

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING**

WEDNESDAY, MAY 7, 2014

A meeting of the Board of Directors of the New Jersey Schools Development Authority (“SDA” or “the Authority”) was held on Wednesday, May 7, 2014 at 11:00 AM at the International High School, 200 Grand Street, Paterson, New Jersey.

Participating were:

Edward Walsh, Chairman
Maureen Hassett (NJEDA)
Kevin Luckie (NJDCA)
David Moore (Treasury)
Frank LoDolce (NJDOE)
Kevin Egan
Loren Lemelle
Lester Lewis-Powder
Michael Maloney
Joseph McNamara
Robert Nixon
Mario Vargas

being a quorum of the Board. Ms. Hassett, Mr. Egan, Mr. Lewis-Powder, Mr. Moore and Mr. Maloney participated in the meeting by telephone conference.

At the Chairman’s request, Charles McKenna, chief executive officer; Jason Ballard, chief of staff; Andrew Yosha, executive vice president; Jane Kelly, vice president & assistant secretary; Donald Guarriello, vice president and chief financial officer; Raymond Arcario, vice president; Albert Barnes, chief counsel; Manuel DaSilva, program director; and James Adams,

program director, of the SDA participated in the meeting. Amy Herbold of the Governor's Authorities Unit also participated in the meeting.

The meeting was called to order by the Chairman of the Board, Mr. Walsh, who welcomed all present to the May 7, 2014 SDA Board Meeting in Paterson. Mr. Walsh requested that Ms. Kelly read the requisite notice of the meeting. Ms. Kelly announced that the meeting notice had been sent to the *Trenton Times* and *Star-Ledger* at least 48 hours prior to the meeting, and had been duly posted on the Secretary of State's bulletin board at the State House in Trenton, New Jersey.

The Chairman then invited Dr. Donnie Evans, Superintendent of the Paterson School District to address the Board. Dr. Evans welcomed the SDA Board to the City of Paterson and the Paterson School District. He expressed his appreciation for the Board's selection of Paterson for its meeting location and his hope that the Board will continue to have its meetings in the districts. He then discussed some of the challenges that the Paterson district has faced and some of its successes, including increasing student achievement and graduation rates. However, he said that the quality of school facilities continues to be a problem. He said that the Members will hear later from those in the audience in this regard. He again expressed his appreciation to the Members of the Board for their presence in Paterson.

Approval of Meeting Minutes

Mr. Walsh presented for consideration and approval the Minutes of the April 2, 2014 Open and Executive Session meetings. A copy of the minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Nixon, and seconded by Mr. Vargas, the Open and Executive Session minutes of the April 2, 2014

meeting were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Exhibit 3a./3b.*

Authority Matters

CEO Report

Mr. Walsh then asked Mr. McKenna to provide the Members with the report of the CEO. Mr. McKenna provided the Members with an update regarding the Trenton Central High School project (TCHS). He reported that the landlord's design consultant is finalizing design documents. He reminded the Board that approximately 1,600 students will be moving into swing space for the duration of the project. Mr. McKenna said that meetings with TCHS administration and staff have been initiated to review and confirm program needs and it is anticipated that conceptual design work will commence in the next two weeks. He noted that the District has formed three Advisory Groups, inclusive of district and community participation, related to school design, communications, and activities relevant to the closing of the existing TCHS facility. Mr. McKenna said that the SDA is participating with the work of those committees, as appropriate, for coordination with design and procurement activities for the new project. He noted that there is a desire among many involved to hold events to commemorate the 72 year "reign" of the current TCHS facility.

Next, Mr. McKenna reported that, on April 7th, SDA staff visited Newark to join legislators, public school officials and local officials in celebrating the start of 3 new schools – the Elliott, Oliver and South Street Elementary Schools. With regard to the Oliver and Elliott Street projects, Mr. McKenna reported that footing and foundation work is progressing, and that site work activities are progressing well at South Street. He noted that South Street is a bit behind due to the need for environmental remediation activities. He said that, because of the nature of the site work at South Street, the SDA coordinated with Newark Councilman Amadour

and held a Community Meeting on April 29th. Mr. McKenna informed the Members that the community meeting provided the SDA with the opportunity to address any potential local concerns regarding the obvious odor of diesel fuel oil at the site and to explain the work that is being performed.

In continuing, Mr. McKenna reported that he visited the Passaic Henry Street job site, where the steel erection work is progressing well and is expected to conclude by the first week in May. He said that SDA staff is serving in the Construction Management (CM) role on this project, and is pleased with the quality and progress of the contractor's work.

Next, Mr. McKenna reported that the SDA issued a limited Notice-to-Proceed (NTP) to Hall Construction for the Paterson PS #16 project, authorizing Hall to perform work for soil erosion control measures, installation of fencing and gates, sidewalk removal, etc.. He said that SDA is coordinating the removal of utility poles with the utility, PSE&G.

He also informed the Members that the SDA issued a limited NTP to Ernest Bock & Sons for the Bridgeton-Buckshutem Road project, authorizing Bock to perform soil erosion and sediment control measures.

With regard to procurement activities, Mr. McKenna reported that the procurement for design-build services for the Gloucester City New ES/MS project was advertised on March 4. He said that technical and price proposals are due on May 21. He also informed the Members that the procurement for track and field drainage improvements for the Long Branch High School project is proceeding via utilization of the GC Task Order contract. He added that this topic is on today's agenda and that staff will be discussing it later in the meeting. Mr. McKenna further reported that the procurement for roof replacement and masonry repairs for the Orange Middle School project was advertised on March 20. He said that the bid opening was April 23

and that the responsive low bidder was USA General Contractors with a bid of \$1,047,000. Mr. McKenna said that this is also on today's agenda and that staff will be discussing it later in the meeting. He then referenced the procurement for Insurance Broker & OCIP Administration Services. He said that the procurement was advertised on March 14 and that five (5) technical and price proposals were received on April 25. Mr. McKenna noted that the procurement process is ongoing and that the Chairman of the Board will be briefed on the matter before it advances. He said that an award recommendation may be presented for approval at the June Board meeting. He then informed the Members that Independent Auditor Services must soon be re-procured. He noted that the first step is for the Chairman of the Board to assign 3 Board Members to serve on the evaluation committee. He said that he expects that Mr. Nixon, Chairman of the Audit Committee, will discuss this in his Audit Committee report.

Next, Mr. McKenna provided the Members with an update regarding recent meetings and events. He reported that, on April 15, SDA staff visited Allendale in Bergen County to highlight the start of the execution of ROD Grant Funding from Allocation 4. He said that Allendale had four (4) grants executed totaling nearly \$350,000 for work, largely HVAC related, at 2 schools.

Mr. McKenna also reported that the SDA has completed the most recent (4th) session of its SMWBE Contractor Training Program. He described the details and purpose of the program and noted that the graduation/networking event was held on Wednesday, April 30 at the SDA's Trenton office at 10 AM. Mr. McKenna added that twenty-one (21) firms graduated this session and noted that the event was a big success which provided a networking opportunity for the graduates. He said that several of the state's most active contractors attended the graduation, and that the graduates were able to make contacts and exchange business cards.

Mr. McKenna reported that he also met with various interest groups in the month of April including the Executive Committees of the New Jersey Association of School Administrators and New Jersey Association of School Business Officials. He said that he also met with the membership of the Great Schools of New Jersey.

Next, Mr. McKenna reported that, along with DOE Commissioner David Hespe, he appeared before the Senate Budget Committee on April 3 and the Assembly Budget Committee this past Monday, May 5. He also noted that earlier this morning he had visited the Hazel Marshall Street site and the PS #16 site in Paterson.

Lastly, Mr. McKenna reminded the Members that their Special State Officer Financial Disclosure Statements are due to the Ethics Commission no later than May 15. He said that the \$50/day late submission penalties are strictly enforced. Mr. McKenna added that Ms. Kelly and SDA Ethics staff are available to assist the Members with any questions that they may have.

Mr. Vargas inquired as to whether delays are anticipated on the TCHS project. Mr. McKenna responded in the negative. He noted that the landlord is in charge of the swing space renovation and that SDA is expecting availability for occupancy in the August timeframe. He said that Mr. DaSilva and his staff are monitoring progress. Mr. McKenna said that meetings are being held with the district. He said that the completion of demolition is anticipated by December 2014 and that design activities will proceed simultaneously with demolition activities. He noted that the project will be a design-build project.

Mr. Vargas inquired as to the SMWBE training program and how the SDA is encouraging participants' hiring by SDA contractors. Mr. McKenna responded that SDA staff is monitoring and keeping track of its success in this regard. Mr. McNamara asked whether the

TCHS project involves any environmental issues. Mr. McKenna responded in the affirmative citing the need to treat asbestos in the existing building in an environmentally sound way.

Audit Committee Report

The Chairman then requested that Mr. Nixon provide the report of the Audit Committee. Mr. Nixon reported that the Audit Committee met on April 21, 2014. He reported that Management had provided the Committee with the March 2014 New Funding Allocation and Capital Plan Update. He said that Management reported that there were no changes in any of the Reserve balances during the reporting period. He advised that the reserve balance for the Regular Operating Districts (RODs) increased by \$1.4 million during the reporting period due to a reduction in state share for grant projects nearing completion. He advised that the approximately \$121 million Program Reserve for the RODs will be utilized in the coming months to allow for the offer of additional grants that have been approved by DOE. He explained that the purpose of the established reserve was to account for any unforeseen cost events related to the SDA managed regular operating district projects. He noted that all of the projects have been substantially completed. He advised that a reserve of \$10 million will be maintained to account for any potential cost impacts that may occur during the close-out of these projects.

Mr. Nixon next reported that the Authority's contract for independent auditor services with Ernst & Young, LLP (E&Y) is set to expire. He explained that the Chairman has appointed 3 Members to an evaluation committee which will complete the auditor selection process as outlined in section 6 of Executive Order No. 122 (EO no. 122). He advised that, at the Chairman's request, he (Mr. Nixon), Mr. Walsh and Mrs. Lemelle will serve as the 3 member evaluation committee.

Mr. Nixon then advised that the SDA has advertised a Request for Qualifications and Proposals (RFQ/RFP) to engage a firm to provide administrative services regarding the Insurance Broker and Owner Controlled Insurance Program (OCIP) program. He said that OCIP administration services will be required only if the SDA decides to move forward with a new OCIP program. He noted that further discussion would ensue regarding the OCIP program. He explained that the engagement of a broker does not obligate the Authority to purchase any such policies and that the broker is only compensated for services rendered.

In continuing, Mr. Nixon reported that Management shared with the Committee the results of a recent statutorily required audit focusing on the process and procedures followed on a qualified Section 15 Grants project. He said that one observation/recommendation was noted, with which the District agrees and which reportedly has been addressed.

Next, Mr. Nixon reported that the Committee was provided with the March 2014 Monthly Financial Report. He said that, year-to-date, the Authority's operating expenditures are \$775,000 lower than the operating budget for the corresponding period. He said that this is a \$100,000 decrease from actual expenses for the corresponding period in the prior year. He reported that, as of March 2014, the year to date project expenditures are \$48.1 million, \$12.8 million higher as compared to the actual expenses in the corresponding prior year. He said that this is attributable to increased spending for construction related activity.

Mr. Nixon then advised that Executive Management and the Committee are recommending that the Board approve an amendment to the SDA By-Laws to reflect the change of the Authority's principal address from 1 West State Street, Trenton, NJ to 32 East Front Street, Trenton, NJ. He explained that this is a "housekeeping" change but a necessary one to

ensure that the By-Laws are accurate and there is no confusion as to the address to which formal notices to the Authority must be sent.

A resolution pertaining to the amendment to Article I, section 1.3 of the SDA By-Laws had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Vargas and seconded by Mr. Luckie the amendment to article 1, section 1.3 of the SDA By-Laws was approved by the Board upon its vote in favor of the resolution attached hereto as **Exhibit 5a**.

School Review Committee Report

1) Release of Funds from Program Reserve, Award of Contract, and Approval of the Final Charter, Orange Public School District - Orange Preparatory Academy formerly known as the Orange Middle School-Emergent Project--Roof Replacement, Associated Roof Systems Repairs and Masonry Repair; 2) Construction Award - ET-0010-C02 - Long Branch HS – Track & Field Drainage Improvements

The Chairman then requested that Mr. Luckie provide the report of the School Review Committee. Mr. Luckie informed the Members that the School Review Committee met on April 21. He reported that the Orange Preparatory Academy in the Orange School District (the District), was built in 1924, and is a 52,000 square foot facility educating 532 students in grades 8 and 9. He said that site visits conducted by SDA and State Department of Education (DOE) staff to review potential emergent conditions in the District identified a potential emergent project at the Academy to address water infiltration, specifically related to the roof, associated roof systems, and masonry, for further review. Mr. Luckie noted that, following consultation with the District, additional site visits, analysis of available information, and development of a scope of work, unused reserve funding approved by the Board in 2008 (including additional emergent project funds authorized in 2011) became available for the project. He further reported

that, in 2013, utilizing the SDA's Design Consultant Services Task Order Contract for Emergent Projects, Capital Improvement Projects and Other School Facilities Projects (DC Task Order) SDA staff obtained pre-design activity services for the emergent project. He added that the emergent project will address the roof replacement inclusive of removal and replacement of the roof and associated roof systems repairs and improvements, masonry repairs, hazardous materials abatement and any code related improvements necessary for implementation of the construction scope of work. He said that, following a procurement process for construction services, the responsive low bidder was determined to be USA General Contractors (USAGC) whose bid of \$1,047,000 has been found to be inclusive of all scope elements contained in the Contract Documents. He said that funding for the total project costs are reserved within the SDA Program Reserve maintained for emergent projects and that the Board is requested to authorize release of the necessary funds in the amount of \$1,409,636. He added that the Board is also requested to approve the Final Charter for the project. In response to a question, Mr. DaSilva explained that the pricing proposed by USAGC was lower than the CCE for a couple of reasons, including that USAGC will be self-performing much of the work. He said that he and his staff have met with USAGC and are very comfortable with the contractor's ability to perform the work for the recommended contract price.

A resolution pertaining to the Release of Funds from the Program Reserve, Award of Contract, and Approval of the Final Charter Orange Public School District - Orange Preparatory Academy formerly known as the Orange Middle School -Emergent Project - Roof Replacement, Associated Roof Systems Repairs and Masonry Repair; had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Vargas, and seconded by

Mr. Nixon, the resolution attached hereto as *Exhibit 6a*. was unanimously approved by the Board.

Next, Mr. Luckie reported that a construction contract for the Long Branch High School Facilities Project in the Long Branch School District was awarded on January 30, 2004 and included, among other things, construction of a new high school facility, demolition of the existing Middle School and construction of athletic track and fields. He explained that, during and after completion of construction, water accumulated on the athletic track and field, impeding their use and causing deterioration to both. He informed the Members that an SDA consultant, whose services were retained through a task order engagement in December 2012, determined that the standing water condition is attributable to certain design and engineering deficiencies. Mr. Luckie noted that the recommended remedial work, which is expected to take three months to complete, must be undertaken during the summer months in order to allow the district to use the track and field by mid-September 2014. He said that the construction contract award Management is recommending for this project will utilize the SDA General Construction Services Task Order Contract (GC Task Order) approved by the Board in August 2011. He further explained that, on April 9, 2014, SDA Procurement staff contacted Ingrassia Construction Company, Inc. (Ingrassia), the next firm on the contractor rotational list, and confirmed its interest in the project. He said that negotiations with Ingrassia to achieve a mutually agreeable contract amount have not been completed to date. Mr. Luckie asked staff to provide the Board with additional details and its recommendation. Mr. McKenna said that, as a result of the discussions, it became clear that the \$1.6 million amount originally suggested by Management is too low and that the parameters must be higher. Mr. Adams outlined the scope of the project and provided a status of Management's discussion with Ingrassia. He said that an analysis conducted

by the Authority's Contracts Management Division (CMD) preceded the determination that the "not-to-exceed" contract amount upon the completion of negotiations is more appropriately \$1.75 million. Mr. Barnes advised the Board that costs associated with the remedial action are being pursued through a cost recovery action.

A resolution pertaining to the proposed construction award for the Long Branch High School track and field drainage improvements had been provided to the Members in advance of the meeting. Ms. Kelly clarified that the resolution before the Members would be revised to insert the amount of \$1.75 million in place of the \$1.6 million amount in the resolution. Following discussion, upon a motion by Mr. Vargas, and seconded by Ms. Hassett, the resolution attached hereto as *Exhibit 6b*. was unanimously approved by the Board.

In continuing, Mr. Luckie reported that, following discussion in Executive Session this morning, the Members are requested to approve the comprehensive settlement of all claims for additional compensation asserted by URS Corporation – New York and its affiliates arising from URS's agreements to provide project management services for multiple school facilities projects in the Jersey City School District, and various school facilities projects in the Vineland, Buena Regional, Bridgeton, Cumberland Regional and Gloucester City School Districts. He said that Chief Counsel presented the details of the proposed settlement earlier in Executive Session and that the proposed settlement will resolve and result in the dismissal of litigation brought by URS relating to the Jersey City Region PMF Agreement, URS Corporation – New York v. New Jersey Schools Development Authority, pending in the Superior Court of New Jersey, Law Division, Hudson County.

A resolution pertaining to the comprehensive settlement of litigation and all claims asserted by URS Corporation in connection with agreements to provide project management services in the Jersey City and Southern Regions had been provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Vargas, and seconded by Mr. McNamara, the resolution attached hereto as *Exhibit A1*. was unanimously approved by the Board.

Reports

The Chairman asked Mr. Ballard for an update regarding the Project Closeout Report. Mr. Ballard reported that, during the past month, Special Projects staff was successful in closing out three (3) Capital Plan projects (two in the City of Manchester, and one in Plainfield), one emergent project (City of Newark) and transferring one emergent project (City of East Orange). He informed the Members that the New Brunswick High School audit has been completed. He noted that Chief Counsel, the Director of Internal Audit and he (Mr. Ballard) met with outside interested parties to discuss findings in the report. He added that SDA staff will continue to have these conversations as they work to conclude their management report. Mr. Ballard reported that additional school audits are currently underway, as SDA staff develops a strategy to commence the next demonstration project audit. Mr. McKenna commended Susan Pacuta and Michael Santucci for their work on the New Brunswick audit.

Lastly, Mr. Ballard reported that there are a couple of cost recovery actions that Special Projects staff has currently undertaken. He said that some of these cost recovery efforts deal with Jersey City, Orange, Elizabeth and Greater Egg Harbor matters. He said that the SDA looks forward to advancing cost recovery actions to the Members for consideration upon their conclusion.

Public Comments

The Chairman then called for the Public Comments portion of the meeting to begin. The Chairman asked Dr. Donnie Evans, Superintendent of the Paterson Public Schools, to address the Board. Dr. Evans advised the Members that, while experiencing great success, the district is facing challenges as well, particularly in the area of facility needs. He said that Paterson has serious capacity issues and that, in fact, at the present time, 8 facilities are being leased by the district to house its students. He said that a number of TCUs are also in use. He said that the district is also required to transport students to provide them with classrooms. He said that this is resulting in the expenditure of significant dollars to pay for transportation and lease costs—a huge problem for the district. He said that, additionally, a number of the district's facilities require renovation or replacement due to age or their failure to meet educational standards. He said that accountability for performance and responsiveness to its clients is important to the district and the district, in turn, asks the SDA to be responsive and accountable to the district in its area of responsibility. He cited the lack of a CO for the International HS as an example. He recounted the lengthy and difficult history of the Hazel Marshall Street School and PS #16 and their failure to be built. He said that while the district is counting on the SDA's help, it is also taking steps to help itself. He outlined some of the steps the district is taking on its own behalf. He said that the district is working on a new 5 year facilities plan and seeking to project its future needs. He asked for the SDA's help in the area of lease/purchase arrangements to ensure educational adequacy, and that SDA stay on track with the Hazel Marshall and PS #16 projects as its population has grown and is growing. He said that the district will be seeking community input and SDA expertise in the preparation of its 5 year facilities plan. He said that the district

feels at a distinct disadvantage due to its status as a lessee. He thanked SDA for coming to Paterson and expressed his hope for cooperative efforts going forward.

The Chairman asked Linda Reid of the Parent Education Organizing Council (PEOC) to address the Board. Ms. Reid provided the Members with a handout—a list of Paterson’s aged schools and its existing approved Long Range Facility Plan. She said that PEOC comes to Trenton every month to support advancement of the Paterson projects and that now she is hearing that PS #16 is delayed. She cited the Trenton project and said that more action is being taken with respect to that project than the Paterson projects. Mr. McKenna emphasized that the impression that there is a delay with Paterson PS #16 project is incorrect. He also reminded those present that these projects were promised by the McGreevey, Codey and Corzine Administrations and not completed. He said that he understands the frustration and desire of parents to ensure solid learning facilities for their children. He said that the projects will be built by the Christie Administration and finished in 2016. He noted that Ms. Reid has always, while upset, been gracious in her dealings with the Board and that this is appreciated.

The Chairman asked Ms. Meri Peters of the Paterson Education Fund (PEF) to address the Board. Ms. Peters read a statement on behalf of Rosie Grant, Executive Director of the PEF.

The statement was distributed to the Members and is as follows:

Thank you for taking the time to come to Paterson and for this opportunity to testify. We’ve been fighting this battle to get new schools built in Paterson for many years. Paterson’s 2005 Long Range Facilities Plan determined that this district needed 20 new schools. Our population has grown since then and so has our need for more classrooms. In 2008, Governor Christie announced that 10 school construction projects would move forward and we were pleased that Hazel Marshall and School 16 were on the list. We created a “Restart Hazel Marshal” (sic) Facebook page to keep the community updated and for years the status said “no update.” This past February, there was another announcement that construction would begin this spring. We actually got excited and posted a video of a tractor clearing the land but this joy was short lived as nothing has happened since. Today we are still waiting.

This Monday, I heard the SDA testify to the Senate Budget Committee that it takes 5 years to build a school. Are we then to expect completion in 2019? I hope that this is incorrect and ask you for a real timeline for these 2 schools. Also, please give us some assurances that these schools will be built to code so that, unlike this building, we will be able to have a Certificate of Occupancy. We are very grateful for this lovely building that houses International High School and Garrett Morgan Academy, but it is shameful that there still isn't a clean CO after 5 years. We've done what we can with what we have but it's been an entire generation of children waiting.

When will Paterson students actually be in the schools? When will the other outdated and dysfunctional buildings be replaced? It's very challenging to provide a 21st century education in 19th century buildings. Our children are waiting.

Thank You.

Mr. McKenna disagreed with the characterization that "nothing is happening at Hazel Marshall". He said that he had been there earlier in the morning and that the project is advancing and activity is ongoing. He said that the "5 year" construction schedule he mentioned referenced a project from start to finish—design through remediation to completion. He said that the PS #16 and Hazel Marshall projects are well into that process and anticipated for occupancy in September 2016. He said that PS #16 is a bit behind Hazel Marshall but activity is apparent at both sites. He said that work is ongoing at other facilities in Paterson and other districts. He said that while the SDA cannot take care of 100 years of neglect in 5 years, efforts are underway and work is advancing.

Mr. Walsh asked Ms. Rebecca Fernandez of the PEOC to come to the podium. Ms. Fernandez thanked the Members and the SDA for holding the meeting in Paterson. She began her comments by referencing the Hazel Marshall Street School. She thanked the SDA for the trucks and trailers that are on the site and stated that, although trucks and trailers are on the site, there is no broken ground. She said that the school has been eleven (11) years in waiting. Ms. Fernandez said that when she visited the SDA two months ago, she was told that as soon as the weather is 50 degrees or more for 5 consecutive days, the Hazel Marshall Street project will

break ground. She said that her heat is off and her windows are open; she is not wearing sweaters outside so the weather is more than 50 degrees, yet there is no broken ground on the project. Ms. Fernandez said that the community is not going to consider Hazel Marshall Street built until it is rising from the ground. She noted that, just to have the Members and the SDA in Paterson is a big deal to the community. She said that, in speaking with members of the community in advance of the meeting, she heard a number of new issues that were not raised before such as the need to relocate teachers and students because of insufficient air quality in the classrooms. She added that students are losing whole days of school due to asthma from mold in classrooms. Ms. Fernandez said that parents have sent their children to school in several layers of clothing in what was one of the worst, if not the worst, winters because the schools were not prepared to deal with the conditions. She said that the school has water and exposed electrical outlets in the bathrooms where children are washing their hands. Ms. Fernandez said that they are also exposed to scalding pipes without protection. She said that there are rats running free and their feces are running freer. Ms. Fernandez pointed out photos of some of the conditions in Paterson that are propped up along the back wall. She urged the Members and SDA staff to walk by and see what the children of Paterson experience on a daily basis. She said that not only is the SDA responsible for Paterson's buildings, but for the future conditions of the entire community. Ms. Fernandez said that the students and the community deserve schools that are conducive to learning and dreaming, just as any other children in any other schools are. She asked the SDA for a timeline for the Hazel Marshall Street and PS 16 Schools in order to follow along and ensure that the community doesn't have to knock on the SDA's doors in two more years inquiring "where the heck are our schools". She requested a timeline and transparency as to what is going on with both school sites. Ms. Fernandez said that she is glad that the SDA

came to Paterson because sometimes when Paterson visits the SDA, they often hear, “well that’s an issue for the district” She added that, when they visit the district, the district says, “no, that’s an issue for the SDA” Ms. Fernandez said that the Superintendent and a number of Paterson Board member are in attendance. She asked for clarity for the community as to who is responsible for what. Mr. McKenna responded, stating that one of the issues that Ms. Fernandez alluded to was certain safety violations in the Paterson Schools. He referenced a February 28, 2014 newspaper article to the effect that, “the inspectors reported in Kennedy High School, nine (9) violations, including two exposed electrical wires near the gym and the fire exit door without panic bar, auditorium and malfunctioning emergency lights in the stairways.” He said that these are normal maintenance issues that are the responsibility of the district. Mr. McKenna noted that whenever there is a problem with the school, people want to look to the SDA for the answer, but often times, the SDA is not the answer. He said that the SDA builds major Capital projects and additions to schools. He said that the day-to-day maintenance of the schools is the responsibility of the districts. With respect to the timelines of the Hazel Marshall Street project, Mr. McKenna informed Ms. Fernandez of the following: foundation is September 2014; steel erections will be completed by January 2015; the building will be enclosed by August 2015; temporary certificate of occupancy should be obtained by January 2016; certificate of occupancy by May 2016; and move into the school by June 2016. Ms. MacLean noted that the timelines will be available to the public on the SDA website once additions to the website are up and running. She said that this should be within the coming month. Mr. Walsh inquired as to why the scalding pipes are not covered. Ms. Fernandez said that if it were up to the parents, they would be. She noted that the community will be taking the district to task for those issues to ensure that their children are in a healthy and safe school. She then noted that ten (10) of Paterson’s schools are more than 100

years old. She said that Paterson needs new schools. Ms. Fernandez said she appreciates the timeline on Hazel Marshall, but it has been eleven (11) years. She asked the Members to understand the community's frustration and anger. She noted that the community will be watching every single week to make sure that there is movement and progress on both sites. She thanked the Members and the SDA again for coming to Paterson.

Next, the Chairman asked Dr. Jonathan Hodges of the Paterson Public Schools to speak to the Members. First, Dr. Hodges welcomed the Members and the SDA to Paterson and thanked them for coming. He said that he wanted them to come in the winter time so that they could visit some of the more challenging facilities in order to experience what the children go through on a daily basis. Dr. Hodges echoed some of the previous speakers' comments, noting that Paterson has 11 or 12 schools that are over 100 years old. He said that, if they try to run computers for all students to take a test at the same time or if they try to run the computers with the air conditioning in the summer, it isn't possible due to the old infrastructure. Mr. McKenna stated that computers, in fact, can be put in 100 year old schools. He said that he visited a school a couple of weeks ago that was fully outfitted for computers. He said that it is not a question of SDA doing it but that it can be done. Dr. Hodges noted that he was not saying it could not be done, but that the infrastructure makes it difficult to do. He said that rewiring becomes very difficult in an old school. Mr. McKenna informed Dr. Hodges that rewiring a school is not an SDA mandate. Dr. Hodges said building a new school is an SDA mandate. He said that if new schools were built, the community would not be in this position. Dr. Hodges informed Mr. McKenna that he is not asking the SDA to do anything that it is not required to do. In fact, he said that the community wants the SDA to leave altogether and let them build the school. He said that these schools would have been built years ago. He then referenced International High

School and noted that we would not be sitting in a building that is 6 years old without a CO. Dr. Hodges asked that the SDA maintain reasonable timelines so that Paterson can be assured that their responsibilities can be focused on. He said that he has asked the SDA before when a project is an SDA responsibility and when it is a district responsibility. Dr. Hodges noted that the question remains important because, as a Board member in Paterson, he can hold his district accountable for the things that it's supposed to do. Dr. Hodges then reported that Paterson is spending \$4 million on leases. He said that, over ten years, that is a total of \$40 million of the taxpayers' money wasted. He said if the money could have been spent on facilities, they would be a lot further along than they are now. Dr. Hodges said that he hopes that the Members and the SDA are able to visit some of the old school facilities so that they can see firsthand what everyone is talking about. In closing, Dr. Hodges informed the Members and the SDA that Paterson wants to be their partners. He said that they want their children to have their needs addressed. He stated that the northern part of Paterson has extreme overcrowding and that the Don Bosco Technology Academy project was aimed at addressing the overcrowding issue. Dr. Hodges said that the community members want to shake the SDA's hands at the end of projects, not when they are told that they are getting projects. He then thanked the Members.

The Chairman asked Dr. Joseph Atallo of the Paterson Taxpayers Association to approach the podium. Dr. Atallo welcomed the Members and the SDA to Paterson. He said that the community appreciates the SDA holding its Board meeting in Paterson. Dr. Atallo stated that Paterson is in need of the SDA's help. He said that, in the 90's, he served as an administrator and that in 2000-2009 he served as an elected member of the Board. He noted that he has seen a lot of history regarding the Paterson facilities. Dr. Atallo said that the SCC, which is now the SDA, promised Paterson things that it did not get. He said that, literally, billions of

dollars were flushed away through fraud and mismanagement. Dr. Atallo mentioned that he knew Mr. McKenna when he worked for the U.S. Attorney's Office. He said that he and Mr. McKenna worked on corruption issues in Paterson, along with the FBI. He noted that they prosecuted school officials and vendors, adding that more school officials should have been prosecuted. Dr. Atallo asked Mr. McKenna what the SDA is doing to utilize his prosecutorial experience against fraud, abuse and waste so that the money goes to building schools for the children. Mr. McKenna replied that the SDA now operates with strict controls over how the money is spent. He said that the SDA has accounting safeguards and that he is confident that the money is being spent appropriately and in a non-fraudulent manner. Dr. Atallo said that he wanted to be sure because the taxpayer money should go to building schools for our children and not into the pockets of corrupt vendors and school officials. He then informed the Members that it is upsetting to him that he has to read in the newspaper, or that people call him or even stop him in the supermarket, about exposed electrical wires and all kinds of safety violations in the schools. Dr. Atallo agreed that it is administrative negligence and that the community cannot throw it at the SDA, which gets bad public relations as a result. He said that it is the failure of the school administration to address these issues for the safety of the children. With regard to International High School, Dr. Atallo said that he didn't want to belabor the CO point, but, because there is no CO, fire marshals were hired for fire code violations, and all that they do is stare at the ceiling all day. He said that in the new Roberto Clemente School, there are HVAC issues. Dr. Atallo mentioned that there are renovation issues at School 13 and School 6. He asked where the quality control was. He asked respectfully that the SDA monitor what goes on with the facilities and the dollars. He stated that at the SCC money was literally flushed away, yet no one was prosecuted. He said that, if Paterson had the money that was wasted, they could

have built the 20 schools that were needed for the children. In closing, Dr. Atallo said that the one common denominator that we all have is that we build good schools for our kids. He said that he agreed with Dr. Hodges about the computer issues and noted that, if the children had to be tested today, it physically could not be done. He said that the other problem that Paterson has is, administratively, there is no five-year plan in place and that they are way behind, which he noted is administrative negligence. Dr. Atallo said that the administration needs to be held accountable instead of always blaming the SDA. He asked that when things go wrong, like safety violations what are we supposed to do--wait until some kid gets electrocuted or hurt to address the issue? He then thanked the Members and the SDA for coming to Paterson and clarifying the role of the SDA. Dr. Atallo then mentioned that, in the winter time, the children do not have proper heat and cannot learn. He said that teachers cannot teach due to the lack of heat. He noted that the children go to school year round now and have no air conditioning. Dr. Atallo said that it would be foolish not to provide the children with air conditioning. Again, he thanked the Members and SDA and said that he hopes the meeting is productive.

At the request of the Chairman, Ms. Waheedah Muhammed, former member of the Paterson School Board, addressed the Board. Ms. Muhammed thanked the Members and the SDA for coming to Paterson. Ms. Muhammed said that the community appreciates the International High School building. She said that when it was built, she cried because she was so happy that Paterson was getting a brand new building for their children. She said that she also cried when she found out that the building did not have what it needed to provide the children with safety. Ms. Muhammed said that she wanted the SDA to feel what the community is feeling. She referenced a list that was provided to the Members of all of Paterson's schools. She said that she wanted to cry again. She said that when the SDA comes back for a tour, they

should start with School 14. Ms. Muhammed said that when you walk into School 14 you literally know that you are in an old, old building. She noted that the children deserve better. She addressed the parents and said that if they have allowed their children to be in buildings with exposed wires that it is on the parents, because parents have to say “no more!” Ms. Muhammed questioned the SDA’s SWMBE program to navigate bureaucracy in Trenton and asked if Paterson could be provided with the same training. She said that the community is thankful that the SDA is here to listen to them, but she judges people by what they do and not by what they say. She said that the community will be looking to make sure the SDA builds those schools that have been promised and if the SDA does not come through, they will be calling. Mr. McKenna told Ms. Muhammed to stay so that she could get a business card from him. She then thanked the SDA for coming and said that the community will be watching.

At Mr. Walsh’s request, Ms. Ellen Simon of the Jersey City Board of Education addressed the Members. Ms. Simon thanked the Board for their presence in North Jersey and noted that Mr. McKenna is new in his position and has inherited a situation that is less than ideal. She said that she can see Mr. McKenna is trying very hard to right situations stating that it will be a very long road. She spoke about Jersey City School No. 20 (PS #20), noting that it is over 100 years old and has gone thru 3 sets of plans and 7 ground breakings with no new school in sight. She requested some concrete dates to bring back to her community. Mr. McKenna provided the dates of Jersey City’s PS #20’s construction award and final charter; NTP; architectural design release; building award and completion date (2016). He advised that if construction has not already commenced, commencement is imminent. He advised that the SDA is also constructing Jersey City PS #3 which has the same 2016 completion date as PS #20. Ms. Simon noted that the stock of older schools is like those in the Paterson school district. She

advised that the administrator/teacher at her son's school must spend 30 minutes every morning on facility issues cutting into his other important responsibilities. She then stated that Jersey City requested \$50 million in emergency repairs noting that that request was not padded. She described the need for 11 new roofs, 9 new boilers, and 2 new elevators--one of which is for a school that serves only special needs students. Mr. McKenna said that he did not have the emergent project list at hand but offered his business card to Ms. Simon saying that he would respond to her request for information. In conclusion Ms. Simon asked why the SDA is not providing teacher parking. Mr. McKenna explained that the SDA is restricted in its ability to provide teacher parking.

The Chairman asked Ms. Sylvia Farrar of Operation Cease Fire of Paterson, New Jersey to approach the podium. Ms. Farrar explained that she is 57 years old and no longer has children attending Paterson schools. She thanked the SDA for coming to Paterson. She expressed her concern with overcrowding which was, she said, a problem "back in the day". She said that Paterson was supposed to be getting new schools when her sons were in school, noting that her sons are presently 30 and 37 years of age. Referencing Dr. Evans opening remarks, she said that Paterson has been waiting a very long time for new schools. She said that at the middle schools there is not enough air for the children to breathe due to overcrowding. She then asked about the first and fourth wards. She asked what is going to happen with the PS #17 school building in the first ward and referenced overcrowding at School #27. Ms. Farrar then talked about getting Paterson schools "on-line". She said that a computer professor that was to lecture at Panther Academy could not do so due to the fact that the school is so old it cannot be "on-line". She asked how teachers can teach on computers when the school is not "on-line". She advised that test scores are very low. She said "we need schools to be built". She noted that all her children

have moved out of Paterson to give their children a better education. She said that she has remained because she wants to be part of a change for Paterson. She said that there are plenty of vacant lots upon which schools can be built.

At Mr. Walsh's request, Mr. Corey Teague of the Paterson Board of Education addressed the Members. Mr. Teague welcomed the SDA to Paterson. He said that he is a parent as well as a member of the PBOE. He said that he is addressing the Board with number of concerns about Paterson's facilities conditions. He said that his greatest concern is that, for so many years, Paterson has been ignored. He said that when elected officials are campaigning, Paterson is a place they are sure to visit to shake many hands but when it comes to addressing the needs of the children, Paterson is put on the back burner. He said he has been listening to all the public speakers concerns but all he hears in response is excuses. Mr. Teague then noted the vast amount of money being spent on fire marshals at International High School. He said that those dollars should have gone to provide another new school or new programs for the children. He said that he hasn't seen the exact figures for the fire marshals but he has been told that it is as high as \$5,000.00 a day equaling \$900,000 for 180 days of school. He said that Paterson has a serious problem due to fact that the children are not being housed at school safely. He said that children going to school in the summer are burning up and in the winter they are too cold and bundled up in coats and jackets making it difficult for them to write. He stressed that the children's environment must be conducive to learning. He stated that he can go to Dr. Evans when parents complain or make suggestions but, ultimately, Dr. Evans is under the control of the Governor. He said that he is unable to get Mr. Hespe to come and sit in a boiling or freezing classroom so that he might experience what the children of Paterson experience on a daily basis. Mr. Teague said that he is asking the Board to go back to Trenton and if they are having lunch

with the Governor to please tell him to get serious about Paterson and do the things that he said he would do. He said that in many of the classrooms there are English and Spanish speaking children put together---creating a situation where neither group learns. He said that the state holds the key to the success of Paterson's children and the state is failing and needs to be held accountable. He said that he believes that the Paterson Superintendent is doing the best he can with what he has. He said that he is asking the Members of the SDA Board to go back to the Governor and tell him that "the people of Paterson are tired, the parents have had enough, we've got to get something done, thank you".

At the request of the Chairman, Ms. Darlene Morris, a Paterson public school employee addressed the Board. Ms. Morris said that, due to overcrowding, there are parents that have 3 children at 3 different schools. She said that the school buses are continually late which makes her late to work and affects her lifestyle and income. She said that she has been listening to the speakers today and to what the Board had to say. She said that she believes that it should be everyone's moral obligation to educate the children in the very best way. She said that the lack of facilities, poor busing and poor conditions at the schools are not the business of the Board of Education but of society as a whole. She said that without the proper education these children will not be able to sit where the Board members are now sitting and take their roles in society. She said that children model what they see. She explained that if the children don't see themselves getting a proper education and view their parents as always struggling to get what they need they won't realize what they can do. She said families should be able go to school together to watch out for one another, giving them safe passage home. She said that like the parent speaking before her, she is 57 years old. She said that it makes her cringe that these children may not get the opportunity to show the world what they have inside of them. Ms.

Morris said that she is aware that the SDA is responsible for the infrastructure of the school buildings but that we as a society have a moral obligation to these children. She said “we cannot continue to kick the children down the road”. She said that we need to find out where all the money is and get rid of those people who are not doing their jobs. Ms. Morris advised the Board that she was out of her office for a week for medical reasons and upon her return her entire day was taken up with school facility issues. She asked the Board to make her job easier by talking to other people in the state that can help with these issues. In closing she said that “we all have a higher power to answer to”.

At the Chairman’s request, Mike Flynn of the New Jersey Education Association approached the podium. Mr. Flynn said that he is a former resident of Paterson and thanked the SDA for coming to Paterson. He said that what has not been recognized today is the transient population of Paterson’s students. He said that the NJEA represents approximately 3,500 teachers, cafeteria workers, principals and supervisors. Mr. Flynn then read a prepared statement into the record as follows:

NJEA commends the members of the Board for holding this meeting in Paterson today. It’s a long-overdue gesture that we believe indicates a genuine desire to see and understand the magnitude of the problem that you have been charged to help solve. We hope that you recognize not only the size of the problem, but the educational and moral imperative of addressing it immediately, aggressively and comprehensively. Because children measure time differently than adults, and they cannot afford to wait for us. We want to ask you to do a little thought experiment with me. Think back four years ago, to 2010. Governor Christie was already in office. President Obama was halfway through his first term. Most of us probably still live in the same house, work for the same company and maybe even drive the same car as we did back then. The point is, from our perspective, four years isn’t a very long time. But see it from a student’s point of view. Kids who were still looking forward to starting high school then are just a few weeks away from graduating right now. Some kids who were still in elementary school then are already finishing their first year of high school. That year’s first graders will start middle school this fall. For us, four years goes by in a blink of an eye. For children, it’s a whole era of their childhood. And it saddens me to think that if any child entered a school that was unhealthy, dangerous or educationally unsound in 2010, we’ve already missed the opportunity to make it right and give that child the school she deserves. Every time you put a project on hold...every

time the discussion gets tabled until the next meeting...every time bureaucratic obstacles are allowed to slow down the progress another class or even another generation of students misses out on an opportunity that will never come around again. We understand the need for fiscal responsibility. We understand the necessity of making sure the projects are being done efficiently and properly. But we don't understand - if the educational welfare of children is our driving motivation - how it is possible that so little has been accomplished, or even begun, in the last four years. We are encouraged by some of what we see. The commitment to build a new high school in Trenton is a huge step in the right direction. But it's not enough. It doesn't help students right here in Paterson whose conditions are just as bleak as those in Trenton. It doesn't help students in any of New Jersey's most economically-challenged communities who continue to wait and wait for SDA to release the funds that have already been designated to give them the educational opportunities they deserve. NJEA will not stand silent any longer. I think we've demonstrated that over the last year. This morning, leaders of our organization, and our national organization, are touring the Cleveland Street School in Orange, where students sit waiting for you to act. This afternoon, they will tour the historic Hedgepeth-Williams School in Trenton, where conditions are unhealthy, unsafe and unsuited to learning. Please, don't let us stand here again in four years, or even one more year, and raise the same issues that have been raised today. Our children deserve better.
Thank you.

Next, Ms. Mo Kinberg of the Healthy Schools Now NJ/NJ Work Environment Council addressed the Members at the Chairman's request. Ms. Kinberg thanked the Board for holding its Board meeting in Paterson and encouraged the Members to hold their meetings in the 31 SDA districts going forward. She said that the SDA was created for the purpose of equity-- to ensure that students in the SDA districts receive the same quality of education as those in the suburban districts. She urged the SDA to "think outside of the box" and to work with the DOE and the districts and seek ways to ensure that these students receive the same quality of education as suburban students.

Mr. Walsh then asked Mr. James Kiamie of the Paterson Public Schools to address the Board. Mr. Kiamie was not present.

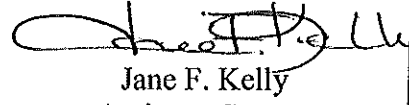
The Chairman asked Paterson Mayor Jeffrey Jones to speak to the Board. Mayor Jones welcomed the SDA Board to the City of Paterson. He said that he was involved in education issues in Paterson during the time the SDA was created. He outlined his involvement in

education issues in the City of Paterson over many years. He expressed his hope that the City of Paterson will not have to wait for decades for facilities that it should have had. He said that he is a firm believer that an encouraging and inspiring environment in which an education is received is every bit as important as the education provided. He urged the Board to recognize and understand the frustrations that the parents of Paterson have. He asked for well-constructed, sound facilities for Paterson's children so that all the children have to worry about is learning. He outlined some of the problems that exist—age, temperature, etc. He described the “glow” of the children when Paterson International High School opened, reflecting the cooperative work of the district, the SDA and others.

Mr. Walsh thanked Mayor Jones and expressed the Board Members' concern for the students and commitment to its mission. Mr. McKenna expressed his appreciation to those who took the time to attend the SDA Board meeting today.

Mr. Walsh then asked for a motion to adjourn the meeting. Upon motion 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 May 7, 2014 meeting.



Jane F. Kelly
Assistant Secretary