

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
BOARD TELECONFERENCE MEETING  
WEDNESDAY, MAY 6, 2020 AT 9:00 A.M.**

- 1. NOTICE OF PUBLIC MEETING**
- 2. ROLL CALL**
- 3. PLEDGE OF ALLEGIANCE**
- 4. APPROVAL OF MEETING MINUTES**
  - a. Board Open Session Meeting Minutes of April 1, 2020
  - b. Board Executive Session Meeting Minutes of April 1, 2020
- 5. AUTHORITY MATTERS**
  - a. CEO Report
  - b. Chairman's Report
- 6. REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE (CHAIRMAN'S REPORT)**
  - a. Builders' Risk (Property) Insurance
- 7. REPORT AND RECOMMENDATIONS OF THE SCHOOL REVIEW COMMITTEE (CHAIRMAN'S REPORT) – TO BE PROVIDED IN EXECUTIVE SESSION**
- 8. REPORT AND RECOMMENDATIONS OF THE REAL ESTATE COMMITTEE (CHAIRMAN'S REPORT) – TO BE PROVIDED IN EXECUTIVE SESSION**
- 9. MONTHLY REPORTS**
  - a. *For Informational Purposes*
    - i. Active Projects Report
    - ii. Project Close Out Status Report
    - iii. Project Status Reports
    - iv. Contracts Executed Report/Amendments & Change Orders Executed Report
    - v. Contract Terminations Report (*no activity*)
    - vi. Settlement Activities Report (*no activity*)
    - vii. Diversity and Workforce Participation Report (*no report*)
    - viii. Regular Operating District Grant Activity Report
    - ix. Notification of Amendments to Goods and Services Contracts Not Exceeding \$100,000 or 10% of the Contract Value (*no activity*)
    - x. Communications Report (*no report*)
    - xi. Monthly Financial Report
    - xii. Design Contract De-Obligations Report (*no activity*)
- 10. PUBLIC COMMENTS**
- 11. EXECUTIVE SESSION RESOLUTION**
  - a. Recommendation for Settlement of Claim Asserted by Torcon, Inc. in Connection with the Elizabeth Elementary School Project
  - b. Change Order – Hall Construction Company, Inc.

- c. Request for (a) approval to exercise lease extension options for 375 McCarter Highway, Newark, NJ and, (b) approval of a Memorandum of Agreement and Sublease as successor to the MOA with the New Jersey Department of Community Affairs (DCA) providing for the full assumption of the obligations of the Authority under a Lease of office space located at 375 McCarter Highway, Newark
- d. Legal Matter – Notification of Settlement (Insurance Coverage/Personnel Matter)
- e. Litigation/Contract Matter(s) – OPMA Exemption N.J.S.A. 10:4-12b (7)  
CCD Report (*no activity*)

**12. ADJOURNMENT**

**APPROVAL OF MEETING MINUTES**

**APRIL 1, 2020 OPEN SESSION MINUTES**

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS TELECONFERENCE MEETING  
WEDNESDAY, APRIL 1, 2020**

A teleconference meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, April 1, 2020 at 9:00 A.M.

Participating were:

- Robert Nixon, Chairman
- Michael Kanef (Treasury)
- Bernard Piaia (DOE)
- Stephen Martorana (EDA)
- Kevin Luckie (DCA)
- Kevin Egan
- Richard Elbert
- Loren Lemelle
- Lester Lewis-Powder
- Michael Maloney
- Mario Vargas

being all the Members of the Board.

At the Chairman’s request, Manuel Da Silva, chief executive officer; Andrew Yosha, vice president; Jane F. Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; Albert Barnes, chief counsel; and Cecelia Haney, deputy chief counsel, of the SDA, participated in the meeting by teleconference. Joy Johnson of the Governor’s Authorities Unit (GAU) also participated in the meeting by teleconference.

The meeting was called to order by the Chairman of the Board. The Chairman then asked Ms. Kelly to 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 was duly posted on the Secretary of State's bulletin board at 20 West State Street in Trenton, New Jersey. She reported that a call-in number was provided on the SDA Website so that members of the public could participate in the meeting by teleconference. Ms. Kelly then conducted a roll call and indicated that a quorum of the Members was present. The Chairman asked that all participating in the meeting engage in a moment of silence to reflect on the dedication and hard work of our doctors and nurses, police, firefighters, EMS workers, construction workers, and all those who are not able to stay home with their families during this difficult time.

### ***Approval of Meeting Minutes***

The Chairman presented for consideration and approval the minutes of the Board's March 4, 2020 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. Vargas and seconded by Ms. Lemelle, the Open Session minutes of the March 4, 2020 SDA Board meeting were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Resolution 4a***.

### ***Authority Matters***

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

The Chairman then asked Mr. Da Silva for the Report of the CEO. Mr. Da Silva advised the Board that Authority management and staff are complying with the Governor's directive to isolate due to the COVID-19 virus while keeping SDA's projects moving forward. He said that staff has been working in the field and remotely so that that they can maximize social distancing, try to maintain the operation of the projects, and minimize staff visits to the office. He noted that the executive team has been engaging in routine calls with the Authority's supervisory staff to

answer questions and provide direction as needed, along with daily staff update emails. Mr. Da Silva reported that the human resources department has established an intake protocol for staff. He said that he is proud to work with a team that is as professional and committed as this team. He said that staff transitioned beautifully from office conditions to work from home and work from field conditions. Mr. Da Silva highlighted the work of Tony Gilfillan and the MIS team during the transition period. He also highlighted the work of Colleen Connolly from a human resources and communications standpoint.

Mr. Da Silva said that he would be brief and limit the remainder of his report to highlighting project changes since his last report to the Board. He advised the Board that the Authority has applied to the Department of Community Affairs (DCA) for an updated renewal of a temporary certificate of occupancy (CO) issued on March 2, 2020 in order to address the final DCA items needed for a CO for the Trenton Central HS project. He said that the Board will be considering a recommendation of award for construction management (CM) services for the Perth Amboy HS project at today's meeting. He also reminded the Board that on February 5 the Board approved the award of a design-build contract to Epic Management, Inc. (Epic) for the Plainfield Woodland ES project. He said that the notice-to-proceed was issued on March 11 and a kick-off meeting was held on March 20. He noted that Epic has begun site condition review and testing there. In continuing, Mr. Da Silva said that the building permit was issued on March 10 for the Orange Cleveland Street ES project. He said that footings, foundations and underground utility work is ongoing there. He reported that Terminal Construction's site clearing activities are complete for the Orange HS project, and footings, foundations and underground utility work is ongoing there as well. Mr. Da Silva said that he would be pleased to answer questions regarding these or any of the Authority's projects.

### *Audit Committee*

Mr. Nixon, as Audit Committee Chairman, reported that the Audit Committee met on March 16, 2020 at which time management provided the Committee with the February 2020 New Funding Allocation and Capital Plan Update. He advised that, during the reporting period, there was a \$2.4 million decrease in the Planning Reserve balance following approval of the final charter for the Plainfield New ES project. He added that there were no changes in the remaining SDA District Reserve balances. Mr. Nixon reported 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.

In continuing, Mr. Nixon advised the Board that the Committee was provided with the results of one project audit from the Internal Audit Unit that was conducted to comply with the statutory requirement that capital portfolio projects with a state share of over \$10 million be reviewed to assess whether state funds were expended in accordance with contract terms, SDA practices and state regulations. He reported that there was one suggestion for improvement, adding that the audit revealed that State funds utilized for the project were expended prudently and consistent with legal requirements.

Next, Mr. Nixon provided the February 2020 Monthly Financial Report. He advised the Committee that the Authority's operating expenses (Actual vs. Budget) for the year-to-date period totaled \$2.3 million, \$439,000 lower as compared to the budget for the corresponding period. He explained that the decrease is mainly attributable to lower personnel costs as the Authority has fewer full time employees (FTEs) than budgeted. He reported that Year-to-Date Authority Operating expenses (Actual vs. Prior Year Actual), at \$2.3 million, are \$594,000 lower as compared to the operating budget for the corresponding prior year period. He noted that this decrease is mainly attributable to SDA having 42 fewer FTEs than last year. Mr. Nixon then

reported that school facilities project expenditures (Actual vs. Forecast) for the year-to-date period total \$47.2 million, \$3.7 million lower as compared to the capital spending forecast for the corresponding period. He advised that this variance is the result of lower than forecasted expenditures in construction activity and school furniture purchases. He reported that project expenditures (Actual vs. Prior Year Actual), are \$3.8 million higher as compared to the corresponding prior year period. He explained that the variance is due to an increase in construction activity. Mr. Nixon then reported that, since program inception, approximately 86.3% of the funds authorized for SDA districts have been disbursed. Additionally, he said that, since program inception, 96% of all SDA disbursements relate to school facilities projects, while 4% relate to operating expenses. He advised that the estimated value of active school facilities capital, emergent and regular operating district grant projects is approximately \$2 billion.

Mr. Nixon said that in compliance with changes the Board made to the SDA Bylaws and Audit Committee Charter, management reported to the Committee regarding recent personnel actions and related personnel matters.

In concluding his report, Mr. Nixon advised the Board that the Committee had also discussed workplace matters related to the COVID-19 virus. He said that management reported that contingencies have been put in place enabling SDA staff to work remotely, that projects are continuing, and that the SDA has been in contact with its contractors. He said that management advises that the GAU remains in ongoing contact with the SDA providing guidance and direction.

### *School Review Committee*

**Construction Manager Award – Perth Amboy School District – Perth Amboy New High School – ET- 0099-M01; Approval of Awards – Design Consultant Services for Limited-Scope Projects – GP-0263-R01; Proposed New Rules for OPRA Compliance: Notice of Proposal – Requests for Access to Government Records, N.J.A.C. 19:33**

Next, Mr. Nixon asked Mr. Luckie to provide the report of the School Review Committee (SRC). Mr. Luckie reported that the SRC met on March 16, 2020 at which time three items were discussed.

First, he said that management is seeking approval to award a CM services award for the Perth Amboy New HS project (Project). He informed the Members that the Project involves construction of an approximately 576,000 square foot building to educate approximately 2,800 students in grades 9 through 12. He explained that the Board had approved the Project's preliminary charter on June 1, 2016, authorizing construction of the Project and related site development work. He noted that the Project site is district-owned and the Project is advancing with an in-house design through the design-build delivery method. Mr. Luckie reported that on January 10, 2020, a package for CM services was advertised as a "price and other factors" procurement with price weighted as 40%, and all non-price factors having a combined weight of 60%, of the final combined score. He said that, following the procurement process, management recommends award of the CM services contract in the amount of \$4,180,920 to Cambridge Construction Management (Cambridge). He noted that, upon review, Cambridge has confirmed that its price proposal is inclusive of all scope elements contained in the contract documents. Mr. Luckie then advised the Board that after the determination of the recommended awardee, SDA received notice regarding the filing of a bid protest by one separate bidder in the process. He added that the protest is undergoing a review and a final determination by the Authority's chief financial officer in consultation with the division of chief counsel. Mr. Luckie advised the Members that execution of the contract for CM services would not proceed until a final determination is made by the Authority with regard to the bid protest that has been filed.

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. Elbert, the

construction management services award for the Perth Amboy New HS project was approved with the Board's unanimous vote in favor of **Resolution 7a**.

Next, Mr. Luckie reported that management is requesting that the Board approve the proposed awards for design consultant services for limited-scope projects. He reported that SDA executive management is recommending Board approval of the award of contracts to 20 firms for design consultant services for Authority projects involving emergent facilities conditions, capital improvement needs, or other limited scope tasks. He said that these 20 engagements, resulting from a competitive procurement process, will provide a pool of design consultants from which SDA staff is authorized to assign task orders on an as-needed basis for time-sensitive, limited-scope projects requiring predesign, design and/or construction administration services. He explained that the SDA chief executive officer and staff will ensure the execution of individual project planning charters for those projects for which design services will be assigned through these task orders. He noted that, in the Board memorandum, management has outlined the terms of the contracts to be awarded, the details of the competitive procurement process that SDA followed, and the proposed methodologies to be used in award of the task orders.

In response to an inquiry by Mr. Vargas, Mr. Murphy advised that, of the twenty (20) firms, eight (8) are returning firms and twelve (12) are new firms. He noted that during the last engagement, ten (10) task orders were issued for a total of \$1.1 million expended.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Kanef and seconded by Mr. Maloney, the awards for design consultant services for limited-scope projects were approved with the Board's unanimous vote in favor of **Resolution 7b**.

Next, Mr. Luckie reported that management also is seeking approval of proposed new Rules for Open Public Records Act (OPRA) Compliance: Notice of Proposal for Requests for

Access to Government Records, N.J.A.C. 19:33. He explained that New Jersey's OPRA requires that government records be readily accessible for inspection, copying or examination by members of the public unless exempt by law or regulation. He said that OPRA further authorizes a public agency to identify categories of documents that are not subject to public access. He advised that the Board memorandum describes in detail the provisions of the proposed regulations which establish requirements and procedures for citizens seeking access to government records that are made, maintained or kept on file by the SDA, consistent with OPRA. Mr. Luckie said that SDA management recommends Board approval so that management can proceed with the promulgation and publication of these proposed new rules, as well as the issuance of the Notice of Proposal, and their filing with the Office of Administrative Law.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Kanef, the Publication of a Notice of Proposal for New Rules governing requests for Access to Government Records, N.J.A.C 19:33 was approved with the Board's unanimous vote in favor of ***Resolution 7c***.

### ***Public Comments***

Mr. Nixon then opened the Public Comments portion of the meeting. The Chairman asked Ms. Kelly if there were any members of the public on the teleconference who wish to address the Board. Ms. Kelly called upon Ms. Linda Stork of New Brunswick to offer comments. Ms. Stork introduced herself to the Members as a long-time resident of New Brunswick, adding that she had previously worked for the New Brunswick School District. She said that what is being proposed for the Lincoln Annex School (School) is totally unacceptable. She said that the public officials in New Brunswick have accused the citizens objecting to the plans regarding the School of "rumor mongering". She said that indications are that the plans to tear down the School have been on the drawing board for quite some time. She said that local district officials

have set up a citizens committee but no one knows who has been appointed to that committee. She said that two alternative sites for a new school have been proposed and both are contaminated. She added that the owner of one site who had failed to pay taxes on the site for years, having become aware of the plans for the site, reclaimed ownership of it in an effort to make a profit. She said that the whole process has been a sham.

The Chairman advised Ms. Stork that the SDA has no organizational role in this process but that, rather, the Superintendent and district officials are the individuals who should be contacted. He noted that CEO Da Silva is, however, keeping himself current on the matter.

Next, Ms. Kelly asked Mr. Charlie Kratovil to address the Board. Mr. Kratovil said that he wanted to ask Authority Members and staff about their experience dealing with contaminated sites in terms of the amount of time it has taken to clean them up. Mr. Da Silva said that each site is different in this regard. Mr. Kratovil reminded the Members that the School opened just three and one-half (3 ½) years ago. He said that the Superintendent's handling of the current matter is the opposite of transparent. He said that the Superintendent and the Board of Education formed a citizen committee but that who is serving on the committee remains a secret. He said that the process is not being conducted in an above-board manner. He said that local officials have been asked to postpone this process during the COVID-19 crisis but it is moving forward. He reminded the Members that the School cost \$22 million and said that, as a taxpayer who contributed to the cost of the School, he objects to the current plans. He said that the manner in which this is proceeding effectively removes the SDA from any decision-making role in the process.

At Ms. Kelly's request, Ms. Danielle Moore offered comments to the Board. Ms. Moore discussed one of the potential sites proposed for construction of a new school, the 131 Jersey Avenue site. She said that she has pictures of the site which depict the serious contamination

issues there. She said that the chemicals on the site are so strong that they destroyed a new pair of sneakers that she wore to the site. She said that the proponents of building a new school have indicated a willingness to allocate \$55 million to the construction effort. She questioned whether this would be sufficient to address not only construction but also the remediation efforts that would be required at the site. She asked who is going to pay for the cleanup. Mr. Nixon said that these questions would be best addressed to the Superintendent. Ms. Moore emphasized that the Superintendent has not been responsive. In continuing, Ms. Moore stressed that the area where the Jersey Avenue site is located is a dangerous area. She cited concerns with children safely crossing the street (as it is a high accident area), along with drug activity and sexual assaults reported in the area. She asked that the School not be taken away from the community.

Next, Mr. Herb Tarovous addressed the Board. Mr. Tarovous advised the Members that he is a resident of Piscataway. He said that he endorses the comments offered by the previous three speakers. He said that \$22 million was spent on renovating the School just three years ago. He asked whether SDA was involved in that construction. Mr. Da Silva replied that, while SDA built the Redshaw and Robeson Schools in the New Brunswick School District, it had no involvement in renovation of the Lincoln Annex School. Mr. Tarovous said that he had been reviewing the SDA website and has concluded that this is a matter that would be appropriate for SDA as an emergent project. Mr. Da Silva suggested that Mr. Tarovous reach out to the SDA via email so that staff can discuss the role of the SDA with him.

Ms. Linda Stork asked to offer additional remarks to the Board. She said that there are many schools in New Brunswick that are over one-hundred (100) years old. She said that local officials continue to advise the public that SDA is “out of money” and that they should be grateful for this proposed project. She said that it would be a shame to tear down a perfectly good school.

Ms. Kelly asked Ms. Julie La Chance to address the Board. Ms. La Chance explained that she is a mechanical engineer and a PhD candidate at Princeton University. She said that she has been asked to review the 131 Jersey Avenue site and assess the contamination there. She said that she has submitted numerous OPRA requests, with limited success, seeking additional information regarding the site. Ms. La Chance said that the Jersey Avenue site is extremely contaminated. She described the contamination as inclusive of lead, arsenic and other substances. She said that there are ten (10) contaminants in the soil alone. She described carcinogens in the groundwater and the vapor intrusion risks that are present there. She stated that the site could never be fully remediated.

Ms. Kelly then announced that the Board has resolved to adjourn into Executive Session to discuss legal matters pertaining to the new Perth Amboy HS project. She said that there would be no additional formal action taken today following discussion in Executive Session.

Thereafter, upon motion by the Chairman and with unanimous consent, the meeting adjourned into Executive Session.

**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 April 1, 2020 meeting.

/s/ Jane F. Kelly  
Assistant Secretary

***Resolution—4a./4b.*****Approval of Minutes**

**WHEREAS**, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Schools Development Authority be approved by the Authority's Board of Directors; and

**WHEREAS**, pursuant to Section 3(k) of P.L. 2007, Chapter 137, the minutes of the April 1, 2020 Board meeting of the New Jersey Schools Development Authority, for the Open and Executive Sessions were forwarded to the Governor on April 1, 2020.

**NOW, THEREFORE, BE IT RESOLVED**, that the minutes of the New Jersey Schools Development Authority's April 1, 2020 Open and Executive Session meetings are hereby approved.

**BE IT FURTHER RESOLVED**, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Dated: May 6, 2020

## **AUTHORITY MATTERS**

## **CEO REPORT**

**CHAIRMAN'S REPORT**

**REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE (CHAIRMAN'S  
REPORT)**

**BUILDERS' RISK (PROPERTY) INSURANCE**



**TO:** Members of the Authority

**FROM:** Karon Simmonds  
Director, Risk Management

**DATE:** May 6, 2020

**SUBJECT:** Builders' Risk (Property) Insurance

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Management is requesting the Board's approval to purchase a Master Builders' Risk (Property) insurance policy to continue the Builders' Risk portion of the Owner Controlled Insurance Program ("OCIP"). The Members last approved the purchase of Builders' Risk insurance on November 2, 2016. The 3-year, 2-month term program, which expired on March 1, 2020, was purchased from HDI Global Insurance Company (HDI) at a cost not-to-exceed \$1.2 million. The proposed new 3-year term program will have an effective date of June 1, 2020, and all projects commencing construction during the three-year period will be insured.

The "Operating Authority by Level" requires the approval by the Members of the Authority for the award of Goods and Services contracts greater than \$500,000. The proposed contract Not to Exceed amount exceeds \$500,000.

#### DESCRIPTION

Builders' Risk insurance is a special type of property insurance that protects the Authority from unexpected losses due to fire, lightning, and similar forces during construction of a school facilities project. Coverage begins upon issuance of the construction Notice to Proceed (NTP) and terminates upon substantial completion of construction, the point in time when the School District is responsible for insuring the property.

On February 7, 2018, the Authority approved and implemented a new 5-year OCIP (OCIP IV) that "wrapped-up" multiple types of insurance coverage into one program. This was the fourth program the Authority purchased to insure construction projects fully funded and managed by the Authority. OCIP IV, which became effective on March 1, 2018, is comprised of various casualty policies, including workers' compensation, general liability and excess liability coverage; however, Builders' Risk insurance, a key component of OCIP IV, was not purchased at that time because the Authority's then existing Builders' Risk policy was not due to expire until March 1, 2020.

This memorandum is in support of the Authority's request to purchase the last remaining policy to complete OCIP IV.

#### PROCUREMENT PROCESS

In April 2019, the Members were informed of the Authority's intent to engage its current OCIP IV Broker, Willis of New York (Willis), to negotiate extended coverage terms with the Builders'

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Risk and Owners' Protective Professional Indemnity (OPPI) insurers. A policy extension was deemed the most cost effective way to provide Builders' Risk coverage on the remaining five (5) capital projects and multiple emergent projects that would commence construction after the March 1, 2020 expiration date. As a result, Willis' Broker Services Agreement was amended to include policy administration services. Willis was then directed to negotiate a coverage extension with HDI. These services included a negotiated fee of \$25,000, which amount did not require approval by the Members consistent with the NJSDA Operating Authority.

Subsequently in February 2020, the Members were advised that HDI opted not to offer an extension of coverage and that the Authority was exploring a variety of options for coverage beyond the March 1, 2020 expiration date. Willis was then directed to market a new Builders' Risk insurance program to solicit a minimum of three (3) proposals from various insurance carriers with an effective date of June 1, 2020. Willis agreed to perform these services within the previously negotiated fee and that it would present a new fee for policy and claims services upon Board Approval of a new program.

Although there will be a 90-day gap from March 1, 2020 through June 1, 2020 where no new capital projects will enroll in Builders' Risk, the risk to the Authority is minimal with only one emergent project due to commence construction during the gap period. In this one case, prior to award, the contractor was directed to provide appropriate property insurance for work to be performed.

In response to Willis' solicitation, three (3) insurers proposed differing limits, rates, terms and conditions. On March 31, 2020, Willis presented the Authority with a final coverage comparison of the proposals. The estimated Total Insurable Value (TIV) in the solicitation is \$467 million, exclusive of technology and FF&E costs which are excluded. This construction TIV is based upon NJSDA's estimated construction costs for all remaining projects in the current Capital Plan, plus an estimated \$60 million for new Emergent project work, all of which projects are scheduled to enter construction during the three-year policy term commencing on June 1, 2020. The calculated premium for each insurer, based on an estimated TIV of \$467 million, is as follows:

<b>Liberty Mutual</b>	<b>Chubb</b>	<b>Zurich</b>
\$600,005	\$618,566	\$752,666

The Risk Management Unit then performed an in-depth analysis of the terms and conditions offered by each insurer. This analysis revealed the following side-by-side comparisons of the programs offered by each insurer:

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	Liberty Mutual	Chubb	Zurich
<b>Policy Term:</b>	6/1/2020 - 6/1/2023	6/1/2020 - 6/1/2021	6/1/2020 - 6/1/2022
<b>Cost:</b>			
Premium	\$600,005	\$618,566	\$752,666
Program Rate	.1284	.1324	.1611
<b>Limits:</b>			
Limit Per Occurrence	\$250,000,000	\$250,000,000	\$250,000,000
Flood Limit – Non Hazard	\$10,000,000	\$2,500,000	\$10,000,000
Flood Limit – Moderate Hazard	\$25,000,000	\$25,000,000	\$50,000,000
Flood Limit – High Hazard	\$10,000,000	\$2,500,000	\$10,000,000
Named Windstorm	\$250,000,000	Upon Referral	No Coverage
Water Damage	\$250,000,000	\$250,000,000	\$250,000,000
Expediting Expense	\$5,000,000	20% or \$1,000,000	25% or \$2,500,000
Offsite Storage	\$5,000,000	\$5,000,000	\$5,000,000
Property in Transit	\$5,000,000	\$5,000,000	\$5,000,000
Mold/Fungi	\$500,000	\$25,000	Included
Contamination/Pollutant Clean Up	\$1,000,000	\$100,000	\$1,000,000
Debris Removal	\$1,000,000	25% or \$10,000,000	25% or \$25,000,000
<b>Deductible Levels:</b>			
All Other Perils (AOP)	\$5,000 on Projects < \$5M TIV \$25,000 on Projects > \$5M TIV	\$10,000 on Projects < \$10M TIV \$25,000 on Projects > \$10M TIV \$50,000 on Projects > \$100M TIV	\$25,000
Named Windstorm	\$25,000/\$50,000	\$25,000/\$50,000	\$25,000
Flood – High Hazard	2%/\$250,000	\$250,000	5%/\$250,000
Flood – Moderate Hazard	1%/\$100,000	\$250,000	2%/\$100,000
Flood – Other	2%/\$250,000	\$250,000	5%/\$250,000
Water Damage	\$50,000	\$50,000	\$50,000

Program costs are adjustable based upon the actual TIV and the actual construction duration of enrolled projects that begin construction during the initial 3-year policy term. The projects are insured through to substantial completion of construction.

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Based upon a detailed evaluation of each insurer's proposed terms and conditions, the Risk Management division has determined that Liberty Mutual Insurance Company has the most cost effective and comprehensive program to protect the Authority. A few of the highlights of the new program are:

- Liberty Mutual was the only insurer to offer a three (3) year policy term.
- The coverage limit per occurrence has increased from \$200 million to \$250 million, which will be sufficient to provide coverage for NJSDA's largest project, the new Perth Amboy High School.
- The program rate has increased by 8.3% over the expiring program, impacted mostly from a 280% increase in Flood insurance.
- Liberty Mutual is providing \$5,000 deductible for projects under \$5 million compared to the expired program.
- Liberty Mutual is providing \$1 million in Owner's Extra Expense at no additional cost.

Separately, Willis has proposed a fee of \$40,000 to provide policy and claims administration services for the new Builders' Risk program, effective June 1, 2020 through the completion of all construction projects insured.

#### RECOMMENDATION

Based upon the foregoing reasons, the Members are requested to approve the purchase of new Builders' Risk insurance program from Liberty Mutual Insurance Company at a cost not-to-exceed \$650,000 for the 3-year program term, effective June 1, 2020. The requested \$650,000 not-to-exceed cost is inclusive of contingency to account for both a 5% unanticipated increase in estimated TIV and a 5% increase in estimated construction durations.

The Members are also requested to approve an amendment to Willis' contract to perform policy and claims administration in the amount of \$40,000.

The Members of the Audit Committee have separately been provided a copy of the marketing results prepared by Willis in advance of the Board meeting.

/s/ Karon Simmonds

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Karon Simmonds  
Director, Risk Management

Prepared by: Prince Turner, Risk Management Specialist

Reviewed and Recommended by: Donald Guarriello, Vice President and Chief Financial Officer

***Resolution—6a.***

## Approval of Builders' Risk Insurance Program

**Resolution**

**WHEREAS**, the Operating Authority of the New Jersey Schools Development Authority (SDA or Authority) requires that the Members of the Authority approve amendments to contract awards for Goods and Services exceeding \$100,000; and

**WHEREAS**, Builders' Risk insurance is a special type of property insurance that protects the Authority from unexpected losses due to fire, lightning, and similar forces during construction of a school facilities project; and

**WHEREAS**, in November 2016, the Board approved the purchase of Builders' Risk insurance from HDI Global Insurance Company (HDI) with a 3-year, 2-month term, expiring March 1, 2020, at a not-to-exceed (NTE) cost of \$1.2 million; and

**WHEREAS**, in February 2018, the Authority approved and implemented a new 5-year OCIP (OCIP IV) that "wrapped-up" multiple types of insurance coverage into one program with the exception of Builders' Risk insurance; and

**WHEREAS**, while Builders' Risk insurance is a key component of OCIP IV, it was not purchased at that time as the Authority's then existing Builders' Risk policy was not due to expire until March 1, 2020; and

**WHEREAS**, a policy extension was deemed the most cost effective way to provide Builders Risk coverage on the remaining five (5) capital projects and multiple emergent projects that would commence construction after the March 1, 2020 expiration date; and

**WHEREAS**, upon notice to the SDA Board, in April 2019, the Authority engaged its OCIP IV Broker to negotiate extended coverage terms with the Builders' Risk and Owners' Protective Professional Indemnity (OPPI) insurers; and

**WHEREAS**, in February 2020 management advised the Members of the Authority that HDI had opted not to offer an extension of Builders' Risk coverage and that the Authority was exploring a variety of options for coverage beyond the March 1, 2020 expiration date; and

**WHEREAS**, in response to a solicitation for Builders' Risk insurance proposals on behalf of the Authority, three (3) insurers proposed differing limits, rates, terms and conditions as detailed in the memorandum presented to the Board on this date and incorporated herein; and

**WHEREAS**, in March 2020, SDA's insurance broker presented SDA with a final coverage comparison of the proposals; and

**WHEREAS**, a detailed description of the proposals and the in-depth analysis and comparison of the same conducted by SDA's Risk Management Unit (RMU) are set forth in the memorandum presented to the Board on this date and incorporated herein; and

**WHEREAS**, following a detailed evaluation of each insurer's proposed terms and conditions and a recommendation by the RMU, management has determined that Liberty Mutual Insurance Company, at a cost NTE \$650,000 for the 3-year program term with an effective date of June 1, 2020, offers the most cost effective and comprehensive program to protect the Authority; and

**WHEREAS**, the NTE cost is inclusive of contingency to account for both a 5% unanticipated increase in estimated TIV and a 5% increase in estimated construction durations and the Members approved an amendment in the amount of \$40,000 to the SDA's insurance broker's contract to perform policy and claims administration services; and

**WHEREAS**, the Members of the Authority have reviewed management's recommendation and concur therewith; and

**WHEREAS**, the Authority's purchase of Builders' Risk insurance will provide the last remaining policy to complete the SDA OCIP IV.

**NOW, THEREFORE, BE IT RESOLVED**, that the Members of the Authority hereby authorize and approve the Authority's purchase of a new Builders' Risk insurance program from Liberty Mutual Insurance Company at a cost not-to-exceed \$650,000 for the 3-year program term, effective June 1, 2020.

**BE IT FURTHER RESOLVED**, that the requested \$650,000 not-to-exceed cost is inclusive of contingency to account for both a 5% unanticipated increase in estimated TIV and a 5% increase in estimated construction durations.

**BE IT FURTHER RESOLVED**, that the Members hereby approve an amendment to the SDA's insurance broker's contract to perform policy and claims administration services in the amount of \$40,000.

**BE IT FURTHER RESOLVED**, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Attached: Memorandum, Builders' Risk Insurance Program, dated May 6, 2020

Dated: May 6, 2020

**REPORT AND RECOMMENDATIONS OF THE SCHOOL REVIEW COMMITTEE  
(CHAIRMAN'S REPORT) - TO BE REPORTED IN EXECUTIVE SESSION**

**REPORT AND RECOMMENDATIONS OF THE REAL ESTATE COMMITTEE  
(CHAIRMAN'S REPORT) - TO BE REPORTED IN EXECUTIVE SESSION**

**MONTHLY REPORTS**  
**(For Informational Purposes)**

**ACTIVE PROJECTS STATUS REPORT**



STATE OF NEW JERSEY  
**SCHOOLS DEVELOPMENT AUTHORITY**

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**MEMORANDUM**

TO: Members of the Authority

FROM: Gregory Voronov  
Managing Director

DATE: May 6, 2020

SUBJECT: Active Project Status Report  
(For Informational Purposes Only)

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The 1<sup>st</sup> section of the report includes an Activities Summary of projects identified for advancement in the Authority's Capital Plans.

The 2<sup>nd</sup> part of the report displays project completion milestones for all other active major capital projects and emergent projects for which a contract for construction has been awarded.



2011 & 2012 Portfolio Projects Activities Summary

as of 4/22/20

2011 Portfolio Projects - sorted by District

1

District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Bridgeton	Buckshutem ES	K-8	581	645	\$23.3	Kit of Parts/ Design-Build	School occupied Sep. 2016. (Bock)	5/31/13
Bridgeton	Quarter Mile Lane ES	PK-8	731	795	\$39.0	Kit of Parts/ Design-Build	School occupied Sep. 2017. (Bock)	5/31/13
Elizabeth	Frank J. Cicarell Academy (Academic HS)	9-12	1,091	1,284	\$64.1	Existing Design	School occupied Sep. 2016. (Patock)	12/8/11 7/11/12
Jersey City	Patricia M. Noonan ES (ES 3)	PK-5	778	848	\$54.0	Kit of Parts/ Design-Build	School occupied Sep. 2017. (Dobco, Inc.)	6/25/12 2/25/13
Jersey City	Dr. Maya Angelou PS #20	K-5	628	698	\$49.3	Existing Design	School occupied Sep. 2016. (Dobco, Inc.)	4/17/12 3/6/13
Long Branch	Catrambone ES	PK-5	794	867	\$40.0	Existing Design	School occupied Sep. 2014. (Terminal Construction)	12/20/11
New Brunswick	Redshaw ES	PK-5	906	990	\$51.2	Kit of Parts/ Design-Build	School occupied Jan. 2015. (Hall Construction)	5/29/12
Newark	Oliver St. ES	PK-8	848	932	\$73.6	Kit of Parts/ Design-Build	School occupied May 2016. (Epic Management)	6/27/12 11/29/12
Paterson	Dr. Hani Awadallah ES (Marshall St. ES)	K-8	650	722	\$55.2	Existing Design	School occupied Sep. 2016. (Dobco, Inc.)	6/13/12 2/12/13
Paterson	PS 16	PK-8	641	705	\$62.4	Kit of Parts/ Design-Build	School occupied Sep. 2016. (Hall Construction)	3/27/12 8/28/13
West New York	Harry L. Bain PS 6	PK-6	736	814	\$16.8	Design-Bid-Build	School occupied Sep. 2017. (Paul Otto)	2/27/12 12/29/15

\*PLEASE NOTE - Dates in the Past are ACTUAL. Includes Advertisement dates for Early Site Preparation Construction & School Construction where applicable.  
 NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.  
 Recommendations of DOE/SDA/District Working Groups may impact this information in the future.



2011 & 2012 Portfolio Projects Activities Summary

as of 4/22/20

2012 Portfolio Projects - sorted by District

1

District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Gloucester City	Elementary/Middle School	4-8	687	763	\$65.3	Kit of Parts/ Design-Build	School occupied Sep. 2017. (Terminal)	3/4/14
Keansburg	Caruso ES	K-4	758	842	\$50.9	Kit of Parts/ Design-Build	School occupied Sep. 2016. (Hall Construction)	10/20/11 6/27/13
Keansburg	Port Monmouth Road School	PK	318	318	\$28.4	Design-Bid-Build	Award for D-B approved Nov. 2019 Board. (Niram)	6/24/19
New Brunswick	Robeson ES	PK-5	823	893	\$48.5	Kit of Parts/ Design-Build	School occupied Sep. 2018. (Hall Construction)	4/22/15
Newark	Elliot Street ES	PK-8	848	932	\$46.7	Kit of Parts/ Design-Build	School occupied Jan. 2016. (Hall Construction)	12/27/12
Newark	South Street ES	PK-8	597	657	\$69.9	Kit of Parts/ Design-Build	School occupied Sep. 2018. (Bock)	6/28/13 6/29/15
Passaic	Dayton Ave. Campus	PK-8	2,760	3,020	\$240.9	Kit of Parts/ Design-Build	Award for D-B approved Nov. 2017 Board. (Terminal)	6/13/17
Phillipsburg	High School	9-12	1,846	2,172	\$127.5	Existing Design	School occupied Sep. 2016. (Epic Management)	9/27/12
West New York	Memorial HS	9-12	1,859	2,194	\$16.0	Alternative Delivery (acquisition) & Renovation	Acquisition of Existing St. Joseph's HS complete. Renovation work delegated to District via Grant.	n/a

**\*PLEASE NOTE** - Dates in the Past are ACTUAL. Includes Advertisement dates for Early Site Preparation Construction & School Construction where applicable.  
**NOTE # 1** - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions. Recommendations of DOE/SDA/District Working Groups may impact this information in the future.

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2011 & 2012 Portfolio Projects Activities Summary

as of 4/22/20

2012 Portfolio Projects (Educational Priority that require further conversations with District & 2013 Amended Projects) - sorted by District

1								
District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
East Orange	Sheila Y. Oliver Academy (GW Carver ES)	PK-5	470	512	\$41.2	Kit of Parts/ Design-Build	Award for D-B approved Jun. 2017 Board. (Dobco)	4/26/16 1/20/17
Elizabeth	New ES @ Halloran PS #22 ES Site	2-8	860	956	\$55.3	Kit of Parts/ Design-Build	School occupied Sep. 2017. (Torcon)	6/9/14
Garfield	James Madison ES	K-5	275	305	\$29.7	Existing Design	School occupied Sep. 2018. (Brockwell & Carrington)	2/19/14 6/30/15
Harrison	New ES	PK - 1	392	432	\$36.1	Kit of Parts/ Design-Build	Award for D-B approved Nov. 2016 Board. (Brockwell and Carrington)	11/10/15 7/13/16
Irvington	Madison Avenue ES	PK-5	463	504	\$38.6	Kit of Parts/ Design-Build	School occupied Sep. 2019. (Bock)	11/19/15 8/16/16
Millville	Senior HS Addition/Renovation	HS	2,026	2,384	\$137.5	Design-Build	Award for D-B approved Apr. 2017 Board. (Hall Construction)	9/30/16
Passaic	Sonia Sotomayor ES (New ES @ Leonard Place)	K-5	628	698	\$55.9	Kit of Parts/ Design-Build	School occupied Sep. 2019. (Dobco, Inc.)	8/13/15
Paterson	New MS @ Union Ave.	6-8	996	1107	\$113.9	Design-Build	Award for D-B approved Sep. 2018 Board. (Epic Management)	3/2/17 4/26/18
Pemberton	Denbo-Crichton ES	PK-5	846	930	\$58.7	Design-Build	Award for D-B approved Jan. 2018 Board. (Bock)	3/1/17 9/13/17
Perth Amboy	High School	HS	2,800	3,295	\$283.8	Design-Build	Award for D-B approved Nov. 2019 Board. (Terminal)	3/26/19
Perth Amboy	Rose M. Lopez ES (Seaman Avenue ES)	K-5	724	804	\$56.4	Kit of Parts/ Design-Build	School occupied Sep. 2019. (Epic Management).	2/3/16
Plainfield	New Woodland ES	K-5	756	840	\$59.4	Kit of Parts/ Design-Build	Award for D-B approved Feb. 2020 Board. (Epic Management)	5/23/18 8/29/19
Union City	New Grade 7 to 9 School	7-9	756	840	\$75.5	Kit of Parts/ Design-Build	Revised Preliminary Charter approved Dec. 2019 Board.	TBD
Vineland	Lincoln Ave. MS (New MS)	6-8	562	624	\$49.8	Kit of Parts/ Design-Build	School occupied Sep. 2018. (Bock).	9/24/15

\*PLEASE NOTE - Dates in the Past are ACTUAL. Includes Advertisement dates for Early Site Preparation Construction & School Construction where applicable.  
 NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.  
 Recommendations of DOE/SDA/District Working Groups may impact this information in the future.



**2011 & 2012 Portfolio Projects Activities Summary**

as of 4/22/20

**2012 Portfolio Projects (Facilities Deficiencies) - sorted by District**

1								
District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Camden	High School	9-12	1,244	1,468	\$132.6	Design-Build	Award for D-B approved Aug. 2018 Board. (Bock)	6/9/17 3/23/18
Hoboken	Demarest ES	ES	TBD	TBD	TBD	Design-Bid-Build	Pre-Design Services ongoing.	TBD
Orange	Cleveland St. ES	PK-6	316	348	\$33.2	Design-Bid-Build	Award for GC approved Mar. 2019 Board. (Brockwell & Carrington)	9/10/18 11/14/18
Orange	High School	9-12	1,440	1,694	\$51.9	Design-Bid-Build	Award for GC approved Mar. 2019 Board. (Terminal)	10/12/18
Trenton	Central HS	10-12	1,850	2,176	\$155.4	Design-Build	School occupied Sep. 2019. (Terminal)	12/19/14 9/29/15

**\*PLEASE NOTE** - Dates in the Past are ACTUAL. Includes Advertisement dates for Early Site Preparation Construction & School Construction where applicable.

**NOTE # 1** - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.  
Recommendations of DOE/SDA/District Working Groups may impact this information in the future.



## Active Project Status Report Status as of 4/1/2020

### Major Capital Projects - With Contract for Building Construction Awarded

#	District	Project Name	Project Scope	Project Status	Substantial Completion	Status Substantial Completion	School Opening	Status of School Opening	Total Estimated Project Cost
1	Camden	New Camden High School	New Construction	Construction	3Q 2021	On-target	Sep-21	On-target	\$ 132,569,255
2	City of Orange	Cleveland Street ES	Addition/Renovation	Construction	3Q 2021	On-target	Sep-21	On-target	\$ 33,243,608
3	City of Orange	Orange High School	Addition/Renovation	Construction	2Q 2022	On-target	Phased	On-target	\$ 51,931,218
4	East Orange	New GW Carver ES	New Construction	Construction	2Q 2020	On-target	Sep-20	On-target	\$ 41,179,670
5	Harrison	New Elementary School	New Construction	Construction	2Q 2020	On-target	Sep-20	On-target	\$ 36,115,640
6	Keansburg	Port Monmouth Road School	Addition/Renovation	Constructability Review	2Q 2022	On-target	Sep-22	On-target	\$ 28,440,130
7	Millville	Millville Senior High School	Addition/Renovation	Construction	3Q 2022	On-target	Phased	On-target	\$ 137,503,832
8	Passaic City	New Dayton Avenue Educational Campus	New Construction	Construction	2Q 2022	On-target	Sep-22	On-target	\$ 240,923,270
9	Paterson	New Union Ave MS	New Construction	Construction	2Q 2021	On-target	Sep-21	On-target	\$ 113,902,274
10	Pemberton	New Denbo ES	New Construction	Construction	1Q 2021	On-target	Sep-20	On-target	\$ 58,703,414
11	Perth Amboy	New High School	New Construction	Design-Build Design Phase	2Q 2024	On-target	Sep-24	On-target	\$ 283,830,000
12	Plainfield	New Woodland ES	New Construction	Design-Build Design Phase	3Q 2022	On-target	Sep-22	On-target	\$ 59,440,000



## Active Project Status Report Status as of 4/1/2020

### Emergent Projects - With Contract for Construction Awarded

#	District	Project Name	Project Scope	Project Phase	Substantial Completion	Status Substantial Completion	Final Completion	Status of Final Completion	Total Estimated Project Cost
1	Newark	Chancellor Ave Annex	Building Envelope & Structural Repairs	Construction	1Q 2020	Achieved	2Q 2020	On-Target	\$ 1,221,437
2	Newark	Lafayette Street School	Exterior Doors & Roofing	Construction	2Q 2020	On-Target	2Q 2020	On-Target	\$ 658,129

**PROJECT CLOSEOUT STATUS REPORT**



32 EAST FRONT STREET  
P.O. BOX 991  
TRENTON, NJ 08625-0991  
609-858-5395

To: Members of the Authority  
From: /s/ Ayisha Cooper, Vendor Services Analyst  
Date: May 6, 2020  
Subject: Project Close-Out Status Report

The attached report provides a status of the following:

- All SDA managed Capital Plan projects which have achieved school occupancy but have not yet been contractually and administratively closed
- All SDA managed Emergent projects which are either (1) currently active, or (2) complete yet have not been contractually and administratively closed
- Projects which have achieved project transfer to the district yet have outstanding open contracts
- A running total of all school facilities projects, health and safety contracts, and suspended design contracts which have been closed

Projects closed since the last report will appear highlighted.



PROJECT STATUS REPORT - As of April 1, 2020					
Year of Occupancy	DOE #	School	Disposition	Project Transfer Date	Outstanding Issues Preventing Complete Close-out
<b>Bridgeton</b>					
2016	0540-050-13-0ACN	Buckshutem Road Elementary School			
2017	0540-100-13-0ACO	Quarter Mile Lane Elementary School			
<b>Burlington City</b>					
2007	0600-020-01-0957	New High School	Project Transferred	12/29/11	Open contract(s) - Legal matter pending
<b>Camden</b>					
2007	0680-140-01-0939	Octavius V. Catto Community School - Demonstration Project	Project Transferred	01/09/12	Open contract(s)
2009	0680-350-01-0938	HB Wilson Elementary School	Project Transferred	04/14/10	Open contract(s)
<b>Egg Harbor City</b>					
2010	1300-X01-04-0ADY	New Middle School	Project Transferred	01/01/12	Open contract(s)
<b>Egg Harbor Township</b>					
2011	1310-005-04-0AEB	Egg Harbor Township High School			
<b>Elizabeth</b>					
2017	1320-N20-13-0AEG	Halloran Elementary School	Project Transferred	06/12/18	Open contract(s)
2016	1320-X07-01-0867	Frank J. Cicarell Academy (New Academic HS)	Project Transferred	07/18/19	Open contract(s)
2013	1320-240-03-0339	Victor Mravlag Elementary School # 21	Project Transferred	08/27/19	Open contract(s) - Legal matter pending
<b>Garfield</b>					
2018	1700-205-03-0315	James Madison Elementary School #10			
<b>Gloucester City</b>					
Legacy	1770-160-01-0245	Cold Springs Elementary School	Project Transferred	06/05/09	Open contract(s)
2017	1770-N01-03-0188	Gloucester City Middle School	Project Transferred	04/17/18	Open contract(s)
<b>Irvington</b>					
2019	2330-120-03-0755	Madison Avenue Elementary School			
<b>Jersey City</b>					
Legacy	2390-N01-99-0227	New Elementary School #3 (Frank R. Conwell ES #3)	Project Transferred	12/19/15	Open contract(s) - Legal matter pending
Legacy	2390-N02-99-0228	Jersey City Middle School # 4 (Frank R. Conwell MS #4)	Project Transferred	12/19/15	Open contract(s) - Legal matter pending
2016	2390-190-01-0581	New Public School #20	Project Transferred	08/11/17	Open contract(s) - Legal matter pending
2017	2390-X03-01-0587	Patricia M. Noonan ES (New PS #3)	Project Transferred	12/14/17	Open contract(s) - Legal matter pending
2007	2390-N03-99-0147	Heights Middle School #7			
<b>Keansburg</b>					
2016	2400-E01-02-0116	New Caruso Elementary School	Project Transferred	08/13/18	Open contract(s)
<b>Newark</b>					
Legacy	3570-X01-01-0617	Science Park	Project Transferred	05/03/13	Open contract(s) - Legal matter pending
2010	3570-X07-01-0693	Speedway Elementary School	Project Transferred	10/21/15	Open contract(s)
2016	3570-590-02-0315	Oliver Street Elementary School	Project Transferred	05/18/17	Open contract(s)
2018	3570-640-02-0311	South Street ES			

<b>PROJECT STATUS REPORT - As of April 1, 2020</b>					
<b>Year of Occupancy</b>	<b>DOE #</b>	<b>School</b>	<b>Disposition</b>	<b>Project Transfer Date</b>	<b>Outstanding Issues Preventing Complete Close-out</b>
<b>Passaic</b>					
2015	3970-X01-01-X760	New Henry Street Elementary School			
2019	3970-N11-07-0DAY	Leonard Place Elementary School			
<b>Paterson</b>					
2016	4010-N01-02-0169	Dr. Hami Awadallah School (New Marshall Street ES)	Project Transferred	03/15/18	Open Contract(s)
2008	4010 -S01-02-0101	International High School			
<b>Pemberton</b>					
2011	4050-E01-02-0082	Pemberton Early Childhood Education Center	Project Transferred	02/01/13	Open contract(s)
<b>Perth Amboy</b>					
2019	4090-N01-98-0325	Seaman Avenue Elementary School			
<b>Phillipsburg</b>					
2016	4100-X01-99-0464	New High School	Project Transferred	06/07/18	Open contract(s)
<b>Trenton</b>					
2019	5210-050-13-0AEH	Trenton Central High School			
<b>Vineland</b>					
2018	5390-N02-02-0245	Lincoln Avenue Middle School			
<b>West New York</b>					
2009	5670-065-01-0559	Elementary School #2	Project Transferred	05/14/13	Open contract(s) - Legal matter pending
<b>Capital and Demonstration Projects Totals</b>					
<b>Total Capital and Demonstration</b>			<b>155</b>		
<b>Closed Capital and Demonstration Projects</b>			<b>121</b>		
<b>Capital and Demonstration Projects Not Closed</b>			<b>34</b>		
<b>Capital and Demonstration Projects Not Closed, Project Transferred</b>			<b>20</b>		
<b>Legal Matter</b>			<b>8</b>		
<b>Miscellaneous</b>			<b>12</b>		

<b>PROJECT STATUS REPORT - As of April 1, 2020</b>					
<b>Year of Occupancy</b>	<b>DOE #</b>	<b>School</b>	<b>Disposition</b>	<b>Project Transfer Date</b>	<b>Outstanding Issues Preventing Complete Close-out</b>
<b>Emergent Projects</b>					
<b>Camden</b>					
	0680-170-12-OACF	Cramer Elementary School			
<b>Irvington</b>					
	2330-090-12-OACT	Chancellor Avenue Elementary School	Project Transferred	3/20/2018	Open contract(s)
<b>Newark</b>					
	3570-301-17-OAES	Marin - HVAC			
	3570-415-17-OAER	Dr. E. Alma Flagg E.S. - Doors and Roofing			
	3570-460-17-OAEZ	Hawkins ES - Chimney Repairs			
	3570-480-17-OAET	Lafayette - Doors and roofing			
	3570-750-17-OBBC	Wilson School Annex - Chimney			
<b>Paterson</b>					
	4010-N02-12-OABX	Roberto Clemente ES			
<b>Plainfield</b>					
	4160-050-17-0BBD	Plainfield High School			
<b>Vineland</b>					
	5390-050-12-OACK	Vineland High School South			
<b>Emergent Project Totals</b>					
<b>Total Emergent Projects</b>			<b>79</b>		
<b>Emergent Projects Closed</b>			<b>69</b>		
<b>Emergent Projects Not Closed</b>			<b>10</b>		
<b>Emergent Projects Not Closed but Transferred</b>			<b>1</b>		
<b>Health and Safety Contract Totals</b>					
<b>Total Contracts</b>			<b>399</b>		
<b># of Contracts Closed</b>			<b>394</b>		
<b># of Open Contracts</b>			<b>5</b>		
<b>Open Design Contracts</b>					
<b>Total Contracts</b>			<b>109</b>		
<b># of Contracts Closed</b>			<b>98</b>		
<b># of Open Contracts</b>			<b>11</b>		

**PROJECT STATUS REPORT**



**MEMORANDUM**

TO: Members of the Authority

FROM: Gregory Voronov  
Managing Director – Program Operations

DATE: May 6, 2020

SUBJECT: Executive Summary – Monthly Project Status Reports

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**MONTHLY PROJECT STATUS REPORT**

**Projects that have Expended 75% or More of Board Approved Contingency:**

No activity during the reporting period

**Projects Greater than 90 Days Behind Schedule:**

No activity during the reporting period

**Revisions to Project Charters:**

No activity during the reporting period



**Projects that have Expended 75% or More of Board Approved Contingency**

Reporting Period: Jan. 1, 2008 to Mar. 31, 2020

District	Project	Board Approved Project Charter Contingency	Contingency Expended/Committed	Contingency Remaining <sup>1</sup>	% of Contingency Expended/Committed	Project Completion %	Cause(s)	Current Status
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**In Construction**

NO DATA TO REPORT

**Substantially Complete & Building Occupied**

Please refer to the Project Close-Out Activity Report for status of close-out activities

Newark	Speedway Avenue E.S.	\$1,826,000	\$1,754,119	\$71,881	96.1%	99%	1. Removal of unforeseen impacted materials	Project complete and building occupied. Project close-out pending resolution of open contracts.
New Brunswick	Paul Robeson Community ES	\$1,599,650	\$2,180,000	\$0	100.0%	99%	Unforeseen structural repairs. On Oct. 4, 2017 Change Order No. 1 for the value of \$2,180,000 was approved by the Member to address unforeseen structural repairs to the existing Robeson ES which served to fully exhaust the project contingency.	Project complete and building occupied. Project close-out pending resolution of open contracts.
West New York	West New York P.S. #2	\$2,708,883	\$2,708,883	\$0	100.0%	99%	1. Unforeseen site foundation issues	Project complete and building occupied. Project close-out pending resolution of open contracts.

<sup>1</sup> Does not include expended contingency or contingency funds allocated for change orders, amendments



**Projects Greater than 90 Days Behind Schedule or with Occupancy Date in Jeopardy**

Reporting Period: March 2020

#	Event Date	District	Project	Board Approved Project Charter SubComp Date	Current Contract SubComp Date	Forecasted Contract SubComp Date	# of Days Behind Schedule	Cause(s)	Current Status
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No Activity During the Reporting Period



**Revisions to Project Charters**

Reporting Period: March 2020

#	District	Project	Financial & Schedule Impacts	Additional Funds Approved	Additional Funds as % of Total Project Budget	Operating Authority Approval Requirement	Description of Revision
No Activity During the Reporting Period							

**CONTRACTS EXECUTED REPORT**



**MEMORANDUM**

TO: Members of the Authority

FROM: Gregory Voronov  
Managing Director, Program Operations

DATE: May 6, 2020

SUBJECT: Contracts Executed Report and Amendments & Change Orders Report  
(For Informational Purposes Only)

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**Contracts Executed Report**

This report contains the activity of Contracts executed during the period March 1 through March 31, 2020.

**Noteworthy Items during the reporting period:**

- Execution of 1 Design Build Contract for the Plainfield New Woodland Elementary School Project – Epic Management, Inc. – \$45,335,000

**Amendments & Change Orders Report**

This report contains the activity of Amendments and Change Orders executed during the period March 1 through March 31, 2020.

**Noteworthy Items during the reporting period:**

- 1 Professional Services Amendment totaling \$7.4k was executed during the reporting period that did not require board approval.
- 10 Construction Services Change Orders totaling a credit of \$774k were executed during the reporting period, of the 10 executed change orders none required board approval.

**Report of change orders less than \$10,000 yet requiring Board Approval**

In accordance with the Operating Authority adopted by the Members on December 1, 2010 as amended on March 7, 2012, the Members are to be provided a report of any change order which received delegated approval by the CEO due to the fact that they are valued at less than \$10,000 yet require Board approval due the total change orders exceeding 10% of the contract value.

- No Activity to Report



### Contracts Executed Report

Reporting Period: 3/1/2020 through: 3/31/2020

District	School Name(s)	Project Type	Contract Type	Contract Number	Vendor	MWSBE Cert(s)	Contract Award Amount	Contract Execution Date	Per School CCE	Total CCE
<b>Part 2. Construction Services</b>										
<b>Contractor</b>										
Plainfield	New Woodland Elementary School	New	DB	ET-0100-B01	Epic Management, Inc.		\$45,335,000	3/11/2020	\$50,400,000	\$50,400,000
<b>Contractor</b>										
<b>Part 2. Construction Services</b>							<b>\$45,335,000</b>			<b>\$50,400,000</b>



### Amendments & Change Orders Report

Reporting Period: 3/1/2020 through: 3/31/2020

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %
<b>Professional Services</b>													
<b>Design Consultant</b>													
Bridgeton	Bridgeton Senior H.S.	EP-0105-A01	6/14/2018	3	USA Architects, Planners + Interior Designers, Ltd	3/17/2020	\$667,800	(\$100,000)	\$7,445			\$575,245	-13.86%
									<b>\$7,445</b>				
<b>Construction Services</b>													
<b>Contractor</b>													
Irvington Township	Madison Avenue E.S.	ES-0027-B01	1/19/2017	20	Ernest Bock & Sons, Inc.	3/12/2020	\$26,800,000	\$102,023	(\$125,000)			\$26,777,023	-0.08%
Irvington Township	Madison Avenue E.S.	ES-0027-B01	1/19/2017	21	Ernest Bock & Sons, Inc.	3/12/2020	\$26,800,000	(\$22,977)	(\$145,000)			\$26,632,023	-0.62%
Irvington Township	Madison Avenue E.S.	ES-0027-B01	1/19/2017	22	Ernest Bock & Sons, Inc.	3/13/2020	\$26,800,000	(\$167,977)	(\$148,400)			\$26,483,623	-1.18%
Irvington Township	Madison Avenue E.S.	ES-0027-B01	1/19/2017	23	Ernest Bock & Sons, Inc.	3/13/2020	\$26,800,000	(\$316,377)	(\$500,000)			\$25,983,623	-3.04%
Millville	High School	ST-0046-B01	5/24/2017	9	Hall Construction Co., Inc.	3/10/2020	\$114,453,000	\$573,962	(\$40,000)			\$114,986,962	0.46%
Millville	High School	ST-0046-B01	5/24/2017	7	Hall Construction Co., Inc.	3/13/2020	\$114,453,000	\$533,962	\$160,593			\$115,147,555	0.60%
Newark	Chancellor Avenue E.S.	EP-0104-C01	7/22/2019	3	Catcord Construction Co., Inc.	3/11/2020	\$493,300	\$47,114	\$13,375			\$553,789	12.26%
Passaic City	New ES at Leonard Place	NT-0050-B01	1/14/2016	9	Dobco, Inc.	3/10/2020	\$32,750,000	(\$490,199)	(\$62,184)			\$32,197,617	-1.68%
Passaic City	Dayton Ave. Educational Campus	NT-0052-B01	1/2/2018	13	Terminal Construction Corp.	3/18/2020	\$163,560,000	\$215,439	\$8,475			\$163,783,914	0.13%
Passaic City	Dayton Ave. Educational Campus	NT-0052-B01	1/2/2018	16	Terminal Construction Corp.	3/18/2020	\$163,560,000	\$223,914	\$63,797			\$163,847,711	0.17%
									<b>(\$774,344)</b>				
										<b>Total Change Order</b>	<b>Total Change Orders</b>		
										<b>(\$766,899)</b>	<b>11</b>		

**Column Description Legend**

CO Execution Date	Date the Change Order was entered into the SIMS system
Revised Contract Amount	Current value of the contract (excluding additional assignments) including current change order

**CONTRACT TERMINATIONS REPORT** *(no activity)*

**SETTLEMENT CLAIMS** *(no activity)*

**DIVERSITY AND WORKFORCE PARTICIPATION REPORT** *(no report)*

**REGULAR OPERATING DISTRICTS (RODs) ACTIVITY REPORT**



**MEMORANDUM**

TO: Members of the Authority

FROM: Gregory Voronov  
Managing Director, Program Operations

DATE: May 6, 2020

SUBJECT: Regular Operating District Grant Activity Report  
(For Informational Purposes Only)

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This report summarizes the Regular Operating District Grant activity from inception to date and for the month of March 2020. Also included is a detailed list of grants executed and grants offered during the reporting period.

**Monthly Update:**

- No grants were offered during the reporting period.
- No grants were executed during the reporting period.
- 14 grants impacting 7 districts were closed out during the reporting period representing \$10.3M in total project costs and state share of \$5.5M.
- Since inception, over \$2.9B has been disbursed to 524 regular operating districts through the grant program.
- Since inception over \$3.3B in funding has been approved by the Department of Education and offered to regular operating districts through the grant program.


**STATE OF NEW JERSEY**  
**SCHOOLS DEVELOPMENT AUTHORITY**  
 Monthly Regular Operating District Grant Report - Summary  
 March 2020

ROD Grant Summary Since Program Inception				
	Offered <sup>1</sup>	Executed	Closed-Out	Active
Districts Impacted	-	524	516	99
Number of Grant Projects	-	5,406	5,039	367
Total Project Cost Estimate	\$ -	\$ 8,945,485,267	\$ 8,549,816,318	\$ 395,668,949
Grant Amount	\$ -	\$ 3,005,914,725	\$ 2,833,079,061	\$ 172,835,663
Amount Disbursed	N/A	\$ 2,921,522,144	\$ 2,833,079,061	\$ 88,443,083

Total Funding Offered to School Districts via Grant Program	\$ 3,342,209,450
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Total ROD Grant Funding remaining for new Grant Projects	\$ 85,048,886
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1. Includes grants that have been offered to District's but have not yet been executed.

Monthly Activity ROD Grant Summary		
	Executed	Closed-Out
Districts Impacted	-	7
Number of Grant Projects	-	14
Total Project Cost Estimate	\$ -	\$ 10,347,629
Grant Amount	\$ -	\$ 5,539,790
Amount Disbursed	NA	\$ 5,539,790

\* Report is inclusive of all Regular Operating Districts grants (including vocational school districts).

\*\* Total Project Cost Estimate and Grant Amount may be adjusted as the projects advance. Grant Amount is capped at the value approved in the DOE Final Eligible Cost Approval.

**NOTIFICATION OF AMENDMENTS TO GOODS AND SERVICES CONTRACTS NOT EXCEEDING \$100,000 OR 10% OF THE CONTRACT VALUE *(no activity)***

**COMMUNICATIONS MONTHLY REPORT** *(no report)*

**MONTHLY FINANCIAL REPORT**

**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Sherman E. Cole, MBA, CPA /s/  
Controller

**DATE:** May 6, 2020

**SUBJECT:** Monthly Financial Report – March 2020

The Office of the Chief Financial Officer is providing the attached preliminary monthly financial report to the Members of the Authority for their information. Included on pages 1 and 2 of this report is a “Financial Summary” of the Authority’s activities for the year. On pages 3 and 4 of the report is a summary of the Authority’s operating expenditures. Page 5 contains a breakdown of the Authority’s headcount information by department. The basic financial statements follow on pages 6 and 7.

**Fund Reporting Operating Expenses (Year-to-Date Actual vs. Budget)**

For March 2020 year to date, Authority operating expenses, **\$3.0M**, are **\$3.1M** lower than budget for the corresponding period. The variance is primarily related to lower year to date personnel costs, **\$3.0M**, which due to having 19 fewer employees (FTEs) as well as the timing of the annual pension contribution.

**Fund Reporting Operating Expenses (Year-to-Date Actual vs. Prior Year Actual)**

For March 2020 year to date, Authority operating expenses, **\$3.0M**, are **\$3.5M** lower when compared to the corresponding prior year. The variance is mainly attributable to decreases in personnel expense, **\$3.6M**, which is a result of having 42 less employees (FTEs) than last year, and the timing of the annual pension contribution.

**School Facilities Project Expenditures (Year-to-Date Actual vs. Forecast)**

For March 2020 year to date, project expenditures, **\$67.4M**, are **\$11.8M** lower than the capital spending forecast for the corresponding period. This variance is primarily the result of lower than forecasted expenditures for construction activity **\$7.6M**, school furniture & fixtures **\$1.3M**, grants **\$761K**, project insurance **\$717K**, and property acquisitions **\$607K**.

**School Facilities Project Expenditures (Year-to-Date Actual vs. Prior Year Actual)**

For March 2020 year to date, project expenditures, **\$67.4M**, are higher by **\$284K** when compared to the corresponding prior year. The variance is attributable mainly to an increase in construction activity, **\$2.8M** and project insurance **\$1.7M**, offset by a decrease in grants **\$3.9M**.

*Members of the Authority*  
*May 6, 2020*  
*Page 2*

**Other**

Since program inception, 86.5% of the funds authorized for the SDA Districts have been disbursed. Additionally, since program inception, 96% of all SDA disbursements relate to school facility projects and 4% relate to operating expense.

The estimated value of active school facilities, capital, emergent and ROD grant projects is approximately \$2B.

Attachment

**New Jersey Schools Development Authority**  
**Monthly Financial Report**  
**March 2020**  
**(Unaudited)**

## New Jersey Schools Development Authority

### Overview of Financial Position

### March 31, 2020

**To:** The Audit Committee

**From:** Sherman E. Cole, Controller

The information contained in this monthly financial report is for the period as of, and for the year-to-date ending, March 31, 2020.

► Overall **Cash and Cash Equivalents** have decreased by \$66.0 million to \$505.0 million, as follows:

■ Receipt of bond and note proceeds (Issued by EDA)	\$ -
■ Investment earnings	2,090,335
■ Miscellaneous revenue	10,500
■ Project costs	(67,441,083)
■ SDA operating expenses	(3,378,169)
■ SDA capital expenditures	(9,773)
■ Deposits (primarily district local shares)	2,742,251
Net Change in Cash	\$ (65,985,939)

► **Prepaid Expenses** total \$548,198 as follows:

- Prepaid insurance of \$350,097.
- Prepaid rents of \$124,152 for the Authority's leased office space in Trenton and Newark.
- Prepaid MIS maintenance service contracts of \$43,603.
- Other prepaids of \$30,346.

► **Capital Assets** total \$1,039,771 (net of accumulated depreciation of \$6,754,302), consisting of leasehold improvements (SDA offices), and capitalized software, equipment, furniture and fixtures in support of SDA operations. Depreciation on capital assets is generally calculated using the straight-line method over the life of each asset. For the year to date, **Capital Expenditures** are \$0 and **Depreciation Expense** is \$43,113.

► **Accrued Liabilities** total \$106.5 million, as follows:

- Accrued project costs of \$20.8 million consisting of unpaid invoices (\$3.3 million) and retainage (\$17.5 million).
- Accrued net pension liability of \$49.8 million.
- Annual accrued pension payable of \$2.4 million.
- Other post-employment benefits obligation of \$28.1 million.
- Pollution remediation obligations (PRO) under GASB 49 net to \$1.4 million (PRO liability \$2.9 million, offset by expected cost recoveries of \$1.5 million).
- Estimated liability for loss contingencies totaling \$2.4 million.
- Payroll related liabilities of \$1.5 million.
- Other accrued liabilities of \$0.1 million.

► **Deposits** total \$5.5 million, as follows:

- \$5.5 million is held for local share agreements (pass-through item).

► The Authority's **Net Position** at month end is \$387.2 million.

## New Jersey Schools Development Authority

### School Facilities Project Expenditures & Funding Allocation

#### March 31, 2020

#### ► School Facilities Construction Bond / Note Proceeds & Project Expenditures

- During the current year to date, the SDA has received \$0 million bond and note proceeds. The total amount of proceeds received since program inception is \$11.498 billion.
- Project expenditures for the month and year-to-date periods total \$20.3 million and \$67.4 million, respectively, as follows:

<u>Category</u>	<u>Current Month</u>	<u>Current Year-To-Date</u>	<u>Since Program Inception</u>
Construction	\$ 13,788,308	\$ 46,406,588	\$ 5,116,973,031
Design Services	35,294	601,959	411,658,451
PMF/CM Services	462,973	1,429,690	464,010,690
SDA Project Management	1,262,511	3,059,453	101,506,181
Property Acquisition, Relocation & Enviro	117,358	490,642	580,662,096
School Furniture, Fixtures & Equipment	387,625	902,737	187,332,990
Project Insurance	1,761,346	1,764,553	110,910,216
NJ State Inter-Agency Transfers	-	77,470	50,361,676
SDA District Grant & Funding Agreements	27,612	779,366	877,285,097
Regular Operating District Grant Agreements	2,248,539	11,580,610	2,930,454,695
Real-Time Project Audits	-	-	628,000
Property Management, Maintenance & Utils	32,473	85,510	18,327,904
Outside Legal & Claims Resolution Services	48,781	182,043	10,991,196
Temporary Staffing	19,760	35,720	10,496,061
Other Project Costs	64,935	102,886	61,432,821
Project Credits	-	-	(54,902,944)
<b>Total Project Expenditures</b>	<b>20,257,515</b>	<b>67,499,227</b>	<b>10,878,128,161</b>
Less: Local Share Contributions	-	(58,144)	(184,398,559)
<b>Project Expenditures (State Share)</b>	<b>\$ 20,257,515</b>	<b>\$ 67,441,083</b>	<b>\$ 10,693,729,602</b>
 2020 Capital Spending Forecast	 \$ 28,363,781	 \$ 79,199,201	

#### Allocations Since Program Inception

#### ► Program Funding & Expenditures

	<u>Bonding Caps</u> <sup>1</sup>	<u>Total Funding</u> <sup>2</sup>	<u>Paid to Date</u> <sup>3</sup>
■ SDA Districts	\$ 8,900,000,000	\$ 9,026,430,030	\$ 7,804,699,601
■ Regular Operating Districts	3,450,000,000	3,500,046,080	3,250,329,621
■ Vocational Schools	150,000,000	151,999,981	121,692,143
<b>Total - State Share</b>	<b>\$ 12,500,000,000</b>	<b>\$ 12,678,476,091</b>	<b>\$ 11,176,721,365</b>

#### ► Percentage of Total Funding Paid to Date

■ SDA Districts	86.5%
■ Regular Operating Districts	92.9%
■ Vocational Schools	80.1%
<b>Total - State Share</b>	<b>88.2%</b>

1 Of the \$12.5 billion authorized for the school construction program, \$11,497,702,648 principal amount of bond and note proceeds have been received to date.

2 Includes bonding cap amounts and other income and miscellaneous revenue earned to date (i.e., interest income on invested funds and State appropriations).

3 These amounts include the allocation of SDA operating expenses and capital expenditures totaling \$482,991,763.

**New Jersey Schools Development Authority**  
**Fund Reporting Operating Expenses vs Budget**  
**March 31, 2020**

<u>Category</u>	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>Over/</u> <u>(Under)</u>
<b>Personnel Expenses:</b>			
Employee Salaries	\$ 3,965,859	\$ 4,387,174	\$ (421,315)
Employee Benefits	1,001,111	3,606,959	(2,605,848)
Direct Hire Temporary Employee Costs	2,561	12,111	(9,550)
Total Employee Salaries & Benefits Costs	4,969,531	8,006,244	(3,036,713)
<b>Less:</b> Employee Salaries & Benefits Costs Charged to Projects	3,059,453	3,409,000	(349,547)
Salaries & Benefits Charged to Operating Expense	1,910,078	4,597,244	(2,687,166)
Temporary Staffing Services	-	18,750	(18,750)
Travel & Expense Reimbursements	2,749	6,960	(4,211)
Training & Professional Development	12,189	17,499	(5,310)
Total Personnel Expenses	1,925,016	4,640,453	(2,715,437)
<b>Non-Personnel Operating Expenses:</b>			
Facilities & General Office Expenses	592,854	645,480	(52,626)
Information Systems	304,245	329,014	(24,769)
Professional & Other Contracted Services	75,511	363,123	(287,612)
Property & Casualty Insurance	88,854	91,299	(2,445)
SDA-Owned Automobiles	15,126	24,999	(9,873)
Communications & Outreach	-	750	(750)
Reserve for Unforeseen Events & New Initiatives	-	12,501	(12,501)
<b>Total Authority Operating Expenses</b>	<b>\$ 3,001,606</b>	<b>\$ 6,107,619</b>	<b>\$ (3,106,013)</b>

**2020 Annual Operating Budget**

**\$ 17,436,021**

**New Jersey Schools Development Authority**  
**Capital Expenditures**  
**March 31, 2020**

Description of Capital Item:	Budget Year	Budget Amount	Capital Expenditures		
			2020	Pre-2020	Total
Leasehold Improvements		\$ -	\$ -	\$ -	-
Office Furniture & Equipment		-	-	-	-
CM Computer Software System:					
Estimated SDA Staff Time	2020	150,000	-	-	-
Estimated SDA Staff Time	2019	450,000	-	211,192	211,192
Purchase & Development	2019	1,000,000	-	-	-
Purchase & Development	2018	1,500,000	-	579,268	579,268
<b>Total Capital Items</b>		<b>\$ 3,100,000</b>	<b>\$ -</b>	<b>\$ 790,460</b>	<b>\$ 790,460</b>

**New Jersey Schools Development Authority**  
**Fund Reporting Operating Expenses vs Prior Year**  
**March 31, 2020**

<u>Category</u>	<u>Actual</u> <u>Year-To-Date</u>	<u>2019</u> <u>Year-To-Date</u>	<u>Over/</u> <u>(Under)</u>
<b>Personnel Expenses:</b>			
Employee Salaries	\$ 3,965,859	\$ 4,826,664	\$ (860,805)
Employee Benefits	1,001,111	3,722,292	(2,721,181)
Direct Hire Temporary Employee Costs	2,561	13,205	(10,644)
Total Employee Salaries & Benefits Costs	4,969,531	8,562,161	(3,592,630)
<b>Less: Employee Salaries &amp; Benefits Costs</b>			
Charged to Projects	3,059,453	3,376,704	(317,251)
Salaries & Benefits Charged to Operating Expense	1,910,078	5,185,457	(3,275,379)
Temporary Staffing Services	-	2,003	(2,003)
Travel & Expense Reimbursements	2,749	3,544	(795)
Training & Professional Development	12,189	11,676	513
Total Personnel Expenses	1,925,016	5,202,680	(3,277,664)
<b>Non-Personnel Operating Expenses:</b>			
Facilities & General Office Expenses	592,854	626,506	(33,652)
Information Systems	304,245	385,390	(81,145)
Professional & Other Contracted Services	75,511	134,566	(59,055)
Property & Casualty Insurance	88,854	85,652	3,202
SDA-Owned Automobiles	15,126	38,316	(23,190)
Communications & Outreach	-	5,347	(5,347)
Reserve for Unforeseen Events & New Initiatives	-	-	-
<b>Total Authority Operating Expenses</b>	<b>\$ 3,001,606</b>	<b>\$ 6,478,457</b>	<b>\$ (3,476,851)</b>

# New Jersey Schools Development Authority

## Employee Headcount

### March 31, 2020

	<u>Current Month End</u>	<u>Budget</u>	<u>Over/ (Under)</u>
<b>Office of Chief Executive Officer</b>	4	4	-
Human Resources	3	6	(3)
Communications	2	3	(1)
Information Systems	15	15	-
Central Records Management	3	3	-
Legislative Affairs	1	1	-
<b>Office of Program Operations &amp; Strategic Planning</b>	2	2	-
Capital Planning & Program Operations	4	4	-
Design Studio	19	20	(1)
Grants Administration	11	13	(2)
Real Estate Services & Predevelopment	8	10	(2)
Vendor Development	5	5	-
<b>Office of Construction Operations</b>	0	2	(2)
Project Teams	32	34	(2)
<b>Office of Corporate Governance &amp; Legal Affairs</b>	5	5	-
Chief Counsel	10	11	(1)
Safety	6	6	-
Internal Audit	3	4	(1)
<b>Office of Chief Financial Officer</b>	2	2	-
Financial Operations	8	11	(3)
Financial Accounting & Disbursements	13	13	-
Procurement	9	9	-
Risk Management	8	9	(1)
Property Management	4	4	-
Facilities	4	4	-
<b>Total Full-Time Employees at Month End</b>	<b><u>181</u></b>	<b><u>200</u></b>	<b><u>(19)</u></b>
<b>Total Full-Time Employees at Year End</b>		<b><u>205</u></b>	

**New Jersey Schools Development Authority**  
**Statement of Net Position**  
**March 31, 2020**

**Excludes 2019 GASB 68 entries**

	<u>Current Month End</u>	<u>2019 Year End</u>	<u>Over/ (Under)</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 504,961,607	\$ 570,947,546	\$ (65,985,939)
Receivables	19,072	26,957	(7,885)
Prepaid Expenses	548,198	659,130	(110,932)
Capital Assets (Net of Accumulated Depr.)	1,039,771	1,082,884	(43,113)
Total Assets	<u>506,568,648</u>	<u>572,716,517</u>	<u>(66,147,869)</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount for Pensions & OPEB	16,474,095	16,474,095	-
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>			
	<u>\$ 523,042,743</u>	<u>\$ 589,190,612</u>	<u>\$ (66,147,869)</u>
<b>LIABILITIES</b>			
Accrued Project Costs	\$ 24,594,476	\$ 47,731,815	\$ (23,137,339)
Net Pension Liability	49,778,974	49,778,974	-
Accrued Other Post-Employment Benefits	28,141,358	27,629,217	512,141
Other Accrued Liabilities	3,969,161	4,468,683	(499,522)
Deposits	5,504,233	2,761,982	2,742,251
Total Liabilities	<u>111,988,202</u>	<u>132,370,671</u>	<u>(20,382,469)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amount for Pensions & OPEB	23,818,546	23,818,546	-
<b>NET POSITION</b>			
Invested in Capital Assets	1,039,771	1,082,884	(43,113)
Restricted for Schools Construction:			
Special Revenue Fund	386,196,224	431,918,511	(45,722,287)
Net Position	<u>387,235,995</u>	<u>433,001,395</u>	<u>(45,765,400)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; NET POSITION</b>			
	<u>\$ 523,042,743</u>	<u>\$ 589,190,612</u>	<u>\$ (66,147,869)</u>

**New Jersey Schools Development Authority**  
**Statement of Activities**  
**March 31, 2020**

**Excludes 2019 GASB 68 entries**

	<u>Current</u> <u>Year-To Date</u>	<u>2019</u> <u>Year-To Date</u>	<u>Over/</u> <u>(Under)</u>
<b>REVENUES</b>			
Program Revenues:			
Bond and Note Proceeds (Issued by EDA)	\$ -	\$ -	-
Bidding Fees-Plans & Specs	-	-	-
General Revenues:			
Investment Earnings	2,090,335	2,971,831	(881,496)
Rental Income	10,500	4,129	6,371
Other Revenue-OPRA	-	-	-
Total Revenues	<u>2,100,835</u>	<u>2,975,960</u>	<u>(875,125)</u>
<b>EXPENSES</b>			
Administrative & General Expenses	3,513,748	7,050,948	(3,537,200)
Capital Depreciation	43,113	45,085	(1,972)
School Facilities Project Costs	44,309,374	44,616,019	(306,645)
Total Expenses	<u>47,866,235</u>	<u>51,712,052</u>	<u>(3,845,817)</u>
<b>CHANGE IN NET POSITION</b>	<b>(45,765,400)</b>	<b>(48,736,092)</b>	<b>2,970,692</b>
Beginning of Period Net Position	<u>433,001,395</u>	<u>398,016,400</u>	<u>34,984,995</u>
<b>NET POSITION END OF PERIOD</b>	<b><u>\$ 387,235,995</u></b>	<b><u>\$ 349,280,308</u></b>	<b><u>\$ 37,955,687</u></b>

**DESIGN CONTRACT DE-OBLIGATIONS REPORT** *(no activity)*

**PUBLIC COMMENT STATEMENT**

**We will now begin the Public Comment Portion of the Meeting consistent with the New Jersey Open Public Meetings Act.**

**We would ask that any member of the public who wishes to address the Board limit their comments to 3 minutes. If there are multiple individuals from the same organization or district who wish to address the Board on the same matter, we would ask that you come up together to offer your remarks.**

**Please keep in mind that public comment is to afford citizens the opportunity to comment on matters pertinent to the Authority's business. Should you seek answers to questions on any topic, please contact the Authority at 609-943-4585 at your convenience.**

**EXECUTIVE SESSION RESOLUTION**

**Resolution—11.**

## Resolution to Adjourn into Executive Session

**Resolution**

**WHEREAS**, the “Senator Byron M. Baer Open Public Meetings Act” (OPMA), N.J.S.A. 10:4-6, declares “the right of the public to be present at all meetings of public bodies” except as expressly provided in the Act; and

**WHEREAS**, N.J.S.A. 10:4-12 (b) provides that a public body may exclude the public from that portion of a meeting at which the public body discusses, among other things, any matter involving the lease... of real property with public funds...or any pending or anticipated litigation or contract negotiations in which the public body is or may become a party...falling within the attorney-client privilege, to the extent that confidentiality is required to preserve the attorney-client relationship; and

**WHEREAS**, the Members of the Authority have before them on this date four matters that, pursuant to N.J.S.A. 10:4-12 require consideration in Executive Session consistent with the provisions of the OPMA; and

**WHEREAS**, these four matters include: a Recommendation for Settlement of a Claim Asserted by Torcon, Inc. in Connection with the Elizabeth Elementary School Project; a Request for approval to exercise lease extension options for 375 McCarter Highway, Newark, NJ and, approval of a Memorandum of Agreement and Sublease with the New Jersey Department of Community Affairs (DCA) providing for the full assumption of the obligations of the Authority under a Lease of office space located at 375 McCarter Highway, Newark; an approval of resolution of four change orders with Hall Construction Company in connection with the Millville Senior High School Project and a Notification of Settlement (Insurance Coverage/Personnel Matter); and

**WHEREAS**, the minutes of the Board’s May 6, 2020 Executive Session meeting will be available for release for public review upon the conclusion of all negotiations, legal proceedings, settlements, and the execution of all documentation, agreements and leases associated therewith.

**NOW, THEREFORE, BE IT RESOLVED**, that the Members of the Authority hereby resolve to adjourn into Executive Session to consider and deliberate with regard to Executive Session Agenda Items No. A1, A2, A3, and A4 as described herein and to subsequently vote on Agenda Items No. A1, A2, and A3 upon the Board’s return to Open Session.

**BE IT FURTHER RESOLVED**, that the minutes of the Board’s May 6, 2020 Executive Session meeting will be available for release for public review upon the conclusion of all negotiations, legal proceedings, settlements, and the execution of all documentation, agreements and leases associated therewith.

**BE IT FURTHER RESOLVED**, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Attached: Resolution to Adjourn into Executive Session, dated May 6, 2020

Dated: May 6, 2020