

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

Meeting Opening

The meeting was called to order at approximately 4:05 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-Absent; 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. Olivio, seconded by Mr. Lopez.

Mr. Olivio Yes; Mr. Jones Absent; 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 September 2017, Regular Meeting, Public Session Minutes and the September 2017 Executive Session Minutes. The motion was made by Mr. Olivio, seconded by Mr. Lopez.

Mr. Olivio Yes; Mr. Jones Absent; 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. We continue to operate as expected/budgeted. Additional handicapped parking spaces were added to accommodate county staff. New floor finishes in the first and second floor lobbies we completed. Settlement took place and we now own the Vineland Construction/NFI Headquarters. We have received final Letters of Intent from Treasury and the City of Vineland to lease 100% of the office space. City is currently designing the floor plan and has started to power wash their area in advance of the renovations. CCIA has been selected by the City to implement the renovations. Treasury leases on the agenda for approval. Rent payments have been made for the balance of the month of October. Debt service payments begin in November. Exterior renovations will begin shortly to the front entrance to incorporate an elevator and new entrance. All other renovations will be interior and will not be impacted by the weather. Other budget is showing a nominal net decrease 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. We are also ramping up our capacity to provide construction management services in-house. This will significantly decrease project costs to our customers, while generating an opportunity to reimburse the CCIA for our construction management staff. 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.

Redevelopment Plan Adoption for both the Downtown and the Florida Ave. locations were presented to Council for the first of two required readings. The first readings were approved by council. Second reading will occur on Wednesday, November 8th. I will reach out to the local chamber and businesses for their support. I will also follow up with the Freeholder Board.

Food Specialization Bids were received and we will be recommending for award during our meeting. This project will be constructed under a PLA. We have had great success over the past several years under this format. A ground breaking event will be held on Thursday, October 26th at 1pm. We have received both our investor and lender commitments for the Food Specialization project; grant funding from USEDA has also been formally approved.

State of the County Event was well attended. We received great feedback from attendees. Corning representative was very well received.

Our county-wide equipment financing is not progressing as well as we had hoped. I am following up with TD Bank to work on a plan to better market and follow up with our municipalities. We received a request from Cape May County to provide fleet leasing services. I followed up, but have not received a return call.

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. We are implementing a cell phone policy to better protect staff and our customers at the landfill. Cell phone use in areas with significant truck, heavy equipment and other vehicle traffic could be dangerous.

The Technical High School operations are going well. The track phase of the project is completed and the college is utilizing the fields for men's and women's soccer games.

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 still working toward a final scope and agreement with the College. Initial testing is being conducted to determine final layout and scope. Once that is completed, we can finalize the agreement.

The Arts and Innovation Center is complete and operations are moving along. The City of Millville contacted us to let us know that a second water meter had to be installed in the building. For some reason, the City didn't charge us for a water meter hook-up and therefore, could not bill for water/sewer use. Long story short, we are installing the meter and handling back billing charges from the City. We continue to oversee Property Management aspects of the project.

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.

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.

The budgeting process for 2018 is complete and our budget was formally approved by DCA this month.

The 2016 Audit is complete and was formally approved by DCA in October as well. 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. The expected drop in pricing due to China/Asian recycling restrictions (“Chinese Sword”) is being realized this month. See recycling report for additional information.

Our Fleet Maintenance operation continues to move along productively. Volume is starting to ramp up as Vineland’s department directors become more comfortable with the process and the system. We expect to provide fleet services from our West Ave. location as well. The Fire Department is utilizing services on a regular basis. 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.

The Millville Housing Authority will be presenting the shared service agreement to its board for formal approval.

We continue to upgrade our staff capacity and attending training opportunities to improve our effectiveness and efficiency.

Truck Wash construction is moving along very well. Block walls, roof, interior painting are completed and car wash equipment and HVAC system are being installed. Project is on schedule.

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.

Our Energy HUB/Micro Grid Initiative continues to move forward. Progress has not been as quick as we had hoped, but we are getting there.

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~~, 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.

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. We are awaiting final funding approval from BPU/Clean Energy Fund.

Data Center development is moving along. Due diligence on the Data Center partners continues, but has gone a bit slower than expected. The Data Center developer has indicated that the project will be completed in phases. The first phase of the project will utilize the current gas to energy engines as well as CHP, rather than the more significant 69kV/Ring Bus.

Procurement strategy for CNG Facility has been substantially revised. We continue working with our professionals and partners to complete plans and specifications. A formal request was submitted to DCA to allow CNG station to be built under state contract similar to gasoline stations. We are waiting for their formal review and approval.

SJI has initiated the gas line installation. The contractor is moving along more quickly than anticipated. The project is moving along ahead of schedule. This project 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 continue to evaluate 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.

Redevelopment Plan and Redevelopment Agreement are fully approved and allow us to implement our Energy HUB projects, biosolids, our administrative office and solar strategies and name the CCIA as the Redeveloper for the site.

I spoke with Deerfield representatives about the required modifications to 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. This project is moving along. Well contractor will be on site to evaluate

current well and heads to determine full scope. This should move along quickly, once scope is determined.

The Treatment Plant has been the focus of discussions over the past several weeks. We are working to develop an effective cleaning and maintenance protocol that will allow the system to remain operational while being cleaned and/or maintained. We have made repairs to the system that will allow the system to run at full efficiency, but cannot do so until the UF System is cleaned. Cleaning now takes several weeks. 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. We are also developing strategies to temporarily tarp part of cell 7 to create clean water area that would be discharged to the pond, rather than treated/hailed off site.

We had hoped to receive non flow controlled type 10 trash to allow us to complete the first lift in cell 7 more quickly. This would assist with tarping and other strategies to assist leachate in the new cell.

New temporary tarp is being installed on the highest side slopes to reduce leachate and increase gas production efficiency. Makes a big difference aesthetically as well.

The new gas system is operating well. F&P Engineering is making great progress in monitoring, evaluating and adjusting the gas infrastructure. Recent adjustments have increased volume and quality of the gas. 2 engines are consistently running at capacity.

F&P has completed the draft design for the next phase of our landfill gas infrastructure. Our new Construction Manager will be utilized to value engineer the design. We initially anticipated going out to bid in October, but have decided to delay until February so that we can maximize the new volume of gas collected by the new system.

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. Still waiting...Still waiting...Still waiting...

We finalized shared agreement develop for recycling wood waste. The agreement provides free recycling of wood waste for all municipalities, the county and the CCIA. The operator is also waiting for final DEP approval.

The purchase and installation of our central fueling and fleet management program will be implemented shortly. Fuel Master System will be utilized by the City of Vineland, the County and the CCIA to allow for centralized fueling and vehicle repair management. Initial talks with Dossier have begun to ensure a smooth transition and integration with our existing fleet maintenance software. The install will start at the CCIA to ensure all functions work as desired then we will move to the partner agencies (County and Vineland City). The CCIA will pay for the equipment and be reimbursed by the County and City of Vineland over time.

Additional cameras were installed at the Solid Waste Complex to cover the convenience center. This will assist with customer service and proper distribution of recyclable materials.

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. We are also purchasing GIS systems for the bulldozers and excavators that will allow us to self-perform site work with the use of laser technology.

Our new cover material policy is in place and we are approving tonnage at the new \$15/ton rate. We have a minor adjustment to our tipping fee due to a reduction in the tax charged for the CHA oversight. The reduction from 0.65 to 0.38 will increase revenue to the CCIA. We are now reviewing our Closure Plan. DEP has modified the way it calculates the closure plan funding. This modification will require an increase in our tipping fee. We are now evaluating how much and how that will impact the overall fee. Increase will be implemented in 2019.

Construction of cells 7, 8 and 9 is complete. Punch list items 90% complete. Final pumps, valves are on site and being installed.

Administrative offices on Lebanon Road/SWC is out for bid. This will be a PLA project. 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 2017-198 through 2017-219.

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

Mr. Olivio Yes; Mr. Jones Absent; 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 2017-198 through 2017-219. The motion was made by Mr. Olivio and seconded by Mr. Lopez.

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

The motion was approved by a 3-0 Vote.

Mr. Lopez abstained from Resolution #2017-215.

Mr. Nedohon abstained from Resolution #2017-216.

Treasurer's Report

1. Monthly Year over Year Tonnage:
15,746 tons were brought into the Solid Waste Complex including 7,979 tons of municipal solid waste generated in county. Total tonnage decreased by 177 tons, or 1%, over the same period last year.
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 \$4,308,293 for the month and an ending balance of \$3,411,446. Amounts owed back to the General Fund totaled \$9,263,765.
3. Cash and Investments:
Interest earned on the local and trustee accounts for the month amounted to \$15,424 as noted on the schedule of bank account balances.
4. Landfill Operations Summary – Profit and Loss Statement:
Landfill operations generated revenues of \$1,151,591 which included total tipping fees of \$1,088,465 and revenues from other landfill activities of \$63,126. Total revenues of \$1,176,053 less total expenses for the month of \$1,375,783 resulted in a net deficit of \$199,730. The deficit was due to capital expenditures and leachate hauling.
5. Economic Development Operations Summary – Profit and Loss Statement:
Economic Development operations generated revenues of \$243,725 which included rental income of \$205,574, Fleet Maintenance revenue of \$22,298, and other income of \$15,853. Total revenues less total expenses of \$251,116 resulted in a net deficit of

\$7,390.

Old Business – No old business.

New Business – No new business.

Freeholder Liaison Remarks – Mr. Derella thanked the Authority for the great job done at the State of the County Event at the Cumberland County College.

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. Lopez to go into Open Public Comment Session.

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

Nancy Ridgeway – Questioned the Cash Management Plan and asked for a copy of bank and investment accounts. Copy was provided.

Mr. Dean Hawk – Questioned USA Architects capacity and qualifications to build the new correctional facility. Mr. Velazquez provided information regarding specialized capacity and expertise of USA Architects.

There were no other members of the public wishing to address the Board at this time.

Close Public Comment Session

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

Mr. Olivio Yes; Mr. Jones Absent; 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.

Adjournment

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

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