

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS MEETING  
WEDNESDAY, OCTOBER 4, 2023**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, October 4, 2023 at 9:00A.M. in the Joseph A. McNamara Board Room at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Robert Nixon, Public Member, Chairman

Juan Burgos (EDA)

Kevin Luckie (DCA)

David Moore (Treasury)

Bernard Piaia (DOE)

Daniel Gumble, Public Member

Lester Lewis-Powder, Public Member

Michael Maloney, Public Member

Mario Vargas, Public Member

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

At the Chairman's request, Manuel Da Silva, chief executive officer; Donald Guarriello, vice president and chief financial officer; Albert Barnes, chief counsel and additional assistant secretary; and Jamie Henneke, governance coordinator 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 Chairman, the Members and all assembled stood and recited the Pledge of Allegiance.

The meeting was called to order by Mr. Nixon, who requested that Ms. Henneke read the requisite notice of the meeting. Ms. Henneke 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 and on the SDA Website. Ms. Henneke then conducted a roll call and indicated that a quorum of the Members of the Board were present.

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

The Chairman then presented for consideration and approval the minutes of the Board's September 6, 2023 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. Maloney, the Open Session minutes of the September 6, 2023 SDA Board meeting were approved with the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 3a***.

## ***Authority Matters***

### ***CEO's Report***

Next, Mr. Nixon asked Mr. Da Silva for the report of the CEO. Mr. Da Silva provided an update on design-build projects in the design phase. He said that for the Union City New Grade 7-9 School project, Package #2 for Final Design Documents for the remainder of the building are in development. He added that the import of clean fill is ongoing as footings and foundations are completed and structural steel erection is scheduled to start in early October.

With respect to design-build projects in construction, Mr. Da Silva said that for the Millville High School addition and renovations project, the District is occupying the entire building. He said that management was invited to attend the ribbon cutting ceremony last month. He advised that security enhancement upgrades are being installed. He added that all cabling runs are installed, however, final hardware is backordered and being installed as it arrives at the project. For the Passaic Dayton Avenue Educational Campus, he said that SDA received the Leadership in Energy and Environmental Design (LEED) Certification and close-out is being finalized. For the Perth Amboy High School project, he said that the interior wall framing, drywall, ceiling grid, light installation, casework and gym corridor and classroom floors are all ongoing. He noted that the HVAC equipment start up and commissioning continues.

Next, Mr. Da Silva gave an update on design-bid-build projects in the construction stage. He said that the new boiler breeching is complete for the Orange High School project.

With respect to projects in the procurement stage, Mr. Da Silva said that the demolition and early site preparation package for the New Garfield Elementary School was advertised in August and the bid opening is scheduled for today. For the Elizabeth New Elementary School project, he reported that the New Pre-Kindergarten through 8 School demolition and early site preparation on the site of the existing Joseph Battin School No. 4 was advertised last week and bids are due December 12, 2023.

Turning to other SDA related matters, Mr. Da Silva informed the Members that the SDA held a groundbreaking ceremony for the new Union City Grade 7-9 School on September 13. He noted that the highlight of the event was remarks by Azilah Moore, an eighth grade Union City student. He said that she spoke with confidence and poise, and was a wonderful reminder to all those present who it is that we are building schools for.

Next, Mr. Da Silva reported that on September 18, the Camden School District held a press conference to announce the upcoming SDA project that will be built as part of the projects approved for advancement last year. He noted that the announcement detailed a high school replacement project, which is a change from the elementary school projects originally identified in the Statewide Strategic Plan and Authorization of Project Funds to Advance Planning Activities the Board approved at the September 2022 meeting. He added that Superintendent McCombs, Congressman Norcross, State Senator Cruz-Perez, Mayor Carstarphan, and other dignitaries were in attendance.

Lastly, Mr. Da Silva said that SDA joined the Millville School District on September 21 for a ribbon cutting ceremony to celebrate the completion of the multi-phase addition/renovation project at the high school. He reported that it was a wonderful celebration that showcased performances from their choir. He advised that those present were fortunate to hear remarks from Senior Class President, Zaiya Loatman, who spoke of her excitement for the new spaces the students now have access to.

Mr. Vargas asked if it was the Camden's School District's request to replace the high school rather than the replacement of the two elementary schools. Mr. Da Silva answered in the affirmative, noting that the District's emphasis of the dire need for the high school ahead of advancement of the two previously planned elementary schools.

### ***Audit Committee***

Mr. Nixon, as Audit Committee Chairman, reported that the Audit Committee met on September 18, 2023 at which time management provided the Committee with the August 2023 New Funding Allocation and Capital Plan Update. He reported that there was a \$4.2 million decrease in the Unforeseen Events Reserve due to Board approval of the revised final charter for the Millville Senior High School Addition and Renovation project. Additionally, he said that

there was an \$8.7 million decrease in the 2011 Emergent Projects Reserve balance following Board approval of the release of funds for the East Orange Fresh Start Academy and the Camden Veterans Memorial School emergent projects. Mr. Nixon then advised that there were no changes in any of the other reserve balances for SDA Districts during the reporting period. He advised that the reserve balance for the Regular Operating Districts (RODs) increased by \$300,000 during the reporting period due to a reduction in state share for grant projects nearing completion.

Next, Mr. Nixon reported that management provided the Committee with the August monthly financial report. He advised the Members that the Authority's operating expenses (Actual vs. Budget) for the year-to-date period totaled approximately \$9.3 million, down \$2.1 million as compared to the budget for the corresponding period. He explained that this decrease is mainly attributable to lower employee salary and benefit costs, professional & other contracted services, and informational systems, partially offset by lower benefits expense allocation to project costs. He noted that SDA's current staff headcount at 127 through August 31, represents a decrease of 17 employees compared to year-to-date projections. Mr. Nixon then said that school facilities project expenditures (Actual vs. Forecast) for the year-to-date period total approximately \$185.3 million, down approximately \$19.2 million as compared to the capital spending forecast for the corresponding period. He advised the Members that this variance is due to costs associated with construction work, grant agreements, project insurance, design services, construction management services and lower benefits expense allocation to project costs. He reported that the decrease is partially offset by an increase in furniture and equipment purchases, and the acquisition costs associated with the purchase of a school facility. Mr. Nixon reported that project expenditures (Actual vs. Prior Year Actual), at \$185.3 million, are \$23.8 million lower when compared to the corresponding prior year period. He advised that this

variance is the result of a decrease in expenditures for grant activity, construction work, school furniture and equipment purchases, and construction management services, partially offset by property acquisition costs and project insurance.

Mr. Nixon said that, since program inception, 80.4% 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 \$1.2 billion.

Next, Mr. Nixon said that the Members will be asked to consider and act with respect to one matter regarding an award for Owner Controlled Insurance Program (OCIP V) Broker Services. Referencing material that previously had been distributed for review, he said that the Authority has a rolling capital program consisting of various types of school facilities projects. He advised the Authority addresses the insurance needs of its capital program through a series of Owner Controlled Insurance Programs (OCIP, Program) developed with the assistance of an insurance broker engaged to provide a full range of marketing and policy administration services. He noted that the current OCIP is due to expire on December 31, 2023 for five projects and on December 31, 2025 for four other projects. He said that the SDA now needs to address the insurance needs of future capital projects through a new OCIP (OCIP V) by engaging an insurance broker to provide insurance marketing and policy administration services (Broker Services). He explained that the current planning projections for OCIP V will enroll eight or more capital projects with an aggregate construction cost estimate (CCE) of up to \$800 million or more. Mr. Nixon said that procurement for OCIP V Broker Services was advertised beginning on June 23, 2023 on the SDA website, on the New Jersey State website, and in selected newspapers for interested firms to participate in the bidding process. Mr. Nixon noted that the

broker services will include program design, marketing, negotiation, implementation, policy administration and claims management of SDA's various insurance needs in support of the Authority's construction projects. He said that procurement for Broker Services was advertised beginning on June 23, 2023 on the SDA website, on the New Jersey State website, and in selected newspapers for interested firms to participate in the bidding process. He said that upon the conclusion of the procurement process, management recommends that the Members of the Authority approve the award of a contract for OCIP V Broker Services to Alliant Insurance Services, Inc. (Alliant) for a total lump sum fee not-to-exceed \$495,599 to provide a full range of services. He advised the engagement will begin upon issuance of the initial notice-to-proceed with marketing services and extend for a period of three additional years from the effective date of the various new policies or until all obligations of the consultant to deliver services have been performed, whichever occurs later. He said that the term of agreement will have an option by the SDA to extend the agreement for one additional year. Mr. Nixon then explained that following execution of the contract, the Authority intends to direct Alliant to solicit quotations for Workers' Compensation, Commercial General Liability, Excess Liability and Builder's Risk policies. He said that the marketing results and the cost of OCIP V are expected to be presented to the Members of the Authority in the first or second quarter of 2024, and, if these are approved by the Members, the Authority will then direct Alliant to purchase the insurance policies and to perform the associated requisite administrative services. He said that the Members are requested to approve the contract award. Mr. Vargas asked if a new bid process would take place after the SDA exercises the optional year, Mr. Murphy responded in the affirmative. Mr. Guarriello noted that the SDA plans to utilize successive overlapping OCIPs to assure continuing and complete coverage.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. After discussion, upon motion duly made by Mr. Luckie and seconded by Mr. Vargas, the contract award for Owner Controlled Insurance Program V Broker Services to Alliant Insurance Services, Inc. was approved with the Board's unanimous vote in favor of ***Resolution 5a.***

Mr. Vargas inquired about the Authority's success filling open staff positions. Mr. Da Silva noted a number of new hires that have added to the SDA's headcount. He advised that new job descriptions are being finalized. He said that staff is working longer hours with many divisions being tasked to address the 2022 Capital Plan (Capital Plan) projects. He then notified the Members that the \$450 million grant program for approximately 680 projects will be rolling out in the near future. Mr. Da Silva highlighted some of the Capital Plan projects, advising that Capital Plan projects would be advanced under a controlled approach over the next 5 to 7 years.

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

The Chairman asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie said that the School Review Committee met on September 18, 2023 and advanced five items for Board consideration today. He said the Committee is recommending Board approval of a New Parking Lot at the Keansburg Joseph C. Caruso Elementary School (School). By way of background, he reported that the School, built in 2016, is an approximately 125,000 square foot facility educating approximately 700 students in grades Pre-Kindergarten through Grade 5. He advised that on November 6, 2013, the Members approved the Final Project Charter for the School. He explained that the scope of the original Final Project Charter included both the construction of the new School and the restoration of a parking lot on property adjacent to the School site which has been used to house temporary classroom units (TCUs) serving Pre-Kindergarten students in the District. He said that the Pre-Kindergarten students housed in the



TCUs have now been relocated to the new Keansburg Port Monmouth Road School which was recently completed by the Authority. He advised that the District has vacated the TCUs, design work for the restoration of the parking lot is complete, and the Authority now seeks approval from the Members to engage a firm to provide General Construction services to complete the removal of the TCUs and to restore the parking lot (the Parking Lot Work).

In continuing, Mr. Luckie said that a package for construction services to perform the Parking Lot Work was advertised as a low bid solicitation beginning on July 20, 2023 and the responsive low bidder was Seawolf Construction Corp. d/b/a Imperial Construction & Electric (Imperial). He reported that on September 22, 2023, SDA staff and Imperial met to review the bid to ensure that all Parking Lot Work scope work specified was included in the bid and, at the time of this review, Imperial confirmed that its price proposal is inclusive of all scope elements contained in the contract documents. He advised that, upon completion of the procurement process, the construction operations director and financial operations director, together with SDA management, recommend that the Members authorize and approve the award of a contract in the amount of \$1,334,000 to Imperial, the responsive low bidder, for construction services for the Project. He noted 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 in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Maloney, the New Parking Lot at the Keansburg Joseph C. Caruso 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 awards for Construction Management (CM) Services for the Newark Public Schools, Union City Public Schools and East Orange School Districts. He advised that the Authority has eight emergent

projects in the design phase and progressing into the construction phase and needs to engage CM firms to provide onsite construction management services while the projects are under construction. He reported that the SDA seeks to apportion the delivery of CM Services for these emergent projects between two contracts – designated as Contract A and Contract B – with the contracts being awarded to two different construction management firms. He explained that Contract A relates to five emergent projects in the Newark School District, the scopes of which include masonry repointing, repairs and replacement, boiler room vault and façade repairs and roof replacement. He added that Contract B relates to two emergent projects in the Union City School District and one emergent project in the East Orange School District, the scopes of which include roof replacement and stucco and masonry repairs.

In continuing, Mr. Luckie informed the Members that this multi-project procurement package for CM Services was advertised as a “price and other factors” solicitation beginning on August 9, 2023 with price weighted as 40% of the final combined score, and all non-price other factors weighted as 60% of the final combined score. He said that following completion of the procurement process, the Construction Operations Program Director recommends an award for CM Services for Contract A to Anser Advisory Management, LLC (Anser) in the amount of \$1,334,500 and for Contract B to Epic Management, Inc. (Epic) in the amount of \$736,800. He reported that following post-bid meetings between SDA staff and Anser with respect to Contract A and between SDA staff and Epic with respect to Contract B, Anser and Epic have each confirmed that their respective price proposals are inclusive of all scope elements contained in the contract documents. He added that prior to execution of the contracts, the contracts 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 in advance of the meeting. Upon motion duly made by Mr. Maloney and seconded by Mr. Vargas, and with Mr.

Lewis-Powder recused and abstaining, the proposed awards for Construction Management Services for the Newark Public Schools, Union City Public Schools and East Orange School Districts were approved with the Board's unanimous vote in favor of ***Resolution 6b***.

Mr. Luckie said that the Committee is recommending Board approval of Change Order (CO) No. 4, Revised Final Charter and the Reestablishment of Contract Value for the Irvington Grove Elementary Street Elementary School (School) emergent project (Project). He reported that the School, built in 1925, is an approximately 90,000 square foot facility educating approximately 360 students in grades Pre-Kindergarten through 5. He advised that after Department of Education's approval of the emergent project for abatement, boiler and HVAC work at the School, advancement of the work was delegated to the District. He noted that, thereafter, the District's consultant determined that the conditions requiring attention were more extensive than originally identified, and advancement of the Project was reassumed by the Authority. He said that SDA staff determined to advance the Project through the engagement of a general contractor (GC) using the General Construction Task Order Contract and to require the GC to engage the services of a design consultant to complete needed design services.

Next, Mr. Luckie said that a notice-of-award subsequently was issued to Catcord Construction Company, Inc. (Catcord), for a not-to-exceed amount of \$2,832,782.00, on March 4, 2022, and a notice-to-proceed was issued on March 29, 2022 with a commencement date of April 4, 2022. He noted that that Catcord did not have sufficient time to advance the abatement work while the School was unoccupied during the summer of 2022. He advised that since August 2022, design and DCA review, abatement and associated demolition activities were completed, and a certificate of occupancy has issued for the boiler room. He informed the Members that SDA anticipates release of a DCA permit for the balance of the required Project construction work to replace the boilers and related HVAC equipment in the near future. He reported that the

initial task order assignment and proposed pricing for the Project were based upon schematic drawings and assumed that there would be no construction phasing, short order lead times for required equipment, and rapid issuance of permits and commencement and completion of required abatement work. Mr. Luckie said that since the initial task order assignment, the Project has experienced the need for phasing, longer equipment order lead times, delays in permitting and advancement of abatement work, and delays as to when construction of the final phase of the Project can commence. He noted that, as a result of these factors, under current market conditions, the cost to advance the balance of the Project work has significantly increased. He advised that the increased cost to advance the balance of the Project work is associated with multiple factors, including the need for additional boiler equipment identified after completion of design, together with associated escalation; plumbing materials and labor cost escalation; HVAC equipment, materials and labor cost escalation; and increased general conditions, bond, insurance, overhead and profit costs.

In continuing, Mr. Luckie explained that following lengthy negotiations, the SDA has negotiated with Catcord a final lump sum cost for the delivery of the Project of \$3,368,010.44, which includes the cost for all work performed to date and all remaining work necessary for completion of the Project. He said that CO No. 4, in the amount of \$400,466.00 is required to effectuate the adjustment to the final lump sum cost under the task order and to fully fund advancement and completion of the balance of the Project work. He added that the director of the design studio, the construction operations interim director and the financial operations director have reviewed the documents relating to CO No. 4 and have determined that issuance of the change order is justified, reasonable and appropriate. He reported that the Final Charter for the Project, approved by the Members in February 2022, was based upon order of magnitude estimates of funding required to complete the required work as anticipated at that time. Mr.

Luckie informed the Members that complete funding of CO No. 4 and the negotiated final lump sum cost for the task order require that the Construction Contingency under the Revised Final Project Charter be increased in the amount of \$206,000. He said that during the course of the Project, various unforeseen factors were encountered such that SDA staff have determined that the revised lump sum cost, inclusive of CO Nos. 3 and 4 and prior executed change orders, represents the true value of the work required to implement the Project. He advised that SDA staff and management recommend that the Members take three actions – first, that they authorize and approve CO No. 4 in the amount of \$400,466.00, second, that they authorize and approve an increase in the Construction Contingency under the Revised Final Project Charter in the amount of \$206,000, and third, that they authorize and approve a reestablishment of the revised contract value of the task order assignment to Catcord in the amount of \$3,368,010.44.

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. Nixon, the proposed Change Order No. 4, Revised Final Charter and the Reestablishment of Contract Value for the Irvington Grove Elementary Street Elementary School emergent project was approved with the Board's unanimous vote in favor of ***Resolution 6c***.

Next, Mr. Luckie said that management is seeking Board approval for the Adoption of Section 13.a Delegation Agreement Rules. He explained that SDA's Section 13.a Delegation Agreement Rules, codified at Chapter 34A of the New Jersey Administrative Code, provide the conditions, eligibility criteria, and process for capital maintenance projects to be delegated to an SDA school district by the Authority. He noted that on April 5, 2023, the Members approved for proposal and publication a Notice of Proposal for Readoption with Amendments of the Authority's Delegation Agreement Rules. He said that the proposed amendments to the current rules will enable the use of electronic submissions in applications seeking the delegation of

capital maintenance projects to SDA Districts. He added that the amendments will also eliminate an obsolete signage requirement. He advised that the Notice of Proposal was published in the June 5, 2023 edition of the New Jersey Register adding that the publication of the Notice of Proposal served to extend the expiration date for the existing rules by 180 days to November 22, 2023. He informed the Members that in the Notice of Proposal, the SDA proposed to readopt Chapter 34A with amendments to a single section of the rules. He said that the Board memorandum provides background on the Section 13.a Delegation Agreement Rules, their regulatory history and a summary of the proposed amendments to the rules.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Piaia and seconded by Mr. Vargas, the proposed Adoption of the Section 13(a) - Delegation Agreement Rules with amendments and authorize the issuance of a Notice of Adoption and its filing with the Office of Administrative Law were approved with the Board's unanimous vote in favor of ***Resolution 6d***.

Finally, Mr. Luckie informed the Members that management also discussed a Recommendation for Settlement of Cost Recovery Litigation Relating to the Egg Harbor City Middle School project. He said that this item will be discussed in Executive Session.

### ***Public Comments***

The Chairman opened the Public Comments portion of the meeting. Mr. Nixon said that there are five representatives for the City of Paterson and three of the representatives will be providing public comment. He noted that that he wanted to acknowledge Linda Reed and Charles Ferrer who do not wish to speak today.

Ms. Rosie Grant, Executive Director for the Paterson Education Fund, offered prepared written remarks and oral public comment detailing concerns regarding the collapse of ceilings and other facilities deficiencies at Paterson School No. 3 and the critical need to address aging

infrastructure needs across the District, including those at 17 District schools that are over 100 years old. A copy of Ms. Grant's prepared remarks are annexed.

Mr. Richard L. Matthews, the School Business Administrator for the Paterson Public Schools, also offered prepared written remarks and oral public comment. Mr. Matthews recognized the SDA's delivery of 7 new schools, a school addition and other school renovations in the District and the SDA's grant funding of capital maintenance and emergent projects in fiscal years 21-23 and 22-23. Mr. Matthews then emphasized the District's acute need for the SDA to address emergent conditions at many of the District's aging schools, including 17 schools that are over 100 years old and 10-15 schools that are approaching that age. A copy of Mr. Matthews prepared remarks are annexed.

At the Chairman's request, Dr. Johnathan Hodges from Paterson Public Schools addressed the Board. He said that the situation at the Paterson School No. 3 (PS No. 3) is quite dire. He added that the ceiling at PS No. 3 collapsed in the summer. He voiced his concerns for the Paterson School District buildings noting that school buildings were identified years ago as being dangerous, substandard, and in need repairs and replacement. He added that the District has been underfunded and there has not be enough done for the District. Dr. Hodges also address the health conditions at the schools.

Mr. Nixon thanked the Paterson School District representatives for their commenting, noting that there has need a good working relationship through the years between the SDA and the District.

Mr. Da Silva thanked the Paterson School District representatives for addressing their concerns. He said that the SDA is committed to the Paterson School District. He said that the SDA has invested over a half billion dollars to the District, which is the second highest investment from the SDA of all 31 SDA districts. He noted that the Authority is focused on the

SDA mission to deliver new schools, noting that facilities and maintenance are also part of the mission. He said that thanks to Governor Murphy, SDA has been allocated \$75 million a year to address emergent school facilities needs throughout the State, with \$50 million of this sum going to SDA districts. He said that there should be another round of funding this year which should cover the \$2.1 million expenditure required to address the PS No. 3 repairs. Mr. Da Silva said that he understands that there is more work to be done in Paterson. He advised that there are many schools that have aged facilities throughout the SDA districts. He said the SDA plans to deliver a new high school adjacent to Paterson Catholic site. He said that the he along with staff and the Board are here to address the needs of the 31 SDA district.

Next, the Chairman recognized Nikki Baker of Healthy Schools Now (HSN). Ms. Baker noted her 20 year history of volunteering and working as a teacher in the Paterson School District. She said that all students need a safe place to learn across the state. She stressed the disparity between schools that are well funded and have abundant resources to the schools in SDA districts.

Mr. Nixon then asked for a motion to adjourn the Open Session of the meeting into Executive Session. He asked Ms. Henneke to announce the matters to be considered by the Board in Executive Session. Ms. Henneke advised that, the Board will adjourn into Executive Session to discuss a Recommendation for Settlement of Cost Recovery Litigation relating to the Egg Harbor City Middle School. She said that Board will vote on this matter upon its return to Open Session.

Upon motion by Mr. Luckie and seconded by Mr. Vargas Board unanimously voted to approve ***Resolution No. 8.*** 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 management's and the School Review Committee's recommendation for the settlement of cost recovery litigation relating to the Egg Harbor City Middle 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. Vargas and seconded by Mr. Piaia, and with Mr. Maloney recused and abstaining, the Board approved a Settlement of Cost Recovery Litigation relating to the Egg Harbor City Middle School with the Board's unanimous vote in favor of *Resolution 6e*.

### *Adjournment*

There being no further business to come before the Board, upon motion by Chairman Nixon 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 4, 2023 meeting.

/s/ Albert D. Barnes  
Additional Assistant Secretary



Testimony to NJ School Development Authority  
October 3, 2023

Board of Directors

**Michelle Abel**  
Chair,  
Citizens Bank

**Karen Brown, Esq.**  
Secretary,  
Law Offices of Karen  
Brown, LLC

**Arthur Scialla**  
Treasurer  
Ace Reprographic  
Service

**Melissa Baralt PhD**  
Berkeley College

**Orlando Cruz**  
Greater Paterson  
Chamber of  
Commerce

**Xiania Foster**  
Bank St College of  
Education

**Errol Kerr**  
Community Member

**Perry Lighty**  
Valley Bank

**Eileen Shafer**  
Superintendent  
(Ex-Officio)

**Rosie Grant**  
Executive Director

Good morning.

As you probably know, Paterson School # 3 had to be shut down because of caving, asbestos affected ceilings. We're very thankful that our administration acted quickly to relocate School 3's children and staff. They have been divided by grade into 3 different buildings, sometimes splitting students from the same family.

School 3, along with at least one of the buildings hosting the displaced kids, was identified as early as 2005, as one of several to be demolished and rebuilt! There are 17 Paterson schools that need to be taken down. If the others start falling, where will our children go?

There is a court mandate that says the State of NJ is responsible for school facilities in the former Abbott districts, now referred to as SDA Districts. This organization, and its precursor were formed to facilitate this mandate on behalf of the State. I know that other things have since been added to your agenda, but nothing should supersede your primary mission of providing safe and adequate learning facilities for the children in NJ's poorest districts.

Thanks to this court decision, Paterson should not have to pull from its operating budget to invest in band aid repairs. If this is not an "emergent health and safety need," I can't imagine what is. Whatever has been spent by the district to cope with the emergency should be returned to our operating budget. This includes related costs such as bussing the students across town because that was the only available space. We need your immediate attention to this matter. Any local funds spent on this are being pulled from somewhere else, negatively affecting our already tight budget. Please help us correct this inequity.

In addition to old crumbling buildings, increasing special education and bilingual student populations are demanding additional space that we don't have. As a result, our general education classrooms are becoming increasingly overcrowded. Something must be done before someone gets injured, or worse.

What is your plan for an emergency if one of these buildings crumbles? Please let our children know that they are valued by giving them safe and adequate learning facilities. I leave you with a quote from Congressman Bowman as he demands more funding for more public education. "Our budget is a reflection of our values... It is time that we develop values that are rooted on our children, education, and love for humanity"

Thank You

Rosie Grant



Richard L. Matthews  
School Business Administrator  
Email: rlmattews@paterson.k12.nj.us

Dr. Laurie Newell  
Superintendent of Schools

October 4, 2023

Dear Board of Directors,

I hope you are all well and thanks for this speaking opportunity to bring a critical issue before this Board of Directors. Currently, Paterson is facing a dire situation with over seventeen (17) school buildings that are more than a century old, and with age come such health hazards as asbestos, lead, and mold. We have schools that are so overcrowded that some classes take place in portable trailers. These 100 plus year-old buildings are not only in a state of disrepair but also lack any modern amenities and resources to provide a quality education to our students and staff.

A few years back, the Supreme Court cases under *Abbott v. Burke* mandated the Schools Development Authority and the previous Schools Construction Corp., carry out a mandate to repair or replace aging buildings in Paterson and other urban districts. With those resources, the SDA has renovated two older buildings, built an addition, and opened 7 new schools.

The district has received grant funding from the NJSDA in fiscal years 21-22 and 22-23, totaling approximately \$8.5 million via capital maintenance and emergent repairs. While we are grateful for the additional funding, the needs are much more robust if we are to tackle these inequities for the students and staff. Below are some of the emergent needs we have in Paterson:

- Renovate aging facilities such as student bathroom, middle school and high school science labs, cafeterias, and gymnasiums
- Mitigate water infiltration through exterior masonry walls and windows
- Replace failing potable water and heating water lines within plaster walls
- Abate asbestos containing walls, ceilings, and floors

In closing, Paterson Public Schools has invested over \$9M in capital reserves with anticipation of an additional \$5M for the upcoming year. Paterson Public Schools has utilized ESIP programs over the past 6 years to fund capital investments to retrofit outdated HVAC systems and to install green energy conservation measures. The approximate spending for the ESIP program is nearly \$30M, in which we have installed solar panels on 1/3 of our buildings, replaced several boilers, installed LED lighting etc. I believe we all can agree that investing in education is the cornerstone of progress and prosperity for any society. Paterson children deserve safe, comfortable, and well-equipped learning environments. New, adequately designed, schools will not only enhance the educational experience but also contribute to the overall well-being of our community.

Thank you for your time, consideration, and dedication to the betterment of Paterson Public Schools.

Regards,

**SIGNATURE REDACTED**

Richard L. Matthews  
School Business Administrator