



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, December 12, 2018 @ 9:30A.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. Sean Earlen
3. Kurt Krueger, Jr.
4. Prentis C. Nolan, III
5. Dennis McNerney
6. William C. Sproule
7. William T. Mullen
8. Michael Griffin, NJ Office of Management and Budget, Designee for Director, Division of Budget & Accounting

BOARD MEMBER(S) PRESENT AT THE NJBA OFFICE

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

Craig Ambrose, Governor's Authorities Unit
Matthew Daly, Supervising Senior, Mercadien, P.C.
Richard Flodmand, Deputy Director, Division of Property Mgt. and Construction (DPMC)
Kavin Mistry, Deputy Director, Division of Law
Digesh Patel, Director/Manager, Mercadien, P.C.

OTHERS PRESENT AT THE NJBA OFFICE

Raymond A. Arcario, NJBA Executive Director/Secretary
Melissa Bayly, Deputy Attorney General
Wanda L. Gibson, NJBA Administration Operations Manager
Thomas Makoriwa, Treasury Division of Administration

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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

At the request of Chairman Fisher, Mr. Arcario, 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

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 June 27, 2018 Board Meeting Public Session Minutes** (attached as **Exhibit A**): Chairman Fisher asked for a motion to approve the June 27, 2018 NJBA Board Meeting Minutes. Michael Kanef moved the motion, and Kurt Krueger, Jr. 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 Approving the 2017 Annual Report** (attached as **Exhibit B**): Chairman Fisher asked for a motion to accept the NJBA 2017 Annual Report. William Mullen moved the motion, William Sproule seconded the motion, and Mr. Arcario called the roll. Nine (9) board members voted in favor of the motion, and the motion was approved.
- c. **Resolution of the New Jersey Building Authority Approving the 2019 Annual Budget** (attached as **Exhibit C**): Chairman Fisher asked for a motion to accept the NJBA 2017 Annual Report. Prentis Nolan moved the motion, Dennis McNerney seconded the motion, and Mr. Arcario called the roll. Nine (9) board members voted in favor of the motion, and the motion was approved.

Mr. Arcario offered some explanations for certain line items, noting a new line item for Post-Retirement Medical Expense. As a result of an audit of the New Jersey Division of Pensions and Benefits and with consultation with the Attorney General's Office, the Building Authority has been advised that the state Division of Pensions and Benefit's reimbursement for post-retirement medical expenses is an expense that should properly be carried by the NJBA

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as opposed to being directly carried by the State. Therefore the NJBA will include the anticipated amount of said expense in the NJBA budget to be paid to the State to make the payment to the appropriate insurance carrier.

Mr. Mullen asked if this post-retirement medical expense pertained to all State agencies. Mr. Arcario responded that it does for an independent authority. Mr. Mullen asked if the retired employees would be at risk in the NJBA were to dissolve. Mr. Mistry responded that the NJBA statute requires all liabilities to be provided for prior to any dissolution, so the matter would need to be addressed in the event of a dissolution of the NJBA.

- d. **Resolution of the New Jersey Building Authority Approving the 2019 Board Meeting Schedule** (attached as **Exhibit D**): Chairman Fisher asked for a motion to accept the NJBA 2017 Annual Report. William Sproule moved the motion, William Mullen 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. Mr. Arcario provided the following update:

Status: Through the Division of Property Management & Construction (“DPMC”), five separate procurements have been engaged for barricade fencing, security for pedestrians, environmental clean-up (removal of hazardous building materials and asbestos abatement), and selective removal and demolition. The environmental clean-up will continue to early 2019. The investigative work will continue through the fall of 2019. The design work is being finished. The building will be handed over to the general contractor clean of seen and known asbestos and hazardous building materials. All accessible non-historic materials have been removed.

Pre-qualified General Contractors (GC): Five general contractors were prequalified for the Comprehensive Renovation and Restoration of the N.J. Executive State House Renovation. These contractors must be able to demonstrate they have the capability, size and experience to perform the required work. It is anticipated that a Notice-To-Proceed will be issued in August 2019 to the awarded general contractor.

Chairman Fisher and Mr. Arcario asked the Board Members for any comments regarding the updates. Mr. Sproule and Mr. Kanef asked what would be the total cost of the project. Mr. Arcario stated that currently both the construction management firm, and a firm the design consultant hired are both working on independent estimates that will be collaborated. However, the total project budget is \$283 Million and it is expected to finish under budget. Mr. Fisher asked if there is a portfolio for the project. Mr. Arcario responded that the NJBA is working with a firm to put together a website to upload all the photos with respect to the project.

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VI. EXECUTIVE SESSION

None

VII. PUBLIC COMMENTS

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

VIII. GENERAL COMMENTS/OTHER BUSINESS

- Chairman Fisher acknowledged NJBA's new member of the Board, Mr. James Rutala, Chairman of the New Jersey Commission on Capital Budgeting and Planning. By virtue of that position, Mr. Rutala serves as an ex-officio member of the NJBA Board of Directors.
- Mercadien, P.C. gave an update of on the 2017 Audit Report. Mr. Patel made it clear that the liability of post-retirement medical benefits is the responsible of all State authorities and will be noted in the 2018 Audit Report. Mr. Daly explained that the 2017 Financial Statement (Audit Report) had been issued in June 2018 (approved at the June 27, 2018 Board Meeting). It is being reissued due to the review of the accounting treatment of certain payables and deferred revenues resulting from the refunding of the prior NJBA bonds attributable to the Executive State House by the New Jersey Economic Development Authority.

IX. NEXT SCHEDULED BOARD MEETING DATES

The next board meeting will be Tuesday, February 12, 2019.

X. ADJOURNMENT

Chairman Fisher asked if there being no other business, the meeting could be adjourned. Mr. Mullen moved to adjourn the meeting, Mr. Sproule seconded the motion, nine (9) members voted in favor, and the motion passed. The meeting adjourned at approximately 10:22 A.M.

Respectfully submitted,



Raymond A. Arcario
Executive Director/Secretary

RAA/wlg

Date: December 12, 2018