

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, JUNE 8, 2022**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, June 8, 2022 at 9:00A.M. at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Mario Vargas, Vice Chairman
David Moore (Treasury)
Bernard Piaia (DOE)
Juan Burgos (EDA)
Kevin Luckie (DCA)
Richard Elbert
Daniel Gumble
Michael Maloney
Lester Lewis-Powder

being a quorum of the Members of the Board. Mr. Elbert, Mr. Gumble, Mr. Lewis-Powder and Mr. Piaia participated in the meeting by teleconference.

At the Vice 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; Albert Barnes, chief counsel; and Cecelia Haney, deputy chief counsel of the SDA, participated in the meeting. Janice Venables of the Governor's Authorities Unit (GAU) also participated in the meeting.

Pledge of Allegiance

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

The meeting was called to order by Mr. Vargas, who requested that Ms. Kelly read the requisite notice of the meeting. Ms. Kelly announced that the meeting notice had been sent to the *Trenton Times* and *Star-Ledger* at least 48 hours prior to the meeting, and been duly posted on the Secretary of State's bulletin board at 20 West State Street in Trenton, New Jersey and on the SDA Website. 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 Vice Chairman presented for consideration and approval the minutes of the Board's May 4, 2022 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. Mr. Luckie and seconded by Mr. Burgos, the Open Session minutes of the May 4, 2022 SDA Board meeting were approved with the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 3a***.

Authority Matters

CEO Report

Mr. Vargas 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 for the Millville High School project, Hall Construction Company, Inc. continues with design phase services. He added that Phase IV building enclosure work continues. He advised the Members that for the Perth Amboy High School project, slabs on deck are being completed. He said that exterior wall framing is ongoing and sheathing has commenced. He added that masonry work continues with preparations for finished masonry to get underway. For the Perth Amboy Rose Lopez Elementary School project, he reported that a task order award for safety and security upgrades

will be presented later in the meeting. With respect to the Plainfield Woodland Avenue Elementary School project, he said that staff received the cut in card for permanent power and PSEG is preparing to energize the building. He added that elevator work is ongoing.

Turning to design-bid-build projects in the construction stage, Mr. Da Silva said that for the Keansburg Port Monmouth Road Project, interior finishes and site work is underway. He reported that enclosure of the bridge is complete and interior finishes are in progress for the Orange High School project.

Next, Mr. Da Silva provided an update on projects in the programming/pre-design/in-house design stages. He informed the Members that for the Union City New Grade 7 to 9 School project, technical and price proposals were received on May 11 from 4 bidders. He said that an award for a design-build contract will be considered in Executive Session and voted on when the Board returns to Open Session.

In concluding his report, Mr. Da Silva provided an update on the SDA owned property in the Astor Place section of Jersey City. He informed the Members that management reached out to the District following the May Board meeting in an effort to engage in a dialogue regarding their plans for advancing discussions for an Urban Garden on the site. He advised that a license between the District and the Authority is necessary in order for the District to enter into a sublicense with the Black Interest Team Enterprise (BITE). He said that the District has signaled their interest in a meeting to discuss the issue. He added that if he hasn't done so already, SDA's Chief Counsel will be advising the District that SDA would like to meet with District representatives and will schedule a meeting.

Audit Committee

Approval of 2021 Financial Statements

Mr. Moore reported that the Audit Committee met on May 16, 2022 at which time management provided the Committee with the April 2021 New Funding Allocation and Capital Plan Update. He advised the Board that there was a \$900,000 decrease in the 2011 Emergent Projects Reserve balance following CEO approval of the release of funds for design services for the Camden Veterans Memorial School emergent project. He said that there were no changes in any of the other reserve balances for the SDA Districts during the reporting period.

Mr. Moore then advised the Board that the Reserve Balance for the Regular Operating Districts (RODs) increased by \$400,000 during the reporting period due to a reduction in state share for grant projects nearing completion.

In continuing, Mr. Moore said that the Board is being requested to consider management's recommendation for approval of the SDA's 2021 Financial Statements (the Statements). He said that Ernst & Young LLP (EY), SDA's independent auditor, provided the Committee with the results of their audit of the Authority's 2021 Financial Statements. He explained that while EY's audit of the 2021 Financial Statements is mostly complete, it cannot be finalized until after receipt of the 2021 Governmental Accounting Standards Board (GASB) Statement No. 68 pension information for the Public Employees' Retirement System. He said that this information is expected to be available on the (New Jersey Department of the Treasury) Division of Pensions & Benefits website this month (June 2022). Mr. Moore said that EY confirmed that the audit was performed consistent with the established audit plan and reported that the financial statements contained no corrected misstatements or material uncorrected misstatements. He emphasized that EY did not find any matters that would rise to the level of either a material weakness or significant deficiency. He added that, upon receipt of the GASB

Statement No. 68 pension information, the 2021 Financial Statements will be updated as needed and EY will finalize the audit and issue the audit report. Mr. Moore explained that upon the Members affirmative vote, the Financial Statements would be deemed approved on the condition that there is no material change to the draft Financial Statements unrelated to the recording of the GASB Statement No. 68 pension information. He further advised the Board that should there be an unforeseen material change(s), management will advise the Audit Committee and the Committee will determine whether to: (1) notify the Board of the change or changes; or (2) request that the Board take action to re-approve the 2021 Financial Statements as revised.

A resolution pertaining to the proposed 2021 Financial Statements was provided to the Members in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Burgos, the Authority's 2021 Financial Statements were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Resolution 5a***.

Lastly, Mr. Moore reported that, in accordance with Executive Order No. 122, at the conclusion of its May meeting, the Committee met with EY without management present.

School Review Committee

Next, Mr. Vargas asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie reported that the School Review Committee met on May 16, 2022, at which time three items that require Board consideration were discussed. He said that the first is a task order award for safety and security upgrades (Project) at the Perth Amboy Rose M. Lopez Elementary School (School). He advised the Members that the SDA previously revised its school security systems guidelines and established standards to ensure consistency in the design of school security systems and compliance with a School Security Law enacted in 2016. He explained that the Authority is applying these updated standards to all projects currently under contract for design or construction, and has begun applying the requirements to schools that were

delivered for opening in September 2019.

In continuing, Mr. Luckie said that the Lopez School is an approximately 128,000 square foot elementary school designed to educate 724 students in grades Pre-K to five. He reported that after development of the updated security standards, the SDA design studio developed a security enhancement scope consistent with those standards and applicable to the Lopez School and that the scope was accepted by the district. He said that when the Project's construction contractor declined to perform the safety and security work, staff determined to engage a general contractor (GC) through the GC task order contract and to require that GC to engage the services of a design consultant to complete the needed design services for the Project. He said that in August 2021, Delric Construction Company, Inc. (Delric), the next firm on the rotational list, accepted the task order assignment. He advised that the package will be awarded on a time and material basis for a not-to-exceed value of \$1,122,000. He explained that this amount represents Delric's cost proposal for the most extensive solution to address all scope elements and said that it is management's recommendation that Delric be awarded the task order contract for safety and security upgrades at the Lopez School.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Burgos and seconded by Mr. Vargas, the task order award for safety and security upgrades at the Perth Amboy Rose M. Lopez Elementary School was approved with the Board's unanimous vote in favor of ***Resolution 6a***.

Next, Mr. Luckie said that management is seeking Board approval of the proposed re-adoption with Amendments of the Authority's Section 15 Grant Procedures Rules (Rules). He explained that the Rules, originally adopted in January 2008 and readopted with significant amendments in 2015, govern the SDA's administration of a Grant program for the state share of the final eligible costs of school facilities projects undertaken by non-SDA districts. He advised

the Board that the current Rules are scheduled to expire on July 1, 2022. He reported that, upon review, staff determined that, with the addition of a few minor amendments, the existing Rules remain adequate, reasonable, and necessary for the purposes for which they were originally adopted. He said that management recommends that the Board approve the proposed re-adoption of the Authority's Section 15 Grant Procedures Rules with minor amendments and authorize the issuance of the Notice of Re-adoption and the filing of the same with the Office of Administrative Law.

Ms. Haney emphasized that the amendments to the Rules are minor and are primarily made to allow the process to move to an all-electronic platform. She said that the amendments are limited to two sections of the proposed Rules.

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. Burgos, the proposed re-adoption of the Section 15 Grant Procedure Rules with amendments, issuance of the Notice of Proposal, and filing of the Notice with the Office of Administrative Law were approved with the Board's unanimous vote in favor of ***Resolution 6b***.

In concluding his report, Mr. Luckie informed the Board that management also discussed a design-build award and final project charter for the Union City New Grade 7 to 9 School. He said that this item will be discussed in Executive Session.

Public Comments

The Vice Chairman opened the Public Comments portion of the meeting. He asked if any member of the public was present who wished to address the Board. No member of the public came forward.

Mr. Vargas 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 will adjourn into Executive Session to discuss two matters. She said that the first matter is a design-build award and final project charter for the Union City New Grade 7 to 9 School. She explained that legislation enacted in 2021 set forth certain requirements as to how design-build procurements and contract awards must proceed. She explained that in order to comply with the new law, SDA has determined that the Board must first consider this award recommendation in Executive Session and then vote on the award when it returns to Open Session. She added that the Board memorandum and resolution pertinent to this matter will be posted on the SDA Website immediately following the Board meeting.

Ms. Kelly said that the second item that the Board will consider in Executive Session is a proposed extension of a license agreement between SDA and NJ Transit for Transit's continued use of SDA-owned land on Ferry Street in Newark, NJ. She said that the Board will also vote on this matter upon its return to Open Session. Ms. Kelly requested that the Vice Chairman present **Resolution No. 9.**, reflecting the Members' resolve to move into Executive Session to discuss the above-described matters, for Board consideration and approval.

The Vice Chairman presented **Resolution No. 9.** for a vote. Upon motion duly made by Mr. Maloney 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 the Board's return to Open Session, Mr. Luckie announced that in Executive Session the Board had discussed the School Review Committee's recommendation that management approve a final project charter and design-build award in the amount of \$74 million, inclusive of SDA established allowances totaling \$1.2 million, to the highest ranked bidder, Dobco, Inc. for the Union City New Grade 7 to 9 School 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 Mr. Burgos, the final project charter and design-build award for the Union City New Grade 7 to 9 School project was awarded to Dobco Inc. with the Board's unanimous vote in favor of ***Resolution 6c.***

At the Vice Chairman's request, Mr. Elbert announced that in Executive Session the Board had discussed management's and the Real Estate Committee's recommendation that the Board approve an Extension of the License Agreement between the Authority and NJ Transit regarding the premises located at 371-395 Ferry Street in Newark, NJ.

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. Luckie, the Board approved management's recommendation for an Extension of the License Agreement between SDA and NJ Transit with its unanimous vote in favor of ***Resolution 7a.***

Adjournment

There being no further business to come before the Board, upon motion by the Vice 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 June 8, 2022 meeting.

/s/ Jane F. Kelly
Assistant Secretary