

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, SEPTEMBER 4, 2024**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, September 4, 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

Daniel Gumble, Public Member

Lester Lewis-Powder, Public Member

Michael Maloney, Public Member

Mario Vargas, Public Member

Nicole Vecchione, Public Member

being all the Members of the Board. Mr. Gumble, Mr. Lewis-Powder, Mr. Maloney, Mr. Moore, Mr. Nixon, Mr. Piaia and Ms. Vecchione participated 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; Ramy Kamel, vice president; Albert Barnes, chief counsel; Jane Folmer-Kelleher, senior ethics manager and OPRA custodian; and Robert Daniel, senior research analyst of the SDA

participated in the meeting. Alexis Franklin of the Governor's Authorities Unit (GAU) also participated in the meeting by teleconference.

Pledge of Allegiance

Led by the Chairman, the assembled Members 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 quorum of the Members of the Board was present.

Approval of Meeting Minutes

The Chairman presented for consideration and approval the minutes of the Board's August 7, 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. Burgos, the Open Session minutes of the August 7, 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 August 7, 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. Piaia and seconded by Mr. Vargas, the Executive Session minutes of the August 7, 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

Mr. Nixon asked Mr. Da Silva for the report of the CEO. Mr. Da Silva provide an update on design-build projects in construction. He said that for the Millville High School project, the final stages of the project are being completed and management expects to be done next week. For the Perth Amboy High School project, he advised that the school was delivered, the ribbon cutting ceremony was last week, and the school is ready to be occupied by the students this week. With respect to the Union City New Grade 7-9 School project, he reported that final design documents and permits have been released. He added that interior concrete masonry unit walls and building rough in work continues.

Turning to design-bid-build projects in the construction stage, Mr. Da Silva said that for the Orange Cleveland Street Elementary School project, the school was given a temporary certificate of occupancy and is being prepared for the first day of classes this Friday.

Next, Mr. Da Silva gave an update on projects with active early site preparation. He advised that for the Garfield New Elementary School project, site preparation activities continue and bids are due October 16 for the design build procurement. For the Elizabeth New Elementary School project, he said that demolition of the Joseph Battin School continues to make way for the new 142,000 square foot new school facility. He added that last month, management highlighted the demolition with an event attended by the District and local officials at the former school site.

Mr. Vargas said that he, along with Mr. Nixon and Ms. Vecchione attended the Perth Amboy High School ribbon cutting. He said that the school is amazing, large and that the ribbon cutting was also amazing. He added that at the ribbon cutting, Superintendent Roman made sure that everyone knew that the school is amazing and he also involved the community in the program.

Mr. Nixon agreed with Mr. Vargas and said that ribbon cutting was amazing. He said that he was scrolling through pictures and came across the beam signing and then thinking of the ribbon cutting was a wow factor. He added that the ribbon cutting was positively covered and everyone in the community is excited. He said that he hopes that all the young men and women today are in the building and pumped to be there.

Next, Mr. Da Silva said that today he was two related staff items to address. He said that we have with us today Ramy Kamel, the new vice president of program and construction operations who started the previous week. He advised that Mr. Kamel brings with him 23 years of experience in real estate and construction working on numerous large-scale projects across many states. He added that his experience is mostly working for large construction companies, as an owner's representative in the construction management area, managing several projects at a time. He noted that Mr. Kamel holds a Bachelor of Science in Civil Engineering, a Masters in Construction Management, and a Masters in Business Administration.

Mr. Kamel said he is excited to be at the SDA and on his second day of work he was able to attend the ribbon cutting at the Perth Amboy High School. He added that he started within the program when he came out of college at an entry level position dealing with the Department of Community Affairs on a daily basis. He said that he has seen how this program has come a long way.

Next, Mr. Da Silva said that he wanted to finish today's CEO report by acknowledging the retirement of our senior ethics manager and OPRA custodian, Jane Folmer-Kelleher. He advised that Ms. Folmer-Kelleher joined the Authority in 2003 with a long and successful career at SDA. He added that she is well respected and has contributed immensely to our success. He said that she's taking the next step in the journey we call life, and decided to move on to the next chapter in that journey, retirement. He congratulated Ms. Folmer-Kelleher on her retirement and thanked her for her many years of service and commitment to the SDA's mission.

Ms. Folmer-Kelleher thanked the Board Members and the Designees for all of their hard work for the State of New Jersey and for the school children of the State. She added that she has been training her two successors. She said that it's been an honor and pleasure to work with staff and Board Members.

Mr. Nixon congratulated Ms. Folmer-Kelleher on her upcoming retirement. He said that she is an absolute class act dealing with OPRA and ethics. He added that he is very happy for her on her retirement.

Appointment of 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 (OPRA) (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 advised that SDA employee Robert S. Daniel currently works as senior research analyst and routinely locates records for the Division of Chief Counsel in relation to litigated matters, and has worked with the Records Custodian to learn the SDA processes followed in responding to requests by the public

for SDA public records. He said that Management now recommends that the Members of the Authority designate Robert S. Daniel to serve as the SDA's Records Custodian until such time as his successor shall be elected by the Board.

Upon a motion by Mr. Luckie and seconded by Mr. Vargas, the Board approved the nomination of Robert S. Daniel to serve as the Authority's Records Custodian with the Members' unanimous vote in favor of *Resolution 4ai*.

Audit Committee

Proposed Changes to SDA By-Laws and Audit Committee Charter to Conform to P.L. 2023, c.311; Information Technology Support Services Contract; SDA's 2023 Audited Financial Statements

Mr. Nixon, as Audit Committee Chairman, reported that the Audit Committee met on August 26, 2024 at which time management provided the Members that there was a \$7.1 million decrease in the 2011 Emergent Projects Reserve balance. He said that the increase in commitments is due to Board approval of the release of funds for the Gloucester City Junior High School emergent partial roof replacement project and the Union City Emerson Middle School emergent exterior masonry project. He advised that there were no changes in any of the other SDA reserve balances for the reporting period. Additionally, he reported that there were no changes in the reserve balance for the Regular Operating Districts.

Next, Mr. Nixon provided the July 2024 Financial Report. He reported that the Authority's operating expenses (Actual vs. Budget) for the year-to-date period totaled \$8.1 million, down \$1.8 million as compared to the budget for the corresponding period. He said that this variance is attributable to lower activity for personnel costs, professional and other contracted services, informational systems, facilities and general office expenses and SDA owned automobiles, offset by lower payroll and benefits expense allocation to project costs. He noted that the current full

time equivalents (FTE) headcount is 129 through July 31 representing an 18 FTE decrease compared to year-to-date projections. Mr. Nixon then reported that school facilities project expenditures (Actual vs. Forecast) for the year-to-date period total \$179.4 million, are \$56.7 million lower as compared to the capital spending forecast for the corresponding period. He advised that this variance is due to lower costs associated with construction work, grant agreements, property acquisitions, project insurance and construction management services. He further reported that project expenditures (Actual vs. Prior Year Actual), at \$179.4 million, are \$13.1 million higher when compared to the capital sending forecast for the corresponding prior year period. He said that this variance is a result of an increases in spending for property acquisitions, grant agreements and school furniture, fixtures and equipment, partially offset by a spending decrease in construction work. He said that, since program inception, 82% of the funds authorized for the SDA districts have been disbursed. Additionally, he noted that 96% of all SDA disbursements relate to school facilities projects, while 4% relate to operating expenses. He advised that the estimated value of active school facilities capital projects, along with emergent and regular operating district grant projects, is approximately \$1.55 billion.

Next, Mr. Nixon advised that, in compliance with the Board's 2019 changes to the SDA Bylaws and Audit Committee Charter, the CEO provided the Committee with an update regarding Authority personnel matters and changes.

Mr. Nixon then said that the Audit Committee is presenting three agenda items for consideration by the Board today. Referencing materials that previously were provided for Board review, Mr. Nixon advised that management and the Members of Audit Committee are recommending that the Board approve the proposed changes to SDA By-Laws and Audit Committee Charter to Conform to P.L. 2023, c.311. He advised that the Authority is authorized to "adopt bylaws for the regulation of its affairs and the conduct of its business" pursuant to law.

He said that SDA's By-laws were adopted by the Authority in 2007 and amended in 2014 and 2019. He noted that Article IX, Section 9.1 of the Authority's By-laws establishes the Audit Committee as a standing committee of the Authority. He said that the Audit Committee Charter was adopted in 2007 and amended 2019 and sets forth the authority, composition, meetings, voting, and specific responsibilities of the Audit Committee. Mr. Nixon noted that, as the Members are aware, recent legislation enacted into law on January 16, 2024 and codified -- P.L. 2023, chapter 311-- calls for various modifications to SDA's operations, including changes to the composition and obligations of the SDA Board. He then requested that the Members amend the SDA By-Laws and Audit Committee Charter to effectuate changes made necessary by the recent legislation that amends the SDA enabling statutes regarding the number of Members, what constitutes a voting quorum and the hiring, termination or disciplining of an SDA executive team member.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Capo and seconded by Mr. Piaia, the Board approved the proposed changes to the SDA By-Laws and the Audit Committee Charter with its unanimous vote in favor of ***Resolution 5a***.

Next, Mr. Nixon discussed management's and the Audit Committee recommendation of an award for a 3-year contract for information technology support services. He reminded the Members that for some time, SDA has used the services of an outside firm to provide critical network, hardware and software maintenance services in order to avoid critical systems failures that lead to excessive network or extended system outages. He explained that these services, which include on-site technical support and consulting services, were last competitively procured in 2020 and will expire November 2024. He reported that a competitive procurement process to continue the availability of the services began on May 30, 2024. Mr. Nixon advised that

following the procurement process, management recommends, and the Committee concurs, the award of a three-year contract not-to-exceed \$1 million to Custom Computer Specialists, Inc. He added that the contract term may be extended for 1 additional year subject to Board approval.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Capo and seconded by Mr. Piaia, the Board approved the award for network, hardware and software support services to Custom Computer Specialists, Inc. with its unanimous vote in favor of ***Resolution 5b.***

Next, Mr. Nixon discussed management's and the Audit Committee recommendation to approve the SDA's 2023 Financial Statements. He advised the Members that Ernst & Young, LLP (E&Y), SDA's independent auditor, presented the Committee with the 2023 financial statements and audit results. He said that E&Y reported that the Audit was performed consistent with the established audit plan presented in November 2023. He said that E&Y outlined the areas of emphasis and the thought process utilized in the development of the Audit and reported that the financial statements contained no corrected misstatements or material uncorrected misstatements. He noted that E&Y reported that they did not find any matters that would rise to the level of either a material weakness or significant deficiency. He explained that the Independent Auditor's Report expresses an unmodified or clean opinion which suggests that the financial statements present fairly, in all material respects, the financial position of the Authority as of December 31, 2023 and the changes in financial position for the year ended consistent with generally accepted accounting principles.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Capo and seconded by Mr. Burgos, the Board approved the SDA's 2023 Audited financial statements as presented with its unanimous vote in favor of ***Resolution 5c.***

Lastly, Mr. Nixon advised that, in accordance with Executive Order 122, at the conclusion of the Committee Meeting, Ernst & Young met with the Committee and SDA's Director of Internal Audit, Mohammed Kathawala without Management present.

Real Estate Committee

Recommendation for Renewal of Use and Occupancy Agreement with the Jersey City Public Schools for SDA-Owned Property Adjacent to Julia A. Barnes School (PS No.12)

Upon Mr. Nixon's request Mr. Vargas said that the Real Estate Committee met on August 19, 2024 advising that the Committee is presenting two agenda items for consideration by the Board today. Referencing materials that previously were provided for Board review, Mr. Vargas advised that management and the Members of Real Estate Committee are recommending that the Board approve the renewal of a Use and Occupancy Agreement with the Jersey City Public Schools for SDA-Owned Property (Property) adjacent to the Julia A. Barnes School, PS No.12 (School). He advised that the Property is designated as Tax Block 16902, Lot 24 in Jersey City (District). He described the Property as consisting of a fully fenced, gated and paved, gravel and grass covered lot that was acquired by the SDA as the site for a prospective expansion of the School. He said that the expansion project was never advanced and is not included in the current SDA Capital Plan and, as a result, the Property is no longer needed for construction of the project allowing for its temporary third party use in accordance with the applicable provisions of N.J.A.C. 19:35. He advised that the current Use and Occupancy Agreement (U&O, Agreement) with the Jersey City Public Schools District for the Property was effective September 24, 2021 and will expire on September 23, 2024. He said that the recommended renewal of the Agreement will be for a term of 3 years, subject to the SDA's right to terminate on 30 days written notice. Mr. Vargas noted that the District will pay a nominal use fee of \$1.00, and will assume responsibility to secure and maintain the Property and to insure all risks

associated with its use of the Property. He said that pursuant to N.J.A.C. 19:35, any renewal or extension of a U&O, must be approved by the Board if the resulting renewal or extension will result in an aggregated use term exceeding three years noting that the extension proposed today results in a total term exceeding three years and thus requires Board approval. Mr. Vargas said that management and the Real Estate Committee recommend that the Members approve the proposed renewal of the U&O with the District for this Property.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Burgos, the Board approved the renewal of the Use & Occupancy agreement with the Jersey City Public Schools for SDA-Owned property adjacent to the Julia A. Barnes School as presented with its unanimous vote in favor of ***Resolution 7a.***

Mr. Vargas then advised, for informational purposes, in today's materials is the July 1, 2024 Leased/Licensed Real Estate Owned Report (Report) for N.J.A.C. 19:35, Disposition of Surplus Real and Personal Property of the New Jersey Schools Development Authority Report. He noted that the SDA Board previously approved for adoption and publication updated Rules for Disposition of Surplus Real and Personal Property of The New Jersey Schools Development Authority, N.J.A.C. 19:35. He advised that in accordance with reporting requirement, management is now presenting the Report. He then advised that the second voting item on the agenda will be discussed in executive session and voted on upon return to the open session of today's Board Meeting.

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. The Chairman opened the Public Comments portion of the meeting. Mr. Nixon recognized Nikki Baker. Ms. Baker

welcomed everyone to a new school year starting in September. She thanked the SDA for all the work they do. Ms. Baker said that she is with New Jersey Work Environment Council and she is the organizer for the Healthy Schools Now (HSN) campaign. She said that they have a coalition of over 130 organizations and still growing, advocating for safe and healthy facilities. She said that she is coming to the Board today with some sad news, noting that on August 21, 2024 they found out that they lost a friend and former organizer for HSN, Angelina Carione. She said that Ms. Carione lost her battle to breast cancer and leaves behind a very young son, husband, family and many friends and colleagues. She said that Ms. Carione was an organizer and at New Jersey Work Environment Council for the HSN program. She added that in 2015, Ms. Carione was a former educator and later became a liaison in government relations for the New Jersey Education Association. Ms. Baker said that it's a very sad moment but she wanted to lift Ms. Carione up because of her foundation and the work that she did is helping those that came behind. Ms. Baker said that she is now in the position that Ms. Carione had but she did not want to leave without mentioning her memory and the sadness that it will bring but also lift up the joy because she was a wonderful person. She added that you could always look up to Ms. Carione, talk to her and that she was a beautiful soul.

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 two items: the first, is a Recommendation for the Settlement of Claims Asserted by Epic Management, Inc. Relating to the Paterson Union Avenue Middle School and Plainfield Elementary School Projects; the second is a proposed Request for Approval of Proposed Agreement to Resolve Encroachment onto SDA-Owned Real Property in Jersey City. She said that the Board will vote on these matters upon return to Open Session.

Upon motion by Mr. Vargas and seconded by Mr. Burgos the Board unanimously voted to approve **Resolution No. 9.** and thereby adjourn the Open portion of the meeting into Executive Session.

Following the Board's return to Open Session, Mr. Luckie announced that in Executive Session the Board had discussed management's and the School Review Committee's recommendation for approval of a Recommendation for the Settlement of Claims Asserted by Epic Management, Inc. Relating to the Paterson Union Avenue Middle School and Plainfield Elementary School Projects.

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 a Recommendation for the Settlement of Claims Asserted by Epic Management, Inc. Relating to the Paterson Union Avenue Middle School and Plainfield Elementary School Projects with the SDA with its unanimous vote in favor of **Resolution 6a.**

Next, Mr. Vargas announced that in Executive Session the Board had discussed management's and the Real Estate Committee's recommendation for approval

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Burgos, the Board, approved proposed Request for Approval of Proposed Agreement to Resolve Encroachment onto SDA-Owned Real Property in Jersey City with the SDA with its unanimous vote in favor of **Resolution 7b.**

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 September 4, 2024 meeting.

/s/ Janice Venables
Assistant Secretary