

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, JANUARY 25, 2017

Meeting Opening

The meeting was called to order at approximately 4:04 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-Absent; Mr. Jones-Present; Mr. Lopez-Present; Mr. Nedohon-Present; Mr. Kelly-Absent.

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 Absent; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Absent.
The motion was approved by a 3-0 Vote.

Approval of Minutes

Mr. Nedohon asked for a motion to approve the December, 2016, Regular Meeting, Public Session Minutes and the December, 2016 Executive Session Minutes. The motion was made by Mr. Jones, seconded by Mr. Lopez.

Mr. Olivio Absent; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Absent
The motion was approved by a 3-0 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. We are finalized lease arrangements with the State. They have not fully vacated previous space. We agreed to modify the lease so that full payment begins on March 1st. We continue to experience net positive operations. We continue to operate as expected/budgeted. Exterior Building and Site looks great. Parking lot modification preconstruction meeting was held and construction is expected to begin shortly. We are finalizing a plan that assures access and egress at the end and beginning of the day. Only 3 minor items remain on CWED punch list. 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. We held a meeting with Bond Counsel and our Auditor to discuss use of General Surplus.

We have developed a process and program for providing low interest and low cost equipment leasing/financing for all County Municipalities. 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 last month. Due to the many projects that we are working on, I did not follow up with Board members to address concerns. I will do so in February. We will provide proper notice and directives for implementing this policy once approved.

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

The Arts and Innovation Center has received its Temporary Certificate of Occupancy. The only items remaining for full Final are the site plan/soil conservation items that will be completed in the spring. Building looks great. Ribbon Cutting is scheduled for March 17th. Bring your green beer. Monthly construction report was forwarded under separate cover.

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. 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 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. We hired a part time driver to handle our single stream recycling transportation OMNI.

Municipal Recycling rebates have been finalized for 2016. Payments will be made to Municipalities in February.

Our Fleet Maintenance operation continues to move along productively. LSA is utilizing our services. Hopewell is also bringing their vehicles in. Bridgeton and the City of Vineland have also expressed an interest. Fleet Maintenance showed a positive cash flow for the past 2 months based upon increased volume.

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

Unfortunately, bids for the new car/truck wash were over budget. We are recommending that we reject all bids and go back out to bid on the 27th. 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. In the past week, we have serviced at least 3 trucks that had significant undercarriage issues due to salt and brine that could have been avoided by Truck Wash.

We received our 3 CNG vehicles. 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.

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 a conference call with Vince Maione, Pres. ACE to discuss Express Feeder study and ACE's plans for upgrading/enhancing the current grid. The meeting did not go very well. ACE continues to displace their infrastructure issue and lack of attention to the CCIA rather than take responsibility for their shortcomings and lack of attention to their South Jersey infrastructure upgrades.

BPU, ACE and PJM have been terribly negligent in finalizing the various studies that are underway. ACE told me on the call that they were the reason for the delayed response to the PJM 69kV study. They assured me it would be completed very shortly.

I initiated negotiations with Constellation and Air and Gas for the Operating Agreement of the CNG facility. We also developed a scope of work and proposed budget for the development of the Station. After review of the ownership and revenue structure, I determined that 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.

We are still waiting for SJI to provide a final estimate to supply natural gas to the landfill. 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.

We followed up with Deerfield regarding the request 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. 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, but they have not followed up with Craig.

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. USEDA has invited us to submit a full application for funding. At least 3 different entities contacted us regarding the possibility of providing private equity for the various projects that we are currently developing. Design and Schematic documents/plans on the agenda for approval.

Treatment enhancement project is completed and the system is operational. We purchased equipment that provides an alternate and more efficient cleaning solution for the UF filter system. Treatment Plant is operational, but not at 100% due to lingering motor repair issues. Repair is expected to take an additional 6-8 months.

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. John Winterburn included a leachate/hauling analysis in his report.

The new gas system construction is complete and is positively impacting gas/generation operations. Key operational milestones are holding steady along with production levels.

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 is going to conduct a site visit on February 2nd. Our engineer will be out next week to lay out the site parameters so that we can begin site clearing and initial site work.

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. Now that the gas system construction is completed, we can now manage delivery of cover material efficiently and effectively.

Construction of cells 7, 8 and 9 is progressing very well. Cell 7 is complete and has been submitted for formal DEP certification. We expect certification by the end of February. We continue to be approximately 2 months ahead of schedule on the overall project.

Resolutions

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

Mr. Nedohon called for a motion to approve the Resolutions 2017-001 through 2017-025.

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

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

The motion was approved by a 3-0 Vote.

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

Mr. Nedohon called for a motion to approve the Resolutions 2017-001 through 2017-025. The motion was made by Mr. Jones and seconded by Mr. Lopez.

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

The motion was approved by a 3-0 Vote.

Treasurer's Report

1. Monthly Year over Year Tonnage:

15,489 tons were brought into the Solid Waste Complex; in-county municipal waste (type 10) decreased by 553 tons or 6.7%. Total in-county tons decreased by 383 tons and out-of-county tons received decreased by 1,039 tons; this represents a net decrease year over year of 1,422 tons or 8.4%.

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 decrease in the general fund of \$2,422,844 for the month and an ending balance of \$7,079,806. Amounts owed back to the General Fund totaled \$7,226,928.

3. Cash and Investments:

Interest earned on the local and trustee accounts for the month amounted to \$11,083 as noted on the schedule of bank account balances.

4. Landfill Operations Summary – Profit and Loss Statement:

Landfill operations generated revenues of \$1,012,001 which included total tipping fees of \$957,679 and revenues from other landfill activities of \$54,322. Total revenues of \$1,048,188 less total expenses for the month of \$1,627,400 resulted in a net deficit of \$579,212. This was primarily attributed to payment of the budgeted cell replacement reserve in the amount of \$648,118.

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

Economic Development operations generated revenues of \$193,780 which included rental income of \$184,849, Fleet Maintenance revenue of \$8,316, and interest income of \$614. Total revenues less total expenses of \$325,691 resulted in a net deficit of \$131,911. This was primarily attributed to three payrolls for the month and budgeted reserves for maintenance and debt service.

Old Business – No old business.

New Business – No new business.

Freeholder Liaison Remarks – Mr. Derella expressed that he is looking forward to continuing with the same success in 2017 that the Authority previously experienced in 2015 and 2016.

Open Public Comment Session

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

Mr. Olivio Absent; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Absent.
The motion was approved by a 3-0 Vote.

Nancy Ridgeway – Ms. Ridgeway asked for the location of the Vineland Redevelopment Project that is referenced in Resolution #2017-016. Mr. Velazquez replied that it references College Drive in Vineland. Ms. Ridgeway then inquired about the Park Avenue, Vineland property that the Authority is purchasing. She wanted to know if taxes would be paid on this property. Mr. Velazquez indicated that a pilot would be paid.

Dean Hawk – Mr. Hawk referenced the Truck Wash Project at the Solid Waste Complex and wanted to know what vehicles would be able access the Truck Wash. Mr. Velazquez stated that the Truck Wash would be for County and Municipal vehicles. Mr. Hawk then asked for the physical address of the Bridgeton Project. Mr. Velazquez explained that the Project would be located at 14-16 N. Pearl Street, Bridgeton. Mr. Hawk asked for an explanation of the Authority's need for Special Legal Services and the need for multiple attorneys. Mr. Velazquez explained the Authority's various legal needs and the fact that each attorney specializes in different types of legal services. Mr. Hawk thanked Mr. Velazquez for clarification.

Close Public Comment Session

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

Mr. Olivio Absent; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Absent.
The motion was approved by a 3-0 Vote.

Executive Session

At approximately 4:38 p.m. Mr. Nedohon called for a motion to go into Executive Session. Prior to the resolution, Solicitor Rapuano 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 Rapuano read Resolution #2017-001 and noted that further business could be conducted after the conclusion of the Executive Session.

The motion was made by Mr. Jones, seconded by Mr. Lopez.

Mr. Olivio Absent; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Absent.
The motion was approved by a 3-0 Vote.

Resume Public Session

Mr. Nedohon called for a motion to come out of Executive Session and resume Public Session at approximately 4:57 p.m.

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

Mr. Olivio Absent; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Absent.
The motion was approved by a 3-0 Vote.

Adjournment

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

Mr. Olivio Absent; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Absent.
The motion was approved by a 3-0 Vote.