

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS MEETING  
WEDNESDAY, JANUARY 8, 2025**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, January 8, 2025 at 9:15A.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)

Joseph DeCotiis, Public Member

Daniel Gumble, Public Member

Lester Lewis-Powder, Public Member

Michael Maloney, Public Member

Mario Vargas, Public Member

Nicole Vecchione, Public Member

being a quorum of the Members of the Board. Mr. DeCotiis, Mr. Gumble, Mr. Lewis-Powder, Mr. Maloney, Mr. Moore, Mr. Piaia, Mr. Vargas 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; and Albert Barnes, chief counsel of the SDA participated in the

meeting. Alexis Franklin of the Governor’s Authorities Unit (GAU) also attended the meeting by teleconference.

The meeting was called to order by Mr. Nixon, who requested that Ms. Venables read the requisite notice of public 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 December 4, 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. Luckie and seconded by Mr. Vargas, the Open Session minutes of the December 4, 2024 SDA Board meeting were approved with the Members’ vote in favor of the resolution attached hereto as ***Resolution 3a.***

Next, Mr. Nixon presented for consideration and approval the minutes of the Board’s December 4, 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. Burgos and seconded by Mr. Luckie the Executive Session minutes of the December 4, 2024 SDA Board meeting were approved with the Members’ 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 wished the Members and staff a Happy New Year. He said that he is excited about 2025 and all of the new work the SDA has and continues to roll out. He reported that the SDA already delivered 2 projects from the 2022 Capital Plan utilizing alternative delivery leaving the Authority with 17. He added that 2 of the 17 are replacement schools while the remaining 15 will address needs and result in additional seats for the school Districts the SDA serves. He advised that approximately half of the projects have charters and one has a design build contract awarded moving us closer to construction. He informed the Members that the teams continue to advance the remaining 10 emergent projects where 8 have achieved substantial completion and 2 have construction ongoing.

In continuing, Mr. Da Silva said that the SDA's Grants Division continues to oversee the administration of \$50 million and \$450 million in grants allocated by Governor Murphy for grants for SDA Districts and Regular Operating Districts, respectively. He advised that the grant administration work will continue throughout this year and beyond. Lastly, Mr. Da Silva said that the Union City 7 to 9 School continues to advance on schedule for a 2025 delivery and occupancy by students. He said that he has highlighted a few items since there's too much going on to highlight everything. He noted that there is a lot of exciting work for 2025.

Next, Mr. Da Silva provided an update on design-build projects in construction. He said that for the Perth Amboy High School project, a certificate of occupancy (C of O) was issued the previous month. For the Union City New Grade 7-9 School project, building enclosure and window installation activities are ongoing. He added that roofing activities are complete.

Turning to design-bid-build projects in the construction stage, Mr. Da Silva reported that for the Orange Cleveland Street Elementary School project, the final building inspections are

being scheduled in preparation for the C of O application to Department of Community Affairs (DCA).

In continuing, Mr. Da Silva gave an update on projects with active early site preparation. He advised that for the Garfield New Elementary School project, the early site package contractor has completed work and a certificate of acceptance was issued last month from DCA. He added that design build contract notice of award was issued last month and the kick off meeting is being scheduled. For the Elizabeth New Elementary School project, the early site package contractor has completed 25% foundation removal.

Turning to Authority events, outreach and other activities, Mr. Da Silva informed the Members that the District is looking to schedule a ceremonial ribbon cutting to celebrate the addition/renovation project at the Orange Cleveland Street Elementary School next month. He said that staff will advise the Board once a date has been confirmed.

Next, Mr. Da Silva said that he will be speaking at Alliance for Action's Mercer County Chapter Meeting on January 15. He said that he will provide an update on the SDA's strategic plan and work in the immediate area.

Lastly, Mr. Da Silva said that he wanted to welcome new Board Member, Mr. DeCotiis. He added that he is a welcome addition to the Board and the Authority welcomes his experience on the Board. He advised that he believes that Mr. DeCotiis will be impressed by the Board Members and staff. He thanked Mr. DeCotiis for joining the Board and said that he looks forward to working with him. Mr. DeCotiis thanked Mr. Da Silva and said that he is impressed with the work that the SDA does.

### ***Audit Committee***

Mr. Nixon, as the Audit Committee Chairman, reported that the Audit Committee met on

December 16, 2024 at which time management provided the Committee with the November 2024 New Funding Allocation and Capital Plan Update. He advised that there were no changes in any of the SDA reserve balances for the reporting period. He reported that there was a \$400,000 decrease in the reserve balance for the Regular Operating Districts due to reductions in state share for grant projects nearing completion.

Next, the Chairman advised the Members that David Gannon, Partner at PKF O'Connor Davies (PKF) – SDA's financial auditors – discussed PKF's approach with regard to its 2024 SDA Audit Plan (Audit, Plan). He said that Mr. Gannon outlined the audit deliverables and provided the Committee with an overview of the Audit timetable along with their processes and procedures along with discussing the Audit's scope and approach. He noted that, also discussed was the financial reporting in accordance with the requirements of the General Accounting Standards Board (GASB). He said that this year's Audit would address GASB No.101 - compensated absences. In concluding, the Audit Plan PKF discussed their responsibilities and communications associated with the 2024 Audit.

Next, Mr. Nixon advised that the Internal Audit staff presented the Committee with the results of two final project audits prepared by SDA's contracted outside consultants, Baker Tilly. He noted that the Audits were conducted to comply with the statutory requirement that Capital Portfolio Projects with a state share over \$10 million be reviewed to assess whether State funds were expended in accordance with contractual terms, SDA practices and state rules and regulations. He noted that the Audits presented had minor finding that did not generate Committee discussion.

Mr. Nixon then provided the November 2024 Financial Report. He said that the Authority's operating expenses (Actual vs. Budget) for the year-to-date period totaled \$11.4

million, down \$3.2 million as compared to the budget for the corresponding period. He said that this variance is attributable to lower activity for personnel costs, informational systems, professional and other contracted services, SDA owned automobiles and facilities and general office expenses, offset by lower payroll and benefits expense allocation to project costs. He advised that the full time employee (FTE) headcount was 126 as of November 30, 2024. He said that this represents a 24 FTE decrease in comparison to the year-to-date budgeted projections. Mr. Nixon then reported that school facilities project expenditures (Actual vs. Forecast) for the year-to-date period total \$241.2 million, are \$62.2 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 grant agreements, construction work, project insurance, property acquisitions relocation an environmental expenses and construction management services. He further reported that project expenditures (Actual vs. Prior Year Actual), at \$241.2 million, are \$9 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 increase in spending for property acquisitions, relocation an environmental expenses, grant agreements, school furniture, fixtures and equipment, and design services. He said that this variance was partially offset by a spending decrease in construction work. He reported that, since program inception, 82.5% 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 said that the estimated value of active school facilities capital projects, along with emergent and regular operating district grant projects, is approximately \$1.2 billion.

Next, Mr. Nixon advised the Board that management presented the Committee with one matter requiring Board action. Referencing a memorandum that was distributed to the Members

in advance of the meeting, he said that management and the Committee request's approval for the proposed revisions to the SDA Operating Authority (OA) Policy (Policy). He said that the OA was initially promulgated by the SDA Board on December 1, 2010, was reissued on March 2, 2012, and was reissued again on March 6, 2018 to incorporate title changes. He said that the revisions now being proposed by management are to align with current Authority operations. Mr. Nixon reported that SDA's CEO and staff presented the proposed revisions at the November and December Audit Committee and School Review Committee meetings. He advised that the revisions address significant changes in SDA staffing, organizational structure, changes in project delivery models, construction cost escalation, and other factors that have been identified or that have developed since the policy was adopted. Mr. Nixon said that the Committee Members had robust discussions about the newly established limits and thanked SDA's executive team and staff for the in-depth discussions and incorporating the Members' suggestions. He advised that the Audit Committee unanimously determined to advance and recommend to the full Board for approval of the proposed revisions to the SDA's Policy Governing Operating Authority. Mr. Vargas thanked staff for listening and being so amenable. Mr. Nixon agreed with Mr. Vargas' comment adding that it is time to update the OA. Mr. Da Silva thanked the executive team and SDA staff that worked diligently on the final revisions to the Policy that will serve the Authority well.

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. Burgos the Board approved the Revisions to the SDA's Operating Authority with its unanimous vote in favor of ***Resolution 5a.***

### *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 December 16, 2024 and is advancing two items for Board consideration today. He said that the Committee is recommending Board approval of Credit Amendment No. 23 for the Orange Cleveland Street Elementary School project (School or Project). He reported that the School built in 1898 was an approximately 38,750 square foot facility educating approximately 306 students in grades Pre-K through 7. He explained that the project scope includes an 11,550 square foot addition and renovations to the existing facility to address overcrowding and allow a change in grade alignment to grades Pre-K through 6 consistent with the District's approved Long Range Facilities Plan for the School. He advised that on March 6, 2019 the Members approved the award of the contract to Brockwell & Carrington Contractors, Inc. (B&C) for Construction Services and the Final Project Charter and on May 2, 2019, the SDA issued a Notice to Proceed (NTP) for the performance by B&C of a Constructability Review, consistent with the contract. He said that concurrent with the NTP for Construction Services, Epic Management, Inc. (Epic) was issued a NTP to provide Construction Management Services for the Project with a commencement date of January 15, 2020. He added for reasons set forth in detail in the memorandum accompanying this resolution, the SDA terminated the contract with B&C. Mr. Luckie said that to assure the Project was properly staffed from the management side, SDA and Epic determined that 1 additional staff member was required to assure proper management coverage on site, and given the shortened duration for the new General Construction Services engagement and the complexities of the Project, the Project Team determined that engaging the



services of a Mechanical Electrical Plumbing (MEP) Manager was critical to completing the work.

In continuing, Mr. Luckie reported that at the request of SDA, Epic submitted a proposal and resume for the MEP Manager position at a cost of \$16,000.00 per month for a duration of 14 and close-out at 2 months full time or 4 months part time in the amount of \$32,000.00, for a combined total cost of \$256,000.00 for Amendment No. 11, which was approved by the Board in April 2023. He said that all work within the scope of Amendment No. 11 has been completed and this position is no longer required. He added that a balance of \$132,943.00 of the allotted funds remains. He noted that this amendment de-obligates the unused balance of Amendment No. 11 and allows the contract for Epic for Construction Management services to be closed out. He explained that all documents supporting this amendment have been reviewed by the associated SDA Project Team and Financial Operations for adherence to current SDA policy and procedures, and staff members have determined that the items included in the amendment are justified and that the amount is reasonable and appropriate. He said that the Members are requested to approve Credit Amendment No. 23 in the amount of (\$132,943.00) to credit the balance of unused funds from Amendment No. 11 for the MEP Manager position for the Project. He added that this credit amendment singularly exceeds 10% of the contract value and thus its issuance requires approval by the Members. He said that the Project's background along with details as to the reason for the credit amendment and the associated calculations are fully set forth in the memorandum presented to the Board on this date and incorporated herein.

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 Credit Amendment No. 23 for the Orange Cleveland Street Elementary School project with its unanimous vote in favor of ***Resolution 6a***.

Next, Mr. Luckie said that management is seeking Board approval of Credit Amendment No. 3 for the Perth Amboy High School project (School or Project). He reported that the School consists of the construction of an approximately 576,000 square foot building to educate approximately 3,300 students in grades 9 through 12. He advised that on November 6, 2019, the Members approved the Final Project Charter and the award of a Design-Build Construction contract to Terminal Construction Corporation and Dinallo Construction Corporation, a Joint Venture (Terminal/Dinallo JV) to construct the Project. He reported that on November 26, 2019, Terminal/Dinallo JV was issued a Notice of Award for the construction of the New High School facility, and on January 6, 2020, Terminal/Dinallo JV received the Notice to Proceed for the design phase of the Project. He informed that Members that on May 1, 2020, Cambridge Construction Management, now known as Anser Advisory (Anser), was issued a NTP for the construction management services for the School. He noted that the Project has reached substantial completion and is in close out, all construction management services are complete and all billing will now be from the close out portion of the contract. He added that Anser provided a final billing for construction services and acknowledged the commencement of closeout services. Mr. Luckie reported that a review of the contract was conducted by the Project Team and Financial Operation of SDA and it was determined that Amendment No. 3 is necessary to credit the balance of unused construction management services funds. He advised that all documents supporting these credit change orders have been reviewed by the SDA Project Team for adherence to current SDA policy and procedures, and have been determined to be justified, reasonable and appropriate.

In continuing, Mr. Luckie said that the Members are requested to approve Credit Amendment No. 3 for the amount of (\$162,751.27) for the credit of unused construction management services funds for Project. He noted that this credit amendment singularly exceeds 10% of the contract value and thus its issuance requires approval by the Members. He advised that the Project's background along with details as to the reason for the credit change order and the associated calculations are fully set forth in the memorandum presented to the Board on this date and incorporated herein.

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 Credit Amendment No. 3 for the Perth Amboy High School project with its unanimous vote in favor of *Resolution 6a*.

Next, Mr. Nixon said that yesterday he drove past the Perth Amboy High School and is still amazed at what a beautiful building it is. Mr. Luckie said that he also wanted to point out that this is singularly the largest building that the SDA has ever completed and that the closeout and getting a CO as early as we did is amazing. Mr. Maloney added that he wanted to point out that the Perth Amboy High School is the largest project that the SDA has ever done and it was done on time, and under budget, with a Project Labor Agreement.

### ***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 were no speakers present.

### ***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 January 8, 2025 meeting.

/s/ Janice Venables  
Assistant Secretary