

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, FEBRUARY 22, 2017

Meeting Opening

The meeting was called to order at approximately 4:05 p.m. by Mr. Nedohon. The notice of the meeting was read by Mr. Nedohon.

Roll call of the Board Members of the Improvement Authority was taken. Mr. Olivio-Present; Mr. Jones-Present; Mr. Lopez-Present; Mr. Nedohon-Present; Mr. Kelly-Present.

The Pledge of Allegiance was recited.

Freeholders present: Mr. Joseph Derella

Approval of Agenda

Mr. Nedohon asked for a motion to approve the agenda. The motion was made by Mr. Jones, seconded by Mr. Lopez.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.
The motion was approved by a 5-0 Vote.

Approval of Minutes

Mr. Nedohon asked for a motion to approve the January 2017, Regular Meeting, Public Session Minutes and the January 2017 Executive Session Minutes. The motion was made by Mr. Jones, seconded by Mr. Kelly.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes
The motion was approved by a 5-0 Vote.

Executive Director's Report

Operations continue to move along very well at CWED, DMV and 1st Floor of 275 N. Delsea Drive. Phase II and III are completed. All tenants have moved into the building. Treasury Lease arrangements were finalized and rent payments begin on March 1st. Once we collect March rent, we will continue to experience net positive operations.

We continue to operate as expected/budgeted. Exterior Building and Site looks great. Carpeting was replaced on the 1st floor.

Parking lot modification is underway. Contractor is doing a very good job of cleaning up on a daily basis and making sure that access is not obstructed during high volume times.

As a result of our self-financing strategy, year end and monthly reports are sometimes showing a net deficit. This strategy will result in a positive net revenue by avoiding interest expense. Developer fee and other miscellaneous project revenue is used to offset the administrative costs associated with the economic development operations/staffing.

I continue to meet with Capital Bank and our Bond Counsel to discuss potential financial mechanisms that would allow the CCIA to provide pre-development financing for our projects. General Surplus evaluation and discussions are going well.

We were able to make progress in getting an effective equipment financing program created to assist County Municipalities. Formal recommendation is on the agenda for approval. This would also include Fire Companies and other emergency service entities. This alternative strategy will NOT require County or CCIA guarantees.

Our No Smoking Policy was put on hold to revisit the policy language. We expect to finalize and implement very shortly.

The Technical High School operations are going well. Punch list items are almost completed and we are working through final CO with the City of Millville.

The Arts and Innovation Center is complete and the College has moved in. Building looks great. Ribbon Cutting was rescheduled to March 24th. Monthly construction report was forwarded under separate cover. Staff met with the City Engineer to discuss possible exterior enhancements as a result of a recently approved contract.

E-Waste collection issues continues to progress very well. The state passed new E-Waste legislation that requires the manufacturers to contribute to clean up. This will provide additional financial resources to offset material costs needed to process E-Waste. See Tony's report for additional information. The City of Millville continues to pay out of pocket for disposal of E-Waste, rather than agree to the proposed MOU. FY 2017 Budget is fully approved and being implemented. We received a call from the County requesting budget information related to the 275 N. Delsea Drive operations. One of the Freeholders wanted to know why the County was not receiving \$800,000 per year from our net revenue. Obviously, I provided correct information regarding operations as well as the summary of CCIA's annual contributions (\$1.2million) currently provided to the County.

We continue to utilize both recycling vendors to maximize efficiencies and pricing. Tonnage continues to increase. Pricing/Market is turning around. We no longer haul residual waste from RE Communities. However, due to the quality of our single stream and the positive change in the market, we were able to work out a contract with RE to process single stream and deliver residual waste to the landfill. This allows us to reduce the use and therefore the wear and tear on our tractor and trailers.

Municipal Recycling rebates have been finalized for 2016. Payments will be made to Municipalities this month.

Our Fleet Maintenance operation continues to move along productively. LSA is utilizing our services. Hopewell is also bringing their vehicles in. The City of Vineland is evaluating their fleet operations and will be signing a shared service agreement with us.

CATS has yet to commit to the Fleet Maintenance program/Shared Services commitment. **We are still awaiting feedback from the County on this issue.**

Bids for the new car/truck wash were over budget for the second time. We are recommending that we reject all bids and negotiate with the 3 low bidders. Construction is expected to take 6-8 months.

After review of financial projections and costs, we believe the Truck Wash operations will create a positive cash flow. However, the revenue collected will not provide full repayment of capital investment. I believe in the long run, the facility will benefit our fleet and benefit the CCIA and the County, and will break even based upon enhanced useful life of vehicles, but not solely on cash flow from operations.

We received our 3 CNG vehicles and they are now on the road. We are working to enhance the fleet. This will support Energy HUB and cost saving objectives.

We are discussing the lease/purchase of CNG buses with the County. Additionally, we are still hopeful that the State DOT will approve the purchase of CNG buses for the CATS program. VW penalty will

provide financing for CNG/Alternative Energy initiatives and vehicles. We are evaluating funding opportunities for the CCIA.

We continue to work with Constellation Energy to move the Energy HUB project forward. We are working on 5 significant initiatives. 1; the development of a Combined Heat Power Plant on the College Campus that would service the College, 2; a solar initiative that would be located at the SWC that would service all the electrical needs of the SWC, 3; the CNG facility, 4; a potential solar array on the former Bridgeton Municipal Solid Waste Complex, and 5; the development of a Data Center and related solar field.

I had several call and meetings with ACE in an effort to move our energy HUB forward. We have made significant progress in an effort to overcome the current grid constraints. The anticipated cost to enhance the grid and develop the infrastructure required to implement the Energy HUB is \$10 million. This cost will be shared by our energy partners.

BPU, ACE and PJM are now working to complete the necessary studies and infrastructure evaluations. We have had continuing negotiations with Constellation and Air and Gas for the Construction and Operating Agreements for the CNG facility. We finalized a scope of work and proposed budget for the development of the Station. After review of the ownership and revenue structure, I believe the best way to develop the CNG facility and maximize payback would be for the CCIA to own the station. Air and Gas would build and operate on behalf of the CCIA. A recommendation to enter into a construction contract with Constellation/Air and Gas is on the agenda for approval.

SJI has agreed to supply natural gas to the landfill at no additional cost. This will allow the conversion of our current diesel and propane systems as well as the CNG facility.

Impound lot continues to operate and save the County \$.

Tire recycling continues to move along very well.

The Deerfield Township Committee agreed to modify the redevelopment plan to incorporate our Energy HUB projects and strategy as well as to name the CCIA as the Redevelopment Entity for the site. We are now working with the Township Planner to initiate those modifications.

Deerfield previously agreed that the CNG Station and the Car Wash would be approved via Capital/Courtesy Review, rather than a full Board Review process.

Deerfield requested that we create a shared service for the use of our well for their fire trucks. This could be mutually beneficial to both entities. We are still waiting to hear back from the fire officials.

Our Bridgeton efforts continue to be redirected to focus on the redevelopment of the Bank Building/adjacent properties as well as the expansion of the Food Commercialization Center. We are moving forward with site plan, environmental investigations and design documents. We are coordinating a meeting with the City to obtain required approvals. We are finalizing our financing package. We expect the County and the Empowerment Zone to be our partners in this project. We are working with a couple possible tenants for the building.

The Food Specialization Center funding application was finalized and submitted on February 17th. We included 4 letters of interest from food processing companies in our application. Site plan/civil engineering is complete and Design and Schematic documents/plans are progressing. We modified the name of the project from Commercialization to Specialization to avoid confusion with EDA.

Commercialization for EDA denotes incubator. This would require additional levels of study and cost and more importantly, the facility is not intended to be an incubator.

Treatment enhancement project is completed and the system is operational. We purchased equipment that provides and alternate and more efficient cleaning solution for the UF filter system. Treatment Plant is operational, but only operating at 70% capacity due to weather and lingering motor repair issues. Repair is expected in Mid-March. We received final reimbursement from our DEP closure fund.

Off-site hauling of leachate has been substantially reduced and is being used on an as needed basis. Our tank levels back down to acceptable operational levels. The cold season reduces our ability to utilize site application due to the lack of sun and evaporation times of the leachate.

The new gas system construction is complete and is positively impacting gas/generation operations.

Although the weather is impacting production, key operational milestones are holding steady along with

production levels. EPP has experienced higher than usual equipment failures/repairs over the past several weeks.

Our Class B Facility has received formal DEP approval to be included in the waste management plan. We still need final approval of the actual facility plan from DEP. That process is underway. DEP rescheduled its site visit on February 27th. Surveying is complete and we have initiated site work for the Class B. The GPS system that was installed on our large equipment has also made a significant impact to the overall operations on the landfill and associated dirt work for the cover, landfill earthwork and side slopes. We were able to make a strategic operational change that increased our tipping area significantly and provided an additional 6 months of tipping on the current cell.

Now that the gas system construction is completed, we can now manage delivery of cover material efficiently and effectively. We will be forwarding a notice to our dirt vendors indicating that our price per ton will increase as of May 1st. This is a result of a review of other facilities and their associated costs for receipt of cover material. We believe that an increase to \$15/ton is warranted. This does NOT impact local rates or impact County municipalities in any way.

Construction of cells 7, 8 and 9 is progressing very well. Cell 7 is complete and has been submitted for formal DEP certification. We received a copy of the formal certification and expect formal approval by the end of February. We continue to be approximately 2 months ahead of schedule on the overall project. Contractor is going to remobilize on the site in an effort to complete cells 8 and 9.

We have initiated evaluation of the move of our Administrative offices from 2 N. High to Lebanon Road/SWC. The move will significantly enhance our operational efficiencies and create a synergy with the proposed Data Center Office Building. Might be good location for Prosecutor's special operations as well. We have several interested tenants to backfill our space in Millville.

Resolutions

Mr. Nedohon requested a motion to approve the Resolutions by consent.

Mr. Nedohon called for a motion to approve the Resolutions 2017-026 through 2017-043.

The motion was made by Mr. Kelly and seconded by Mr. Jones.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.

The motion was approved by a 5-0 Vote.

Mr. Nedohon requested that the Solicitor handle Resolutions on the Agenda. Resolutions were read by Solicitor Weinstein.

Mr. Nedohon called for a motion to approve the Resolutions 2017-026 through 2017-043. The motion was made by Mr. Jones and seconded by Mr. Kelly.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.

The motion was approved by a 3-0 Vote.

Resolution #2017-035 was removed from the Agenda.

Treasurer's Report

1. Monthly Year over Year Tonnage:

14,317 tons were brought into the Solid Waste Complex; in-county municipal waste (type 10) increased by 617 tons or 9%. Total in-county tons increased by 1,681 tons and out-of-county tons received decreased by 1,026 tons; this represents a net decrease year over year of 655 tons or 5%.

2. General Fund:

The General Fund balance is variable based on cash needs for the month which include payments to be reimbursed from various sources of funds for closure projects, landfill equipment, other activities budget, and short-term loans for development activities. There was a net increase in the general fund of \$1,931,016 for the month and an ending balance of \$9,010,822. Amounts owed back to the General Fund totaled \$5,213,837.

3. Cash and Investments:

Interest earned on the local and trustee accounts for the month amounted to \$11,327 as noted on the schedule of bank account balances.

4. Landfill Operations Summary – Profit and Loss Statement:

Landfill operations generated revenues of \$893,248 which included total tipping fees of \$850,591 and revenues from other landfill activities of \$42,657. Total revenues of \$914,354 less total expenses for the month of \$755,823 resulted in a net excess of \$158,531.

5. Economic Development Operations Summary – Profit and Loss Statement:

Economic Development operations generated revenues of \$209,351 which included rental income of \$186,333, Fleet Maintenance revenue of \$13,367, and other income of \$9,651. Total revenues less total expenses of \$222,434 resulted in a net deficit of \$13,083.

Old Business – No old business.

New Business – No new business.

Freeholder Liaison Remarks – No remarks made at this time.

Open Public Comment Session

Mr. Nedohon called for a motion to go into Open Public Comment Session. A motion was made by Mr. Kelly, seconded by Mr. Jones to go into Open Public Comment Session.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.
The motion was approved by a 5-0 Vote.

There were no members of the public wishing to address the Board at this time..

Close Public Comment Session

Mr. Nedohon called for a motion to close Public Comment Session. A motion was made by Mr. Kelly, seconded by Mr. Jones to close Public Comment Session.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.
The motion was approved by a 5-0 Vote.

Executive Session

At approximately 4:26 p.m. Mr. Nedohon called for a motion to go into Executive Session. Prior to the resolution, Solicitor Weinstein provided proper notice and indicated that discussion during the closed session would include the discussion of matters involving the purchase, lease or acquisition of real property, pending or anticipated litigation or contract negotiation where the public body is a party or may become a party. Solicitor Weinstein read Resolution #2017-026 and noted that further business could be conducted after the conclusion of the Executive Session.

The motion was made by Mr. Olivio, seconded by Mr. Kelly.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.

The motion was approved by a 5-0 Vote.

Resume Public Session

Mr. Nedohon called for a motion to come out of Executive Session and resume Public Session at approximately 5:05 p.m.

The motion was made by Mr. Olivio, seconded by Mr. Kelly.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.

The motion was approved by a 5-0 Vote.

Adjournment

Mr. Nedohon called for a motion to adjourn the meeting. A motion was made by Mr. Olivio, seconded by Mr. Kelly.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.

The motion was approved by a 5-0 Vote.