

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS TELECONFERENCE MEETING
WEDNESDAY, FEBRUARY 2, 2022**

A teleconference meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, February 2, 2022 at 9:00A.M.

Participating by teleconference were:

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

being a quorum of the Board.

At the Chairman's request, Manuel Da Silva, chief executive officer; Donald Guarriello, vice president and chief financial officer; Jane F. Kelly, vice president and assistant secretary, and 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 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. 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 January 5, 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. Vargas and seconded by Mr. Luckie, the Open Session minutes of the January 5, 2022 SDA Board meeting were approved with the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 3a***.

Mr. Nixon presented for consideration and approval the minutes of the Board's January 5, 2021 SDA Organizational Board 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 Mr. Luckie, the minutes of the January 5, 2022 SDA Organizational Board meeting were approved with the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 3b***.

Authority Matters

CEO Report

The Chairman asked Mr. Da Silva for the Report of the CEO. Mr. Da Silva began his report by acknowledging the recent retirement of SDA vice president Andrew Yosha, who served on SDA staff for over 20 years. He said that he wanted to thank Mr. Yosha publically for his years of service, contributions and commitment to the school construction program, the Authority and, most importantly, to the children of New Jersey. He added that Mr. Yosha was instrumental in the planning and delivery of SDA's schools. He wished Mr. Yosha well in this next chapter of his life.

Next, Mr. Da Silva said that Phase IV structural steel work is ongoing for the Millville High School addition and renovations project. For the Passaic Dayton Avenue Educational Campus project, he informed the Members that certificate of occupancy (CO) inspections are

ongoing. He added that furniture deliveries are being completed. He said that the district is partially occupying the facility at this time and the district is operating the early childhood center while final preparations are underway for a September 2022 full occupancy at the multi-facility campus. For the Perth Amboy High School project, he reported that structural slab work is complete and masonry construction has commenced.

Turning to design-bid-build projects in the construction stage, Mr. Da Silva reported that for the Keansburg Port Monmouth Road School project, interior mechanical, electrical and plumbing rough-in work is ongoing in the new addition and in the existing building, along with other ongoing renovation work. He advised that for the Orange HS project, that Phase 2 renovations to the existing High School building are ongoing. He said that the structural steel at the connector bridge is complete and work is now underway to enclose that bridge.

Next, Mr. Da Silva gave an update regarding projects in the programming/pre-design/ in-house design stages. He reported that demolition of the acquired properties is anticipated to begin this month for the Union City New Grades 7 to 9 School project.

Mr. Vargas asked Mr. Da Silva if there is a plan for going forward now that the executive team is smaller. Mr. Da Silva said that he has full faith in Jane Kelly and Don Guarriello who will help guide the SDA during this interim period. He said that he will take on portions of the construction work since this is his background and he is well equipped for overseeing construction, planning and design. He added that he will rely on Ms. Kelly and Mr. Guarriello who have already volunteered to help out with other pieces of the organization. He said that he is confident that the SDA will get through this phase and, when the time comes, the Authority will look to fill the vacant position with someone who will help move the Authority forward. Mr. Da Silva noted that he has a great executive team and an amazing staff and the SDA will continue to move forward.

School Review Committee

The Chairman asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie reported that the School Review Committee met on January 18, 2022, at which time one item that requires Board consideration was discussed. Mr. Luckie said that the Committee is recommending Board approval of Change Order (CO) No. 81 for Terminal Construction Corporation (Terminal) for the Orange High School project (Project or High School). He reported that the High School is a 145,294 square-foot facility educating 804 students in grades 10 to 12. He explained that the scope of work at the High School includes a 50,000 square foot two-story addition, an enclosed connecting bridge between the High School and the adjacent Orange Preparatory Academy (OPA), and selective renovations to the existing High School building to address facilities condition deficiencies there. He noted that an allowance also has been included to address limited facilities condition deficiencies at the OPA. He said that on March 6, 2019, the Board approved the award of a \$37 million contract to Terminal for construction services along with the Project's final charter. Mr. Luckie reported that on April 29, 2019, the SDA issued a notice-to-proceed (NTP) to Terminal for performance of a constructability review, with a scope to be performed within a contractually-established allowance of \$200,000. He reminded the Members that on May 24, 2019 the SDA approved a \$100,000 increase to that allowance.

In continuing, Mr. Luckie informed the Members that, consistent with the contract, Terminal submitted a proposed change order at the conclusion of the constructability review to address identified constructability review deficiencies. He said that Terminal also waived its rights to further change orders due to deficiencies in the documents that could or should have been identified during the constructability review. He said that after a series of negotiations, CO No. 2 was approved by the SDA in December 2019 in the net total amount of \$1,011, 000 and, on January 29, 2020, Terminal was issued a NTP with construction services. He explained that

on January 31, 2021 a unit ventilator rupture affected the existing High School's heating system and caused substantial damage to rooms that were newly refurbished as part of the SDA's renovation work at the existing High School. He said that SDA's insurance carrier determined that the damage repair cost for this event is \$607,964 and that it is a reimbursable covered event. Mr. Luckie reported that CO No. 81 in the amount of \$582,964, when added to the value of the previously executed CO No. 75, represents the remaining cost to address the substantial damage that was caused. He said that the adjusted contract value, inclusive of CO No. 81 and all approved COs to date, totals \$40,780,874. He advised the Board that management has determined that this number is the appropriate baseline for the ongoing application of Operating Authority requirements to the Project and is recommending Board approval of this change.

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. Nuse, Change Order No. 81 for Terminal Construction Corporation was approved with the Board's unanimous vote in favor of *Resolution 5a*.

Next, Mr. Luckie informed the Members that, for informational purposes, management also discussed the Authority's new Surplus Property Rules with the Committee. He added that the Chairman of the Real Estate Committee would be presenting the Rules to the Board for final approval.

Real Estate Committee

Approval of Promulgation and Publication of New Rules for Disposition of SDA Surplus Real and Personal Property N.J.A.C. 19:35.

At the Chairman's request, Mr. Vargas provided the report of the Real Estate Committee. Referencing materials that previously were provided for Committee review, Mr. Vargas said that the Committee met on January 18, 2022 at which time management requested, and the Committee is recommending, that the Members approve the new Rules for Disposition of SDA

Surplus Real and Personal Property, N.J.A.C. 19:35 (new Rules). He said that the New Rules before the Board replace, improve and expand on SDA's expired surplus property rules. He explained that the new Rules establish requirements and procedures for the disposition of SDA-owned real and personal property if the property is deemed surplus---that is, no longer needed for school facilities projects or SDA operations. He said that management is seeking approval for final adoption of the new Rules and publication of a Notice of Adoption. He said that the Rules were proposed for adoption as new Rules and published in the August 16, 2021 edition of the New Jersey Register with a 60-day public comment period that ended on October 15, 2021; however, no comments were received. Mr. Vargas explained that the new Rules allow SDA to employ various methodologies in disposing of its surplus property so that a disposition can proceed in the way that is of the greatest benefit to the Authority, i.e. maximizes the amount of funds available for use in connection with other projects. He advised that these Rules will be effective for a 7 year period. Mr. Vargas requested Board approval of the final adoption of the New Rules along with the filing of a Notice of Adoption with the Office of Administrative Law. He advised the Members that Cecelia Haney was available to provide any additional details or respond to any questions that the Members might have.

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. Luckie, the Board approved the Final Adoption of the proposed New Rules for the Disposition of SDA Surplus Real and Personal Property upon its unanimous vote in favor of ***Resolution 6a.***

Adjournment

There being no further business to come before the Board, upon motion by the Chairman and with unanimous consent, the meeting was adjourned.

Certification: The foregoing represents a true and complete summary of the actions taken by the Board of the New Jersey Schools Development Authority at its February 2, 2022 meeting.

/s/ Jane F. Kelly
Assistant Secretary