

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS TELECONFERENCE MEETING
WEDNESDAY, OCTOBER 6, 2021**

A teleconference meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, October 6, 2021 at 9:00 A.M.

Participating by teleconference were:

Robert Nixon, Chairman
Anthony Longo (Treasury)
Bernard Piaia (DOE)
David Nuse (EDA)
Kevin Luckie (DCA)
Richard Elbert
Loren Lemelle
Michael Maloney
Mario Vargas

being a quorum of 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 was 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 a quorum of the Members of the Board was present.

Approval of Meeting Minutes

The Chairman presented for consideration and approval the minutes of the Board's September 1, 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. Piaia and seconded by Ms. Lemelle, the Open Session minutes of the September 1, 2021 SDA Board meeting were approved by the Board with the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 3a***.

Next, Mr. Nixon presented for consideration and approval the minutes of the Board's September 1, 2021 Executive 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 Ms. Lemelle and seconded by Mr. Vargas, the Executive Session minutes of the September 1, 2021 SDA Board meeting were approved by the Board with the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 3b***.

Authority Matters

CEO Report

The Chairman then asked Mr. Da Silva for the Report of the CEO. Mr. Da Silva provided an update on fall 2021 school deliveries. He observed that school deliveries are a true representation of SDA staff's hard work and commitment to the Authority and its mission. He said that SDA's school deliveries for fall 2021 include two new schools and two major additions:

Camden HS; Paterson Joseph A. Taub MS; Millville Senior HS (addition); and Orange HS (addition). He said that these school deliveries represent a State investment totaling approximately \$340.4 million in total project costs and deliver a total of 3,619 new seats and 583,700 square feet of school facilities.

Focusing on the Camden HS project, Mr. Da Silva reported that this new 270,000 square foot High School provides capacity of 1,468 new seats for students in grades 9 through 12, representing a total project cost of approximately \$133 million. He advised the Board that the project's design-build team is Ernest Bock & Sons, Inc. and DIG Architects.

Mr. Da Silva next gave an update on the Paterson Joseph A. Taub MS project. He said that this new 163,000 square foot Middle School provides capacity of 1,107 new seats in grades 6 through 8, representing a total project cost of approximately \$114 million. He advised that the SDA received a temporary certificate of occupancy for the facility's key academic areas as well as the kitchen and cafetorium. He added that the remaining areas of the stage, gym and aquaponics lab are being completed in coordination with the district. He noted that this project's design-build team is Epic Management and DMR Architects.

Next, Mr. Da Silva said that, upon completion, Phase III of the Millville Senior HS – north addition project is providing 100,000 additional square feet to the existing High School, and additional capacity of 468 new seats for students in the 9th through 12th grades, representing a total project cost for the addition of approximately \$42 million. He said that the Millville Senior HS project is a multi-phase project that will be fully delivered in 2022. He noted that the north addition includes science classrooms, a gymnasium and a dance studio, among other spaces. He added that Phase IV demolition is complete allowing SDA to proceed with the final phase. He advised that the project's design-build Team is Hall Construction Co., Inc. and Paulus, Sokolowski & Sartor, LLC.

Turning to the Orange HS project, Mr. Da Silva said that this major addition delivers 50,700 additional square feet to the existing High School, and provides additional capacity of 576 new seats for students in the 10th through 12th grades, representing a total project cost for the addition of approximately \$52 million. He added that the project will fully deliver upon completion of the renovation portion of the scope in 2022. He explained that the two-story addition to the existing facility provides an enclosed connecting bridge between the High School and the Orange Preparatory Academy, and includes general art and drama classrooms, technology and robotics labs, an auxiliary gymnasium and administrative offices. He added that Phase II renovations to the existing High School building are ongoing. He noted that Terminal Construction Corporation is the general contractor for the project and Kliment Halsband Architects is the design consultant.

Next, Mr. Da Silva gave an update on design-build projects in construction. He said that for the Passaic Dayton Avenue Educational Campus project, the building management system has been activated, and furniture deliveries are scheduled to begin this month.

In continuing, Mr. Da Silva reported that for the Perth Amboy HS project, pile caps and grade beam construction work is being completed, structural slab installation is ongoing, and steel erection is expected to commence in November 2021. For the Plainfield Woodland ES project, Mr. Da Silva advised that steel erection has commenced and is anticipated for completion this month. He added that the project's Design Package II is being completed and mechanical, electrical and plumbing (MEP) work is being coordinated to commence this month upon completion of slabs on deck.

Turning to design-bid-build projects in the construction stage, Mr. Da Silva reported that interior renovation work for the existing Keansburg Port Monmouth Road School building is

underway with MEP rough in work commencing there. He added that masonry veneer is nearly complete and steel joist work on the addition is complete.

Turning to non-project related matters, Mr. Da Silva informed the Members that on Monday, September 27, SDA was joined by Governor Murphy, Speaker Coughlin, Senator Vitale, Assemblywoman Lopez, Mayor Caba, Superintendent Roman, and district and local officials for the groundbreaking ceremony for the new Perth Amboy HS. He said that it was a wonderful event, highlighted by two student speakers – one of whom will be a freshman and the other a senior – when the school opens in September 2024.

Mr. Da Silva advised that on Wednesday, September 29, SDA joined the Plainfield community for a beam signing ceremony for the Anna and Charles Booker School. He said that approximately one dozen students in grades 3 and 4 were able to join the SDA for the beam signing. He added the SDA was also honored to be joined by Anna and Charles Booker as they had the opportunity to sign a piece of steel that is now part of the school that is being named after them.

In continuing, Mr. Da Silva reported that the SDA is once again launching its annual SWMBE Contractor Training Program. He said that this year's program kicks off today and will be conducted virtually this year.

Mr. Nixon thanked Mr. Da Silva for providing the project update and for the wonderful work of the SDA staff. He said that he would also like to acknowledge the contribution of the laborers, contractors, and specialists on the projects that the SDA delivers. He said that it is due to the work of staff and the Authority's construction partners that SDA's projects are delivered on time and on/under budget.

Mr. Vargas said that he had the opportunity to attend the Perth Amboy HS grounding breaking, noting that it was a wonderful event. He commented on the remarks of the two student speakers.

Audit Committee

Mr. Nixon, as Audit Committee Chairman, reported that the Audit Committee met on September 20, 2021 at which time management provided the Committee with the July-August 2021 New Funding Allocation and Capital Plan Update. He said that staff informed the Committee that there was a \$1.7 million decrease in the Unforeseen Events Reserve balance following CEO approval of the release of funds necessary to advance engagements to complete mercury abatement work related to flooring installed in completed SDA/SCC legacy projects. He said that staff also reported a \$1.7 million decrease in the 2011 Capital Plan Emergent Projects Reserve balance following Board approval of a release of funds for the emergent boiler room vault structure project at the Newark Cleveland Street School. Mr. Nixon said that there were no changes in the remaining 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 \$1.1 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 two audits that were 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 said that the Audits revealed that State funds utilized for the projects were expended prudently and consistent with legal requirements.

Next, Mr. Nixon provided the August 2021 Monthly Financial Report. He advised the Members that the Authority's operating expenses (Actual vs. Budget) for the year-to-date period totaled \$10.3 million, down \$1.7 million as compared to the budget for the corresponding period. He explained that this decrease is mainly attributable to a decrease in personnel costs resulting primarily from the Authority having 15 fewer FTEs than budgeted, as well as lower spending for facilities and general office expenses, professional & other contracted services, information systems and SDA-owned automobiles. He advised that this decrease is partially offset by a lower than projected payroll allocation to project expenditures. Mr. Nixon then reported that school facilities project expenditures (Actual vs. Forecast) for the year-to-date period total approximately \$162.5 million, approximately \$56.1 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 grant activity, construction activity, school furniture purchases, design services and payroll expense allocations to project expenditures. Mr. Nixon said that project expenditures (Actual vs. Prior Year Actual), at approximately \$162.5 million, are lower by approximately \$29.3 million when compared to the capital sending forecast for the corresponding period. He advised the Members that this variance is the result of lower than forecasted expenditures in grant activity, construction activity, school furniture purchases, design services and project insurance.

Mr. Nixon said that, since program inception, 90.7% 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.

In concluding his report, Mr. Nixon advised that, in compliance with the 2019 changes to the SDA Bylaws and Audit Committee Charter, the CEO reported to the Committee regarding Authority personnel matters and changes as part of his quarterly staffing report.

Public Comments

The Chairman then opened the Public Comments portion of the meeting. At the Chairman's request, Ms. Kelly asked Reverend Philip Webb to address the Board. Rev. Webb said that he is calling in to represent the Black Interest Team Enterprise (BITE) organization and express their desire to continue to administer to the community garden at Astor Place (garden) in Jersey City. Rev. Webb said that the garden is an important space for the children. He described the various usages of the garden, noting that these usages have previously been presented at past SDA Board Meetings. He said that he hopes the Board will consider this a priority. He said that it is important that BITE supply water, shelter and power, in partnership with the SDA Board. He said that the garden is a year-round proposition. In conclusion, he asked that negotiations happen in the best interest of the community at-large and in particular the children. The Chairman indicated that SDA has remained supportive of continuing negotiations regarding BITE's usage of the community garden.

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 matter to be considered in Executive Session. Ms. Kelly said that the Board will adjourn into Executive Session to discuss one matter. She advised that the matter to be considered by the Board in Executive Session is a proposed settlement pertaining to the New Perth Amboy HS project. She said that the Board will vote on this matter upon its return to Open Session. Ms. Kelly requested that the Chairman present ***Resolution No. 9*** for Board consideration and approval reflecting its resolve to move into Executive Session to discuss the proposed settlement.

The Chairman presented ***Resolution No. 9*** for a vote. Upon motion duly made by Mr. Piaia and seconded by Mr. Luckie, the Members of the Authority unanimously voted to approve ***Resolution No. 9*** and thereby adjourn 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 for a proposed settlement pertaining to the New Perth Amboy HS project.

A resolution pertaining to this proposed Settlement 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 Committee's recommendation in this matter was approved by the Board with its unanimous vote in favor of ***Resolution A1***.

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 October 6, 2021 meeting.

/s/ Jane F. Kelly
Assistant Secretary