
Commission Meeting

of

NEW JERSEY COMMISSION ON CAPITAL BUDGETING AND PLANNING

LOCATION: 33 West State Street
Trenton, New Jersey

DATE: October 24, 2014
10:00 a.m.

MEMBERS OF COMMISSION PRESENT:

B. Carol Molnar, Chair
Anthony F. Annese, Vice Chair
Senator Samuel D. Thompson
Assemblyman Declan J. O'Scanlon Jr.
Thomas Neff
Steven Petrecca
Robert Romano
James M. Rutala



ALSO PRESENT:

Brian E. Francz
Executive Director

Eugene Lepore
*Senate Majority
Commission Aide*

Jennifer Taylor
*Assembly Majority
Commission Aide*

David F. Patella
Ben Neville
*Office of Management and Budget
Commission Staff*

Christopher Emigholz
*Senate Republican
Commission Aide*

Jerry Traino
*Assembly Republican
Commission Aide*

***Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey***



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Commission on Capital Budgeting and Planning
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Chris Christie
Governor

B. Carol Molnar
Chair

Kim Guadagno
Lt Governor

Commission Meeting

In compliance with the Open Public Meeting Act, P.L. 1975, Chapter 231, please be advised that the next meeting of the New Jersey Commission on Capital Budgeting and Planning is scheduled for:

October 24, 2014
Friday at 10 a.m.
33 West State Street – 7th floor, Room 707
Trenton, New Jersey

For Commission Members Attending via Conference Call:

Phone Number: 1-888-273-3658

Access Code: 8590177

Agenda

1. Call to Order
2. Open Public Meeting Act Notice
3. Roll Call
4. Election of Chair and Vice-Chair and Approval of Executive Director (**Action**)
5. Approval of the Minutes of February 19, 2014 (**Action**)
6. Executive Director's Report
7. Fiscal 2016 Capital Requests
 - Department of Agriculture
 - Department of Children and Families
 - Department of Education
 - Department of Law and Public Safety
 - Department of Military and Veterans Affairs
 - Judiciary
 - Juvenile Justice Commission
8. Other Business ---- **Action may be taken**
9. Adjournment

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(The New Jersey Commission on Capital Budgeting and Planning held a meeting on October 24, 2014, at 10:00 a.m. Members of the Commission present via teleconference were B. Carol Molnar, Anthony F. Annese, Senator Samuel D. Thompson, Assemblyman Declan J. O'Scanlon Jr., Thomas Neff, Steven Petrecca, Robert Romano, and James M. Rutala.

B. CAROL MOLNAR, Esq. (Chair): I would like to call the meeting to order -- the Capital Planning Commission.

In accordance with the Open Public Meeting Law, the Commission has provided adequate notice of this meeting by giving written notice of the time, date, and location. The notice of the meeting has been filed at least 48 hours in advance by mail and/or fax to the Trenton *Times* and the *Star-Ledger*, and filed with the Secretary of State.

We will now take a roll call.

MR. FRAN CZ (Commission Executive Director): Okay.
Senator Sarlo. (no response)

Senator Thompson. (no response)

Assemblyman Fuentes. (no response)

Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Here.

MR. FRAN CZ: Mr. Romano.

DEPUTY STATE TREASURER ROMANO: Here.

MR. FRAN CZ: Mr. Petrecca.

MR. PETRECCA: Here.

MR. FRAN CZ: Mr. Neff.

MR. NEFF: Here.

MR. FRAN CZ: Ms. Cimiluca. (no response)

MR. FRAN CZ: Mr. Rutala.

MR. RUTALA: Here.

MR. FRAN CZ: Mr. Annese.

MR. ANNESE: Here.

MR. FRAN CZ: And Ms. Molnar.

MS. MOLNAR: Here.

MR. FRAN CZ: Madam, we have a quorum.

MS. MOLNAR: How many did you count present?

MR. FRAN CZ: We have seven, which I believe is the minimum required.

MS. MOLNAR: Okay, perfect. Thank you.

(sound of caller joining conference)

I think we have more people joining.

SENATOR THOMPSON: Senator Sam Thompson.

MR. FRAN CZ: Thank you.

MS. MOLNAR: Okay, at this point, for the election of Chair and Vice Chair, I believe, Brian, it makes sense for you to run the meeting and take the nominations -- first, second -- and take a vote.

MR. FRAN CZ: Will do.

Our current Chair is Carol Molnar, and Vice Chair is Anthony Annese. Would someone like to make a motion to nominate Ms. Molnar and Mr. Annese for another year?

ASSEMBLYMAN O'SCANLON: So moved.

MR. FRAN CZ: Thank you.

SENATOR THOMPSON: Second.

MR. FRAN CZ: Senator Thompson, second. Thank you.

The motion moves.

MS. MOLNAR: Okay, we have to take a roll call vote.

MR. FRAN CZ: Okay.

Senator Sarlo. (no response)

Senator Thompson.

SENATOR THOMPSON: Yes.

MR. FRAN CZ: Assemblyman Fuentes. (no response)

Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. FRAN CZ: Mr. Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. FRAN CZ: Mr. Petrecca.

MR. PETRECCA: Yes.

MR. FRAN CZ: Mr. Neff.

MR. NEFF: Yes.

MR. FRAN CZ: Ms. Cimiluca. (no response)

Mr. Rutala.

MR. RUTALA: Yes.

MR. FRAN CZ: Mr. Annese.

MR. ANNESE: Yes.

MR. FRAN CZ: And Ms. Molnar.

MS. MOLNAR: Yes.

MR. FRAN CZ: Okay; the motion moves. Good for another

year.

MS. MOLNAR: Thank you; thank you so much. It's an honor to serve the State of New Jersey another year. I'm sure Mr. Annese feels the same way.

MR. ANNESE: Absolutely.

MR. FRAN CZ: Thank you.

MS. MOLNAR: Thank you.

Moving along the agenda, the next item is the approval of the minutes of February 19, 2014.

Do I hear a motion to approve?

MR. ANNESE: So moved.

And a second?

ASSEMBLYMAN O'SCANLON: Second.

MR. FRAN CZ: Thank you.

So we'll take a roll call.

MS. MOLNAR: All right; take the vote.

MR. FRAN CZ: Senator Sarlo. (no response)

Senator Thompson.

SENATOR THOMPSON: Yes.

MR. FRAN CZ: Assemblyman Fuentes. (no response)

Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. FRAN CZ: Mr. Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. FRAN CZ: Mr. Petrecca.

MR. PETRECCA: Yes.

MR. FRAN CZ: Mr. Neff.

MR. NEFF: Yes.

MR. FRAN CZ: Ms. Cimiluca. (no response)

Mr. Rutala.

MR. RUTALA: I have to abstain since I didn't attend that meeting.

MR. FRAN CZ: Okay.

Mr. Annese.

MR. ANNESE: Yes.

MR. FRAN CZ: And Ms. Molnar.

MS. MOLNAR: Yes.

MR. FRAN CZ: We have it.

MS. MOLNAR: Thank you.

Next item is Executive Director's report. Do you have anything to report, Brian?

MR. FRAN CZ: I can. I can walk through what we've funded for this year, just to remind everyone: Based on the FY 2015 Appropriations Act, all 10 projects that were recommended last year have been approved and funded. Just as a quick recap, the projects funded this year are the last phase of the asbestos remediation -- or, sorry -- the next-to-last phase of the asbestos remediation project at the Department of Children and Families Regional Schools; we funded three roof replacements at various Department of Corrections facilities; HR-6 Flood Control for the Department of Environmental Protection; an HVAC project and two roof replacements at various Department of Human Services Facilities. We also funded the third and final phase of the boiler decentralization project at the Juvenile Justice Commission's New Jersey Training School. And finally,

roof replacement for the Office of Weights and Measures building, which is part of the Department Law and Public Safety.

Does anybody have any questions about those projects that we funded in the current year?

MS. MOLNAR: No, that's good. That was in our packet, I believe -- that list.

MR. FRAN CZ: Yes; yes, there was a spreadsheet in the packet that outlines those projects.

MS. MOLNAR: Yes, thank you. That was very helpful.

MR. FRAN CZ: You're welcome.

MS. MOLNAR: Any other comments -- any questions or comments on the Executive Director's report? (no response)

If not, I'd like to move to the requests -- Fiscal 2016 capital requests.

Our first department is the Department of Agriculture, which you have in your packet. I did not have any questions; anyone on the Commission have any questions?

MR. NEFF: I have just one quick request, and I don't think it's something that can get answered today.

MR. FRAN CZ: If I could just ask the people, before you speak, we have a transcriber here. If you could just say who you are, so we can get an appropriate record.

MR. NEFF: There's a \$2 million ask for a-- I would suggest that, perhaps, there ought to be some sort of discussion as to--

MR. FRAN CZ: I'm sorry; I think--

MS. MOLNAR: Are you referring to the lab renovations -- that \$2 million request?

MR. NEFF: Yes. Some sort of discussion would be nice, from the Department, as to why this is economically beneficial; or if there isn't, perhaps, a more cost-effective way of controlling pesticides. It's just a request; it's not something we need today, or discuss at length. But, you know, when somebody is asking for a couple of million dollars, one would expect that they could justify why it's cost-effective or absolutely critical.

MS. MOLNAR: Is anybody from Agriculture sitting there with you?

MR. FRAN CZ: No, no there's not. But we could ask them to come to a follow-up meeting.

MS. MOLNAR: Okay.

MR. NEFF: I wouldn't even expect them to answer something like that in this setting.

MS. MOLNAR: Okay.

MR. FRAN CZ: So we can follow up with them, and we'll get the information out to the group.

MS. MOLNAR: So I thought at these meetings we tried to have one person from each department that we're reviewing to be here.

MR. FRAN CZ: That hasn't been the -- as it is my understanding, it hasn't been the case in recent years, with the exception of OIT.

MS. MOLNAR: Oh, okay.

MR. FRAN CZ: If that's something you would like to restart, we can certainly set that up for future meetings.

SENATOR THOMPSON: Sounds like a good idea to me.

MR. FRAN CZ: Okay.

MS. MOLNAR: Okay. If there are no other questions or comments, I'll move to the next Department, which is the Department of Children and Families. They have their first and second request listed.

MR. FRAN CZ: These are just the continuation of the project -- asbestos removal and the window replacement that we've been doing for a number of years now.

MS. MOLNAR: Okay, thank you.

Any questions or comments?

MR. ANNESE: Madam Chair, I just want to follow up on the request for the asbestos removal, with regard to the Executive Director's report. And as I look at the spreadsheet, going forward, I see a lot of zeroes. Does this mean that this is the last request we're going to get for asbestos? Are we finally wrapping this all up?

MR. FRAN CZ: That's correct.

MR. ANNESE: Good, great. Thank you.

MS. MOLNAR: Good.

Any other questions or comments? (no response)

If not, I will move to the Department of Education; the first priority is HVAC upgrades.

MR. FRAN CZ: Right. One point of clarification for that priority No. 1: This is a project that was approved and funded in previous years, but the bids were just received a few months ago and came in substantially higher than we originally projected. So this \$425,000 is,

basically, in addition to the costs previously provided -- the funding previously provided for this.

MS. MOLNAR: And how much is that, do you know?

MR. FRAN CZ: Dave, do you have that, offhand?

MR. PATELLA (Commission Staff): I don't have it. We can call--

MR. FRAN CZ: We can get that to you.

MS. MOLNAR: Okay.

SENATOR THOMPSON: What you've given here doesn't say \$425,000; it says \$425 *million*. And that number is multiplied by a thousand, so is it \$425,000 or \$425 million?

MR. FRAN CZ: It is \$425,000. That was a mistake on the entry. I apologize.

SENATOR THOMPSON: And, in fact, that error seems to be carried forward to the last page, when the total dollars being requested for the Department-- Because it's indicating -- I don't find it, right off hand -- but it is calculated like that was \$425 million.

MS. MOLNAR: Yes, good catch.

MR. FRAN CZ: We will correct that.

SENATOR THOMPSON: Okay, that's good -- because I found it hard to believe \$425 million for an HVAC system. (laughter)

MR. FRAN CZ: It's a really nice system. (laughter)

SENATOR THOMPSON: The bottom line, it said they're requesting, from my old Department, close to a half a billion dollars.

UNIDENTIFIED MEMBER OF COMMISSION: They really like it chilly over there.

SENATOR THOMPSON: They have two zeroes out of place there.

MS. MOLNAR: Good catch.

And their second priority is the Katzenbach School.

MR. FRAN CZ: Well, you'll notice, similar to last year, that actually includes several different requests at different priority levels. For whatever reason, they didn't enter them all as individual priority rankings. They're all included in just one Katzenbach record.

MS. MOLNAR: Okay.

Any other questions or comments on the Department of Education? (no response)

If not, I will move to Department of Law and Public Safety. Let's see-- the No. 1 priority is Totowa; the No. 2 priority is Totowa.

MR. FRAN CZ: Yes, and I can say -- if I could jump in -- OMB staff did go and tour this facility and can confirm that the window situation is really quite dire there, with some mold growing in between the panes of glass, and very clear and obvious water infiltration around the windows. So this does seem to be a fairly serious situation.

MS. MOLNAR: Okay.

Item No. 6 -- oh, I'm sorry -- yes, Item No. 6: critical repairs. It says "projects are listed on critical repair spending plan." Should that come out of their operating budget, rather than capital?

MR. FRAN CZ: We'll follow up on that with our Law and Public Safety analyst.

MS. MOLNAR: All right.

Any other questions or comments on Law and Public Safety?

(no response)

If not, let's move to the Department of Military and Veterans Affairs.

I see No. 9 is matched -- more than matched. The Federal government will give us 75 percent. Is there any Federal funding on any of the other priorities?

MR. FRAN CZ: On priority No. 1, I believe, there is a 50 percent Federal match.

MS. MOLNAR: Oh, yes -- there it is; good.

MR. FRAN CZ: And a 75 percent match on priority No. 2.

SENATOR THOMPSON: Item 3 also has Federal match.

MR. FRAN CZ: Yes, it looks like most are--

SENATOR THOMPSON: Quite a few of them have a Federal match.

MS. MOLNAR: Good; that's good. All right.

MR. PATELLA: If you look at the report, you'll notice that in the totals it breaks out a Federal amount and a General Fund amount.

MS. MOLNAR: Oh, yes -- thank you.

MR. PATELLA: So you could see it there -- what they're funding with Federal dollars.

MS. MOLNAR: I didn't realize; thank you. That's helpful, thank you. It's so helpful.

All right. Now, that's interesting. They won't-- Like, on Item 8, the Federal government will not help out with anything like that?

MR. FRAN CZ: We can follow up to see why that would be.

MS. MOLNAR: Yes.

MR. FRAN CZ: It seems like a--

MS. MOLNAR: It seems all the Veterans' programs are not funded.

MR. FRAN CZ: It's important -- yes.

MS. MOLNAR: Item 10 is Veterans; it's interesting.

MR. FRAN CZ: Right.

MS. MOLNAR: I thought there was funding for Veterans' programs, but I don't pretend to be an expert.

All right -- any questions or comments on the Department of Military and Veterans Affairs? (no response)

If not, we'll move to Judiciary.

Now, I had a question. On 1, 2 and 3, did OIT review these requests? It is my understanding that they do that before we see it.

MR. FRAN CZ: Yes, we'll have to find where it is in the OIT review process. And just as a note on those items -- especially No. 1, they ask for \$6 million for e-Courts. We've confirmed with Judiciary that this \$6 million would actually be in addition to \$10 million they anticipate from a fee increase. So the two--

MS. MOLNAR: Okay.

SENATOR THOMPSON: Did you say this was in addition to the additional money? We passed legislation which permitted them to increase fees and so on, for a good deal of (indiscernible) manager stuff, and etc. Can some of this be funded from those increased fees, or is this--

MR. FRAN CZ: Yes, this would be above and beyond what they expect to pull in from the fees.

SENATOR THOMPSON: Okay.

MS. MOLNAR: Now, Item 7 (*sic*) -- it says the lease expired in October. So October is here already; what are they doing? Did they move? What are they doing on this project? Sounds like it had to have happened already.

MR. FRAN CZ: We will have to follow up on that.

MS. MOLNAR: Okay.

MR. PATELLA: Which item was that, Carol?

MS. MOLNAR: Item 5

MR. FRAN CZ: Item 5.

MS. MOLNAR: And then, on Item 6, I was confused. It says the county advises that the project represents the majority of the \$5 million bond that was initiated November 2013. So they are saying the \$405,000 here as part of the bond allocation?

MR. FRAN CZ: Generally, this would be -- they would be asking for amounts above the bonded amount, but we'll confirm that with them.

MS. MOLNAR: All right.

Okay, any other questions or comments on Judiciary? (no response)

If not, I will move on to Juvenile Justice Commission.

Any questions or comments on that? (no response)

Okay, that's the last capital request department.

Are there any other questions or comments, or other business that people want to bring up? (no response)

Our next meeting is set for Friday, November 21 -- another telephonic meeting.

Now, I had a question about the December 19 meeting. I don't think-- Treasury usually isn't ready with their report, because of the -- the State report.

MR. FRAN CZ: The Debt Report?

MS. MOLNAR: The Debt Report, yes. Yes, they have to do the CAFR, which the CAFR is never done by December 19, right -- or not available yet?

MR. FRAN CZ: It depends on the year.

MS. MOLNAR: So in light of that, should we be picking a January date, since we know we're probably not going to meet in December?

MR. FRAN CZ: That might be safe to do, yes.

MS. MOLNAR: So do you want to circulate some dates for January during the next week or so?

MR. FRAN CZ: We will.

MS. MOLNAR: Okay.

All right. Any other questions or comments from Commission members? (no response)

If not, I want to thank you all for joining the call. And we'll be talking on Friday, November 21.

So the meeting is adjourned.

MR. FRAN CZ: Thank you.

MS. MOLNAR: Thank you.

(MEETING CONCLUDED)