

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

WEDNESDAY, NOVEMBER 5, 2014

A meeting of the Board of Directors of the New Jersey Schools Development Authority (“SDA” or “the Authority”) was held on Wednesday, November 5, 2014 at 9:00 AM at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

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

being a quorum of the Board. Mr. Egan, Ms. Hassett, Ms. Lemelle, Mr. Lewis-Powder, Mr. McNamara, Mr. Nixon, 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; Terry Pollin, associate vice president; Ritchard Sherman, managing director; Gregory Voronov, managing director; Ritchard Sherman, managing director;

Corrado Minervini, program director; Aidita Milsted, program director; Jacob Moneta, director; Karon Simmonds, director; Cecelia Haney, senior counsel; and David Kutch, senior procurement analyst of the SDA, participated in the meeting. Michael Collins 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 October 1, 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. Hassett, the Open and Executive Session minutes of the October 1, 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 asked Mr. McKenna for the report of the Chief Executive Officer. Mr. McKenna reported that the Authority received \$525 million of new bond money on Friday, October 17 which is the largest such sale since Governor Christie took office in 2010. He said this issuance is larger than the \$503 million sale in May 2010. Mr. McKenna reported that, to date, the state has nearly \$1.5 billion in bonds and notes to fund the school construction program

since Governor Christie took office. He also informed the Members that the state spent an average of \$17,266.00 per public elementary school student in 2012, which is the third largest amount among the states, according to the Census Bureau.

Next, Mr. McKenna provided the Members with an update regarding the Trenton Central High School (TCHS) project. He reported that district facilities staff is occupying the TCHS building at Chambers Street and will continue to do so until the end of October while final “move-out activities” are ongoing. He said that the SDA issued a Notice to Proceed (NTP) to Accent Fence, Inc. on September 23 and temporary construction fence installation work is ongoing to secure the existing school site. He advised the Members that the SDA issued a NTP to Wu Associates on September 17 to prepare storage space to warehouse materials and equipment that will be reutilized in the new high school, adding that the equipment is scheduled for delivery mid-November 2014. He noted that the site investigation and environmental review of the existing TCHS has been completed and that SDA has issued comments on the draft preliminary report. Next, Mr. McKenna reported that he and staff attended the October 14 district Board meeting at which time the Trenton Board of Education (TBOE) voted in favor of complete demolition of the existing building and construction of a new school. He advised the Members that, as part of the construction, TCHS will be provided with a new pool. He noted that structural engineers CB&I submitted draft abatement and demolition design documents on October 17 and advised that the next steps will consist of the final completion of demolition design, and submission to State Historic Preservation Office, Office of the State Comptroller and DCA. He said that a draft program for the new TCHS has been prepared and is under review by DOE. He added that the SDA has revised the concept plan for the project to incorporate the replacement swimming pool and this is being reviewed with the District toward finalization. Mr.

McKenna said that the SDA has proceeded with detailed programming interviews to support development of educational specifications.

Mr. McKenna then provided updates regarding other SDA projects currently underway. He provided the Members with current details regarding the Bridgeton Buckshutem Elementary School project. He said that footings, foundations and slabs are complete, masonry work is ongoing, and other portions of the building design are under review by the DCA. He reported that footings and foundations and underground utilities work (with the exception of electrical) is complete on the Bridgeton Quarter Mile Lane Elementary School which is nearing completion. He said that the underground storm water detention system is complete and remaining site drainage work continues.

In continuing, Mr. McKenna reported that all work by the major construction trades associated with the Elizabeth Academic High School project in the Elizabeth School District is on schedule and that the project is moving along well.

With regard to the Elizabeth New Elementary School project, Mr. McKenna reported that bids were received by the SDA on October 3 for design-build services. He noted that Torcon, Inc. is the apparent awardee. Mr. McKenna said that Patock Construction Company, Inc. (Patock) submitted a bid protest on October 14 and that SDA Counsel has reviewed the matter and a formal denial has been issued in response. He also noted that a problem had arisen with the Authority getting clear title in connection with this project, however, he reported that this issue has been resolved.

Mr. McKenna then reported that, with regard to the Garfield James Madison Elementary School No. 10 (demolition) project, asbestos abatement work continues and demolition of the existing structure is anticipated to begin early this month. He said that this will follow

completion of the demolition and removal of additional unforeseen asbestos material and a concrete sub-slab encountered during the abatement operations. He reported that the construction documents for the New James Madison School have been released by the DCA and advertisements for a general contractor (GC) and a construction manager (CM) are expected to be made early this month.

With regard to the Gloucester Elementary/Middle School project, Mr. McKenna reported that a limited construction NTP was issued to the design-builder for pre-construction activities and that the design phase has begun.

On the Jersey City PS No. 20 project, Mr. McKenna reported that building enclosure masonry work has begun and all other construction trades associated with the project are proceeding on schedule.

Next, Mr. McKenna provided the Committee with an update regarding the Jersey City Elementary School No. 3 project. He reported that a limited construction NTP was issued to the design-builder for pre-construction site activities. He said that the design phase is nearly complete, that footings & foundations and structural steel construction documents have been released by DCA, and construction is expected to begin early November.

With regard to the Keansburg Caruso Elementary School project, Mr. McKenna reported that the design-build project is in final design with packages for structural steel, and footings & foundations presently under review by DCA.

Next, Mr. McKenna 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 recommendation of a preferred design scheme. He added

that the next phase is to negotiate with the bridging design consultant to provide the remainder of the bridging design services.

With regard to the Newark Elliott Street Elementary School project, Mr. McKenna reported that footings and foundations and structural steel erection work is complete. He said that concrete slab work is 90% complete and that masonry wall work, and mechanical/electrical rough-in work is ongoing. He noted that site drainage and detention work is also ongoing.

In continuing, Mr. McKenna informed the Members that foundation work is 95% complete on the Newark Oliver Street Elementary School project. He added that underground utility work is ongoing there and that steel erection continues.

Next, Mr. McKenna reported that early site package work continues on the Newark South Street Elementary School remediation project. He said that completion is targeted for December 2014. He added that, to date, more than 36,000 tons of replacement stone and backfill have been placed, and 3,600,000 gallons of contaminated water have been treated. Mr. McKenna emphasized that this is one of the largest environmental clean-ups currently ongoing in New Jersey. He noted that schematic design of the new school building is underway.

In continuing, Mr. McKenna reported that construction work is complete on the New Brunswick Redshaw Elementary School project and that the keys have been turned over to the District. He noted that "move in" is expected to proceed on November 12. He added that work in progress includes commissioning, final cleaning, furniture deliveries, site work, and playground equipment installation. Mr. McKenna said that program staff anticipates that DCA will be in a position to issue a CO by end of November. He advised the Board that a formal ribbon cutting event will be scheduled toward the end of November. Mr. McKenna added that the District is very pleased with their new school.

With regard to the Passaic Henry Street Elementary School project, Mr. McKenna reported that construction work continues to progress well. He said that masonry work associated with the building enclosure is progressing. However, he advised the Board that some of the design-build contractor's work in-place is unacceptable. He said that on October 27, the SDA held an on-site meeting that included the design-build team, the International Masonry Institute, the brick manufacturer and brick supplier to review and discuss the supplied materials and the masonry sub-contractor's workmanship. He said that several areas of installed brick will be removed and replaced to meet accepted standards. Mr. McKenna noted that the design-builder and masonry sub-contractor will revise the quality control/quality assurance program to ensure that all new work is acceptable. Mr. Pollin provided an additional explanation regarding the basis for staff's concerns with the work and emphasized that the problems were caught early and will be addressed.

Next, Mr. McKenna reported that, with regard to the Paterson Marshall Street Elementary School project, a steel topping-out ceremony took place on Monday, November 3. He said that Phase II structural steel erection and underground plumbing and electrical in all areas is nearing completion. Mr. McKenna noted that slabs on grade are being completed in coordination with steel erection and the pedestrian bridge abutment work has commenced on both sides of the bridge that will span the adjacent railroad.

With regard to the Paterson PS 16 project, Mr. McKenna informed the Members that final design and building enclosure packages are being reviewed by the SDA design studio. He said that the design should be completed this month. He explained that footings and foundation work continues in areas B and C, and steel fabrication is underway. Mr. McKenna mentioned

that underground utilities work commenced with 12" water main tie-in underway and that steel erection is projected to commence in January 2015.

With regard to the Phillipsburg High School project, Mr. McKenna reported that excavation, footing, foundation, waterproofing and concrete slab work is ongoing in all areas. He said that steel erection commenced on October 22.

With regard to SDA procurement activity, Mr. McKenna said that Management is recommending an award for construction management services to GREYHAWK for the Gloucester City New ES/MS project. He said that this matter is on today's agenda and will be discussed later in the meeting.

With regard to the Elizabeth New Elementary School (Elizabeth New ES) project, Mr. McKenna reported that Management is recommending an award to Torcon for design-build services for the Elizabeth New ES project. He said that this matter is also on today's agenda and will be discussed by staff later in the meeting.

Mr. McKenna then reported that a memorandum regarding a recommended award to O.R. Colan for relocation services is on today's agenda. He said that SDA staff will be discussing this matter as well later in the meeting.

Mr. McKenna then reported that Management is recommending an award to The Safegard Group for Insurance Broker Services. He said that this is also on today's agenda and will be discussed later in the meeting.

With regard to outreach, events and other activities, Mr. McKenna again referenced his October 14 appearance before the TBOE, where he made a presentation regarding the advancement of the TCHS project (full demolition vs. retaining certain elements of the school). Mr. McKenna then reported that the SDA participated in a groundbreaking ceremony with the

Lieutenant Governor for PS 16 in Paterson on October 21. He said that the SDA also participated in a beam signing event at the Paterson Marshall Street School project with students and district representatives on November 3.

In continuing, Mr. McKenna reported that SDA's communications staff is also working to schedule additional beam signing ceremonies and a demolition event for later this month.

Mr. McKenna informed the Members that, on October 9, Karon Simmonds, director of risk management and vendor services, presented at the Northeast Regional Interstate Labor Standards Association Prevailing Wage and Misclassification Conference in Atlantic City. He noted that the conference was hosted in partnership with the New Jersey Department of Labor.

Mr. McKenna also reported that, on October 16, Ritchard Sherman, managing director of SDA's design team, participated in a panel discussion on Safe, Secure & Supportive Schools-Balancing and Nurturing K-12 Environments & Security Design. He said that the conference was sponsored by TRESPA Design in New York City. He also informed that Members that, on October 29, Mr. Sherman presented before the New Jersey School Boards Association at their annual conference on green building practices.

In closing, Mr. McKenna reported that the SDA is finalizing its fall newsletter for distribution within the next few weeks.

Following Mr. McKenna's report, Mr. Walsh noted that he would like to review lessons learned from the design-build projects undertaken to date. Also, Mr. Maloney discussed, and the Members acknowledged, the importance of recognizing the significant contributions of the labor sector, in addition to that of the contractors, to the successful completion of projects.

Finally, in response to an inquiry by Mr. Vargas, Mr. McKenna provided an update regarding the status of efforts to address overcrowding in Perth Amboy.

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 October 20, 2014. He said that Management had provided the Committee with the September 2013 New Funding Allocation and Capital Plan Update. He advised that Management had reported that there were no changes in any of the SDA district reserve balances for the reporting period. He added that the reserve balance for the Regular Operating Districts (“RODs”) increased by \$4.6 million during the reporting period. He explained that the increase is due to a reduction in state share for grant projects nearing completion.

In continuing, Mr. Nixon reported that Management had presented to the Committee the results of the Matrix East Front Street Operating Company, Inc., LLC (Matrix) – Common Area Maintenance (CAM) Fees Audit (the Audit). He explained that the Audit was conducted to determine the validity of the 2013 CAM fees charged by Landlord, Matrix, to the SDA. He advised that the Audit reported two observations. He said that the first observation was that Matrix overcharged the SDA due to an error in the occupancy rate. He said that the second observation described an incorrect management fee rate in the calculations utilized in the management fees charged to the SDA. Mr. Nixon advised that a credit of \$13,810 to the SDA resulted from the Audit. He noted that the findings have been addressed and will not be a problem going forward. He explained that the occupancy rate will not be an issue as the SDA is now the sole tenant in the building and the management fee rate has been corrected in the newly negotiated lease agreement which states that any management fees included in lessor’s operating expenses shall not exceed 3% of the basic rent.

Next, Mr. Nixon advised the Board that the Committee was provided with the September 2014 Monthly Financial Report. He said that Management advised that, as of September 2014, the Authority's operating expenditures totaled \$13.4 million which is \$2.6 million lower than the operating budget for the corresponding period. He said that this is a \$1.8 million decrease from actual expenses for the corresponding period in the prior year. He explained that the decrease is largely due to lower monthly rent expenses and cost savings related to MIS projects. He then reported that, as of September 2014, the year to date project expenditures are \$202.1 million, down \$38.8 million as compared to the 2014 Capital spending forecast for the corresponding period. He explained that the decrease is attributable to lower than anticipated expenditures in grant activity of \$21.1 million and construction activity totaling \$22.5 million, partially offset by an increase in other project related costs of \$4.8 million. He reported that year-to-date project expenditures have increased \$44.4 million as compared to actual expenses in the corresponding prior year. He said that this is attributable to construction costs and other project related activity, offset by a decrease in grant activity of \$22 million.

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. He advised that the estimated value of current school facilities project activity is approximately \$2.2 billion.

Next, Mr. Nixon said that Management presented the proposed 2015 budget for brief Committee review and preliminary discussion. He noted that the Mr. Guarriello discussed in brief budgetary items and comparisons presented in the proposed budget. He advised that the draft budget continues to be revised and will be presented and discussed again at the November

Audit Committee Meeting prior to its advancement to the full Board at the December Board Meeting.

Mr. Nixon then presented the Audit Committee's recommendation for approval of an award of the Authority's Business & Real Estate Property & Casualty Insurance Program (Insurance Program). He explained the procurement process followed along with the contract allowances noting that the top ranked firm at the completion of the process was The Safeguard Group. He reported that the award is for a not-to-exceed amount of \$2,235,000 (or \$745,000 annually) for the placement and servicing of the SDA's Business Real Estate Property and Casualty Insurance Program. He advised that the proposed annual premiums reflect an approximate 3% reduction in overall cost from the current program. Mr. Nixon asked if there were any questions regarding the award. Ms. Simmonds advised that the award is consistent with current costs noting that the Authority has become more pro-active in deeding properties back to the districts. In response to an inquiry by Mr. Vargas, Ms. Simmonds discussed the disparities in the levels of the pricing proposals. She noted that The Safeguard Group currently serves the Authority.

After discussion, Mr. Nixon asked if there were any further questions regarding the recommended award. Hearing none, Mr. Nixon called for a vote to approve the Authority's Business & Real Estate Property & Casualty Insurance Program as presented in Resolution 5a.

A resolution pertaining to the proposed Award of the Authority's Business & Real Estate Property & Casualty Insurance Program to The Safeguard Group had been provided to the Members in advance of the meeting. Upon a motion by Mr. Vargas and seconded by Mr. Piaia, the resolution attached hereto as *Exhibit 5a*. was unanimously approved by the Board.

School Review Committee Report

1) Gloucester City - Construction Management Services – Approval of Award; 2) Elizabeth - New Elementary School - Design-Build Award and Approval of Final Project Charter; 3) State-Wide Relocation Consultant Services – Approval of Award; 4) Extension of Professional Staffing Services Contracts – (PW1204); 5) Proposed Readoption with Amendments: Title 19, Chapter 39 – Affirmative Action Rules

Mr. Walsh asked Mr. Maloney to provide the report of the School Review Committee.

Mr. Maloney said that the Committee met on October 20, 2014. He advised the Board that the Committee had discussed Management's recommended construction management services award for the Gloucester City New ES/MS project.

He said that the Gloucester City New ES/MS will be a 122,000 square foot facility to educate 687 students in grades 4 through 8 in the Gloucester City Public School District. He reminded the Members that, in July 2014, the Board approved the final project charter and award to Terminal Construction Corporation (Terminal) for design-build services for this project and that a NTP was issued to Terminal on August 6, 2014. He said that, in August 2014, a "price and other factors" procurement for construction management services was advertised.

Mr. Maloney explained that, upon completion of the procurement process, Management is recommending the award of a contract in the amount of \$1,320,000 for construction management services to GREYHAWK, North America, LLC. He said that funding for this engagement is available within the project budget, in accordance with the final project charter that the Members approved in July.

At Mr. Maloney's request, Mr. Minervini provided additional comments. He indicated that GREYHAWK is working with the Authority on a couple of projects and that he can think of no reason not to move this award forward.

Mr. Maloney said that the Committee recommends that the Board approve the award of a contract in the amount of \$1,320,000 to GREYHAWK North America, LLC, for Construction Management Services for the Gloucester City New ES/MS located in the Gloucester City Public School District, with the contract and all documentation to be reviewed and approved by the SDA Division of Chief Counsel prior to execution. He indicated that a vote on Resolution 6a is in order.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Walsh, the recommended award to GREYHAWK, North America, LLC was approved with the Board's unanimous vote in favor of Resolution 6a.

Mr. Maloney then presented Management's recommendation for award of a design-build contract for the Elizabeth New Elementary School in the Elizabeth School District. He said that the Elizabeth New ES will be a 140,000 square foot facility to educate 880 students in grades 2 through 8 in the Elizabeth School District and will share a site with the existing William Halloran PS No. 22 School.

Mr. Maloney reminded the Board that, in March 2012, the Board approved the SDA's 2012 Capital Plan which identified an Elizabeth elementary school grade level project addressing high priority educational needs that required further discussion with the District. He said that, upon inclusion of the Project in the Capital Plan, review and validation activities were completed by the District, Department of Education (DOE) and SDA which served to inform the preliminary project charter for the construction of a New ES that was approved by the Board in July 2013.

Mr. Maloney said that, following approval of the preliminary project charter, SDA staff developed schematic design documents which were approved by the District and DOE and, with the assistance of the engaged site environmental consultant, developed bridging documents to support procurement of a design-builder.

He said that the package was advertised as a design-build solicitation (price 60% and other factors 40%) in June 2014. Mr. Maloney advised the Board that, upon completion of the procurement process, Management recommends award of the contract for design-build services to Torcon, Inc.

At Mr. Maloney's request, Mr. Minervini offered additional comments. He noted that the project is anticipated for completion in 2018 and groundbreaking is anticipated in approximately seven months. In response to an inquiry by Mr. Vargas, Mr. Sherman said that this project will significantly address overcrowding in the District in the lower grades.

Mr. Maloney said that the Committee recommends that the Board approve award of the contract in the amount of \$44,456,800 to Torcon, Inc. for design-build services along with the final project charter presented to the Board. He said that, prior to execution, the contract and related documentation will be reviewed and approved by the SDA Division of Chief Counsel. He then indicated that a vote on Resolution 6b is in order.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Walsh, the recommended award to Torcon, Inc. and final project charter were approved with the Board's unanimous vote in favor of Resolution 6b.

Mr. Maloney then introduced Management's recommendation that the Board approve an award for statewide relocation consultant services. He said that, in 2003, 2008 and 2011, the

SDA entered into contracts with several firms for state-wide relocation consultant services. He explained that the current task order contracts will expire in December 2014 so, in August, staff began the process to procure a relocation services consultant. He said that a competitive procurement process was conducted and, upon its completion, Management is recommending award of a 3 year contract to O.R. Colan Associates. Mr. Kutch then offered additional comments.

Mr. Maloney said that the Committee concurs with Management's recommendation that the Board authorize the SDA to contract with O.R. Colan Associates to provide state-wide relocation consultant services for a not-to-exceed amount of \$3,000,000 over the three year term of the contract. He noted that the contract and documentation will be reviewed by the Division of Chief Counsel prior to execution. He then indicated that a vote on Resolution 6c is in order.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Walsh, the recommended award to O.R. Colan Associates was approved with the Board's unanimous vote in favor of Resolution 6c.

Mr. Maloney advised the Board that Management is seeking Board approval to extend its contract for the provision of professional staffing services. He said that, in December 2012, the Board approved a two year contract with seven firms to provide SDA with professional staffing services. He explained that the contract provided for a one year extension option to be exercised in the discretion of the SDA. He advised the Board that the two year contract is due to expire on February 15, 2015 and that, with the one-year extension, the contract would expire February 28, 2016.

Mr. Maloney noted that the services provided under the contract are mainly utilized by the SDA Design Studio and Contracts Management Division. He explained that SDA is under no obligation to use the services of any of the companies but, to date, six of the seven companies have provided professional services to the Authority. He said that a total of \$674,000 has been expended during the first 18 months of the current contract. Mr. Maloney advised the Board that the one year extension would require additional funds in the amount of \$900,000 which would result in a total not to exceed amount of \$2,700,000 for the entire three year period. Ms. Kelly offered additional comments regarding the recommended award. She explained that when a need arises, staff obtains candidate recommendations and applicable rates from the companies and selects the candidate who is the best fit. She said that the contract has been working very well for the Authority.

Mr. Maloney said that the Committee recommends that the Board authorize Management to exercise the one year extension option to the contract for professional staffing services. He then indicated that a vote on Resolution 6d is in order.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Ms. Hassett, the recommended exercise of a one year extension to the Authority's professional services contract was approved with the Board's unanimous vote in favor of Resolution 6d.

Next, Mr. Maloney introduced Management's recommendation for Board approval of readoption of the SDA's Affirmative Action Rules. He said that these Rules, adopted in November 2007 as Chapter 39, currently govern affirmative action requirements for the statewide school construction program under the Educational Facilities Construction and Financing Act. He noted that Chapter 39 is scheduled to expire on November 14, 2014.

Mr. Maloney said that the proposed Rules are intended to insure that contractors and consultants engaged by SDA for the school construction program comply with affirmative action requirements and employment goal obligations in connection with SDA school facilities projects. He explained that the proposed substantive changes to the current regulations are intended to incorporate statutory and regulatory updates, to reflect changes in governmental entities with responsibility for setting and monitoring equal opportunity and affirmative action goals, and to clarify the current nature of SDA's workforce training and development efforts. Ms. Haney offered additional comments. A brief discussion ensued regarding SDA's compliance with minority and women employment goals. Mr. Moneta offered details in this regard.

Mr. Maloney said that the Committee, along with Management, recommends that the Board approve the proposed re-adoption of the Authority's Affirmative Action Rules, as well as the issuance of the attached Notice of Readoption, and the filing of the Notice with the Office of Administrative Law. He then indicated that a vote on Resolution 6e is in order.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Walsh, the proposed rule re-adoption was approved with the Board's unanimous vote in favor of Resolution 6e.

In concluding his report, Mr. Maloney advised the Board that, for informational purposes, the Committee was also provided with updates regarding the Camden High School project in the Camden School District; the Cleveland Elementary School and Orange High School projects in the Orange School District and the Denbo Elementary School project in the Pemberton School District. He said that staff had discussed next steps to be taken in connection with these projects which will proceed consistent with the SDA Operating Authority.

Mr. Sherman and Mr. Voronov offered additional comments and a brief discussion regarding the status of the emergent project program ensued. Ms. Milsted provided the Board with an update.

Public Comments

The Chairman then opened the Public Comments portion of the meeting. Two individuals representing the advocacy group *The Children's First Team* in the Jersey City School District offered comments to the Board. First, Mr. Walsh asked Gina Verdibello to address the Members. Ms. Verdibello inquired about the SDA's solution to overcrowding issues in the District. She referenced the Jersey City School trailers that currently house the District's Pre-K students. She acknowledged that the SDA has already designed the PS #20 Elementary School (PS #20 ES) for grades Kindergarten through 5. Ms. Verdibello said that, at the existing PS #20 ES, there is a trailer on the premises and inquired as to where the children that are currently housed there are going to be placed. Ms. Verdibello also inquired about the future of the existing PS #20 ES building when the children are no longer in the building. She described the building as a beautiful building that needs much interior work. She noted that the building has Tiffany glass and tin ceilings and added that the building is a landmark. Mr. McKenna responded that Jersey City has overcrowding in certain schools, but not necessarily across the district. He explained that it is within the District's discretion to determine where the children are assigned. Mr. McKenna said that the SDA looks at overcrowding on a district-wide basis. He used PS #27 as an example. Ms. Verdibello agreed and noted that PS #27 is the worst of the overcrowded schools. Mr. McKenna explained that there are other schools in the district that the children can be moved to, but noted that everyone wants to be PS #27. He emphasized that this is not an SDA issue, but a district issue. Mr. McKenna also explained that the SDA does not build Pre-K stand-

alone schools. He said that a Pre-K component can be built onto an existing school at the discretion of the District and the Department of Education (DOE). Mr. McKenna added that, once the SDA turns the school over to the District, it becomes the District's school to do with as they so choose.

Next, Ms. Verdibello inquired about school lavatory facilities. She reported that she had viewed photos of a lavatory at PS #23 that she described as "deplorable". She said that there is a stall without a door, broken faucets and a sink with a garbage bag over it. Ms. Verdibello noted that she also has heard that the teachers do not like using the lavatory facilities. She said that it is a quality of life issue. Mr. McKenna explained that when bathrooms have these types of issues, it is the responsibility of the district and their maintenance facilities staff. He said that the SDA is the entity to address major plumbing issues throughout the entire school. Ms. Verdibello then described problems with lead in the water. She said that the District still has potable water in the schools and that this has been going on for a few years now. Ms. Verdibello said that the children cannot use the water fountains. Mr. McKenna replied that this issue is not currently on the SDA's radar. He explained the emergent project process and steps that would have to be followed by the District with the DOE.

Next, Ms. Verdibello asked Mr. McKenna for an update regarding the James J. Ferris High School (Ferris) and the PS #15 Elementary School (PS #15) roof projects. Mr. Voronov replied that there is a Ferris roof project in the SDA's portfolio, but there is no roof project at PS 15. Mr. Voronov noted that the Ferris roof project is proceeding via a delegated grant that was awarded to the District. Mr. McKenna suggested that Ms. Verdibello schedule a meeting with SDA staff to discuss the various issues pertaining to Jersey City. Mr. Walsh inquired as to whether people mention the bathroom issues at the local school board meetings that Ms.

Verdibello attends. She replied in the negative and cited the perceived reasons for same. Mr. Walsh echoed Mr. McKenna's earlier comments, noting that the SDA is not in a position to fix the bathrooms. He said that he wished that the SDA had the ability to force someone's hand to make the fixes but that this is a district issue. Mr. McKenna then offered to provide Ms. Verdibello with his contact information following the meeting.

Mr. Walsh then asked Lorenzo Richardson to address the Members. Mr. Richardson began his comments by explaining to Mr. McKenna that the issues pertaining to the bathrooms are not addressed at board meetings because of retaliation concerns. He used PS #20 as an example, and explained that there was a recent article in the newspaper regarding a mice infestation problem there. He said that when staff speaks out about issues in their facilities, retaliation can be the response. Mr. Richardson also noted that when work orders for repairs are submitted, they sit for long periods of time or the proper materials will not be obtained for the repairs, leaving the job undone. He then advised the Board that many of the buildings in the Jersey City District are not technologically capable. Mr. Richardson also spoke to the fact that the schools downtown have air conditioning, while the schools in the inner city do not have air conditioning. He said that the power shuts off when the schools with air conditioning turn their units on. Mr. Richardson noted that the Board is working feverishly to meet technology needs, noting that this should have happened sooner. Mr. Richardson said that he would like to work with the SDA to assess the District's overall technology needs. Mr. McKenna explained that technology upgrades have to be addressed by the District through the DOE. He explained that SDA's mandate is to build new schools and do capital improvements and that the funding does not cover technological upgrades. Mr. Richardson then discussed issues pertaining to the Snyder Innovation High School, focusing on a renovation there and declining graduation rates. He said

that, with all the other issues in the school that have not been addressed, upgrades were put in place. Mr. McKenna informed Mr. Richardson that, again, these are issues for the District.

Next, Mr. Richardson discussed issues at PS #15. He cited concerns with chromium at the school site and overall neglect of the facility. He asked if there is anything that the SDA can do pertaining to the chromium. Mr. Richardson also asked if the SDA had any input on timelines. He explained that the District waited until school started to fix the roof. He said that this negatively affected students and staff due to debris and bad odors. He suggested that, unless it is an extreme emergency, this type of work should be done over the summer months when no one is in the school. Mr. Richardson then discussed the District's Innovation High School with regard to the sharing of lavatory space by children and adults. He noted that a security person has to be on duty for that reason. He then advised the Board that there are conditions that should be addressed at PS #14, PS #20, PS #6, PS #30, PS #40, Ferris High School, Dickinson High School, PS #22, PS #31, PS #25, PS #23, PS #34 and PS #38. Mr. Richardson said that work is not being done and no one knows whether it is because work orders are being held up or just due to clear neglect. He inquired as to the role the SDA plays with regard to the maintenance and upkeep of the buildings. Mr. McKenna replied that, unfortunately, the SDA does not play a role in the maintenance of school buildings. He explained that the districts have a certain amount of money budgeted for maintenance, but that the SDA cannot instruct the districts on how to spend the money. Mr. McKenna said that some districts have schools that are over 100 years old that operate fine, while other districts, after 70 years, express the need for new schools, which costs New Jersey's taxpayers millions of dollars. Mr. Piaia explained to Mr. Richardson that the responsibility lies with the school districts with regard to maintenance. He said that normally it

is not something with which the DOE is involved on a day-to-day basis. He said that it is up to the district to run the schools.

Lastly, Mr. Richardson's discussed classroom space issues. He said that the downtown area of Jersey City is being built up tremendously and that a poor job was done in projecting the need for future space. He asked what the SDA can do with regard to developers obtaining land to build condominiums as opposed to schools. He inquired as to what the SDA can do with "eminent domain" in order for the community to obtain land to allow for schools to be built. Mr. Richardson said that children cannot be bused all over and there is a major cost issue with regard to busing from neighborhood to neighborhood. He said that the state needs to pay attention when development projects are happening and inquire about schools. Mr. Richardson said that Journal Square is going to become an issue because a lot of building is going on in that area. Mr. McKenna replied that the SDA does not have the authority to tell cities what to build. He said that most of the money that the SDA has is committed to projects that are currently in the Capital Plan. Mr. McKenna further explained that Jersey City has overcrowding in certain schools, but that not all of the schools have overcrowding issues. He said that it is up to the District to plan by meeting with the DOE regarding an assessment of needs. Mr. Richardson said that he graduated from Ferris High School in 1988 and that the state has been involved in a "takeover" for over 25 years. He said that, because the district is under the state, he is taking the attitude that the state is in charge. Mr. McKenna explained that the SDA is a construction company that builds schools where instructed. Mr. Piaia noted that the DOE is currently working with Jersey City with regard to its Long Range Facilities Plan (LRFP). Mr. Piaia also explained that Jersey City is not under full state takeover and the portions of the district that are not part of the takeover are within the purview of the superintendent in terms of decision making. He said that

the DOE will never be involved in the city planning side, which is where Mr. Richardson's concerns lie. Mr. McKenna explained the LRFP process to Mr. Richardson and suggested that he attend Planning and Zoning Board meetings.

Ms. Kelly then informed the Members that the Board will be adjourning into Executive Session to discuss the proposed transfer of certain property located in Union City to the Union City School District. She noted that the Members will vote regarding this matter upon return to Open Session.

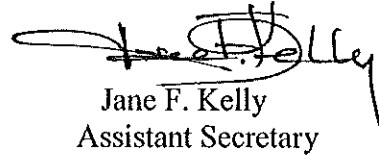
Mr. Walsh then asked for a motion to adjourn the meeting into Executive Session. Upon motion and with unanimous consent, the Open Session of the meeting adjourned into Executive Session.

Following discussion in Executive Session, the Board returned to Open Session.

A resolution for approval of a Request for Authorization of Transfer of Real Property to the Union City School District Pursuant to N.J.S.A. 18A:7G-20 had been provided to the Members in advance of the meeting. Upon motion by Mr. Vargas, and seconded by Mr. Walsh, the resolution attached hereto as *Exhibit A1*. was unanimously approved by the Board.

Mr. Walsh then asked for a motion to adjourn the meeting. Upon motion and with unanimous consent, the meeting 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 November 5, 2014 meeting.



Jane F. Kelly
Assistant Secretary