

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, APRIL 25, 2018

Meeting Opening

The meeting was called to order at approximately 4:04 p.m. by Mr. Jones. The notice of the meeting was read by Mr. Jones.

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: None Present

Approval of Agenda

Mr. Jones asked for a motion to approve the agenda. The motion was made by Mr. Kelly, seconded by Mr. Nedohon.

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. Jones asked for a motion to approve the March 2018, Regular Meeting, Public Session Minutes and the March 2018 Executive Session Minutes. The motion was made by Mr. Kelly, seconded by Mr. Lopez.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Abstain; Mr. Kelly Yes
The motion was approved by a 4-0 Vote with 1 abstention.

Executive Director's Report

Operations continue to move along very well at CWED, DMV, 275 N. Delsea Drive and W. Park Ave. We continue to operate as expected/budgeted. Regular maintenance and exterior cleaning has helped to clean up the site. Snow is gone finally! Now we move to weeding, grass cutting and planting. The rain has provided a good opportunity to test our roof repairs. We did well.

All leases with Treasury are approved. Occupancy was pushed back to early July for the first floor and September for the 2nd floor. City of Vineland to lease 100% of 57 W. Park Renovations are well underway at both 71 and 57 W. Park Ave. Budgets for 71 W. Park and phase I of 57 W. Park are finalized. CCIA is overseeing all aspects of the renovations via the utilization of our service contracts for building, HVAC/Plumbing and Electric.

Other budget is continues to include net revenue as a result of new rents from 71 W. Park acquisition. One time pension payment in excess of \$290,000 resulted in a monthly net decrease, but that is only a one time per year occurrence. Rents and project development fees have started to increase as projects progress. We have fully staffed up our Construction Management Division. 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 Downtown Redevelopment Project redevelopment as well as the development of the Food Specialization Center. We have re-engaged our efforts to complete the downtown project. New Market Tax Credit application was resubmitted after a two year hiatus. We are working on the required private acquisitions. We are also proceeding with our environmental clean-up assessments needed to move forward. We expect to be prepared to bid this project in early June. We are going to formally solicit a tenant via an RFP process for the non-County space in the building. The HDSRF grant application is being processed. Resolution approving submission is on the agenda for approval. This will provide funding for the professional fees related to the environmental clean-up of this project.

Food Specialization Center is out to bid. We expect to award contract during our May meeting. This project will be constructed under a PLA. All financing is in place.

Our county-wide equipment financing is expected to have its first closing very soon. We are hopeful that once we close that loan, we can attract additional municipal participation. We are hopeful that once we get this program going, others will follow.

We continue to implement the planning, financing and pre-development phase of the School of Health and Science and Medicine. We are still working through a computer glitch with DOE that would allow us to finalize the long range plan. Plans and specifications are almost completed as well. We are working through the Dept of Education and Office of State Comptroller simultaneously to approve the application as well as the plans and specifications. We still expect to be out to bid in June 2018.

The Arts and Innovation Center is complete and operations are moving along. College utilization and programming are increasing. We continue to oversee Property Management aspects of the project.

E-Waste collection 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.

We continue to work with the City of Millville on its economic and redevelopment initiatives. We have made significant progress with regard to economic and business development in Millville. We expect to announce several new businesses that will hire more than 100 new employees over the next year. Our working relationship with the City has changed drastically.

Our auditor has completed his review of our records. Unfortunately, we are waiting for the state to provide pension calculations necessary to finalize our audit. We expect a couple month delay as a result. Single Stream collection continues to increase, but the recycling market continues to decline. The market has collapsed and China has implemented new restraints. We utilize two recycling vendors to mitigate market volatility. We are currently receiving \$0 per ton due to the severe market conditions. Due to the quality of our single stream, we were able to work out a contract with RE to process single stream and deliver residual waste to the landfill. See recycling report for additional information.

Our Fleet Maintenance operation continues to progress well and volume increasing as Vineland's department directors become more comfortable with the process and the system. Staff continues to utilize down time to support CCIA vehicle repairs and maintenance. Staff has been heavily involved in repairing our heavy equipment and trailers. Fleet operations continue to produce a net revenue. The Vineland School Board has agreed to join our fleet service as of July 1, 2018. Cape May County Utilities Authority has started to bring its large trucks in for service.

We continue to work with GPC, the parent company of NAPA to implement a parts, equipment and supplies distribution facility on site. This process has gone a bit slower than anticipated due to the heavy volume of projects and other operational initiatives.

Truck Wash is complete and operational. Final adjustments and modifications to the wash are complete. Kiosk upgrades to allow for credit card billing are progressing very slowly. We had to order another module that should be installed prior to the end of April.

We created a pricing schedule. Cars will be charged \$11, Small buses \$22, Large buses \$33 and Trucks \$44. After running our vehicles through the wash, I am confident that our fleet and our customers' fleets by enhancing useful life of vehicles.

Our Energy HUB/Micro Grid Initiative continues to move forward.

We are working on an initial strategy to service the entire landfill and Data Center PILOT operation via our current ACE infrastructure and our methane gas to energy facility. This would create a behind the meter, micro-grid. The engines will provide energy to the landfill, the Data Center PILOT and F&S produce. We will also install a new generator at the EPP site to allow for the emergency generation to support the entire facility, rather than individual generators.

We are working through proposed amendments with EPP to implement this strategy.

Our Data Center developers are working through final approvals, state incentive package and final budgets and hope to be operational by the end of the year. The Data Center is working on a strategy that will provide employment opportunities to high school graduates. This will create a viable and sustainable option for students who are not leaving the area to attend college and/or for those students who do not wish to attend college.

In addition to the short term solution noted above, we continue to design and/or implement the following 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; 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 was approved and engineering/design is underway. We expect to save the College approximately \$90,000 per year in utility costs. We received are working with the college to finalize implementation.

Plans and specifications are being completed for the CNG facility and expect to be out to bid by May 2018. We will be performing all of the site work for this project.

SJI completed the gas line installation and building conversions are moving along very well. Final conversion will be completed in May.

Construction of the new county jail facility will allow us to relocate the County Impound lot.

We expect the College Board to approve a shared service agreement. Savings to the college would be in excess of \$850,000 per year and would allow the College to transition facilities management including landscaping, custodial, maintenance to the purview and oversight of the CCIA. Tech will handle security under a separate agreement. There will truly be one campus designation and integration of services.

Resolution is on your agenda for approval.

Our proposal to the Vineland Board of Education to provide Trash pick-up for all of its facilities was accepted. Resolution is on your agenda for approval. We currently pick up recyclables, but not trash.

We were able to identify an alternate tire recycling facility. This has allowed us to resume a more aggressive and predictable schedule. Tire recycling is progressing very well.

The RFP response for the proposed ASR recycling and Gasification operation were received and are being evaluated. Prior to making a formal recommendation to the Board, we are attempting to schedule a couple site visits to see similar operations. Our objective is to remove recyclable materials from our waste flow, and generate additional revenue for the CCIA. Site visit is scheduled for late April.

Redevelopment Plan and Redevelopment Agreement are fully approved and allow us to implement the Redevelopment Plan for Lebanon Ave.

We are still waiting for Deerfield to finalize the arrangement necessary to upgrade the CCIA well. The CCIA will allow the fire department to fill its tankers utilizing our wells.

The Treatment Plant continues to be the focus of discussions and attention over the past several months. Operating deficiencies and the bad weather have caused us to increase our hauling and associated hauling

fees. Recent foaming is forming in the bio-tank. Not sure what the reason is for this condition, but we are treating and evaluating.

UF systems have been replaced and we are operating at full capacity. We are evaluating options and strategies for upgrades to the current system. In order to avoid off site hauling, we will need to increase our treatment plant capacity. We expect to complete this evaluation and develop bid specifications by the end of May. We are implementing key modifications that will allow us to better evaluate the current operations and develop a more effective expansion plan.

I have explained to staff that hauling should not be the solution. We need to increase our efficiency and capacity in the treatment plant.

All landfill operations have moved to Cell 7. We have reached the wedge and are moving toward the outer limits of cell 7 with the first lift. The trash grinder demonstration has proven to be very helpful to this process. The grinder allows us to process large bulky trash into a more manageable layer of trash for the initial lift on top of the new cell sand/liner. The initial end product and process have proven to be very effective for this use.

We are now developing a strategy to cover the final side slopes and top of cells 1 through 6 while we fill cells 7 through 9. The cover will enhance treatment and gas collection. Processed concrete along with cover dirt, will be used for cover on top and to create a roadway for wells and other infrastructure. This phase will be implemented during the summer and fall.

We are also discussing the possibility of installing a 2MW solar array on top of cells 1 through 6 while we are waiting for final closure; after cells 7 through 9 are filled to capacity (approximately 2041). We are meeting with DEP to discuss approval process.

F&P Engineering continues to do a great job monitoring and adjusting the gas system. They have begun to work more closely with EPP to maximize efficiency of the overall system. 2 engines are consistently running at capacity. We are repositioning staff to implement a more effective and efficient repair schedule.

F&P has completed the plans and specifications for the next phase of our landfill gas infrastructure. We have decided to self-perform the gas infrastructure for this project. Well drilling will be contracted, but all piping and connections will be handled by CCIA staff. This will save us significant \$ and allow us to directly monitor and implement the new wells. Bids are now officially out and we expect to award during our May meeting.

Wait for this one... We actually received our Class B Facility DRAFT approval letter!!!! Believe it or not, we still have not received our final approval. The process has taken almost a year.

Please keep in mind that this is a backstop for our shared service agreement with our private class B wood processor. All Municipalities and the County are included in this agreement. Wood waste will be collected and processed at no cost. 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 also received final DEP approval. We have initiated this shared agreement, and hope to finalize all agreements by the end of April.

We continue to finalize the details and equipment installation of the county-wide centralize fueling and fleet management program. Fuel Master has not done of great job of implementing the initial kiosk. Eventually, the centralized process will be utilized by the City of Vineland, the Vineland School Board, the County and the CCIA to allow for centralized fueling and vehicle repair management. 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 county CFO has asked that the CCIA handle purchasing and invoicing for the county-wide fueling program.

We received the statewide tipping fee schedule for 2018. Cumberland County has the lowest tip fee in the state. We have still not received DEP's revised Closure Plan formula which is expected to effectuate an increased tip fee for Cumberland beginning in 2019. This modification will require an increase in our tipping fee.

We are experiencing some water issues at the cell 7 berm. Once the weather clears, we are going to investigate the problem and complete required repairs.

The new Administrative Offices on Lebanon Road are moving along very well. 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 by the end of 2018. We are investigating the option of issuing a concessionaires license to perspective food/restaurant entities. Airport development as well as our UAB initiative continue to progress slowly but surely. We are the only application from the state of NJ. We are hopeful that our new relationship with the City of Millville will provide a new platform for enhancing the development opportunities at the landfill.

Vineland Police Headquarters, phase I is almost complete. Phase II was awarded and we are receiving submittals from contractor. Ogren should be mobilizing shortly.

We received formal Opportunity Zone approval for Vineland, Millville and Bridgeton. The Opportunity Zone designation allows individuals with capital gains liabilities to invest those funds into local redevelopment projects and receive tax deferral and/or forgiveness of that tax liability. This will allow for significant private leveraging of resources. We hope to set up an investment fund that can be utilized to support county redevelopment projects.

Resolutions

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

Mr. Jones called for a motion to approve the Resolutions 2018-079 through 2018-101.

The motion was made by Mr. Nedohon 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. Jones requested that the Solicitor handle Resolutions on the Agenda. Resolutions were read by Solicitor Gibson.

Mr. Jones called for a motion to approve the Resolutions 2018-079 through 2018-101. The motion was made by Mr. Olivio and seconded by Mr. Lopez.

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. Lopez abstained from Resolutions #2018-083 and #2018-093.

Mr. Kelly abstained from Resolutions #2018-080, #2018-081, #2018-086, #2018-088, #2018-089 and #2018-091.

Treasurer's Report

1. Monthly Year over Year Tonnage:

14,723 tons were brought into the Solid Waste Complex including 7,485 tons of municipal solid waste generated in county. Total tonnage decreased by 782 tons, or 5%, 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 \$569,378 for the month and an ending balance of \$1,642,204. Amounts owed back to the General Fund totaled \$12,327,862.

3. Cash and Investments:

Interest earned on the local and trustee accounts for the month amounted to \$40,258 as noted on the schedule of bank account balances.

4. Landfill Operations Summary – Profit and Loss Statement:

Landfill operations generated revenues of \$974,604 which included total tipping fees of \$874,207 and revenues from other landfill activities of \$100,397. Total revenues of \$997,694, less total expenses for the month of \$1,257,120 resulted in a net deficit of \$259,425.

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

Economic Development operations generated revenues of \$420,040 which included rental income of \$296,396, Shared Service Revenue of \$30,000, Project Management fee of \$29,506, Fleet Maintenance revenue of \$26,689, and other income of \$37,449. Total revenues less total expenses of \$424,713 resulted in a net deficit of \$4,673.

Old Business – No old business.

New Business – No new business.

Freeholder Liaison Remarks – No Freeholder Present

Open Public Comment Session

Mr. Jones 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.

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

Close Public Comment Session

Mr. Jones called for a motion to close Public Comment Session. A motion was made by Mr. Kelly, seconded by Mr. Olivio 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 4:28 p.m. Mr. Jones 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 with public funds, pending contract negotiation where the public body is a party or may become a party. Solicitor Gibson read Resolution #2018-079 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 Nedohon.

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. Jones called for a motion to come out of Executive Session and resume Public Session at approximately 4:50 p.m.

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

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

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