

NEW JERSEY STATE BUILDING AUTHORITY
MINUTES OF BOARD MEETING
October 16, 2007

MEMBERS PRESENT

John Fisher, Chairman
Charles Marciante
Prentis Nolan
Dennis McNerney
Morris Rubino
William Maer
Debra Bell, State Treasurer's Designee
Gary Brune, Comptroller Designee
James Vari, Capital Budgeting & Planning Comm. Designee

OTHERS PRESENT

Charles Chianese	Wayne Martorelli
Kavin Mistry	Steven Sutkin
Carl Costantino	Raymond Arcario
John DiGiorgio	Richard Flodmand
Vince Campanella	Tom Moran
Anthony Faraca	Nancy Feldman
Phillip Johnson	Jeannette Bond
Michael O'Reilly	Jacki Shanes
Bud Montague	Sharon Price-Cates
Mark Kaminski	Jay Hershberg
Joseph Alessi	

Chairman Fisher convened the meeting at 9:40 AM and read the following announcement:

"Pursuant to the New Jersey Open Public Meetings Act, 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, the Newark Star Ledger, the Trenton Times, and the Bergen Record."

I. ROLL CALL FOR ATTENDANCE

Mr. Chianese proceeded with roll call. Members and others present are noted above.

II. MOTION TO APPROVE THE MINUTES OF CONFERENCE CALL ON NOVEMBER 8, 2006

On motion by Mr. Maer, seconded by Mr. McNerney with all members voting in favor, the minutes of the conference call on November 6, 2006 were approved.

III. MOTION TO APPROVE THE MINUTES OF DECEMBER 12, 2006

On motion by Mr. Marciante, seconded by Mr. Rubino with all members voting in favor, the minutes of December 19, 2006 were approved.

IV. MOTION TO APPROVE THE MINUTES OF EXECUTIVE SESSION OF DECEMBER 12, 2006

On motion by Mr. Marciante, seconded by Ms. Bell with all members voting in favor, the Executive Session minutes of December 19, 2006 were approved.

V. MOTION TO APPROVE THE FIFTEENTH SUPPLEMENTAL STATE BUILDING REVENUE BOND RESOLUTION

Mr. Chianese stated this is a refunding supplemental resolution. Ms. Feldman, Director of the Office of Public Finance stated that there is an opportunity to refund some of the 1997 bonds that became callable in June 2007. Mr. Marciante asked what percentage of savings will the Building Authority receive. Ms. Feldman stated as of today 3%.

On motion by Mr. McNerney, seconded by Mr. Nolan with all members voting in favor, the Fifteenth Supplemental State Building Revenue Bond Resolution was approved.

VI. PROJECT STATUS REPORT (6-Month Update)

Mr. Costantino gave an update of all projects.

TROOP C HEADQUARTERS:

This project is currently in punch-list and close out. There is an issue with the firing range as well as the communication center. At this time these issues are 90 percent completed.

TECHNOLOGY CENTER:

This project is completed regarding construction; however, there is ongoing litigation with Bock which will be addressed in the Executive Session.

VI. PROJECT STATUS REPORT (6-Month Update) continued...

TECHNOLOGY CENTER:

New issues are the landscape and soil stabilization. A consultant has been engaged and it is currently in design.

A contract has been awarded for the chillers and completion is expected in April 2008.

Mr. Marciante asked for clarification on the mechanical wind wake issue. Mr. DiGiorgio stated that the project is estimated to be \$756,564. These funds have been withheld from the Bock contract for the mechanical. Currently when the emergency generator is exercised, fumes are entering the building. This had to be redesigned. Mr. Marciante asked if this was a design flaw. Mr. DiGiorgio stated yes and this redesign will come from funds that are being held from Bock.

Mr. Marciante asked why is the State using single prime. Mr. DiGiorgio indicated the contracting community views this project as being too small. Also, there is ongoing litigation on this project.

Chairman Fisher stated that the point is that, where practical, the State should bid both ways to get the best price and also make sure that the State has a real competitive situation.

FBI-OIT FIT OUT:

The main part of the project is in close-out. There is an ancillary project with Homeland Security which is now in final design.

EMERGENCY OPERATION CENTER:

The main project was completed in September 2006. The second floor fit-out bids are expected in December 2007 and it is currently in design development.

DEPARTMENT OF TRANSPORTATION-ENGINEERING:

This project is in close-out. Final certificates of acceptance are expected by October 2007.

The fire alarm project is closed out. The floor replacement project is on hold pending the funding and the completion of the elevators which is approximately 45% completed. Completion of this project is expected in January 2008.

VI. PROJECT STATUS REPORT (6-Month Update) continued...

JUSTICE COMPLEX:

The atrium vestibule is closed out. The parking garage is completed. The waterproofing close-out is ongoing. The carpet/floor replacement is closed out. The parking garage study has been closed out. The barriers are completed. The public area furniture has awarded a contract.

STATE MUSEUM:

This project is 90% complete. The general contractor abandoned the project in March 2007. The Authority has been working with Safeco for the last 6 months and on September 28, 2007 they were terminated. Another contractor has been engaged to complete the project.

PINELANDS:

The main project is completed. The Authority is helping with the retrofit of the second floor.

DEPARTMENT OF LABOR:

The third floor renovation is complete. The arts inclusion project has been awarded.

WAR MEMORIAL RESTORATION:

The sound and lighting project has been completed. The study for the seats has been accepted by SHIPO and pending funding.

Mr. Chianese transmitted a memorandum to the Attorney General's Office regarding the use of the funding that remains from the project. Upon receiving guidance from the AG's office, Mr. Chianese will advise the Board.

STATE HOUSE PARKING GARAGE:

The ventilation project has been completed. There are two small projects: and expansion joint and membrane repair. The air handling units have been repaired of leaks.

THOMAS EDISON TOWNHOUSES:

This project is completed. Outstanding issue is the litigation.

CULTURAL CAMPUS:

The renovation is completed. The arts inclusion is completed. Settlement has been reached with the contractor.

VI. PROJECT STATUS REPORT (6-Month Update) continued...

PUBLIC HEALTH, ENVIRONMENTAL & ARGICULTURE LABORATORY:

Several of the projects are out to bid. The fence project has been awarded in September 2007. The security Command Center is expected to go out for bin in November 2007.

The structural steel, civil and foundation package is a multi-prime project. The bid process will begin shortly. In early 2008 there should be an award for the core construction portion of this project.

Mr. Marciante is concerned that contractors are not bidding. Mr. Arcario and Mr. Costantino gave an overview of this issue as they see it.

Chairman Fisher asked for an update on the Construction Workshop initiative and the Compliance Officer. Mr. Arcario stated that this project will give the State an idea as to the acceptance of this initiative. Mr. Arcario stated that there is some resistance with the contractors. The State has been working to address how to make this closer to a GMP or an open book. The DPMC has been working with the Attorney General's office to see what flexibility the State has.

Mr. Nolan asked when will the project be completed. Mr. Costantino stated the end of 2009, early 2010.

Mr. Nolan asked what is the mark-up by the subcontractors. Mr. Arcario stated 5-10%.

Chairman Fisher asked that if the Board could be kept apprised of the progress of the workshop initiative.

Mr. Rubino stated that this project will be a test for the Authority to see if the subcontractors are paid on time and without complications. This can serve as a model for the State.

VII. ARTS INCLUSION

Mr. Moran explained the arts inclusion on the Public Health and Environmental & Agricultural Laboratory.

Mr. Moran passed around a sample of the arts inclusion that will be placed on the lobby floor between the auditorium and cafeteria. There will be fiber optic strains running through the floor that will change colors when stepped on.

Ms. Bell asked if this requires an energy source. Mr. Moran stated yes.

VII. ARTS INCLUSION continued...

Mr. Nolan asked if there will be additional weight load to the floor. Mr. Moran stated that it isn't a weight issue it is built into the floor.

Mr. Nolan asked if there is any place for the Board to take a look at this design. Mr. Moran will check into that and let the Board know.

Ms. Bell asked if there is an ongoing cost to maintain the system. Mr. Moran stated that the electric will be an ongoing cost and any replacement of the bulbs.

Mr. Marciante asked what happens if one of the fiber optics had to be replaced. Mr. Moran stated he would look into that but does not believe that the floor would need to be ripped up. All the mechanics are in the closet, nothing is in the floor.

VIII. EXECUTIVE SESSION

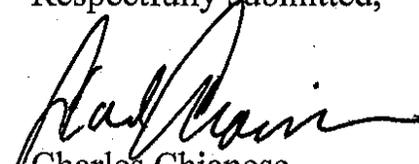
Chairman Fisher asked for a motion to move into Executive Session to discuss certain contractual matters relating to the Cultural Campus, the Thomas Edison State College project, the South Woods State Prison project, the Hamilton State Police project, the Emergency Operations project and the State Museum project and resolving that minutes of the executive session shall be disclosed to the public at such time as the Authority determines that the matters discussed can be disclosed. On motion by Mr. Marciante, seconded by Mr. Rubino the Board moved into Executive Session. On motion by Mr. Maer, seconded by Mr. McNerney the Board returned to Regular Session.

IX. ADJOURNMENT

There being no other business, on motion by Mr. Marciante, seconded by Mr. Maer, the meeting was adjourned at 11:30 AM.

The next Authority meeting is scheduled for December 18, 2007 at 9:30 AM at a location to be determined.

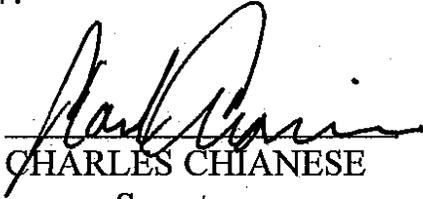
Respectfully submitted,


Charles Chianese
Secretary

Motion to Approve the Fifteen Supplemental State Building Revenue Bond
Resolution

<u>VOTED</u>	<u>AYE</u>	<u>NAY</u>
Chairman Fisher	X	
Charles Marciante	X	
Prentis Nolan	X	
Dennis McNerney	X	
Morris Rubino	X	
William Maer	X	
Debra Bell, State Treasurer Designee	X	
Gary Brune, OMB Director Designee	X	
James Vari, Capital Budgeting & Planning Commission Designee	X	

This resolution represents the true and lawful actions of the New Jersey Building Authority taken at its October 16, 2007 meeting, signed and sealed on its behalf by its Secretary, this 17th day of October 2007.


CHARLES CHIANESE
Secretary

**NEW JERSEY BUILDING AUTHORITY
EXECUTIVE SESSION**

October 16, 2007

-CONFIDENTIAL-

CULTURAL CAMPUS

Mr. Martorelli stated that this litigation was settled with Paphian in which the State was being sued for \$2.4 million. The case was settled for \$150,000 half of which was the contract balance which brought the pay out to \$75,000.

THOMAS EDISON

This matter is up for appeal. The case was heard in January 2006 and the State received a \$300,000+ judgment against the State by Gibson. A brief is being prepared and is expected to be done within two months. Final argument is expected by the end of this year with a decision by early spring.

HAMILTON STATE POLICE

This case is in discovery. Mr. Martorelli will review documents on October 17, 2007. It has been discovered that the reason the chillers failed was because there wasn't enough water flow and nothing to do with cold temperatures. Experts are looking into to this matter now.

Mr. Chianese asked Mr. Martorelli to expand on the Factor litigation. Mr. Martorelli stated that the State is pursuing this litigation.

Mr. Marciante asked if Bock is still considered a favorable contractor. Mr. Sutkin stated that he believes School Development Corporation has debarred them. He will check on that and get back to the Board.

Mr. DiGiorgio stated that it has been 2 years as of this past August that the chillers have been running without any problem.

SOUTH WOODS PRISON

A consultant was hired to look at the hot water line that has been causing the problem with this project. Their report is almost done. The reason that the hot water system failed is the combination of design and construction problems.

Mr. Chianese asked if there is something that the State needs to file to reserve our right to sue if the negotiations fail given the statute of limitation. Mr. Martorelli stated yes.

EMERGENCY OPERATION CENTER

The State has negotiated the bulk of the claims. There is approximately \$900,000 left in claims, Kimball has offered the State \$507,000 but the State is looking for \$750,000 to settle.

STATE MUSEUM

The Surety was terminated on September 28, 2007. The Surety filed a counter law suite against the State stating that the State wrongfully terminated them and that the State wrongfully withheld their money. Mr. Martorelli is very confident that we had every reason to terminate them.

Mr. Marciante asked if solar was put on the Museum. Mr. Chianese stated that he has had discussion with the Director of Energy Savings and has been informed that the Energy Office is looking at five facilities for solar installations and the State Museum is one of them.

On motion by Mr. Maer, second by Mr. McNerney the Board returned to regular session.