

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, FEBRUARY 5, 2025**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, February 5, 2025 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

Joseph DeCotiis, Public Member

Daniel Gumble, Public Member

Lester Lewis-Powder, Public Member

Michael Maloney, Public Member

Mario Vargas, Public Member

Nicole Vecchione, Public Member

being all the Members of the Board. Mr. Nixon, Mr. Capo, Mr. DeCotiis, Mr. Gumble, Mr. Lewis-Powder, Mr. Maloney, Mr. Moore and Mr. Piaia participated by teleconference.

At the Chairman's request, Manuel Da Silva, chief executive officer; Donald Guarriello, vice president and chief financial officer; Ramy Kamel, vice president; Albert Barnes, chief counsel and additional assistant secretary; Edye Maier, director; and Jamie Henneke, governance

coordinator and ethics manager of the SDA participated in the meeting. Alexis Franklin of the Governor's Authorities Unit (GAU) also attended the meeting.

Pledge of Allegiance

Led by the Mr. Da Silva, the assembled Members 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 public 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 was present.

Approval of Meeting Minutes

The Chairman presented for consideration and approval the minutes of the Board's January 8, 2025 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. Burgos and seconded by Mr. Piaia, the Open Session minutes of the January 8, 2025 SDA Board meeting were approved with the Members' vote in favor of the resolution attached hereto as ***Resolution 3a.***

Mr. Nixon presented for consideration and approval the minutes of the Board's January 8, 2025 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. Piaia and seconded by Mr. Vargas, the minutes of the January 8, 2025 SDA

Organizational Board meeting were approved with the Members' unanimous vote in favor of the resolution attached hereto as *Resolution 3b*.

Authority Matters

CEO's Report

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 Union City New Grade 7-9 School, exterior veneer activities are complete and window installation is ongoing. He added that the building is temporarily enclosed, temporary heat is on, drywall installation is ongoing and finish work has begun. He noted that playground area site work is ongoing now that the underground storm water system has been installed.

Turning to design-bid-build projects in the construction stage, Mr. Da Silva reported that for the Keansburg Port Monmouth Road School project, the emergency responder system was installed. He added that management is waiting for the fire, police and local EMS to complete verification testing. For the Orange High School and Cleveland Street Elementary School projects, he said that management anticipates the completion of the Department of Community Affairs final inspections on both projects and submission for certificates of occupancy by the end of this month.

With respect for projects with active early site preparation, Mr. Da Silva informed the Members that for the Garfield New Elementary School project, the design-build kick off meeting was held the previous month while construction management request for proposal is advertised and proposals are due later this month. For the Elizabeth New Elementary School project, he said that the early site package contractor continues with foundation and subsurface structure removal. He added that management expects to advertise the design-build contract later this

month. He advised that for the West New York Middle School project, the early site preparation package was advertised last month and bids are due mid-March.

Finally, Mr. Da Silva said that the Members will notice an additional report in the monthly reports section of the meeting materials. He advised that the SDA Board approved for adoption and publication updated Rules for Disposition of Surplus Real and Personal Property of the SDA, N.J.A.C. 19:35. He added that in accordance with the reporting requirements of these Rules, SDA management is presenting the December 31, 2024 Leased/Licensed Real Estate Owned Report.

Audit Committee

Mr. Vargas, as Audit Committee Acting Chairman, reported that the Audit Committee met on January 21, 2025, at which time management provided the Committee with the December 2024 New Funding Allocation and Capital Plan Update. He reported a \$15.9 million decrease in the Planning Reserve balance in recognition of interest earnings and program income for 2024 of approximately \$16.3 million and the release of budgetary funds for completed projects of approximately \$7 million. He said that these decreases are partially offset by \$7.4 million in reserve funds that were allocated to the Garfield New Elementary School project approved at the December 2024 Board Meeting. He noted that there were no changes in any of the other SDA reserve balances during the reporting period. Mr. Vargas then advised that a new reserve balance has been established to reflect the federal funds being received for the Union City New Grade 7 to 9 School project through the American Recovery Plan Capital Projects Fund. He explained that these funds are being held in reserve until such time as all obligations of the federal program have been met to ensure no repayment of funds will be required. He said that the Reserve Balance for the Regular Operating Districts decreased by \$4.9 million during the

reporting period due to recognition of program income for 2024 of approximately \$3.8 million and a \$1.1 million reductions in state share for grant projects nearing completion.

Mr. Vargas said that the Committee was provided with the 2025 capital-spending forecast (Forecast) for informational purposes noting that the forecast is based on Treasury Updated Spending Models that help to ensure that there is an optimum level of cash on hand. He reported that the Forecast anticipates the expenditure of approximately \$214.7 million for school facilities projects representing a decrease of approximately \$58.3 million over the 2024 estimated actual amount. Mr. Vargas said that the decrease is attributable to lower amount of forecasted payments for: Emergent & Capital Maintenance Grants; Construction costs; Property Acquisition, Relocation & Environmental costs and; School Furniture, Fixtures, Equipment & Technology. He noted that these forecasted decreases are partially offset by higher forecasted spending on regular operating district grants, project insurance and district grant & funding agreements.

Mr. Vargas then advised the Members 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 for addendum No. 5 of the Memorandum of Understanding (MOU) between the SDA and the Higher Education Student Assistance Authority (HESAA). He explained that HESAA administers the Governor's Industry Vocations Scholarship Program (NJ-GIVS, Program) that is a scholarship program for New Jersey students continuing their education in construction trades. He said that the Program, which has been funded by the SDA since 2013 pursuant to an MOU, allows the Authority to meet its statutory responsibility to fund construction-related job training for women and minorities. He said that the current 3-year not-to-exceed \$250,000 per year MOU became effective in May 2022 and will be ending April 30, 2025. He advised that

Committee will be requesting the Members extend the MOU Scholarship Program at its March Meeting. Mr. Vargas reported that, from the inception of the MOU, the Authority has expended over \$2 million on the scholarship program inclusive of fees paid to HESAA to administrative services. He said that scholarships up to \$2,000 have been awarded to students who have furthered their educations across various institutions of higher education throughout the State. He explained that since 2022, the current MOU, the Program has expended \$333,549.87 for years 1 and 2 of its 3-year commitment, though the total approved 2-year budget is \$500,000. He said that the fall semester of the 2024-2025 academic year included awards to 120 students, which nearly doubled the 64 students who received grants in fall 2023. Mr. Vargas said that management recommends the re-appropriation of unexpended funds from the prior two academic years to provide funding for spring 2025 NJ-GIVS awards. He stressed that this is not a request for additional state funds. He said that the Members are requested to approve Addendum No. 5 move the first two years unexpended funds to year 3 of the current MOU in the amount of \$165,550.08, resulting in an annual not-to-exceed amount of \$415,550.08 for year three of the MOU to fully fund the Program. Mr. Da Silva advised that the Program has a new executive director and that it appears there is renewed emphasis on scholarships. Ms. Maier noted that there was an extension on some of the FAFSA deadlines this year that may account for additional scholarship applications. Mr. Da Silva advised that discussions are currently underway for the next extension of the MOU for another 3-year term. He noted that the scholarship funds do not impact the SDA's budget as the funds represent ½ of 1% from each project that are kept in a separate account. Mr. Da Silva then discussed the students receiving these scholarships going into the construction trades.

A resolution pertaining to the MOU was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Burgos, and seconded by Ms. Vecchione the Board authorized management to approve addendum No. 5 of the Memorandum of Understanding between the SDA and Higher Education Student Assistance Authority for year three of the Governor's Industry Vocations Scholarship Program with its unanimous vote in favor of ***Resolution 5a.***

Public Comments

At this time Mr. Nixon announced that the public comments portion of the Meeting will commence consistent with the New Jersey Open Public Meetings Act. There being no public speakers, Mr. Nixon 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 property acquisition of 855-887 Broadway, Tax Block 8208, Lot 2.02 in the Paterson Public Schools District. She said that the Board will vote on this matter upon return to Open Session.

Upon motion by Mr. Vargas seconded by Mr. Burgos the Board unanimously voted to approve ***Resolution No. 8.*** and thereby adjourn the Open portion of the meeting into Executive Session.

At this time Mr. DeCotiis left the meeting.

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 property acquisition of 855-887 Broadway, Tax Block 8208, Lot 2.02 in the Paterson Public Schools District.

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 Ms. Vecchione, the Board, approved property acquisition of 855-887 Broadway, Tax Block 8208, Lot 2.02 in the Paterson Public Schools District with the SDA with its unanimous vote in favor of ***Resolution 6a***.

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 5, 2025 meeting.

/s/ Albert Barnes
Additional Assistant Secretary