

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS TELECONFERENCE MEETING  
WEDNESDAY, MAY 5, 2021**

A teleconference meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, May 5, 2021 at 9:00 A.M.

Participating by teleconference were:

Robert Nixon, Chairman  
Michael Kanef (Treasury)  
Bernard Piaia (DOE)  
David Nuse (EDA)  
Kevin Luckie (DCA)  
Richard Elbert  
Daniel Gumble  
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; and Albert Barnes, 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 Mr. Nixon, the Chairman of the Board. The Chairman 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. She said that a call-in number was provided on the SDA Website so that members of the public could participate in the meeting by teleconference. She also advised the Members that the call-in number for the meeting was posted at the SDA offices earlier in the morning. Ms. Kelly then conducted a roll call and indicated that all of the Members of the Board were present.

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

The Chairman presented for consideration and approval the minutes of the Board's April 7, 2021 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. Piaia, the Open Session minutes of the April 7, 2021 SDA Board meeting were approved by the Board with the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 3a***.

### ***Authority Matters***

### ***CEO Report***

The Chairman then asked Mr. Da Silva for the Report of the CEO. Mr. Da Silva began his report with an update on design-build projects in construction. He said that exterior masonry work is being completed for the Paterson Union Avenue MS project. He advised that for the Perth Amboy HS project, production piles installation work will commence this month and all preparations are underway. For the Plainfield Woodland ES project, he reported that the Department of Community Affairs (DCA) has released design package 1 for work including foundations, and Epic Management, Inc. (Epic) and the design-builder will now obtain permits for this work. He added that, with this DCA release, the SDA has issued the notice-to-proceed with footings, foundations and structural steel work and the project is now recognized as having

entered the construction phase. He noted that Epic will now submit design package 2 for review by SDA.

Turning to design-bid-build projects in the construction stage, Mr. Da Silva reported that for the Orange Cleveland Street ES project, footings and foundations are complete. He said that underground utility work is complete and masonry work is ongoing. He added that structural steel is complete for the kitchen, multi-purpose room and stage areas of the project's addition. For the Orange HS project, he said that mechanical, electrical and plumbing rough in work for the addition is complete and final site work at the addition has begun.

Addressing projects in the programming/pre-design/in-house design stage, Mr. Da Silva advised the Board that there is no change in status to report for the Hoboken Demarest ES and Union City New Grade 7 to 9 School projects.

Turning to non-project related matters, Mr. Da Silva informed the Members that the SDA is scheduled to testify before the Assembly Budget Committee on Monday, May 10. He noted that the hearing will be virtual. He also advised the Board that on Friday, April 16, the SDA joined the Keansburg School District, Senator O'Scanlon, Assemblywoman DiMaso, Assemblyman Scharfenberger and Mayor Hoff to celebrate the groundbreaking for the new addition at the Port Monmouth Road School. He said that the addition is approximately 27,500 square-feet and will be combined with approximately 19,000 square-feet of renovations.

Finally, Mr. Da Silva said that he wanted to update the Board regarding the Astor Place property the SDA owns in Jersey City. He said that the Authority recognizes that the growing season will soon be here and is supportive of efforts to allow the Community Garden to go forward on the Astor Place property. He explained that, to accomplish this, in a March 29 letter, the SDA asked that the district and the two proposed sub-licensees provide certain information and documentation that the Authority will need to move forward and craft an agreement. He

advised that when the SDA had not heard back, management followed up with the district's counsel on April 12 to see when the Authority could expect to receive the information. He said that the district's counsel advised that the district planned to have a meeting with representatives of the Black Interest Team Enterprise (B.I.T.E.) organization and the Astor Place Neighborhood Association and that, following that meeting, SDA would get a response.

In continuing, Mr. Da Silva said that last week, when SDA's counsel had not yet received a response, the Authority sent another letter to the district's counsel on April 29. He said that in the letter management again indicated that SDA was anxious to move forward and requested the information the Authority needs to do so. He advised that the district's counsel responded that the requested documentation was under review and that SDA would receive the same early this week. He added that the information has not been provided to date and that SDA is hopeful that the district will soon provide the documentation that is needed to move forward towards an agreement for the Community Garden.

Mr. Vargas reemphasized Mr. Da Silva's statement that the SDA is supportive of the Community Garden and wants to move forward but said that there are things the Authority cannot ignore. He noted that it's not the SDA that is delaying the process. Mr. Da Silva added that the right paperwork must be in place and the SDA needs an agreement prepared but that depends on the information that has not yet been provided by the district. He said that SDA management is anxious for the district to respond.

Mr. Lewis-Powder then requested that, going forward, management provide the Board with an update regarding SDA-owned-properties in the Irvington School District.

Mr. Nixon then referenced some of the challenges and difficulties experienced with conducting Board meetings telephonically and by SKYPE and asked if management could get direction as to when the SDA can resume in-person Board meetings. He added that out of

respect for those who do not want to attend the Board meetings in person because they are not vaccinated or concerned about spacing, the SDA has the call-in ability to accommodate them.

Ms. Johnson said that guidance would be provided but it is not finalized yet. She said that the SDA is not the only Authority looking for guidance and that the Administration is concerned with how to return to live meetings safely. She noted that every Board is different in the accommodations they can provide and since public meetings are involved, it is not just the Board Members and staff whose safety must be considered. She said the Governor's office will provide guidance and the Administration is asking the Boards to continue with the current approach until such time that guidance is provided.

### ***Audit Committee***

Mr. Nixon, as Audit Committee Chairman, reported that the Audit Committee met on April 19, 2021 at which time management provided the Committee with the March 2021 New Funding Allocation and Capital Plan Update. He said that staff had informed the Committee that there were no changes in any of SDA District Reserve balances during the reporting period.

He then advised the Board that the reserve balance for the Regular Operating Districts (RODs) increased by \$1.2 million during the reporting period due to a reduction in state share for grant projects nearing completion.

Next, Mr. Nixon informed the Board that the Internal Audit Division (IA) provided the Committee with the results of one audit that was conducted to comply with the statutory requirement that capital portfolio projects with a state share over \$10 million be reviewed to assess whether state funds were expended in accordance with contractual terms, SDA practices and state regulations. He reported that the audit revealed that the State funds utilized for the project were expended prudently and consistent with legal requirements.

Next, Mr. Nixon provided the March 2021 Monthly Financial Report. He advised the Members that the Authority's operating expenses (Actual vs. Budget) for the year-to-date period totaled \$5.7 million, down \$674,000 as compared to lower year-to-date personnel costs—prior to payroll allocations, resulting from the Authority having 6 fewer FTEs than budgeted, partially offset by lower than projected payroll allocations to project expenditures. He said that the budget variance is also attributable to lower than anticipated spending related to professional and other contracted services, facilities and general office expenses and information systems. Mr. Nixon reported that year-to-date Authority operating expenses (Actual vs. Prior Year Actual) are \$2.7 million higher as compared to the operating budget for the corresponding prior year period. He explained that this increase is mainly attributable to personnel costs as a result of the annual pension payment—March 2021 vs. April 2020. He explained that this increase is offset by lower payroll expenses—net of payroll allocation as a result of having an average of 12 fewer FTEs than the previous year. Mr. Nixon then reported that school facilities project expenditures (Actual vs. Forecast) for the year-to-date period total approximately \$55.9 million, approximately \$21.9 million lower as compared to the capital spending forecast for the corresponding period. He advised the Members that this variance is the result of lower than forecasted expenditures for construction activity, grant activity, project insurance and payroll expense allocation to project expenditures. Mr. Nixon then said that project expenditures (Actual vs. Prior Year Actual), at approximately \$55.9 million, are lower by \$11.6 million when compared to the corresponding prior year period. He explained that the variance is due to decreased grant activity, project insurance, construction activity, school furniture purchases and design services. Mr. Nixon said that, since program inception, 89.5% of the funds authorized for the SDA districts have been disbursed. Additionally, he noted that 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 projects, along with emergent and regular operating district grant projects, is approximately \$2 billion.

### ***School Review Committee***

#### **Release of Funds from Program Reserve, Award of Contract, and Approval of Final Project Charter – Paterson Public Schools District – Public School No. 5 Emergent Project – Roof Replacement, Masonry and Window Repairs - EP-0113-C01; Construction Manager Award - Paterson Public Schools District – Public School No. 5 Emergent Project - EP-0113-M01**

Mr. Nixon asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie reported that the School Review Committee met on April 19, 2021 at which time two items were discussed in Open Session and two items were discussed in Executive Session. He noted that both items that he would be discussing in Open Session involve the Paterson Public School No. 5 emergent project (Project).

Mr. Luckie advised the Board that management is seeking approval of the release of funds from the program reserve, a contract award and a final charter for the Project. He explained that in 2008 and 2011, the SDA Board approved a total of \$197 million to fund emergent project work in SDA Districts. He said that in July 2020 an additional \$55.6 million was made available to support emergent project work when funds were reallocated from the SDA's unforeseen events reserve to the emergent projects reserve. He advised the Board that Paterson School No. 5 was built in 1939 and is a 107,000 square foot facility educating 775 students in grades Kindergarten through 6. He said that upon confirming the existence of emergent conditions related to water infiltration and deterioration of the building's roof and exterior masonry, the Authority engaged a consultant to investigate and detail the school's emergent conditions. He advised that when the consultant report detailed a minor scope of masonry and roof repairs, it was initially determined to delegate the advancement of the project to the district for management. He added, however, that after receiving a report that concluded

that the conditions that required attention were more extensive than originally identified, it was determined that SDA management of the work was in the best interest of the Project. Mr. Luckie said that, utilizing its task order contract, the SDA engaged USA Architects, Planners + Interior Designers to provide the needed design services for the Project. He explained that with design work completed in February 2021, management advertised a package to obtain general construction services for the Project. He said that upon completion of the procurement process, management recommends award of the emergent project to Paul Otto Building Company (Paul Otto) in the amount of \$7,494,000, inclusive of SDA-established allowances totaling \$1,115,000. He advised that management has determined that Paul Otto included all Project scope work in its bid and has confirmed that its price proposal is inclusive of all scope elements contained in the contract documents. He added that management further recommends that the Board approve the Project's final charter and the release of \$10,164,157 from the program reserve for the Project. He said that prior to execution of the contract, the contract and related documentation will be reviewed and approved by the SDA Division of Chief Counsel.

A resolution pertaining to this matter was provided to the Members in advance of the meeting. Upon motion duly made by Mr. Piaia and seconded by Mr. Lewis-Powder, the release of funds from the program reserve, contract award and final charter for the Paterson Public School No. 5 emergent project were approved with the Board's unanimous vote in favor of

***Resolution 6a.***

Next, Mr. Luckie said that the Committee also is recommending approval of an award for construction management services for the Paterson Public School No. 5 emergent project. He added that as he had just provided the Project's background, he would not repeat it. He reported that once it was determined that SDA would be managing the emergent project, in addition to procurement of general construction services, it became necessary to procure the services of a

construction management firm as well. He said that a package for construction management services was advertised as a “price and other factors” solicitation beginning in February 17, 2021, with price weighted at 40% and all non-price factors weighted at 60% of the final combined score. He explained that, upon completion of the competitive procurement process, the highest ranked firm was Greyhawk North America, LLC (Greyhawk) with a price in the amount of \$625,600 for the Project. He advised that Greyhawk has confirmed that its price proposal is inclusive of all scope elements contained in the contract documents and management recommends award of the Project to Greyhawk. Mr. Luckie said that funding for this engagement is available within the Project budget in accordance with the final charter that was approved by the Members. He added that prior to execution of the contract, the contract and related documentation will be reviewed and approved by the SDA Division of Chief Counsel.

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. Piaia, the construction management services award for the Paterson Public School No. 5 emergent project was approved with the Board’s unanimous vote in favor of ***Resolution 6b***.

In continuing his report, Mr. Luckie informed the Members that management also presented the Committee with a proposed Settlement of Cost Recovery Litigation Relating to the Egg Harbor City MS. He noted that the Members will discuss this matter in Executive Session.

Finally, Mr. Luckie advised the Board that management had shared an informational matter with the Committee involving a proposed lease extension and charter revisions for the Orange Cleveland Street ES project. He said that this matter will be presented by the Chairman of the Real Estate Committee in Executive Session.

## ***Real Estate Committee***

### **Approval for Term Contracts for Real Estate Appraisal Services – GP-0277-R01**

At the Chairman's request, Mr. Vargas provided the report of the Real Estate Committee. He advised the Members that management and the Real Estate Committee are seeking Board approval of awards for task order contracts for real estate appraisal services (Appraisal Services) in connection with land acquisition and potential site divestiture activities. Referencing materials that previously were provided for Board review, he reminded the Board that the SDA has been procuring Appraisal Services since 2003, noting that the current contracts will expire September 2021. He said that management is now proposing to establish a new pool of real estate appraisal firms with the experience and qualifications to successfully perform the services. He explained that specific work assignments under the contracts would be made by way of task order assignments on an as needed, rotational basis. Mr. Vargas advised the Board that the proposed term of the contracts is 3 years, with each individual contract having a not-to-exceed value of \$50,000. He noted that the proposed hourly rates and lump sum fees are the same as those of the current appraisal services procured in 2018. In concluding his report, Mr. Vargas advised the Board that all proposed firms have submitted the required documentation to enter into the term agreements. He said that of the 17 proposed firms, 12 are currently under the existing 2018 contract and 5 are new firms.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Elbert and seconded by Mr. Piaia, the Board approved the recommended contract awards for real estate appraisal services upon its unanimous vote in favor of ***Resolution 7a***.

### ***Public Comments***

The Chairman indicated that he wished to make a brief statement in opening the Public Comments portion of the meeting. He referenced statements made earlier by CEO Da Silva and Mr. Vargas about the status of the Astor Place Community Garden (APCG) matter. He said that over the last two months, the SDA Board has heard approximately ninety minutes of testimony from the public in support of the APCG and that no one objects to the proposed continuation of that good work. Mr. Nixon said that he is aware that the SDA CEO and the General Counsel have spent significant time and attention on the APCG issue and recently communicated to the district that SDA would like to resolve this matter as soon as possible. He said that SDA is awaiting receipt of information that was requested of the district and has asked them to respond promptly. He said that as SDA is waiting for the district's response, there is nothing new that the Board could say today except that there is support for continuation of the APCG. He said that for this reason and due to Member time constraints, the Board would not be taking formal public comment at this time, however, he noted the support for the APCG of those on the call for the meeting record. As a courtesy, the Chairman asked Bishop Militinia Bland to offer comments on behalf of the supporters of the APCG.

Bishop Bland thanked the Board for working expediently to quell a problem that her organization knew would come with the closure of the APCG. She said that she wanted to provide the Board with an update regarding the situation there. She said that the drug dealers are back along with the selling of the paraphernalia that no one wanted to see and the police. She said that the APCG should be up and running, noting that the asparagus beds and other beds are overgrown. She said that this is not a small issue and reminded the Board that the nation is in a state of unrest. Bishop Bland expressed concern that if the police come in and there are injuries there would be problems. She said that when the property was functioning as a garden, things

were neatly controlled there in a way that cost the City of Jersey City, the School Board and the SDA nothing.

In conclusion, Bishop Bland urged that the matter move forward so that next month the supporters of the APCG would be in a position where they can continue to do their work with the children and the community and would be able to simply say “thank you” to the Board.

The Chairman thanked Bishop Bland for her comments. He reiterated that SDA has done everything that it could possibly do at this point and is waiting to hear back from the district after urging them to provide the information required to move forward.

Mr. Nixon then asked for a motion to adjourn the Open Session of the meeting and to move into Executive Session. He asked Ms. Kelly to announce the matters to be considered in Executive Session. Ms. Kelly said that the Board has resolved to adjourn into Executive Session to discuss two matters. She said that the first matter is a proposed settlement of cost recovery litigation relating to the Egg Harbor City MS; and the second matter is a proposed extension of the lease of temporary educational facilities and final charter revisions relating to the Orange Cleveland Street ES project. She said that the Board would vote on these matters upon its return to Open Session. Ms. Kelly then asked that the Chairman present ***Resolution 10*** for Board consideration and approval reflecting its resolve to move into Executive Session to discuss these matters.

The Chairman presented ***Resolution No. 10*** for a vote. Upon motion duly made by Mr. Vargas and seconded by Mr. Piaia, the Members of the Authority unanimously voted to approve ***Resolution 10*** and thereby adjourned the Open portion of the meeting into Executive Session.

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

Mr. Luckie announced that in Executive Session, the Board had discussed the School Review Committee's recommendation that the Board approve a proposed settlement of cost recovery litigation relating to the Egg Harbor City MS project.

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 Ms. Lemelle, the Committee's recommendation in this matter was approved by the Board with its unanimous vote in favor of ***Resolution A1***.

Next, Mr. Vargas announced that in Executive Session, the Board had discussed the Real Estate Committee's recommendation that the Board approve a proposed extension of the lease of temporary educational space and final charter revisions for the Orange Cleveland ES project.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Piaia and seconded by Mr. Elbert, the Committee's recommendation in this matter was approved by the Board with its unanimous vote in favor of ***Resolution A2***.

### ***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 May 5, 2021 meeting.

/s/ Jane F. Kelly  
Assistant Secretary