
Commission Meeting

of

NEW JERSEY COMMISSION ON CAPITAL BUDGETING AND PLANNING

LOCATION: 33 West State Street
Trenton, New Jersey

DATE: October 30, 2015
10:00 a.m.

MEMBERS OF COMMISSION PRESENT:

B. Carol Molnar, Esq., Chair
Anthony Annese, Vice Chair
Senator Samuel D. Thompson
Assemblywoman Shavonda E. Sumter
Assemblyman Declan J. O'Scanlon Jr.
Thomas Neff
Steven Petrecca
James Rutala
Beth Schermerhorn
Jerry Traino



ALSO PRESENT:

Brian E. Francz
Executive Director

Eugene Lepore
*Senate Majority Office
Commission Aide*

Marcela Ospina Maziarz
*Assembly Majority Office
Commission Aide*

David F. Patella
Assistant Executive Director

Brian Onda
Budget Specialist

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



State of New Jersey
Commission on Capital Budgeting and Planning
PO 221
Trenton, NJ 08625-0221
(609) 984-9612
FAX (609) 984-8498

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 30, 2015
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 13, 2015 (**Action**)
6. Executive Director's Report
7. Fiscal 2017 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
 - Office of Information Technology (OIT)
8. Other Business ---- **Action may be taken**
9. Adjournment

TABLE OF CONTENTS

	<u>Page</u>
Louis A. Bruni Chief Fiscal Services New Jersey Department of Agriculture	10
Captain Cliff J. Hunt Facilities and Building Maintenance New Jersey Department of Law and Public Safety	11
Colonel Michael Lyons Construction and Facility Management Officer New Jersey National Guard New Jersey Department of Military and Veterans Affairs	17
Edward A. Augustyn Northern Regional Medical Examiner Office Office of the State Medical Examiner Division of Criminal Justice New Jersey Department of Law and Public Safety	17
pnf:1-18	

(The New Jersey Commission on Capital Budgeting and Planning held a meeting on October 30, 2015, at 10:00 a.m. Members of the Commission present via teleconference were B. Carol Molnar, Esq., Anthony Annese, Senator Samuel D. Thompson, Assemblywoman Shavonda E. Sumter, Assemblyman Declan J. O'Scanlon Jr., Thomas Neff, Steven Petrecca, James Rutala, Beth Schermerhorn, and Jerry Traino.)

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

In accordance with the Open Public Meetings Act, 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): Senator Sarlo. (no response)

Senator Thompson.

SENATOR THOMPSON: Here.

MR. FRAN CZ: Senator (*sic*) Sumter.

ASSEMBLYWOMAN SUMTER: Here -- *Assemblywoman*; but thanks.

MR. FRAN CZ: Assemblywoman -- my apologies.

Assemblywoman -- Assemblyman O'Scanlon. (laughter) I'm having trouble this morning.

ASSEMBLYMAN O'SCANLON: Gender, position -- I'm here, regardless. (laughter)

MR. FRAN CZ: Thank you.

Mr. Neff.

UNIDENTIFIED MEMBER OF COMMISSION: That was a
“here.”

MR. FRAN CZ: Okay.

Mr. Petrecca.

MR. PETRECCA: Here.

MR. FRAN CZ: Ms. Schermerhorn.

MS. SCHERMERHORN: Here.

MR. FRAN CZ: Mr. Traino.

MR. TRAINO: Here.

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

Mr. Rutala.

MR. RUTALA: Here.

MR. FRAN CZ: Mr. Annese.

ANTHONY ANNESE (Vice Chair): Here.

MR. FRAN CZ: And Chair Molnar.

MS. MOLNAR: Here.

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

MS. MOLNAR: Thank you.

I show nine; is that correct? Nine present?

MR. FRAN CZ: Yes; 10, including yourself.

MS. MOLNAR: Right; oh, okay.

MR. FRAN CZ: So our first order of business, I believe, is--

MS. MOLNAR: Yes, the first order is the election of Chair and
Vice Chair, and the approval of our Executive Director.

MR. FRAN CZ: Okay. Do we have a motion to--

MR. ANNESE: I move to elect Carol Molnar, Chair.

MR. FRAN CZ: Thank you.

MS. MOLNAR: Who is that? Mr. Annese, correct?

MR. FRAN CZ: Yes.

Do we have a second?

MR. ANNESE: I can't nominate myself, so (indiscernible).

MR. FRAN CZ: Okay.

Can we do the Chair, Vice Chair, and Executive Director all in one?

MS. MOLNAR: I don't have a problem unless someone else does.

I would like to nominate Mr. Annese as Vice Chair.

ASSEMBLYMAN O'SCANLON: Second.

MS. MOLNAR: And I'd like to nominate Brian Francz as our Executive Director.

ASSEMBLYMAN O'SCANLON: And I'll second that.

MR. FRAN CZ: Thank you.

UNIDENTIFIED MEMBER OF COMMISSION: Very agreeable this morning. (laughter)

MS. MOLNAR: We'll take a roll call on those three appointments.

MR. FRAN CZ: Okay.

On the motion to re-nominate, for another year, Chair Molnar, Vice Chair Annese, and Executive Director Francz.

Senator Sarlo. (no response)

Senator Thompson.

SENATOR THOMPSON: Yes.

MR. FRAN CZ: Assemblywoman Sumter. (no response)

Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. FRAN CZ: Mr. Neff.

MR. NEFF: Yes.

MR. FRAN CZ: Mr. Petrecca.

MR. PETRECCA: Yes.

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

Mr. Traino. (no response)

I'm having some trouble hearing. Was that a "yes" or a "no"
for Ms. Schermerhorn and Mr. Traino?

MS. SCHERMERHORN: "Yes" and "yes."

MR. FRAN CZ: Thank you.

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 passes.

MS. MOLNAR: Thank you.

Next item is the approval of the minutes from February 13,
2015.

Do I hear a motion to approve?

SENATOR THOMPSON: Yes.

MS. MOLNAR: Do I have a second?

ASSEMBLYMAN O'SCANLON: Second.

MR. FRAN CZ: Okay; roll call on the motion to approve the minutes.

Senator Thompson.

SENATOR THOMPSON: Yes.

MR. FRAN CZ: Assemblywoman Sumter.

ASSEMBLYWOMAN SUMTER: Yes.

MR. FRAN CZ: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. FRAN CZ: Mr. Neff.

MR. NEFF: Yes.

MR. FRAN CZ: Mr. Petrecca.

MR. PETRECCA: Yes.

MR. FRAN CZ: Ms. Schermerhorn.

MS. SCHERMERHORN: Abstain.

MR. FRAN CZ: Mr. Traino.

MR. TRAINO: Yes.

MR. FRAN CZ: Mr. Rutala.

MR. RUTALA: Abstain.

MR. FRAN CZ: Mr. Annese.

MR. ANNESE: Yes.

MR. FRAN CZ: And Ms. Molnar.

MS. MOLNAR: Yes.

MR. FRAN CZ: Okay, the motion passes.

MS. MOLNAR: Thank you.

Next item is our Executive Director's report.

MR. FRAN CZ: Thank you.

In the packets everyone received, you should have had a spreadsheet in the Executive Director's Report tab, which basically outlines the projects we approved for Fiscal Year 2016.

Just to run through those quickly, again. It was 10 projects that totaled \$13.9 million: some window replacements for Department of Children and Families; several Corrections projects, including fire alarm systems, roof replacements, and an emergency generator; Human Services was funded an emergency generator at Hunterdon Developmental Center; for Law and Public Safety, there were two projects for windows and a backup emergency electrical upgrade for the New Jersey State Police Totowa Headquarters; and the Juvenile Justice Commission, New Jersey Training School for Boys fire suppression system installation.

These projects are all, now, getting underway -- most of them still in the planning phases, given how we're only a few months into Fiscal Year 2016. But we're working with the agencies and the Division of Property Management to make sure these get underway and completed as quickly as possible.

Does anyone have any questions about those?

SENATOR THOMPSON: You said we received this list of recommended projects?

MR. FRAN CZ: Yes.

SENATOR THOMPSON: I have the list of requested projects, but I did not notice that in the packet -- your recommendations.

MR. FRAN CZ: These were the Fiscal Year 2016 recommendations, so these were the items that we -- the Commission recommended at the end of our last session. It should be in an orange--

SENATOR THOMPSON: You're talking about FY 2016, you said?

MR. FRAN CZ: Yes.

MR. PATELLA (Commission Assistant Executive Director): Senator Thompson, it was in the e-mail as an Excel attachment. It's a spreadsheet that totals \$13.9 million. It shows what the Commission recommended, and also what was funded through the budget.

SENATOR THOMPSON: Okay, I guess my aide must have missed that when she pulled the stuff up.

Okay, go ahead.

MR. FRAN CZ: Okay. We'd like to walk through now, Chair, the various capital requests.

MS. MOLNAR: Okay.

MR. ANNESE: Madam Chair, before we start each individual department, could you bring us up to speed, through you, where we wish to direct a question about the status of our roof repair fund? As I was reading through the different requests, it seemed as if we had many, many requests for roof repairs, and they are often the first or second priorities for the different departments. So could you let me know, or let the Commission know how we are on that ongoing fund we have, or that we have been keeping, for roof repairs and replacements?

MR. FRAN CZ: Right. So there is a separate roof account that, back in 2007-2008, did receive direct appropriations in the Appropriations Act to address some roof issues. Those funds have been depleted for some time. We've maintained the roof account, but the only funding source is if there is a project that the Commission recommends -- through its annual process -- and it happens to do with a roof repair, funds will be moved into the roof account. But I just wanted to make clear that absent a separate roof appropriations -- as was done in 2007-2008, most recently -- that fund, basically, is used simply for projects that are roof related and recommended as part of your normal annual recommendation.

MS. MOLNAR: Now, you say funds are moved into the account. They have to be appropriated by the Legislature?

MR. FRAN CZ: The funds used, at this point, are based on assessments that come through the Office of Management and Budget -- assessments on each of the agencies. So to the extent that they're appropriated, they're appropriated to the agencies, and then funneled through the Office of Management and Budget, and then to the roof account -- based on your recommendations.

MS. MOLNAR: Okay.

Do you have any more questions, Mr. Annese?

MR. ANNESE: I had just assumed, back when we had set that up, that that would be an ongoing fund, because we get so many roof repairs and it is something that must be taken care of -- because roofs don't get better by themselves; it's not a discretionary item. It's something that comes up every year. And so we wouldn't spend a lot of time on the Commission worrying about roof repairs, they would be taken care of on

almost an administrative level. I didn't know we'd have to approve each repair when we get requests.

Would it be possible to do something like that?

MS. MOLNAR: Should we make it a request to the Legislature to make another direct appropriation to fund this account?

MR. FRAN CZ: I mean, there are clearly enough roof projects being requested by the different agencies to request such an appropriation. I can't take a stance, yes or no, but there's clearly a large roofing need in the state.

MS. MOLNAR: What's the process that was done in 2007? Did the Commission forward a letter or a formal request to the Legislature?

MR. FRAN CZ: I believe the Commission did, yes.

MS. MOLNAR: Does this require any kind of vote by our Commission to go forward with this?

MR. FRAN CZ: I don't believe it does. The Commission may recommend these types of appropriations to the Legislature.

MS. MOLNAR: All right. I think -- I believe it would be a consensus on the Commission that we do make a recommendation that they appropriate additional funds for this account.

MR. FRAN CZ: We can provide the Commission some details on how many roof projects have been requested, and what the total funding needed to address those is -- if that would be helpful, through the Chair.

MS. MOLNAR: Okay, wonderful.

All right. And then we'll share-- Any letter that's written to the Legislature we'll share with the Commission members.

MR. FRAN CZ: Okay.

MS. MOLNAR: Wonderful. Thank you; thank you, Mr. Annese. That's a good point.

MR. ANNESE: You're welcome.

MS. MOLNAR: There are a lot of roofs in this--

Any other questions or comments before we start the individual agencies? (no response)

If not, our first agency is the Department of Agriculture. They're requesting \$7.5 million, total. You had it detailed in here; the largest is the laboratory renovation, of \$4.2 million.

Any questions or comments?

ASSEMBLYWOMAN SUMTER: There are no matching funds for this Department, correct, for this project -- for the project for Agriculture?

LOUIS A. BRUNI: That is correct, Assemblywoman.

ASSEMBLYWOMAN SUMTER: Thank you.

MS. MOLNAR: No matching funds -- okay. Good question.

Any other questions or comments? (no response)

All right, we'll now move on to the Department of Children and Families. Their total request is \$180,000, spread over-- It's \$450,2980 spread over three years; \$180,000 for the year coming up for, basically, windows.

Any questions or comments? (no response)

If not, I'll move on to the Department of Education. They're asking for \$4.6 million. And there are, from what I counted, five roofs -- approximately five roofs needing replacement in their requests.

Any questions or comments? (no response)

If not, I'll move on to Law and Public Safety; they're requesting \$4.8 million. The first item, roof and solar panel repairs -- I was a little surprised, if you've read the detail, of what is occurring there.

I believe one of the captains from the State Police is on this telephone call.

CAPTAIN CLIFF J. HUNT: Yes, ma'am; Captain Hunt.

MS. MOLNAR: Yes, I was curious whether these solar panels -- it was factored into the problem -- was it factored into the engineering design that these solar panels were going to be put on the roof? It somehow invalidated the roof warranty? Are there any details?

CAPTAIN HUNT: Yes, ma'am. When the solar panel installation moved forward, apparently they did not coordinate this with the roofing contractor, as far as oversight and approval, and once it was installed it invalidated the warranty from the roofing contractor because they didn't do it in conjunction with them. They were, in our opinion, improperly installed; they're settling into the membrane; they're tough to maintain. We have deciduous trees growing through areas of the solar arrays throughout the roof, penetrating the roof, causing leaks. So we are at a point where we need to remove the solar panels off of the roof and replace the roof -- which is, probably, 9 or 10 years into the 20-year life of it. So we're going to have to try, basically, to start from scratch, and our hope is to take the solar panels off the roof and relocate them somewhere in the field nearby.

MS. MOLNAR: Has the State instituted any cause of action against the solar installation company?

CAPTAIN HUNT: At this point, I don't believe so. I was not involved in that; I don't want to point any fingers.

MS. MOLNAR: Yes.

CAPTAIN HUNT: I know the Building (indiscernible) is looking into that with BPU, I think, who assisted. I guess they have some kind of a 10-year deal that they have to stay in place for 10 years. I guess they gave us a rebate. So that 10-year period expires, I believe, October/November next year. So by the time this goes through, hopefully -- if it's approved -- we'll have met our 10-year deadline that we have to keep it in place. And at that point then we can address removing them off the roof to put a new roof on, and then determine what we do with the existing solar panels -- whether they're upgraded or, basically, just fixed, and hopefully won't be putting them back on the roof again; hopefully, putting them in the field nearby, if we're going to keep them in operation.

MS. MOLNAR: Okay, so it's unclear whether they went back to the solar installation company.

CAPTAIN HUNT: Yes. I've reached out to the project manager, and he is still looking into that. But we have had the roofing contractor out, who basically said that the warranty is voided because the solar panels were installed without his input and oversight. So they just went ahead and did it without consulting with the roofing contractor, and they were improperly installed.

So the roof doesn't expand and contract like it needs to. And the solar array has settled into the membrane of the roof throughout. And it has come to a point now where lack of maintenance and improper installation generated the need to replace the whole roof now.

ASSEMBLYMAN O'SCANLON: Did I hear correctly that we're 8 or 10 years into the roofing warranty, and we're approaching 10 years of the solar installation? They were done right after each other -- the roof was installed, and then the solar panels were installed?

CAPTAIN HUNT: Correct; yes, sir.

ASSEMBLYMAN O'SCANLON: Okay, that's -- I mean, that's just unforgivable that there was no coordination with the roofing contractor at the time we were going to install something as impactful -- potentially impactful as solar panels.

CAPTAIN HUNT: Yes, sir.

ASSEMBLYMAN O'SCANLON: We really need to try to get to the bottom of who is at fault here.

How much-- I don't have that -- for some reason, I don't have that in front me; I'm trying to pull that up. What's the cost here?

SENATOR THOMPSON: It's \$2 million.

CAPTAIN HUNT: Well, we're estimating \$2 million, based on a comparative cost. We had the roof replaced up at Totowa and it was about 28,500 square feet; that was about \$1.25 million for the construction costs without the design and management fees, contingencies, etc. This is approximately 33,000 square feet; it's a little bit bigger. So based on that comparison, and having to remove the solar panels as well, we asked for \$2 million. We estimate that to be the cost of this project.

MS. MOLNAR: Now, is this solar company still on the State's approved list of vendors?

CAPTAIN HUNT: I apologize; I don't have that information. I'd have to reach out to the Project Manager. He is actually reaching out to

the Board of Public Utilities and getting some more information. I don't know if they're still in business or not, quite honestly. It was before my time here. I wish I had more information. The person who is really is up, at The Rock, the Building Manager, is on vacation this week; he is not able to weigh in. I can try to look into that information and then try to get you some answers shortly.

MS. MOLNAR: All right, thank you. I'd appreciate it.

ASSEMBLYMAN O'SCANLON: I don't mean to be a stickler, but I'd rather not vote on this until we get more information -- unless it's going to cause a real problem. I'm happy to do another meeting -- special meeting to approve this, or hear more about it. But until I hear that someone is going to be held accountable of this total waste of taxpayer dollars, I'm hesitant to vote for it, certainly.

MS. MOLNAR: All right. Well, today we won't vote; we're just hearing their requests. So meanwhile, we do have time.

ASSEMBLYMAN O'SCANLON: Okay, got it. That's a fair point. Until we do, though, I'd rather hold off.

MS. MOLNAR: All right.

SENATOR THOMPSON: And I agree with you, that they should look at the liability here -- with somebody being responsible for that.

MR. FRAN CZ: OMB will coordinate with the State Police to get some details on this, and send them out to the Commission.

MS. MOLNAR: One sec.

Okay, now, I think some of the other items are in your packets.

Generators, geothermal systems. Any other questions on the Department of Law and Public Safety?

MR. ANNESE: Madam Chair, I just need a clarification from the Captain.

Captain, did you say there were trees growing on the roof?

CAPTAIN HUNT: Yes, sir -- deciduous trees. Over the years, I guess, they have not been maintained. We haven't had a company to come out; they're very fragile, you could say, to be able to go in and try to get in between the solar panels. They laid flat; they don't even lay at an angle. And I guess, over the years, seedlings or whatever have dropped in between them. And over the years, they have not been properly maintained or cleaned up and there are deciduous trees growing on the roof throughout.

MR. ANNESE: How large are these trees?

CAPTAIN HUNT: Well, I mean, they're just, maybe -- I mean, they don't have a huge trunk or anything like that. But the roots are going into the membrane. I mean, I would say some of the trees could be six feet or so.

MS. MOLNAR: Wow.

MR. ANNESE: This could impact the structural integrity of your roof.

CAPTAIN HUNT: Well, they're not that big yet, but it's the roots that they have embedded into the membrane. That's our concern. They're starting to penetrate into the membrane, causing leaks. So they haven't gotten to the point where they weigh -- the weight is not our concern; it's the roots, that have actually started penetrating the membrane, that is our concern.

MR. ANNESE: If you can include that information on the report that we get later on -- about cleaning up the trees and things like that.

CAPTAIN HUNT: Yes, sir.

MR. ANNESE: Thank you.

MS. MOLNAR: Okay. The next department is the Department of Military and Veterans Affairs. They are requesting \$16.1 million. They also have various roof replacements and other items.

Any questions or comments? (no response)

If not, I will move into the Judiciary -- they are requesting \$4.67 million, including Information Systems and renovations.

Any questions or comments on Judiciary? (no response)

I'll move onto Juvenile Justice. They are requesting \$18.56 million for critical repairs and also some roof replacements.

Any comments or questions on that? (no response)

And then OIT -- they sent us some slides this past week. They are requesting \$27 million; and you have the pieces. Three projects -- one, two, and three.

Any questions or comments on that? (no response)

Okay, that ends our review of the agencies.

Other business: When is our next meeting? I believe it's November.

MR. PATELLA: November 20.

MS. MOLNAR: November 20; okay.

Any questions or comments? We will get some follow-up information from the State Police.

Any other questions or comments? (no response)

ASSEMBLYWOMAN SUMTER: So the only agency that we have matching Federal funds is in our Military and Veterans Affairs, I think.

MS. MOLNAR: Yes.

COLONEL MICHAEL LYONS: This is Colonel Lyons from the Department of Military and Veteran Affairs.

There are matching State funds required for all those projects.

MS. MOLNAR: All right.

Yes, some have-- They are all 50 percent? Did I see 75 percent somewhere? Oh, yes. The first project is 75 percent Federal funding, but the rest have 50.

ASSEMBLYWOMAN SUMTER: All right.

COLONEL LYONS: Part of the project is 75/25; and part of it is 50/50.

MS. MOLNAR: Okay.

COLONEL LYONS: The roof-- Because we're going for a structural change, it's considered construction, so I can justify going 75/25 on the Federal match for that. But the interior renovations, and the replacement of the boiler, and the brickwork would have to be--

MS. MOLNAR: Fifty/fifty.

COLONEL LYONS: Fifty/fifty.

ASSEMBLYWOMAN SUMTER: Okay.

MS. MOLNAR: Wonderful.

Okay.

EDWARD A. AUGUSTYN: If I could just interject real quick.

MS. MOLNAR: Yes.

MR. AUGUSTYN: This is Ed Augustyn, with the Regional Medical Examiner Office in Newark, from Law and Public Safety.

As we were going through the agencies, I just didn't hear mention of a project that we requested -- the generator replacement for the Regional Medical Examiner Office in the Northern Region in Newark. And I just wanted to just check to see that that was a project for consideration.

MS. MOLNAR: Yes, it's Project No. 2, I believe -- generator replacement, Newark; \$800,000, total.

MR. AUGUSTYN: Okay.

MS. MOLNAR: Yes, thank you for bringing that up.

MR. AUGUSTYN: Thank you so much. I just wanted to--

MS. MOLNAR: Thank you.

Any other questions or comments? (no response)

If not, the meeting is adjourned. We will be speaking again on November 20.

Thank you all for joining.

ALL: Thank you.

MS. MOLNAR: I really appreciate it.

Bye bye.

(MEETING CONCLUDED)