

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
Thursday, August 25, 2016

Meeting Opening

The meeting was called to order at approximately 4:14 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. 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 July, 2016, Regular Meeting, Public Session Minutes and the July 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. All phase II (interior and exterior) are completed. Treasury is occupying the second floor space. All rent payments have been made. Phase III is well underway. Demolition is complete and interior studs are being installed. We expect completion of this phase in October. We continue to operate as expected/budgeted. We have revised our parking strategy to be placed on our current site, rather than on adjacent property. Our revised site plan is being finalized and we expect to submit for City Capital review in the next couple weeks. We are preparing cost estimates for this work. Exterior painting should begin shortly. Landscaping is complete. Our roofing contractor is past his completion date, but should be done

within the next two weeks. Site and building look much better and we expect that the building will look substantially better after work is completed.

Final punch list for CWED continues. We have made significant progress on the final punch list completion as well as the HVAC issues with Honeywell. Minor adjustments were made to the automatic door openings to enhance energy efficiency and tenant comfort.

Now that rents are up to date, operations are back on the black. However, because we continue to self-finance subsequent renovation phases, the monthly reports are showing a net decrease. This strategy will result in a positive net revenue by avoiding interest expense.

Our No Smoking Policy continues to move forward. Jeannine is working with the City of Vineland to finalize the policy and prepare for implementation in the next couple of months. We will provide proper notice and directives for implementing this policy.

The Technical High School is moving along very well. A Temporary Certificate of Occupancy has been obtained and we are on schedule to open on September 12th. We had a great media event on August 16th. Channel 6 and SNJ placed the event on the nightly newscast. We had more than 12 different media members in attendance. Construction report was forwarded under separate cover. Furniture installation is almost complete. We have several events planned for August and September. Ribbon Cutting Ceremony is tentatively scheduled for September 8th.

The Arts and Innovation Center is under construction. Steel and walls are completed and brick work is almost complete. The magnitude of the building on High Street has become evident. We had a recent security issue at the site which is being investigated by the Millville Police Department. CCIA has been reimbursed for all of its predevelopment costs. Monthly construction report was forwarded under separate cover.

E-Waste collection issues continues to progress very well. Coordination of Vineland E-Waste is proving to be more difficult than expected due to staffing and facility constraints at the Vineland Public Works complex. See Tony's report for additional information.

The next Household Hazardous Waste event is scheduled in September.

Budgeting for FY 2017 is almost complete.

Our 2015 Audit is complete and request to approve the final draft is on the agenda for approval. Steve Testa will be presenting during our meeting.

We continue to work through issues with Millville. Each time I think we are getting closer to resolution, they ask for something different.

We continue to utilize both recycling vendors to maximize efficiencies and pricing. Tonnage continues to increase. Pricing/Market is turning around (although lower in July and August) and we are once again being paid for our single stream. We no longer hauling 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 have continued to receive NON-Flow Controlled type 10 trash to offset the loss of residual waste revenue. This waste stream is more conducive to landfill operations as well as gas production.

Our Fleet Maintenance operation continues to move along productively. Unfortunately, productively does not necessarily mean profitable. We are constantly working on volume and break even operations with the County. I have asked the County Administrator and the Freeholder Director to look into why we have not received any CATS vehicles over the past 2 months. We are still waiting for feedback from the County on this issue.

I have initiated discussions with a couple of municipalities in hopes of increasing our volume. We continue regular meetings with the staff to track progress.

The design and development of the new car/truck wash continues. We believe this will be a great opportunity to continue to share services, provide a new resource to the county as well as our municipalities and the state. We also expect current customers to utilize the car wash. We expect the project to cost approximately \$1.8 million. We have agreed upon the best location for the facility. After review of financial projections and costs, I do not believe that the facility will break even. We received an

initial evaluation from our engineer indicating that the proposed operation will NOT adversely impact our Treatment Plant. Even though I don't think it will be profitable, I believe in the long run, the facility will benefit our fleet and benefit the CCIA and the County, but will not break even.

We continue to look at CNG vehicle purchase to support Energy HUB and cost saving objectives.

Working with CATS to create CNG vehicle purchase for all new buses. Constellation Energy and SJ Industries are working to market the facility and locate potential users. In the meantime, and in order to handle our current fleet, we are going to install a slow fill facility. This will hold us over until a new, more robust plan can be implemented. No change for this reporting period.

Impound lot is completed and we continue to receive vehicles from the County. Repairs and camera installation are complete. We average 10-15 cars per month.

The Tire Amnesty program went well. We met our goal and the final report has been submitted to the State. Due to the volume of tires, we are concerned that we may go over our \$40,000 bid threshold. After further consultation with our solicitor, we have determined that we do not have to bid the tire recycling. Therefore we will be able to negotiate best price, value and service to ensure best service and processing. This is a departure from our previous strategy, but will be best method for removal and recycling.

We had our regularly scheduled meeting with Deerfield to provide an SWC update. We also discussed the need to revisit the current redevelopment plan to incorporate our Energy HUB projects and strategy.

Our Bridgeton efforts continue to be redirected to focus on the redevelopment of the Bank Building currently owned by the CCIA and the expansion of the Food Commercialization Center. The grant application process for the Commercialization Center has been initiated. We continue to work with the S. American and California companies. We will be meeting with a California company to discuss possible location at our facility as well.

We continue to meet with Constellation Energy to move the Energy HUB project forward. We are working on 4 significant initiatives. 1; the development of a Combined Heat Power Plant on the College Campus that would service both the College and new Technical High School, 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 and 4; a potential solar array on the former Bridgeton Municipal Solid Waste Complex. We also continue to meet/discuss/clarify issues/studies with BPU, ACE and on PJM to move these initiatives forward.

We are working with SJI, Constellation and EPP to develop a strategy and cost for installation of a new gas line on site. This will allow the conversion of our current diesel and propane systems. EPP is also investigating the use of natural gas to supplement its electric generation.

Treatment enhancement project is completed and the system is operational. We continue to treat 50% of the previously rejected effluent and discharge directly into the basin. Our operational and cleaning issues have been resolved at the plant and we are now treating more than 1million gallons of leachate per month. Off-site hauling of leachate has terminated. Our tank levels are down significantly and we are now utilizing residual reject/leachate as a component of dust control at the face of the landfill.

Hauling/pumping was very successful as proven out by the lack of water in at pump house 3/landfill tie in.

The impacts of this hauling and dewatering are positively impacting the overall landfill operations.

Methane quality has improved as well. Quantity has not been as positively impacted as anticipated.

As a result of a problem with one of our main lateral collectors, we require a new lateral to replace the current compromised lateral (change order on agenda for approval). Gas expansion project is underway, and should be completed in the next 30 days.

Our Class B Facility is making its way through the DEP approval process. We expect the facility to be operational in 1st quarter of 2017.

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. It is also proving to be very helpful to overcome issued related to high volume with limited capacity/gas construction constraints at the top of the landfill

First phase of the cell construction is completed and Phase II is underway. Construction is progressing very nicely. Cell 7 is almost fully lined.

Audit Presentation by Mr. Steve Testa, CPA – Please see attached.

Mr. Nedohon congratulated the Authority's Staff on a job well done.

Resolutions

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

Mr. Nedohon called for a motion to approve the Resolutions 2016-121 through 2016-131.

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 Gibson.

Mr. Nedohon called for a motion to approve the Resolutions 2016-121 through 2016-131. 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:

15,809 tons were brought into the Solid Waste Complex; in-county municipal waste (type 10) decreased by 1,061 tons or 12%. Total in-county tons decreased by 1,955 tons and out-of-county tons received decreased by 1,762 due to the discontinuation of two special projects; this represents a net decrease year over year of 3,717 tons or 19%.

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 \$991,892 for the month and an ending balance of \$10,458,252. Amounts owed back to the General Fund totaled \$3,419,164.

3. Cash and Investments:

Interest earned on the local and trustee accounts for the month amounted to \$10,052 as noted on the schedule of bank account balances.

4. Landfill Operations Summary – Profit and Loss Statement:

Landfill operations generated revenues of \$1,045,338 which included total tipping fees of \$983,923 and revenues from other landfill activities of \$61,415. Total revenues of \$1,284,138 less total expenses for the month of \$855,269 resulted in a net excess of \$428,870.

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

Economic Development operations generated revenues of \$315,290 which included rental income of \$184,824, Project Management fees of \$50,246, Lease payment of \$54,828, and other income of \$25,392. Total revenues less total expenses of \$480,294 resulted in a net deficit of \$165,004. The primary

reason for the deficit was the expenditure of \$188,756 for construction costs associated with 275 N Delsea Dr. Phase II project to avoid the accumulation of additional debt.

Old Business – No old business.

New Business – No new business.

Freeholder Liaison Remarks

Mr. Derella commented that the Audit was a complete picture of the success of the Authority and is looking forward to the continued support the County receives from the Authority.

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.

Ms. Nancy Ridgeway congratulated the Authority on the positive outcome of the Audit. Ms. Ridgeway asked for clarification on bills to be paid for the month:

SJ Glass – Door for CWED Building

Cumberland County – Surplus Payment

Cumberland County – Shared Service for Property Management

No other members of the public wished to comment at this time.

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

There was no need for an Executive Session at this time.

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.

