campus project, she reported that bridge construction began the previous month and is ongoing.

With respect to projects in the procurement stage, the CEO informed the Committee that proposals for general construction (GC) services for the Orange Cleveland Street ES and Orange HS projects were received on January 31 and February 5, respectively.

Next, Ms. Delgado Polanco gave an update on design-build projects in construction. She said that for the Irvington Madison Avenue ES project, permanent building power has been connected. For the Perth Amboy Seaman Avenue ES project, she reported that Epic Management, Inc. has completed design phase services. She added that interior finishes including paint, ceiling, lighting and flooring work is underway there.

Turning next to ongoing procurement activity, Ms. Delgado Polanco said that activity currently underway includes procurements for GC services for the Orange HS and Orange Cleveland ES projects.

With respect to Authority events, outreach and other activities, Ms. Delgado Polanco said that the announcement of Chairman Nixon's appointment was reported by JerseyShoreOnline and New Jersey Globe.

The CEO advised the Board that on January 15 staff launched the SDA New Logo Contest. She explained that this contest is open to students in the four schools that SDA opened this year in Garfield, New Brunswick, Newark and Vineland. She said that staff is promoting the campaign on social media and talking to reporters in these four towns in an effort to publicize the contest.

Ms. Delgado Polanco added that the contest ends February 15, 2019 and that the Authority's communications team plans to pick the top selection from each school and to then work with the Governor's Office to pick the winner. She said that the winner will meet with Ms.

Delgado Polanco and SDA's other executives and that this will be shared with the public as part of SDA's publicity campaign.

Ms. Delgado Polanco reported that Communications staff continues to make changes to the SDA website. She said that, in the last month, staff has added a new CEO message, new pictures, and a news section to the SDA homepage in addition to SDA's social media feeds on Facebook, Twitter and Instagram. She added that the SDA continues to increase its social media following. She said that, since the launch of SDA's social media accounts in September, the Authority has gained 1,650 combined followers on Facebook, Twitter, Instagram and LinkedIn.

Ms. Delgado Polanco informed the Members that on Thursday, January 24, the SDA held a community information session in Plainfield to discuss the upcoming construction of the new Woodland Avenue ES. She said that approximately 100+ local/school officials and members of the Plainfield community attended the event. She reported that the program format was a speaking portion followed by information stations. She said that the information stations gave attendees the opportunity to view more than a dozen display boards and to ask questions of project team members. The CEO noted that Plainfield's Local Tapinto.net and Plainfield Public Access TV covered the event.

The CEO advised the Board that staff was prepared to hold an information session on the new Dayton Avenue Educational Complex on January 31, but, unfortunately, due to the extreme cold weather that day, the district requested that the event be postponed. She noted that staff will advise the Board when the event is rescheduled.

The CEO said that this month SDA will be participating in the Millville HS West addition groundbreaking and George Washington Carver ES beam signing with Lieutenant Governor Sheila Oliver. She then advised the Board of additional upcoming events including the

Passaic Dayton Avenue Educational Complex groundbreaking and the Perth Amboy HS open house/information session.

In response to an inquiry, Ms. Delgado Polanco then discussed the legislation sponsored by Senator Steven Sweeney and Senator Kristin Corrado that would abolish the SDA. She advised the Board of various steps that management and staff are taking to ensure that legislators and others are aware of the good work of the Authority. She said that she believes that there is a great deal of support for the Authority throughout the state.

Audit Committee

Ratification and Approval — Security Services – Memorandum of Agreement with Trenton Police Department

Mr. Nixon, as Audit Committee Chairman, reported that the Audit Committee met on January 22, 2019 at which time management provided the Committee with the December 2018 New Funding Allocation and Capital Plan Update. He advised that there were no changes in any of the reserve balances for the SDA Districts during the reporting period. Additionally, he reported that the reserve balance for the Regular Operating Districts (RODs) increased by \$200,000 during the reporting period due to reductions in state share for grant projects nearing completion.

Mr. Nixon said that, for informational purposes, management also provided the Committee with the Authority's 2019 Capital Spending Forecast. He explained that the forecast is based on Authority updated spending models which help to ensure that there is an optimum level of cash on hand assuring that additional funds are appropriately obtained within the State's bonding schedule. He reported that the forecast anticipates expenditures of approximately \$331.9 million for school facilities projects, which represents a decrease of approximately \$10.5 million under the estimated actual spending in 2018. The decrease is attributable to a higher amount of payments to close out district grants, funding agreements and ROD grants. Additionally, he

noted that project insurance costs were higher due to pre-funding of the Owner Controlled Insurance Program deductible fund and broker/administration fees. Mr. Nixon advised that these occurrences represent one-time costs that are not anticipated to recur in 2019.

Next, Mr. Nixon advised the Board that the Committee was provided with the results of one audit that was conducted to comply with the statutory requirement that capital portfolio projects over \$10 million are reviewed to assess whether state funds were expended in accordance with contractual terms, SDA practices and state regulations. He noted that the audit revealed that the State funds utilized for the project were expended prudently and consistent with legal requirements.

Next, Mr. Nixon advised the Board that the Audit Committee is recommending the Board's ratification of management's steps taken to date and approval of a Memorandum of Agreement (MOA) between the SDA and the New Jersey Trenton Police Department (TPD) for security services. Referencing materials that previously were provided for Board review, he explained that SDA executed an agreement on December 28, 2018, with final execution to await Board approval. He said that the MOA would facilitate the provision of on-site security by TPD at every 2019 SDA Open Public Board Meeting. He explained that, pursuant to the MOA, TPD will provide security services for four (4) hours or less per meeting. He said that, on this basis, the total annual cost for the services would be \$2,189 which is far below the procurement threshold for public bidding. Mr. Nixon advised the Board that management had explored the possibility of utilizing the State Police for these services but this option was not available because SDA's headquarters are not located in a State-owned building. Mr. Nixon said that management and the Audit Committee believe that Board approval of the MOA is in the best interests of the Members of the Authority, SDA staff and the general public.

A resolution pertaining to the proposed ratification and approval of the MOA between the SDA and the TPD for security services was provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Vargas and seconded by Mr. Luckie, the Board approved the MOA upon its unanimous vote in favor of the resolution attached hereto as *Resolution 6a*.

School Review Committee

Amendment No. 1 – CBRE/Heery, Inc.

Mr. Nixon asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie reported that the School Review Committee met on January 22, 2019 at which time one item was discussed. He said that the Committee is recommending that the Board approve Contract Amendment No. 1 to CBRE/Heery, Inc. (Heery) for extended construction management (CM) services for the Trenton Central HS (TCHS) project. Mr. Luckie said that the New Trenton Central HS will be an approximately 374,000 square-foot facility that will educate 1,850 students in grades ten through twelve in the Trenton Public School District. He explained that the project included demolition and backfilling activities and, in May 2016, the environmental consultant determined that the site needed an additional 57,000 cubic yards of clean fill to achieve the final site grades required for the project. He advised that this resulted in Change Order No. 1 to the contractor, Terminal Construction, to secure the additional clean fill. He added that the Board approved this Change Order in June 2016. Mr. Luckie said that the contract amendment that management is recommending for Board approval is for Heery, the firm that is providing CM services on the project. He said that the anticipated substantial completion date for the TCHS project is June 2, 2019. He explained that this amendment, in the not-to-exceed amount of \$149,500, will 1) align Heery's contract expiration with the anticipated substantial completion date; and 2) extend Heery's CM services on the project for three and one quarter (3.25) months

to ensure oversight of the placement of the additional clean fill by Terminal. Mr. Luckie explained that this will enable the Authority to ensure that the project achieves timely substantial completion and facilitate efficient and thorough training and turn-over of the facility to the district. He said that, as this amendment exceeds \$100,000, it requires Board approval.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Maloney, Amendment No.1 for CBRE/Heery, Inc. was approved with the Board's unanimous vote in favor of *Resolution 7a*.

Public Comments

The Chairman then opened the Public Comments portion of the meeting. No member of the public stepped forward to address the Board.

Adjournment

There being no further business to come before the Board, upon motion by 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 February 6, 2019 meeting.

/s/ Jane F. Kelly
Assistant Secretary