
Commission Meeting

of

NEW JERSEY COMMISSION ON CAPITAL BUDGETING AND PLANNING

LOCATION: Meeting via Conference Call

DATE: December 10, 2021
10:00 a.m.

MEMBERS OF COMMISSION PRESENT:

James M. Rutala, Chair
Luke E. Wolff, Vice Chair
Senator Paul A. Sarlo
Senator Samuel D. Thompson
Assemblyman Harold 'Hal' J. Wirths
Paulina Banasiak
Anthony 'Skip' Cimino
Daniel Davidow, Esq.
Jo-Ann Povia
Dennis Zeveloff



ALSO PRESENT:

James Langsdorf
Executive Director

David F. Patella
Assistant Executive Director

Brian Onda
Stacy Pingitor
Budget Specialists

*This transcript was prepared using an outside recording not designed for transcription purposes.
Therefore, portions of this transcript may not be completely accurate as portions were inaudible and/or indiscernible*

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

TABLE OF CONTENTS

	<u>Page</u>
Steven Pietrzak Building Manager State House Complex State Capitol Joint Management Commission	3
Ray Arcario Executive Director New Jersey Building Authority Department of Treasury State of New Jersey	5
Angela Bethea Assistant Secretary/CFO Office of Higher Education Department of Education State of New Jersey	9
Jennifer Nelson New Jersey State Librarian	9
Sheri Shafer Finance Officer New Jersey State Library	11
mej: 1-19	

JAMES M. RUTALA (Chair): Okay, good morning, this is Jim Rutala, the Chair of the Commission on Capital Budgeting and Planning.

I will call the meeting of December 10, 2021, 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 or by fax to the *Trenton Times* and the *Newark Star-Ledger*, and filed with the Secretary of State.

I would ask everyone to mute themselves unless they are speaking. And at this time, I will call for the roll.

MR. LANGSDORF: Senator Sarlo.

SENATOR SARLO: Present.

MR. LANGSDORF: Sorry, we have an echo going, sir. We're going to try to see if we can work through that at this point.

Senator Thompson.

SENATOR THOMPSON: Yes, here.

MR. LANGSDORF: Assemblywoman Sumter. (no response)

Assemblyman Wirths.

ASSEMBLYMAN WIRTHS: Here.

MR. LANGSDORF: Ms. Jo-Ann Povia.

MS. POVIA: Yes, here.

MR. LANGSDORF: Mr. Dennis Zeveloff.

MR. ZEVELOFF: Here.

MR. LANGSDORF: Ms. Paulina Banasiak.

MS. BANASIAK: Present.

MR. LANGSDORF: Mr. Daniel Davidow.

MR. DAVIDOW: Present.

MR. LANGSDORF: Mr. Anthony Cimino.

MR. CIMINO: Here.

MR. LANGSDORF: Mr. Luke Wolff.

LUKE E. WOLFF (Vice Chair): Present.

MR. LANGSDORF: Mr. James Rutala.

MR. RUTALA: Yes.

MR. LANGSDORF: Chairman, we have a quorum.

MR. RUTALA: Thank you.

At this point, we will entertain a motion to approve the minutes on November 19, 2021.

MR. CIMINO: Move it.

UNIDENTIFIED SPEAKER: Second.

MR. LANGSDORF: On a motion to approve the minutes from November 19, 2021.

Senator Sarlo.

SENATOR SARLO: Yes.

MR. LANGSDORF: Senator Thompson.

SENATOR THOMPSON: Yes.

MR. LANGSDORF: Assemblywoman Sumter. (no response)

Assemblyman Wirths.

ASSEMBLYMAN WIRTHS: Yes.

MR. LANGSDORF: Jo-Ann Povia.

MS. POVIA: Yes.

MR. LANGSDORF: Dennis Zeveloff.

MR. ZEVELOFF: Yes.

MR. LANGSDORF: Ms. Paulina Banasiak.

MS. BANASIAK: Yes.

MR. LANGSDORF: Daniel Davidow.

MR. DAVIDOW: Yes.

MR. LANGSDORF: Mr. Anthony Cimino.

MR. CIMINO: Yes.

MR. LANGSDORF: Mr. Luke Wolff.

MR. WOLFF: Yes.

MR. LANGSDORF: Mr. James Rutala.

MR. RUTALA: Yes.

MR. LANGSDORF: The motion moves, Chairman.

MR. RUTALA: Great. We'll start to review the fiscal 2022 capital requests.

We'll start with the State Capital Joint Management Commission. They have 18 priorities in the matter of \$16,107,000.

SENATOR THOMPSON: Senator Thompson, I do have a question.

MR. RUTALA: Yes, Senator.

SENATOR THOMPSON: One item there, it calls for installation of electric car chargers in the State House Complex. Is there anybody that has any details on this, i.e. how many car chargers are they going to install and where? (no response)

If there are no answers, I assume there is nobody there that has that answer.

STEVEN PIETRZAK: Sorry, Senator, I forgot to take my mic off mute. This is Steve Pietrzak, the Building Manager at the State House.

This project is currently under review by the Joint Management Commission, and we are in the process of engaging a consultant to design this project. We're looking at anywhere from approximately 15 car chargers in the State House parking garage, but also with the capacity to expand to more spaces if necessary.

SENATOR THOMPSON: Okay. Will the charging be free, or will they have to pay a metered charge for charging?

MR. PIETRZAK: That has not been decided yet, Senator. I think that is going to be under discussion by the Commission once we get further along in the design process.

SENATOR THOMPSON: Okay. Further thought is, if you're talking about 15 spots, for example, in the parking garage, most people are going to park there and hook it up and go do their job. Of course, it won't take all day to charge the car, and no other people can utilize the space, etc., so is there any way to-- Otherwise you've got a charger, 15 chargers, and 15 cars a day will be charged by it, no more.

MR. PIETRZAK: I understand your question, Senator. Again, that will be something that will be worked out in the design process as far as some way to manage that. At present, we're not even that far along in it, but it's certainly a question that will need to be answered.

SENATOR THOMPSON: Another question is, we've been parking here for so many years and there's been no gas pumps for cars that run on gas. Are you thinking about them?

Forget that, I was just busting, of course. (laughter)

Discrimination.

MR. RUTALA: That was a good point, thank you Senator.

This is Jim Rutala, I have a question regarding No. 1. It's an emergency generator at the State House. Has the State -- has alternative funding for this been considered?

MR. PIETRZAK: Yes, sir. I don't want to step on the Building Authority's purview, but there is discussion that that is going to be replaced along with the installation of several other generators, as a part of the Executive State House Renovation Project, but it's under review at this time.

But it is a priority, it is our number one priority regardless. I've always been told to put things on our list until they're actually funded and underway, but we believe that it may be replaced by the Executive State House Renovation Project -- if Mr. Arcario would like to embellish.

RAY ARCARIO: Certainly, thanks Steve. This is Ray Arcario, the Executive Director of the New Jersey Building Authority.

And Steve, you're partially right, in that our intent is to replace the emergency generator utilizing already existing contract consultants that are in place -- and hopefully the general contractor, so that there will be an economy here. But the Building Authority doesn't have the funds to fund the replacement emergency generator.

So I think, without overstepping my bounds, it being on your priority list makes sense. Another project that the Building Authority is advancing, and I really hope not to confuse anyone on this call, is we will be putting, in the old substation, two new generators -- which will provide, to the complex business, continuity backup power. And most people hear that and they think that then eliminates the need for it to have the emergency generator, which arrived in the State House parking garage; but that's not true. Because that generator has a distinct role; particularly, it provides emergency generation for all of the light safety components.

And so, again, I've been asked the question, "Why can't that be migrated to the new business continuity generators?" And the answer simply is that's more costly than replacing the emergency generator. And the emergency generator being replaced with modern equipment, and having two business continuity generators provides us coverage for the complex, which has really never existed before.

So the backup generators are an absolute necessity given the age of the current generator and the import of its function.

MR. RUTALA: Okay, thank you.

Are there any other questions?

MR. ONDA: This is Brian Onda from OMB. I do also want to put in a clarification that the FY22 budget does include a total of \$12 million for generators at the State House, \$8 million of which is for the continuity, and \$4 million is for the emergency generator.

I just wanted to clarify that that funding should be in place.

MR. RUTALA: Thank you.

If there are no other questions, we will move on to the Department of Environmental Protection.

They have 124 priorities; the total amount is \$1,648,059,000. Any questions?

I have a general question. Are the American Recovery Plan Act funds being used to leverage any of these projects, since those funds can be used for water, sewage, and stormwater?

MR. PATELLA: This is Dave Patella from OMB.

Chair, that is something that is still under review. We are definitely looking into that, but nothing has been resolved yet.

SENATOR SARLO: May I respond to that as well?

MR. RUTALA: Yes, sir.

SENATOR SARLO: Any of the ARP dollars through the -
- must be also approved through the legislative process, either through a request from Treasury through the Joint Budget Oversight Committee; or could be used in the proposed Fiscal Year Budget that will be introduced by the Governor in February of 2022.

So any of those ARP dollars must go through those avenues to be approved to be used. But they can be used for projects such as listed in here. But it must go through that legislative process.

MR. RUTALA: Thank you for that clarification.

Any other questions? (no response)

If not, we will move on to the Department of Health. The Department of Health has 21 priorities. The total amount is \$89,242,000.

Are there any questions for the Department of Health?
(no response)

If not, we will move on to the Department of Human Services. Department of Human Services has 22 priorities. The total amount is \$113,721,000.

If there are no questions, we will move on to the Department of Transportation. Department of Transportation has one priority, the Transportation Trust Fund. Total amount is \$1,560,252,000.

Next is Interdepartmental; 31 priorities, \$255,398,000.
Are there any questions? (no response)

If not, we will move on to Higher Education.

Rutgers University, 89 priorities, \$3,201,315,000.

One question on priority No. 8 that probably covers some of the other priorities here as well. There are several energy related projects, energy savings related initiatives. Are energy savings plans being considered to replace Capital funds for these improvements?

MR. ONDA: Hi, Chair, this is Brian Onda.

For the Higher Ed institutions, we don't have a representative on the line from each institution. We do have the Office of the Secretary of Higher Ed, who could potentially answer general questions. But for that specific question, I'll have to reach out to Rutgers to find out, and follow up.

MR. RUTALA: Thank you, I appreciate it.

New Jersey Institute of Technology. They have 7 priorities, \$33,138,000.

Rowan University with 14 priorities, \$67,000,000.

New Jersey City University, 17 priorities, \$129,850,000.

Any questions? (no response)

Kean University has 26 priorities, \$56,140,000.

Montclair State University, 25 priorities, \$41,880,000.

The College of New Jersey, 13 priorities, \$109,527,000.

Ramapo College of New Jersey, 17 priorities, \$32,690,000.

Stockton University, \$70,301,000.

And University Hospital, 17 priorities -- I'm sorry, 16 priorities, \$9,643,000.

David, do you want (indiscernible) Bond Fund updates?

MR. PATELLA: Sure, thank you, Chairman.

The next item on the agenda relates to the Building Our Future Bond Act Information, which is included within the materials that we provided.

We ask that the Office of the Secretary of Higher Education give us a brief synopsis of the report.

ANGELA BETHEA: Good morning, this is Angela Bethea from the Office of the Secretary of Higher Education. The report that we sent over breaks down the Building Our Future program by 2014 and 2017.

In 2014, \$715.67 million were released for the Bond Program to institutions of higher education in the State. Right now, the remaining balance is \$29,200,000, rounded. In 2017, an additional \$34.3 million was released, and we're down to \$1,200,000 remaining, on requisition by institutions. We are constantly working with institutions in regard, with our partners EFA, the AG's office, and Bond Counsel, in trying to make sure that these funds are extended, you know, in the near future.

Are there any questions?

MR. RUTALA: Okay, if there are no other questions, our materials also include information on the Library Construction Bond Act. At this time, we would like representatives from the State Library to provide a brief synopsis on that report.

JENNIFER NELSON: Good morning, I'm Jen Nelson; I am New Jersey's State Librarian, and I am pleased to be able to provide this information to you today.

The report details the status of what we're calling our *round one* and *round two grants* -- Library Construction Bond Act grant -- totaling \$125,000,000. The first round of the grant, which was completed in 2021, was \$87.5 million, 35 grant awards. Of those, we have a handful that have requested -- started requesting reimbursements for expenses generated for their projects. We have all of the awards executed at this point, working with the DFA, the Attorney General's Office, the Bond Counsel, etc. We've been providing technical assistance and guidance to grantees -- you may remember that this grant opportunity hadn't been available for 20 years, so libraries are really gearing up to be able to use the funds efficiently.

We've heard anecdotally that labor and supplies are in short supply, which may impact the individual project timing. For round two, we're in the process of getting the (indiscernible) for those appropriations, even as we speak. We have recommended 37 projects, totaling about \$37,500,000, be recommended for approval. Of those, 10 are what we're considering large grants, which are for building new buildings, re-constructions, renovations; and another 26 are for smaller projects which are focused on accessibility for the Americans With Disabilities Act, as well as repairs like HVAC kinds of things, ventilation and control projects.

And those we're hopeful-- I believe the Bill is available in the Assembly on Monday, and (indiscernible) refer to Appropriations Committee, so once we get them to sign off on it we will be notifying the grantees and those not selected for them. But there's still a need for Library Construction Bond Act funds. We received 117 applications this time and, again, we're only able to award 36 grants -- at least about \$80,000,000 that's still in need out there, that were aware of, for Library Bond Act funds.

And I'm happy to take any questions.

MR. RUTALA: Thank you. Will it be an additional round, or does this conclude the program?

MS. NELSON: This concludes the program as of -- presuming the Legislature appropriates all the funds, it does complete the program. But we need additional funds.

MR. RUTALA: Thank you.

MS. NELSON: Thank you.

SENATOR SARLO: This is Senator Sarlo, I have a question.

I'm sorry, my phone cut out there; if this question was asked already, I apologize.

If I'm reading this chart correctly, \$86,000,000 was allocated based upon the project listing? Is that correct?

MS. NELSON: That's correct for the first round of the Construction Bond Act.

SENATOR SARLO: Okay. And there is \$15,000,000 left to be drawn down by those libraries -- is that correct, if I read that chart correctly?

MS. NELSON: I'm going to turn to my Finance Officer, Sheri.

SHERI SHAFER: So, that's actually the -- the \$15,000,000 is what's expected at the end of FY23. We're expecting about \$37,000,000 for the rest of this year, in FY22; another \$33 -- \$34,000,000 in FY23; and then the remaining balance thereafter.

SENATOR SARLO: Okay. And that was the round one, \$86,000,000 for round one?

MS. SHAFER: Correct.

SENATOR SARLO: Okay.

Thank you.

MR. LANGSDORF: Okay, are there any other questions?
(no response)

Okay, if there are no other questions, now we have Ray Arcario, the Executive Director of the New Jersey Building Authority to give us an overview of the repurposing of bond funds to move forward with the security screening building and courtyard project.

MR. ARCARIO: Thank you, Jamie; thank you Chair.

It's been a long time since the Building Authority has been required to come before the Commission, and that's simply because the Building Authority hasn't done bonding in a Capital project in a good number of years. But posted bylaws of the Commission and the statute, enabling statute for the Building Authority, require that the Building Authority seek the approval of the Commission for both new bonding and for the repurposing of existing bonds.

And so I come before the Commission today looking for recommendation and approval for the security screening building and secure courtyard project, which will be funded with the use of residual bond funds. And those bond funds are from a number of different series of bonds for different projects that have been completed; and all contractors, and consultants, and everyone has been paid. And so these are funds that the Building Authority more or less is sitting on, and so the expectation is that we will repurpose those bond funds -- not require any new funding or indebtedness by the State -- and that will be sufficient to fund the design and construction of the security screening building and secure courtyard, as well as a proper contingency.

So just to briefly identify what the project is, this is an outgrowth of the Executive State House restoration and renovation. As part of that project, early on we engaged stakeholders throughout the state to form a security working group, and through our design consultants -- we have world-class security consultants who led that effort -- rather than look at the Executive State House singularly, we looked at the *broader district*. And I know I'm making up a term; but we looked at security concerns from Calhoun to Barrack/Willow, and from Route 29 to Warren Street -- no, sorry, not Warren Street; West Hanover Street, my apologies, parallel to Route 29.

And without trying -- trying to be circumspect and not divulge too much in an open public meeting, we identified weaknesses in our campus. And to address that, one of the primary recommendations from the security consultants, and supported by the security working group, has been to screen persons outside of the complex buildings *before* permitting them to enter the building. As probably everyone on this call knows, we currently

screen people at the south end of the Legislative staff building leading into the Legislative State House, we screen persons in the Annex, and we screen persons in the atrium of the parking garage. And we used to screen people inside the Executive State House, and we'll no longer do that when the renovated and restored building reopens.

But the other locations all remain inside our complex buildings. So this project -- the intent of this project, the scope of this project -- is to design and construct a security screening building that will be in very close proximity to the sidewalk on West State Street, between the Executive State House and the Annex. And then to take the area which has always been a courtyard that's between the Executive State House, the Legislative State House to the east; and the Annex to the west. And that courtyard would become secure, so that persons screened through the screening building would be exited into the secure courtyard, and then have access into the Executive State House, the Legislative State House, and the Annex.

And you know, this is step one of the recommendations. They include at least a second, if not a third screening building. But the funds that the Building Authority has that are available for this project are \$8,300,000 through, as I said, I think it's approximately 20 different bond fundings. So the \$8.3 is sufficient to fund this screening building and secure courtyard; but the recommendation will remain open for replication of buildings like this, so that we see persons screened outside of our Legislative staff building, Legislative State House, Annex, parking garage, and Executive State House.

And I certainly will entertain any questions.

ASSEMBLYMAN WIRTHS: This is Assemblyman Hal Wirths. I have a question on closing off the entire courtyard there. I mean, it seems to me like it may be a solution looking for a problem. That is where the public has held demonstrations through the years, and *people* demonstrations, and my concern is that we're cutting off democracy and people having their voices heard.

I know a lot of us on both sides of the aisle (indiscernible) what the argument is here -- people through the buildings. But I don't think I'm comfortable closing off a public courtyard. I do know, obviously, that security is key and the most important, but I don't think this is-- If you can maybe expend more on-- The courtyard has to completely cut off the public's access and folks that have come down and demonstrated on their issues. And to my knowledge, in my short time in Trenton, without any problems.

MR. ARCARIO: So the courtyard provides logistical access to the main campus buildings, both-- Not both, all: the Annex, the Legislative State House, and the Executive State House. So placement of the security building there, and then securing that entire courtyard in one shot, allows us, depending on how the State Police will approach screening persons in the future-- But it will provide the utility and the mechanical ability to screen persons, and then allow them to, in a secure way, exit the screening building into the campus buildings.

In front of the renovated State House, we will still have gathering space, which is where many persons have gathered and voiced their opinions. Persons may not necessarily be as aware, because it's across the street, but the World War II Memorial, when we designed that, we similarly

accommodated open space. And over the years, the 15 years since that has opened, that has also been a gathering place.

And I certainly appreciate your concerns about the courtyard then only being available for persons who have been screened. But at the risk of sounding dramatic, I agree with what you said -- security has to be the number one priority. And that's been our focus, which is, how can we best approach modern considerations for security for people who work in the complex and people who come and visit the complex? And again, I don't want to be revealing too much in an open public meeting, but our complex is vulnerable. Our buildings are fragile, meaning that they could not withstand a minor attack. And the terms that get used by security personnel are *catastrophic loss of life* and *damage to the building*.

So it really becomes a security concern and a logistical opportunity, and we were mindful of the fact that this has been an open public space that will now only be accessible to persons screened. But without building five or six security buildings adjacent to each one of the Capital Complex buildings, there was no other opportunity for us to, with one security building, allow access into the main campus buildings.

SENATOR WIRTHS: No, I get it; that it's security. And it's also the public's House, and they seem to be taking more and more away each time. I don't know what would be better, obviously, but closing off an entire courtyard I have great concerns with. It's been open, and I can see the logic of screening people outside if they choose to do so, but I do have concern with making it more and more difficult for the public to access their own property and their own State House.

I voiced my concerns, I see your side. I appreciate your response.

MR. ARCARIO: Thank you, sir.

MR. RUTALA: Were there any other questions? (No response)

If not, I will entertain a motion to repurpose existing bond funds for the security screening building and secure courtyard project.

MR. CIMINO: Mr. Chairman, this is Skip Cimino. I move the motion.

MR. RUTALA: Thank you.

And second?

MS. POVIA: Second; Jo-Ann.

MR. LANGSDORF: Okay. On the motion to repurpose the available bond funds for the security screening building and security courtyard project.

Senator Sarlo. (no response)

Senator Thompson.

SENATOR THOMPSON: Yes.

MR. LANGSDORF: Assemblywoman Sumter. (no response)

Assemblyman Wirths.

ASSEMBLYMAN WIRTHS: No.

MR. LANGSDORF: Ms. Jo-Ann Povia.

MS. POVIA: Yes, absolutely.

MR. LANGSDORF: Mr. Dennis Zeveloff.

MR. ZEVELOFF: Yes.

MR. LANGSDORF: Ms. Paulina Banasiak.

MS. BANASIAK: Yes.

MR. LANGSDORF: Mr. Daniel Davidow. (no response)

Mr. Anthony Cimino. (no response)

Mr. Luke Wolff.

MR. WOLFF: Yes.

MR. LANGSDORF: Mr. James Rutala.

MR. RUTALA: Yes.

How many votes in the yes?

MR. ONDA: Jamie, this is Brian Onda. There are six in the yes, and one in the no. However, I'm not sure if Senator Sarlo and Daniel Davidow -- who are present -- have had their opportunity to vote.

MR. LANGSDORF: If we may, and I apologize, we're going to go through it again.

Senator Sarlo. (no response)

Senator Thompson.

SENATOR THOMPSON: Yes.

MR. LANGSDORF: Assemblywoman Sumter. (no response)

Assemblyman Wirths.

ASSEMBLYMAN WIRTHS: No.

MR. LANGSDORF: Jo-Ann Povia.

MS. POVIA: Yes.

MR. LANGSDORF: Mr. Dennis Zeveloff.

MR. ZEVELOFF: Yes.

MR. LANGSDORF: Ms. Paulina Banasiak.

MS. BANASIAK: Yes.

MR. LANGSDORF: Mr. Daniel Davidow. (no response)

Mr. Anthony Cimino. (no response)

Mr. Luke Wolff.

MR. WOLFF: Yes.

MR. LANGSDORF: Mr. James Rutala.

MR. RUTALA: Yes.

MR. LANGSDORF: That is six votes in the positive.

MR. CIMINO: Mr. Chairman, excuse me, this is Skip Cimino. Somehow I got cut off the line.

I will record an affirmative vote, please if you would, for the security building project for the New Jersey Building Authority.

MR. LANGSDORF: Okay, thank you Mr. Cimino.

That's seven votes in the yes, so I believe we have enough votes to pass that.

MR. RUTALA: Okay, thank you.

Is there anything else to come before the Commission today? (no response)

MR. LANGSDORF: Our next meeting is tentatively scheduled for February 4, everyone.

UNIDENTIFIED SPEAKER: Okay, have a nice holiday.

MR. RUTALA: Okay, motion to adjourn?

MR. LANGSDORF: Thank you.

(MEETING CONCLUDED)