

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS MEETING  
WEDNESDAY, FEBRUARY 7, 2024**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, February 7, 2024 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)  
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. Moore, Mr. Nixon and Mr. Piaia and 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 and assistant secretary; and Albert Barnes, chief counsel 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 Vice 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. Venables read the requisite notice of the meeting. Ms. Venables 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. Venables then conducted a roll call and indicated that all 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 January 3, 2024 Open Session meeting. Copies of the meeting minutes and a resolution were provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Piaia the Open Session minutes of the January 3, 2024 SDA Board meeting were approved 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 January 3, 2024 Executive Session meeting. Copies of the meeting minutes and a resolution were provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Maloney the Executive Session minutes of the January 3, 2024 SDA Board meeting were approved with the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 3b***.

Mr. Nixon presented for consideration and approval the minutes of the Board's January 3, 2024 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. Burgos, the minutes of the January 3, 2024 SDA Organizational Board meeting were approved with the Members' unanimous vote in favor of the resolution attached hereto as *Resolution 3c*.

### *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 construction. He said that for the Perth Amboy High School project, finish work continues and punch list work is underway. He noted that final inspections are ongoing. He added that technology installation is ongoing while furniture is scheduled to commence later this month. For the Union City New Grade 7-9 School project, he advised that final design documents have been submitted to the Department of Community Affairs (DCA) for review. He said slab-on-grade and slab-on-deck work are ongoing.

Turning to design-bid-build projects in the construction stage, Mr. Da Silva reported that for the Orange Cleveland Street Elementary School project, ductwork and HVAC equipment are being installed. He noted that ceiling grid install has commenced while windows and light fixtures are anticipated to be delivered later this month.

Next, Mr. Da Silva gave an update on projects in the procurement stage. He said that for the Garfield New Elementary School project, the contractor is mobilizing and work is scheduled to commence this month. For the Elizabeth New Elementary School, he advised that a notice of

award was issued and the demolition and early site package kick-off meeting will be scheduled later this month.

Turning to Authority events, outreach and other activities, Mr. Da Silva informed the Members that the SDA started issuing grant offers on January 8, and since then the Authority has issued offers for 470 of 660 +/- projects approved by Department of Education (DOE). He said that these projects represent over \$764 million in total project costs and state share of \$334 million impacting students in 177 school districts and 421 school facilities statewide. He noted that all told the projects approved by DOE represent over \$1 billion in total project costs and state share of approximately \$450 million. He added that management expects the vast majority, if not all, of the remaining grant offers to be issued by the middle to end of February.

Next, Mr. Da Silva informed the Members that the State Ethics Commission and the Governor's Authorities Unit are requesting that the SDA Public Board Members choose a Board Meeting through the October 2, 2024 Board Meeting to have a live virtual one and a half hour ethics training class given by the State Ethics Commission Training Officer after the Board Meeting. He said that this ethics class will explore the January 16, 2024 legislative change to the Conflicts of Interest Law, which relates to and which positively impacts only Public Members, and other general Uniform Code of Ethics issues. He asked the Members to contact Senior Ethics Manager, Jane Folmer-Kelleher, by February 10, 2024 and advised her which board meetings they would not be able to attend to receive this training, so that management can coordinate with the Ethics Commission to schedule the training.

### ***Audit Committee***

Mr. Nixon, as Audit Committee Chairman, reported that the Audit Committee met on January 16, 2024, at which time management provided the Committee with the 2024 Capital Spending Forecast for informational purposes. He explained that the forecast is based on

Treasury Updated Spending Models which help to ensure that there is an optimum level of cash on hand. He reported that the forecast anticipates the expenditure of approximately \$328.1 million for school facilities projects, representing an increase of approximately \$80.8 million over the estimated actual spending in 2023. He advised the Board that this increase is attributable to higher amounts of forecasted payments for - property acquisition, relocation & environmental costs, emergent & capital maintenance grants, regular operating district grants, SDA district grant & funding agreements, project insurance, school furniture, fixtures, equipment & technology, design studio and construction management fees. He advised that the increase is partially offset by lower forecasted spending on construction costs.

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 advised the need to purchase administration services for the SDA's Owner Controlled Insurance Program (OCIP). He said that the Authority has a rolling capital program consisting of various types of school facilities projects. He explained that the SDA has addressed the insurance needs of its capital program through a series of OCIPs developed with the assistance of an insurance broker engaged to provide a full range of marketing and policy administration services. Mr. Nixon noted that the Authority now needs to address the insurance needs of future capital projects not included in OCIP IV through a new OCIP V by engaging an insurance broker to provide a full range of services, including the appropriate handling of: enrollments, insurance certificates, contract values and change orders, payroll tracking, close-out and reporting for the new OCIP V. He said that based on current planning projections, OCIP V will enroll eight or more capital projects with an aggregate construction cost estimate of up to \$800 million or more. He said that the procurement for OCIP V Administration 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 reported that at the conclusion of the procurement process, management recommends the Members of the Authority approve an award of a three year contract, with an option by the SDA to extend the contract for one additional year, for OCIP V Administration Services to Alliant Insurance Services, Inc. for a total fee not-to-exceed \$725,000.

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. Piaia, the Board authorized management to award a contract to Alliant Insurance Services, Inc. for OCIP administration services for a three year contract with an option by SDA to extend the contract for one additional year, for a total fee not-to-exceed \$725,000 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 January 16, 2024 and advanced five items for Board consideration today. He said management is seeking Board approval for a proposed Planning Project Charter for the Camden New East Side High School replacement project (Project). Mr. Luckie advised the Members that the Authority's 2022 Strategic Plan Update and Capital Plan (Plan) identified two Camden Public School District replacement elementary school projects for advancement in order to address severe building conditions deficiencies by replacing existing aged school buildings with two new modern facilities. He said that subsequent discussions with the District and the DOE have served to indicate that the higher priority project is to address similar serious deficiencies at the existing East Side High School due to its age and existing conditions, instead of constructing two replacement elementary school projects now. He explained that, as represented in the District's

approved Long Range Facilities Plan, the replacement facility will educate approximately 800 students in grades 9 to 12 and will fully address District facility condition deficiency needs in grades 9 to 12. He reported that in order to advance this Project, it is necessary for the Board to approve an amendment to the Plan to substitute the New East Side High School replacement project for the two Pre-K to 8 replacement elementary schools identified and the Planning Project Charter. He said that the estimated cost for the Project is \$115.1 million of all estimated costs necessary for the advancement of the planned Project scope. He informed the Members that the SDA executive management and associated program staff recommend that the Members approve to amend SDA's 2022 Capital Plan and approve the proposed Planning Project Charter for the Project and authorize advancement of the recommended design, procurement and related activities as reasonable, appropriate and in the best interest of the SDA and the taxpayers of New Jersey.

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. Piaia, the Board approved Planning Project Charter for the Camden New East Side High School replacement project with its unanimous vote in favor of ***Resolution 6a.***

Next, Mr. Luckie said that management is seeking Board approval for Planning Project Charter for the Newark New University High School project (Project). He reported that the Authority's Plan identified two Newark Public School District (District) replacement elementary school projects for advancement in order to address severe building conditions deficiencies by replacing existing aged school buildings with two new modern facilities. He advised that during subsequent discussions with the District and the DOE, the District requested the advancement of the acquisition of a former charter school facility and a Project to be constructed on property acquired for that purpose by the SDA by its predecessor, the New Jersey Schools Construction

Corporation. He said that the former charter school facility acquisition was the subject of prior Board action and has since been completed and occupied by the District. He explained that the SDA-owned site is adjacent to the existing Hawthorne Avenue School which was constructed in 1895 and educates approximately 570 students in grades Pre-K to 8. He advised that the District's proposed plan calls for the demolition of the existing Hawthorne Avenue School and relocation of the School's program to the nearby existing University High School built in 1957, and construction of a New University High School. He said that the SDA and the DOE have reviewed the proposed plan and agreed with the District's request for construction of a new University High School instead of constructing a replacement elementary school project.

In continuing, Mr. Luckie reported that the New University High School will educate approximately 920 students in grades 9 to 12, and will significantly address District facility condition deficiency needs in grades Pre-K to 8 by increasing capacity at the relocated Hawthorne Avenue School program from 570 students to 900 students. He said that the SDA staff has developed a proposed Project scope which calls for the construction of an approximately 190,000 square foot new school facility for 920 students. He advised that in order to advance this Project it is also necessary for the Board to approve the attached Planning Project Charter, created by Program Operations staff, which details Project advancement recommendations including estimated project costs, pursuant to the SDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012. He explained that the estimated cost for the Project is \$153 million, inclusive of all estimated costs necessary for the advancement of the planned Project scope, as reflected in the Planning Project Charter submitted to the Board on this date and incorporated herein. He added that the SDA executive management and associated program staff recommend that the Members approve the proposed Planning Project Charter for the Project in the Newark School District, and authorize advancement of the



recommended design, procurement and related activities as reasonable, appropriate and in the best interest of the SDA and the taxpayers of New Jersey.

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. Burgos, with Mr. Lewis-Powder recused and abstaining, the Board approved Planning Project Charter for the Newark New University High School project with its unanimous vote in favor of ***Resolution 6b***.

Mr. Luckie said that the Committee is recommending Board approval of a Planning Project Charter for the New Passaic High School No. 12 replacement project. He said that the Authority's Plan identified a Passaic City Public School District replacement high school project for approximately 3,765 students that would address overcrowding and be constructed on existing District-owned property. He noted that working group discussions with the District and DOE have served to validate District needs, including that the District lacks capacity for approximately 875 students in grades 9 to 12, and identified the preferred location to be the existing Passaic High School No. 12 site. He said that upon review of the existing facility and the existing site, it has been determined that the existing school originally constructed in 1956 with additions in 1975, 1977 and 1996, comprised of approximately 313,000 square feet, is undersized and educationally inadequate to serve the current student population. He explained that it has further been determined that the site is inadequate to further expand the existing structure and significant renovations would be required to address both education program needs and replacement of existing building systems that are either at or near the end of their useful life. He said that the Plan anticipated advancement of a project for 3,765 students to accommodate the entire high school population in one facility, but current validation of District needs, including review of other facilities providing educational programs for students in grades 9 to 12 and a review by DOE of current enrollments projections, has resulted in the revised target capacity for

the replacement facility. He said that the Project scope accounts for the continued use of the Passaic Academy for Science and Engineering that provides a STEAM focused magnet program for students in grade 6 to 12. He added that SDA staff has developed a proposed Project scope which calls for the construction of an approximately 490,000 square foot new high school facility, the New Passaic High School No. 12, to provide capacity to educate approximately 2,400 students in grades 9 to 12.

In continuing, Mr. Luckie said that the Project anticipates that the existing school will need to be vacated and demolished prior to construction of the new school, and includes a District plan to temporarily relocate the existing student population into existing district facilities by completing a district-wide redistricting plan of all grade levels. He added that the advancement of this Project will fully address District capacity needs in grades 9 to 12. He explained that this Project will be advanced utilizing an engaged Bridging Design consultant to complete program-concept design, schematic design and prepare bridging documents to support a design-build delivery process. He noted that the Project budget that has been developed is reflective of the recommendation for a design-build project delivery utilizing an outside bridging design consultant. He advised that the estimated cost of \$328.1 million for the Project reflected in the Planning Project Charter is inclusive of all estimated costs necessary for the advancement of the planned Project scope. He said that the SDA executive management and associated program staff recommend that the Members of the Authority approve the proposed Planning Project Charter for the Project in the Passaic City Public School District, and authorize advancement of the recommended design, procurement and related activities as reasonable, appropriate and in the best interest of the SDA and the taxpayers of New Jersey.

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 Planning Project Charter for the New Passaic High School No. 12 replacement project with its unanimous vote in favor of ***Resolution 6c***.

Next, Mr. Luckie reported that management is seeking Board approval Credit Change Order No. 20 for the New Perth Amboy High School project (Project or School). He said that the New Perth Amboy High School, currently under construction by the SDA, is designed to educate approximately 2,800 students in grades 9 through 12 and is constructed on a property of approximately 11.6 acres that was acquired by the District for this purpose. He advised that Terminal Construction Corporation/Dinallo Construction Corporation (Terminal/Dinallo) was issued the notice-to-proceed (NTP) on January 6, 2020 with a commencement date of January 15, 2020, for the design and construction of the School, and the Project is expected to be completed by May 2024. He added that in May 2020, Cambridge Construction Management, now known as Anser Advisory, was issued a NTP for the construction management services for the School. He said that as Terminal/Dinallo prepared for the procurement of the IT equipment for this project, the sub-contractor submitted a RFI to inquire regarding the equipment specified, as the SDA had included in the bid package the specification for the equipment provided and being utilized by the District at that time, and the District had upgraded its IT standards since the bid was issued.

In continuing, Mr. Luckie said that an Order of Magnitude (OOM) cost proposal was requested from Terminal/Dinallo to upgrade the IT equipment specified in the bid documents to what the District was utilizing at that time, and Terminal/Dinallo provided an OOM cost proposal of \$1,112,408.60 for the upgrade of the IT equipment, which the Project Team found to be excessive. He advised that a review by the SDA's FFT&E team provided a significantly less cost proposal for the same upgraded equipment in the value of \$600,395.75. He reported that the Project Team provided a formal response to Terminal/Dinallo's RFI with a Request for Proposal

to provide for the credit of the construction cost to furnish and install IT Switches, WAPs and integration of the building IT system onto the District's system. He noted that Terminal/Dinallo ultimately submitted a credit proposal to properly address the credit for deleted labor and material and agreed to a final lump sum credit value of \$701,359.00 for Change Order No. 20. Mr. Luckie said that all documents supporting this credit change order have been reviewed by the associated SDA project team members as well as the program directors of program operations and environmental for adherence to current SDA policy and procedures and all reviewing SDA staff members have determined that this credit change order is justified and that the amount is reasonable and appropriate.

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. Burgos, the Board approved Credit Change Order No. 20 for the New Perth Amboy High School project with its unanimous vote in favor of ***Resolution 6d.***

Finally, Mr. Luckie said that the Committee is recommending Board approval of Change Order (CO) No. 1, Final Project Charter and Release of Funds from Program Reserve for the Union City Emerson Middle School emergent project (Project). He informed the Members that the Union City Emerson Middle School, built in 1915, is an approximately 104,000 square foot facility educating approximately 1,050 students in grades 6 through 8. He said that the SDA confirmed the need for emergent roof replacement and stucco repairs at the school, and engaged PS&S Architects, in September 2021, for the performance of initial Project Scope Development Services to address these conditions. He said that at the conclusion of Project Scope Development Services, the SDA advanced the Project through the engagement of a General Contractor (GC) utilizing the SDA's General Contractor Task Order Contract (GCTO Contract) and required the GC to engage the services of a Design Consultant to complete needed Design

Services. He noted that The SDA contracted with Epic Management, Inc. for construction management services for this project and the Design Consultant contract was issued to Delric Construction Co., Inc. (Delric). He reported that the GC's Design Team has reviewed the existing building conditions, and recommends the installation of a metal panel system in certain areas where the elevation of the school building exceeds the elevation of the adjacent residential structures, to provide the district with long term, maintenance free siding and prevent failure that could damage the adjacent residence. He noted that this recommendation was approved by the SDA Design Studio and incorporated into the approved design and construction documents. He added that the Project Team, SDA Financial Operations and Delric reviewed the scope of work, the anticipated project delivery schedule, access to the work site along with the building availability to assist in the development of the construction cost estimate.

In continuing, Mr. Luckie said that the original award for this engagement was based upon Delric's review of the RFP scope documents presented at the time of bid. He advised that following Delric's development of the design, schedule for construction and the refinement of scope, along with the establishment of the timing of material delivery and considering building accessibility, the not-to-exceed (NTE) cost originally allocated, which was \$2,046,868.00 for construction costs was determined to be insufficient. He said that CO No. 1, in the lump sum amount of \$1,156,424.55, is required to provide the amount equal to the differential in cost between the original NTE cost allocated for construction and the actual negotiated and agreed to construction cost required to effect roof replacement and stucco repair. He reported that CO No.1 also represents an increase in construction costs that will cause the overall project cost to exceed \$3,000,000, which is the per-project limit specified for projects issued under the GCTO Contract. He informed the Members that Projects issued under the GCTO Contract may be authorized to exceed the \$3,000,000 limit, in the discretion of the SDA, when unanticipated project conditions

warrant such increases, and the SDA Project Team has concluded that unanticipated project conditions warrant the requested increase. He advised that all documents supporting CO No. 1 have been reviewed by the SDA Project Team members for adherence to current SDA policy and procedures and SDA management has determined that the items included in this CO is justified and the amount is reasonable and appropriate and funding for the total project costs is available within the SDA Program Reserve maintained for emergent projects. He said that management also recommends that the Members of the Authority approve the Project's final charter as proposed, and the release of \$1,156,425 from the Program Reserve maintained for emergent projects. Mr. Luckie also said that management recommends Board approval of the Project's final project charter as presented which recognizes all scope elements, as well as a final project budget reflecting the award value for construction services inclusive of allowances and construction contingency, SDA staff costs and other costs.

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 Change Order No. 1, Final Project Charter and Release of Funds from Program Reserve for the Union City Emerson Middle School emergent project with its unanimous vote in favor of *Resolution 6e*.

### ***Public Comments***

At the Chairman's request Mr. Richard L. Matthews addressed the Board. Mr. Matthews said that he is the Business Administrator for the Patterson Public School District (District). He noted that he wanted to discuss Paterson School No. 3 (School No. 3) that had to remove all the children this past September. He advised that the initial assesses was approximately \$2.5 million which cost is now estimated at approximately \$7 million. He thanked the Members for the \$3.5 million allocated for emergent projects but said that with a price tag of \$7 million School No. 3

cannot be addressed. He noted the District's reluctance to restore the building due to its age and inadequate size. He said that it has presented a hardship with the children now being schooled at various other schools. He noted the lengthy timeframe before the children will be able to occupy School No. 3 anytime soon. Mr. Matthews said that he was before the Board today to ask the SDA to take another look at the District's needs for School No. 3.

Mr. Da Silva noted that Mr. Matthews had spoken to the Members at a Board Meeting last year with the request for the \$2.5 million, and now the cost has nearly tripled. He said that he would contact Mr. Matthews if more funds can be made available in the emergent pool of funds within the 2025 State Budget.

Mr. Nixon then asked for a motion to adjourn the Open Session of the meeting into Executive Session. He asked Ms. Venables to announce the matters to be considered by the Board in Executive Session. Ms. Venables advised that, the Board will adjourn into Executive Session to discuss an extension of the Lease between SDA and Housing Authority of the City of Union City regarding the premise located at 519-521 Summit Avenue, Union City for Block 19, Lot 9. She added that there will be no formal action taken today upon return to Open Session. She said that she would ask, Mr. Nixon that the Members approve ***Resolution 9*** reflecting its resolve to move into Executive Session to consider this matter.

Upon motion by Mr. Piaia 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.

### ***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 February 7, 2024 meeting.

/s/ Janice Venables  
Assistant Secretary