

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, JUNE 27, 2018

Meeting Opening

The meeting was called to order at approximately 4:03 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. Nedohon, 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.

Approval of Minutes

Mr. Jones asked for a motion to approve the May 2018, Regular Meeting, Public Session Minutes and the May 2018 Executive Session Minutes. The motion was made by Mr. Nedohon, 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.

Audit Report - Presented By Steve Testa

Executive Director's Report

Operations continue to move along very well at CWED, DMV, 275 N. Delsea Drive and W. Park Ave. Revenues continue to increase as new tenants move in. Our projections continue as budgeted. Regular maintenance, landscaping and cleaning continue. Roofs and drainage are holding up very well. We are integrating the college facilities management into our overall property management portfolio. New hires are starting their employment and we should be fully staffed by mid-July. Additionally, we have hired our seasonal staff. We continue to receive positive response and accolades from the college staff.

All leases with Treasury are approved and fully executed. Occupancy was pushed back to early July for the first floor and September for the 2nd floor. City of Vineland to lease is fully executed initial payments

for rent and project management fees have been paid. Budgets for 71 W. Park and phase I of 57 W. Park are finalized. CCIA is overseeing all We expect to receive our COs for both properties by Mid-July. Construction costs for 71 W. Park are higher than expected due to unforeseen conditions and enhancements needed by State Police tenant. All specialized renovations will be reimbursed by NJ Treasury. We continue to work with Capital Bank to obtain additional financing for the renovation costs. Project development fees have started to increase as projects progress. The Economic Development budget is showing a net operating increase. Our Construction Management Division is fully staffed and implementing our projects very effectively. 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. We expect to go out to bid in July. We are finalizing the New Market Tax Credit application and financial structuring. We also posted an RFP for the second tenant in the building. County Clerk will occupy approximately 7,500 sf of the total 30,000 sf building. We are working on the required private acquisitions. We are also proceeding with our environmental clean-up assessments needed to move forward. Vapor intrusion testing went much better than expected. No mitigation is required on the opposite side of Laurel St. HDSRF grant will provide funding for the professional fees related to the environmental clean-up of this project.

Food Specialization Center contract was awarded in May. We are working with at least 4 different food processors that are interested in moving into the building. We are evaluating the modifications needed to accommodate these tenants. We received final approval from USEDA to proceed with construction and we expect contractor to mobilize in early July.

We expect to finalize equipment financing with TD Bank for CNG station, Totters for Vineland, HVAC and Electrical equipment at Park Ave, Treatment Plant RO enhancements and vehicle purchase. This is available to us via our county-wide equipment financing. We are hopeful that once we get this program going, others will follow. Utilization of this resource allows us to avoid costly bond fees for this limited amount of funding.

The School of Health and Science and Medicine continues to progress through predevelopment and design. Our architect is working with DOE to finalize the application and approval. Plans and specifications are finalized we are working through the Dept of Education and Office of State Comptroller simultaneously to obtain final approvals. Bidding for the project will be pushed back to July 2018. I met with the College Board of Trustees and we are working through the final details of the development agreement. We are also scheduled to receive site plan approval in July. College has provided its consent to allow the applications to proceed while we finalize the agreement.

The Arts and Innovation Center is complete and operations are moving along. College utilization and programming are increasing. We are now managing this property as part of our shared service agreement with the college. We are working with the college to increase building utilization.

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. Two additional (total 3) new businesses were approved by the City. We are meeting with another business the week of June 25th that has expressed interest locating in the City of Millville. We are also working through redevelopment plans and initiatives along with City staff and solicitor. Our working relationship with the City has changed drastically.

Our auditor has completed his review of our records and the final audit is on the agenda for approval. Once again, we have received a clean audit with no findings. Steve Testa will provide a presentation during our meeting.

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. We are

attempting to seek out alternative solutions, but this will be a long-term situation. See recycling report for additional information.

Single stream market continues to struggle. Our HHW event was very successful. We had more than 550 cars attend the event. See recycling report for additional information.

Our Fleet Maintenance operation continues to progress well as volume increases. Staff continues to utilize down time to support CCIA vehicle repairs and maintenance. We completed the installation of our AIM units in our vehicles to facilitate centralized fueling and vehicle maintenance. Fleet operations continue to produce a net revenue. The Vineland School Board agreement begins on July 1st. Our Fuel Master system operational at the truck wash and our fueling station.

We held a very productive meeting with GPC, the parent company of NAPA to move the implementation of our parts and equipment “store” forward. NAPA has assured us that their local retailers are aware of the anticipated structure and do not expect any issues or concerns. We are working through the legal aspects of the Public/Private Partnership. We hope to be operational in the 4th quarter of 2018. The parts “store” will be located in the maintenance garage.

Truck Wash is complete and operational. Kiosk upgrades are completed.

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 expect to be fully integrated by the end of 2018.

The Energy HUB will allow the entire landfill operation as well as the Lebanon Road Redevelopment Area Initiatives to run all electricity via the existing 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. We have developed a strategy that will allow the data center become operational by October 1st. We are working with the Department of Workforce Development to recruit potential employees.

We continue to design and/or implement the following significant initiatives. 1; the development of a Combined Heat Power Plant on the College Campus, 2; a solar initiative that would be located at the SWC that would service all the electrical needs of the SWC, and 3; the CNG facility.

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. Implementation of the project has been delayed due to underground utilities that were located in the proposed development area.

The CNG facility has been officially put out to bid. We held a very successful pre-construction meeting. Many contractors and vendor attended the meeting. We will be performing the initial site work for this project. Site will be pad ready for selected contractor.

SJI completed the gas line installation and building conversions are completed.

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

As of May 1st, the CCIA has transitioned facilities management including landscaping, custodial and maintenance. Tech will handle security under a separate agreement. The official start date for facilities and security is July 1st. We were forced into expediting the original implementation date as a result of the many unprofessional resignations by the maintenance and landscaping staff. The custodial staff has been very cooperative and proved to be an early asset to the CCIA team. We have worked through the formal hiring and benefits process to allow the staff to transition on July 1st. Special thanks to Janet for making this happen in a very short time frame. Our overall staffing number will increase to approximately 75.

The College Shared Services Agreement also included Capital Projects Implementation. We helped to finalize a strategy for bidding roof repairs on several buildings. An overall plan for security, access and CTV cameras is also being implemented by the CCIA. We are also working with the college to

implement miscellaneous upgrades to campus facilities. We met with the architect charged with developing an update to the College's Master Plan to discuss status and next steps. Our focus will be on updating, enhancing and making more effective and efficient use of existing buildings, rather than build new on campus.

Our proposal to the Vineland Board of Education to provide Trash pick-up for all of its facilities was accepted and will begin on July 1st. City would also like us to handle metal collection and recycling. This shared service is on the agenda for approval.

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 we want to conduct additional due diligence and evaluate financial proforma and budget. Our objective is to remove recyclable materials from our waste flow and generate additional revenue for the CCIA. I will conduct additional meetings with the developers.

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

We have finalized an agreement with the Technical High School whereby the School will transfer the old vocational school in Deerfield to the CCIA for \$1. We are currently working with a couple interested developers that will place the building back in service and create a ratable for the Township. The Township has agreed to authorize a study to designate the area as an area in need of redevelopment and to create a redevelopment plan naming the CCIA as the redeveloper for this and adjacent property.

We have finalized our agreement with Deerfield to finalize the arrangement for the 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. The high rainfall levels continue to negatively impact operations. However, current operations of our RO and UF systems are performing at the highest level since installation. In an attempt to implement a short-term solution, we are considering installation of an additional RO system. This will support the increased capacity of the UF system. In order to avoid off site hauling, we will need to increase our treatment plant capacity. Key modifications allowing us to better evaluate the current operations and develop a more effective expansion plan have been completed.

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. We have installed well pits in cell 7 that will allow for future installation of gas wells to the bottom of the cell while avoiding trash and debris infiltration.

Our strategy to cover the final side slopes and top of cells 1 through 6 while we fill cells 7 through 9 is completed and we expect to install the cover in late August. 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. Due to DEP regulations, we will not be able to implement the proposed 2MW solar array on top of the current cells. We will revisit after the implementation of the initial phases of our Lebanon Road Redevelopment efforts.

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. Staff has been repositioned and has made significant progress with the required repairs and upgrades to the gas system.

Well drilling and gas parts have been delivered and are being fabricated on site by our staff. This will save us significant \$ and allow us to directly monitor and implement the new wells. Well drillers are obtaining approvals and should be mobilized by late July, early August.

We received our Class B approval from DEP.

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.

We continue to finalize the details and equipment installation of the county-wide centralize fueling and fleet management program. After many delays and miscommunication, Fuel Master Executive staff has stepped in and started to move this process forward very effectively. 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 CCIA install is completed and we are working with the system to ensure all functions work as desired before we move to the partner agencies (County and Vineland City). We are evaluating potential fueling locations in the City of Vineland.

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.

Repairs to the clean water side of Cell 7 will begin in August to take advantage of the warm/dry season. The new Administrative Offices on Lebanon Road are moving along very well. Floor is poured and steel is completed. Underground piping and wall layout is completed. Roof is being installed. The move will significantly enhance our operational efficiencies and create a synergy with the proposed Data Center Office Building. USDA has expressed interest in financing our project via its Community Facilities Program. The program provides long-term, low interest financing. We would hope to receive final approvals in September 2018. This is for permanent financing only, so construction financing will move forward through the CEZC as currently proposed.

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. Letters of Intent have been drafted and are going through legal review prior to sending to the tenants for their review and approval. Once approved, we will seek formal Board Approval (July).

Unfortunately, the UAB initiative was not one of the PILOT programs selected for approval. However, we will continue to seek out opportunities for unmanned aviation research and development. We are hopeful that our new relationship with the City of Millville will provide a new platform for enhancing the development opportunities at the Airport.

Vineland Police Headquarters, phase I is substantially complete and a punch list has been created. Phase II was awarded and we expect mobilization during the week of June 25th. Value Engineering continues as does the building evaluation for the existing building demolition.

We received formal Opportunity Zone approval for Vineland, Millville and Bridgeton. Final regulations are being finalized and should be issued by the end of 2018. 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. We continue to attend seminars and trainings related to this funding.

Unfortunately, there is only speculation at this point because final regulations and statutes are not approved.

Resolutions

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

Mr. Jones called for a motion to approve the Resolutions 2018-128 through 2018-158.

The motion was made by Mr. Kelly and 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.

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 2018-128 through 2018-158. The motion was made by Mr. Nedohon and 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.

Mr. Lopez abstained from Resolutions #2018-133, #2018-138, #2018-141.

Treasurer's Report

1. Monthly Year over Year Tonnage:

18,867 tons were brought into the Solid Waste Complex including 8,920 tons of municipal solid waste generated in county. Total tonnage increased by 1,814 tons, or 11%, 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 \$433,243 for the month and an ending balance of \$747,622. Amounts owed back to the General Fund totaled \$11,972,756.

3. Cash and Investments:

Interest earned on the local and trustee accounts for the month amounted to \$43,585 as noted on the schedule of bank account balances.

4. Landfill Operations Summary – Profit and Loss Statement:

Landfill operations generated revenues of \$1,225,447 which included total tipping fees of \$1,196,490 and revenues from other landfill activities of \$28,957. Total revenues of \$1,249,535, less total expenses for the month of \$1,097,339 resulted in a net excess of \$152,196.

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

Economic Development operations generated revenues of \$412,675 which included rental income of \$332,457, Interest Income of \$31,558, Property Management fee of \$8,750, Fleet Maintenance revenue of \$32,919, and other income of \$6,991. Total revenues less total expenses of \$317,211 resulted in a net excess of \$95,464.

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. Nedohon, seconded by Mr. Kelly 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. Nedohon 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 4:47 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 and matters involving the employment, appointment, termination of employment, terms and conditions of employment, evaluation of the performance of, promotion or disciplining of any specific prospective public officer or employee or current public officer or employee employed or appointed by the public body. Solicitor Gibson read Resolution #2018-128 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. Jones called for a motion to come out of Executive Session and resume Public Session at approximately 5:30 p.m.

The motion was made by Mr. Nedohon, 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. Jones called for a motion to adjourn the meeting. A motion was made by Mr. Nedohon, 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.