

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, NOVEMBER 1, 2023**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, November 1, 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)
Anthony Longo (Treasury)
Bernard Piaia (DOE)
John Capo, Public Member
Daniel Gumble, Public Member
Lester Lewis-Powder, Public Member
Michael Maloney, Public Member
Mario Vargas, Public Member

being all the Members of the Board. Mr. Capo, Mr. Gumble, Mr. Lewis-Powder, Mr. Longo, 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; Janice Venables, vice president; Albert Barnes, chief counsel and additional assistant secretary; Gregory Voronov, managing director; and Jamie Henneke, governance coordinator of the SDA, participated in the meeting. Alexis Franklin 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 225 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 presented for consideration and approval the minutes of the Board's October 4, 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. Mr. Vargas and seconded by Mr. Piaia, the Open Session minutes of the October 4, 2023 SDA Board meeting were approved with the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 3a***.

Mr. Nixon then presented for consideration and approval the minutes of the Board's October 4, 2023 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 Mr. Vargas and seconded by Mr. Luckie, the Executive Session minutes of the October 4, 2023 SDA Board meeting were approved with the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 3b***.

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, structural steel erection is ongoing and will continue through the end of this year. He added that final design documents for the remainder of the building are ongoing.

Turning to design-build projects in construction, Mr. Da Silva reported that for the Perth Amboy High School project, site work is being completed. He said that finish and IT infrastructure work is ongoing in all areas of the building, as well as HVAC equipment start up and commissioning. He added that furniture selection is underway.

Next, Mr. Da Silva gave an update on design-bid-build projects in the construction stage. He said that the original project scope close out activities are ongoing for the Orange High School project. He added that the green house design is complete and negotiations are being finalized. For the Orange Cleveland Street Elementary School project, he advised that site work is underway in preparation for the winter months. He noted that ductwork, roofing, floor prep, framing, drywall and stair replacement work is ongoing.

With respect to projects in the procurement stage, Mr. Da Silva advised the Members that a recommendation of award for demolition for the Garfield New Elementary School project will be presented in today's meeting. For the Elizabeth New Elementary School project, he said that the demolition and early site preparation package was advertised in September and bids are due mid-December.

Turning to Authority events, outreach and other activities, Mr. Da Silva informed the Members that the SDA was an exhibitor at the annual School Boards Convention in Atlantic City

on October 24 and 25. He said that SDA staff from the Grants and Communications departments were there to answer questions from school district representatives. He added that he along with David Magyar were also in attendance and had the opportunity to speak with architects, district representatives and legislative members. He advised that the SDA received a lot of positive feedback on the work of the Authority and answered questions related to the recent announcement of Regular Operating Districts (ROD) Grant projects and funding available for Capital maintenance and emergent grants.

Next, Mr. Da Silva reported that on October 25, he joined dozens of representatives from state agencies and authorities as a presenter at the annual Construction Forecast meeting hosted by the Alliance for Action. He said that he thinks attendees welcomed the news that significant construction opportunities will be forthcoming in 2024 and 2025 throughout the State from numerous departments. He also said that between Capital projects, ROD projects, and Capital maintenance/emergent projects – the Authority shared that SDA-related projects would represent \$550-\$660 million in each of the next two years. He added that, overall, the agencies represented forecasted construction opportunities of more than \$26 billion in 2024 alone.

In continuing, Mr. Da Silva said that on November 14 and 15, SDA Grant staff will partner with the New Jersey Association for School Business Officials (NJASBO) to offer training to ROD District officials related to the upcoming grant projects that were recently announced. He noted that the SDA staff will provide attendees with detailed information on the grant process so that they are well prepared to advance their grant executions once offer letters are distributed.

Next, Mr. Da Silva reminded the Members that the annual ethics training for Members and designees must be completed by this Friday, November 3.

Finally, Mr. Da Silva said that that he would like to welcome Janice Venables, the SDA's new vice president of Corporate Governance. He provided some background information on Ms. Venables noting that she has a Juris Doctor Degree from Rutgers Law School and brings over 30 years of legal experience to the Authority. He added that Ms. Venables has private and public sector experience as well as ethics work. He said that Ms. Venables has served on the Board of Adjustment and Planning Board as well as a councilwomen in her community. Mr. Da Silva said that he is excited about Ms. Venables joining the SDA.

In continuing, Mr. Da Silva said that he would like to welcome Alexis Franklin as the new SDA GAU representative. He added that Holly Kokinelis also joined the SDA and will be working in the Environmental Division.

Mr. Vargas asked if the training for the ROD District officials is technical or informational. Mr. Voronov said that the training session will provide information regarding the entire process, from the offer to closeout.

Chairman's Report

Appointment of an Additional Assistant Secretary to the Board

Next, Mr. Nixon provided the Report of the Chairman. He said that, as the Members know, the Members elect the SDA's Board Officers each January at our Annual Organizational Meeting. He said that one of the roles that is elected each year is the Assistant Secretary. He advised that former Vice President Jane Kelly has served as Assistant Secretary of the Board for many years. He reported that before the Board today is a recommendation to appoint SDA's Vice President Janice Venable to serve as the Authority's Additional Assistant Secretary to the Board.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Burgos and seconded by Mr. Luckie, the appointment

of vice president Janice Venables to serve as the Authority's Additional Assistant Secretary was approved with the Board's unanimous vote in favor of *Resolution 4bi*.

Audit Committee

Mr. Nixon, as Audit Committee Chairman, reported that the Audit Committee met on October 16, 2023, at which time management provided the Committee with the September 2023 New Funding Allocation and Capital Plan Update. He reported that there were no changes in any of the Program Reserves during the reporting period. He advised that the reserve balance for the RODs increased by \$400,000 during the reporting period due to a reduction in state share for grant projects nearing completion.

Next, Mr. Nixon said that the Committee received a draft 2024 Operating Budget for the Authority that was prepared by management. He advised that management is still in the process of finalizing certain budgetary line items and that a revised proposed budget will be presented to the Committee at its November meeting. He noted that management plans to present the proposed budget to the Board for consideration at its December Meeting.

Next, Mr. Nixon provided the Board with an overview of the September 2023 Monthly Financial Report. He advised the Members that the Authority's operating expenses (Actual vs. Budget) for the year-to-date period total \$9.8 million, down \$2.5 million as compared to the budget for the corresponding period. He explained that this variance is mainly attributable to lower employee salary and benefit costs, professional & other contracted services, information systems and, facility and general office expenses offset by lower than projected expense allocations to project costs. He reported that the current full time employee (FTE) headcount is 128 as of September 30, 2023, representing a 16 FTE decrease in comparison to year-to-date budget projections. Mr. Nixon then said that school facilities project expenditures (Actual vs. Forecast) for the year-to-date period total approximately \$197.4 million, down approximately

\$25.6 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 payroll and benefits expense allocation to project costs. He reported that the decrease is partially offset by the acquisition costs associated with the purchase of a school facility. Mr. Nixon then reported that project expenditures (Actual vs. Prior Year Actual), at \$197.4 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 construction work, grant activity, school furniture and equipment purchases, and construction management services, partially offset by property acquisition costs, design services and project insurance.

Mr. Nixon said that, since program inception, 80.5% 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 \$1.2 billion

Next, Mr. Nixon advised that in compliance with the SDA Bylaws and Audit Committee Charter, the CEO provided the Committee with his quarterly staffing report updating Authority personnel matters and changes.

Next, Mr. Nixon advised the Board that management presented the Committee with one matter requiring Board action. Referencing a memorandum that was distributed to the Members in advance of the meeting, he said that management and the Committee request approval to purchase broker services for SDA's business insurance program (Program). He explained that the SDA maintains an insurance program for its business activities currently covering general liability and business personal property coverage including, Automobile; Worker's

Compensation; Umbrella Liability, Excess Liability; Public Officials Liability/Employment Practices Liability, Excess Public Officials Liability/Employment Practices Liability; Cyber Enterprise Risk Management; Crime; Workplace Violence/Active Shooter; and General Liability for the Real Estate Owned inventory. Mr. Nixon said that the Authority is again seeking to engage a broker with the expertise to design a combined program that provides the broadest coverage at the most cost effective price. He said that the selected broker will be responsible for the placement and servicing of the Program. He advised that a two-step competitive procurement process was advertised beginning on June 7, 2023 on the SDA website, the New Jersey State website, and in selected newspapers for interested firms to participate in the bidding process. He said that outreach was also performed via e-mail. He reported that following the procurement process, management recommends a contract with The Safeguard Group, A Division of Patriot Growth Insurance Services, LLC, (The Safeguard Group) for a three year term with an option by the SDA to extend the Agreement for one additional year. Mr. Nixon said that the contract value for the initial policy year commencing on December 14, 2023 will have a total not-to-exceed amount of \$705,000.00 for the placement and servicing of SDA's Business Insurance Program. He further advised that for the ensuing two renewal years and the option year, if applicable, SDA management will seek further Board approval of annual not-to-exceed amounts following The Safeguard Group's annual marketing of the SDA's Business Insurance Program

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. Luckie, the Board authorized management to award broker services for the business insurance program to The Safeguard Group, A Division of Patriot Growth Insurance Services, LLC for the initial policy year at a cost not-to-exceed \$705,000 with its unanimous vote in favor of ***Resolution 5a.***

School Review Committee

The Chairman then asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie said that the School Review Committee met on October 16, 2023 and advanced four items for Board consideration today. He said the Committee is recommending Board approval of the award for Professional/Technical Temporary Staffing Services. He reported that the SDA seeks to engage a pool of firms to provide temporary staffing services for Architectural & Engineering; Construction Operations & Cost Estimating; Environmental Services; and Information Systems (Staffing Categories). He advised that upon completion of a scored procurement process, executive management and SDA staff recommend that the Members approve the Authority's engagement of the five highest ranked firms in each of the four Staffing Categories. He explained that the selected firms will provide the SDA with qualified temporary staff to perform temporary staffing services as required by the SDA on an as-needed basis and at agreed-upon hourly rates established at the time of the selection and assignment of temporary staff. He noted that the term of the firms' engagements will be three years, together with a one-year extension at the SDA's option, with compensation for the engagements, including all awardees, not-to-exceed \$5,000,000 in the aggregate. He added that prior to execution of each 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. Burgos, and seconded by Mr. Vargas, the Board approved the contract awards for Professional/Technical Temporary Staffing Services with its unanimous vote in favor of ***Resolution 6a.***

Next, Mr. Luckie said that management is seeking Board approval of awards for Site Consultant Services for School Facilities Projects. He reported that in 2020, the SDA entered

into contracts with various firms for the provision of site consultant and environmental services on a task order basis. He explained that the current task order contracts will expire in February 2024 and SDA management is now seeking Board approval to award contracts to ten firms thereby creating a new pool of firms with the experience and qualifications to successfully perform the required services on a task order basis. He said that the assigned tasks may include, but are not limited to, predesign and site feasibility; environmental site review; early site development; site/civil planning and design; design-build construction administration; emergent projects; limited architectural and structural engineering and design services; and project closeout activities. He noted that the contracts will have terms of three years and the contract amounts of each of the ten individual contracts will not exceed \$3,000,000 over that three year term. He added that prior to execution, 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. Burgos, and seconded by Mr. Vargas, the Board approved the contract awards for Site Consultant Services for School Facilities Projects with its unanimous vote in favor of ***Resolution 6b***.

In continuing, Mr. Luckie informed the Members that the Committee is also recommending Board approval of a contract award for State-Wide Relocation Consultant Services. He advised that the SDA's current task order contract for state-wide relocation consultant services, procured in 2020, will expire in December 2023. Accordingly, management is requesting that the Board approve the award of a new contract to O.R. Colan Associates (O.R. Colan), the incumbent firm, who has demonstrated that it has the experience and qualifications required to perform relocation services when required by the SDA. He said that management's recommendation follows completion of a single-step procurement process that began on August

17, 2023. He said that the rates to be paid to the O.R. Colan are detailed in the Board memorandum and the engagement is for the not-to-exceed amount of \$3,000,000 over the three year term of the contract. 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. Burgos, and seconded by Mr. Vargas, the Board approved the recommended contract award for Relocation Consultant Services with its unanimous vote in favor of ***Resolution 6c.***

Finally, Mr. Luckie said that management is seeking Board approval for an Award for Demolition and Early Site Preparation for the Garfield New Elementary School project (School or Project). He advised that the School is planned to be a 125,000 square foot facility to educate 767 students in grades Kindergarten through five. He reported that on November 2, 2022, the Members approved a preliminary project charter for the Project; and in preparation for the design and construction of the new school, the SDA seeks to engage a contractor to perform demolition of the existing Woodrow Wilson Elementary School No. 5 and limited site restoration activities. He advised that the package for the required services was advertised beginning on August 9, 2023 and upon completion of a competitive procurement process, the responsive low bidder was APS Contracting, Inc. (APS). He said that following a review, APS confirmed that its price proposal is inclusive of all scope elements contained in the contract documents. He added that management recommends that the Members approve the award of a contract in the amount of \$2,071,000, inclusive of SDA-established Allowances totaling \$450,000, to APS to perform demolition of the existing school and limited site restoration activities, in preparation for the delivery of the Project. He said that SDA construction operations director and financial operations director have recommended award of the contract to APS. Mr. Luckie informed the

Members that management expects that in the fourth quarter of 2023 it will advertise for design-build services for design, construction and delivery of the new school facility. 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 Board in advance of the meeting. Upon motion duly made by Mr. Maloney, and seconded by Mr. Burgos, the Board approved the recommended contract award for Demolition and Early Site Preparation for the Garfield New Elementary School project with its unanimous vote in favor of ***Resolution 6d***.

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 a Third Lease Modification and Extension between Matrix East Front Street Operating Company, LLC and SDA. 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 the Board 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. Vargas announced that in Executive Session the Board had discussed management's and the Real Estate Committee's recommendation for a Third Lease Modification and Extension between Matrix East Front Street Operating Company, LLC and SDA. 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. Luckie, the Board approved a with the Board's unanimous vote in favor of ***Resolution 7a***.

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 November 1, 2023 meeting.

/s/ Albert D. Barnes
Additional Assistant Secretary