

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, MAY 24, 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-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. 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.

Approval of Minutes

Mr. Nedohon asked for a motion to approve the April 2017, Regular Meeting, Public Session Minutes and the April 2017 Executive Session Minutes. 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.

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 are having an "Official Opening" on Wednesday, May 31st at 3pm. Our formal lease modification for Treasury was approved during our May 17th Special Meeting. We continue to operate as expected/budgeted.

The mural on the first and second floors is completed.

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.

Unfortunately, current projects are moving along a bit slower than anticipated. May/June should show significant progress with regard to our project development activities.

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 analysis was completed by Bond Counsel. This review of the regulations will allow the CCIA to have a little more flexibility to pay off currently outstanding loan/bond obligations to lower interest payments and increase earnings from current investment accounts.

Mary and I met with Cumberland Advisors to discuss possible investment alternatives and strategies for our general funds and reserves.

Our county-wide equipment financing program got off to a great start, but then stalled due to a few concerns raised by municipal bond counsel. We reissued the RFP and the bids were opened on May 18th. We hope to recommend approval during our May meeting. 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 underway and we expect that project to be completed by the end of July.

The Arts and Innovation Center is complete and the College has moved in. We are working very well with the college with regard to operations. All final occupancy and elevator approvals are in place. The City had indicated that it could incorporate the 2nd Street sidewalk into ongoing infrastructure improvements, however, they have since retracted on that commitment. We coordinate installation with the owner.

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.

FY 2017 Budget is fully approved and being implemented. We have initiated our process for developing our 2018 budget. Senior staff will be working with finance and me to finalized proposed budget for Finance Committee review in September. We hope to present to the Full Board in October. Our 2016 audit is underway. We are working our way through required pension and retirement liability calculations. That should be completed along with the final audit in time for our June meeting. We expect no significant issues or findings.

We continue to utilize both recycling vendors to maximize efficiencies and pricing. Unfortunately, the "Chinese Sword" (can't make this stuff up) is impacting our pricing. It has come down from highest pricing levels in two years, but seems to be holding at higher pricing than previous year. 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.

Our Fleet Maintenance operation continues to move along productively. LSA is utilizing our services. Hopewell is also bringing their vehicles in. Fairfield also completed a shared services agreement and is expected to formally approve in April. Vineland's shared service agreement is on the agenda for May and I am happy to report that CATS is back!! We expect to provide fleet services from our West Ave. location as well.

Due to the expected increase in volume, we are enhancing our loaner car fleet. We are purchasing two new SUVs that will be utilized by CCIA staff and the two vehicles that are currently being driven, will be moved over to fleet maintenance. These vehicles will also be utilized by staff to commute to training and other special events. We were also able to refurbish a county vehicle that was going to be disposed via govdeals. This vehicle will also be added to fleet maintenance inventory.

Our mechanics recently completed CNG training and will be attending fire/emergency apparatus training/certification classes. Nathan is attending Dossier software training to better support our fleet management efforts. We believe that these certifications will be helpful in enhancing our fleet service capacity and capabilities.

Truck Wash construction is underway. Footings and foundation work to begin on May 22nd. 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. Our 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 received our 3 CNG vehicles and they are now on the road. 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.

The Authority and Constellation Energy continue 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.

The Combined Heat and Power Plant is moving forward. A grant application to the state Clean Energy Fund will be submitted this month. We hope to save the College approximately \$90,000 per year in utility costs.

Procurement for CNG Facility has been delayed due to procurement issues and corporate structure/partnership changes at Constellation.

Data Center and related solar as well as a required 69kV ring bus and transformer is moving along. Our counsel is finalizing agreements with Data Center developer.

We have made significant progress in an effort to overcome the current grid constraints. The initial cost estimates for the development of a 69kV ring bus and transformer were estimated to be \$10 million. We had anticipated this price would be lower, but after further review with development partners, the best solution would be to add another redundant line to the proposed energy hub site. This will increase costs, but also increase viability and effectiveness of the project. We are working with our developers to structure contribution agreements. This will be a Public Private financing/development model that can be replicated nationally.

Unfortunately, our partners, BPU, ACE and PJM continue to delay completion of necessary studies and infrastructure evaluations.

A final scope of work and proposed budget for the development of the CNG Station was completed. Our procurement/RFP process requires that the facility be built by Constellation's partner Air and Gas. We are working with our counsel to develop a final agreement. After further review with Counsel, and because the station will provide services to private entities, we will be entering into a land lease and concession agreement with Air and Gas. They will own and operate. We will receive special pricing for CCIA and County CNG vehicles.

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.

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 will be granting final approval of the Redevelopment Plan in May. The revisions incorporate our Energy HUB projects and strategy as well as to name the CCIA as the Redeveloper 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. Our engineer is working on the formal site plan submission. We received approval for the CNG station during the May 12th planning board meeting.

Craig met with Deerfield's Fire Chief to discuss shared services. 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. Progress has been significantly impaired by the City Council. We made a presentation to Council during its April meeting. The presentation was well received by a slim majority of the Council. Unfortunately, after our meeting, we realized that although a redevelopment plan is referenced and created by resolution, the actual plan was never finalized and formally approved. This has set us back. However, the good news is that the plan can now be modified to specifically incorporate our building and site plan. This should expedite the approval process. I have asked the Mayor to expedite.

In the meantime, we have ceased construction document preparation. 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. All of our funding is in jeopardy if we cannot obtain the required City approvals in a timely fashion.

The Food Specialization Center funding application was finalized and submitted on February 17th. Site plan/civil engineering is complete. Unfortunately, Design and Schematic documents/plans have been halted. 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. 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 are completed as well. Because the cells have been pumped down, and the new RO system is being retreated, the new waste water is more concentrated than ever. In order to resolve this issue, we received an increase in our test limits from Delcora.

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 April. 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. We are now waiting for DEP to issue its approval to allow two work face areas. This will allow us to begin placing trash in cell 7 and continue to utilize 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.

The new gas system construction is complete and is positively impacting gas/generation operations. EPP has experienced higher than usual equipment failures/repairs over the past several weeks. Weather is getting better and will improve gas production.

F&P has initiated its design for the next phase of our landfill gas infrastructure.

Our Class B Facility has received formal DEP approval to be included in the waste management plan. However, we are still waiting for final Class B approval.

We are working with a class B operator to develop an alternative option for dealing with our wood recycling needs. We believe this will be better 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. Beginning May 1st, our new cover material pricing is in place. The new policy allows all dirt approvals prior to May 1st, AND delivered prior to December 31, 2017 to be processed at \$12/ton. Construction of cells 7, 8 and 9 is progressing very well. Cell 7 has been fully approved and certified to receive trash. We expect completion of all cells by June 30th. Contractor is moving along very well now that the weather has improved. Design of our new Administrative offices on Lebanon Road/SWC. 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 2017-085 through 2017-110.
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 Rapuano.
Mr. Nedohon called for a motion to approve the Resolutions 2017-085 through 2017-110. 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.

Treasurer's Report

1. Monthly Year over Year Tonnage:
15,593 tons were brought into the Solid Waste Complex; in-county municipal waste (type 10) decreased by 180 tons or 2%. Total in-county tons decreased by 167 tons and out-of-county tons received increased by 351 tons; this represents a net increase year over year of 184 tons or 1%.
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 \$724,713 for the month and an ending balance of \$9,390,495. Amounts owed back to the General Fund totaled \$3,918,511.
3. Cash and Investments:
Interest earned on the local and trustee accounts for the month amounted to \$12,946 as noted on the schedule of bank account balances.
4. Landfill Operations Summary – Profit and Loss Statement:
Landfill operations generated revenues of \$1,068,795 which included total tipping fees of \$1,018,110 and revenues from other landfill activities of \$50,685. Total revenues of \$1,090,815 less total expenses for the month of

\$1,007,841 resulted in a net excess of \$82,974

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

Economic Development operations generated revenues of \$210,360 which included rental income of \$186,333, Fleet Maintenance revenue of \$12,336, and other income of \$11,691. Total revenues less total expenses of \$215,597 resulted in a net deficit of \$5,237.

Old Business – No old business.

New Business – No new business.

Freeholder Liaison Remarks – Mr. Derella commented on the positive direction the Improvement Authority is moving in and the positive effect it is having on the County. He thanked the Board, Mr. Velazquez and Authority Staff. Encouraged the open communication that the Authority and County have at this time to continue.

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.

Ms. Nancy Ridgeway – Requested the location for the development of the new City of Vineland Police Department. Mr. Velazquez responded 6th Street, Vineland.

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 4:31 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, 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 Rapuano read Resolution #2017-085 and noted that further business could be conducted after the conclusion of the Executive Session.

The motion was made by Mr. Kelly, 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.

Resume Public Session

Mr. Nedohon called for a motion to come out of Executive Session and resume Public Session at approximately 5:11 p.m.

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 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.