



**REGULAR SESSION BOARD MEETING**  
**Thursday, April 19, 2012**

A Regular Board meeting of the New Jersey Sports and Exposition Authority was held on Thursday, April 19, 2012, at 10:00 a.m., in the NJSEA Executive Offices in East Rutherford, New Jersey.

**Members in Attendance:**

Mike Ferguson, Chairman  
Joseph Buckelew, Vice Chairman  
Armando Fontoura, Member  
Wayne Hasenbalg, Esq., President and Chief Executive Officer  
LeRoy Jones, Member  
George Kolber, Member  
Paul Macchia, Chief of Staff New Jersey Meadowlands Commission Representative  
Michael Neglia, Member  
Fred Potter, Member  
Jim Leonard, Chief of Staff, NJ State Treasurer's Representative  
Anthony Scardino, Member  
Robert Yudin, Member

**Members Absent:**

Harry Harchetts, Member  
Rev. Dr. David Jefferson, Member  
Steven Plofker, Member  
Robert Harris, PhD., Member

**Also Attending:**

Giuseppina Coppa, Vice President IT Telecommunications  
John Duffy, Vice President Engineering, Construction and Regulatory Affairs  
John Forbes, NJTHA  
Jon Hanson, Chairman, The New Jersey Gaming, Sports, and Entertainment Commission  
Bob Holmes, The New Jersey Gaming, Sports, and Entertainment Commission  
Paul Josephson, Esq.  
Ralph J. Marra, Jr., Esq., Sr. Vice President Legal and Governmental Affairs  
James Minish, Executive Vice President, Facilities  
Robert Mulcahy, The New Jersey Gaming, Sports, and Entertainment Commission  
Lennon Register, Chief Financial Officer  
John Samerjan, Vice President Public Affairs  
Mark E. Stefanacci, Esq., COO, Legal Counsel  
Brett Tanzman, Assistant Counsel, Governor's Authorities Unit  
George Zahn, Vice President, Purchasing and Risk Management  
Roderick Vinson, Minority Business Contractors

Chairman Ferguson called the meeting to order at 10:02 a.m.

Chairman Ferguson stated that the New Jersey Sports and Exposition Authority gave notice of the time, place, and date of this meeting by providing such notice to the Secretary of State for the State of New Jersey, The Star-Ledger, The Record, and other newspapers and by posting the notice at the offices of the Authority.

**I. APPROVAL OF MINUTES**

Chairman Ferguson presented the minutes of the Board Meeting held on March 15, 2012.

Upon motion made by Commissioner Buckelew and seconded by Commissioner Jones, the minutes of the Board Meeting held March 15, 2012, were approved by a vote of 12-0.

**II. APPROVALS**

**1. Approval of Cash Disbursements Over \$100,000 and Professional Invoices**

The Chairman presented the report of cash disbursements over \$100,000 for the month of March 2012 and professional invoices for the month of March 2012.

Upon motion made by Mr. Leonard and seconded by Commissioner Scardino, the cash disbursements over \$100,000 for the month of March 2012 and the professional invoices for the month of March 2012 were approved subject to the following recusals:

<u>Member</u>	<u>Recused as to</u>
Chairman Ferguson	PSE&G
Commissioner Neglia	Deloitte & Touche; Wells Fargo Bank, PSE&G
Commissioner Buckelew	PSE&G

**2. Approval of the 2012 Capital Budget**

Mr. Register presented the 2012 Capital Business Plan. Commissioner Neglia stated that they are wrapping up a large part of the CAFO Project.

Commissioner Yudin asked about the firefighters. Mr. Minish stated that the firefighters are paid and that they go on calls to other towns and are also backed up by other towns when needed.

Mr. Leonard asked if the Board would have to approve individual projects, he was advised that the Board approves awards over a certain amount before a contract is executed.

Upon motion by Commissioner Scardino and seconded by Commissioner Yudin, the 2012 Capital Business Plan was approved by a vote of 12-0.

### III. CONSTRUCTION COMMITTEE

#### 1. Review of Engineering Projects at the Meadowlands Sports Complex and Monmouth Park Racetrack

John Duffy gave an update on the status of the CAFO Project.

#### 2. Approval of Construction Committee Meeting Minutes of April 11, 2012

The Chairman presented the minutes of the Construction Committee meeting held on April 11, 2012.

Upon motion by Commissioner Buckelew and seconded by Commissioner Scardino, the Construction Committee meeting minutes of April 11, 2012, were approved by a vote of 12-0.

### IV. AWARDS

#### A. Ratification of Awards Under \$100,000 and Awarded by the Chief Executive Officer Since the Last Board Meeting

##### Lagoon Repair MetLife Sports Complex

Six (6) proposals were received out of 15 solicited against specifications to conduct engineering planning, prepare design drawings and bid specifications and construction services for dam repairs between lagoons 1 and 2 on the MetLife Sports Complex. A contract in the not-to-exceed amount of \$78,430 was awarded to Civil Dynamics, Inc., the highest ranked and low responsible proposer, and was exempt for public advertisement for bid per NJSA 5:10-21.3a, services which are professional or technical in nature. This award was based on the ranking of the firms in accordance with the quality-based selection process as contained in NJSA 52:34-9:1 through 9:6. Civil Dynamics is a registered Small Business Enterprise.

Upon motion by Commissioner Buckelew and seconded by Commissioner Potter, the award to Civil Dynamics, Inc., to conduct engineering planning prepare design drawings and bid specifications and construction services for dam repairs between lagoons 1 and 2 on the MetLife Sports Complex in a not-to-exceed amount of \$78,430, was approved by a vote of 12-0.

#### B. Awards Exceeding \$100,000 (NONE)

#### C. Other Awards

##### Internal Auditing Services MetLife Sports Complex

One response, from UHY Advisors, was received, from an advertized proposal as well as eight direct solicitations, to conduct internal auditing services of Sports Authority financial and operational functions. The submitted proposal by UHY and the firm's presentation was evaluated by a committee consisting of the Authority's Senior Financial Officer, L. Register, the Vice President of Racing, J. Cooper and the Vice President of Purchasing & Risk Management, G. Zahn.

The auditing clients of UHY include the Saratoga Performing Arts Center, the Jacob Javits Convention Center and the New York Racing Association.

The scope of the internal audits will include, but not be limited to payroll, parking, security and box office operations, event settlements and billings to and collections from MetLife Stadium.

Based on the proposed discounted billing rates, which are competitive with the hourly billing rates charged in conjunction with the Sports Authority's external audit, the annual cost for the internal audits of the above cited areas is estimated to not exceed \$40,800

The evaluation committee recommends that UHY Advisors be retained for a one year term, with an option to renew under the same billing rates as proposed, to conduct internal audits of the Sports Authority's financial and operational functions.

Before any internal auditing begins, a budget will be presented and approved by the evaluation committee and the Senior Vice President of Human Resources, R. Weakley.

Upon motion by Commissioner Buckelew and seconded by Commissioner Fontoura, the Board approved the award for internal auditing services to UHY Advisors by a vote of 12-0.

#### **D. Empowerment Authorization**

##### **1. Property Insurance MetLife Sports Complex**

The Sports Authority's property insurance expires on May 31, 2012. The process of soliciting quotations through insurance brokers began in March 2012. Proposals are due May 23, 2012. Since the next Board meeting is June 14, 2012, authorization is requested of the Board to empower the Sports Authority's chief executive officer, in consultation with the Chairman and executive committee, to award a purchase order for property insurance to the insurance broker submitting an insurance program that bests protects the Sports Authority's assets at the lowest premium.

Upon motion by Commissioner Scardino and seconded by Commissioner Yudin, the Board approved the empowerment request for the Chief Executive Officer in consultation with the Chairman and executive committee, to award a purchase order for property insurance to the insurance broker submitting an insurance program that bests protects the Sports Authority's assets at the lowest premium by a vote of 12-0.

##### **2. Replacement of a Main Electrical Transformer - MetLife Sports Complex**

On April 2, 2012, one of the four main electrical transformers critical to deliver power throughout the MetLife Sports Complex, including the new MetLife Stadium, failed. Testing revealed that the insulation around one of the phases failed, causing a short and the transformer to fail. This transformer has been in service since 1981 and was rebuilt in 2000.

Given the age of the transformer, the fact that it already has been rebuilt once and the need to have reliable electrical equipment to service the MetLife Stadium that will host Wrestle-Mania in April 2013 and the Super Bowl in February 2014, it is recommended that a new transformer be purchased.

The chance of getting a new transformer built, delivered and installed in time for most of the 2012 football season would be significantly increased if the request for proposals were sent directly to firms that had previously provided quotes on a new transformer and or performed work on other electrical transformers for the authority. It's estimated that by not advertising, the process of obtaining pricing, ordering the transformer and having it installed would be reduced by at least four weeks.

It is estimated that a new transformer would cost between \$235,000 and \$245,000.

The results of this solicitation are targeted for May 2, 2012. Since the next Board meeting is June 14, 2012, authorization is requested of the Board to empower the Sports Authority's chief executive officer, in consultation with the Chairman and executive committee, to award a purchase order for a new transformer to the company submitting the lowest price in accordance with the proposal specifications.

Upon motion by Commissioner Scardino and seconded by Commissioner Yudin, the Board approved the empowerment request for the Chief Executive Officer in consultation with the Chairman and executive committee, to award a purchase order for a new transformer to the company submitting the lowest price in accordance with the proposal specifications by a vote of 12-0.

## **V. HANSON COMMISSION REPORT**

Mr. Hasenbalg introduced Jon Hanson, Bob Mulcahy and Bob Holmes to the Board.

Mr. Hanson spoke briefly about the creation of the Hanson Commission and its members. The objective of the Hanson Commission is to bring new business to New Jersey.

Mr. Mulcahy gave a historical account of NJSEA. He stated that the NJSEA is an expert in getting things done in the State without a lot of bureaucracy. The evolution of NJSEA is ready for its next chapter.

Mr. Holmes explained that the reason for the Hanson Report is to improve the State's marketing and tourism initiatives. The new NJSEA will serve as an engine to spur economic growth by attracting sports and entertainment events in venues located throughout New Jersey.

## **VI. CHIEF EXECUTIVE OFFICER'S REPORT**

Mr. Hasenbalg advised that he will be testifying at the Assembly Budget Committee on Monday.

**VII. PUBLIC COMMENTS**

Kevin O'Brien, President of Union 632, praised the staff at NJSEA and MetLife Stadium on the outstanding job they did pitching Wrestlemania. This will generate a lot of business in Bergen, Essex, and Hudson counties.

**VIII. EXECUTIVE SESSION**

**Resolution Authorizing the New Jersey Sports and Exposition Authority to Conduct a Meeting to Which the General Public Shall Not Be Admitted**

Chairman Ferguson stated a need for the Board to enter into Executive Session to discuss contractual matters and litigation matters.

Upon motion made by Commissioner Scardino and seconded by Commissioner Yudin,

**RESOLUTION 2011- 12**  
**RESOLUTION AUTHORIZING THE NJSEA**  
**TO ENTER INTO A MEETING TO WHICH THE**  
**GENERAL PUBLIC SHALL NOT BE ADMITTED**

was approved by a vote of 12-0.

**Executive Session commenced at 10:42 a.m.**

**Public Session resumed at 11:40 a.m.**

**IX. RESOLUTION APPROVING AND ADOPTING THE REPORT AND RECOMMENDATION OF THE HEARING OFFICER IN THE PROTEST FILED BY HIALEAH, INC., REGARDING THE LEASE OF MONMOUTH PARK RACETRACK, THE OTW IN WOODBRIDGE, THE DEVELOPMENT OF ADDITIONAL OTW'S AND AN INTEREST IN THE ACCOUNT WAGERING SYSTEM**

Chairman Ferguson presented the Resolution Approving and Adopting the Report and Recommendation of the Hearing Officer in the Protest Filed by Hialeah, Inc., Regarding the Lease of Monmouth Park Racetrack, the OTW in Woodbridge, the Development of Additional OTW's and an Interest in the Account Wagering System

Upon motion by Commissioner Fontoura and seconded by Commissioner Yudin,

**RESOLUTION 2012-13**  
**RESOLUTION APPROVING AND ADOPTING THE REPORT AND**  
**RECOMMENDATION OF THE HEARING OFFICER IN THE PROTEST FILED BY**  
**HIALEAH, INC., REGARDING THE LEASE OF MONMOUTH PARK RACETRACK,**  
**THE OTW IN WOODBRIDGE, THE DEVELOPMENT OF ADDITIONAL OTW'S AND**  
**AN INTEREST IN THE ACCOUNT WAGERING SYSTEM**

was approved by a vote of 10-0. Commissioners Buckelew and Kolber recused themselves from the vote.

**The Chairman requested a motion to conclude the meeting. Upon motion made by Commissioner Scardino and seconded by Commissioner Fontoura, the public meeting was adjourned by a vote of 12-0 at 11:45 a.m.**

**I certify that this is a true and accurate transcript of the Regular Session Minutes of the New Jersey Sports and Exposition Authority of April 19, 2012.**

---

**Ralph J. Marra, Jr., Esq.**  
**Assistant Secretary**