

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS MEETING  
WEDNESDAY, AUGUST 7, 2019**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, August 7, 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)  
Bernard Piaia (DOE)  
Donna Sullivan (EDA)  
Kevin Luckie (DCA)  
Kevin Egan  
Loren Lemelle  
Michael Maloney  
Mario Vargas

being a quorum of the Board. Mr. Egan, Ms. Lemelle, and Mr. Piaia participated in the meeting by teleconference.

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

The meeting was called to order by 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 presented for consideration and approval the minutes of the Board's July 1, 2019 Open Session meeting. A copy of the meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Vargas, the Open Session meeting minutes of the July 1, 2019 SDA Board meeting were approved by the Board upon the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 4a***.

### ***Authority Matters***

### ***Chairman's Report***

The Chairman noted that he wanted to take things out of order and make a few comments ahead of Mr. Da Silva providing the CEO report to the Board. He said that it is important that he address the Board and the public about the results of investigations conducted regarding the hiring practices at the SDA. He said that he believed that those present have received a copies of the Audit Committee report and the independent legal reviews. He said that the findings contained in those documents are clear and self-explanatory and what they revealed is unacceptable and unjustifiable.

In continuing, Mr. Nixon said that reports alone are not enough when the integrity and future of the Authority are under a microscope. He said that we must recognize the seriousness

of the investigations and be prepared to implement reforms to ensure that those failures do not happen again. The Chairman said that interim CEO Da Silva has taken several serious but necessary steps over the last few weeks to address what the reports outlined. He said that the Authority must be open to other changes in processes, procedures and Board oversight to truly take account of where the SDA is today and how it may effectively move forward. He said that, in consultation with the Governor, he is directing SDA management to retain a consultant to review and formulate improvements to the SDA's Human Resources function, Board processes, and committee structure. He said that the reports that were issued should not define the SDA. He said that, despite the issues outlined in the reports, the SDA has remained effective, efficient and focused on its core mission – to build quality 21<sup>st</sup> century schools for communities around the State. Mr. Nixon said that the schools SDA builds and repairs change lives and help build communities around them. He stressed that this is what everyone needs to be focused on moving forward. The Chairman said that, looking ahead, the Authority stands ready to implement the reforms called for by the investigations and, from there, to focus on reauthorizing funding for the SDA to keep doing what everyone acknowledges it does well – building schools on time and on budget. He expressed his appreciation to Interim CEO Da Silva for his leadership at this critical time and to SDA Audit Director Peter Green for his hard work and critical thinking in preparing the hiring practices audit.

### ***CEO Report***

Mr. Nixon asked Interim Chief Executive Officer (CEO) Manuel Da Silva for the Report of the CEO. Mr. Da Silva thanked the Chairman, the Members of the Board, and the public, noting that the previous month was difficult for everyone at the Authority. He said that he had the difficult job of looking at the Authority and making decisions regarding how to move forward. He said that SDA's core mission is to deliver schools on time and on budget. He noted

that the Authority's current capital plan has only 14 schools remaining for delivery over the next several years. Mr. Da Silva said that the personnel actions taken the previous month will refocus the Authority on its core mission and increase its efficiency and effectiveness by consolidating functions and eliminating areas that are not needed. He said that reauthorization of funding is a critical but secondary focus and that the need for reauthorization will become more apparent as the Authority continues to deliver modern, state of the art schools—on time and on budget—in New Jersey's most underserved areas, including four schools that will be delivered in the fall. He said that, as the authority's strategy for reauthorization has changed, twenty-seven jobs were eliminated due to deficiencies in the hiring process and in an effort to refocus the authority on its core mission. He added that three additional positions were eliminated to achieve organizational efficiencies. Finally, he explained that four positions were retained as he has determined that the individuals in those positions were qualified for their roles, served a critical function consistent with SDA's mission, and he has first-hand knowledge of the individuals' job performance. Mr. Da Silva said that the Authority also will be implementing additional organizational reforms to ensure effective personnel oversight and authority-wide governance. He said that any positions that the Authority fills in the future will be posted internally and externally utilizing job descriptions and adhering to SDA's hiring policies and procedures. He reiterated that the previous month was difficult, but that this was needed to refocus the Authority. He said that while SDA's future is uncertain, there remains a commitment to delivering state-of-the-art school facilities on time and on budget.

Turning to the status of the Authority's ongoing projects, Mr. Da Silva next provided an update on September 2019 school openings. He reported that for the Irvington Madison Avenue ES project, submission of an application for a temporary certificate of occupancy (TCO) will be coordinated with inspections to be performed this week. He said that the Passaic Leonard Place

ES is already being occupied for summer school and that the certificate of occupancy (CO) application for that facility is currently under review by the Department of Community Affairs (DCA). For the Perth Amboy Seaman Avenue ES project, he advised that submission of the TCO application will be coordinated with inspections to be performed this week. He reported that final inspections at the Trenton Central HS facility have concluded and staff has submitted the TCO application.

Turning to projects in design, Mr. Da Silva informed the Members that for the Paterson Union Avenue MS project, the first design package—inclusive of piles, foundations and steel—is under review by DCA. He added that the design-builder has initiated site preparation activities that do not require permit issuance.

Mr. Da Silva said that for the Plainfield Woodland ES project, building demolition is complete, and final site grading work is being completed. He added that staff anticipates advertising for design-build services later this month.

Mr. Da Silva next gave an update on projects in the procurement stage. For the Perth Amboy HS project, he said that bids for design-build services are due in September and staff anticipates receipt of proposals from three entities, including two joint ventures. For the Keansburg Port Monmouth Road School project, he reported that staff has advertised for design-bid-build services. He added that proposals are due in September.

Mr. Da Silva informed the Members that staff anticipates that constructability reviews for both the Orange Cleveland Street ES project and Orange HS project will be completed this month.

With respect to design-build projects in construction, Mr. Da Silva reported that for the Camden HS project, Ernest Bock & Sons, Inc. (EBS) continues with footing, foundation, underground utilities and concrete slab work. He added that structural steel work has begun in

the core of the building. For the East Orange George Washington Carver ES project, Dobco, Inc. the design-builder, has completed design phase services. He added that masonry and cold form metal steel framing installation is complete and interior mechanical, electrical and plumbing (MEP) finishes have begun. In regard to the Harrison New ES project, MEP rough-in and building enclosure are ongoing, as well as exterior masonry veneer construction. He added that roofing and window installation activities have begun.

In continuing, Mr. Da Silva reported that for the Millville HS addition and renovation project, Phase II renovation work is complete, and furniture delivery has begun for phased turnover of the school to the district for September occupancy. He said that Phase III demolition activities have been completed and new footings and foundation work has begun. He advised that for the Passaic Dayton Avenue Educational Campus project, Terminal Construction Corp. is in the process of completing concrete slab, site utility construction and structural steel construction work. He said that staff anticipates issuance this month of the full notice-to-proceed with construction. He noted that a beam signing event is scheduled for August 8. For the Pemberton Denbo Crichton ES project, he reported that DCA is completing its review of EBS's final design submission. He added that EBS is completing the exterior walls in preparation for building enclosure prior to winter weather. He said that MEP interior work also is underway.

Mr. Yosha added that there remain 14 projects to be delivered after the September openings.

### **Appointment of Interim Records Custodian**

At the Chairman's request and referencing the memorandum that was provided to the Members in advance of the meeting, Mr. DaSilva explained that, pursuant to the Open Public Records Act (N.J.S.A. 47:1A-1 et seq.), requests by members of the public for public documents shall be handled by a public entity's "Records Custodian". He said that the Act defines "Records

Custodian as the “...officer officially designated by formal action of that agency’s director or governing body...” to perform this function. He added that this necessitates the formal election of a new Interim Records Custodian. He said that before the Board is a recommendation to elect SDA Ethics Manager Jane Folmer-Kelleher to serve as the Authority’s Interim Records Custodian.

Following discussion, upon a motion by Mr. Luckie and seconded by Mr. Maloney, the Board approved the nomination of Jane Folmer-Kelleher to serve as the Authority’s Interim Records Custodian with the Members’ unanimous vote in favor of *Resolution 5ai*.

### ***School Review Committee***

#### **Resolving Change Order No. 1- Catcord Construction Company; Amendment No. 2 – USA Architects, Planners + Interiors Designs, P.A.**

Mr. Nixon asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie reported that the School Review Committee met on July 24, 2019 at which time two items were discussed in Open Session. He said that the first item for Board consideration is Resolving Change Order No. 1 for the Plainfield HS emergent project (the Project). He described the Plainfield HS as an approximately 365,000 square foot facility in the Plainfield Public School District educating approximately 1,600 students in grades 9 through 12. He explained that in July 2016 the state Department of Education (DOE) and SDA launched a third statewide effort to identify and evaluate potential emergent projects throughout the SDA Districts. He said that this effort resulted in the identification of conditions at the High School for advancement as an emergent project involving structural repairs or replacement stairs. He advised that SDA determined to advance the Project by way of a rotational assignment to Catcord Construction Company (Catcord) through the SDA’s General Contractor Task Order (GCTO) Contract and Catcord was issued a notice-of-award in August 2018. Mr. Luckie said that SDA issued a

notice-to-proceed in September 2018 authorizing Catcord to advance the Project. He explained that, after demolition of the landings, it was determined that the landing concrete, as installed, was partially bearing on the masonry construction of the wall and was not substantial enough to structurally support the work required to support the new landings. He said that it was determined that the most practical and structurally sound way to support the steel beams was to create beam pockets on both sides of the landing to bear the new channels.

Mr. Luckie advised the Board that Catcord submitted a cost proposal in the not-to-exceed amount of \$125,000 for the additional scope of work. He said that management issued Construction Change Directive (CCD) No. 1 in the amount of \$0.00 on July 19, 2019 so that the work might proceed in order to avoid impacts on the anticipated project completion date and scheduled September 2019 school opening. Mr. Luckie advised that the financial operations office reviewed Catcord's \$125,000 cost proposal and determined that it was the most practical and economic approach to the work.

He said that management recommends Board approval of Resolving Change Order No. 1 in the not-to-exceed amount of \$125,000 to resolve CCD No. 1 for the labor, material and equipment needed to create beam pockets to support the stair landing steel channels.

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 Ms. Sullivan, Resolving Change Order No. 1 for Catcord Construction Company was approved with the Board's unanimous vote in favor of ***Resolution 6a***.

Next, Mr. Luckie said that the Committee is recommending an amendment for the Newark Science Park HS emergent project (the Project). He described the Science Park HS as an approximately 275,000 square foot technology magnet high school educating 1,200 students in grades 7 to 12. He said that the state Economic Department Authority initiated delivery of the



Project in 2002 and a notice to proceed was issued in December 2004. He advised that the Project achieved substantial completion and received a TCO in November 2006. He noted, however, that the temporary certificate of occupancy TCO excluded the smoke control system which was determined to be non-compliant with code requirements.

Mr. Luckie advised that modification of the non-compliant system is the primary step needed for SDA to complete the Project, obtain a CO and transfer the school facility to the district. He said that a construction package for the system modification work was advertised in 2017 and a construction contract was awarded to Precision Building and Construction, LLC (PBC). He reported that, while PBC has completed the scope of corrective work for the system and other needed repairs, the existing ductwork which interacts with the system did not pass the required pressure test due to factors involving the original project, unrelated to PBC's scope of work. Mr. Luckie said that management issued Change Order No. 1 to PBC to investigate and repair the issue that resulted in the failure of the existing system ductwork pressure test. He added that following PBC's repairs to the ductwork, it was determined that the repairs would not fully address the required ductwork system pressurization issues, and the additional scope needed to remedy the control damper issue was the basis of Change Order No. 3 issued to PBC in April 2018.

Mr. Luckie advised that final special inspections were conducted from December 2018 thru February 2019 in order to prepare the report required to obtain a CO from DCA for the Project. He informed the Members that all tests passed inspections except for a February 2019 makeup air velocity system test and investigation which revealed that the original make up air duct assembly on the second and third floors is undersized. He said that the proposed Amendment No. 2 in the not-to-exceed amount of \$79,000 will authorize USA Architects to

perform additional design services to identify corrective solutions to resolve the makeup air velocity system issue and potentially facilitate the issuance of a CO for 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. Vargas and seconded by Mr. Maloney, Amendment No. 2 for the emergent project at the Newark Science Park High School was approved with the Board's unanimous vote in favor of ***Resolution 6b***.

### ***Public Comments***

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

Mr. Nixon then announced that the Board would be adjourning into Executive Session. Ms. Kelly said that the Board had resolved to adjourn into Executive Session to discuss personnel matters. Mr. Nixon said that the Board would return to Open Session at the conclusion of the Executive Session.

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

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

### ***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 August 7, 2019 meeting.

*/s/ Jane F. Kelly*  
Assistant Secretary