

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, AUGUST 6, 2025**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, August 6, 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

Lester Lewis-Powder, Public Member

Michael Maloney, Public Member

Mario Vargas, Public Member

Nicole Vecchione, Public Member

being a quorum of the Members of the Board. Mr. Nixon, Mr. Capo, Mr. Lewis-Powder, Mr. Luckie Mr. Moore, Mr. Maloney, Mr. Piaia, Mr. Vargas and Ms. Vecchione participated by teleconference.

At the Chairman's request, Manuel Da Silva, chief executive officer; Laurette Pitts, 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. Jamera Sirmans of the Governor's Authorities Unit also attended the meeting.

Pledge of Allegiance

Led by 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. Venables read the requisite notice of public 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 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 July 2, 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. Vargas and seconded by Mr. Piaia, the Open Session minutes of the July 2, 2025 SDA Board meeting were approved with the Members' vote in favor of the resolution attached hereto as ***Resolution 3a.***

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 Garfield New Elementary School project, Package 3 building exterior and interior is on schedule to be submitted later this month.

In continuing, Mr. Da Silva gave an update on design-build projects in construction. He said that the Union City New Grade 7-9 School project (Project) is anticipated to open in

September for the students. He added that interior finish work and inspections continue on all floors. He noted that classroom and office space furniture is in the building, and is being distributed throughout the building. He said that the Union City streetscape project is ongoing and street sidewalks are complete and the road will soon be milled and repaved. He reported that the Project is approximately 94% complete and the district is scheduled to start moving into the building the week of August 18, 2025.

Turning to projects in the procurement stage, Mr. Da Silva advised that the Bridgeton High School additions and renovations project was advertised on May 16 and proposals are currently forecast and due this month. He noted that the construction manager procurement was advertised on June 30 and bids were received last week. For the Elizabeth New Elementary School project, he said that the contract award is being prepared and the team is preparing for the kick off meeting.

In continuing, Mr. Da Silva said that for the Pleasantville New Elementary School project, the early site package demolition notice-to-proceed is pending approval of required pre-award documentation submitted by USA Environmental Management. He added that the new elementary school project is anticipated to be advertised in August. With respect to the Trenton New Elementary school project (Project), he reported the Project was advertised on May 6, 2025. He noted that proposals were received last month and the proposals are scheduled to be opened next week.

Turning to Authority events, outreach and other activities, Mr. Da Silva informed the Members that the SDA will look to schedule an excavation/early site preparation event in West New York and a groundbreaking event in Garfield later this month. He said that management will advise the Board once we have tentative dates.

Finally, Mr. Da Silva said that the Members will notice an additional report in the executive section of the meeting materials. He explained that this report is required by the Operating Authority for recent construction change directives (CCDs) that have been executed and issued. He noted that the CCDs were issued to Dobco Inc. on the new Union City 7-9 School. He said that since the CCDs included estimated dollar values, management asks that the Members hold off on questions, if any, until the executive session.

Audit Committee

Mr. Nixon, as Audit Committee Chairman, advised that the Audit Committee met on July 21, 2025 at which time management provided the Committee with the May and June 2025 New Funding Allocation and Capital Plan Update. He reported a \$1.4 million increase in commitments against the 2011 Emergent Projects Reserve balance during the reporting periods. He said that the increase is due to CEO approval of the release of funds for the New Brunswick Pathways Middle School HVAC replacement project. Mr. Nixon then reported that the Reserve Balance for the Regular Operating Districts decreased by \$12.8 million during the reporting period due a reduction in state share for grant projects nearing completion. He noted that no grants were offered during the reporting period. Mr. Nixon then reported that Authority's Internal Audit division presented the report on the current status of IAs open audit recommendations from various project and operational audits. He thanked the division for their report. Next, Mr. Nixon presented the June 2025 monthly financial report. He advised that the Authority's year-to-date authority operating expenses (actual vs. budget) at approximately \$6.6 million, are down \$2.3 million as compared to the operating budget for the corresponding period. This variance is primarily due to lower expenditures in personnel costs, partially offset by; a reduced payroll expense allocation to project expenditures, professional and other contracted

services; information systems, facilities and general office expenses and SDA-owned automobiles. He said that the full time employee (FTE) headcount was 124 as of June 30, 2025 reflecting a 9 FTE decrease in comparison to the year-to-date budgeted headcount. He then reported that year-to-date school facilities project expenditures (actual vs. forecast) at approximately \$101.3 million, are \$29.3 million below the capital spending forecast for the corresponding period. He explained that this variance is due to lower spending in grant agreements, property acquisitions, project insurance, construction work, and school furniture, fixtures and equipment. He advised that these reductions were partially offset by an increase in design services spending. Mr. Nixon then reported that the year-to-date school facilities project expenditures (actual vs. prior year actual) expenditures, at \$101.3 million, are lower by \$71.6 million as compared to the corresponding prior year. He explained that this variance is a result of reduced expenditures for property acquisitions, grant agreements, construction work and school furniture, fixtures and equipment, offset by a spending increase in project insurance and design services. Mr. Nixon advised that since program inception, SDA has disbursed 82.7% of the funds authorized for the SDA Districts. Additionally, since program inception, 96% of all SDA disbursements relate to school facilities projects and 4% relate to operating expenses. He reported that the estimated value of active school facilities capital, emergent and regular operating districts grant projects is approximately \$1.2 billion.

Next, Mr. Nixon advised the Members that management provided the Committee with agenda items requiring Board action today. Referencing material previously provided for Board review, he said that in accordance with the Audit Committee Charter and pursuant to Executive Order No. 37, management and the Audit Committee are asking the Board to approve the SDA's 2024 Financial Statements (Audit, Statements). He advised that PKF O'Connor Davies, LLP

(PKF), SDA's independent auditor, presented the Committee the draft of the Statements and audit results. He reported that PKF outlined the areas of emphasis and the thought process utilized in the development of the Audit and confirmed that the Audit was performed consistent with the audit plan presented to the Members at its November Board 2024 Meeting. He advised that PKF reported that the Statements contained no corrected misstatements or material uncorrected misstatements. He explained that the auditors also reported that they did not find any matters that would rise to the level of either a material weakness or significant deficiency. He said that PKF's Report expresses an unmodified or clean opinion which suggests that the Statements present fairly, in all material respects, the financial position of the Authority as of December 31, 2024 and the changes in financial position for the year ended consistent with Generally Accepted Accounting Principles. Mr. Nixon thanked Mr. Cole and SDA's financial staff for their hard work.

A resolution pertaining to the 2024 Financial Statements 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 2024 Financial Statement as presented with its unanimous vote in favor of ***Resolution 5a.***

Mr. Nixon that advised the Members that in accordance with Executive Order 122, at the conclusion of the Committee Meeting, PKF O'Connor Davies met with the Committee and SDA's Director of Internal Audit without management present.

Lastly, Mr. Nixon advised that management is seeking approval of the Authority's 2024 Annual Report (Report) for Board consideration today. He said that this Report is prepared consistent with the Authority's bylaws and in accordance with Executive Order No. 37. He explained that among other things, it is comprised of the Authority's Audited Financial

Statements and identifies internal controls that govern expenditures, procurement and other financial matters and transactions.

A resolution pertaining to the 2024 Annual Report was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Burgos and seconded by Mr. Lewis-Powder, the Board the 2024 Annual Report with its unanimous vote in favor of ***Resolution 5b***.

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. Venables to announce the matter to be considered by the Board in Executive Session. Ms. Venables advised that, the Board will adjourn into Executive Session to discuss an informational item regarding a report on settlement of employee litigation. She said that there will be no formal action taken today upon return to Open Session. She added that would ask, Mr. Chairman, that the Members approve Resolution 7. reflecting its resolve to move into Executive Session to consider this matter.

Upon motion by Mr. Vargas seconded by Mr. Piaia the Board unanimously voted to approve ***Resolution No. 7***. 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 August 6, 2025 meeting.

/s/ Janice Venables
Assistant Secretary