

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, JUNE 5, 2024**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, June 5, 2024 at 9:00A.M. in the Joseph A. McNamara Board Room at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Robert Nixon, Public Member, Chairman

Juan Burgos (EDA)

Kevin Luckie (DCA)

David Moore (Treasury)

Bernard Piaia (DOE)

John Capo, Public Member

Michael Maloney, Public Member

Mario Vargas, Public Member

Nicole Vecchione, Public Member

being a majority of the Members. Mr. Capo, Mr. Moore and Mr. Piaia participated in the meeting by teleconference.

At the Chairman's request, Manuel Da Silva, chief executive officer; Donald Guarriello, vice president and chief financial officer; Janice Venables, vice president and assistant secretary; and Albert Barnes, chief counsel; Sean Murphy (teleconference), managing director; and Gregory Voronov, managing director of the SDA participated in the meeting. Alexis Franklin of the Governor's Authorities Unit (GAU) also participated in the meeting.

Pledge of Allegiance

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

The meeting was called to order by Mr. Nixon, who requested that Ms. Venables read the requisite notice of the meeting. Ms. Venables announced that the meeting notice had been sent to the *Trenton Times* and *Star-Ledger* at least 48 hours prior to the meeting, and was duly posted on the Secretary of State's bulletin board at 225 West State Street in Trenton, New Jersey and on the SDA Website. Ms. Venables then conducted a roll call and indicated that a majority of the Members of the Board were present.

Approval of Meeting Minutes

The Chairman presented for consideration and approval the minutes of the Board's May 1, 2024 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. Vargas and seconded by Mr. Luckie, with Ms. Vecchione abstained, the Open Session minutes of the May 1, 2024 SDA Board meeting were approved with the Members' vote in favor of the resolution attached hereto as ***Resolution 3a***.

Mr. Nixon presented for consideration and approval the minutes of the Board's May 1, 2024 Executive 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. Vargas and seconded by Mr. Luckie, with Ms. Vecchione abstained, the Executive Session minutes of the May 1, 2024 SDA Board meeting were approved with the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 3b***.

Authority Matters

CEO's Report

Next, Mr. Nixon asked Mr. Da Silva for the report of the CEO. Mr. Da Silva gave an update on design-build projects in construction. He said that for the Perth Amboy High School project, furniture deliveries and IT integration are ongoing. He noted that the certificate of occupancy inspections continue and the School has been turned over to the District. For the Union City New Grade 7-9 School project, he reported that final design documents are held by Department of Community Affairs. He noted that exterior concrete masonry unit and metal stud enclosure activities continue for the next three months. He added that mechanical, electrical and plumbing activities and electrical rough-in work are ongoing.

With respect to design-bid-build projects in the construction stage, Mr. Da Silva reported that for the Orange Cleveland Street Elementary School project, HVAC systems start up and commissioning are underway. He said that ceiling, painting, casework, trim and finished flooring installation are also underway.

Next, Mr. Da Silva gave an update on projects with active early site preparation. He advised that for the Elizabeth and Garfield demolition projects, abatement, demolition and building utility services disconnect activities continue.

Mr. Da Silva introduced to the Board two new additions to the SDA Internal Audits Division supporting the Audit Committee's role. He informed the Members that Mohammed Kathawala, who started this week, was the successful candidate filling the role of Director of Internal Audits. He added that Mr. Kathawala brings to SDA over 15 years of progressive auditing experience with more than 10 years in a management role. He noted that Mr. Kathawala graduated from Rutgers University with a Bachelor's degree in accounting and finance.

Next, Mr. Da Silva said that Camille Brennan, Senior Auditor, joined the SDA in April of this year. He advised that Ms. Brennan graduated from Rutgers University's business school with a Bachelor of Science in accounting. He noted that she has over 16 years of auditing experience working for firms such as Deloitte Touche and Verizon Communications.

Mr. Da Silva advised that for the Union City Grade 7-9 School project (Project), SDA applied for a federal grant and were recipients of \$50 million into the SDA coffers. He noted that the grant allows the SDA to offset \$50 million for the Project with federal funds. He advised there are also contributions from the State of New Jersey which will fund a single audit that the SDA will be obligated to do each year that the project is ongoing. He added that the SDA will have an integrity monitor that makes sure there is no fraud being committed or a misappropriation of funds. He noted that the SDA has received \$38 million of the \$50 million of funds. He added that the District will have a public component which will requires them to do health screenings, job training and teaching technology.

Lastly, Mr. Da Silva introduced SDA's new Board Member Nicole Vecchione. Ms. Vecchione said that she is honored to be here and excited to work with the Board for the next couple of years. She said that she comes from the Laborers International Union of North America for her day job where they organize workers. She added that she is excited to help out on the SDA Board.

School Review Committee

The Chairman then asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie said that the School Review Committee met on May 20, 2024 and is advancing four items for Board consideration today. He said that the first matter for approval is a release off funds from program reserve for the Burlington (District) City Captain James Lawrence Elementary School project (School or Project). He advised that the School, built in

1859, is a 46,772 square foot facility that educates approximately 250 students in grades K through 2. He said that in June 2023, the District submitted a potential emergent project to the Department of Education (DOE) for review to address the windows and flooring conditions at the School. He reported that in November 2023 the DOE, after confirmation of the emergent conditions and in consultation with the SDA, issued preliminary project approval for a project to address the conditions at the School. He explained that based upon the level of design work completed by the District's consultant, LAN Associates (LAN), and the lack of complexity of the project it was determined that delegation for the District's management of the project would be the most expedient and efficient means of completing the work. He noted that LAN reviewed the emergent conditions and developed scopes of work to address the conditions at the School. Mr. Luckie said that based upon construction bids received by the District for the window replacement work and estimated costs for the flooring scope, professional services and other costs that have been reviewed by the SDA, the cost of the project, including appropriate contingency, total \$2,178,000. He added that executive management and associated program staff recommend Board approval of the release of \$2,178,000 from the Program Reserve to address the emergent project of replacement of the all existing exterior windows and the replacement of the corridor floors at the School.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Burgos, the Board approved a Release of Funds from the Program Reserve for the Burlington Captain James Lawrence Elementary School project with its unanimous vote in favor of ***Resolution 5a***.

Next, Mr. Luckie said that the Committee is recommending Board approval of a release of funds from program reserve for the Millville (District) Holly Heights Elementary School project (School or Project). By way of background, he said that the School, built in 1974, is a

93,000 square foot facility that educates approximately 460 students in grades K to 5. He advised that in May 2023, the District submitted a potential emergent project to DOE for review to address the HVAC system at the School. He reported that in September 2023, DOE, after confirmation of the emergent conditions in consultation with SDA, issued a preliminary project approval for a project to address the HVAC system at the School. He explained that the District is advancing the project utilizing multiple sources of funds inclusive of Federal COVID Relief funding, a grant from the BPU, and funds provided by the SDA through both the annual Fiscal Year Capital Maintenance & Emergent Projects grant and the SDA's Emergent Program for SDA Districts. He said that it has been determined that delegation for the District's management of the project would be the most appropriate means of completing the work, and the District engaged Due to the age and condition of the building's existing HVAC system, the scope calls for replacement of the entire existing HVAC system. He advised that based upon construction bids received by the District for the HVAC work and estimated costs for professional services and other costs that have been reviewed by the SDA, the total cost of the project, including appropriate contingency, totals \$13,304,000. He said that the requested funding amount of \$5,504,000 from the Program Reserve, together with \$1,000,000 from the FY24 Capital Maintenance & Emergent Project Grant, represents the SDA's share of the total cost of the project. He noted that executive management and associated program staff recommend Board approval of the release of \$5,504,000 from the program reserve to address the emergent HVAC system replacement project at the School. Mr. Luckie noted that the funding for this project is from many different sources. Mr. Da Silva said that district was very creative with finding different pockets of money to combine for this project to move forward. Mr. Maloney asked if the funding triggers the Project Labor Agreement (PLA). Mr. Voronov noted that it is Grants funding from the SDA. Mr. Murphy quoted a clause from the internet regarding PLAs. Ms.

Vecchione asked if this is at the discretion of the Board or legislation. Mr. Da Silva noted that legislation does not pertain to grants. After discussion, Mr. Da Silva advised that Mr. Barnes would send a memo to the Member regarding PLA requirement on SDA Grant Projects exceeding \$5 million.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Piaia and seconded by Mr. Maloney, the Board approved a Release of Funds from the Program Reserve for the Millville Holly Heights Elementary School project with its unanimous vote in favor of **Resolution 5b**.

In continuing, Mr. Luckie said that management is seeking Board approval of Change Order (CO) No. 1, final project charter, a release of funds from the program reserve, and reestablishment of contract value for the Newark (District) Branch Brook Elementary School emergent project (School or Project). By way of background, he reported that the School, now known as ECC North, built in 1925 is an approximately 28,000 square foot facility educating approximately 93 Pre-K students. He said that the DOE and SDA identified the School's exterior masonry deficiencies as an emergent project that qualified for advancement and approved it for funding to address necessary exterior masonry re-pointing, and repairs of select areas. He advised that the SDA advanced this project by way of rotational assignment through the utilization of the SDA's General Construction Services Task Order (GCTO) Contract with Design which requires the general contractor (GC) to engage the services of a design consultant to complete needed design services. Epic Management, Inc. (Epic) was contacted in December 2022 as the next firm on the contractor rotational list, and confirmed its interest in the Project. Mr. Luckie said that the original award for this engagement was based upon Epic's review of the Request for Proposal scope documents presented at the time of the bid by the SDA, but following Epic's development of the design and the revised schedule, the not-to exceed (NTE)

cost originally allocated for construction was determined to be insufficient. He explained that the increase in the cost was due to accessibility issues related to the project site, current construction cost escalation and the finding of hazardous material, the cost of which was not initially contemplated in the base award. He informed the Members that the scope of work for the Project includes repointing of select brick surfaces of the exterior walls that extend above the first floor roof at the center area of the original 1925 school building, estimated to be approximately 2,260 square feet, and the removal of temporary coatings and sealants around existing scuppers, windows, and hoods prior to repointing. He added that the Project also calls for the provision of new sealant at joints and the selective replacement of approximately 70 square feet of damaged, cracked or otherwise unusable brick with new replacements, and the abatement of asbestos-containing material required to complete the work. He said that CO No. 1 in the total lump sum value of \$342,088 is required to provide the amount equal to the differential in cost between the original NTE costs allocated for construction and the actual finalized, negotiated and agreed to construction cost required to effect the masonry re-pointing and repairs. Mr. Luckie noted that it is further necessary to release the sum of \$498,107 from the SDA Program Reserve for emergent projects and approve the project's final charter. He added that all documents supporting this change order have been reviewed by the associated SDA project team for adherence to current SDA policy and procedures, and SDA staff members, including financial operations, have determined that the items included in the change order are justified and that the amount is reasonable and appropriate. Mr. Nixon asked why extra monies are not set aside knowing the age of the facility and likelihood of issues. Issues that crop up with project and budgeted dollars were discussed.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Burgos and seconded by Mr. Vargas, the Board

approved Change Order No. 1, Final Project Charter, Release of Funds from Program Reserve and Re-Establishment of Contract Value for the Newark Branch Brook Elementary School project with its unanimous vote in favor of ***Resolution 5c***.

Finally, Mr. Luckie said that management is seeking Board approval CO No. 1, final project charter, a release of funds from the program reserve, and reestablishment of contract value for the Trenton (District) Franklin Elementary School emergent project (School or Project). He reported that School built in 1913, is an approximately 42,000 square foot facility educating approximately 379 students in grades K through 5. He advised that as a result of a statewide effort by the DOE and SDA to identify and evaluate potential emergent projects, the School's emergent chimney deficiencies were identified as a project that qualified for advancement. He explained that the SDA advanced this project by way of rotational assignment through the utilization of the SDA's GCTO with design which requires the General Contractor to engage the services of a design consultant to complete needed design services. He noted that Catcord Construction Company (Catcord) was contacted in August 2022 as the next firm on the contractor rotational list, and confirmed its interest in the project. He said that the scope of work for this engagement includes all necessary design services and construction work to undertake the partial demolition and reconstruction of the existing chimney including removal of existing cracked chimney brick and the reinstallation of new brick, installation of new flashing at the chimney repair area, as well as abatement of any hazardous materials necessary to complete the work as required based upon investigation during design. He explained that the SDA and Catcord agreed to convert the remaining construction phase from a time & materials NTE contract to a lump sum contract in accordance with the GCTO Agreement. He advised that Catcord provided SDA with various competitive price proposals to arrive at its proposed lump sum cost for the remaining construction work. He advised that the original award for this

engagement was based upon Catcord's review of the Request for Proposal scope documents presented at the time of bid by the SDA, but following Catcord's development of the design and revised schedule, it was determined that the NTE cost originally allocated for construction was insufficient to complete the scope of work. Mr. Luckie said that the SDA and Catcord negotiated and agreed to a final lump sum cost of \$495,456.31 for all work necessary to complete the project, including CO No.1 in the total lump sum of \$19,032.31. He added that it is further necessary to release the sum of \$199,715 from the SDA program reserve for emergent projects and approve the project's final charter to ensure that sufficient funds exist to support completion of the emergent Project. He said that all documents supporting this change order have been reviewed by the associated SDA project team for adherence to current SDA policy and procedures, and SDA staff members, including financial operations, have determined that the items included in the change order are 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 duly made by Mr. Burgos and seconded by Mr. Vargas, the Board approved Change Order No. 1, Final Project Charter, Release of Funds from Program Reserve and Re-Establishment of Contract Value for the Trenton Franklin Elementary School project with its unanimous vote in favor of *Resolution 5d*.

Public Comments

At this time Mr. Nixon announced that the public comments portion of the Meeting will commence consistent with the New Jersey Open Public Meetings Act.

There being no public speakers, Mr. Nixon asked for a motion to adjourn the Open Session of the meeting into Executive Session. He asked Ms. Venables to announce the matters to be considered by the Board in Executive Session. Ms. Venables advised that, the Board will

adjourn into Executive Session to discuss an informational item regarding a settlement of litigation. She said that there will be no formal action taken today upon return to Open Session.

Upon motion by Mr. Vargas and seconded by Mr. Maloney the Board unanimously voted to approve *Resolution No. 7*. and thereby adjourn the Open portion of the meeting into Executive Session.

Adjournment

There being no further business to come before the Board, upon motion by Chairman Nixon 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 June 5, 2024 meeting.

/s/ Janice Venables
Assistant Secretary