

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, NOVEMBER 28, 2018

Meeting Opening

The meeting was called to order at approximately 4:02 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: Joe Derella & Jack Surrency
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Approval of Agenda

Mr. Jones asked for a motion to approve the agenda. 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.

Approval of Minutes

Mr. Jones asked for a motion to approve the October 24, 2018, Regular Meeting, Public Session Minutes and the October 24, 2018 Executive Session Minutes. 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.

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. We received our final CO as of October 28th. The State's move in date has been delayed until mid to late November. However, tenant payments begin as of November 17th. Final construction documents and associated budgets have been submitted and approved by VMEU and a Shared Services Resolution was officially adopted by the City of Vineland. Our affirming resolution is on the November Agenda for approval. Site work continues, but has experienced delays as a result of the rain. This has caused some grief for the City with respect to access and lighting. We are working with our contractor to coordinate site work and make better use of his time and scheduled work. Additional paving should be

underway after Thanksgiving. All specialized renovations have been reimbursed by NJ Treasury. Phase II prep work has started and full construction is expected after Thanksgiving as well.

CWED, DMV, 275 N. Delsea Drive, the College and W. Park Ave. operations continue to progress and revenues continue to increase as new tenants move in. Our projections continue as budgeted. Regular maintenance, landscaping and cleaning continue. Additional custodial staff has been hired and we are currently cleaning 71 W. Park and as of January 1st, we will switch to an in-house staffing model for 275 N. Delsea Drive. Custodial staff has been a great resource to our team.

Economic Development budget once again shows a net revenue for the month. Our Construction Management Division is fully staffed and implementing our projects very effectively. This revenue source sustains itself in addition to providing additional revenue to offset the administrative costs associated with the economic development operations/staffing.

Cape May County has approved a Development Shared Service Agreement with the Authority to provide development services for a proposed 60,000 sf building. We will be acting as project and construction manager for the project.

We opened bids for the Bridgeton Downtown Redevelopment Project. The bids were substantially higher than expected. The delayed approval process and subsequent delayed bid timing was the biggest reason for the increase. We are working with our development partners and funders to identify additional funding sources to support the project. In anticipation of preparing the site, we are moving forward with site remediation and underground utility services by ACE, Comcast, Verizon and SJ Gas. The County has approved and allocated its contribution toward the final development costs. Our New Market Tax Credit allocation was confirmed and we expect to revisit funding options with them as well. Declaration of Takings were filed for the remaining two private properties. We are still waiting for a court date to finalize the acquisition process.

Construction of the Food Specialization Center is moving along. We continue to work with our architect to incorporate changes to the building to accommodate proposed tenant #1. Once we finalize the proposed changes, we are going to meet with the tenant to confirm his participation in paying for the additional costs. Building construction continues to the extent that it is consistent with the original building design. We continue to work with at least 4 different food processors that are interested in moving into the building.

We continue to evaluate the potential of developing 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.

We continue to work with the City of Bridgeton and Rutgers University to implement the innovation grant. Our goal is to locate the first innovation center phase in our facility. The grant will allow the partners to develop a Smart Food Processing program for County employers and employees. A Shared Services resolution is on the agenda for your approval. Grant funds will be utilized to pay for architectural services related to building modifications for proposed tenant.

The School of Health and Science and Medicine has received funding approval from the DOE. The County and the Technical High School have approved DOE funding and requisite bonding. We are on track close the bonds in December with a first disbursement in January. We hope to have OSC approval by the end of November. Once we receive that approval, we are prepared to go out to bid. The anticipated date for the Design-Build contract award was pushed back to January (contingent upon OSC approval). The college agreement as well as all local zoning, subdivision and planning approvals are in place. The initial bond disbursement will include funding for the purchase of the College property to be used for the new addition.

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. (Please see Economic Development report for additional information)

In addition to business development, we are working with the City on several Downtown Redevelopment activities, as well as the re-use of our 2 N. High Street building.

Our 2019 Budget has been fully approved by the State DCA. This was quite a fast turnaround by the State.

Single Stream processing continues to be one of our biggest challenges. 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 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 hoping that the opening of the NAPA store will attract more attention and business to our fleet services program. ACUA vehicles will be on site in December.

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. We met with DCA/LFB to discuss the best methodology for implementation of this program. They approved our plan conceptually and have provided direction as we progress. Since there are a lot of moving parts and issues to be finalized, we are pushing the final roll out of this program to January 2019. Our SWC station and the County stations will be combined with the new station to create county-wide fueling options.

The NAPA store is fully operational as of November 1st. The parts “store” will be located in the maintenance garage and provide low cost parts to all of our county/municipal partners. I forwarded an email notice and request to enter into a shared services agreement to participate in the program. Direct participation is contingent upon the execution of a shared services agreement. We are going to hold another informational meeting with county and municipal representatives to discuss process, shared service/price structure and overall implementation objectives of the proposed store.

Truck Wash continues to operate much better. We are now able to proceed with marketing and utilization. We executed the final agreement necessary to implement our Energy HUB/Micro Grid Initiative. As a result of our continued persistence and perseverance, we remain on track to implement Phase I (landfill, treatment plant and administrative office) by the end of 2018/January 2019 and Phase II (F&S, Lebanon Road Redevelopment Area and back-up Generators) by March 2019. Our agreement with EPP provides a shared cost arrangement, so the acquisition and implementation costs are mitigated for the CCIA.

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. The Micro-Grid will also provide electricity to F&S and will provide the ability for Deerfield Township resident to have access to residential solar energy.

Deerfield Township Planning Board approved the next step of the Data Center project. The Redevelopment Plan was approved and has been forwarded to the Township Committee for its final approval/Ordinance. The former school will now be an economic contributor to the Township by creating significant jobs and becoming a rateable. We are completing the Lease/Purchase Agreement between the Developer and the CCIA. We will also complete final developer due diligence.

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. All hiring of staff to provide custodial and maintenance services for our remaining privately service facilities; 275 N. Delsea and W. Park Ave. properties is complete. This strategy has created new job opportunities and further reduced our operating costs. Our final staffing number should be approximately 100 employees by the end of 2018.

The College Capital Projects Implementation is underway for Building access, CCTV and security. A newly designed access and ID Card system has been created to work in tandem with the new access and security upgrades.

Roof repairs will be bid in January to prepare for an early Spring start.

Construction of the CNG facility is underway. Site clearing is moving along and the canopy has been installed. Equipment is ordered and we expect to be completed in January. We are working up pricing for the CNG Fuel. Pricing will include actual cost of Natural Gas, operating costs, electricity, capital costs, taxes etc.

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.

Ben Boardley continues to perform well at the Treatment Plan. Both sides of cell 7 are now being piped directly to the treatment plan. We are developing a new management, maintenance and operations plan for the Treatment plant.

Tire recycling is progressing very well. We are combining private hauling with in-house hauling via CCIA staff to maximize tire recycling options.

We are waiting for final lease comments from 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 was approved during September's meeting. 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. We are working on alternates that will provide enhanced RO capacity prior and during construction. This will provide additional treatment capacity and reduce hauling costs.

Cell operations are moving along extremely well. We have eliminated the contaminated storm water issue that caused our NOV in October. In order to eliminate the extensive water volume, we brought in two mobile treatment trailers. These trailers treated more than 2.6 million gallons of water. The mobile treatment was much less expensive than delivering the water to the LSA. Additionally, we are now piping all contaminated water directly to our Treatment Plan.

Side slopes and top of cells 1 through 6 and temporary cover have been completed. The cover will further enhance treatment and gas collection. We are working to complete grading at the top of the hill to manage rain/ponding water and gas line access. 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. We are working with F&P to modify/adjust the system and the implementation of Phase IX gas expansion. CCIA staff is becoming increasingly proficient with gas repairs and upgrades.

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.

Our 2019 Budget was officially approved by the State. The budget included a tip fee increase of \$4.00/ton. Cumberland County still has the lowest tip fee in the state. Revise fee structure begins on January 1, 2019.

The new Administrative Office building on Lebanon Road is moving along. Interior lighting, ceiling tiles, flooring and painting are being completed. Site work should begin moving forward this week and right after the holiday. Our move in date will be in January. The move will significantly enhance our

operational efficiencies and create a synergy with the proposed Data Center Office Building. We received pre-application approval from USDA and have submitted a full application for consideration and approval. The USDA program provides long-term, low interest financing. Upon final USDA approval, we will submit to LFB for their approval. We hope to have both USDA and LFB approval in December. 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. I visited with the proposed restaurant owner to review floor plan and rental options. The Mayor of Millville also attended the meeting. He is glad that we are working to create additional foot traffic in the downtown.

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. We are planning training sessions after the new year.

Life after Craig continues...Tony is doing a good job of moving operations along. Sal is doing a good job as well.

Resolutions

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

Mr. Jones called for a motion to approve the Resolutions 2018-260 through 2018-296.

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. 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 2018-260 through 2018-296. 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.

Treasurer's Report

1. Monthly Year over Year Tonnage:

18,248 tons were brought into the Solid Waste Complex including 8,381 tons of municipal solid waste generated in county. Total tonnage increased by 1,498 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 \$325,223 for the month and an ending balance of \$1,200,223. Amounts owed back to the General Fund totaled \$11,933,506.

3. Cash and Investments:

Interest earned on the local and trustee accounts for the month amounted to \$52,500 as noted on the schedule of bank account balances.

4. Landfill Operations Summary – Profit and Loss Statement:

Landfill operations generated revenues of \$1,130,241 which included total tipping fees of \$1,127,859 and revenues from other landfill activities of \$2,382. Total revenues of \$1,165,651, less total expenses for the month of \$996,759 resulted in a net excess of \$168,892.

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

Economic Development operations generated revenues of \$550,626 which included rental income of \$337,508, Property Management fee of \$73,500, Interest Income of \$37,144, Project Management fee of \$40,000, Fleet Maintenance revenue of \$27,295, and other income of \$35,179. Total revenues less total expenses of \$455,613 resulted in a net excess of \$95,012.

Old Business – No old business.

New Business – No new business.

Freeholder Liaison Remarks – Mr. Derella remarked that he hoped 2019 would be as successful as 2018 and that the Authority has the support of the County.

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.

Ms. Nancy Ridgway – Ms. Ridgway remarked that the award Mr. Velazquez received was from the Bridgeton Area Chamber of Commerce and wished everyone a happy holiday.

There were no other 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 4:25 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 where the public body is a party or may become a party 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. 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.

Resume Public Session

Mr. Jones called for a motion to come out of Executive Session and resume Public Session at approximately 5:13 p.m.

The motion was made by Mr. Nedohon, 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. 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.