

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, JULY 26, 2017

Meeting Opening

The meeting was called to order at approximately 4:01 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-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. Olivio.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Absent.
The motion was approved by a 4-0 Vote.

Approval of Minutes

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

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes
The motion was approved by a 4-0 Vote.

Audit Presentation – Mr. Steve Testa

Mr. Albert Kelly arrived at 4:05 p.m.

Executive Director’s Report

Operations continue to move along very well at CWED, DMV and 1st Floor of 275 N. Delsea Drive. All phases of construction and renovations are complete. We continue to operate as expected/budgeted. We are planning for the next phase of building enhancements. We will need to paint the hallways in 2018. We are also looking to modify the floor finishes in the first and second floor lobbies.

Other budget is once again showing a net increase for this month. However, as a result of our self-financing strategy; year end and monthly reports are sometimes showing a net deficit. Developer fee and other miscellaneous project revenue is expected to significantly increase at the end of 2017 and 2018. This revenue source will be used to offset the administrative costs associated with the economic development operations/staffing.

Our Bridgeton efforts continue to focus on the redevelopment of the Bank Building/adjacent properties as well as the expansion of the Food Specialization Center.

The approvals and progress made with regard to the Bridgeton Downtown project we negatively impacted by the Council during its July meeting. As a result of a notice deficiency, the street vacation had to be re-advertised and approved. Because the redevelopment plan is not in place, Council decided to withdraw the approval and postpone any new approvals until the plan is completed AND formally approved by the Planning Board and Council. Alternatively, the Food Specialization Center did proceed as previously approved. We still have to obtain Redevelopment Plan approval and associated Redeveloper Designation for both projects. Landfill Solar has been removed from Bridgeton's agenda.

We have received a \$10mm NMTC allocation for this project and have at least 2 interested investors. Our funding remains in jeopardy if we cannot obtain the required City approvals by the end of July.

We are making significant progress with lenders regarding final approvals. We expect to have final approvals for Food Specialization and Vineland Construction acquisition by the end of the month.

Mary and I met with another investment company to discuss possible investment alternatives and strategies for our general funds and reserves. I expected to receive a proposal within the next week. This will be the second proposal received. We are going to sweep our General Surplus account and move those funds to an investment account that will maximize our returns. Mary and I will report back to the Board as we progress.

Our county-wide equipment financing continues to move forward. Several municipalities are working with TD to finance equipment purchases.

Our No Smoking Policy was put on hold to revisit the policy language. We have been extremely busy with our development projects, and as a result, this project has been delayed.

The Technical High School operations are going well. All final occupancy and elevator approvals are in place. The track phase of the project is moving along very well and is almost complete. Our new Construction Manager has already made an impact on this project.

We have initiated the planning, financing and pre-development phase of the next phase of the Tech School, the School of Health and Science and Medicine. We are working through this process with the Tech School and the College. We are working to develop a development agreement between the College, the Tech School and the CCIA.

The Arts and Innovation Center is complete and operations are moving along very well. We continue to oversee Property Management aspects of the project. All pavers and sidewalk work is complete.

E-Waste collection issues continues to progress very well. We are still covering staffing costs internally, but we are now being reimbursed for materials used 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. The City continues to ignore our request to execute a revised agreement (same as the agreement signed by all County Municipalities), which would provide up to 150 tons of free derelict housing, free e-waste processing, free wood waste processing and an annual recycling rebate. These benefits would result in a savings/contribution of more than \$80,000 per year.

Senior staff has initiated its budgeting process for 2018. We expect this process to be finalized for Finance Committee review in September. We hope to present to the Full Board in October.

The 2016 Audit is complete. Steve Testa will present during full board in July. The audit is clean and includes no findings.

We continue to utilize both recycling vendors to maximize efficiencies and pricing. Tonnage continues to increase. 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. See recycling report for additional information.

Our Fleet Maintenance operation continues to move along productively. Volume has not ramped up as hoped, but we believe that is a function of the summer vacation schedules. We now have Vineland, the LSA, Hopewell, Fairfield and Bridgeton officially signed up. We expect to provide fleet services from our West Ave. location as well. Staff has been utilizing down time to support CCIA vehicle repairs and maintenance. Staff has been heavily involved in repairing our heavy equipment and trailers.

We are upgrading our staff capacity and attending training opportunities to improve our effectiveness and efficiency. Staff will be attending emergency vehicle training.

Truck Wash construction is underway. Footings and foundation work are completed. Underground utilities are being installed, slab is set to be poured week of 7/17 and block walls will begin week of July 24th.

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. I am working up operating numbers so we can determine cost per wash.

We are discussing the lease/purchase of CNG buses with the County. To that end, we initiated meetings with CNG bus vendors to discuss conversion/up fit for buses. Additionally, we are still hopeful that the State DOT will approve the purchase of CNG buses for the CATS program. We are evaluating funding opportunities for the CCIA.

Our Energy HUB/Micro Grid Initiative is making significant progress. We had a productive meeting with ACE to discuss moving the initiative forward.

We are working on 6 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, 5; the development of a Data Center and related solar field, and, 6; the development of a 69kV Ring Bus and Transformer to support the overall initiative. We are working with our developers to structure contribution agreements. This will be a Public Private financing/development model that can be replicated nationally.

The Combined Heat and Power Plant grant application to the state Clean Energy Fund was completed and submitted to BPU. We hope to save the College approximately \$90,000 per year in utility costs.

Data Center development is moving along and financing is almost finalized. We are conducting due diligence on the Data Center partners. Our counsel is finalizing agreements with Data Center developer. A final scope of work and proposed budget for the development of the CNG Station was completed.

Procurement strategy for CNG Facility has been substantially revised. The station will go out to bid. We are working with our professionals and partners to complete plans and specifications.

SJI has initiated the gas line installation. They forwarded drawings for required site clearance to allow the new line to be installed. This will allow the conversion of our current diesel and propane systems as well as the CNG facility. We expect the gas lines to be completed by October 2017.

We received clean energy fund approval, under the direct install program to pay for 60% of our equipment conversion costs. We are reviewing scope and cost to ensure that the proposed work meets our needs.

I am considering alternative locations for the Impound lot. We are providing a significant shared service to the County, but the vehicles are located in a very dusty area of the landfill.

Tire recycling continues to move along very well.

The Deerfield Township Committee formally approved the revised Redevelopment Plan. The revisions incorporate our Energy HUB projects, biosolids, our administrative office and solar strategies and name the CCIA as the Redeveloper for the site. Archer Greiner working with Township Council to approve Redevelopment Plan between Township and CCIA.

We are still waiting Deerfield's Fire Department to finalize shared services for use of our well/pump. The CCIA will allow the fire department to fill its tankers utilizing our wells. Deerfield in turn, will improve our well pumps and electronic timers.

Treatment enhancement is operational, but not running at maximum capacity due to the fact that motors on RO are still not functional. We are waiting for the new motor to be delivered. Once installed, we will initiate our revised protocol that is expected to produce enhanced efficiencies.

Off-site hauling of leachate has been substantially increased as a result of the new cell completion and the fact that rain water is now mixing with leachate and requires treatment at our plant. Almost 2 million gallons of leachate were treated and/or hauled off site during the month of June. We were able to initiate trash disposal into cell 7. This will greatly reduce the timing of the leachate to the plant, and is expected to significantly reduce hauling requirements.

We decided not to proceed with the special rate, type 10 pilot agreement for cell 7. This will result in higher value for product delivered to the landfill.

The new gas system construction is operating fairly well. As a result of the cell construction and related sump/pump house repairs, our production has been reduced. F&P Engineering is making great progress in monitoring, evaluating and adjusting the gas infrastructure.

F&P has initiated its design for the next phase of our landfill gas infrastructure. Our new Construction Manager will be utilized to value engineer the design.

Our Class B Facility has received formal DEP approval to be included in the waste management plan. We are still waiting for the final approval from DEP. The process has taken almost a year.

We are working with class B operator to finalize shared agreement develop for processing wood waste, our wood recycling needs. The plan would provide free processing of wood waste for all municipalities, the county and the CCIA.

The GPS system continues to positively and significant impact to the overall operations on the landfill and associated dirt work for the cover, landfill earthwork and side slopes.

Our new cover material policy is in place and we are approving tonnage at the new \$15/ton rate.

Demolition debris from the county's former juvenile detention facility was delivered to the CCIA at no cost. The County agreed to process brick and block to 3" minus in return for free tipping of the demolition debris. Win, win for all. Project is complete.

Construction of cells 7, 8 and 9 is progressing very well. Project should be substantially complete by our Board meeting date. Punch list items are being satisfied and we expect final punch list completion shortly. Design is underway for our new Administrative offices on Lebanon Road/SWC. Bid documents should be ready for public dissemination by mid to late August. The move will significantly enhance our operational efficiencies and create a synergy with the proposed Data Center Office Building. We have several interested tenants to backfill our space in Millville. Move expected in September 2018. We are investigating the option of issuing a concessionaires license to perspective food/restaurant entities.

Resolutions

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

Mr. Nedohon called for a motion to approve the Resolutions 2017-137 through 2017-156.

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

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.

Solicitor Weinstein reviewed the emergent nature of Resolution #2017-156 regarding the acquisition of a new compactor to replace compactor that suddenly and unexpectedly had to be replaced.

Mr. Nedohon called for a motion to approve the Resolutions 2017-137 through 2017-156. The motion was made by Mr. Jones and seconded by Mr. Olivio.

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

Treasurer's Report

1. Monthly Year over Year Tonnage:

17,315 tons were brought into the Solid Waste Complex; in-county municipal waste (type 10) decreased by 16 tons or .2%. Total in-county tons increased by 543 tons and out-of-county tons received increased by 212 tons; this represents a net increase year over year of 755 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 decrease in the general fund of \$662,652 for the month and an ending balance of \$8,813,090. Amounts owed back to the General Fund totaled \$4,230,930.

3. Cash and Investments:

Interest earned on the local and trustee accounts for the month amounted to \$13,673 as noted on the schedule of bank account balances.

4. Landfill Operations Summary – Profit and Loss Statement:

Landfill operations generated revenues of \$1,160,324 which included total tipping fees of \$1,099,072 and revenues from other landfill activities of \$61,252. Total revenues of \$1,277,251 less total expenses for the month of \$1,137,290 resulted in a net excess of \$139,961.

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

Economic Development operations generated revenues of \$400,646 which included rental income of \$192,633, Project Management revenue of \$178,709, Fleet Maintenance revenue of \$13,578, and other income of \$15,726. Total revenues less total expenses of \$274,368 resulted in a net excess of \$126,278.

Old Business – No old business.

New Business – No new business.

Freeholder Liaison Remarks – Mr. Derella congratulated the Authority on the presentation given at the Freeholder Meeting. The Freeholder's found the presentation to be very informative and look forward to moving the project forward.

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. Olivio 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.

Ms. Nancy Ridgeway – Ms. Ridgeway wished to point out a typo in the attachment to Resolution #2017-142. Mr. Velazquez assured her the mistake would be corrected.

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 4:45 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 #2017-137 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 5:01 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. 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.