



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, April 13, 2021 @ 9:42 A.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. Prentis C. Nolan, III
2. Sean Earlen
3. William T. Mullen, Acting Vice Chairman (for this meeting)
4. Kurt Krueger, Jr.
5. Michael Griffin, NJ Office of Management and Budget, Designee for Director, Division of Budget & Accounting
6. Michael Kanef, NJ Office of Public Finance, Designee for State Treasurer
7. James M. Rutala, PP, AICP, MBA - Chair, NJ Commission on Capital Budgeting & Planning

BOARD MEMBER(S) ABSENT

8. John H. Fisher III, Chairman
9. William C. Sproule

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.
Raymond A. Arcario, NJBA Executive Director/Secretary
Susan Wilkerson, Deputy Attorney General, Division of Law
Joy Johnson, Associate Counsel, Governor's Authorities Unit
Phillip Johnson, NJBA Project Manager
Wanda L. Gibson, NJBA Administration Operations Manager
Gary Pinar, Assistant Director, Department of the Treasury

**I. THE READING OF THE NEW JERSEY OPEN PUBLIC MEETINGS ACT
STATEMENT**

Raymond Arcario, read the following statement:

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“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).

IA. APPOINTMENT OF THE ACTING VICE CHAIRMAN FOR THE MEETING

After a brief consultation with the Attorney General’s Office, Mr. Arcario asked for a motion to appoint Mr. Mullen, who's already agreed to accept as acting chair for this meeting. Michael Kanef moved the motion, and Prentis Nolan seconded the motion. Mr. Arcario called the roll. Seven (7) Board Members voted in favor of the motion, and the motion was approved.

II. CALL MEETING TO ORDER

Acting Vice Chairman Mullen called the meeting to order at approximately 9:42 A.M.

IIA ROLL CALL FOR ATTENDANCE

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

IIB. 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 December 18, 2020 Board Meeting Public Session Minutes** (attached as **Exhibit A**): Acting Vice Chairman Mullen asked for a motion to approve the December 18, 2020 NJBA Board Meeting Minutes. William Mullen moved the motion, and Prentis Nolan seconded the motion. Mr. Arcario called the roll. Seven (7) Board Members voted in favor of the motion, and the motion was approved.
- b. **Resolution of the New Jersey Building Authority Accepting the 2019 Audit Report** (attached as **Exhibit B**): Acting Vice Chairman Mullen asked for a motion to accept the 2019 Audit Report. Prentis Nolan moved the motion, and Michael Kanef seconded the motion. Mr. Arcario called the roll. Seven (7) Board Members voted in favor of the motion, and the motion was approved.

Mr. Patel of Mercadien gave a brief update of the NJBA’s audited financial statements. He explained that the audit was for the year ended December 31st, 2019. The reason for the delay in presenting the audit was because Mercadien had to wait on a couple of reports that are issued by the Pension

and Benefits Department for State pension and OPEB liabilities which Mercadien has to include in the report on the financial statements of the NJBA. The reports from the Pensions and Benefits Department were issued in late November or early December. Mr. Patel explained that the opinion on the audit is unmodified, which is the highest level of assurance you can get on a financial statement audit. The audit was conducted in accordance with government auditing standards, which requires us to look at internal controls and compliance issues.

No issues noted as it relates to compliance. From an internal control perspective, Mercadien noted one deficiency, partially due to the transition in staffing of people at the NJBA that were managing the books. Since then, a corrective action plan was put in place to address that one deficiency noted in the audit. Therefore Mercadien doesn't anticipate any major issues as part of the 2020 audit. Mercadien did not have any disagreements with management.

Mr. Kanef added that there was a discussion of this at the Audit Committee Meeting. And the Audit Committee members were comfortable recommending approval of the Audit Report to the Board.

- c. **Resolution of the New Jersey Building Authority Approving the 2019 Annual Report** (attached as **Exhibit C**): Acting Vice Chairman Mullen asked for a motion to approve the 2019 Annual Report. Prentis Nolan moved the motion, and Sean Earlen seconded the motion. Mr. Arcario called the roll. Seven (7) Board Members voted in favor of the motion, and the motion was approved

Mr. Arcario explained similarly there is a long delay between 2019 and where we find ourselves here in 2021. And for the reasons that Mr. Patel articulated regarding the Audit Report, the NJBA's Annual Report which includes the Audit Report as one of the key components was also delayed. Mr. Arcario stated he and Ms. Gibson welcomed any questions the Board Members may have regarding the Annual Report.

IV. PROJECT STATUS REPORTING

Executive State House (ESH)

Acting Vice Chairman Mullen asked Mr. Arcario to provide a project update.

Mr. Arcario first acknowledged the project team consisting of:
Nelson Architects (the design consultant); Turner Construction (the construction

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manager); Daniel J. Keating Company (the general contractor); and the various State entities: New Jersey Economic Development Authority; Department of Property Management & Construction; the Governor's Office; the Treasurer's Office; and NJBA.

Mr. Arcario stated, "Turner Construction has been around approximately 120 years. Their portfolio of work and accomplishments are on a par with anyone in the country, if not around the world. Turner's leads on this project are the business unit President and the Operations Manager, both of whom have 35 plus years of experience. They echo what we've always said, and that is this is the most complex, most sophisticated job that any of us have been associated with." He further explained the pandemic did not have any impact on the project that the team could not address.

He further explained, "Underpinning took several months as it required persons to be digging and in many cases, by hand and filling buckets, no bigger than a mop bucket with the spoils. Those spoils then being lifted by hand on a rope in order to be able to dig underneath the areas of the Executive State House that needed to have foundations installed. In some cases, the men were 8 or 10 feet underneath the State House.

A second shift was added in order to maintain schedule. Much of the Executive State House is shrouded or covered in scaffolding. It is a very deep and wide scaffolding. And the reason it's deep and wide is because the scaffolding is self-supporting. We've also worked Saturdays in order to gain time." Mr. Arcario credited the project team for maintaining the project schedule and stated the project is still on target for completion in January 2023.

He then when on to provide details of the work on-site, stating, "the scaffolding is nearing completion; the underpinning operation is completed; there are tunnels that have been dug and installed underneath the building once the building was secure through the underpinning operation, the contractor was able to tunnel under the building so that there will be mechanical tunnels for HVAC, for ductwork, for plumbing, and for electric. As everyone will recall, this is a building built over 18 different building campaigns from the late 1790s through the 1950s. The material that was put up in the 40s and 50s were non-historic and that's been removed. It is a building that was put together one piece at a time. The building never had any comprehensive mechanical systems. During the removals, in the investigation phase, we encountered active knob and tube live. Therefore, any piece of mechanical equipment or electrical equipment that was put into the building has always been an add-on."

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Mr. Arcario then explained how this issue was resolved, stating, “the remedy is to provide through two gigantic mechanical rooms that are being built, partially subterranean. We're digging down on one side, 8 feet and the other side 11 feet to create mechanical rooms from which all the mechanical tunnels will go horizontally under the building through shafts that are being created to be able to push air up through the building and from the ground floor through the second floor. And we're also putting mechanical equipment in the attics that will push air down. For the first time, we'll have a building which will have comprehensive HVAC and modern electric and modern plumbing. Also for the first time, we're also going to be providing fire protection. There were, as stated earlier, abandoned systems, which had not been properly abandoned. The most egregious of which was the active knob and tube that we found. There were also other mechanical systems that had been abandoned. They just built one piece on top of another piece. It is one of the things as we went through the investigative and removals phase, which took about almost two years. And the fact that there had not been a fire, let alone a catastrophe is remarkable and amazing, because there was no fire suppression other than in the basement. For the first time, we will have a building, which will have a fire suppression system, which goes from the attic all the way down through the ground floor basement.”

Mr. Arcario then updated the Board on a recent agreement with Mercer County Building Trades, stating, “Another partner, which is an incredible partner in this project is the Mercer County Building Trades. We put in place a project labor agreement at the beginning of the envelope project. And we have a great relationship with Mercer County Building Trades Council and all the trades. We have men and women on the project coming through the building trades that are skilled, capable and cooperative. This partnership spans the state, the outside contractors, and consultants that we've hired, as well as the tradespersons, those that are doing the actual work.”

Finally, Mr. Arcario informed the Board that the project is not only on schedule but on budget.

Acting Vice Chairman Mullen asked the Board Members for any comments or questions regarding the updates.

Mr. Nolan stated that he hopes there are some photos documenting what's taking place. He also wanted to know (which he acknowledged was answered) if the project was on schedule and on budget.

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Mr. Arcario reiterated that is was. “The investigative phase was one that is so important to this project. We are also asking the consultants to develop the designs and the plans and specifications while still investigating. We entered that phase knowing we were not going to learn everything. That is just the nature of construction. But when you're dealing with a building that's 230 years old at its oldest and has been added on to 17 additional times, you need to learn as much as you can, which is about 75% or 80%. And in a renovation and restoration like this, that's probably three or four times what a normal project would've had. We still are on a continual basis of having discoveries. But those discoveries are not out of left field. And so, as with any construction project, they're managed and incorporated into how we go forward. We are staying on budget. And I have no expectation that we'll find ourselves approaching anything which would put us off of budget.”

Mr. Arcario then responded to the question regarding photo documentation, stating, “The amount of documentation that we have is voluminous. And we're working with the treasurer's office and the governor's office toward development of a web site, which would allow obviously everyone on this call and also allow the public to be able to have an understanding and be able to look at pictures and hear stories of the project and not only that of the history of the building itself. We are also in conversation with a documentarian to do a more expansive treatment on how do you really tell the story from the 1780s through the 2020s. I am hopeful that we'll be able to see a documentary developed on this. So it'll be two separate pieces, one of which would be a web site that people can publicly - a public web site people can visit and learn about and see pictures and videos and then really more of academic if you will, and approach to a documentary that tells the story in a more comprehensive way, both of those efforts are underway.”

Mr. Kanef commented that he appreciated the update and the answers from a budget perspective. He was glad to hear that the project remained on track. “That obviously for a project of this size and expense for the state is extremely important. Thank you for the update.”

Acting Vice Chairman Mullen thanked Mr. Arcario for his accolades for the building trades. He also pointed out under the leadership of Assemblyman Wayne DeAngelo, Wayne is the President of the Mercer County Building Trades, and his leadership is appreciated.

Acting Vice Chairman Mullen also thanked Mr. Arcario for the update while commenting that it is good to see the project moving forward.

VI. PUBLIC COMMENTS

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

VII. EXECUTIVE SESSION

None

VIII. GENERALCOMMENTS/OTHER BUSINESS

Ray Arcario mentioned that the NJBA is working closely with the Governor's Office, and will update the Members as the NJBA work with the Attorney General's Office on the possibility of taking existing bond funds and repurposing those bond funds specifically for security work to the Executive State House Project. "That conversation is ongoing and at our next Board Meeting would provide further detail." He then thanked the Board Members and Mr. Mullen in particular for acting as Chair for the meeting.

IX. NEXT SCHEDULED BOARD MEETING DATES

The next scheduled board meeting is Tuesday, June .8, 2021

X. ADJOURNMENT

Acting Vice Chairman Mullen asked if there being no other business, the meeting could be adjourned. Mr. Nolan moved to adjourn the meeting, Mr. Earlen seconded the motion, Seven (7) members voted in favor, and the motion passed. The meeting adjourned at approximately 10:20 A.M.

Respectfully submitted,



Raymond A. Arcario
Executive Director/Secretary

RAA/wlg

Date: April 13, 2021