

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD MEETING
WEDNESDAY, DECEMBER 4, 2019 AT 9:00 A.M.
32 E. FRONT STREET, TRENTON, NJ
BOARD ROOM**

1. NOTICE OF PUBLIC MEETING

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF MEETING MINUTES

- a. Board Open Session Meeting Minutes of November 6, 2019

5. AUTHORITY MATTERS

- a. CEO Report
- b. Chairman's Report – Election of Chief Executive Officer

6. REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE (CHAIRMAN'S REPORT)

- a. Proposed 2020 Operating Budget

7. REPORT AND RECOMMENDATIONS OF THE SCHOOL REVIEW COMMITTEE (CHAIRMAN'S REPORT)

- a. Company Name: Terminal Construction Corporation
District: Orange
Contract No.: ES-0042-C01
Original Contract Value: \$37,000,000.00
CM: Cambridge Construction Management, Inc.
School Name: Orange High School
Change Order No.: 2
Reason: Constructability Review
Amount: \$1,011,157.00 (Inclusive of \$50,000.00 in Allowances)
Contract Status: 0% Paid to Date against the Current Contract Value
Anticipated Occupancy Date: September 2022
- b. Notification of Completion of Pre-Design Phase Services and Authorization to Proceed with Design Phase Services – Newark Public Schools District - Roberto Clemente Elementary School - Emergent Project - Boiler Room Vault Repair Project **[INFORMATIONAL]**

8. REPORT AND RECOMMENDATIONS OF THE REAL ESTATE COMMITTEE (CHAIRMAN'S REPORT) – TO BE PROVIDED IN EXECUTIVE SESSION

9. MONTHLY REPORTS

- a. *For Informational Purposes*
 - i. Active Projects Report
 - ii. Project Close Out Status Report
 - iii. Project Status Reports
 - iv. Contracts Executed Report/Amendments & Change Orders Executed Report
 - v. Contract Terminations Report (*no activity*)
 - vi. Settlement Activities Report (*no activity*)

- vii. Contractor and Workforce Compliance Report
- viii. Regular Operating District Grant Activity Report
- ix. Notification of Amendments to Goods and Services Contracts Not Exceeding \$100,000 or 10% of the Contract Value (*no activity*)
- x. Communications Report
- xi. Monthly Financial Report
- xii. Design Contract De-Obligations Report (*no activity*)

10. PUBLIC COMMENTS

11. EXECUTIVE SESSION

- a. Recommendation for Declaration of Surplus Property, Determination of Property Value And Authorization for Sale and Conveyance of thirty-three parcels of Real Property in the Township of Irvington
- b. Request for Real Property Acquisition and Revised Preliminary Charter Approvals - Union City School District - New Grades 7 to 9 School - Capital Plan Portfolio Project
- c. Litigation/Contract Matter(s) – OPMA Exemption N.J.S.A. 10:4-12b (7)
CCD Report (*no activity*)

12. ADJOURNMENT

APPROVAL OF MEETING MINUTES

NOVEMBER 6, 2019 OPEN SESSION MINUTES

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, NOVEMBER 6, 2019**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, November 6, 2019 at 9:00 A.M. at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

- Robert Nixon, Chairman
- Michael Kanef (Treasury)
- Stephen Martorana (EDA)
- Kevin Luckie (DCA)
- Kevin Egan
- Richard Elbert
- Loren Lemelle
- Michael Maloney
- Mario Vargas

being a quorum of the Members of the Board. Mr. Egan, Mr. Elbert, Mr. Kanef, Ms. Lemelle and Mr. Vargas participated in the meeting by teleconference.

At the Chairman’s request, Manuel Da Silva, interim chief executive officer; Andrew Yosha, vice president; Jane F. Kelly, vice president and assistant secretary; Donald Guarriello, vice president and chief financial officer; Albert Barnes, chief counsel; and Cecelia Haney, deputy chief counsel of the SDA, participated in the meeting. Joy Johnson of the Governor’s Authorities Unit also participated in the meeting.

The meeting was called to order by the Chairman of the Board, Mr. Nixon, 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 20 West State Street in Trenton, New Jersey. Ms. Kelly then conducted a roll call and indicated that a quorum of the Members was present.

Pledge of Allegiance

Led by the Chairman, the Members and all assembled stood and recited the Pledge of Allegiance.

Approval of Meeting Minutes

The Chairman then presented for consideration and approval the Minutes of the October 2, 2019 Open and Executive Session meetings. Staff had provided a copy of both sets of minutes and a resolution to the Members for review in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Vargas, the Board approved the Open Session minutes of the October 2, 2019 SDA Board meeting with the Members' unanimous vote in favor of ***Resolution 4a***. Upon motion duly made by Mr. Maloney and seconded by Mr. Luckie, the Board approved the Executive Session minutes of the October 2, 2019 SDA Board meeting with the Members' unanimous vote in favor of ***Resolution 4b***.

Authority Matters

CEO Report

Mr. Nixon asked Interim Chief Executive Officer (CEO) Manuel Da Silva for the Report of the CEO. Mr. Da Silva gave an update on September school openings. He reported that the Irvington Madison Avenue ES and Passaic Sonia Sotomayor ES projects have been issued certificates of occupancy (CO). He added that the Perth Amboy Rose Lopez ES project and the Trenton Central HS project were both issued temporary COs. He said that punch list work is underway.

Next, Mr. Da Silva gave an update on the three SDA projects in the procurement stage. He reported that for the Perth Amboy HS project, SDA received proposals for general contracting (GC) services from the joint venture of Terminal Construction Corporation/Dinallo Construction Corporation (Terminal/Dinallo) and Epic Management. He advised that for the Keansburg Port Monmouth Road School project, SDA received proposals in September from four firms for GC services and from thirteen firms for construction management (CM) services. He added that management will be requesting the Board's approval to award a contract for GC services to Niram, Inc. (Niram) and CM services to Pinnacle Consulting & Construction Services, Inc. (Pinnacle) for the Keansburg project. For the Plainfield Woodland ES project, he said that staff advertised for design-build services at the end of August and proposals are due this month (November).

Mr. Da Silva advised the Members that there are two projects in the constructability review stage. He said that both the Orange Cleveland Street ES and Orange HS projects are on schedule and staff will issue the necessary change orders.

Turning to design-build projects in construction, Mr. Da Silva informed the Members that for the Paterson Union Avenue MS project, design phase services are ongoing. He said that the first design package, inclusive of piles, foundations and steel, has been released by the Department of Community Affairs (DCA) and permits have been issued. He added that pile driving work is ongoing and foundation work is commencing. Mr. Da Silva reported that for the Camden HS project, Ernest Bock & Sons, Inc. continues with design phase services. He said that structural steel and masonry work continues in the building. For the East Orange George Washington Carver ES project, he advised the Board that Dobco, Inc. the design-builder, has completed design phase services. He added that interior mechanical, electrical and plumbing (MEP) finish work is ongoing.

In continuing, Mr. Da Silva reported that for the Harrison New ES project, MEP rough-in and building enclosure and exterior masonry veneer construction work is ongoing, along with roofing and window installation activities. He said that for the Millville HS addition and renovation project, Hall Construction continues with design phase services. He advised that Phase II addition masonry and MEP rough-in activities are ongoing. Mr. Da Silva further reported that Phase III footings and foundation work is ongoing and structural steel activities are scheduled to commence later in the current month. For the Passaic Dayton Avenue Educational Campus project, Mr. Da Silva said that Terminal Construction (Terminal) has commenced exterior framing of the upper floors. He advised that Terminal's final design package for the main building is under review by DCA. He added that staff anticipates issuance of the full notice-to-proceed (NTP) for construction this month. He then reported that for the Pemberton Denbo Crichton ES project, building enclosure work is ongoing, including windows and roof work, in preparation for the winter. He said that MEP and interior wall work is also underway and site drainage work is being completed.

With respect to projects in the programming stages Mr. Da Silva informed the Members that program modifications for the Hoboken Demarest ES project are under review for finalization. He said that SDA's engaged design consultant, DRG, is reviewing existing conditions and preparing related reports. He informed the Board that the Union City New Grade 7 to 9 School will be advanced through a design-build delivery method. He added that staff has initiated site acquisition activities and anticipates bringing a recommendation for Board consideration in December.

Turning to Authority events, outreach and other activities, Mr. Da Silva advised the Members that SDA held a beam signing ceremony for the new Camden HS on Wednesday,

October 30. He said that staff was joined by alumni, students, educators, district officials, the Mayor, Assembly representatives and many other local officials.

Mr. Da Silva also informed that Members that he and Andrew Yosha will be at the Alliance for Action's Annual Construction Forecast this Friday (November 8).

Next, Mr. Da Silva said that the SDA will be preparing to hold a groundbreaking ceremony for the new middle school in Paterson in the beginning of December. He said that staff will advise the Members when the event is scheduled.

Finally, Mr. Da Silva reported that following approval and expiration of the gubernatorial veto period, SDA anticipates issuing press releases to announce the awards for the Keansburg CM and GC contracts and the Perth Amboy HS design-build contract.

Audit Committee

Mr. Nixon, as Audit Committee Chairman, reported that the Audit Committee met on October 21, 2019 at which time management provided the Committee with the September 2019 New Funding Allocation and Capital Plan Update. He advised that, during the reporting period, there were no changes in any of the reserve balances for the SDA districts. He reported that the reserve balance for the Regular Operating Districts ("RODs") increased by \$3.5 million during the reporting period due to a reduction in state share for grant projects nearing completion.

Mr. Nixon advised the Board that the Committee was provided with the results of one audit that was conducted to comply with the statutory requirement that capital portfolio projects over \$10 million be reviewed to assess whether state funds were expended in accordance with contract terms, SDA practices and state regulations. He reported that there were no findings. He said that the audit revealed that State funds utilized for the project were expended prudently and consistent with legal requirements.

Next, Mr. Nixon reported that the Committee discussed the proposed 2020 Operating Budget. He noted that the budget, at \$17.4 million, reflects a decrease of \$1.8 million from the 2019 Operating Budget. He advised that after discussion and with the authorization of the Audit Committee, the proposed budget was forwarded to the New Jersey State Legislature's Joint Budget Oversight Committee (JBOC) for review and approval in accordance with the New Jersey Budget Appropriations Act. He said that JBOC has 20 days within which to disapprove the budget or it is deemed approved. He advised that, all going well, management plans to present the proposed 2020 budget to the Board at the December meeting.

Mr. Nixon noted that management also had discussed with the Committee the upcoming Request for Proposals (RFP) for Human Resources Services. He said that Members of the Board will be participating on the RFP selection committee.

In conclusion, Mr. Nixon reported that management and the Audit Committee are recommending Board approval of revisions to the Memorandum of Understanding (MOU) between the SDA and the New Jersey Higher Education Student Assistance Authority (HESAA). Referencing material that was provided to the Board in advance of the meeting, he explained that HESAA administers the Governor's Industry Vocations Scholarship Program (NJ-GIVS) which, thru HESAA, provides financial aid in the form of scholarships. He noted that the MOU called for the SDA to pay HESAA's administrative fees. He reminded the Members that extensions and amendments to the MOU were approved by the Board in July 2016 and June 2019 and that the Authority has expended upwards of \$1.2 million on the scholarship program. He explained that, since inception, the level of effort associated with authenticating and reviewing "actual costs" associated with administrative fees for the program has proven to be burdensome for both SDA and HESAA and has resulted in delays in invoicing by HESAA. He advised that management is seeking Board approval to modify the June 2019 HESAA extension and

amendment to establish a new methodology for calculating HESAA administrative fees at a flat 10% rate applied to the amount of scholarships awarded during a particular academic year beginning with the 2019-2020 academic year. He said that management also is seeking Board approval to increase the funding for previously billed HESAA administrative fees related to three (3) academic years – 2016-2017, 2017-2018, and 2018-2019. He explained that, although the amounts paid are consistent with the terms of the MOU, the billings exceeded the amounts previously authorized by the SDA Board.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon a motion duly made by Mr. Luckie and seconded by Mr. Maloney, the Board approved the proposed revisions to the MOU between the SDA and HESAA for the NJ-GIVS program with its unanimous vote in favor of *Resolution 6a*.

School Review Committee

Construction Management Services – Keansburg School District – Port Monmouth Road School; Award of Construction Contract and Final Project Charter – Keansburg School District – Port Monmouth Road School; Design-Build Award and Final Project Charter – Perth Amboy School District – New Perth Amboy High School; Notification of Completion of Pre-Design Phase Services and Authorization to Proceed with Design Phase Services – Bridgeton School District – Bridgeton High School – Emergent Project – Water Infiltration - INFORMATIONAL; Procedures for Compliance with Alyssa’s Law – Special Adopted and Concurrent Proposed New Rules: N.J.A.C. 19:32A 1.1 to 3.1

Mr. Nixon asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie reported that the School Review Committee met on October 21, 2019 at which time seven items were discussed. He advised the Board that management is seeking approval for a CM services award for the Keansburg Port Monmouth Road School addition and renovation project (the Project). He informed the Members that the Project will result in a school facility of approximately 47,000 square feet designed to educate 315 Pre-Kindergarten students. He explained that the school is comprised of three distinct areas identified as Wings A, B and C and

that the Project includes the abatement of hazardous materials, demolition, renovation and construction work. He added that it also will address selective facility conditions, flood prevention and site improvements. Mr. Luckie reported that on August 14, 2019, a package for CM services was advertised as a “price and other factors” procurement with price weighted as 40% and all non-price factors having a combined weight of 60% of the final combined score. He said that following completion of the procurement process, management is recommending award of the CM services contract in the amount of \$1,065,750 to Pinnacle Consulting & Construction Services, Inc. for the Project. He added that Pinnacle has confirmed that its price proposal is inclusive of all scope elements contained in the contract documents.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Maloney, the construction management services award for the Keansburg Port Monmouth Road School project was approved with the Board’s unanimous vote in favor of ***Resolution 7a***.

Mr. Luckie said that the Committee also is recommending a construction contract award and final project charter for the Keansburg Port Monmouth Road addition and renovation project (the Project). He advised the Board that a package for construction services was advertised as a “price and other factors” solicitation beginning on June 24, 2019. He added that for this procurement, “price” was weighted as 70% of the overall weight, with “all non-price factors” having a combined weight of 30%. Mr. Luckie said that upon completion of the procurement process, management recommends that the Board approve the award of a contract in the amount of \$18,645,000 to Niram, Inc. for construction services for the Project, inclusive of SDA-established allowances totaling \$1,215,000. He explained that Niram will be required to perform a constructability review prior to initiation of construction to identify any potential conflicts and their resulting cost impacts. He said that management also recommends Board approval of the

Project's final charter representing the project budget inclusive of dollar values for the award of construction, as well as a construction contingency which is intended to address, but is not limited to, any potential cost impacts that may be identified during the constructability review. He added that Niram has confirmed that its price proposal is inclusive of all scope elements contained in the contract documents.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Maloney, the construction contract award and final project charter for the Keansburg Port Monmouth Road School project were approved with the Board's unanimous vote in favor of **Resolution 7b**.

Mr. Luckie said that next for Board consideration is management's recommendation for a design-build award and final project charter for the new Perth Amboy HS project (the Project). He reported that the Perth Amboy HS will be an approximately 576,000 square foot building to educate approximately 2,800 students in grades 9 through 12. He said that on June 1, 2016, the SDA Board approved a preliminary project charter, thereby authorizing construction of the new high school facility and related site development work on the district-owned Convery Boulevard site utilizing in-house design and a design-build delivery method. He advised that a package for design-build services was advertised beginning March 26, 2019 with "price" weighted as 60% of the overall weight and "all non-price factors" having a combined weight of 40%. Mr. Luckie said that upon completion of the competitive procurement process, management recommends award of a contract in the amount of \$247,950,000 (inclusive of SDA-established allowances totaling \$5,620,000) to the joint venture of Terminal Construction Corporation/Dinallo Construction Corporation, for the Project. He noted that Terminal/Dinallo has confirmed that its price proposal is inclusive of all scope elements contained in the contract documents. He explained that, along with the contract award, management recommends that the Board approve

the final charter for the Project, representing all expended and projected funds necessary for completion of the Project.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Maloney and seconded by Mr. Vargas, the design-build award and final project charter for the new Perth Amboy HS project were approved with the Board's unanimous vote in favor of ***Resolution 7c***.

In continuing, Mr. Luckie said that Committee also is recommending a credit change amendment for Greyhawk North America, LLC (Greyhawk). He explained that a credit amendment is the accounting mechanism whereby the SDA de-obligates unused contract funds. He reported that the Paul Robeson Community School for the Arts project consists of a 59,400 square foot renovation and 60,500 square foot addition to the facility that is designed to educate 823 students in grades Pre-K to 5 in the New Brunswick School District. He said that the design-build award and project charter for the addition and renovation Project (Project) were approved by the Board in September 2015. Mr. Luckie advised that Greyhawk was issued a notice-to-proceed in August 2016 for design-build CM services for the Project. He said that actual Project construction began on August 10, 2016 and that substantial completion was achieved on May 31, 2018, approximately five (5) months earlier than the anticipated 27-month construction duration period reflected in Greyhawk's agreement. He added that the Project certificate of occupancy was issued on July 25, 2018. Mr. Luckie informed the Members that the Project was transferred to the district and that students and staff occupied the facility beginning September 2018. He said that the remaining unused balance of the not-to-exceed value--totaling \$188,750.00 and representing five months of Greyhawk's monthly fee of \$37,750-- is available for de-obligation. He added that execution of this amendment is necessary for the release of final payment and to advance contract closeout, as well as closeout activities for the Project. He noted that SDA staff

has determined that this credit change order is justified and that the amount is reasonable and appropriate.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion by Mr. Vargas, seconded by Mr. Luckie, and with Mr. Egan recused and abstaining, the Board approved the proposed credit amendment in the amount of \$188,750.00 with its unanimous vote in favor of ***Resolution 7d***.

Mr. Luckie informed the Members that the Committee discussed an informational item regarding the Bridgeton HS emergent project. He explained that management is advancing an emergent project to address water infiltration conditions there. He said that USA Architects (USA) was engaged by the SDA through the design consultant services task order contract to perform pre-design phase services, inclusive of investigation and testing, in order to provide SDA with options for addressing the conditions. He advised the Board that, based upon results of the pre-design phase services and staff's review, the recommended option to remedy the emergent condition is installation of a new EPDM (Ethylene-Propylene-Diene Monomer) roofing system on the entire school with the exception of one area, the library roof. Mr. Luckie said that management has authorized USA to complete design documents for the emergent project and, upon completion of the design documents, the SDA will engage a general contractor through the design-bid-build procurement process. He noted that the value of that general contractor engagement is estimated at this time to be \$5,000,000. He said that while advancement of the design phase services does not require approval by the Board, the construction contract will require Board approval prior to engagement of the contractor.

Next, Mr. Luckie said that management is seeking Board approval to advance a regulatory proposal pursuant to the "Alyssa's Law" legislation (Procedures for Compliance with Alyssa's Law for Special Adopted and Concurrent Proposed New Rules: N.J.A.C 19:32A 1.1 to

3.1). He explained that the Committee was provided with an overview of the proposed regulations which require the installation of an alarm system in schools that would notify local authorities in the event of an active shooter or emergency situation. He asked Ms. Haney to discuss the proposed regulations with the Board.

Ms. Haney thanked the Members for their accelerated review of the regulations in an effort to coordinate the promulgation of regulations by the SDA and Department of Education (DOE). Referencing material that was provided to the Board in advance of the meeting, she explained that the DOE is administering the grants process under the “Securing Our Children’s Future Bond Act” which supplies funding for school security grants that will include Alyssa’s Law projects along with a number of other components. She explained that Alyssa’s Law (the law), enacted in February, requires that each school building in each district have a silent alarm that, when manually activated, triggers a signal that is sent to local law enforcement. She said that general obligation bonds will be utilized for funding the law. She advised that funding will be administered by DOE pursuant to rules that DOE will promulgate. She said that SDA is statutorily responsible for issuing regulations as a “special adoption” that are essential for implementing procedures for district compliance with the law. She explained that these regulations will take effect immediately upon filing, and will be effective for a period of six months. She advised the Board that SDA’s regulations will be concurrently promulgated in the normal course. She explained that the SDA “special adoption rules” will be in place in advance of DOE’s complementary regulations which will not become effective until after their proposal, the receipt of public comment and final adoption in April 2020. Ms. Haney explained that the Rules do provide a procedure for the SDA to review districts’ submissions to determine their compliance/non-compliance with to the law. She added that there is also a procedure whereby SDA can seek a recommendation from DOE to approve an alternate emergency system

mechanism. She advised that there will be several categories of systems that could qualify as alternate emergency mechanisms if approved by DOE. Ms. Haney then discussed variations in alarm systems and licensure procedures for systems installed prior to enactment of the law. She noted that the SDA is seeking to advance publication of the regulations in order to implement the compliance review program so that districts can transmit their applications immediately. She said that this will allow the grant process to move forward when DOE's grant funding regulations are adopted in April 2020. Mr. Nixon asked if the alarm system is tied-in directly to a law enforcement facility. Ms. Haney answered in the affirmative. Mr. Maloney asked if every school will have to comply with this law. Ms. Haney said that every school will have to comply with the exception of standalone Pre-K's, Charter and Renaissance Schools. Mr. Maloney inquired as to the funding source. Ms. Haney responded that the funds will be made available through General Obligation Bonds and explained the district application and eligibility requirements.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion by Mr. Vargas and seconded by Mr. Maloney, the Board approved the proposed regulations pursuant with its unanimous vote in favor of ***Resolution 7f***.

In closing, Mr. Luckie informed the Members that, at the October 21, 2019 Committee meeting, management had also provided the Committee with an update on the Millville HS project.

Public Comments

Mr. Nixon then opened the Public Comments portion of the meeting. No member of the public stepped forward to address the Board.

Adjournment

There being no further business to come before the Board, 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 November 6, 2019 meeting.

/s/ Jane F. Kelly
Assistant Secretary

Resolution—4a.**Approval of Minutes**

WHEREAS, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Schools Development Authority be approved by the Authority's Board of Directors; and

WHEREAS, pursuant to Section 3(k) of P.L. 2007, Chapter 137, the minutes of the November 6, 2019 Board meeting of the New Jersey Schools Development Authority, for the Open Session were forwarded to the Governor on November 6, 2019.

NOW, THEREFORE, BE IT RESOLVED, that the minutes of the New Jersey Schools Development Authority's November 6, 2019 Open Session meeting is hereby approved.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Dated: December 4, 2019

AUTHORITY MATTERS

CEO REPORT

CHAIRMAN'S REPORT

ELECTION OF CHIEF EXECUTIVE OFFICER



32 EAST FRONT STREET
P.O. BOX 991
TRENTON, NJ 08625-0991
609-858-5395

5

MEMORANDUM

TO: Members of the Authority

FROM: Robert Nixon, Chairman of the Board

DATE: December 4, 2019

SUBJECT: New Jersey Schools Development Authority-Election of CEO

The New Jersey Schools Development Authority Act of 2007 established the New Jersey Schools Development Authority (the "Authority") and revised the school construction program established under the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (the "EFCFA"). The Authority adopted Bylaws at its first Organizational meeting held August 15, 2007.

Section 4.1 of the Bylaws provides that the Members of the Authority shall elect a Chief Executive Officer. Section 4.3 of the Bylaws authorizes the Board to fill a vacancy in the Chief Executive Officer position with the individual so elected to serve until the next Annual Meeting of the Authority and until the election of the Chief Executive Officer's successor.

Section 5.1 of the Bylaws requires that the individual elected by the Board to serve as Chief Executive Officer "shall be qualified by training and experience for the duties of the office" and "shall report to the members of the Authority". Section 5.1 further provides that "unless otherwise directed by the Authority and subject to the rules and regulations of the Authority, the Chief Executive Officer shall have general supervisory and management responsibility over all activities of the Authority...."

On May 1, 2019, Manuel Da Silva was elected by the SDA Board of Directors to serve as the Authority's Interim Chief Executive Officer. Consistent with Sections 4.1, 4.3 and 5.1 of the Authority's Bylaws, I present Mr. Da Silva for consideration by the Members to serve as Chief Executive Officer of the Authority with his annual compensation to be set at \$210,000.

Prior to his election as the Authority's Interim Chief Executive Officer, Manuel Da Silva served as Vice President of Construction Operations for the SDA, where he was responsible for the full oversight of all Capital Construction, Facilities Projects and Emergent Projects. Prior to this position, he served as a Program Director of Program Operations at SDA and was responsible for the management of Capital Projects.

Mr. Da Silva joined the New Jersey Schools Development Authority in 2010 as a Senior Manager, Engineering.

Mr. Da Silva has more than 20 years of experience in the fields of engineering and construction in both the public and private sectors, including projects with the Port Authority of New York and New Jersey, and the U.S. Postal Service.

Prior to joining the SDA, Mr. Da Silva was Director of Operations for M. Alfieri Co., Inc. and responsible for property management including planning, engineering and construction for tenant fitouts and new office facilities. His responsibilities covered 2.2 million square feet of Class A office buildings and nine multistate land development sites.

He graduated from the New Jersey Institute of Technology in 1993 with a Bachelor's of Science in Civil Engineering and a Minor in Management, and obtained his Professional Engineer's license in 1997.

It is my recommendation that the Members of the Authority consider and approve Manuel Da Silva to serve as Chief Executive Officer of the New Jersey Schools Development Authority.

/s/ Jane F. Kelly
Jane F. Kelly, Assistant Secretary for
Robert Nixon, Chairman of the Board

Resolution — 5b.**Election of Chief Executive Officer
New Jersey Schools Development Authority****Resolution**

WHEREAS, the New Jersey Schools Development Authority (“SDA” or “the Authority”) was established pursuant to P.L.2007, C.137 (N.J.S.A. 52:18A-235 et. seq.) as an entity “in but not of” the New Jersey State Department of the Treasury; and

WHEREAS, Bylaws to govern the affairs and organization of the Authority were adopted by the Members of the Authority at its first organizational meeting held August 15, 2007; and

WHEREAS, Section 4.1 of the Bylaws provides that the Members of the Authority shall elect an individual to serve as Chief Executive Officer of the Authority; and

WHEREAS, Section 4.3 of the Bylaws provides that in the event that any office of the Authority established under Section 4.1 becomes vacant, the Members may at any meeting elect an officer to fill such vacancy and the officer so elected shall serve until the next Annual Meeting of the Authority and until the election of the officer’s successor; and

WHEREAS, Section 5.1 of the Bylaws requires that the individual to be elected by the Board to serve as Chief Executive Officer “shall be qualified by training and experience for the duties of the office” and “shall report to the members of the Authority”; and

WHEREAS, Section 5.1 of the Bylaws further provides that “unless otherwise directed by the Authority and subject to the rules and regulations of the Authority, the Chief Executive Officer shall have general supervisory and management responsibility over all activities of the Authority...”; and

WHEREAS, the Members of the Authority have determined that Manuel Da Silva possesses the skills and experience to serve as the Authority’s Chief Executive Officer; and

WHEREAS, the Members of the Authority have determined to elect Manuel Da Silva to the position of Chief Executive Officer of the SDA with his annual compensation to be set at \$210,000.

NOW, THEREFORE, BE IT RESOLVED, that, consistent with the memorandum presented to the Board on this date, the Members of the Authority hereby elect Manuel Da Silva to serve as Chief Executive Officer of the New Jersey Schools Development Authority and authorize him to serve in that office until the next organizational meeting of the Authority and thereafter until his respective successor be elected, or until such earlier time as provided in Section 4.3 of the Authority's By-Laws.

Attached: Election of SDA Chief Executive Officer, December 4, 2019
Date: December 4, 2019

**REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE (CHAIRMAN'S
REPORT)**

PROPOSED 2020 OPERATING BUDGET



32 E. FRONT STREET
 P.O. BOX 991
 TRENTON, NJ 08625-0991
 609-943-5955

MEMORANDUM

TO: The Members of the Authority

FROM: Manuel Da Silva, Interim Chief Executive Officer
 Donald Guarriello, Chief Financial Officer

RE: Proposed 2020 Operating Budget

DATE: December 4, 2019

Justification for Budget Request

Pursuant to Article V, Section 5.1.B of the Authority's By-Laws, the Chief Executive Officer is required to prepare and submit a proposed annual budget for the Authority for adoption by the Members. Accordingly, in support of the Authority's current and projected project activities and other initiatives, we are submitting to the Board of Directors for their consideration a calendar year 2020 Operating Budget of \$17.4M, a decrease of \$1.8M over the 2019 Operating Budget. The 2020 Operating Budget includes a proposed headcount of 205 full-time equivalents (FTE) which is a reduction from the current year budget of 257 FTEs.

The management and administration of a \$300 million to \$350 million a year School Construction Program requires significant human resources. These resources and the functional areas they support have diverse responsibilities and accountabilities, but frequently their work is interrelated and all are critical to the successful management and administration of the Program. Several functional areas directly or indirectly impact school facilities projects such as capital planning, project controls and budgeting, real estate, design, construction management, contract management, project insurance and safety. Several other functional areas directly or indirectly touch projects, although their involvement may not be as apparent. These include procurement, accounts payable and legal. The Authority also administers a grants program providing state funding to regular operating districts for school facilities projects. In fact, more than 70% of NJSDA's employees either directly or indirectly touch several school facilities projects.

The management and oversight of numerous school construction capital projects, emergent projects and a grants program is not possible without back office support and necessary control functions. These functional areas include human resources, payroll, information systems, records management, internal auditing, communications, corporate governance, and financial

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and risk management, including accounting, operational budgeting, treasury operations and risk (i.e., insurance).

Budget Approach

To appropriately assign accountability, operating expenses are budgeted on a departmental basis. Departmental budget information supplied to the budget team is aggregated to arrive at divisional and Authority totals. Once approved, the budget is apportioned for 2020 monthly reporting.

Consistent with prior years, a portion of the Authority's employee salaries and benefits costs will be appropriately charged to school facilities projects based upon employee weekly time sheet data. For budget year 2020, the Authority has estimated the amount of such costs to be charged to school facilities projects at \$13.6M, which amount has been backed out of operating expense as presented in the attached materials.

Significant Operating Budget Variances

- Employee salaries charged to operating expense are projected to decrease by \$1.6M as compared to the current year budget to approximately \$8.2M. This is due to eliminating previously budgeted positions, now vacant, that are no longer required based on the Authority's current workload. Thus, the 2020 Operating Budget includes a proposed headcount of 205. Lastly, the amount of salaries estimated to be charged to school facilities projects is expected to decrease \$1.3M.
- Employee benefit costs charged to operating expense are projected to decrease by \$437K as compared to the current year budget to approximately \$3.4M. This is primarily due to decreased costs for Health Insurance of \$592K, Prescription Drug Insurance of \$220K, Dental Insurance of \$41K, Pensions \$128K and Social Security contributions of \$206K. These decreases are partially offset by a decrease in employee benefit costs charged to projects of \$690K – which serves to increase the Operating Expense portion of our benefit costs – as well as increased costs for Unemployment Insurance of \$60K, and Post-Retirement Benefits of \$40K.

Overall, employee benefit costs are estimated to comprise approximately 41.1% of gross payroll in 2020.

- Other personnel costs including temporary staffing, travel and expense reimbursements and training and professional development are all projected to decrease resulting in a reduction of \$177K in the 2020 budget.

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- Information Systems expenses are \$199K lower than the current year budget due primarily to decreased costs for Technology Projects of \$105K, System Hardware of \$37K, and Workstation Purchases and Upgrades of \$34K.
- The 2020 Operating Budget includes a decrease of \$97K in the Communications portion of the budget.
- General Office & Facilities costs are expected to decrease by \$115K due mainly to reductions for Utilities, Cellular Phone, Office Parking and Furniture Expenses.
- Professional and Other Contracted Services are expected to increase by \$922K for the 2020 Budget due to increases in Outside Legal Services of \$730K, Human Resources Consulting Services of \$175K and Internal Auditing Services of \$112K. Those increases are offset by a decrease in DAG Legal Services of \$125K. The projected increase in Outside Legal Services is primarily a repercussion of the 2018-2019 Authority restructuring. The engagement of a Human Resources consultant is expected to address several key areas including compensation and pay equity, grade level structure, organizational structure, job descriptions, policies and procedures development, and review of the Policies, Programs and Benefits Manual (aka Employee Handbook), among other things. The last critical examination of NJSDA's Human Resources practices was conducted in 2006-2007.
- The 2020 Operating Budget does not include costs for the replacement of NJSDA-owned vehicles nearing the end of useful life, resulting in a budget savings of \$80K.

Proposed 2020 Capital Budget and Carryforward Items

- The 2020 budget does not anticipate any new capital projects. However, work will continue in 2020 on replacement of the current Contract Management system with PMWeb's Construction Program Management Software Solution. This work began in 2018 and is estimated to have a total cost of approximately \$2.5M, plus an additional \$600K in capitalized staffing costs, a portion of which (approximately \$325K) will be incurred in 2020. The NJSDA Board approved this capital project in December 2017.

Accompanying Materials

The accompanying 2020 Operating Budget materials include the following: (1) Operating Budget Summary, (2) Operating Budget Details, (3) Employee Salaries and Fringe Benefit Expense Details, (4) Employee Headcount, (5) 5-Year Operating Budget Summary Comparison, (6) 5-Year Operating Budget to Actual Summary Comparison, and (7) Capital Budget and Carryforward Items. Additionally, the materials include an overview of the Schools Construction Program.

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Historical Perspective on the Authority's Operational Expenses

For the spending comparisons discussed in this section, all operational expense dollar amounts are inclusive of Authority-wide employee salaries and benefits costs (i.e., both operating and project related). This is necessary since it wasn't until the year 2013 that the Authority began charging a portion of its salaries and benefits costs to school facilities projects. Salaries and benefits costs appropriately charged to school facilities projects are based on employee time sheet data and standard costing.

During the period of several years through the end of 2009, the Authority experienced significant growth both in terms of staffing and operational expenses. By December 31, 2009, the Authority had 332 employees and its operational expenses for the same year were \$43.3 million. By comparison, the Authority is projecting operational expenses for the current year of around \$30.4 million, and the proposed 2020 budget anticipates operational expenses of approximately \$31.1 million and a maximum headcount of 205.

Additionally, from 2010 through 2019 (projected), the Authority has saved over \$100 million in total operational expenses when compared to 2009, the year Authority operational expenses reached their highpoint. Furthermore, during the same 10-year period the Authority reduced its headcount from 332 to 184 (current), a 44.6% reduction in staffing.

Since inception of the School Construction program, 95.7% of all NJSDA disbursements relate to school facilities projects and 4.3% relate to operational expenses.

Recommendation

The Members of the Authority are recommended to approve the proposed 2020 Operating Budget and 2020 Capital Budget and Carryforward Items as presented in the accompanying materials. The proposed 2020 Operating Budget is for the amount of \$17.4 million, and includes a headcount of 205. As discussed above, the 2020 budget does not anticipate any new capital projects, although work will continue in 2020 on development of the PMWeb Construction Program Management Software Solution.

Prepared by: Robert Carney and James Wiegartner

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New Jersey Schools Development Authority

Proposed 2020 Operating Budget Summary

Presentation to the Board of Directors

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	Proposed 2020 Budget	2019 Budget	2019 Reforecast	Over/(Under)	
				2020 Budget vs 2019 Budget	2020 Budget vs 2019 Reforecast
Personnel Expenses:					
Employee Salaries	\$ 17,827,447	\$ 20,620,593	\$ 17,837,901	\$ (2,793,146)	\$ (10,454)
Employee Benefits	7,333,500	8,459,920	7,483,705	(1,126,420)	(150,205)
Direct Hire Temporary Employee Costs	48,443	161,476	36,000	(113,033)	12,443
Total Employee Salaries & Benefits Costs	25,209,390	29,241,989	25,357,606	(4,032,599)	(148,216)
<u>Less:</u> Employee Salaries Costs Charged to Projects	(9,676,717)	(10,974,530)	(9,997,081)	1,297,813	320,364
<u>Less:</u> Employee Benefits Costs Charged to Projects	(3,959,253)	(4,648,810)	(4,032,080)	689,557	72,827
Salaries & Benefits Costs Charged to Operating Expense	11,573,420	13,618,649	11,328,445	(2,045,229)	244,975
Temporary Staffing Services	75,000	150,000	10,000	(75,000)	65,000
Travel & Expense Reimbursements	28,250	45,200	20,000	(16,950)	8,250
Training & Professional Development	70,000	155,400	65,000	(85,400)	5,000
Total Personnel Expenses	11,746,670	13,969,249	11,423,445	(2,222,579)	323,225
Non-Personnel Expenses:					
Facilities & General Office Expenses	2,581,911	2,696,673	2,679,553	(114,762)	(97,642)
Information Systems	1,083,140	1,282,000	1,200,000	(198,860)	(116,860)
Professional & Other Contracted Services	1,506,100	584,300	585,900	921,800	920,200
Property & Casualty Insurance	365,200	347,000	351,000	18,200	14,200
SDA-Owned Automobiles	100,000	195,000	100,000	(95,000)	-
Communications & Outreach	3,000	100,000	10,500	(97,000)	(7,500)
Reserve for Unforeseen Events & New Initiatives	50,000	50,000	50,000	-	-
Total Operating Expenses	\$ 17,436,021	\$ 19,224,222	\$ 16,400,397	\$ (1,788,201)	\$ 1,035,623
Total Full-Time Employees (FTEs)	205	257	195	(52)	10

New Jersey Schools Development Authority

Proposed 2020 Operating Budget Details

Presentation to the Board of Directors

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	Proposed 2020 Budget	2019 Budget
PERSONNEL EXPENSES:		
Employee Salaries & Benefits		
Employee Salaries	\$ 17,827,447	\$ 20,620,593
Employee Benefits	7,333,500	8,459,920
Direct Hire Temporary Employee Costs	48,443	161,476
Total Employee Salaries & Benefits Costs	25,209,390	29,241,989
<u>Less:</u> Employee Salaries Costs Charged to Projects	(9,676,717)	(10,974,530)
<u>Less:</u> Employee Benefits Costs Charged to Projects	(3,959,253)	(4,648,810)
Total Salaries & Benefits Costs Charged to Operating Expense	11,573,420	13,618,649
Temporary Staffing Services	75,000	150,000
Travel & Expense Reimbursements		
Mileage Reimbursements	12,000	15,700
Tolls & Parking	16,250	26,500
Business Meetings	-	3,000
Total Travel & Expense Reimbursements	28,250	45,200
Training & Professional Development		
Conferences & Seminars	20,000	64,800
HR Training - Authority Wide	15,000	30,000
Career Development	10,000	25,000
Publications & Subscriptions	15,000	23,600
Professional Memberships & Licenses	10,000	12,000
Total Training & Professional Development	70,000	155,400
TOTAL PERSONNEL EXPENSES	11,746,670	13,969,249
NON-PERSONNEL EXPENSES:		
FACILITIES & GENERAL OFFICE EXPENSES		
Office Leases & Parking		
Trenton	1,405,119	1,472,181
Newark	162,522	156,522
Total Office Leases & Parking	1,567,641	1,628,703
Telephone		
Private-VoIP	19,800	18,000
Cellular	115,900	129,800
Cellular - GPS/Engine & Maint Status	5,000	5,000
Miscellaneous Charges	8,000	18,000
Total Telephone	148,700	170,800

New Jersey Schools Development Authority

Proposed 2020 Operating Budget Details

Presentation to the Board of Directors

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	Proposed 2020 Budget	2019 Budget
Utilities		
Trenton Front St	215,000	225,000
Newark	25,000	30,000
Total Utilities	240,000	255,000
Postage & Delivery		
Meter Usage	6,000	6,000
Post Office Box Rental	1,270	1,270
State of NJ	400	400
Package Delivery	5,000	5,000
Total Postage & Delivery	12,670	12,670
Furniture & Equipment		
Furniture Purchases	1,500	21,000
Equipment Purchases	1,500	10,000
Equipment Maintenance	65,000	55,000
Total Furniture & Equipment	68,000	86,000
Office Supplies		
Stationary & Supplies	22,000	22,000
Printer & Copier Paper	20,000	20,000
Toner	50,000	50,000
Business Cards	1,000	2,000
Total Office Supplies	93,000	94,000
Building Security		
Building Security	5,000	2,500
Total Building Security	5,000	2,500
Janitorial		
Carpet Maintenance	10,000	10,000
Total Janitorial	10,000	10,000
Mechanical Maintenance		
Repairs & Maintenance	25,000	25,000
Common Area Maintenance Fees	372,000	372,000
Total Mechanical Maintenance	397,000	397,000

New Jersey Schools Development Authority

Proposed 2020 Operating Budget Details

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	Proposed 2020 Budget	2019 Budget
Other		
Refreshments & Supplies	21,000	21,000
Employee Services	5,900	6,000
Recruitment Expense	13,000	13,000
Total Other	39,900	40,000
TOTAL FACILITIES & GENERAL OFFICE EXPENSES	2,581,911	2,696,673
INFORMATION SYSTEMS		
System Maintenance	652,000	646,000
Media Storage	32,800	28,600
System Supplies	30,000	42,000
System Software		
General	20,000	20,000
Total System Software	20,000	20,000
System Hardware		
General	33,000	69,800
Workstation Purchases/Upgrades	-	34,000
Total System Hardware	33,000	103,800
Technology Projects		
RES DB Integration Changes and Revisions to Templates	-	50,000
Document Management	40,000	20,000
Newark Office Fitout	-	75,000
Total MIS Projects	40,000	145,000
External Services		
Internet Service Provider	189,840	183,600
On-Line Board Books	13,000	15,000
Other On-Line Subscription Services	44,500	70,000
Total External Services	247,340	268,600
Information Systems Staff Technical Training	28,000	28,000
TOTAL INFORMATION SYSTEMS	1,083,140	1,282,000

New Jersey Schools Development Authority

Proposed 2020 Operating Budget Details

Presentation to the Board of Directors

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	Proposed 2020 Budget	2019 Budget
PROFESSIONAL & OTHER CONTRACTED SERVICES		
Auditing		
Independent Auditor Services	114,000	114,000
Internal Audit	112,000	-
Total Auditing	226,000	114,000
Outside Legal & Related Services		
Outside Legal Services-Litigation	730,000	-
Outside Legal & Related Services Total	730,000	-
Other Professional Services		
ADP Payroll Services	41,200	40,000
Actuary Services	10,000	6,500
Human Resources	175,000	-
IT Consulting Services	173,500	143,500
Total Other Professional Services	399,700	190,000
Interagency Agreements		
DAG Legal Services	75,000	200,000
Total Interagency Agreements	75,000	200,000
Other		
Document Storage (Off Site)	65,000	65,000
Computer Checks	400	300
Shredding Services	5,000	5,000
Bank Service Charges	5,000	10,000
Total Other	75,400	80,300
TOTAL PROFESSIONAL & OTHER CONTRACTED SERVICES	1,506,100	584,300
PROPERTY & CASUALTY INSURANCE		
Package-Owned	37,200	34,000
Automobile	40,500	40,000
Umbrella Liability	31,600	22,000
Umbrella Liability-Excess	5,400	14,000
Public Officials Liability	181,200	177,000
Public Officials Liability-Excess	62,500	60,000
Workplace Violence	6,800	-
TOTAL PROPERTY & CASUALTY INSURANCE	365,200	347,000

New Jersey Schools Development Authority

Proposed 2020 Operating Budget Details

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	Proposed 2020 Budget	2019 Budget
SDA-OWNED AUTOMOBILES		
Automobile Purchase Cost	-	80,000
State of NJ Central Motor Pool Charges	100,000	115,000
TOTAL SDA-OWNED AUTOMOBILES	100,000	195,000
COMMUNICATIONS & OUTREACH		
External Communications		
General	3,000	-
Events/Conferences	-	10,000
Community Outreach	-	65,000
External Communications Total	3,000	75,000
<i>Promotional Materials (Category eliminated in 2020 budget)</i>		
Marketing Outreach	-	10,000
Advertising/Sponsorship	-	15,000
Promotional Materials Total	-	25,000
TOTAL COMMUNICATIONS & OUTREACH	3,000	100,000
RESERVE FOR UNFORSEEN EVENTS & NEW INITIATIVES	50,000	50,000
TOTAL OPERATING EXPENSES	\$ 17,436,021	\$ 19,224,222
Full-Time Employees (FTEs)		
Current Actives	184	223
Vacant Positions	21	34
Total Full-Time Employees	205	257

New Jersey Schools Development Authority
Proposed 2020 Employee Salaries and Fringe Benefits Expense Details
Presentation to the Board of Directors

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	Proposed 2020 Budget	2019 Budget	2020 Budget vs 2019 Budget
Employee Salaries:			
Employee Salaries	\$ 18,056,995	\$ 20,832,441	\$ (2,775,446)
Capitalized Employee Salaries - PMWeb	(229,548)	(211,848)	(17,700)
Direct Hire Temporary Employee Costs	48,443	161,476	(113,033)
Total Employee Salaries	17,875,890	20,782,069	(2,906,179)
Less: Employee Salaries Costs Charged to Projects	(9,676,717)	(10,974,530)	1,297,813
Total Employee Salaries Charged to Operating Expense	8,199,173	9,807,539	(1,608,366)
Employee Benefits:			
Social Security	1,358,378	1,564,283	(205,905)
Unemployment Insurance	135,001	75,003	59,998
Workers Compensation Insurance	110,500	116,001	(5,501)
Long-Term Disability	113,343	130,895	(17,552)
Pension and Life Insurance	2,395,260	2,523,723	(128,463)
Health Insurance	2,186,762	2,779,101	(592,339)
Prescription Drug Insurance	581,241	801,702	(220,461)
Dental Care	177,717	218,814	(41,097)
Vision Care	30,750	38,550	(7,800)
Post Retirement Benefits	340,000	300,000	40,000
Capitalized Fringe Benefits - PMWeb	(95,452)	(88,152)	(7,300)
Total Employee Benefits	7,333,500	8,459,920	(1,119,120)
Less: Employee Benefits Costs Charged to Projects	(3,959,253)	(4,648,810)	689,557
Total Employee Benefits Charged to Operating Expense	3,374,247	3,811,110	(429,563)
Total Salaries & Benefits Charged to Operating Expense	\$ 11,573,420	\$ 13,618,649	\$ (2,037,929)
Fringe Benefit Rate	41.14%	41.03%	

New Jersey Schools Development Authority

Proposed 2020 Operating Budget Employee Headcount

Presentation to the Board of Directors

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SDA Division/Unit	Employee Headcount			Proposed Headcount vs.	
	Proposed 2020 Budget	2019 Budget	10/21/2019 Actual	2019 Budget	10/21/2019 Actual
Office of Chief Executive Officer (CEO)	4	3	4	1	-
Office of Chief of Staff (COS)	-	5	-	(5)	-
Human Resources	6	7	4	(1)	2
Communications	3	5	2	(2)	1
Information Systems	15	15	15	-	-
Central Records Management	3	4	3	(1)	-
Legislative Affairs	1	2	1	(1)	-
Special Projects	-	3	-	(3)	-
SMWBE	-	11	-	(11)	-
Office of Corporate Governance & Legal Affairs	5	5	5	-	-
Chief Counsel	11	16	10	(5)	1
Safety	6	6	6	-	-
Policy	-	3	-	(3)	-
Internal Audits	4	5	3	(1)	1
Office of Construction Operations	2	1	-	1	2
Project Teams	39	46	33	(7)	6
Office of Program Operations & Strategic Planning	2	3	2	(1)	-
Capital Planning & Program Operations	4	11	4	(7)	-
Design Studio	20	20	18	-	2
Grants Administration	13	14	12	(1)	1
Real Estate Services & Predevelopment	10	10	8	-	2
Vendor Development	5	3	5	2	-
Office of Administrative Operations	-	3	-	(3)	-
Office of Chief Financial Officer	2	1	2	1	-
Financial Operations	11	12	9	(1)	2
Financial Accounting & Disbursements	13	13	13	-	-
Procurement	9	9	9	-	-
Risk Management	9	9	8	-	1
Property Management	4	5	4	(1)	-
Facilities	4	7	4	(3)	-
Total Full-Time Employees (FTEs)	205	257	184	(52)	21

Note: Vacant positions are filled on an as needed basis subject to Executive Team approval. Positions may be reassigned to address the Authority's needs.

New Jersey Schools Development Authority
Proposed Operating Budget Summary Comparison
Calendar Years 2020 - 2016

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	2020 Budget	2019 Budget	2018 Budget	2017 Budget	2016 Budget
Personnel Expenses:					
Employee Salaries	\$ 17,827,447	\$ 20,620,593	\$ 19,906,047	\$ 19,880,983	\$ 20,260,791
Employee Benefits	7,333,500	8,459,920	8,209,129	8,132,016	8,427,627
Direct Hire Temporary Employee Costs	48,443	161,476	290,655	290,655	376,775
Total Employee Salaries & Benefits Costs	25,209,390	29,241,989	28,405,831	28,303,654	29,065,193
Less: Employee Salaries Costs Charged to Projects	(9,676,717)	(10,974,530)	(11,347,683)	(10,895,427)	(11,158,927)
Less: Employee Benefits Costs Charged to Projects	(3,959,253)	(4,648,810)	(4,576,086)	(4,438,647)	(4,535,164)
Salaries & Benefits Costs Charged to Operating Expense	11,573,420	13,618,649	12,482,062	12,969,580	13,371,102
Temporary Staffing Services	75,000	150,000	150,000	150,000	130,000
Travel & Expense Reimbursements	28,250	45,200	38,075	35,475	33,700
Training & Professional Development	70,000	155,400	146,800	135,359	126,194
Total Personnel Expenses	11,746,670	13,969,249	12,816,937	13,290,414	13,660,996
Non-Personnel Expenses:					
Facilities & General Office Expenses	2,581,911	2,696,673	2,661,834	2,639,330	2,605,440
Information Systems	1,083,140	1,282,000	1,130,400	1,482,400	1,430,445
Professional & Other Contracted Services	1,506,100	584,300	593,100	538,250	504,500
Property & Casualty Insurance	365,200	347,000	343,000	408,800	413,000
SDA-Owned Automobiles	100,000	195,000	115,000	115,000	100,000
Communications & Outreach	3,000	100,000	1,000	500	500
Reserve for Unforeseen Events & New Initiatives	50,000	50,000	50,000	50,000	50,000
Total Operating Expenses	\$ 17,436,021	\$ 19,224,222	\$ 17,711,271	\$ 18,524,694	\$ 18,764,881
Total Full-Time Employees (FTEs)	205	257	257	257	257

New Jersey Schools Development Authority
Proposed Operating Budget to Actual Summary Comparison
Calendar Years 2020 - 2016

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	2020 Budget	2019 Reforecast	2018 Actuals	2017 Actuals	2016 Actuals
Personnel Expenses:					
Employee Salaries	\$ 17,827,447	\$ 17,837,901	\$ 18,282,325	\$ 17,953,740	\$ 18,476,015
Employee Benefits	7,333,500	\$ 7,483,705	7,356,029	7,244,371	7,517,946
Direct Hire Temporary Employee Costs	48,443	\$ 36,000	120,528	219,320	205,055
Total Employee Salaries & Benefits Costs	25,209,390	25,357,606	25,758,882	25,417,431	26,199,016
Less: Employee Salaries Costs Charged to Projects	(9,676,717)	\$ (9,997,081)	(9,703,098)	(10,195,575)	(10,618,046)
Less: Employee Benefits Costs Charged to Projects	(3,959,253)	\$ (4,032,080)	(3,882,632)	(4,071,241)	(4,240,766)
Salaries & Benefits Costs Charged to Operating Expense	11,573,420	11,328,445	12,173,152	11,150,615	11,340,204
Temporary Staffing Services	75,000	\$ 10,000	107,692	128,039	176,226
Travel & Expense Reimbursements	28,250	\$ 20,000	18,308	21,813	29,816
Training & Professional Development	70,000	\$ 65,000	35,039	37,490	67,905
Total Personnel Expenses	11,746,670	11,423,445	12,334,191	11,337,957	11,614,151
Non-Personnel Expenses:					
Facilities & General Office Expenses	2,581,911	\$ 2,679,553	2,491,786	2,409,217	2,354,692
Information Systems	1,083,140	\$ 1,200,000	913,546	1,182,883	1,096,191
Professional & Other Contracted Services	1,506,100	\$ 585,900	364,132	325,029	219,529
Property & Casualty Insurance	365,200	\$ 351,000	340,078	407,732	408,336
SDA-Owned Automobiles	100,000	\$ 100,000	72,932	75,339	81,357
Communications & Outreach	3,000	\$ 10,500	11,500	1,377	239
Reserve for Unforeseen Events & New Initiatives	50,000	\$ 50,000	-	-	-
Total Operating Expenses	\$ 17,436,021	\$ 16,400,397	\$ 16,528,165	\$ 15,739,534	\$ 15,774,495
Total Full-Time Employees (FTEs)	205	200	222	211	229

New Jersey Schools Development Authority

Proposed 2020 Capital Budget and Carryforward Items

Presentation to the Board of Directors

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Description of Capital Item:	Budget Year	Budget Amount	Capital Expenditures - Actuals			Project Funds No Longer Required	2020 Budget and Carry-forward Items
			2019 *	Pre-2019	Total		
PMWeb Software System - Purchase & Development	2018	\$ 2,500,000	\$ 370,352	\$ 343,924	\$ 714,276	\$ -	\$ 1,785,724
PMWeb Software System - SDA Staff Time	2019	450,000	275,000	-	275,000	-	175,000
PMWeb Software System - SDA Staff Time	2020	150,000	-	-	-	-	150,000
2020 Capital Projects **	2020	-	-	-	-	-	-
Totals		\$ 3,100,000	\$ 645,352	\$ 343,924	\$ 989,276	\$ -	\$ 2,110,724

* Amounts are projected as actuals are not available as of budget presentation to the Board of Directors.

** No new capital projects are anticipated in 2020.

State of New Jersey Schools Development Authority

Overview

The New Jersey Schools Development Authority (SDA) fully funds and manages the design and construction of school facilities projects in 31 school districts known as the SDA Districts. SDA managed school facilities projects include new construction as well as extensive addition, renovation and/or rehabilitation projects. SDA also makes grants available to the Regular Operating Districts (RODs) throughout New Jersey for facilities projects. These grants fund at least 40 percent of eligible project costs, with the remaining share coming from local communities, contingent on budget or voter approval. All SDA funded school facilities projects are approved by the New Jersey Department of Education (DOE).

Since its inception, \$11.15 billion of bonds have been issued by the New Jersey Economic Development Authority (EDA) to support the work of the SDA. The capital raised from the sale of bonds recognizes the significant facilities needs throughout the state of New Jersey. The dedication of these significant resources carries with it an increased measure of accountability, which the public rightfully expects, deserves and receives.

The SDA's current Capital Portfolio consists of 39 projects in SDA Districts throughout the state. This portfolio is the result of a comprehensive review and the creation of a Statewide Prioritization based on current educational priorities and factors assuring the most efficient use of public funds. To date, 25 of the projects in the current Capital Portfolio are complete. Additionally, based upon the DOE's 2019 Educational Facilities Needs Assessment, there are SDA Districts with projected additional educational capacity needs; however, the SDA currently does not have the necessary funding to commence any new capital projects not already included in its current Capital Portfolio.

The SDA also funds emergent projects in the SDA Districts. Emergent projects address conditions such as leaky roofs, building envelope water infiltration, and electrical, HVAC and plumbing system issues. These projects are 100 percent state-funded and are either SDA-managed or delegated for management by the local districts.

Current SDA Projects

In September 2019, the SDA opened four new schools throughout New Jersey that will provide more than 3,800 additional seats for students throughout New Jersey. The Irvington Madison Avenue Elementary School, Passaic City Sonia Sotomayor School No. 21, Perth Amboy Rose M. Lopez Elementary School, and Trenton Central High School projects represent a State investment of \$306 million.

The SDA's current portfolio of active projects is valued at approximately \$2 billion – including the Capital Portfolio, emergent projects and Regular Operating District grants. As of September 1, 2019, the SDA has nine active Capital construction projects in SDA Districts, including two in constructability review and one in the initial phase of design-build, with several more in planning and/or design phase.

SDA Project Completions and Grant Executions

Overall, as of September 1, 2019, the SDA has provided funding for and management oversight of more than 860 completed school facilities projects in SDA Districts. In addition to completing 87 critically-needed new schools, including six demonstration grant projects, the SDA has completed 78 extensive addition, renovation and/or rehabilitation projects and hundreds of other school facilities projects in SDA Districts. In addition, SDA has provided partial funding for 26 SDA-managed projects in Regular Operating Districts consisting of eight new schools and 18 extensive additions, renovations and/or rehabilitations.

The SDA has also executed more than 5,400 ROD grants impacting 524 school districts throughout all 21 counties in New Jersey. These grants provided more than \$3 billion in state funds to local districts, leveraging projects having a total estimated value of approximately \$8.95 billion.

History of the School Construction Program

The school construction program resulted from a 1998 ruling by the New Jersey Supreme Court in the *Abbott v. Burke* case that the State must provide 100 percent funding for all school renovation and construction projects in special-needs school districts. According to the Court, aging, unsafe and overcrowded buildings prevented children from receiving the "thorough and efficient" education required under the New Jersey Constitution.

In response, the New Jersey Educational Facilities Construction and Financing Act (the "Act") was enacted on July 18, 2000, launching the program and placing responsibility under the EDA.

Full funding for approved projects was authorized for 31 special-needs districts, then known as Abbott Districts. Grants totaling 40 percent of eligible costs were made available to the remaining districts. Overall, the Act allocated \$8.6 billion. In July 2002, an executive order was issued creating the New Jersey Schools Construction Corporation (SCC) as an EDA subsidiary. The SCC was delegated all responsibilities under the Act except for the power to incur indebtedness, which remained with EDA. The program promptly launched a series of health-and-safety improvements across New Jersey, totaling 354 projects, and began building new schools and major additions and renovations as well as continuing the issuance of ROD grants.

In August 2007, legislation was signed dissolving the SCC and replacing it with the SDA. The legislation also included a number of noteworthy reforms, including the creation of the new organization as an independent authority in but not of the Department of Treasury, ending its status as a subsidiary of the EDA. The EDA retained its financing role for the program. In July 2008, legislation was enacted authorizing \$3.9 billion in additional funding for the school construction program.

Resolution—6a.**Approval of the Fiscal Year 2020 SDA Annual Operating Budget****Resolution**

WHEREAS, the New Jersey Schools Development Authority (SDA or the Authority) was established by law pursuant to P.L.2007, C.137 (NJSA 52:18A-235 et. seq.) as an entity “in but not of” the New Jersey State Department of the Treasury; and

WHEREAS, pursuant to law, the Authority is authorized to “adopt bylaws for the regulation of its affairs and the conduct of its business” and bylaws were adopted by the Authority on August 15, 2007; and

WHEREAS, pursuant to Article IX of the Authority’s bylaws, there is established an Audit Committee, the duties and responsibilities of which are set forth in the Audit Committee Charter; and

WHEREAS, pursuant to Article VII, Section 7.1 of the Authority’s bylaws, “the fiscal year of the Authority shall commence on the first day of January of each calendar year and conclude on the last day of December of the same calendar year; and

WHEREAS, pursuant to Article V. Section 5.1B of the Authority’s bylaws, the Authority’s “Chief Executive Officer shall prepare and submit a proposed annual budget for the Authority for each ensuing year for adoption by the members of the Authority”; and

WHEREAS, pursuant to Article V. Section 5.1B of the bylaws of the Authority, the Chief Executive Officer has submitted to the Audit Committee for consideration a proposed operating budget for the Authority’s Fiscal Year 2020; and

WHEREAS, at its October 21, 2019 and November 18, 2019 meeting the Audit Committee reviewed and discussed the FY 2020 budget proposal; and

WHEREAS, pursuant to Article VII A.1 of the Audit Committee Charter and following deliberations, the Audit Committee recommends for approval by the Members of the Authority the budget proposal recommended by SDA management for FY 2020 and it is so presented in the attachment hereto.

NOW THEREFORE BE IT RESOLVED, that the Board hereby approves the attached FY 2020 Annual Operating Budget for staffing, general and administrative expenses and capital expenditures in support of SDA operations totaling \$17.4 million and authorizes the Interim Chief Executive Officer to expend funds on behalf of the Authority pursuant to this budget as required.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Attached: Proposed FY 2020 Annual Operating Budget Memorandum and Attachment, dated
December 4, 2019

Dated: December 4, 2019

**REPORT AND RECOMMENDATIONS OF THE SCHOOL REVIEW COMMITTEE
(CHAIRMAN'S REPORT)**

CHANGE ORDER NO. 2 - TERMINAL CONSTRUCTION CORPORATION



MEMORANDUM

TO: Members of the Authority

FROM: Robert Ryan, Program Director, Construction Operations

DATE: December 4, 2019

SUBJECT: Change Order – Terminal Construction Corporation

COMPANY NAME:	Terminal Construction Corporation
DISTRICT:	Orange
CONTRACT NO.:	ES-0042-C01
ORIGINAL CONTRACT VALUE:	\$37,000,000.00
CM:	Cambridge Construction Management, Inc.
SCHOOL NAME:	Orange High School
CHANGE ORDER NO.:	2
REASON:	Constructability Review
AMOUNT:	\$1,011,157.00 (Inclusive of \$50,000.00 in Allowances)
CONTRACT STATUS:	0% Paid to Date against the Current Contract Value
ANTICIPATED OCCUPANCY DATE:	September 2022

INTRODUCTION

I am writing to recommend approval by the Members of the Authority of Change Order No. 2 in the aggregate amount of \$1,011,157.00, inclusive of \$50,000.00 in Allowances representing the results of the General Contractor's required Constructability Review. Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, a change order that singularly exceeds \$500,000 or singularly or in the aggregate is greater than 10% of the contract value requires approval by the Members of the Authority. Change Order No. 2 represents forty six (46) items which have been aggregated for reasons of efficiency and consolidated resolution prior to the start of construction work. As an aggregated value, this consolidated change order singularly exceeds \$500,000.

On March 6, 2019, the Members of the Authority approved the award of a contract in the amount of \$37,000,000.00 to Terminal Construction Corporation (TCC) for construction services for the addition and renovation project at the Orange High School (OHS) in the Orange School District, and also approved a Final Project Charter for the project. Before construction initiates, TCC is contractually required to perform a Constructability Review to identify any potential conflicts in the project documents and, if any conflicts are identified, the corresponding cost to address them. The Constructability Review also requires TCC to verify and confirm that existing site conditions are as represented in the Construction Documents and to identify costs to address any differences.

The Project Charter approved on March 6, 2019, includes a construction contingency from which to address the potential cost impact resulting from the Constructability Review. Any cost impact resulting from the Constructability Review will constitute a Change Order to the contract.

Members of the Authority
Change Order No. 2 – Terminal Construction Company
Orange School District – Orange High School
December 4, 2019
Page 2

BACKGROUND

OHS, built in 1974, is a 145,294 square foot facility educating 804 students in grades 10 to 12. The OHS is among the projects included in the NJSDA's 2012 Capital Plan. The project scope includes an approximately 50,000 square foot, two story addition to the existing OHS facility, an enclosed connecting bridge between the OHS and Orange Preparatory Academy (OPA), and selective renovations affecting approximately 80,000 square feet to address facilities conditions deficiencies at the existing OHS facility. In advancing this project, we also recognized the potential need to address limited facilities conditions deficiencies in the OPA. We continue to review that potential need and we will advise the Board of any associated scope and cost upon conclusion of our review.

On April 29, 2019, TCC was issued a Limited Notice to Proceed (LNTP) to perform the Constructability Review, scope to be performed within a contractually-established allowance of \$200,000. On May 24, 2019, the NJSDA approved an increase of \$100,000 to that allowance, recognizing the significant effort associated with the services, most particularly related to assessments associated with HVAC work required in the existing facility and the installation of an elevator shaft for the connecting bridge at the OPA.

The Constructability Review performed by TCC was completed on November 15, 2019. Kliment Halsband Architecture, LLP (KHA), the Design Consultant, Cambridge Construction Management, Inc. (Cambridge), the Construction Manager (CM) and NJSDA participated in progress meetings during the performance of the Constructability Review and KHA has responded to questions from TCC throughout that process.

TCC's Constructability Review deliverables include provision of a written Constructability Review Report as well as one of the following certifications upon conclusion of the Constructability Review:

- a. that the project documents are complete and free of conflicts; or
- b. that corrections are required, along with a proposal for a Change Order to address the needed corrections. This conclusion requires the contractor to certify that, following correction of the documents and execution of the Change Order, the contractor waives any right to further Change Orders or Claims resulting from deficiencies in the documents that could or should have been discovered during the Constructability review; or
- c. that corrections are needed for which the contractor cannot determine a cost at the time of conclusion of the Constructability review.

Any proposed Change Order resulting from the Constructability Review is subject to review and approval of the NJSDA prior to issuance to TCC of the Notice to Proceed (NTP) for construction. In requiring the performance of the Constructability Review, the NJSDA is seeking to minimize the potential for future change orders as well as support project schedule requirements through early identification and resolution of issues, thereby preventing potential costly construction delays.

Members of the Authority
 Change Order No. 2 – Terminal Construction Company
 Orange School District – Orange High School
 December 4, 2019
 Page 3

REASON FOR CHANGE

The purpose of the Constructability Review is for the General Contractor to verify the following:

- Constructability of the Work - Is the Project constructable in accordance with the Documents, completely and satisfactorily, within the Contract Time for the proposed Contract Price?
- Coordination of the Work - Are the Documents and their requirements for the Project fully coordinated so that they are complementary and do not lead to confusion or a lack of clarity about the work that is required?
- Elimination of Conflicts in the Work - Are the Documents free of conditions where construction in accordance with the Documents will create conflicts among systems, materials or components and consequently impede satisfactory completion of the Project within the Contract Time for the proposed Contract Price?
- Completeness of the Work - Are the Documents complete and inclusive of all information required for construction?
- Verification and Confirmation of Existing Conditions - Are the existing site conditions as represented in the Construction Documents, such existing conditions to include the dimensions, size, number, type and condition of existing construction elements and site features?

It is the Authority's intent to utilize the findings of the Constructability Review Report to identify and resolve errors, omissions, inconsistencies, conflicts, inaccuracies or other deficiencies in the Project Documents inclusive of any representations of Existing Conditions that would affect the Project's cost and schedule during construction, thereby eliminating future change orders caused by such deficiencies.

TCC presented 1,010 questions – submitted as Requests for Information, or “RFIs” - during the Constructability Review and received responses to all 1,010 questions. Upon review by the NJSDA, KHA and Cambridge, these responses led to forty six (46) items being considered additional work to the contract, and four (4) items being considered as credits to the contract. All remaining RFIs were reviewed, answered and considered closed by all participants. These RFIs were addressed as clarifications to the information supplied in the Contract Documents and not considered additional work to the contract. All participants agreed that no additional compensation was warranted by these RFIs.

Of the forty six (46) items identified during the Constructability Review as requiring additional work, sixteen (16) relate to scope for the Addition and thirty (30) relate to scope for the Renovation. KHA will incorporate all plan and specification revisions required to address all deficiencies and clarifications discovered during the Constructability Review into a conformed set of documents at no cost to the Authority per the Agreement.

Negotiations have resulted in submission by TCC of a proposed consolidated change order accompanied by a certification stating that following correction of the documents and execution of this consolidated change order, TCC waives its right to further Change Orders or Claims resulting from Deficiencies in the Documents that could or should have been discovered during the Constructability Review. The negotiations recognize inclusion of two Allowances in the consolidated Change Order:

- \$25,000.00 associated with replacement of existing HVAC piping if required.
- \$25,000.00 associated with the replacement of existing roof decking if required.

Members of the Authority
 Change Order No. 2 – Terminal Construction Company
 Orange School District – Orange High School
 December 4, 2019
 Page 4

SUMMARY OF CHANGE

Consolidated Change Order No. 2, valued at an aggregate amount of \$1,011,157.00 (inclusive of \$50,000.00 in Allowances) is required to address necessary additional construction services as a result of the Constructability Review.

1) TCC and Subcontractor Direct Cost	\$ 932,264.00
2) <u>Overhead, Profit, Bond and Insurance</u>	<u>\$ 78,893.00</u>
Additional Costs	\$ 1,011,157.00

All documents supporting this consolidated change order have been reviewed by the associated NJSDA project team members as well as the Program Director, Deputy Program Director and Financial Operations, for adherence to current NJSDA policy and procedures. All reviewing NJSDA staff members have determined that the items included in the change order are justified and that the aggregate amount is reasonable and appropriate.

CALCULATIONS

a. Original Contract Amount	\$ 37,000,000.00
b. Change Orders to Date (excluding proposed change order)	\$ 100,000.00
c. Proposed Change Order Amount	\$ 1,011,157.00
d. Total Change Orders to Date including this Change Order (Total of Line (b.) and Line (c.))	\$ 1,111,157.00
e. Percentage Change to Original Contract (Line (d.) represents a percent of Line (a.))	3.00%
f. Proposed Adjusted Contract Price (Line (a.) plus Line (d.))	<u>\$ 38,111,157.00</u>

RECOMMENDATION

The Members of the Authority are requested to approve Change Order No. 2 in the aggregate amount of \$1,011,157.00 (inclusive of \$50,000.00 in Allowances) In accordance with the Operating Authority adopted by the Board on December 1, 2010, as amended on March 7, 2012, a change order that singularly exceeds \$500,000 or when aggregated with all prior change orders is greater than 10% of the contract value requires approval by the Members of the Authority. This consolidated change order is for an aggregate value that exceeds \$500,000.

/s/ Robert Ryan
 Robert Ryan, Program Director, Construction Operations

Reviewed and Recommended by: Andrew Yosha, Vice President, Program Operations and Strategic Planning
 Reviewed and Recommended by: Nicole Burnett, Deputy Director, Construction Operations
 Reviewed and Recommended by: Gabriel Salas, Program Officer, Construction Operations
 Prepared and Recommended by: Ricardo Didier, Program Officer, Construction Operations

Resolution—7a.

COMPANY NAME:	Terminal Construction Corporation
DISTRICT:	Orange
CONTRACT NO.:	ES-0042-C01
ORIGINAL CONTRACT VALUE:	\$37,000,000.00
CM:	Cambridge Construction Management, Inc.
SCHOOL NAME:	Orange High School
CHANGE ORDER NO.:	2
REASON:	Constructability Review
AMOUNT:	\$1,011,157.00 (Inclusive of \$50,000.00 in Allowances)
CONTRACT STATUS:	0% Paid to Date against the Current Contract Value
ANTICIPATED OCCUPANCY DATE:	September 2022

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) requires that a change order that singularly exceeds \$500,000 or singularly or in the aggregate is greater than 10% of the contract value requires approval by the Members of the Authority; and

WHEREAS, Orange High School (OHS) is a 145,294 square foot facility educating 804 students in grades 10 to 12 and the OHS project (Project) was among the projects included in the SDA's 2012 Capital Plan; and

WHEREAS, the Project's scope includes an approximately 50,000 square foot, two story addition to the existing OHS facility, an enclosed connecting bridge between the OHS and Orange Preparatory Academy (OPA), and selective renovations affecting approximately 80,000 square feet to address facilities conditions deficiencies at the existing OHS facility; and

WHEREAS, on March 6, 2019, the Members of the Authority approved the award of a contract in the amount of \$37,000,000 to Terminal Construction Corporation (Terminal) for construction services for the Project and also approved a final project charter for the Project; and

WHEREAS, prior to commencement of construction, Terminal was contractually required to perform a constructability review in order to identify any potential conflicts in the Project documents and, if any conflicts were identified, the corresponding cost to address them; and

WHEREAS, the constructability review also required Terminal to verify and confirm that existing site conditions are as represented in the construction documents and to identify costs to address any differences; and

WHEREAS, the constructability review performed by Terminal was completed on November 15, 2019; and

WHEREAS, Terminal's deliverables, as identified in the constructability review, are described in detail in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, consolidated Change Order No. 2, valued at an aggregate amount of \$1,011,157 (inclusive of \$50,000.00 in allowances) is required to address necessary additional construction services identified as a result of the constructability review; and

WHEREAS, Change Order No. 2, represents items that have been aggregated for reasons of efficiency and consolidated resolution prior to the start of construction work and, as an aggregated value, this consolidated change order singularly exceeds \$500,000; and

WHEREAS, as this consolidated change order is for an aggregate value that exceeds \$500,000, its issuance requires Board approval; and

WHEREAS, the project charter approved on March 6, 2019, includes a construction contingency from which to address the potential cost impact resulting from the constructability review, stipulating that any cost impact resulting from the constructability review would result in a change order to the contract; and

WHEREAS, the particulars of the constructability review process, the reason for the change and a summary of the changes are set forth in detail in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, all documents supporting this consolidated change order have been reviewed by the associated SDA project team members as well as the program director, deputy program director and financial operations for adherence to current SDA policy and procedures and all reviewing staff members have determined that the items included in the change order are justified and that the aggregate amount is reasonable and appropriate.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve Change Order No. 2 in the aggregate amount of \$1,011,157 (Inclusive of \$50,000.00 in Allowances) for Terminal Construction Corporation (Contract No. ES-0042-C01) for the Orange High School Project in the Orange School District consistent with the memorandum presented to the Board on this date and incorporated herein.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Attached: Memorandum, Terminal Construction Corporation (Contract No. ES-0042-C01), Change Order No. 2, Orange High School, Orange School District, dated December 4, 2019

Dated: December 4, 2019

**NOTIFICATION OF COMPLETION OF PRE-DESIGN PHASE SERVICES AND
AUTHORIZATION TO PROCEED WITH DESIGN PHASE SERVICES - NEWARK
PUBLIC SCHOOLS DISTRICT - ROBERTO CLEMENTE ELEMENTARY SCHOOL -
EMERGENT PROJECT - BOILER ROOM VAULT REPAIR PROJECT**

[INFORMATIONAL]



INFORMATIONAL MEMORANDUM

TO: Members of the Authority

FROM: Bob Ryan, Program Director, Construction Operations

DATE: December 4, 2019

SUBJECT: Roberto Clemente Elementary School, Newark
Emergent Project - Boiler Room Vault Repair Project
Notification of Completion of Pre-Design Phase Services and Authorization to
Proceed with Design Phase Services

INTRODUCTION

I am writing this memorandum to provide notification to the Members of the Authority of the conclusion of Pre-Design Phase Services and the initiation of Design Phase Services to address an emergent condition at the Roberto Clemente Elementary School in Newark. The NJSDA will issue an authorization to proceed to SSP Architectural Group, Inc. (SSP) for Design Phase Services in accordance with the NJSDA selected option following a review of the results of the Pre-Design Phase Services performed by SSP.

The NJSDA will now authorize SSP to complete design documents to address the emergent condition at the existing subsurface Boiler Room Vault. Upon completion of the design documents NJSDA will engage a general contractor through the General Contractor Task Order Contract (GCTO) to perform the necessary demolition and construction to implement this design. The value of that GCTO assignment is estimated at this time at \$535,200.

While advancement of the Design Phase Services does not require approval by the Board, the estimated value of the construction contract anticipates that board approval will be required prior to engagement of the contractor. Therefore, I am writing to notify the Board of the action now being taken.

BACKGROUND

The Roberto Clemente Elementary School ("RCES"), built in 1884 with two additions built in 1897 and 1927, is an approximately 68,000 square foot facility in the Newark Public Schools District educating approximately 531 students in grades Pre-K through 4th.

The NJSDA engaged SSP through utilization of the Design Consultant Services Task Order Contract and authorized SSP to perform Pre-Design Phase Services inclusive of investigation and testing in order to provide the NJSDA with recommendations for addressing water infiltration, spalling concrete and structural concerns of an underground Boiler Room Vault at the Roberto Clemente E.S. The Boiler Room Vault contains the main electrical system for the school.

Members of the Authority

Newark Public Schools – Roberto Clemente Elementary School – Boiler Room Vault Repair Project

December 4, 2019

Page 2 of 2

Based upon the results of those Pre-Design Phase Services and the NJSDA's review of SSP's Condition Assessment and Options Development Reports, the NJSDA has determined that the appropriate scope of work to address the condition includes the following:

- Removal of the existing concrete roof structure.
- Removal of the concrete columns and beams
- Installation of new steel columns and beams
- Installation of a new concrete roof structure and waterproofing membrane assembly
- Installation of new sidewalk and driveway paving

This option will provide long-term structural stability and will address the water infiltration condition with the shortest time duration and at a reasonable cost, thereby preserving the vault's structural integrity and allowing for vehicular use on the driveway above the vault structure.

It is anticipated that the Design will be completed by February 2020, followed by the procurement of the General Contractor in the 2nd Quarter of 2020. The construction work will take place between Spring 2020 and November 2020.

NOTIFICATION TO THE MEMBERS OF THE AUTHORITY

For the reasons discussed above, the NJSDA will now authorize SSP to perform Design Phase Services for the Newark Roberto Clemente Elementary School emergent project.

Advancement of these Design Consultant Services will authorize SSP Architectural Group, Inc. to complete design documents for the emergent project. Upon completion of the design documents the NJSDA will engage a general contractor through the GCTO to perform the necessary demolition and construction to implement this design. The value of that GCTO assignment is estimated at this time at \$535,200.

While advancement of the Design Phase Services does not require approval by the Board, the estimated value of the construction contract anticipates that Board approval will be required prior to engagement of the contractor.

Reviewed by: Andrew Yosha, Vice President, Program Operations & Strategic Planning

Prepared by: Robert Ryan, Program Director, Construction Operations

Nicole Burnett, Deputy Director, Construction Operations

Gabriel Salas, Program Officer, Construction Operations

Ronald Dworkis, Program Officer, Construction Operations

**REPORT AND RECOMMENDATIONS OF THE REAL ESTATE COMMITTEE
(CHAIRMAN'S REPORT) - TO BE PROVIDED IN EXECUTIVE SESSION**

MONTHLY REPORTS
(For Informational Purposes)

ACTIVE PROJECTS STATUS REPORT



STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director

DATE: December 4, 2019

SUBJECT: Active Project Status Report
(For Informational Purposes Only)

The 1st section of the report includes an Activities Summary of projects identified for advancement in the Authority's Capital Plans.

The 2nd part of the report displays project completion milestones for all other active major capital projects and emergent projects for which a contract for construction has been awarded.



2011 & 2012 Portfolio Projects Activities Summary

as of 11/19/19

2011 Portfolio Projects - sorted by District

1

District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Bridgeton	Buckshutem ES	K-8	581	645	\$23.3	Kit of Parts/ Design-Build	School occupied Sep. 2016. (Bock)	5/31/13
Bridgeton	Quarter Mile Lane ES	PK-8	731	795	\$39.0	Kit of Parts/ Design-Build	School occupied Sep. 2017. (Bock)	5/31/13
Elizabeth	Frank J. Cicarell Academy (Academic HS)	9-12	1,091	1,284	\$64.1	Existing Design	School occupied Sep. 2016. (Patock)	12/8/11 7/11/12
Jersey City	Patricia M. Noonan ES (ES 3)	PK-5	778	848	\$54.0	Kit of Parts/ Design-Build	School occupied Sep. 2017. (Dobco, Inc.)	6/25/12 2/25/13
Jersey City	Dr. Maya Angelou PS #20	K-5	628	698	\$49.3	Existing Design	School occupied Sep. 2016. (Dobco, Inc.)	4/17/12 3/6/13
Long Branch	Catrambone ES	PK-5	794	867	\$40.0	Existing Design	School occupied Sep. 2014. (Terminal Construction)	12/20/11
New Brunswick	Redshaw ES	PK-5	906	990	\$51.2	Kit of Parts/ Design-Build	School occupied Jan. 2015. (Hall Construction)	5/29/12
Newark	Oliver St. ES	PK-8	848	932	\$73.6	Kit of Parts/ Design-Build	School occupied May 2016. (Epic Management)	6/27/12 11/29/12
Paterson	Dr. Hani Awadallah ES (Marshall St. ES)	K-8	650	722	\$55.2	Existing Design	School occupied Sep. 2016. (Dobco, Inc.)	6/13/12 2/12/13
Paterson	PS 16	PK-8	641	705	\$62.4	Kit of Parts/ Design-Build	School occupied Sep. 2016. (Hall Construction)	3/27/12 8/28/13
West New York	Harry L. Bain PS 6	PK-6	736	814	\$16.8	Design-Bid-Build	School occupied Sep. 2017. (Paul Otto)	2/27/12 12/29/15

*PLEASE NOTE - Dates in the Past are ACTUAL. Includes Advertisement dates for Early Site Preparation Construction & School Construction where applicable.
 NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.
 Recommendations of DOE/SDA/District Working Groups may impact this information in the future.



2011 & 2012 Portfolio Projects Activities Summary

as of 11/19/19

2012 Portfolio Projects - sorted by District

1

District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Gloucester City	Elementary/Middle School	4-8	687	763	\$65.3	Kit of Parts/ Design-Build	School occupied Sep. 2017. (Terminal)	3/4/14
Keansburg	Caruso ES	K-4	758	842	\$50.9	Kit of Parts/ Design-Build	School occupied Sep. 2016. (Hall Construction)	10/20/11 6/27/13
Keansburg	Port Monmouth Road School	PK	318	318	\$28.4	Design-Bid-Build	Award for D-B approved Nov. 2019 Board. (Niram)	6/24/19
New Brunswick	Robeson ES	PK-5	823	893	\$48.5	Kit of Parts/ Design-Build	School occupied Sep. 2018. (Hall Construction)	4/22/15
Newark	Elliot Street ES	PK-8	848	932	\$46.7	Kit of Parts/ Design-Build	School occupied Jan. 2016. (Hall Construction)	12/27/12
Newark	South Street ES	PK-8	597	657	\$69.9	Kit of Parts/ Design-Build	School occupied Sep. 2018. (Bock)	6/28/13 6/29/15
Passaic	Dayton Ave. Campus	PK-8	2,760	3,020	\$240.9	Kit of Parts/ Design-Build	Award for D-B approved Nov. 2017 Board. (Terminal)	6/13/17
Phillipsburg	High School	9-12	1,846	2,172	\$127.5	Existing Design	School occupied Sep. 2016. (Epic Management)	9/27/12
West New York	Memorial HS	9-12	1,859	2,194	\$16.0	Alternative Delivery (acquisition) & Renovation	Acquisition of Existing St. Joseph's HS complete. Renovation work delegated to District via Grant.	n/a

***PLEASE NOTE** - Dates in the Past are ACTUAL. Includes Advertisement dates for Early Site Preparation Construction & School Construction where applicable.
NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.
 Recommendations of DOE/SDA/District Working Groups may impact this information in the future.

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2011 & 2012 Portfolio Projects Activities Summary

as of 11/19/19

2012 Portfolio Projects (Educational Priority that require further conversations with District & 2013 Amended Projects) - sorted by District

1								
District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
East Orange	Sheila Y. Oliver Academy (GW Carver ES)	PK-5	470	512	\$41.2	Kit of Parts/ Design-Build	Award for D-B approved Jun. 2017 Board. (Dobco)	4/26/16 1/20/17
Elizabeth	New ES @ Halloran PS #22 ES Site	2-8	860	956	\$55.3	Kit of Parts/ Design-Build	School occupied Sep. 2017. (Torcon)	6/9/14
Garfield	James Madison ES	K-5	275	305	\$29.7	Existing Design	School occupied Sep. 2018. (Brockwell & Carrington)	2/19/14 6/30/15
Harrison	New ES	PK - 1	392	432	\$36.1	Kit of Parts/ Design-Build	Award for D-B approved Nov. 2016 Board. (Brockwell and Carrington)	11/10/15 7/13/16
Irvington	Madison Avenue ES	PK-5	463	504	\$38.6	Kit of Parts/ Design-Build	School occupied Sep. 2019. (Bock)	11/19/15 8/16/16
Millville	Senior HS Addition/Renovation	HS	2,026	2,384	\$137.5	Design-Build	Award for D-B approved Apr. 2017 Board. (Hall Construction)	9/30/16
Passaic	Sonia Sotomayor ES (New ES @ Leonard Place)	K-5	628	698	\$55.9	Kit of Parts/ Design-Build	School occupied Sep. 2019. (Dobco, Inc.)	8/13/15
Paterson	New MS @ Union Ave.	6-8	996	1107	\$113.9	Design-Build	Award for D-B approved Sep. 2018 Board. (Epic Management)	3/2/17 4/26/18
Pemberton	Denbo-Crichton ES	PK-5	846	930	\$58.7	Design-Build	Award for D-B approved Jan. 2018 Board. (Bock)	3/1/17 9/13/17
Perth Amboy	High School	HS	2,800	3,295	\$283.8	Design-Build	Award for D-B approved Nov. 2019 Board. (Terminal)	3/26/19
Perth Amboy	Rose M. Lopez ES (Seaman Avenue ES)	K-5	724	804	\$56.4	Kit of Parts/ Design-Build	School occupied Sep. 2019. (Epic Management).	2/3/16
Plainfield	New Woodland ES	K-5	756	839	\$62.0	Kit of Parts/ Design-Build	Advertisement for D-B 8/29/19. Proposals Due November 2019.	5/23/18 8/29/19
Union City	New Grade 7 to 9 School	7-9	756	840	\$64.2	Kit of Parts/ Design-Build	Preliminary Charter approved Mar. 2017 Board.	TBD
Vineland	Lincoln Ave. MS (New MS)	6-8	562	624	\$49.8	Kit of Parts/ Design-Build	School occupied Sep. 2018. (Bock).	9/24/15

*PLEASE NOTE - Dates in the Past are ACTUAL. Includes Advertisement dates for Early Site Preparation Construction & School Construction where applicable.
 NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.
 Recommendations of DOE/SDA/District Working Groups may impact this information in the future.



2011 & 2012 Portfolio Projects Activities Summary

as of 11/19/19

2012 Portfolio Projects (Facilities Deficiencies) - sorted by District

1								
District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Camden	High School	9-12	1,244	1,468	\$132.6	Design-Build	Award for D-B approved Aug. 2018 Board. (Bock)	6/9/17 3/23/18
Hoboken	Demarest ES	ES	TBD	TBD	TBD	Design-Bid-Build	Pre-Design Services ongoing.	TBD
Orange	Cleveland St. ES	PK-6	316	348	\$33.2	Design-Bid-Build	Award for GC approved Mar. 2019 Board. (Brockwell & Carrington)	9/10/18 11/14/18
Orange	High School	9-12	1,440	1,694	\$51.9	Design-Bid-Build	Award for GC approved Mar. 2019 Board. (Terminal)	10/12/18
Trenton	Central HS	10-12	1,850	2,176	\$155.4	Design-Build	School occupied Sep. 2019. (Terminal)	12/19/14 9/29/15

***PLEASE NOTE** - Dates in the Past are ACTUAL. Includes Advertisement dates for Early Site Preparation Construction & School Construction where applicable.
NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.
 Recommendations of DOE/SDA/District Working Groups may impact this information in the future.



**Active Project Status Report
Status as of 11/1/2019**

Major Capital Projects - With Contract for Building Construction Awarded

#	District	Project Name	Project Scope	Project Status	Substantial Completion	Status Substantial Completion	School Opening	Status of School Opening	Total Estimated Project Cost
1	Camden	New Camden High School	New Construction	Construction	3Q 2021	On-target	Sep-21	On-target	\$ 132,569,255
2	City of Orange	Cleveland Street ES	Addition/Renovation	Constructability Review	2Q 2021	On-target	Sep-21	On-target	\$ 33,243,608
3	City of Orange	Orange High School	Addition/Renovation	Constructability Review	1Q 2022	On-target	Phased	On-target	\$ 51,931,218
4	East Orange	New GW Carver ES	New Construction	Construction	4Q 2019	On-target	Sep-20	On-target	\$ 41,179,670
5	Harrison	New Elementary School	New Construction	Construction	1Q 2020	On-target	Sep-20	On-target	\$ 36,115,640
6	Millville	Millville Senior High School	Addition/Renovation	Construction	3Q 2022	On-target	Phased	On-target	\$ 137,503,832
7	Passaic City	New Dayton Avenue Educational Campus	New Construction	Construction	2Q 2022	On-target	Sep-22	On-target	\$ 240,923,270
8	Paterson	New Union Ave MS	New Construction	Construction	2Q 2021	On-target	Sep-21	On-target	\$ 113,902,274
9	Pemberton	New Denbo ES	New Construction	Construction	1Q 2021	On-target	Sep-20	On-target	\$ 58,703,414



**Active Project Status Report
Status as of 11/1/2019**

Emergent Projects - With Contract for Construction Awarded

#	District	Project Name	Project Scope	Project Phase	Substantial Completion	Status Substantial Completion	Final Completion	Status of Final Completion	Total Estimated Project Cost
1	Newark	Chancellor Ave Annex	Building Envelope & Structural Repairs	Construction	4Q 2019	On-Target	1Q 2020	On-Target	\$ 1,221,437
2	Newark	Dr. E. Alma Flagg ES	Exterior Doors & Roofing	Construction	4Q 2019	On-Target	4Q 2019	On-Target	\$ 654,000
3	Newark	Hawkins School	Chimney Repairs	GC TO w/ Design	4Q 2019	On-Target	4Q 2019	On-Target	\$ 637,888
4	Newark	Lafayette Street School	Exterior Doors & Roofing	Construction	4Q 2019	On-Target	4Q 2019	On-Target	\$ 658,129
5	Newark	Wilson School Annex	Chimney Repairs	GC TO w/ Design	4Q 2019	On-Target	4Q 2019	On-Target	\$ 211,386
6	Plainfield	Plainfield High School	Structural Repairs - Stairs	Construction	3Q 2019	Achieved	4Q 2019	On-Target	\$ 1,202,774

PROJECT CLOSEOUT STATUS REPORT



32 EAST FRONT STREET
P.O. BOX 991
TRENTON, NJ 08625-0991
609-858-5395

To: Members of the Authority
From: /s/ Ayisha Cooper, Vendor Services Analyst
Date: December 4, 2019
Subject: Project Close-Out Status Report

The attached report provides a status of the following:

- All SDA managed Capital Plan projects which have achieved school occupancy but have not yet been contractually and administratively closed
- All SDA managed Emergent projects which are either (1) currently active, or (2) complete yet have not been contractually and administratively closed
- Projects which have achieved project transfer to the district yet have outstanding open contracts
- A running total of all school facilities projects, health and safety contracts, and suspended design contracts which have been closed

Projects closed since the last report will appear highlighted.

**PROJECT STATUS REPORT - As of November 1, 2019**

Year of Occupancy	DOE #	School	Disposition	Project Transfer Date	Outstanding Issues Preventing Complete Close-out
Bridgeton					
2016	0540-050-13-0ACN	Buckshutem Road Elementary School			
2017	0540-100-13-0ACO	Quarter Mile Lane Elementary School			
Burlington City					
2007	0600-020-01-0957	New High School	Project Transferred	12/29/11	Open contract(s) - Legal matter pending
Camden					
2007	0680-140-01-0939	Octavius V. Catto Community School - Demonstration Project	Project Transferred	01/09/12	Open contract(s) - Pending audit completion
2009	0680-350-01-0938	HB Wilson Elementary School	Project Transferred	04/14/10	Open contract(s)
2009	0680-190-01-0927	Dudley Elementary School	Project Transferred	02/06/12	Open contract(s)
Egg Harbor City					
2010	1300-X01-04-0ADY	New Middle School	Project Transferred	01/01/12	Open contract(s)
Egg Harbor Township					
2011	1310-005-04-0AEB	Egg Harbor Township High School			
Elizabeth					
2017	1320-N20-13-0AEG	Halloran Elementary School	Project Transferred	06/12/18	Open contract(s)
2016	1320-X07-01-0867	Frank J. Cicarell Academy (New Academic HS)	Project Transferred	07/18/19	Open contract(s)
2013	1320-240-03-0339	Victor Mravlag Elementary School # 21	Project Transferred	08/27/19	Open contract(s) - Legal matter pending
Garfield					
2018	1700-205-03-0315	James Madison Elementary School #10			
Gloucester City					
Legacy	1770-160-01-0245	Cold Springs Elementary School	Project Transferred	06/05/09	Open contract(s)
2017	1770-N01-03-0188	Gloucester City Middle School	Project Transferred	04/17/18	Open contract(s)
Irvington					
2019	2330-120-03-0755	Madison Avenue Elementary School			
Jersey City					
Legacy	2390-N01-99-0227	New Elementary School #3 (Frank R. Conwell ES #3)	Project Transferred	12/19/15	Open contract(s) - Legal matter pending
Legacy	2390-N02-99-0228	Jersey City Middle School # 4 (Frank R. Conwell MS #4)	Project Transferred	12/19/15	Open contract(s) - Legal matter pending
2016	2390-190-01-0581	New Public School #20	Project Transferred	08/11/17	Open contract(s) - Legal matter pending
2017	2390-X03-01-0587	Patricia M. Noonan ES (New PS #3)	Project Transferred	12/14/17	Open contract(s) - Legal matter pending
2007	2390-N03-99-0147	Heights Middle School #7			
Keansburg					
2016	2400-E01-02-0116	New Caruso Elementary School	Project Transferred	08/13/18	Open contract(s)
New Brunswick					
2018	3530-123-03-1034	Paul Robeson Community Elementary School	Project Transferred	10/23/18	Open contract(s)

PROJECT STATUS REPORT - As of November 1, 2019					
Year of Occupancy	DOE #	School	Disposition	Project Transfer Date	Outstanding Issues Preventing Complete Close-out
Newark					
Legacy	3570-X01-01-0617	Science Park	Project Transferred	05/03/13	Open contract(s) - Legal matter pending
2010	3570-X07-01-0693	Speedway Elementary School	Project Transferred	10/21/15	Open contract(s)
2016	3570-590-02-0315	Oliver Street Elementary School	Project Transferred	05/18/17	Open contract(s)
2018	3570-640-02-0311	South Street ES			
Passaic					
2015	3970-X01-01-X760	New Henry Street Elementary School			
2019	3970-N11-07-0DAY	Leonard Place Elementary School			
Paterson					
Legacy	4010-N02-02-0393	Roberto Clemente Elementary School	Project Transferred	04/12/13	Needed repairs being addressed
2016	4010-N09-04-00HP	New Public School #16	Project Transferred	07/31/17	Open Contract(s)
2016	4010-N01-02-0169	Dr. Hami Awadallah School (New Marshall Street ES)	Project Transferred	03/15/18	Open Contract(s)
2008	4010-S01-02-0101	International High School			
2008	4010-270-02-0608	#24 Elementary School			
Pemberton					
2011	4050-E01-02-0082	Pemberton Early Childhood Education Center	Project Transferred	02/01/13	Open contract(s)
Perth Amboy					
2019	4090-N01-98-0325	Seaman Avenue Elementary School			
Phillipsburg					
2016	4100-X01-99-0464	New High School	Project Transferred	06/07/18	Open contract(s)
Trenton					
2019	5210-050-13-0AEH	Trenton Central High School			
Vineland					
2018	5390-N02-02-0245	Lincoln Avenue Middle School			
West New York					
2009	5670-065-01-0559	Elementary School #2	Project Transferred	05/14/13	Open contract(s) - Legal matter pending
2012	5670-070-01-0556	West New York #3	Project Transferred	01/29/14	
2017	5670-100-12-0AEE	Harry L. Bain E.S.			
Capital and Demonstration Projects Totals					
Total Capital and Demonstration			155		
Closed Capital and Demonstration Projects			115		
Capital and Demonstration Projects Not Closed			40		
Capital and Demonstration Projects Not Closed, Project Transferred			26		
			Legal Matter	9	
			Pending Audit	1	
			Miscellaneous	16	

PROJECT STATUS REPORT - As of November 1, 2019					
Year of Occupancy	DOE #	School	Disposition	Project Transfer Date	Outstanding Issues Preventing Complete Close-out
Emergent Projects					
Camden					
	0680-170-12-OACF	Cramer Elementary School			
Irvington					
	2330-090-12-OACT	Chancellor Avenue Elementary School	Project Transferred	3/20/2018	Open contract(s)
Newark					
	3570-301-17-OAES	Marin - HVAC			
	3570-415-17-OAER	Dr. E. Alma Flagg E.S. - Doors and Roofing			
	3570-460-17-OAEZ	Hawkins ES - Chimney Repairs			
	3570-480-17-OAET	Lafayette - Doors and roofing			
	3570-750-17-OBBC	Willson School Annex - Chimney			
Paterson					
	4010-N02-12-OABX	Roberto Clemente ES			
Plainfield					
	4160-050-17-OBBD	Plainfield High School			
Salem					
	4630-090-17-OAEQ	Salem Middle School	Closed		
Vineland					
	5390-050-12-OACK	Vineland High School South			
Emergent Project Totals					
Total Emergent Projects			79		
Emergent Projects Closed			69		
Emergent Projects Not Closed			10		
Emergent Projects Not Closed but Transferred			1		
Health and Safety Contract Totals					
Total Contracts			399		
# of Contracts Closed			394		
# of Open Contracts			5		
Open Design Contracts					
Total Contracts			109		
# of Contracts Closed			98		
# of Open Contracts			11		

PROJECT STATUS REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director – Program Operations

DATE: December 4, 2019

SUBJECT: Executive Summary – Monthly Project Status Reports

MONTHLY PROJECT STATUS REPORT

Projects that have Expended 75% or More of Board Approved Contingency:

No activity during the reporting period

Projects Greater than 90 Days Behind Schedule:

No activity during the reporting period

Revisions to Project Charters:

No activity during the reporting period



Projects that have Expended 75% or More of Board Approved Contingency

Reporting Period: Jan. 1, 2008 to Oct. 31, 2019

District	Project	Board Approved Project Charter Contingency	Contingency Expended/Committed	Contingency Remaining ¹	% of Contingency Expended/Committed	Project Completion %	Cause(s)	Current Status
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In Construction

NO DATA TO REPORT

Substantially Complete & Building Occupied

Please refer to the Project Close-Out Activity Report for status of close-out activities

Camden	Dudley E.S.	\$3,215,000	\$2,615,168	\$599,832	81.3%	99%	1. Installation of IT/AV systems	Project complete and building occupied. Working towards project close-out.
Newark	Speedway Avenue E.S.	\$1,826,000	\$1,754,119	\$71,881	96.1%	99%	1. Removal of unforeseen impacted materials	Project complete and building occupied. Working towards project close-out.
New Brunswick	Paul Robeson Community ES	\$1,599,650	\$2,180,000	\$0	100.0%	99%	Unforeseen structural repairs. On Oct. 4, 2017 Change Order No. 1 for the value of \$2,180,000 was approved by the Member to address unforeseen structural repairs to the existing Robeson ES which served to fully exhaust the project contingency.	Project complete and building occupied. Working towards project close-out.
Paterson	E.S. #24	\$4,616,120	\$4,313,389	\$302,731	93.4%	99%	1. Unforeseen soil remediation and clean fill.	Project complete and building occupied. Working towards project close-out.
West New York	West New York P.S. #2	\$2,708,883	\$2,708,883	\$0	100.0%	99%	1. Unforeseen site foundation issues	Project complete and building occupied. Working towards project close-out.

¹ Does not include expended contingency or contingency funds allocated for change orders, amendments



Projects Greater than 90 Days Behind Schedule or with Occupancy Date in Jeopardy
 Reporting Period: October 2019

#	Event Date	District	Project	Board Approved Project Charter SubComp Date	Current Contract SubComp Date	Forecasted Contract SubComp Date	# of Days Behind Schedule	Cause(s)	Current Status
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No Activity During the Reporting Period



Revisions to Project Charters

Reporting Period: October 2019

#	District	Project	Financial & Schedule Impacts	Additional Funds Approved	Additional Funds as % of Total Project Budget	Operating Authority Approval Requirement	Description of Revision
No Activity During the Reporting Period							

CONTRACTS EXECUTED REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: December 4, 2019

SUBJECT: Contracts Executed Report and Amendments & Change Orders Report
(For Informational Purposes Only)

Contracts Executed Report

This report contains the activity of Contracts executed during the period October 1 through October 31, 2019.

Noteworthy Items during the reporting period:

- Execution of 1 General Construction Task Order engagement for corrective work for the Bridgeton Buckshutem Road / G. Foster ECC Shool – T.N. Ward Company - \$482,065

Amendments & Change Orders Report

This report contains the activity of Amendments and Change Orders executed during the period October 1 through October 31, 2019.

Noteworthy Items during the reporting period:

- No Professional Services Amendments were executed during the reporting period.
- Execution of 10 Construction Services Change Orders totaling a credit of \$1.2M, of the 10 executed change orders none required board approval.

Report of change orders less than \$10,000 yet requiring Board Approval

In accordance with the Operating Authority adopted by the Members on December 1, 2010 as amended on March 7, 2012, the Members are to be provided a report of any change order which received delegated approval by the CEO due to the fact that they are valued at less than \$10,000 yet require Board approval due the total change orders exceeding 10% of the contract value.

- No Activity to Report



Contracts Executed Report

Reporting Period: 10/1/2019 through: 10/31/2019

District	School Name(s)	Project Type	Contract Type	Contract Number	Vendor	MWSBE Cert(s)	Contract Award Amount	Contract Execution Date	Per School CCE	Total CCE	
Part 2. Construction Services											
Contractor											
Bridgeton	Buckshutem Road E.S. - G. Foster ECC	RenoAdd	Construction	ST-0044-C01	T.N. Ward Company		\$482,065	10/23/2019	-		
Contractor											
Part 2. Construction Services							\$482,065				



Contracts Executed Report

Reporting Period: 10/1/2019 through: 10/31/2019

District	School Name(s)	Project Type	Contract Type	Contract Number	Vendor	MWSBE Cert(s)	Contract Award Amount	Contract Execution Date	Per School CCE	Total CCE	
Part 4. Other Contracts & Services											
Others											
East Orange	G.W. Carver E.S.	New	FFE	ES-0021-K01	Washington Computer Services		\$331,300	10/29/2019	-		
Millville	High School	RenoAdd	FFE	ST-0046-K09	DynTek Services, Inc.		\$142,958	10/24/2019	-		
Millville	High School	RenoAdd	FFE	ST-0046-Q07	Krueger International, Inc.		\$22,843	10/2/2019	-		
Trenton	Trenton Central H.S.	New	FFE	WT-0022-K65	Washington Computer Services		\$386,304	10/4/2019	-		
Others											
Part 4. Other Contracts & Services							\$883,405				
							Total Contract Award			Total Contracts Awarded	
Grand Totals - Professional and Construction Services Combined							\$1,365,470			5	

** Contracts less than \$10,000 are not displayed

Project Types Legend

- HS Health & Safety
- New New Constuction
- Add Addition
- RenoAdd Addition & Renovation
- Reno Renovation

Contract Types Legend

- Aquisition Property Acquisition Related Costs
- Appraisal Appraisal, Appraisal Review, NRE
- Construction Construction
- Design Design or Site Investigation
- DB Design-Build
- E-Rate E-Rate
- FFE Furniture, Fixtures, and Equipment
- General General Program Cost
- Legal Legal
- Material Material Supply
- ProjectMgmt Project Management Firm
- PreDevelopment Predevelopment or Demolition
- Relocation Relocation Services
- SiteInvstgtn Site Investigation
- Testing Testing
- Title Title Services
- Utilities Utilities Services

MWSBE CERTIFICATIONS

- M = Minority Business Enterprise
- W = Women Business Enterprise
- S = Small Business Enterprise

CONTRACT TERMINATIONS REPORT *(no activity)*

SETTLEMENT CLAIMS *(no activity)*

CONTRACTOR AND WORKFORCE COMPLIANCE REPORT



MEMORANDUM

TO: Members of the Authority

DATE: December 4, 2019

SUBJECT: Contractor and Workforce Compliance Monthly Update for September 2019

The Risk Management staff continues to participate at mandatory pre-bid and pre-construction meetings to instruct and inform bidders regarding SDA's SBE goals, policies and procedures, including:

- Small Business Enterprise subcontracting goal of 25% of all contracts
- County workforce goals for minorities and females
- Detailed process procedures to monitor and track the progress made toward these goals throughout the life cycle of each project

At these meetings, vendors are strongly encouraged to identify and hire minority-owned and women-owned firms, as well as locally-based enterprises, for diverse business participation on all school building projects. Additional outreach strategies are discussed and utilized.

SMALL BUSINESS ENTERPRISE (SBE) COMPLIANCE MONITORING

The SDA regularly exceeds the State-mandated 25% SBE goal. The total SDA contract dollars awarded through September 30, 2019 was \$27,569,827. The figures below demonstrate compliance with this requirement.

SBE Breakdown

The total contract dollars awarded to all SBE contractors was \$8,291,148 (including minorities, women and veterans). This represents 30.07% of all SDA contracts.

Type of Business Enterprise	Contract Amount	% of Total SDA Contracts
Small Business Enterprises	\$ 6,293,970	22.83%
Small/ Minority Business Enterprises	\$ 458,000	1.66%
Small/Women Business Enterprises	\$ 1,539,178	5.58%
Small/Veteran Owned Business Enterprises	\$ -0-	0.00%
Small/Minority/Women Business Enterprises	\$ -0-	0.00%
TOTAL SBE CONTRACTS	\$ 8,291,148	30.07%

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 December 4, 2019
 Page 2 of 3

WORKFORCE COMPLIANCE MONITORING

For the month of September 2019, there was a contractor workforce of 776 on SDA projects. This represents a total of 64,380 contractor workforce hours as follows:

Contractor Workforce Breakdown (All Trades/Districts/Counties)			
Ethnicity	Total Workforce	Total Workforce Hours	Workforce Hours Percentage
Black	77	8,080	12.55%
Hispanic	157	10,917	16.96%
American Indian	1	16	0.02%
Asian	2	280	0.44%
Total Minority Participation	237	19,293	29.97%
Total Non-Minority Participation	539	45,087	70.03%

There was a contractor workforce of 620,708 total workforce hours and 10,604 total female workforce hours on SDA projects for the period of January 1, 2019 through September 30, 2019. The following table highlights the *Local County Contractor Workforce* participation for that period:

Local County Workforce Participation	Workforce Hours	Percentage
*Total Workforce Hours	620,708	100.00%
*Total Local County Workforce Hours	58,500	9.43%
Total Local County Non-Minority Workforce Hours	25,714	4.14%
Total Local County Female Workforce Hours	1,173	0.19%
Total Local County Minority Workforce Hours	32,786	5.28%
**Local County Workforce Hours by Ethnicity:		
Black	17,756	2.86%
Hispanic	15,006	2.42%
American Indian	0	0.00%
Asian	24	0.00%

*Total workforce and total local county workforce represent all laborers including females.

**Minority breakdown represents Black, Hispanic, American Indian, and Asian laborers. Minority female laborers are captured as female laborers only and are not included in the minority breakdown.

Members of the Authority
 Contractor and Workforce Compliance Monthly Update
 December 4, 2019
 Page 3 of 3

The following table represents contractor and female workforce for all SDA active Capital Projects and all active and completed Emergent Projects for the period of January 1, 2019 through September 30, 2019.

SDA Managed Project	Total Workforce Hours	Minority Workforce Hours & Percentage		Local County Workforce Hours & Percentage	
Camden, HS	39,913	11,881	29.77%	1,665	4.17%
East Orange, George W Carver ES	67,401	26,948	39.98%	13,129	19.48%
Harrison, ES	48,402	16,558	34.21%	0	0.00%
Irvington, Madison Avenue ES	32,222	11,282	35.01%	7,171	22.25%
Millville, HS	92,234	27,775	30.11%	14,667	15.90%
Passaic, Leonard Place ES	14,108	1,689	11.97%	1,784	12.65%
Passaic, Dayton Avenue Campus	120,969	32,983	27.27%	5,051	4.18%
Pemberton, Denbo-Crichton ES	63,268	14,305	22.61%	1,627	2.57%
Perth Amboy, Seaman Avenue ES	44,060	7,148	16.22%	6,426	14.58%
Trenton, Central HS	84,559	24,897	29.44%	8,243	9.75%
Emergent Projects	12,930	7,114	55.02%	0	0.00%

Prepared by: Charlotte Brooks

REGULAR OPERATING DISTRICTS (RODs) ACTIVITY REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: December 4, 2019

SUBJECT: Regular Operating District Grant Activity Report
(For Informational Purposes Only)

This report summarizes the Regular Operating District Grant activity from inception to date and for the month of October 2019. Also included is a detailed list of grants executed and grants offered during the reporting period.

Monthly Update:

- No grants were offered during the reporting period.
- No grants were executed during the reporting period.
- 9 grants impacting 8 districts were closed out during the reporting period representing \$12.1M in total project costs and state share of \$5.2M.
- Since inception, over \$2.9B has been disbursed to 524 regular operating districts through the grant program.
- Since inception over \$3.3B in funding has been approved by the Department of Education and offered to regular operating districts through the grant program.



STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY

Monthly Regular Operating District Grant Report - Summary

October 2019

ROD Grant Summary Since Program Inception				
	Offered ¹	Executed	Closed-Out	Active
Districts Impacted	2	524	514	115
Number of Grant Projects	4	5,404	4,968	436
Total Project Cost Estimate	\$ 4,624,267	\$ 8,945,515,764	\$ 8,464,605,828	\$ 480,909,936
Grant Amount	\$ 1,849,708	\$ 3,005,879,756	\$ 2,794,907,578	\$ 210,972,178
Amount Disbursed	N/A	\$ 2,902,054,937	\$ 2,794,907,578	\$ 107,147,359

Total Funding Offered to School Districts via Grant Program	\$ 3,342,209,450
Total ROD Grant Funding remaining for new Grant Projects	\$ 82,355,906

1. Includes grants that have been offered to District's but have not yet been executed.

Monthly Activity ROD Grant Summary		
	Executed	Closed-Out
Districts Impacted	-	8
Number of Grant Projects	-	9
Total Project Cost Estimate	\$ -	\$ 12,062,387
Grant Amount	\$ -	\$ 5,199,762
Amount Disbursed	NA	\$ 5,199,762

* Report is inclusive of all Regular Operating Districts grants (including vocational school districts).

** Total Project Cost Estimate and Grant Amount may be adjusted as the projects advance. Grant Amount is capped at the value approved in the DOE Final Eligible Cost Approval.

**NOTIFICATION OF AMENDMENTS TO GOODS AND SERVICES CONTRACTS NOT
EXCEEDING \$100,000 OR 10% OF THE CONTRACT VALUE (*no activity*)**

COMMUNICATIONS MONTHLY REPORT

MEMORANDUM

TO: Members of the Authority

FROM: /s/ Edey Maier, Deputy Director of Communications

DATE: December 4, 2019

SUBJECT: Monthly Communications Report

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SDA Celebrates Construction Progress of New School with Beam Signing Event in Camden



On Wednesday, October 30, the SDA joined the Camden School District officials, students, and local officials for a “beam signing” ceremony to highlight the progress of construction on the new Camden High School.

The new, \$132.6 million Camden High School will be an approximately 270,000-square-foot, two-story facility, for approximately 1,200 students in 9th through 12th grade. The school will include four small learning communities, gymnasiums, cafeteria, auditorium and media center, among many of its state-of-the-art amenities. The facility is scheduled to open to students in 2021.

Reviewed by: Colleen Connolly

MONTHLY FINANCIAL REPORT

MEMORANDUM

TO: Members of the Authority

FROM: Sherman E. Cole, MBA, CPA /s/
Controller

DATE: December 4, 2019

SUBJECT: Monthly Financial Report – October 2019

The Office of the Chief Financial Officer is providing the attached monthly financial report to the Members of the Authority for their information. Included on pages 1 and 2 of this report is a “Financial Summary” of the Authority’s activities for the year. On pages 3, 3-1 and 4 of the report is a summary of the Authority’s operating and capital expenditures. Page 5 contains a breakdown of the Authority’s headcount information by department. The basic financial statements follow on pages 6 and 7.

Fund Reporting Operating Expenses (Year-to-Date Actual vs. Budget)

For October 2019 year to date, Authority operating expenses, **\$14.0 million**, are **\$2.5M** lower than budget for the *corresponding period*. The variance is primarily related to lower year to date personnel costs, **\$1.6 million**, which includes a **\$1.3M** decrease in payroll and benefits costs as a result of having 54 fewer FTEs than budgeted. Additionally, lower than anticipated spending related to facilities & general office expenses **\$243K** and information systems **\$328K** contributed to the variance.

Fund Reporting Operating Expenses (Year-to-Date Actual vs. Prior Year Actual)

For October 2019 year to date, Authority operating expenses, **\$14.0 million**, are **\$216K** higher when compared to the *corresponding prior year*. This variance is mainly attributable to an increase in personnel costs, **\$231K**, primarily due to the 2018 Authority restructuring; however, the year-over-year increase in personnel costs dropped by **\$554K** in the month of October alone due primarily to staff reductions in July 2019. As a result, the Authority has 41 fewer FTEs than it had 1-year ago.

School Facilities Project Expenditures (Year-to-Date Actual vs. Forecast)

For October 2019 year to date, project expenditures, **\$262.1 million**, are **\$10.8 million** lower than the capital spending forecast for the *corresponding period*. This variance is primarily a result of lower than forecasted expenditures for grant activity **\$31.0M**, design services (net of cost recovery settlement) **\$4.6M**, property acquisitions **\$1.8M**, lower-than-projected payroll expense allocations **\$1.6M**, and other project related costs **\$3.6M**. These reductions are partially offset by an increase in construction activity **\$26.9M**, as well as school furniture, fixtures & equipment related spending, **\$3.6M**.

Members of the Authority
December 4, 2019
Page 2

School Facilities Project Expenditures (Year-to-Date Actual vs. Prior Year Actual)

For October 2019 year to date, project expenditures, **\$262.1 million**, are lower by **\$1.4 million** when compared to the *corresponding prior year*. The variance is attributable to decreases in grant activity **\$33.0M**, project insurance costs **\$4.2M**, design services (net of cost recovery settlement) **\$4.6M**, and other project related costs **\$3.8M**. These decreases are partially offset by an increases in construction activity **\$37.1M**, and school furniture purchases **\$7.5M**.

Other

Since program inception, 85% of the funds authorized for the SDA Districts have been disbursed. Additionally, since program inception, 96% of all SDA disbursements relate to school facility projects and 4% relate to operating expense.

The *estimated value* of active school facilities, capital, emergent and ROD grant projects is approximately \$2B.

Attachment

New Jersey Schools Development Authority
Monthly Financial Report
October 2019
(Unaudited)

New Jersey Schools Development Authority Overview of Financial Position October 31, 2019

To: The Audit Committee

From: Sherman E. Cole, Controller

The information contained in this monthly financial report is for the period as of, and for the year-to-date ending, October 31, 2019.

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► Overall **Cash and Cash Equivalents** have decreased by \$270.3 million to \$269.5 million, as follows:

■ Receipt of bond and note proceeds (Issued by EDA)	\$ -
■ Investment earnings	7,901,968
■ Miscellaneous revenue	31,439
■ Project costs	(262,056,191)
■ SDA operating expenses	(14,717,575)
■ SDA capital expenditures	(640,024)
■ Deposits (primarily district local shares)	(849,384)
Net Change in Cash	\$ (270,329,767)

► **Prepaid Expenses** total \$273,564 as follows:

- Prepaid insurance of \$76,210.
- Prepaid rents of \$122,824 for the Authority's leased office space in Trenton and Newark.
- Prepaid MIS maintenance service contracts of \$43,959.
- Other prepaids of \$30,571.

► **Capital Assets** total \$1,029,430 (net of accumulated depreciation of \$6,681,459), consisting of leasehold improvements (SDA offices), and capitalized software, equipment, furniture and fixtures in support of SDA operations. Depreciation on capital assets is generally calculated using the straight-line method over the life of each asset. For the year to date, **Capital Expenditures** are \$544,732 and **Depreciation Expense** is \$150,284.

► **Accrued Liabilities** total \$101.9 million, as follows:

- Accrued project costs of \$21.3 million consisting of unpaid invoices (\$4.5 million) and retainage (\$16.8 million).
- Accrued net pension liability of \$49.8 million.
- Other post-employment benefits obligation of \$25.4 million.
- Pollution remediation obligations (PRO) under GASB 49 net to \$3 thousand (PRO liability \$2.946 million, offset by expected cost recoveries of \$2.943 million).
- Estimated liability for loss contingencies totaling \$3.3 million.
- Payroll related liabilities of \$1.6 million.
- Other accrued liabilities of \$0.5 million.

► **Deposits** total \$2.8 million, as follows:

- \$2.8 million is held for local share agreements (pass-through item).

► The Authority's **Net Position** at month end is \$153.8 million.

New Jersey Schools Development Authority School Facilities Project Expenditures & Funding Allocation October 31, 2019

► School Facilities Construction Bond / Note Proceeds & Project Expenditures

- During the current year to date, the SDA has received \$0 million bond and note proceeds. The total amount of proceeds received since program inception is \$11.148 billion.
- Project expenditures for the month and year-to-date periods total \$34.1 million and \$262.1 million, respectively, as follows:

<u>Category</u>	<u>Current Month</u>	<u>Current Year-To-Date</u>	<u>Since Program Inception</u>
Construction	\$ 23,866,909	\$ 179,345,658	\$ 5,037,762,115
Design Services	116,711	(2,838,285)	410,833,023
PMF/CM Services	500,593	5,060,850	461,501,637
SDA Project Management	934,755	11,364,779	96,590,735
Property Acquisition, Relocation & Enviro	156,487	1,589,864	579,917,384
School Furniture, Fixtures & Equipment	1,503,558	18,641,807	184,872,715
Project Insurance	307,075	2,710,222	108,924,626
NJ State Inter-Agency Transfers	-	318,213	50,284,206
SDA District Grant & Funding Agreements	821,654	4,496,197	876,397,341
Regular Operating District Grant Agreements	5,707,070	39,574,625	2,910,994,709
Real-Time Project Audits	-	-	628,000
Property Management, Maintenance & Utils	33,656	798,966	18,173,266
Outside Legal & Claims Resolution Services	113,165	916,315	10,497,788
Temporary Staffing	41,015	692,314	10,425,238
Other Project Costs	1,687	195,997	60,158,196
Project Credits	-	-	(54,902,944)
Total Project Expenditures	34,104,335	262,867,522	10,763,058,035
Less: Local Share Contributions	-	(811,331)	(184,327,468)
Project Expenditures (State Share)	\$ 34,104,335	\$ 262,056,191	\$ 10,578,730,567
 2019 Capital Spending Forecast	 \$ 28,086,026	 \$ 272,839,779	

Allocations Since Program Inception

► Program Funding & Expenditures

	<u>Bonding Caps</u> ¹	<u>Total Funding</u> ²	<u>Paid to Date</u> ³
■ SDA Districts	\$ 8,900,000,000	\$ 9,023,950,258	\$ 7,705,654,327
■ Regular Operating Districts	3,450,000,000	3,499,020,133	3,228,702,080
■ Vocational Schools	150,000,000	151,958,944	121,577,540
Total - State Share	\$ 12,500,000,000	\$ 12,674,929,335	\$ 11,055,933,947

► Percentage of Total Funding Paid to Date

■ SDA Districts	85.4%
■ Regular Operating Districts	92.3%
■ Vocational Schools	80.0%
Total - State Share	87.2%

1 Of the \$12.5 billion authorized for the school construction program, \$11,147,702,648 principal amount of bond and note proceeds have been received to date.

2 Includes bonding cap amounts and other income and miscellaneous revenue earned to date (i.e., interest income on invested funds and State appropriations).

3 These amounts include the allocation of SDA operating expenses and capital expenditures totaling \$477,203,380.

New Jersey Schools Development Authority

Fund Reporting Operating Expenses vs Budget

October 31, 2019

<u>Category</u>	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>Over/</u> <u>(Under)</u>
Personnel Expenses:			
Employee Salaries	\$ 15,302,189	\$ 17,154,754	\$ (1,852,565)
Employee Benefits	6,556,940	7,460,098	(903,158)
Direct Hire Temporary Employee Costs	33,554	134,560	(101,006)
Total Employee Salaries & Benefits Costs	21,892,683	24,749,412	(2,856,729)
Less: Employee Salaries & Benefits Costs Charged to Projects	11,364,779	12,919,298	(1,554,519)
Salaries & Benefits Charged to Operating Expense	10,527,904	11,830,114	(1,302,210)
Temporary Staffing Services	2,003	125,000	(122,997)
Travel & Expense Reimbursements	16,008	37,609	(21,601)
Training & Professional Development	22,836	128,891	(106,055)
Total Personnel Expenses	10,568,751	12,121,614	(1,552,863)
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	2,007,471	2,250,730	(243,259)
Information Systems	754,961	1,083,330	(328,369)
Professional & Other Contracted Services	282,419	443,550	(161,131)
Property & Casualty Insurance	289,090	289,160	(70)
SDA-Owned Automobiles	71,280	175,830	(104,550)
Communications & Outreach	6,927	83,340	(76,413)
Reserve for Unforeseen Events & New Initiatives	-	41,670	(41,670)
Total Authority Operating Expenses	\$ 13,980,899	\$ 16,489,224	\$ (2,508,325)
 2019 Annual Operating Budget		 \$ 19,224,222	

**New Jersey Schools Development Authority
Capital Expenditures
October 31, 2019**

Description of Capital Item:	Budget Year	Budget Amount	Capital Expenditures		
			2019	Pre-2019	Total
Leasehold Improvements		\$ -	\$ -	\$ -	\$ -
Office Furniture & Equipment		-	-	-	-
CM Computer Software System:					
Estimated SDA Staff Time	2019	450,000	154,812	-	154,812
Purchase & Development	2019	1,000,000	-	-	-
Purchase & Development	2018	1,500,000	389,920	162,544	552,464
Total Capital Items		\$ 2,950,000	\$ 544,732	\$ 162,544	\$ 707,276

New Jersey Schools Development Authority Fund Reporting Operating Expenses vs Prior Year October 31, 2019

<u>Category</u>	<u>Actual Year-To-Date</u>	<u>2018 Year-To-Date</u>	<u>Over/ (Under)</u>
Personnel Expenses:			
Employee Salaries	\$ 15,302,189	\$ 15,068,306	\$ 233,883
Employee Benefits	6,556,940	6,431,868	125,072
Direct Hire Temporary Employee Costs	33,554	102,199	(68,645)
Total Employee Salaries & Benefits Costs	21,892,683	21,602,373	290,310
Less: Employee Salaries & Benefits Costs			
Charged to Projects	11,364,779	11,369,069	(4,290)
Salaries & Benefits Charged to Operating Expense	10,527,904	10,233,304	294,600
Temporary Staffing Services	2,003	58,952	(56,949)
Travel & Expense Reimbursements	16,008	13,444	2,564
Training & Professional Development	22,836	31,958	(9,122)
Total Personnel Expenses	10,568,751	10,337,658	231,093
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	2,007,471	2,040,046	(32,575)
Information Systems	754,961	821,659	(66,698)
Professional & Other Contracted Services	282,419	226,752	55,667
Property & Casualty Insurance	289,090	283,514	5,576
SDA-Owned Automobiles	71,280	54,081	17,199
Communications & Outreach	6,927	1,464	5,463
Reserve for Unforeseen Events & New Initiatives	-	-	-
Total Authority Operating Expenses	\$ 13,980,899	\$ 13,765,174	\$ 215,725

New Jersey Schools Development Authority Employee Headcount October 31, 2019

	<u>Current Month End</u>	<u>Budget</u>	<u>Over/ (Under)</u>
Office of Chief Executive Officer	4	3	1
Human Resources	4	5	(1)
Communications	2	5	(3)
Information Systems	15	15	-
Central Records Management	3	3	-
Legislative Affairs	1	2	(1)
Office of Program Operations & Strategic Planning	2	3	(1)
Capital Planning & Program Operations	4	9	(5)
Design Studio	18	20	(2)
Grants Administration	12	13	(1)
Real Estate Services & Predevelopment	8	8	-
Vendor Development	5	3	2
Office of Construction Operations	0	1	(1)
Project Teams	33	40	(7)
Office of Corporate Governance & Legal Affairs	5	5	-
Chief Counsel	10	13	(3)
Safety	6	6	-
Internal Audit	3	4	(1)
Office of Chief Financial Officer	2	1	1
Financial Operations	9	12	(3)
Financial Accounting & Disbursements	13	13	-
Procurement	9	9	-
Risk Management	8	9	(1)
Property Management	4	5	(1)
Facilities	4	7	(3)
Office of Chief of Staff	0	5	(5)
Community Engagement	0	3	(3)
Policy	0	2	(2)
Business & Workforce Diversity	0	11	(11)
Office of Administrative Operations	0	3	(3)
Total Full-Time Employees at Month End	<u>184</u>	<u>238</u>	<u>(54)</u>
Total Full-Time Employees at Year End		<u>257</u>	

New Jersey Schools Development Authority
Statement of Net Position
October 31, 2019

	<u>Current Month End</u>	<u>2018 Year End</u>	<u>Over/ (Under)</u>
ASSETS			
Cash and Cash Equivalents	\$ 269,464,788	\$ 539,794,555	\$ (270,329,767)
Receivables	27,834	29,828	(1,994)
Prepaid Expenses	273,564	87,623	185,941
Capital Assets (Net of Accumulated Depr.)	1,029,430	634,982	394,448
Total Assets	<u>270,795,616</u>	<u>540,546,988</u>	<u>(269,751,372)</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount for Pensions & OPEB	<u>11,812,216</u>	<u>14,326,957</u>	<u>(2,514,741)</u>
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES			
	<u>\$ 282,607,832</u>	<u>\$ 554,873,945</u>	<u>\$ (272,266,113)</u>
LIABILITIES			
Accrued Project Costs	\$ 24,598,011	\$ 50,321,484	\$ (25,723,473)
Net Pension Liability	49,778,974	49,778,974	-
Accrued Other Post-Employment Benefits	25,445,060	23,738,116	1,706,944
Other Accrued Liabilities	2,037,591	5,196,880	(3,159,289)
Deposits	2,766,752	3,616,136	(849,384)
Total Liabilities	<u>104,626,388</u>	<u>132,651,590</u>	<u>(28,025,202)</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount for Pensions & OPEB	<u>24,205,955</u>	<u>24,205,955</u>	<u>-</u>
NET POSITION			
Invested in Capital Assets	1,029,430	634,982	394,448
Restricted for Schools Construction:			
Special Revenue Fund	<u>152,746,059</u>	<u>397,381,418</u>	<u>(244,635,359)</u>
Net Position	<u>153,775,489</u>	<u>398,016,400</u>	<u>(244,240,911)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION			
	<u>\$ 282,607,832</u>	<u>\$ 554,873,945</u>	<u>\$ (272,266,113)</u>

New Jersey Schools Development Authority
Statement of Activities
October 31, 2019

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	<u>Current</u> <u>Year-To Date</u>	<u>2018</u> <u>Year-To Date</u>	<u>Over/</u> <u>(Under)</u>
REVENUES			
Program Revenues:			
Bond and Note Proceeds (Issued by EDA)	\$ -	\$ -	\$ -
Bidding Fees-Plans & Specs	-	-	-
General Revenues:			
Investment Earnings	7,901,968	5,603,024	2,298,944
Rental Income	28,879	3,677	25,202
Other Revenue-OPRA	2,560	2,592	(32)
Total Revenues	<u>7,933,407</u>	<u>5,609,293</u>	<u>2,324,114</u>
EXPENSES			
Administrative & General Expenses	15,687,843	15,576,892	110,951
Capital Depreciation	150,284	170,701	(20,417)
School Facilities Project Costs	236,336,191	235,430,272	905,919
Total Expenses	<u>252,174,318</u>	<u>251,177,865</u>	<u>996,453</u>
CHANGE IN NET POSITION	(244,240,911)	(245,568,572)	1,327,661
Beginning of Period Net Position	<u>398,016,400</u>	<u>392,740,734</u>	<u>5,275,666</u>
NET POSITION END OF PERIOD	<u>\$ 153,775,489</u>	<u>\$ 147,172,162</u>	<u>\$ 6,603,327</u>

DESIGN CONTRACT DE-OBLIGATIONS REPORT *(no activity)*

PUBLIC COMMENT STATEMENT

We will now begin the Public Comment Portion of the Meeting consistent with the New Jersey Open Public Meetings Act.

We would ask that any member of the public who wishes to address the Board limit their comments to 3 minutes. If there are multiple individuals from the same organization or district who wish to address the Board on the same matter, we would ask that you come up together to offer your remarks.

Please keep in mind that public comment is to afford citizens the opportunity to comment on matters pertinent to the Authority's business. Should you seek answers to questions on any topic, please contact the Authority at 609-943-4585 at your convenience.