

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, JUNE 28, 2017

Meeting Opening

The meeting was called to order at approximately 4:02 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: None Present

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 May 2017, Regular Meeting, Public Session Minutes and the May 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.

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. Our "Official Opening" went very well. Our formal lease modification for Treasury was approved during our May 17th Special Meeting. July payment will be the first payment under the modified lease. 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 showing a net increase for this month. 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.

We were able to finally obtain significant approvals for our Bridgeton projects. We still have to obtain Redevelopment Plan approval and associated Redeveloper Designation for all 3 proposed projects; Bridgeton Downtown, the Food Specialization Center and Landfill Capping/Solar.

We are working with lenders to work through financing structure and required collateral and debt service coverage ratios. Negotiations with financial institutions has been disappointing. These entities are overlooking the stability of the Authority and seeking terms and conditions that are equal to a governmental guarantee. Obviously, we are not a taxing entity so we cannot provide a GO Bond guarantee. That being said, I am confident that we can overcome these underwriting issues and reach suitable loan terms and conditions.

Mary and I met with Cumberland Advisors to discuss possible investment alternatives and strategies for our general funds and reserves. I expected to receive a proposal from Cumberland, but have not to date. We are going to sweep our General Surplus account and move those funds to an investment account that will maximize our returns. I will be meeting with Wells Fargo to discuss investment options. Mary and I will report back to the Board as we progress.

Our county-wide equipment financing program is back on track and has received a lot of interest. We have been contacted by at least 5 municipalities interested in utilizing the program.

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 continue to expect that project to be completed by the end of July. 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. I am happy to report that dialogue and cooperation has improved exponentially.

The Arts and Innovation Center is complete and operations are moving along very well. We are handling the Property Management aspects of the project and the formal agreements are on the agenda for approval. The City installed the pavers and we installed the sidewalk and fencing on the 2nd Street side of the project. We were able to save the college on the landscaping fees. The City initially indicated that it would assist with the sidewalk, but reversed that commitment.

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.

FY 2017 Budget is fully approved and being implemented. 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.

We reviewed our 2016 audit with the Finance Committee. We will present to the full board in July. We expect a clean audit with 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. I provided pricing sheets in your board packets.

Our Fleet Maintenance operation continues to move along productively. 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.

We are upgrading our staff capacity and attending training opportunities to improve our effectiveness and efficiency.

Truck Wash construction is underway. Footings and foundation work are completed. Underground utilities are being installed, slab and walls should begin late June, early July.

All preparatory site work and building pad completed by our staff. Very well done and saved us money. We expect to self-perform partial site work for all landfill projects.

We are receiving much higher interest than expected, so revenue projections will be higher than initially anticipated. 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 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 are evaluating funding opportunities for the CCIA.

Our Energy HUB/Micro Grid Initiative is making significant progress. 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 is moving forward. A 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. 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 for CNG Facility has been delayed due to procurement issues and corporate structure/partnership changes at Constellation. We believe we have developed a strategy to move this project forward with Constellation's designated partner, Air and Gas.

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. We expect the gas lines to be completed by September 2017.

We applied to the clean energy fund, under the direct install program to pay for 60% of our equipment conversion costs. I tried to get this funding to allow us to install a gas fired generator, but that request was denied.

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 passed the first reading of the ordinance to approve the modified Redevelopment Plan for the Lebanon Road site. Final reading and approval of the plan will occur on July 5th. The revisions incorporate our Energy HUB projects, biosolids, our administrative office and solar strategies and name the CCIA as the Redeveloper for the site.

We received local land and county land use/soil conservation approvals for the CNG Station and the Car Wash.

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.

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. We received our first set of approvals from the City on June 20th, and are on track for additional approvals on July 5th. We hope to have all of our approvals in place by the end of July. As you know, we realized that although a redevelopment plan is referenced and created by resolution, the actual plan was never finalized and formally approved. This approval will be the focus of Bridgeton's Council over the next 30 days.

The County and the Empowerment Zone will be our partners in this project. We are working with a couple possible tenants for the building. 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.

The Food Specialization Center funding application was finalized and submitted on February 17th. We received a \$2.5 million grant award from USEDA. This project is also being stalled by the same issue that exists with our proposed Downtown Development project. However, we expect to receive an agreement to purchase the land during the July 5th meeting. I am happy to report that the lone dissenter on our projects indicated that this project "was a no brainer" and voiced his support for this project. We have received a \$10mm NMTC allocation for this project as well. We received two formal investor proposals for this project.

Treatment enhancement project is completed and the system is operational. Motor repairs were completed, but we are experiencing new issues. We are working through several options and strategies to make the system operational. We are hoping that the new protocol and pre-treatment plan will allow for an increase efficiency of our RO system from 50% to 70-80%.

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 3 million gallons of leachate were treated and/or hauled off site during the month of May. This hauling effort is maintaining tank levels in light of new significant flow as a result of the new cell construction. Better weather will allow us to recirculate the concentrated reject/leachate, and utilize for dust control, rather than haul to Delcora.

We received final DEP approval to allow us to place type 10 trash in the cell and slow the flow of water into our treatment system. DEP also approve our request to operate 2 work faces. This will allow us to being placing trash in cell 7 and continue to utilized current cells for C&D that would be harmful to the new primary and secondary liners. We are working with a trash hauler to create a special pilot agreement that will help us complete the first 5' lift in the new cell and allow us to eliminate the need to utilize two work faces after the summer. Water in cell 7 has delayed the placement of type 10 trash into the cell.

The new gas system construction is complete and is positively impacting gas/generation operations. EPP has repaired its equipment. Weather is getting better and will improve gas production. 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 received a deficiency letter and have provided a response to DEP that we expect will allow us to receive final approval of our Class B facility.

We are working with a class B operator to develop an alternative option for dealing with our wood recycling needs. The proposed agreement is on the agenda for approval. We believe this will be more effective and efficient than our original plan. The plan would provide free processing of wood waste for all municipalities, the county and the CCIA.

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.

Our new cover material policy is in place and we are approving tonnage at the new \$15/ton rate. No other rates were impacted.

We started to receive demolition debris from the county's former juvenile detention facility. The County agreed to process brick and block to 3" minus in return for free tipping of the demolition debris. Win, win for all.

Construction of cells 7, 8 and 9 is progressing very well. Cell 7 has been fully approved and certified to receive trash. Cells 8 and 9 received leak test certification and we are completing final documents required to receive final and formal DEP approval for all cells. Punch list items are being satisfied and we expect final punch list completion in early July.

Design is underway for our new Administrative offices on Lebanon Road/SWC. I hope to have an elevation and floor plan for your review by our board meeting. 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.

Resolutions

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

Mr. Nedohon called for a motion to approve the Resolutions 2017-111 through 2017-136.

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 Absent.
The motion was approved by a 4-0 Vote.

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

Mr. Nedohon called for a motion to approve the Resolutions 2017-111 through 2017-136. 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 Absent.
The motion was approved by a 4-0 Vote.

Treasurer's Report

1. Monthly Year over Year Tonnage:

17,053 tons were brought into the Solid Waste Complex; in-county municipal waste (type 10) increased by 72 tons or 1%. Total in-county tons increased by 304 tons and out-of-county tons received increased by 501 tons; this represents a net increase year over year of 805 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 \$85,248 for the month and an ending balance of \$9,475,742. Amounts owed back to the General Fund totaled \$3,946,522.

3. Cash and Investments:

Interest earned on the local and trustee accounts for the month amounted to \$13,394 as noted on the schedule of bank account balances.

4. Landfill Operations Summary – Profit and Loss Statement:

Landfill operations generated revenues of \$1,222,614 which included total tipping fees of \$1,175,748 and revenues from other landfill activities of \$46,866. Total revenues of \$1,246,264 less total expenses for the month of \$952,552 resulted in a net excess of \$293,712.

5. Economic Development Operations Summary – Profit and Loss Statement:
Economic Development operations generated revenues of \$208,172 which included rental income of \$186,333, Fleet Maintenance revenue of \$21,249, and other income of \$590. Total revenues less total expenses of \$112,039 resulted in a net excess of \$96,133.

Old Business – No old business.

New Business – No new business.

Freeholder Liaison Remarks – None Present

Open Public Comment Session

Mr. Nedohon called for a motion to go into Open Public Comment Session. A motion was made by Mr. Olivio, 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 Absent.
The motion was approved by a 4-0 Vote.

Ms. Nancy Ridgeway – Asked for explanation of Resolution #2017-122. Mr. Velazquez explained .

Ms. Cindy Zirkle – Asked if a location has been chosen for the new Cumberland County Jail. Mr. Velazquez stated that the location has not been chosen at this time. Ms. Zirkle also questioned whether or not the TEC School Board approved the Redevelopment Agreement. Mr. Velazquez confirmed that they had approved the Agreement.

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. Olivio to close Public Comment Session.

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

Executive Session

At approximately 4:32 p.m. Mr. Nedohon called for a motion to go into Executive Session. Prior to the resolution, Solicitor Gibson 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, matters involving the employment, appointment, termination of employment, evaluation of the performance of, promotion or disciplining of any prospective public officer or employee or current public officer or employee employed or

appointed by the public body. Solicitor Gibson read Resolution #2017-111 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. 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.

Resume Public Session

Mr. Nedohon called for a motion to come out of Executive Session and resume Public Session at approximately 5:21 p.m.

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

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