

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

WEDNESDAY, OCTOBER 1, 2014

A meeting of the Board of Directors of the New Jersey Schools Development Authority (“SDA” or “the Authority”) was held on Wednesday, October 1, 2014 at 11:00 AM at the Union City High School, in Union City, New Jersey.

Participating were:

Edward Walsh, Chairman
Maureen Hassett (NJEDA)
Kevin Luckie (NJDCA)
Matthew Murray (Treasury)
Bernard Piaia (NJDOE)
Loren Lemelle
Lester Lewis-Powder
Michael Maloney
Joseph McNamara
Robert Nixon
Mario Vargas

being a quorum of the Board. Mr. Lewis-Powder, Mr. Luckie, Mr. Maloney and Mr. Piaia 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; Ritchard Sherman, managing director; Gregory Voronov, managing director and Paul Hamilton, senior program

officer, 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 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.

Approval of Meeting Minutes

Mr. Walsh presented for consideration and approval the Minutes of the September 3, 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. Vargas, and seconded by Ms. Lemelle, the Open and Executive Session minutes of the September 3, 2014 meeting were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Exhibit 3a.13b*.

Authority Matters

CEO Report

Prior to beginning his Report of the Chief Executive Officer, Mr. McKenna asked Union City Superintendent of Schools, Silvia Abbato, to address the Board. On behalf of the Mayor and the District, Superintendent Abbato welcomed the Members and SDA staff to Union City High School. She thanked Governor Christie and the SDA for the wonderful job that is being done every day in changing lives and families. Superintendent Abbato said that the moment the children walk into their facility, they feel proud. She informed the Members that Union City HS is a 96% Latino community/minority school, and that, as of last night, the school received

National Blue Ribbon status. She invited the Members and SDA staff to tour the school upon adjournment of the Board meeting. Ms. Abbato invited the Members and the SDA to visit Union City High School in the future.

Mr. McKenna then provided the Report of the Chief Executive Officer. Mr. McKenna advised the Board that work at the six Trenton Central High School (TCHS) swing space facilities was completed within the District's schedule requirements and, importantly, classes began on schedule at those facilities. He said that district facilities staff continues to occupy the building at Chambers Street and will continue to do so for another month while final "move-out activities" are ongoing. He further advised that the Authority issued a Notice to Proceed (NTP) to Accent Fence, Inc. on September 23rd to install temporary construction fencing to secure the existing school site since the school is now officially closed to students.

Mr. McKenna said that the SDA also issued a NTP to Wu Associates on September 17th to prepare storage space to warehouse materials and equipment that will be reutilized in the new high school. He added that, while the SDA could have rented storage space for this material, it was more cost efficient to fix the ventilation system at a district facility for such purpose. This way, he said, the material and equipment can be stored during construction and the storage space will be available for District use for years thereafter. Mr. McKenna said that review and discussion of programming for the new TCHS is ongoing with the District, DOE and SDA. He noted that the SDA has developed conceptual design options for review with the District, based upon the draft program, adding that the site investigation and environmental review of the existing TCHS has been completed. He said that SDA is currently reviewing the draft preliminary report. Mr. McKenna concluded his remarks regarding the status of the TCHS project by advising the Board that the SDA has accepted the structural assessment report with the

results of the structural investigation of the existing TCHS. He noted that a district board meeting is scheduled for October 14th. He said that a public board committee meeting is also scheduled for October 7th at which time the issue will be discussed. Mr. Maloney exited the meeting at this time.

In continuing, Mr. McKenna advised the Board that all work by the major construction trades associated with the Elizabeth Academic High School project is on schedule and construction is progressing well. He said that the steel has been erected and that staff is hoping for enclosure of the building by the winter months.

With respect to the Phillipsburg High School project, he reported that excavation, footing, foundation, waterproofing and concrete slab work is on-going in all areas. He said that structural steel erection is projected to commence this month (October) and that the team is working with the contractor to re-sequence certain work and continue to make progress while steel is being fabricated.

Mr. McKenna reported that structural steel erection commenced on August 26th for the Paterson Marshall Street Elementary School project and is 35%-40% complete. He said that masonry work has commenced in the basement areas. He advised the Board that slabs on grade and on deck are underway and will continue as areas are ready. He said that pedestrian bridge abutment work has commenced on both sides of the bridge and the design team is working around underground obstructions as they are encountered. He explained that the pedestrian bridge is located across the railroad tracks at the site. He added that the pedestrian bridge is in fabrication and is projected to be set in Spring of 2015.

With respect to the Paterson PS 16 project, Mr. McKenna reported that final design and building enclosure packages are being reviewed by the SDA Design Studio. He said that the

design should be completed by November 2014. He advised that footings and foundation work continues and that steel fabrication is underway. Mr. McKenna further advised that underground utilities work is expected to commence this month (October). He added that steel erection is projected to commence in January 2015. With respect to the Jersey City PS No. 20 project, Mr. McKenna advised the Board that building enclosure masonry work has begun and all other construction trade work associated with the project is proceeding on schedule.

Mr. McKenna reported that contract asbestos abatement work is complete on the Garfield James Madison Elementary School No. 10 demolition project. He said that removal of unanticipated additional asbestos began the week of September 29th and that demolition of the existing structure is anticipated to begin by mid-October. He said that the construction documents for the New James Madison School are currently undergoing review by the Department of Community Affairs (DCA) and that the DCA is positioned to issue a release for construction any day.

Mr. McKenna next reported that installation of footings, foundations, and underground utilities is nearing completion on the Bridgeton Quarter Mile Lane Elementary School. He said that work continues on the underground storm water detention system there. He added that footings are nearly complete on the Bridgeton Buckshutem Elementary School project and that storm drainage work is on-going. He added that other portions of the building design are under review by DCA.

Mr. McKenna advised the Board that structural steel erection is nearly complete on the Newark Elliott Street Elementary school project. He said that other work underway includes slab on metal deck, interior masonry walls, and mechanical/electrical rough in.

Mr. McKenna then discussed other projects ongoing in Newark. He said that foundation work is 95% complete on the Newark Oliver Street Elementary School project, adding that underground utility work is on-going and that steel erection continues there. He advised the Board that early site package work continues on the project with expected completion in December 2014.

In continuing, Mr. McKenna reported that, on the Newark South Street Elementary School project, more than 36,000 tons of replacement stone and backfill have been placed, and 3,600,000 gallons of contaminated water have been treated to date. He said that schematic design of the new school building is underway. Mr. McKenna emphasized that staff is working to address the significant contamination issues at the site.

In continuing, Mr. McKenna advised the Board that a CO was issued for the Long Branch Catrambone project and that the District occupied the school for a successful opening, on schedule and within budget.

Mr. McKenna reported that construction work is nearing completion on the New Brunswick Redshaw Elementary School project. He said that a punch list was issued to the design-build contractor and work continues on completion of those items. He said that work in progress includes commissioning, final cleaning, furniture deliveries, site work and playground equipment installation. He noted that program staff anticipates DCA being in a position to issue a CO by the end of October.

Mr. McKenna advised that construction work continues to progress well on the Passaic Henry Street Elementary School project. He said that masonry work associated with building enclosure has begun and the work of all major construction trades associated with the project is on schedule.

He said that a limited construction NTP was issued to the design-builder on the New Jersey City Elementary School No. 3 project for pre-construction site activities. He added that the design phase is nearly complete and that footings & foundations and structural steel construction documents are currently under review by DCA.

Mr. McKenna said that a limited construction NTP was issued to the design-builder for pre-construction activities for the Gloucester Elementary School/Middle School project and that the design phase has begun. In continuing, Mr. McKenna advised the Board that the design-build technical proposals were received by the SDA on September 19th for the Elizabeth New Elementary School and are currently under review by the selection committee. He said that responses to the advertisement include submissions by Dobco, Epic, Ernest Bock & Sons, Terminal Construction, Torcon and Patock. He advised the Board that price proposals are anticipated to be opened on October 3rd. Mr. McKenna advised the Board of a problem has occurred regarding the City's dedication to the project of a "paper road" located adjacent to the site. He said that he has written a letter to the District wherein he advises that the project will not proceed until this issue is resolved.

Mr. McKenna next reported that the Millville High School/Middle School project is nearing the end of the pre-design phase. He said that the bridging design consultant will issue a final pre-design report that outlines the selection of a preferred design scheme. He said that the next phase is to negotiate with the existing bridging design consultant for the remainder of the bridging design services.

Turning to procurement activity, Mr. McKenna again noted that temporary construction fencing has been procured for the TCHS project at a cost of \$139,900. He said that the NTP was issued on September 23.

With respect to the Gloucester City New Elementary School/Middle School project, Mr. McKenna reported that, on August 6, SDA issued a NTP to Terminal Construction Corporation for the design-build contract. He said that the SDA has begun meeting with Terminal and its design-build team to begin the design phase of the project. He added that it is also anticipated that Terminal will begin limited site clearing activities shortly. Mr. McKenna further advised the Board that, on September 3, SDA received technical and price proposals for construction management services from five firms: Epic, Greyhawk, Jingoli, McCloud and STV. He said that the procurement process is ongoing and an award recommendation will be presented for approval at the November board meeting

Mr. McKenna again reported that the SDA has received technical and price proposals for design-build services on the Elizabeth New Elementary School project. He added that the procurement process is ongoing and an award recommendation will be presented for approval at the November board meeting.

In continuing, Mr. McKenna reported that technical and price proposals were received from three firms on September 17th for relocation services. He said that the procurement process is ongoing and an award recommendation will be presented for consideration at the November board meeting.

Finally, Mr. McKenna reported that technical and price proposals were received from three firms on September 24 for a broker for SDA's business and real estate property and casualty insurance program. He said that the procurement process is ongoing and an award recommendation will be presented for consideration at the November board meeting.

Mr. McKenna concluded his formal CEO report by discussing recent SDA events. He said that on Monday, September 8th, the SDA joined Trenton officials for a tour of the recently

completed swing space to celebrate the start of school for the TCHS community. He reminded the Board that the SDA has invested over \$4 million in renovations at all of the swing spaces over the summer months in preparation for the start of school, adding that this work was completed on time and on budget.

Mr. McKenna advised the Board that staff is currently working to schedule a ground breaking ceremony for the new PS 16 Elementary School in Paterson to be held within the next couple of weeks, adding that the Members will be advised when this is scheduled.

Finally, Mr. McKenna reported that a ribbon cutting ceremony for the George L. Catrambone Elementary School was held on Thursday, September 25. He said that he joined Governor Christie, local and state officials for the celebration of the opening of this school. Mr. McKenna noted that this event was held two years and one day from the groundbreaking ceremony for the project. He thanked Mr. McNamara for attending this event at which the excitement of the Long Branch community and the students was palpable. He stressed the importance of such facilities which often serve as needed community centers as well. Mr. McKenna said that the students and teachers of the Catrambone School had shared a video wherein they describe what they like most about their new school. He then introduced the video which was played for the Members, staff and those members of the public attending the meeting.

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 September 15, 2014. He said that Management had provided the Committee with the August 2014 New Funding Allocation and Capital Plan Update. He advised the Board that there were no changes in commitments reported in any of the Reserve balances during the reporting period.

Mr. Nixon reported that the reserve balance for the Regular Operating Districts (“RODs”) decreased by \$300,000 during the reporting period due to the offer of 2 additional grants approved by the Department of Education (DOE).

Next, Mr. Nixon reported that SDA’s auditing group and outside auditor presented the Committee with the results of one statutorily required audit along with recommendations for next steps that the Board and staff might consider in the future.

In continuing, Mr. Nixon reported that the Committee was provided with the August 2014 Monthly Financial Report. He said that, year-to-date, the Authority’s operating expenses total \$12.5 million which is \$1.9 million lower than the operating budget for the corresponding period. He said that this is a \$1.3 million decrease from actual expenses for the corresponding period in the prior year, noting that the decrease is largely due to lower monthly rent expenses and lower allocation of salary and benefit costs to project costs in 2014. He reported that, as of August 2014, year-to-date project expenditures are \$172.1 million which is \$38.2 million lower than the project spending forecast for the corresponding period. He said that prior year actual expenditures have increased by \$28.5 million as compared to prior year actual expenditures. He said that this is largely attributable to increased spending for construction related activity.

Mr. Nixon noted that, since inception, 69% of the funds authorized for the SDA Districts have been disbursed. He reported that 96% of all SDA disbursements relate to school facilities projects and 4% relate to program administrative and general expenses. Mr. Nixon reported that the current estimated value of current school facilities project activity is approximately \$2.2 billion.

Revised Preliminary Project Charter for Trenton Central High School Project

Next, at the Chairman's request, Mr. McKenna provided the Members with an overview of the proposed Revised Preliminary Project Charter for the TCHS project. Referencing the memorandum and revised preliminary project charter that were previously submitted to the Members for review and consideration, Mr. McKenna reported that the SDA received a structural report from CB&I (Site Consultant) with regard to the project. He informed the Members that at his first meeting with the community regarding the TCHS project, it was stressed that the community wanted the building to be preserved because it had "good bones". Mr. McKenna said that the structural report revealed the opposite. He added that the community may not have been aware of how deteriorated the building was at the time of their first meeting. Mr. McKenna said that the structural report does not show that any portion of the building can be preserved. He said that further testing would have to be performed in order to see if any of the building can be saved and that there are no guarantees. Mr. McKenna said that if it was determined that any portion of the building would be preserved, it could result in adding an additional two years to the project. He reminded the Members that the TCHS students are currently being housed in six different swing space buildings. Mr. McKenna noted that, originally, the project was estimated to be built in four to five years, but it could take significantly longer if portions of the building were to be preserved. He informed the Members that another meeting will be taking place with the Trenton Board of Education (TBOE). He said that the need to engage in additional discussions with the TBOE as to whether to include a part of the old building in the construction of the new school has now negatively impacted the project schedule. Mr. McKenna added that, with the revised preliminary charter in place, if the community decides to proceed with demolishing the building, the SDA will not have to come

back to the Board for input, but if it is decided that portions of the building should be preserved, the SDA would have to present this to the Members. Mr. McKenna then took general questions from the Members.

After discussion, a resolution for approval of the Revised Preliminary Project Charter for the Trenton Central High School had been provided to the Members in advance of the meeting. Upon a motion by Mr. Vargas, and seconded by Mr. Nixon, the resolution attached hereto as *Exhibit 4ai*. was unanimously approved by the Board.

Mr. McKenna then acknowledged the presence of Union City Mayor Brian P. Stack and thanked him for welcoming the SDA Board to Union City.

Real Estate Committee Report

Mr. Luckie then reported that the Members had engaged in a discussion earlier during the Executive Session of the meeting regarding a recommended acquisition of real property for the Paterson School District Elementary School Grade Level Project. Ms. Kelly indicated that the Members are being requested to approve site identification of specified property in the City of Paterson and to authorize Management to extend an offer for its purchase in the amount of its estimated market value as determined by a recent appraisal.

A resolution for approval of the Paterson School District Elementary School Grade Level Project and Request for Real Property Acquisition had been provided to the Members in advance of the meeting. Upon a motion by Mr. Walsh, and seconded by Mr. McNamara, the resolution attached hereto as *Exhibit A2*. was unanimously approved by the Board.

Public Comments

The Chairman then opened the Public Comments portion of the meeting. Three representatives from Irvington who had travelled to the SDA headquarters in Trenton, New Jersey had indicated an interest in addressing the Board. Mr. Walsh expressed the Board's apologies that the Irvington representatives were unaware that the Board meeting had been moved to Union City and thanked them for coming.

He then asked Ms. Patricia Wilson to address the Members. Ms. Wilson acknowledged the Members and introduced herself, noting that she was representing the Irvington Board of Education. She also introduced six other parent coordinators from the Irvington District who were in attendance. Ms. Wilson thanked the SDA for their efforts and for repairing the boilers at the Berkeley Terrace Elementary School (Berkeley ES) and Union Avenue Middle School. She also thanked the SDA for the roof repairs at Berkeley ES, Chancellor Avenue Elementary School (Chancellor ES), Madison Avenue Elementary School (Madison Avenue ES), and University Middle School (University MS) which, she noted, is almost completed. She added that, in the Irvington Public Schools, the community believes that "anything is possible". Ms. Wilson said that the community is committed to improving the academic achievement of all students through rigorous, relevant and authentic educational experiences. She said that, in order to achieve this goal, there are still projects that the District needs the SDA to complete. Ms. Wilson reminded the Members that three projects, two of which are emergent, were approved by the SDA for completion, but work has yet to begin. She listed them as follows: 1) roof repair at Irvington High School; 2) HVAC repair at Irvington HS; and 3) a new school for Madison Avenue ES. She provided the Members with detailed descriptions of each project's issues. Ms. Wilson said that students that are zoned to the Madison Avenue ES have to walk over a mile to school. She

said that Irvington has a growing student population, which has resulted in overcrowding at Florence Avenue Elementary School (Florence ES) because the school must enroll students zoned to Madison ES. She asked that the SDA expedite the new Madison Avenue ES and the repairs at the Irvington HS. In closing, Ms. Wilson informed the SDA that the Irvington District will be submitting applications for more emergent conditions in Irvington. She provided a list of emergent conditions for the following schools: *HVAC*: Mt. Vernon ES, Florence Ave. ES; University MS, Union Ave. MS, Thurgood Marshall ES, Augusta Pre-K, and University ES; *Exterior Doors*: Union Ave. MS; *Roofing*: Grove St. ES; *Boilers*: University MS; *Windows*: Grove St. ES. Again, Ms. Wilson thanked the Members and the SDA for their consideration.

Mr. McKenna thanked Ms. Wilson and echoed Mr. Walsh's apology for not being at the SDA to receive the Irvington School District representatives. He also thanked Ms. Wilson for taking the time to prepare the list of items needed by the Irvington District and thanked her and the other attendees for advocating for their district. Mr. McKenna explained the process districts must follow to land their emergent projects on the emergent projects list. He then asked Mr. Da Silva to provide an update regarding the Irvington HS roof project. Mr. Da Silva explained that the roof project and HVAC work for Irvington HS is at 100% Construction Documents and ready for submission to DCA. He said that the construction will then be procured in 2015, with installation to follow during the summer of that year. Mr. McKenna also provided a detailed description of the process that an emergent project follows. Mr. McKenna then asked Mr. Voronov to provide an update regarding the new facility for the Madison Avenue ES. Mr. Voronov reported that the SDA has an upcoming teleconference with the District on Monday, October 6 to finalize program plans to address the District's needs regarding the Madison Avenue school. He noted that, upon completion of these discussions and the finalizing of

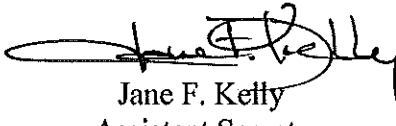
program plans, a project charter will be advanced to the Members in order to move the project along. Mr. McKenna then provided a detailed description of the process for the new facility for the Madison Avenue ES. Mr. Da Silva also clarified that the HVAC and roof for the Irvington High School will be performed simultaneously. Mr. McKenna reiterated that the Irvington District advocate to the DOE with respect to the list of items that Ms. Wilson had shared with the Board. He then advised Ms. Wilson to call him at the SDA with any additional questions or concerns she may have regarding the District's needs.

Next, Ms. Eileen Wesley, President of the Irvington Education Association addressed the Members. She noted that she has been a teacher in the district for 30 years. Ms. Wesley thanked the SDA for the recent updates on the three projects that were raised by Ms. Wilson. She said that she wished to echo Ms. Wilson's comments regarding the list of items needed by the Irvington School District. She noted that, while there is a process that has to be followed and vetted, the District expects excellence from its students; therefore, the students expect excellence from the SDA and the district as well. Ms. Wesley stated that she understands that the roof and ventilation work for the high school is expected to begin in 2015; however, if the coming winter is anything like the last winter that the high school experienced, the students will suffer. She added that if there is anything the SDA can do to expedite the process, it would be greatly appreciated. Ms. Wesley thanked the SDA again for the work that has been performed in the district and noted that she is looking forward to more of the same. Mr. McKenna agreed with Ms. Wesley with regard to expectations of excellence from the students as well as the SDA and the District. He noted that the SDA understands the frustration of the District in wanting projects completed sooner rather than later.

Lastly, Mr. Richard Moon, President of the Irvington Security and Attendance Office Association addressed the Members. He noted that Ms. Wilson and Ms. Wesley had previously explained the concerns and needs that he too shares regarding the Irvington School District. Mr. Moon said that he wanted to add his voice and note the urgency of the various needs in Irvington. He provided a brief description of his responsibilities as a Security and Attendance Officer, explaining that his position is to ensure that students are attending school and to make sure that they are safe for the duration. Mr. Moon said that the SDA has a security responsibility to the students as well and that the SDA has a duty to ensure their safety. He implored the SDA to ensure that the Irvington students have a safe and healthy school where their focus can be on learning. Mr. McKenna agreed that it has to be a cooperative effort and that everyone must be involved in order to provide safe and healthy schools for the children.

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 October 1, 2014 meeting.



Jane F. Kelly
Assistant Secretary

