

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, AUGUST 22, 2018

Meeting Opening

The meeting was called to order at approximately 4:06 p.m. by Mr. Kelly. The notice of the meeting was read by Mr. Kelly.

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-Present.

The Pledge of Allegiance was recited.

Freeholders present: None Present

Approval of Agenda

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

Mr. Olivio Yes; Mr. Jones Absent; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.
The motion was approved by a 4-0 Vote.

Approval of Minutes

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

Mr. Olivio Yes; Mr. Jones Absent; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes
The motion was approved by a 4-0 Vote.

Executive Director's Report

W. Park Ave property is fully leased. We received a CO for phase I of 57 W. Park and have initiated final construction documents for phase II. State Police are expected to begin occupying their space over the next couple of weeks. Elevator and Final safety related equipment and furniture will be installed during that time. September occupancy for the 2nd floor is still on schedule. Furniture installation is almost complete. All specialized renovations will be reimbursed by NJ Treasury. Capital Bank approved a loan to finance a portion of the renovations to the office buildings and site plan upgrades. We expect to close that loan by the end of August.

Building/facilities operations continue to move along very well at CWED, DMV, 275 N. Delsea Drive, the College and W. Park Ave. Revenues continue to increase as new tenants move in. Our projections continue as budgeted. Regular maintenance, landscaping and cleaning continue. Additional custodial staff

is being interviewed for positions at 71 and 57 W. Park Ave. Seasonal staff continues to supplement our full-time staff. We continue to receive positive response and accolades from the college staff. Economic Development budget continues to show a net operating increase. Our Construction Management Division is fully staffed and implementing our projects very effectively. Now that several projects are under construction, we will utilize part time inspectors to supplement our full-time 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. Site remediation bid is on the street and construction bid should be issued by the end of August. Now that Complete Care has been selected as the primary tenant, New Market Tax Credit financing can be finalized. Declaration of Takings were filed for the remaining two private properties.

Food Specialization Center has commenced construction. The building floor plan is being modified to accommodate a new food processing tenant. We continue to work with at least 4 different food processors that are interested in moving into the building. We are also evaluating the development of a Central Power Plant to provide energy to the Food Specialization as well as the existing Food Innovation facility. This would provide an additional revenue stream for the CCIA.

Equipment Financing was approved during our July meeting. Our first two equipment loans closed. One for equipment at 57 and 71 W. Park Ave., and one for the CNG Station. Utilization of this resource allows us to avoid costly bond fees for this short term, specialized funding.

The School of Health and Science and Medicine continues to progress through predevelopment and design. We expect to obtain DOE approval prior to our Board meeting on the 22nd. Bidding for the project will be pushed back to August 2018. The College approved our Development Agreement so we are prepared to proceed immediately upon DOE and OSC approval. We received site plan approval from the City of Vineland and the County. Millville Zoning Board approved the project as well.

The Arts and Innovation Center is complete and operations are moving along. The College has modified its current programming to increase building utilization. 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. In addition to business development, we are working with the City on several Downtown Redevelopment activities that will integrate with the re-use efforts of our 2 N. High Street building.

Our 2019 Draft Budget is complete and we expect to meet with the finance committee in September to review and make a formal recommendation for approval during our September meeting.

Single Stream collection continues to increase, but market stress continues and has been exasperated by the recent tariffs. We utilize two recycling vendors to mitigate market volatility. We are currently receiving \$0 per ton due to the severe market conditions from one processor and we are paying the other processor in excess of \$27 per ton. We are attempting to seek out alternative solutions, but there is no short term solution in sight. Enhanced sorting, cleaning and/or Gasification is once again being investigated as an option for cleaning the material and making it more marketable. See recycling report for additional information.

Our last HHW event of the year is planned for September. We had more than 550 cars attend our June event. See recycling report for additional information.

Our Fleet Maintenance operation continues to progress well as volume increases. 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 is on board and has

started sending us buses for repair. Our Fuel Master system operational at the truck wash and our fueling station.

We approved the creation of the NAPA store in July. We are finalizing the agreements and expect to have the store fully operational by November 1st. The parts “store” will be located in the maintenance garage and provide low cost parts to all of our county/municipal partners.

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

Our Energy HUB/Micro Grid Initiative continues to move forward. We expect Phase I (landfill, treatment plant and administrative office) to be fully integrated by the end of 2018 and Phase II (F&S, Lebanon Road Redevelopment Area and back up Generators) will be completed by March 2019.

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.

We will be contributing 30% of the overall costs of the micro-grid per the agreement. The 30% contribution is less than the planned cost to install a new generator and associated infrastructure upgrades to our current electrical configuration.

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. Deerfield Township Planning Board approved redevelopment area designation for the former Tech School, adjacent land and the former Township Landfill. The Township Committee also approved the transfer of the landfill to the CCIA for \$1. We are working with the Department of Workforce Development to recruit potential employees.

The Combined Heat and Power Plant plans and specifications are complete and will go out to bid by the end of August. Project completion and operations are expected by March 2019. We expect to save the College approximately \$90,000 per year in utility costs.

The CNG facility re-bid was successful and a formal recommendation is on the agenda for approval.

Because of the significant increase in landfill projects (basins and CNG truck parking area) we decided to require the CNG contractor to perform the initial site work for this project.

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 July 1st, the CCIA has transitioned facilities management including landscaping, custodial and maintenance. Tech will handle security under a separate agreement. We are currently seeking additional staff to provide custodial and maintenance services for 275 N. Delsea and W. Park Ave. properties. These are currently being provided by private vendors. Our overall staffing has increased to approximately 85; 75 year round and 10 seasonal employees. Our seasonal employees are going back to school and will leaving us by the end of August.

The College Shared Services Agreement includes Capital Projects Implementation. We have finalized a strategy for bidding roof repairs, as well as an overall plan for security, access and CTV cameras. We are also working with the college to implement miscellaneous upgrades to campus facilities. Our focus will be on updating, enhancing and making more effective and efficient use of existing buildings, rather than build new on campus.

Tire recycling is progressing very well.

We are working through final lease agreement for ASR recycling and Gasification developer/operator. A PILOT gasification system is incorporated into the proposed agreement.

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

We finalized the transfer the old vocational school in Deerfield to the CCIA for \$1. We are completing the development agreement between the Developer and the CCIA. The Redevelopment initiative will place the building back in service and create a ratable for the Township. The Township Planner determined that the former school, adjacent land and the former Township landfill are eligible to receive a redevelopment designation. CCIA would be the named redeveloper for this and adjacent Township 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 upgrade bid documents will be issued on August 20th. The upgrades will focus on the RO system. This strategy will reduce the capital cost to the CCIA by almost \$1million. Operationally, the Treatment Plant continues to be the focus of discussions and attention over the past several months. Our RO and UF systems have experienced technical deficiencies over the past several months. The UF is currently processing approximately 65 gallons per minute. This is much more in line with current RO capacity. 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. Cell operations are moving along extremely well. Our water berms are experiencing some breaches as a result of the treatment plant deficiencies, but have improved as of late along with improved performance of the treatment plant.

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 early September. 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. We have recently been introduced to a potential solar solution for the top of cells 1 through 6. We will revisit after the implementation of the Phase IX gas expansion and 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. We are working with F&P to modify/adjust the implementation of Phase IX gas expansion.

Installation of Phase IX of the gas expansion is moving along very well. All wells are drilled (completed by private contractor) and our staff is digging the trenches for the headers and well tie-ins. We have saved significant \$ by self-performing this work.

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. 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 centralized fueling program. 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 equipment and programming is working as hoped. 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.** The County Health Department submitted a request for an increase in their fee from \$0.30/ton to \$0.70 per ton. The increase is currently being absorbed by the CCIA. At this time, we expect a tipping fee increase of approximately \$1 to \$4 per ton. Repairs to the clean water side of Cell 7 have been pushed back to early September to coincide with Alco's presence on site. This schedule was also dependent upon the installation of the pipeline to the rear basin, modifications to the fire basin and the gas expansion.

The new Administrative Office building on Lebanon Road is moving along very well. The building envelope is completed, brick is being installed and all interior wall studs are completed. Interior sheet rock 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 are finalizing Letters of Intent with several interested tenants to backfill our space in Millville. Move expected by the end of 2018. We continue to evaluate the option of issuing a concessionaires license to perspective food/restaurant entities. Lease is completed for the professional/office tenant and final negotiations are almost completed with restaurant tenant.

Our Empowerment Zone Corporation integration is going very well.

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. Kelly requested a motion to approve the Resolutions by consent.

Mr. Kelly called for a motion to approve the Resolutions 2018-188 through 2018-205.

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

Mr. Olivio Yes; Mr. Jones Absent; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.
The motion was approved by a 4-0 Vote.

Solicitor Gibson read the Resolutions on the Agenda.

Mr. Kelly called for a motion to approve the Resolutions 2018-188 through 2018-205. The motion was made by Mr. Nedohon and seconded by Mr. Olivio.

Mr. Olivio Yes; Mr. Jones Absent; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.
The motion was approved by a 4-0 Vote.

Mr. Lopez abstained from Resolution #2018-194 and #2018-199.

Treasurer's Report

1. Monthly Year over Year Tonnage:
16,508 tons were brought into the Solid Waste Complex including 7,986 tons of municipal solid waste generated in county. Total tonnage increased by 1,368 tons, or 9%, 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 increase in the general fund of \$101,860 for the month and an ending balance of \$1,483,752. Amounts owed back to the General Fund totaled \$12,341,845.
3. Cash and Investments:
Interest earned on the local and trustee accounts for the month amounted to \$46,562 as noted on the schedule of bank account balances.

4. Landfill Operations Summary – Profit and Loss Statement:
Landfill operations generated revenues of \$1,144,439 which included total tipping fees of \$1,110,673 and revenues from other landfill activities of \$33,766. Total revenues of \$1,312,474, less total expenses for the month of \$1,018,415 resulted in a net excess of \$294,059.
5. Economic Development Operations Summary – Profit and Loss Statement:
Economic Development operations generated revenues of \$473,192 which included rental income of \$334,132, Interest Income of \$32,686, Property Management fee of \$73,500, Fleet Maintenance revenue of \$23,904, and other income of \$8,970. Total revenues less total expenses of \$428,519 resulted in a net excess of \$44,673.

Old Business – No old business.

New Business – No new business.

Freeholder Liaison Remarks – No Freeholder Present

Open Public Comment Session

Mr. Kelly called for a motion to go into Open Public Comment Session. A motion was made by Mr. Nedohon, seconded by Mr. Olivio to go into Open Public Comment Session.

Mr. Olivio Yes; Mr. Jones Absent; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.
The motion was approved by a 4-0 Vote.

Tamara from City of Millville – Questioned Resolutions 189 and 190, relative to the listed partners involved in the Redevelopment of the 500 Block on High Street. She indicated that she was confused as to why so many partners and entities would be involved in one development project. Mr. Velazquez indicated that this model is typical in successful redevelopment efforts. The level of additional partners allows the CCIA to leverage financial and local resources and input to ensure that the project is consistent with municipal and master plan goals.

Nancy Ridgway from City of Bridgeton – Pointed out that a typo was made in a legal notice that the Authority placed in the newspapers stating that Celeste Riley is the Clerk of the Freeholders when the Clerk is Ken Mecouch.

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

Close Public Comment Session

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

Mr. Olivio Yes; Mr. Jones Absent; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.
The motion was approved by a 4-0 Vote.

Executive Session

At approximately 4:35 p.m. Mr. Kelly 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. Solicitor Gibson noted that no further business would be conducted after the conclusion of the Executive Session.

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

Mr. Olivio Yes; Mr. Jones Absent; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.
The motion was approved by a 4-0 Vote.

Resume Public Session

Mr. Kelly called for a motion to come out of Executive Session and resume Public Session at approximately 5:15 p.m.

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

Mr. Olivio Yes; Mr. Jones Absent; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.
The motion was approved by a 4-0 Vote.

Adjournment

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

Mr. Olivio Yes; Mr. Jones Absent; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.
The motion was approved by a 4-0 Vote.