

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, FEBRUARY 3, 2016**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (“SDA” or “the Authority”) was held on Wednesday, February 3, 2016 at 9:00A.M. at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Edward Walsh, Chairman
Maureen Hassett (NJEDA)
Kevin Luckie (NJDCA)
Bernie Piaia (NJDOE)
Michael Capelli
Kevin Egan
Lester Lewis-Powder
Michael Maloney
Joseph McNamara
Robert Nixon
Mario Vargas

being a quorum of the Board. Mr. Capelli, Mr. Egan, Ms. Hassett, Mr. Lewis-Powder, Mr. Piaia and Mr. Vargas participated in the meeting by teleconference.

At the Chairman’s request, Charles McKenna, chief executive officer; Jason Ballard, chief of staff; Andrew Yosha, executive vice president; Jane F. Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; Raymond Arcario, vice president; and Albert Barnes, chief counsel, 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 then presented for consideration and approval the Minutes of the January 6, 2016 Open and Executive Session meetings. A copy of both sets of minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Luckie, and seconded by Mr. Nixon, the Open and Executive Session minutes of the January 6, 2016 meeting were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Exhibit 3a/3b***.

Next, Mr. Walsh presented the January 6, 2016 minutes of the Authority's Annual Organizational Board meeting. Upon motion duly made by Mr. McNamara, and seconded by Mr. Nixon, the January 6, 2016 Organizational Board meeting minutes of the SDA Board of Directors were approved by the Board upon its unanimous vote in favor of the resolution attached hereto as ***Exhibit 3c***.

Authority Matters

CEO Report

The Chairman asked Mr. McKenna to provide the report of the Chief Executive Officer. Mr. McKenna began his report by offering an update on the Trenton Central HS (TCHS) project. He advised the Members that the demolition of Wing A, the last wing, is ongoing and demolition is complete in all other wings. He said that in approximately 2-3 weeks, Wing A will be down. He added that foundation crushing and backfill operations continue. He said that technical and

price proposals for design-build services were received on January 21 from six design-build firms and evaluation of the technical proposals by the selection committee is underway. Mr. McKenna noted that price proposals will be opened on February 11 and management anticipates advancing an award recommendation at the March Board Meeting.

Turning to the projects in the Bridgeton School District, Mr. McKenna advised the Members that for the Buckshutem Road ES project, the Temporary Certificate of Occupancy for the addition was issued and the addition was turned over to the district for student occupancy last month. He said that renovation work has begun on the existing school building. He added that work is proceeding well on the Quarter Mile Lane ES project and there are no major changes to report there.

Mr. McKenna said that Design Ideas Group is actively working on pre-design phase services for the Camden HS project and SDA should have this material shortly to review.

Turning to the projects in the Elizabeth School District, Mr. McKenna said that all major trades continue to work well and interior finishes are ongoing for the Academic HS project where a September opening is anticipated. On the Elizabeth New ES project, he reported that the design-builder, Torcon, was issued two separate Notices to Proceed. He said one was for footing, foundations and underground utilities and one was for structural steel. He added that the final design package has been submitted to Department of Community Affairs for review.

In continuing, Mr. McKenna reported that the constructability review process is approximately 75% complete for the Garfield James Madison ES No. 10 project. He said that construction work continues to progress well on the Gloucester ES/MS project. In regard to the Harrison New ES project, Mr. McKenna said that the early site package was advertised in November, bids were opened on January 6 and that a recommendation for award is on today's agenda. He added that the SDA Design Studio is advancing the design of the new school.

Mr. McKenna reported that, for the Irvington Madison Avenue ES project, an early site package was advertised in November and bids were opened on January 12. He advised the Members that a recommendation for award was originally scheduled for consideration today but management is not yet ready to advance this matter. He said that objections have been raised and they are currently under review by SDA staff. He expressed some concern that this could impact the project schedule. He added that the SDA Design Studio is advancing the design of the new school.

Turning to projects in the Keansburg School District, Mr. McKenna reported that exterior and interior masonry work, roof installation, HVAC, plumbing, and electrical work continues for the Caruso ES project. He said SDA and the district have met to select furniture and equipment. In regard to the Port Monmouth Road ES project, Mr. McKenna said that design services technical and price proposals were opened on January 11 and a recommendation for award for pre-design phase services is on today's agenda.

In continuing, Mr. McKenna gave an update on projects in the Jersey City School District. He reported that interior and exterior work is progressing well toward project completion on the Jersey PS 20 project. He said that all major trades continue to progress well on the Jersey City ES No. 3 project and interior and exterior masonry work is ongoing. He reported that all work on the Summit Avenue elevation is complete. He explained that Summit Avenue is a congested area and that the exterior work required the closing of the sidewalk.

With respect to the Millville HS addition/renovation project, Mr. McKenna reported that RSC, the bridging design consultant, has finalized the schematic design submission and this has been submitted to the Department of Education (DOE) for review and approval. He said that management anticipates authorizing RSC to begin development of the bridging documents this month.

In regard to the New Brunswick Paul Robeson ES project, Mr. McKenna said that Hall Construction, the design-builder, is actively working on the preliminary design phase.

Turning to the projects in the Newark School District, Mr. McKenna reported that the district and SDA are coordinating move-in logistics for the Elliott Street ES project in preparation for student occupancy this month—a semester ahead of original expectations for project completion. He added that SDA staff took a tour of the school yesterday. Mr. McKenna then shared some project background details with the Board. Turning to the Oliver Street ES project, he said that management anticipates substantial completion in early March. In regard to the South Street ES project, Mr. McKenna said that Ernest Bock & Sons (EBS, Inc.), the design-builder, is actively working on the preliminary design phase.

Next, Mr. McKenna gave an update on projects in the Orange School District. He said that pre-design services are ongoing and staff continues to work closely with the district to develop their preferred conceptual option for the Orange HS project. He said that SDA staff met with the district on Monday with respect to both the Orange HS and Cleveland ES projects. He reported that pre-design services are ongoing and the acquisition of three adjacent parcels is proceeding for the Cleveland ES project. He said that SDA staff has reached agreement with the district regarding the type of educational facilities that will be built.

With respect to the Passaic Leonard Place ES project, Mr. McKenna advised the Members that the Board approved the design-build services award to Dobco, Inc. at the December Board meeting. He said that management anticipates advertising for construction management (CM) services during the first quarter of this year. He added that the kick off meeting will take place tomorrow.

Mr. McKenna then gave an update on projects in the Paterson School District. He said the contractor, EBS, Inc., is progressing well with all finishes and completion of all building

systems is ongoing for the Marshall Street project. He added that final testing and inspections are underway. In regard to the Paterson PS 16 project, Mr. McKenna said that interior finish work is ongoing, including drywall installation and painting. He advised the Board that both schools will be opening in September.

Mr. McKenna advised the Members that management anticipates receipt of the draft final pre-design report later this month for the Pemberton Denbo Crichton ES project.

With respect to the Phillipsburg HS project, Mr. McKenna said that exterior masonry is nearly complete and all interior mechanical, electrical, and HVAC work is well underway. He added that interior building finish work has commenced. Mr. McKenna added that staff will be discussing an issue in Executive Session regarding IT upgrades there.

Mr. McKenna reported that the Board approved the award for design-build services for the Vineland New MS project to EBS, Inc. at the January Board meeting. He said that management issued a Notice of Award last month and management expects to advertise for CM services this month.

With respect to the Perth Amboy Seaman Avenue project, Mr. McKenna said that management expects to advertise for design-build services within the next several weeks. He added that management anticipates the receipt of bids for general construction services in early March for the West New York Harry L. Bain PS No. 16 project.

Turning to the Authority's ongoing procurement activity, Mr. McKenna said that, in addition to the demolition services for the Harrison New ES project; design services for the Keansburg Port Monmouth Road Avenue ES project and professional staffing services awards that are on the meeting agenda, other activity currently underway includes procurements for design-build services for the TCHS project; construction management services for the West New York Harry L. Bain PS No. 6 project and the Irvington demolition project.

Reporting on events, outreach and other activities, Mr. McKenna said that, last Friday, he and the new director of the Authority's grants program, Shayne Stuart, had the opportunity to meet with Superintendents in Essex County and talk to them about the work of the SDA.

Mr. McKenna reported that Communications staff is working to schedule a ribbon cutting ceremony for the new addition at the Bridgeton Buckshutem Road School and the opening of the Elliott Street School in Newark later this month.

In concluding his report, Mr. McKenna advised the Board that, yesterday, members of SDA staff participated in a tour of the Elliot Street ES project.

At this time Mr. Lewis-Powder announced that he had joined the meeting.

Audit Committee

The Chairman then requested that Mr. Nixon provide the report of the Audit Committee. Mr. Nixon said that the Audit Committee met on January 19, 2016. He said that the Committee was provided with the December 2015 New Funding Allocation and Capital Plan Update. He said that management reported that there was a change in only one of the reserve balances for SDA Districts. Specifically, he advised that there was a decrease of \$300,000 in the Planning Reserve balance following the Board's approval of the final project charters for the Passaic City New Leonard Place ES project. He reported that the decrease was mainly due to a slight reduction in the overall budget based on the final bid received for the project. He noted that the reserve balance for the Regular Operating Districts ("RODs") increased by \$900,000 during the reporting period due to reductions in state share for grant projects nearing completion.

He advised the Board that the results of 2 statutorily required audits were also presented following staff's utilization of a revised audit approach. He said that response actions had been forwarded to the Special Projects Cost Recovery Unit (CRU) as deemed appropriate.

School Review Committee

Construction Award and Revised Preliminary Project Charter - Harrison School District - Harrison New Elementary School; Construction Award and Revised Preliminary Project Charter –Keansburg School District – Port Monmouth Road School - Approval of Awards – Professionals Staffing Services

Mr. Walsh asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie said that the SDA School Review Committee met on January 19, 2016 at which time management presented a construction award and revised preliminary project charter for the Harrison New ES project. Mr. Luckie reminded the Board that, in March 2012, the Members approved the Harrison New ES project for advancement as a new school and, in January 2015, approved the project's current preliminary project charter. He said that the school will comprise approximately 65,500 SF and will educate approximately 392 students in grades Pre-K to 1.

Mr. Luckie advised the Board that a demolition and early site preparation work package for the project was advertised beginning November 10, 2015. He explained that, following completion of the procurement process, management is recommending award of a \$1,047,685 contract for demolition and early site work to Ambient Group, LLC for this first phase of construction for the project which ultimately will advance through the design-build approach.

Mr. Luckie said that the project's existing preliminary project charter was approved prior to identification of the scope of the project's early site preparation costs. He explained that the revised charter presented for Board approval maintains the same school size and capacity but has been updated to reflect the cost of necessary site preparation for the new school based on the results of site investigation activities.

Following discussion, Mr. Luckie advised the Board that the Committee recommends that the Board approve the award of a contract in the amount of \$1,047,685 to Ambient Group, LLC, for demolition and early site preparation services along with the revised preliminary project charter for the Harrison New ES project in the Harrison School District. Upon a motion

duly made by Mr. McNamara and seconded by Ms. Hassett, the Board approved the contract award and revised preliminary project charter as presented with its unanimous vote in favor of ***Resolution 6a.***

In continuing, Mr. Luckie said that the Committee had considered management's recommendation for a contract award for pre-design phase services for the Keansburg Port Monmouth Road School project. He said that, in October 2012, the Members of the Authority approved a unified approach to address district-wide overcrowding in the Keansburg School District by approving advancement of projects at two Keansburg facilities—the New Caruso ES and the Port Monmouth Road School (PMR). He advised the Board that, following the Board's approval of the project charter for the PMR which will educate approximately 315 Pre-K students, a re-evaluation of the recommended scope became necessary when research revealed that the existing facility is located in a flood hazard zone. Mr. Luckie said that the reevaluation resulted in a revised project scope that addresses the flood hazard zone concerns and also better addresses the district's programmatic requirements for the project.

Mr. Luckie reported that a Request for Proposal (RFP) for pre-design phase services was advertised on November 9, 2015 and that responsive proposals were received from 12 firms. He explained that the engagement will include development of project scope options, assessment of project delivery options, cost estimates, environmental considerations and schedule impacts for the project.

Mr. Luckie said that, upon completion of the procurement process and a fee review, management recommends award of the engagement for design consultant pre-design phase services for the project to LAN Associates, for a total lump sum fee of \$335,514.

Mr. Luckie said that the Committee recommends that the Board approve a contract award to LAN Associates, for a total lump sum fee of \$335,514 for pre-design phase services for the

Port Monmouth Road School project in the Keansburg School District. Following discussion, upon motion duly made by Mr. Maloney and seconded by Mr. Nixon the Board approved the contract award as presented by management with its unanimous vote in favor of **Resolution 6c**.

Next, Mr. Luckie discussed management's recommendation for approval of contract awards for professional staffing services. He advised the Board that, historically, the Authority has procured the services of professional staffing firms to obtain supplemental staffing resources who are assigned on an as-needed basis to meet the evolving workload demands of the Authority—largely in the SDA Design Studio. He said that the SDA procured term contracts for these services in 2008, 2011 and 2013 and the current contracts will expire in February 2016. He explained that a RFP for professional staffing services was advertised on November 23, 2015 and, following a competitive procurement process, management is recommending that the Board approve the award of contracts to seven firms for the provision of professional staffing services. He said that the terms of the firms' engagements will be three years with compensation for the engagements, including all awardees, not-to-exceed \$5,000,000.

Mr. Luckie said that the Committee recommends that that the Board approve the award package for professional staffing services to the 7 highest ranked firms as presented. Upon motion duly made by Mr. Nixon and seconded by Mr. Maloney the contract awards were approved with the Board's unanimous vote in favor of **Resolution 6d**.

At the Chairman's request, Mr. Ballard then provide the Committee with an update regarding the work of SDA Special Projects staff including the project close out initiative, the SMWBE contractor training program and a recent class that was conducted regarding prevailing wage issues.

Mr. McKenna then described legislation that was recently enacted that will allow SDA districts, with DOE approval following consultation with SDA, to fund and manage certain

school facilities projects costing in excess of \$500,000. He explained that the new law eliminates the cap that applied to SDA districts requiring them to seek state funding for any project costing in excess of \$500,000.

Public Comments

The Chairman then opened the Public Comments portion of the meeting. He called upon Mr. Frank Faras of Trenton to address the Board.

Mr. Faras said that he lives across the street from Trenton Central High School (TCHS). He advised the Board that, every day, at approximately five o'clock in the morning, trucks arrive at the TCHS site and their beeping noises awaken his mother. Mr. McKenna said that he wasn't aware of this and that he would look into it. Mr. Faras clarified that work at the site does not actually begin until later in the morning. Mr. Faras then advised the Board that clouds of dust from the site waft across the city. He said that he previously had asked Mr. McKenna for the site air monitoring data. He noted that he attended a meeting of the Trenton Board of Education and again requested the data but was told that Mr. McKenna does not have the raw data, but rather, he has the conclusions as to air quality that the data reflects. Mr. Faras questioned how SDA cannot obtain the raw data when they are paying for it. He asked again for the raw data collected by the air monitors so that he can compare it to what is going on at site. Mr. McKenna explained that the reports are in the possession of the air monitoring company and that if the data could be made available it would be at a cost to the SDA. He also explained that there is no data against which to measure the results of the collected data which functions to assure that air quality is acceptable. Mr. McKenna and Mr. Faras then discussed the details of previous conversations they have had regarding the project. Mr. McKenna advised that there is no requirement that the air be tested noting that SDA acts in the best interest of the community. Mr. Walsh interjected that the SDA will look into the issue raised by Mr. Faras regarding the five AM truck arrival.

Mr. Faras noted that construction does not begin before eight o'clock but that the trucks arrive much earlier.

Next, Mr. Walsh asked Mr. Billie Hayes to address the Board. Mr. Hayes, a resident of Trenton, said that he was happy and excited about the new high school for Trenton. He then voiced his concern regarding the new law that Mr. McKenna had described removing the \$500,000 cap on SDA districts' direct funding of facilities projects. He said that he was afraid that the district would start paying for things that the State should be paying for. Mr. Hayes noted that all construction requires DOE approval and he wants to make sure no district funds would be spent on emergent projects because the state has to pay for that. He cautioned the SDA to work closely with the districts to make sure that they are not "cash strapping" their budgets. He also expressed his concern regarding pictures on the TCHS website showing students on a field trip to the TCHS demolition site. He said that he has a problem with people taking students to an active demolition site. He stated that the site is not a safe place and that we have to do everything we can to protect the children. He stressed that this is the business of the SDA as SDA has to be in the business of protecting children. Mr. McKenna stated that he was not aware that there were children on the site. Mr. Hayes noted that the pictures show a man in an SDA helmet. Mr. McKenna noted that someone from the SDA's safety division is always present when a site is active. Mr. Hayes further noted that the children were not wearing safety glasses. He asked for help in protecting the children. Mr. McKenna said that he would look into the matter. Mr. Walsh interjected that he thought that the new law eliminating the \$500,000 cap was a positive change. Mr. Hayes again asked for SDA to closely monitor the matter.

The Chairman then said that the Board would be adjourning into Executive Session. Ms. Kelly announced that the Board would be discussing two items in Executive Session: a recommendation for declaration of surplus property, determination of property value and

authorization for the transfer of certain SDA owned properties to the City of Newark and a proposed CCD in connection with the Phillipsburg HS project. She said that the Board will vote on the Newark property transfer item when it returns to Open Session but that the Phillipsburg item is for informational purposes only.

Thereafter, upon motion and with unanimous consent, the meeting adjourned into Executive Session.

Following discussion in Executive Session, the Board returned to Open Session. Mr. McNamara, who had rejoined the meeting, said that the Committee recommends that the Members of the Authority declare SDA owned Property located at South 11th and 12th Street in Newark to be surplus property, determine its property value to be as set forth in the meeting materials and authorize its transfer to the City of Newark for the amount recommended. By motion duly made by Mr. Maloney and seconded by Mr. McNamara, the Board approved the Committee's recommendation in this matter with its unanimous vote in favor of ***Resolution A1***.

Mr. Walsh then asked for a motion to adjourn the meeting. Upon motion by the Chairman and with unanimous consent, the meeting was adjourned.

Certification: The foregoing represents a true and complete summary of the actions taken by the Board of the New Jersey Schools Development Authority at its February 3, 2016 meeting.

/s/ Jane F. Kelly
Assistant Secretary