



State of New Jersey
NEW JERSEY BUILDING AUTHORITY
28 WEST STATE STREET, 6TH FLOOR
TRENTON, NJ 08625

PHILIP MURPHY
Governor

SHEILA OLIVER
Lt. Governor

JOHN H. FISHER, III
Chairman

Teleconference Board Meeting
Tuesday, February 11, 2020 @ 9:34A.M.
New Jersey Building Authority (NJBA/BA)
50 West State Street, 2nd floor
Trenton, NJ 08625

MINUTES OF BOARD MEETING

ATTENDEES

BOARD MEMBERS PRESENT VIA TELECONFERENCE

1. John H. Fisher III, Chairman
2. Prentis C. Nolan, III
3. Sean Earlen
4. Dennis McNerney
5. William C. Sproule
6. William T. Mullen
7. Kurt Krueger, Jr.
8. Michael Griffin, NJ Office of Management and Budget, Designee for Director, Division of Budget & Accounting
9. Michael Kanef, NJ Office of Public Finance, Designee for State Treasurer

BOARD MEMBER(S) ABSENT

10. James M. Rutala, PP, AICP, MBA - Chair, NJ Commission on Capital Budgeting & Planning

OTHERS PRESENT VIA TELECONFERENCE

Kavin Mistry, Deputy Director, Division of Law
Richard Flodmand, Deputy Director, Department of Property Management & Construction
Matthew Daly, Supervising Senior, Mercadien, P.C.
Digesh Patel, Director/Manager, Mercadien, P.C.

OTHERS PRESENT AT THE NJBA OFFICE

Raymond A. Arcario, NJBA Executive Director/Secretary
Susan Wilkerson, Deputy Attorney General
Joy Johnson, Associate Counsel, Governor's Authorities Unit
Anthony Faraca, NJBA Chief of Construction
Wanda L. Gibson, NJBA Administration Operations Manager
Thomas Makoriwa, Department of Treasury

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I. CALL MEETING TO ORDER

Chairman Fisher called the meeting to order at approximately 9:34 A.M.

IA. THE READING OF THE NEW JERSEY OPEN PUBLIC MEETINGS ACT STATEMENT

Chairman Fisher, read the following statement:

“Pursuant to the New Jersey Open Public Meetings Act as amended, the New Jersey Building Authority gave notice of the time, place and date of this meeting by providing notice of time, place and date to the Secretary of State of the State of New Jersey (Trenton, NJ), The Times (Trenton, NJ), The Star Ledger (Newark, NJ) and The Record (Hackensack, NJ).

II. ROLL CALL FOR ATTENDANCE

At the request of Chairman Fisher, Mr. Arcario proceeded with roll call and informed Chairman Fisher that the Board Member quorum requirement was met. Board Member attendees are noted above.

IIA. OTHERS PRESENT

Refer to the OTHERS PRESENT above. Please note no members of the public attended this teleconference meeting.

III. MATTERS REQUIRING BOARD ACTION

- a. **Resolution of the New Jersey Building Authority Approving the October 8, 2019 Board Meeting Public Session Minutes** (attached as **Exhibit A**): Chairman Fisher asked for a motion to approve the October 8, 2019 NJBA Board Meeting Minutes. William Sproule moved the motion, and Dennis McNerney seconded the motion. Mr. Arcario called the roll. Nine (9) board members voted in favor of the motion, and the motion was approved.
- b. **Resolution of the New Jersey Building Authority Accepting the 2018 Audit Report** (attached as **Exhibit B**): Chairman Fisher asked for a motion to accept the 2019 Audit Report. Dennis McNerney moved the motion, and Kurt Krueger seconded the motion. Mr. Arcario called the roll. Nine (9) board members voted in favor of the motion, and the motion was approved.

Mr. Patel of Mercadien gave a brief update of the financials. He explained that as of the October 2019 Board Meeting, the postemployment benefits other than pensions (OPEB) information was not finalized and therefore the audit report could not be finalized. The GASB OPEB 74 & 75 report had been finalized in December 2019 when allowed for the finalization of the NJBA 2018 Audit Report in the end of December 2019. Mr. Patel reviewed the OPEB liability for the NJBA.

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- c. **Resolution of the New Jersey Building Authority Approving the 2018 Annual Report** (attached as **Exhibit C**): Chairman Fisher asked for a motion to approve the 2018 Annual Report. William Sproule moved the motion, and Sean Earlen seconded the motion. Mr. Arcario called the roll. Nine (9) board members voted in favor of the motion, and the motion was approved.
- d. **Resolution of the New Jersey Building Authority Approving the NJBA 2020 Board Meeting schedule** (attached as **Exhibit D**): Chairman Fisher asked for a motion to accept the NJBA 2020 Board Meeting schedule. William Sproule moved the motion, Kurt Krueger seconded the motion, and Mr. Arcario called the roll. Nine (9) board members voted in favor of the motion, and the motion was approved.

IV. PROJECT STATUS REPORTING

Executive State House (ESH)

Chairman Fisher asked Mr. Arcario to provide a project update.

The project to renovate and restore the ESH is a New Jersey Economic Development Authority (NJEDA) funded project. NJEDA is providing conduit financing to be used by Treasury, Department of Property Management and Construction (DPMC). NJBA is tasked with administrative oversight of the project having the expertise and institutional knowledge of the ESH, having managed all the major projects at the ESH over the last 30 years, in partnership with DPMC.

As of the October Board meeting, we had received bids, and a very extensive and detailed post bid review analysis was completed. We have met with Keating, in a very structured manor on approximately six (6) separate occasions. As a result of that process, conducted by the NJBA and our construction management firm, Turner Construction, we made a recommendation to DPMC to award to Daniel J. Keating as their bid was both responsible and responsive. Upon execution of that contract, the second lowest bidder submitted a bid-protest which was reviewed and analyzed by DPMC. In preparing a response, DPCM sought responses from Daniel J. Keating (Keating). DPMC issued a decision to dismiss the protest. The second lowest bidder subsequently asked for a Director's hearing. The hearing occurred with a hearing officer and the Director of DPMC, Christopher Chianese issued a final agency decision to reject the bid-protest. Afterward the second lowest bidder filed an appeal with the Appellate Division in which the Appellate Division issued a Temporary Stay. Consequently the NJBA issued a Stop Work Order to the contractor immediately which continued for 26 days, the duration of which the Appellate Division needed to review the NJBA response to the challenges of the second lowest bidder. After review, the Appellate Division rejected the second lowest bidder's request to continue the Stay, and lifted the Stay. DPMC was therefore able to lift the Stop Work Order and have Keating proceed on the work of the project in earnest.

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Mr. Arcario informed the Board that the second lowest bidder continues to pursue the appeal with the Appellate Division. Treasury, DPMC, and the Attorney General's Office (as lead) are working very closely in responding to the appeal with the Appellate Division. We are however, permitted to go forward with the work. Once the Appellate Division schedules a hearing, the Attorney General's Office will represent the NJBA/DPMC accordingly. Daniel J. Keating has also independently provided briefs to the Appellate Division in response to the challenge. In the interim, Keating has aggressively moved forward doing all the preliminary work that is necessary. They have let contracts to subcontracts (over \$115 million), working very closely with the subcontracts to develop preliminary submissions and surveying. We expect to see significant activity in the field within the next 30-60 days.

Chairman Fisher asked the Board Members for any comments or questions regarding the updates.

- Mr. Sproule asked what percentage of the subcontracts for the entire projects does that \$115 million represent. Mr. Arcario responded that its actually \$128 million that has been let to subcontractors so it is well over 50%.

Chairman Fisher thanked Mr. Arcario for the update while commenting that it is good to see the project moving forward.

VI. PUBLIC COMMENTS

No members of the public appeared in person, nor identified on the teleconference call meeting.

VII. EXECUTIVE SESSION

None

VIII. GENERALCOMMENTS/OTHER BUSINESS

- Mr. Arcario reminded the Board that DPMC received financing from the NJEDA to undertake the design and construction of three (3) Juvenile Justice Commission (JJC) regional centers. DPMC asked NJBA to provide administrative oversight for these projects. Design consultants were engaged to develop prototype designs. The prototypes have been provided and a report is being finalized for presentation to JJC.
- Mr. Sproule commented that the ESH project is such a show piece for the State and as Mr. Arcario mentioned, there has not been any consideration for significant work like this in 100 years, it may be a great idea for someone to document the progress perhaps with time-lapse photography in case at some point there is interest in a historical presentation of the entire project. Mr. Sproule asked it this is perhaps already occurring or has been considered. Mr. Arcario responded that it has been considered and is currently occurring. We will have a significant volume of both photography and

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videography. We are also anticipating the development of a website for the information to be accessible. We have considered a documentarian to tell the history of the EHS renovation and restoration project.

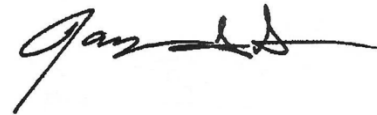
IX. NEXT SCHEDULED BOARD MEETING DATES

The next scheduled board meeting is Tuesday, April 14, 2020.

X. ADJOURNMENT

Chairman Fisher asked if there being no other business, the meeting could be adjourned. Mr. Krueger moved to adjourn the meeting, Mr. McNerney seconded the motion, nine (9) members voted in favor, and the motion passed. The meeting adjourned at approximately 10:07 A.M.

Respectfully submitted,



Raymond A. Arcario
Executive Director/Secretary

RAA/wlg

Date: February 11, 2020