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# *Commission Meeting*

of

## NEW JERSEY COMMISSION ON CAPITAL BUDGETING AND PLANNING

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**LOCATION:** Room L-109  
New Jersey State House  
Trenton, New Jersey

**DATE:** May 29, 2012  
10:30 a.m.

### **MEMBERS OF COMMISSION PRESENT:**

B. Carol Molnar, Chair  
Anthony F. Annese, Vice Chair  
Senator Steven V. Oroho  
Assemblyman Angel Fuentes  
Assemblyman Declan J. O'Scanlon Jr.  
Steven Petrecca  
Robert Romano  
Beth Schermerhorn



### **ALSO PRESENT:**

Thomas J. Solecki  
*Executive Director*

Jerry Traino  
*Assembly Republican  
Commission Aide*

Christopher Emigholz  
*Senate 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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## TABLE OF CONTENTS

	<u>Page</u>
Raymond A. Arcario Deputy Executive Director, Design and Construction Division of Property Management and Construction, and Executive Director New Jersey Building Authority New Jersey Department of the Treasury	3
Steven M. Sutkin Director Division of Property Management and Construction New Jersey Department of the Treasury	5
<b>APPENDIX:</b>	
New Jersey Building Authority Project reports submitted by Thomas J. Solecki Executive Director New Jersey Commission on Capital Budgeting and Planning	1x
pnf: 1-10	

**(The New Jersey Commission on Capital Budgeting and Planning held a teleconference meeting on May 29, 2012 at 10:30 a.m. Members of the Commission present via teleconference were B. Carol Molnar, Chair; Anthony F. Annese, Vice Chair; Senator Steven V. Oroho; Assemblyman Angel Fuentes; and Assemblyman Declan J. O'Scanlon Jr.)**

MR. SOLECKI (Executive Director): Hello?

**B. CAROL MOLNAR, Esq. (Chair):** Yes.

MR. SOLECKI: Can everyone hear me?

ALL (on conference call): Yes.

MS. SCHERMERHORN: There you go.

MR. SOLECKI: Thank you for your patience.

With us in the room today we have Beth Schermerhorn, Steve Petrecca, Rob Romano, and--

MS. MOLNAR: Hold on, I think I took the wrong number; hold on one second.

MR. SOLECKI: On the phone we have Senator Oroho, Assemblyman Fuentes, Carol Molnar, and Anthony Annese. Welcome aboard, everybody.

Carol, would you like to begin?

MS. MOLNAR: Yes. First I'd like to welcome our newest member, Assemblyman Fuentes.

ASSEMBLYMAN FUENTES: Thank you.

MS. MOLNAR: We will all have to meet you in person at our meeting in the fall.

Okay, let me start with calling the meeting to order.

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. SOLECKI: Senator Sarlo. (no response)

Senator Oroho.

SENATOR OROHO: Here.

MR. SOLECKI: Assemblyman Fuentes.

ASSEMBLYMAN FUENTES: Yes.

MR. SOLECKI: Assemblyman O'Scanlon. (no response)

Rob Romano.

DEPUTY STATE TREASURER ROMANO: Here.

ASSEMBLYMAN O'SCANLON: Declan here; sorry I'm a little late.

MR. SOLECKI: That's okay; welcome aboard, Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Thanks.

MR. SOLECKI: Steven Petrecca.

MR. PETRECCA: Here.

MR. SOLECKI: Beth Schermerhorn.

MS. SCHERMERHORN: Here.

MR. SOLECKI: Anthony Annese.

**MR. ANNESE (Vice Chair):** Here.

MR. SOLECKI: Carol Molnar.

MS. MOLNAR: Here.

MR. SOLECKI: Joanne Cimiluca. (no response)

Madam Chair, we have a quorum.

MS. MOLNAR: All right. I'd like to welcome Assemblyman O'Scanlon also, since he just joined us.

ASSEMBLYMAN O'SCANLON: Thank you.

MS. MOLNAR: Hopefully we'll meet you all in person in the fall.

Okay, you all received, via e-mail, the two proposals for the New Jersey Building Authority. Perhaps we could take them one at a time.

Tom, is anyone from the Authority there in person to answer any questions?

MR. SOLECKI: Yes, we have Ray Arcario here today.

MS. MOLNAR: Okay.

MR. SOLECKI: We also have Steve Sutkin from the Division of Property Management and Construction.

MS. MOLNAR: Good, okay.

The first item is the exterior envelope restoration and repair to the State House. I just had one question -- or should I say two? I have two questions. The write-up said the restoration replacement of skylights. Now, skylights tend to be problematic; I was wondering if these skylights will be totally eliminated.

**RAYMOND A. ARCARIO:** This is Ray Arcario speaking.

There are two skylights that will be eliminated. They are not adding any current historic value to the fabric, if you will, of the executive State House and, therefore, as you described, they are problematic. So it

would be historically correct for them to be eliminated, and they will be eliminated.

MS. MOLNAR: All right. They're the only two, and those two will be eliminated.

MR. ARCARIO: Correct.

MS. MOLNAR: Okay. The other bullet point was replacement of the HVAC systems. What is the life expectancy of the new system?

MR. ARCARIO: Well, as you can well imagine, the engineering for that work has yet to take place, and that will be part-in-parcel of this design -- developing the proper engineering analysis and specifying what equipment would best serve the State. But we will be targeting efficient -- very efficient equipment with as long a life expectancy as is possible. But I couldn't give you a timetable on how long we would expect that equipment's life expectancy--

MS. MOLNAR: Well, the average runs about 20 years, at least for a home. I would suspect commercial might be the same?

MR. ARCARIO: We certainly will be targeting the 20-years. But--

MS. MOLNAR: All right.

MR. ARCARIO: That will be with an on-going maintenance program to ensure that that equipment optimally performs during that 20-year period of time.

MS. MOLNAR: Okay, I understand.

Okay, those are the only questions I have. I'll open it up to the floor for anyone else present: give your name and then ask the question.

ASSEMBLYMAN O'SCANLON: This is Declan; just one quick-- It sounds like a really practical idea to move the mechanical and electrical equipment. How many times has it been damaged by floods?

MS. MOLNAR: Oh, we were talking about the State House envelope first; we were taking them in order.

ASSEMBLYMAN O'SCANLON: Oh, I'm sorry.

MS. MOLNAR: Do you have questions on that one?

ASSEMBLYMAN O'SCANLON: I can wait until we do it.

MS. MOLNAR: All right. Do you have any questions on the--

ASSEMBLYMAN O'SCANLON: Oh, no, I have a pretty good understanding, and I got my questions answered previously on that.

MS. MOLNAR: Good, oh, good. All right.

Anybody else with questions on that? (no response)

Okay, if not, we'll move on to the relocation of the mechanical and electrical room in the State House.

I just had one question: What was the cost of the original garage when it was built?

**S T E V E N M. S U T K I N:** We don't have that information in front of us, but we can get that. This is Steve Sutkin from the Division of Property Management and Construction. That project was over 20 years ago, so we'd have to go into our records.

MS. MOLNAR: You don't have any gut feeling? Are we talking \$20 million, \$30 million? Okay, I was just wondering. This is \$6 million; I want to see-- I'm trying to figure out what percentage of the original cost is this new enhancement. But if you don't have it, you don't have it.

That's the only question I had. Now, Assemblyman O'Scanlon -- you had a question.

ASSEMBLYMAN O'SCANLON: Yes, I realize it's a 100-year flood plain -- we have an issue. I was just wondering how many times the equipment has been damaged by flood? It may be in the information that I received; I'm sorry I didn't get to read it all. I was just curious: Has it been destroyed once, three times? I mean, it's a good idea to move it anyway; and, in fact, I think that case has been made. I'm just wondering: Have we had-- I see we have -- each flood threat occurrence, it cost the State \$65,000. How much money over the years has the actual damage cost us?

MR. SUTKIN: Well, I think the cost for the damage has paled in comparison to the cost to move. I think we've done a pretty good job moving the equipment whenever there's that threat. So there has been some damage, but because of the steps that were taken to hire contractors, we've avoided a lot of the costs of the damage. But moving the air handling equipment and all the equipment inside of the air handling unit -- the compressors, the evaporators, and all the electronic componentry -- wears at the system. So it has shortened some of the life of that equipment. But because of the major costs -- the \$3 million that you alluded to, and the 16 occasions which are when there is actual flooding, and when there's a threat of flooding that's realistic enough to move it and is required to move it -- is \$3 million. But I don't think there's been as much costs due to damage as there has been the cost to move the equipment.

ASSEMBLYMAN O'SCANLON: Look, I understand. It all makes sense if you do the math -- \$6.3 million is a good investment over time. So you answered my question; thank you.

MS. MOLNAR: Okay.

SENATOR OROHO: Let me-- This is Senator Oroho, and I think the project is-- Particularly since the cost has exceeded \$3 million, do we have any claim against any other party, with respect to cost recoupment or anything like that, for the design or the work?

MR. SUTKIN: No, there are no claims. Any claims would be -- whether there was a viable claim or not -- I believe they would be barred by any applicable statute of limitations or statute of repose.

But these-- I don't recall the specific details; the likelihood of a claim, or successful claim was looked at back when it might have been timely filed. And my recollection is the decision was that there would be no suit filed.

SENATOR OROHO: Okay. I mean, it's a separate issue than this project itself, because obviously this project should go forward. I was just curious because I was still pursuing any kind of claims and if the statute of limitations or whatever-- But I appreciate the answer; thank you.

MS. MOLNAR: Any other questions? (no response)

Okay, if not we could take a vote.

Tom, should we take a vote separately or the two projects together?

MR. ARCARIO: Tom, I just want make to make--

MR. SOLECKI: Ray has something, in addition, to add.

Go ahead, Ray.

MR. ARCARIO: Madam Chair, I just want to make a clarification on the envelop project. I indicated that there were two skylights that would be eliminated. I want to make it clear that there are

several skylights that, through the State's Historic Preservation Office, will remain. And those skylights, the conditions of them, have deteriorated such that there will either be a complete restoration or replacement of those skylights. So this project does not just include us addressing two skylights; there are several, I think maybe as many as seven, skylights which would be addressed in this project, two of which will be eliminated, the others which will be restored or replaced.

MS. MOLNAR: Now, why wouldn't the others be eliminated?

MR. ARCARIO: Because they have historic significance.

MS. MOLNAR: Oh, okay. Got you; okay.

Any other questions or comments? (no response)

If not, do I hear a motion to approve these two projects?

ASSEMBLYMAN O'SCANLON: So moved.

MS. MOLNAR: Who moved it?

ASSEMBLYMAN O'SCANLON: That was Assemblyman  
O'Scanlon.

MS. MOLNAR: Okay. And do I hear a second?

SENATOR OROHO: Second.

MS. MOLNAR: Who seconded it?

SENATOR OROHO: Oroho.

MS. MOLNAR: Oh, good. Thank you.

All right; we'll take, I believe, a name-by-name approval.

Tom, you'll take the--

MR. SOLECKI: Senator Oroho.

SENATOR OROHO: Yes.

MR. SOLECKI: Assemblyman Fuentes.

ASSEMBLYMAN FUENTES: Yes.

MR. SOLECKI: Assemblyman O'Scanlon.

ASSEMBLYMAN O'SCANLON: Yes.

MR. SOLECKI: Deputy State Treasurer Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SOLECKI: Assistant State Treasurer Petrecca.

MR. PETRECCA: Yes.

MR. SOLECKI: From the Governor's Office, Beth Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SOLECKI: Anthony Annese, Vice Chair.

MR. ANNESE: Yes.

MR. SOLECKI: Chair Carol Molnar.

MS. MOLNAR: Yes.

MR. SOLECKI: Madam Chair, we have a quorum; everyone has voted in the affirmative. Both measures have been approved.

MS. MOLNAR: All right. I want to thank everyone for coming. I don't think there is any other business, is there, Tom?

MR. SOLECKI: No, not today; thank you.

MS. MOLNAR: Now, Tom, will you email me these resolutions to sign? What will we do on this?

UNIDENTIFIED MEMBER OF COMMISSION:  
(Indiscernible) the resolutions for the Commission.

MS. MOLNAR: Okay -- well, you and I will work something out.

All right, thank you all and have a--

SENATOR OROHO: You're quite welcome.

MS. MOLNAR: Have a great day. Take care.

**(MEETING CONCLUDED)**