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# *Commission Meeting*

of

## NEW JERSEY COMMISSION ON CAPITAL BUDGETING AND PLANNING

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**LOCATION:** 33 West State Street  
Trenton, New Jersey

**DATE:** October 25, 2013  
10:00 a.m.

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

B. Carol Molnar, Chair  
Anthony F. Annese, Vice Chair  
Senator Paul A. Sarlo  
Senator Steven V. Oroho  
Assemblyman Angel Fuentes  
Thomas Neff  
Steven Petrecca  
Robert Romano  
James Rutala  
Beth Schermerhorn  
Jerry Traino



### **ALSO PRESENT:**

Thomas J. Solecki  
*Executive Director*

Sonia Das  
*Senate Majority  
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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(The New Jersey Commission on Capital Budgeting and Planning held a teleconference meeting on October 25, 2013, at 10:00 a.m. Members of the Commission present via teleconference were B. Carol Molnar, Anthony F. Annese, Senator Paul A. Sarlo, Senator Steven V. Oroho, Assemblyman Angel Fuentes, Thomas Neff, Steven Petrecca, Robert Romano, James Rutala, Beth Schermerhorn, and Jerry Traino.)

B. CAROL MOLNAR, Esq. (Chair): I'd like to call 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 (Executive Director): Senator Sarlo. (no response)

Senator Oroho.

SENATOR OROHO: Here.

MR. SOLECKI: Assemblyman Fuentes. (no response)

Declan O'Scanlon. (no response.)

So Jerry Traino is here for Declan O'Scanlon.

MR. TRAINO: I'm here.

MR. SOLECKI: Rob Romano.

DEPUTY STATE TREASURER ROMANO: Here.

MR. SOLECKI: Steven Petrecca.

MR. PETRECCA: Here.

MR. SOLECKI: Beth Schermerhorn.

MS. SCHERMERHORN: Here.

MR. SOLECKI: Tom Neff.

MR. NEFF: Here.

MR. SOLECKI: Joanne Cimiluca. (no response)  
James Rutala.

MR. RUTALA: Here.

MR. SOLECKI: Anthony Annese.

**ANTHONY F. ANNESE (Vice Chair):** Here.

MR. SOLECKI: And Carol Molnar.

MS. MOLNAR: Here.

MR. SOLECKI: Madam, we have a quorum.

MS. MOLNAR: Thank you so much.

I'll have to turn the meeting over to you again, Tom. You'll have to run this portion. We have to elect a Chair and Vice Chair.

MR. SOLECKI: Yes. Would someone like to make a motion nominating a Chair and a Vice Chair? Currently the Chair is Carol Molnar, and Vice Chair is Anthony Annese.

SENATOR OROHO: Can I make a motion that we keep Carol as Chair, and Anthony as Vice Chair?

MR. SOLECKI: Yes.

MS. SCHERMERHORN: I'll second that.

MR. SOLECKI: Okay, we're going to take a vote by each member to confirm the selection.

Steven Oroho.

SENATOR OROHO: Yes.

MR. SOLECKI: Jerry Traino for Declan O'Scanlon.

MR. TRAINO: Yes.

MR. SOLECKI: Rob Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SOLECKI: Steve Petrecca.

MR. PETRECCA: Yes.

MR. SOLECKI: Beth Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SOLECKI: Tom Neff.

MR. NEFF: Yes.

MR. SOLECKI: James Rutala.

MR. RUTALA: Yes.

MR. SOLECKI: Anthony Annese.

MR. ANNESE: Yes.

MR. SOLECKI: And Carol Molnar.

MS. MOLNAR: Yes.

MR. SOLECKI: The action has been approved.

MS. MOLNAR: Thank you.

ASSEMBLYMAN FUENTES: I'm sorry. I really came in late; I apologize. My name is Angel Fuentes.

MS. MOLNAR: Welcome, Assemblyman.

ASSEMBLYMAN FUENTES: Hi. Can you just, very briefly -- before I can vote on that?

MR. SOLECKI: Mr. Fuentes, we just took votes on the election of the Chair and Vice Chair. The Chair nomination is for Carol Molnar; the Vice Chair is for Anthony Annese. All members have voted in the affirmative. How do you vote?

ASSEMBLYMAN FUENTES: Yes.

MR. SOLECKI: Okay.

The election has been approved. I guess we can move on to the second action.

MS. MOLNAR: The next item is the approval of the minutes of January 18, which you all should have received -- via e-mail, I believe.

Any questions or comments? (no response)

If not, I'll move for the approval of the minutes of January 18, 2013.

SENATOR OROHO: I'll make a motion.

MR. SOLECKI: Thank you.

As you speak, we have our transcriptionist here, and she can't see who is speaking. So if you could give your name before speaking, or after speaking, that would be helpful. Thank you.

I'm going to take a vote on the action to approve the minutes. We've gotten Steven Oroho's approval.

MS. MOLNAR: We need a second.

MR. SOLECKI: A second, excuse me.

MR. SOLECKI: Mr. Oroho, do you vote to approve the minutes?

SENATOR OROHO: Yes.

MR. SOLECKI: Mr. Fuentes.

ASSEMBLYMAN FUENTES: Yes.

MR. SOLECKI: Mr. Traino.

MR. TRAINO: Yes.

MR. SOLECKI: Rob Romano.

DEPUTY STATE TREASURER ROMANO: Yes.

MR. SOLECKI: Steve Petrecca.

MR. PETRECCA: Yes.

MR. SOLECKI: Beth Schermerhorn.

MS. SCHERMERHORN: Yes.

MR. SOLECKI: Tom Neff.

MR. NEFF: Yes.

MR. SOLECKI: James Rutala.

MR. RUTALA: Abstain.

MR. SOLECKI: Okay.

Carol Molnar.

MS. MOLNAR: Yes.

MR. SOLECKI: And Anthony Annese.

MR. ANNESE: Yes.

MR. SOLECKI: The motion is approved.

MS. MOLNAR: Thank you.

Is there an Executive Director's report at all today?

MR. SOLECKI: There is. I sent a one-page document just to kind of complete last year's capital budgeting planning.

MS. MOLNAR: Right. Thank you.

MR. SOLECKI: As you recall, we recommended a number of projects that totaled a little bit over \$20 million. And, based upon the Appropriations Act, all of those projects were approved. It's very good news. We've taken care of the top priority -- or the top priorities -- for the Department of Children and Families; the Department of Corrections -- we're replacing some HVAC systems; Environmental Protection -- we're

continuing to fund HR6 flood control; for Human Services, we're taking care of several disabled residential facilities at Vineland, Woodbine, and Green Brook -- we're providing new roofs there, we're providing HVAC systems there. At the Juvenile Justice Commission we are providing some fire safety funding as well as two roof replacements; and then, finally, at Law and Public Safety we are finally getting those emergency generators at the State Police Headquarters. So I think there is all good news here and everything has been approved.

MS. MOLNAR: Good, thank you.

Any questions or comments? (no response)

If not, let's move forward to the Fiscal 2015 capital requests.

The first department is the Department of Agriculture, which you have all received.

Any questions or comments on Agriculture?

MR. SOLECKI: We've seen these requests before -- probably the last four or five years.

MS. MOLNAR: Yes.

MR. SOLECKI: The tissue digester for \$3 million; the penning and gating area for \$125,000. I think the narrative speaks for itself.

MS. MOLNAR: Yes, okay.

If there are no questions or comments, we'll move on to Department of Children and Families.

MR. SOLECKI: Their number one request is for these regional schools. Each of them had an asbestos problem. We've now provided funding for 14 of them, including the Fiscal Year 2014 appropriation. And



it looks like we have two more to go. So this would get us even closer to completing this project at all the DCF regional schools.

MS. MOLNAR: Good -- that's good news.

Any questions or comments? (no response)

If not, we'll move on to the Department of Education.

I noticed that their top priorities are not in order. They've asked for priority 1, 2, 4, 5, and 8.

MR. SOLECKI: Yes, what they did--

MS. MOLNAR: Fifteen--

MR. SOLECKI: For the most part what they've tried to do here is consolidate all of the requests for Katzenbach -- at least, the top priority requests -- in one section of their request. So I guess one could say that Katzenbach is their number one priority, and for Fiscal Year 2015 their top priority is lighting and window replacements at \$350,000 and \$1 million, respectively.

MS. MOLNAR: Okay.

MR. SOLECKI: Their priority number two would be for next year, Fiscal Year 2016, where they're looking for sewer lines and steam line replacements.

MS. MOLNAR: Okay.

MR. SOLECKI: If you look at Fiscal Year 2017, they're looking for heating controls and additional steam lines. A lot of this stuff is energy-related type improvements -- whether it be lighting, window replacements, steam lines, heating controls. We're currently undergoing an energy audit at Katzenbach. Hopefully we can combine all of these into one package and bid it out as a pay-for-performance type of contract, where

the vendor will absorb the cost and then we will pay him back as we absorb the savings from implementing these initiatives. We hope to have that energy audit completed within the next few months.

MS. MOLNAR: Good.

Any questions or comments? (no response)

If not, we'll move on to Department of Transportation. There's only one item, and that's the Transportation Trust Fund -- which is for debt service and pay-as-you-go capital programs.

Any questions or comments? (no response)

If not, we'll move on to Juvenile Justice; they have quite a few requests.

MR. SOLECKI: Most of their requests are for their large complex known as the New Jersey Training School.

MS. MOLNAR: Right.

MR. SOLECKI: Their number one priority is for \$5.4 million for phase 3 of a boiler installation/decentralization out there. There are multiple facilities out there. DEP had come in long ago and demanded that they improve the environmental capacity of these systems and that led us to a decentralization project. And this funding is for the third and final phase of that project. It's highly likely that of all the requests we get this year, this is going to be a top priority because we want to get this done and have DEP confirm that we're now in compliance.

MS. MOLNAR: Good.

Any questions or comments? (no response)

If not, we'll move along to Department of Law and Public Safety. I just had one correction on priority number 4, the generator. They

say it's an FY 2014 capital appropriation. I think they mean 2015. It looks like a typo.

MR. SOLECKI: Which paragraph are we--

MS. MOLNAR: The very first paragraph under priority 4, generator.

MR. SOLECKI: That's correct; that is a typo. Thank you, Carol.

MS. MOLNAR: That should be 2015.

MR. SOLECKI: That's correct. And recall, when we reviewed the Fiscal Year 2014 funding that we provided \$2.2 million for two large 500-kilowatt generators. They also need two smaller generators out there -- I believe they are 330-kilowatt generators. So this is another priority that they need in terms of backup power. And hopefully we can find a way to fund this as well, because this is the hub of what they do out there at State Police and OIT. And perhaps Gloria may want to speak to that later on when we get to the OIT capital request.

MS. MOLNAR: Okay.

MS. SCHERMERHORN: This is for a different building than what we funded this year?

MR. SOLECKI: Okay.

This is Gloria Broeker who just spoke. Gloria, since we're on the topic, would you like to speak to it?

**G L O R I A J. B R O E K E R:** Actually, it wasn't me, but I can--

MS. SCHERMERHORN: I'm sorry; that was Beth.

MR. SOLECKI: Oh, hi, Beth.

MS. SCHERMERHORN: Hi. I'm sorry, I should have identified myself.

The request for this year is for a different-- Is it for a different building than what we funded in 2014?

MR. SOLECKI: Okay, let me step back. I spoke in error.

The Law and Public and Safety priority number 2 request is for those two smaller, 300-kilowatt generators that I was talking about.

MS. SCHERMERHORN: Right.

MR. SOLECKI: This request for number 4 is for backup generators up at their Newark office in the Regional Medical Examiner's Office. We've seen this request before.

MS. SCHERMERHORN: I'm sorry, I was questioning-- In 2014 we're funding two generators at the State Police Headquarters.

MR. SOLECKI: That's correct.

MS. SCHERMERHORN: And this is-- And number 2 is also for two generators at State Police Headquarters.

MR. SOLECKI: That is correct.

MS. SCHERMERHORN: Is it a different building?

MR. SOLECKI: Go ahead, Gloria.

MS. BROEKER: I can speak to that.

There are actually four generators at Building 15. So two will be replaced this year, and I believe the request is for the other two to be replaced next year.

MS. SCHERMERHORN: Okay.

MR. SOLECKI: Does that help, Carol?

MS. MOLNAR: Yes, thank you.

Any questions or other comments?

MR. ANNESE: Yes. Could you bring us up-to-date on the roof replacement funds? I notice it's Department priority number 1.

MR. SOLECKI: The roof replacement fund is pretty much fully utilized. We probably have several hundred thousand dollars remaining there for contingencies -- an extreme emergency that might crop up during the fiscal year. As we put together the Fiscal Year 2015 recommendation we will be sure to analyze the need for this roof replacement at Weights and Measures. Again, this is something that's been on Law and Public Safety's request for several years now. The fact that they've made it Department priority number 1 this year signals that it's become an urgent matter.

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

If not, we'll move onto Department of Military and Veterans Affairs.

I do note that some projects are 65 percent federally funded by the Veterans Administration and some projects are 50 percent federally funded. That's interesting.

MR. SOLECKI: Yes. The funding mechanism to Military and Veterans Affairs is a little quirky and it depends on the types of programs that they're running. It depends on whether it's for armories or if it's vet homes. So we rely on MAVVA to make those calculations when they provide their request to us.

This nurses' call station -- their number 1 priority -- is brand new. And apparently the Fed has come in and said that this is urgently needed and would really improve operations out there.

MS. MOLNAR: Oh, okay.

MS. SCHERMERHORN: I have another question.

When Military and Veterans ask, do they ask the Federal government first for approval of the project and then the State for the matching funds? Or do they get the State money first and then apply for it?

MR. SOLECKI: My understanding, Beth, is that yes, they do deal with the Fed ahead of time to make sure that the Fed is on board and that these are worthwhile projects and necessary projects.

MS. SCHERMERHORN: So the Federal government has already approved the nurses' call station?

MR. SOLECKI: My understanding is they are, yes, in the middle of approving it. With the Federal shutdown there's some grey area there. Obviously we wouldn't fund this without getting 100 percent confirmation that the Fed matching piece or contribution would also be there for us to implement the project. So I would imagine before we come up with our capital recommendation in December or January, we'll have that confirmation from Military and Veterans Affairs.

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

If not, we'll move on to the Department of Treasury OIT.

SENATOR OROHO: If I could just ask a general question first.

MS. MOLNAR: Sure, yes.

SENATOR OROHO: Just with respect to the multi-year refresh and modernization plan, and whatnot, just generally is there a joint strategy between OIT and facility communications that-- You know, a lot of these projects obviously are interrelated. Is there some sort of joint strategy to make sure that the information systems in any particular facility, or whether we move certain facilities -- if we put out different information systems or communication systems-- I'm just wondering if there's a joint strategy plan.

MR. SOLECKI: Gloria Broeker, if you could introduce yourself and your position at OIT, and maybe you could speak to Senator Oroho's question.

MS. BROEKER: Yes, I'd be happy to.

This is Gloria Broeker. I'm the Chief Operating Officer for OIT.

It's an excellent question and observation that there is a tremendous synergy between the facilities requirements for all of the application hosting that's required for the State. We do work very closely with the Department of Property Management and Construction. Some of the challenges that we've had in the past, though, are that not all buildings fall within the categories at DPMC. So we have a very close relationship with the State Police. And we do work collectively on improving those buildings to support all of the hosting requirements that will meet the demand for all the agency modernization initiatives.

SENATOR OROHO: Thank you. I appreciate it. Thank you very much.

MS. MOLNAR: Okay, now is someone making a presentation for OIT -- Gloria or Sharon?

MS. BROEKER: That would be me.

MS. MOLNAR: Okay.

MS. BROEKER: Without going through each individual one, what I will say is that we continue to have a multi-year strategy in meeting the demands of the agencies -- and that is through all of the initiatives within the departments and agencies to continue to provide services to the citizens as well as the businesses, with an increasing demand on what we classify as *high availability*. That means having this infrastructure and this equipment at multiple locations. That requires 24/7 availability. Every agency in some way, shape, or form is attempting and driving towards providing services to the citizens and/or businesses to be available over the internet, and all of that requires equipment on the back end. That equipment has facilities in which they need to be housed, which is why we have been working directly with the facilities components to ensure that we have proper cooling, electric, and fire suppression -- all of those elements that are required for computerized equipment.

So what you have here is a culmination of individual projects that, overall, support all of the modernization initiatives throughout all of the businesses. We continue to consolidate environments so that each agency does not have a significant investment requirement in smaller computer rooms, which is why we're seeing a continued investment in our major data center facilities.

So the first priority that we have is the enterprise application hosting infrastructure expansion. This is a continuation of the multi-year



projects initiative to ensure that all of the equipment is meeting the requirements to become reliable on a 24/7 basis. OIT has engaged on an enterprise messaging project to ensure that we have a robust messaging environment for all agencies. This is a multi-year initiative, and we initiated it in FY 2014 and we will continue it in FY 2015. We anticipate having requirements to expand that capacity in FY 2015, which is what this current request is.

The hub power infrastructure is just that -- we have reached capacity at our hub data center and we have been working closely with PSE&G and DPMC to improve our capacity to meet all the demands of all the equipment that's being placed there.

Because of the 24/7 requirements of many of these agency applications -- some of which are Federally funded and it's mandated to have multiple data center presence -- we do have an alternate data center expansion requirement. That will not only serve for new application development, but in particular, at 50 West State, that has been identified as a hub for meeting some of the storage and backup requirements for many downtown departments and agencies. We're consolidating so that individual agencies do not have to invest in some of the backup and storage requirements that continue to grow.

The next-generation services network central ring is within the downtown Trenton area. We made improvements in the north and in the southern part of the state; now we need to complete this to ensure that all the communications capabilities are there, to ensure that there's a reliable communications capability throughout all of the data centers so that every application that is hosted is accessible 24/7. And what we do there is we

will end up saving some money by reducing the requirements for carrier circuits. I believe last year -- Gary Alpert is here -- I think we did save about half a million dollars initially in one year on carrier-based circuits with the telecommunications providers. And we're going to continue that, and we will have a continued reduction on those carrier-based services once we complete this.

And then lastly, number 6, IBM mainframe refresh. It's been seven years since we refreshed the IBM mainframe. And although we do see many modernization initiatives for agencies, it's anticipated that for the next four or five years we will still have a dependency for the IBM mainframe environment. Currently, over 40 percent of applications that the agencies have deemed to serve mission-essential functions still reside on the IBM mainframe. So it's becoming closer to end of service life and that does need a refresh.

Seven through eleven -- we've actually-- We're looking for alternative funding so we can remove those from the list.

MS. MOLNAR: Okay.

Any questions or comments? (no response)

I just had a quick question on item 6. So every seven years or so this IBM mainframe has to be refreshed, in your opinion?

MS. BROEKER: Yes. It is a piece of equipment that typically has a service life of five to six years. As much as we possibly can we try to get the full six years. Now, what we do anticipate, over time, to reduce our dependency on the IBM mainframe -- once modernization efforts within Motor Vehicle and State Police and Treasury start coming off of the IBM mainframe, that just means that dollars will be diverted to more distributive

environments. There will still be equipment needs but not on a centralized mainframe.

MS. MOLNAR: Okay, good. That's good news.

Any other questions or comments?

SENATOR SARLO: Yes, I'm sorry, this is Senator Sarlo. I was just transferring into the car. I didn't hear the comment about priority 7 through, I think it was, 14. What was the--

MS. BROEKER: Yes sir. Our intent is to find alternate methods of funding these items. So we're removing them from the list.

SENATOR SARLO: Oh, okay. Because on priority number 9, when I was reading that I saw that it was one of the -- it may have been one of the critical reasons for the shut down of the data center. I was just wondering if that is still a major concern -- or how we got over, that we might not have another repeat.

MS. BROEKER: Very good observation. It was, indeed, one of the contributing factors. We're actually looking at a short-term fix to allow us to monitor the synchronization of those generators before we put this fully implemented system in place. So we do have a short-term initiative underway this fiscal year, and eventually we will want to replace all that synchronization gear. But we--

SENATOR SARLO: Okay. So we're confident that it doesn't have to be a higher priority?

MS. BROEKER: It is a high priority, but we're actually pursuing it this year on a short-term basis; and then we'll have a long-term initiative which we will fund through alternative means.

SENATOR SARLO: Okay, all right. Thank you.

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

Okay, we'll move along. Other business -- is there any new business to be discussed today? (no response)

If not, I'd like to remind everyone that our next meeting is set for November 15. I hope you can all make it.

So if there is no further business, I'll adjourn the meeting. Is everyone okay with that?

SENATOR SARLO: I make a motion to adjourn.

MS. MOLNAR: Terrific. Thank you, thanks everybody for coming today.

MR. ANNESE: Thank you.

MS. MOLNAR: Bye bye.

MR. ANNESE: Good bye.

**(MEETING CONCLUDED)**