

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, SEPTEMBER 26, 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: Darlene Barber

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 August 2018, Regular Meeting, Public Session Minutes and the August 2018 Executive Session Minutes. 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.

2019 Budget Review Presentation – Jerry Velazquez

Executive Director’s Report

Construction is complete for 71 W. Park Ave. as well as 57 W. Park Ave, phase I. City has moved in and is operational. State will be moving in October 1st. Lease revenue will begin as of October 1st. Final construction documents are completed for the second phase of 57 W. Park Ave (VMEU), and we expect to finalize our Shared Service Agreement with Vineland once final budgets are approved. Site work is underway and all parking lots for 71 W. Park are completed. Underground piping and drainage are installed and paving for 57 should begin in the next 7 to 10 days. Underground electric service is underway as well. All specialized renovations have been approved and will be reimbursed by NJ Treasury. Capital Bank loan was closed and is being utilized to pay for construction expenses.

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. We expect to hire several new staff over the next 2 weeks to complete staffing requirements. We reviewed current salary structure for the custodial staff and determined that they were deficient and not in line with other public and private entities within the County and the region. Adjustments will be implemented beginning 4th quarter of 2018.

Economic Development budget showed a slight decrease as a result of quarterly debt service payment and reserve contributions. 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.

The Bridgeton Downtown Redevelopment Project is moving forward. Site remediation contract is on the agenda for approval. The total cost of the remediation was just under budget. The construction bid has been released and we hope to award during our October meeting. New Market Tax Credit financing is being finalized. Declaration of Takings were filed for the remaining two private properties.

Construction of the Food Specialization Center is moving along. We had a slight delay to make modifications to incorporate the required footings, foundations and structural steel for proposed tenant #1. We continue to work with at least 4 different food processors that are interested in moving into the building. I participated on a panel at the Latino Food Show in Secaucus in an effort to market the remaining space to another tenant.

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.

The City of Bridgeton, Rutgers University, Cumberland County and the CCIA were awarded a 100,000 Innovation Grant for NJ EDA. The grant will allow the partners to develop a Smart Food Processing program for County employers and employees. We were told by the Governor, that our application was ranked #1 in the State.

The School of Health and Science and Medicine continues to progress through predevelopment and design. Final documents are completed and we expect final approval to go out to bid by the end of September. DOE received the required letter from the County Superintendent and we, in turn, should receive formal DOE approval very shortly. The college agreement as well as all local zoning and planning approvals are in place.

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.

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. The City is finalizing negotiations, its Airport Redevelopment Plan, and site layout with 3 businesses.

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 is on the agenda for approval. The plan was reviewed with the Finance Committee as well as our Auditor and finance department. A formal recommendation is on the agenda for approval.

Single Stream processing continues to be one of our biggest challenges. The City of Newark has started to limit curbside pick-up as a result of the significant expense related to collection and processing. 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 was held in September. Unfortunately, the weather kept our participant numbers down. 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. We have added staff to prepare for the additional volume from the VBOE, the City of Vineland and the curbside vendor.

We are working to coordinate the Centralized Fueling operation. We will be building a new station on our W. Park Ave. site to accommodate the City of Vineland and VBOE. Centralized fueling will allow us to purchase fuel wholesale, via tankers at lower costs than the current state/co-op pricing. Our SWC station and the County stations will be combined with the new station to create county-wide fueling options. The NAPA store is moving along and we expect to be 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. We are scheduling an informational meeting with county and municipal representatives to allow NAPA staff to discuss process, shared service/price structure and overall implementation objectives of the proposed store.

We had an electrical issue at the Truck Wash. One of the panel boxes has to be replaced, but is still under warranty. Contractor is aware and is making repair. Kiosk upgrades are completed.

Our Energy HUB/Micro Grid Initiative has been significantly delayed by ACE. ACE has been the worst “partner” we could ask for. They have done nothing but create obstacle after obstacle for the CCIA, the County and Deerfield Township. Nothing that they have done benefits the county’s constituents in any way. As a matter of fact, they continue to treat Cumberland County like second class customers that have to deal with substandard infrastructure and service over and over again. That being said, we still 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. This will require a significant modification to our strategy and implementation, but we will persevere in spite of their efforts to thwart our sustainability/micro-grid strategy for the County.

The Energy HUB plan 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.

Deerfield Township Planning Board completed 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 former school will now be an economic contributor to the Township by creating significant jobs and becoming a rateable. 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. CCIA would be the named redeveloper for this and adjacent Township property.

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

CCIA has transitioned facilities management including landscaping, custodial and maintenance. Tech will handle security under a separate agreement. We expect to hire additional staff to provide custodial and maintenance services for 275 N. Delsea and W. Park Ave. properties by the end of September. This create new job opportunities and further reduce our operating costs. These services are currently being provided by private vendors. Our overall staffing has increased to approximately 85; 75 year-round and 10 seasonal employees. Our final staffing number should be approximately 90 employees. Our seasonal employees have gone back to school.

The College Shared Services Agreement includes Capital Projects Implementation. Building access, CCTV and security are on the agenda for approval. We are utilizing our approved vendor (via RFP) to

implement the upgrades. We have finalized a strategy for bidding roof repairs as well. Those bids will go out in December/January to maximize pricing. 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. The first phase of the college master plan has been completed and will serve as the basis for future capital projects. The CNG facility construction is underway. Site clearing has begun and equipment is ordered. TD Bank equipment financing will be utilized to finance this project. Our new curb side vendor is expected to be on site by December 2018 and begin operations by January 1, 2019. 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. John Winterburn abruptly retired (2 week notice) after more than 20 years. We are developing a plan for Treatment plant operations in his absence. 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. The Treatment Plant upgrade is on the agenda for approval. The upgrades will focus on operational upgrades as well as the RO system. This strategy will reduce the capital cost to the CCIA by almost \$1million. Operationally, the Treatment Plant and very wet weather, continue to be the focus of discussions and attention 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. We have reached the existing wedge and are moving toward the outer limits of cell 7. 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. Preparation of side slopes and top of cells 1 through 6 is completed and temporary cover will be installed beginning September 24th. The cover will further 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. 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 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 completed. Gas production has significantly increased but cannot be fully implemented until the 3rd EPP engine is certified. Staff did a great job! 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. 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. The County Health Department submitted a request for an increase in their fee from \$0.30/ton to \$0.70 per ton.

This modification will require a \$4.00/ton increase in our tipping fee.

Repairs to the clean water side of Cell 7 have been pushed back to coincide with Alco's presence on site. This schedule is also dependent upon weather, 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, exterior brick, HVAC and plumbing, electrical and insulation is completed. The move will significantly enhance our operational efficiencies and create a synergy with the proposed Data Center Office Building. We submitted a funding pre-application to USDA, as well as a formal application to LFB. The USDA program provides long-term, low interest financing. We would hope to receive final approvals from LFB in October and USDA approvals by November 2018. This is for permanent financing only, so construction financing will move forward through the CEZC as currently proposed. We forwarded an official lease agreement to our proposed office tenant to backfill our space in Millville. Move expected by January 2019. We continue to evaluate the option of issuing a concessionaires license to perspective food/restaurant entities.

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 2018-206 through 2018-235.

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 Weinstein.

Mr. Jones called for a motion to approve the Resolutions 2018-206 through 2018-235. 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. Kelly abstained from Resolutions #2018-219, #2018-220, #2018-227, #2018-232 and #2018-234.

Mr. Velazquez provided clarification regarding the postponement of Resolution #2018-226.

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 – Darlene Barber shared greetings from Joe Derella and his disappointment at not being able to attend Board Meeting. Ms. Barber is attending in his absence and expressed her excitement in the collaborative effort between the County of the Improvement Authority. Much growth has occurred in Economic Development over the past few years and the results are clear with the decrease in unemployment and the growth of new businesses.

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. Nedohon, seconded by Mr. Kelly 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 4:40 p.m. Mr. Jones called for a motion to go into Executive Session. Prior to the resolution, Solicitor Weinstein 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 or anticipated litigation or contract negotiation and matters involving the employment, appointment, termination of employment. Solicitor Weinstein noted that no further business would 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 4:59 p.m.

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.

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.