

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, OCTOBER 24, 2018

Meeting Opening

The meeting was called to order at approximately 4:06 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-Absent.

The Pledge of Allegiance was recited.

Freeholders present:

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 Absent.
The motion was approved by a 4-0 Vote.

Approval of Minutes

Mr. Jones asked for a motion to approve the September 2018, Regular Meeting, Public Session Minutes and the September 2018 Executive Session Minutes. 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 Absent
The motion was approved by a 4-0 Vote.

Mr. Albert Kelly arrived at 4:10p.

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. As a result of a delayed final CO, the State's move in date has been delayed until November 1st. The reason for the delay is the City's requirement to complete a larger portion of the overall site work. Lease revenue will also be delayed until November 1st. Final construction documents and associated budgets have been submitted and approved by VMEU. We expect to finalize our Shared Service Agreement for this phase and commence construction in November. Site work is underway and all parking lots for 71 W. Park are completed. Underground piping and drainage are installed, underground electric has been completed and overhead poles and wires are being removed. Paving and

subsurface paving continues. Full site work should be completed by the end of November. All specialized renovations have been reimbursed by NJ Treasury.

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 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.

The Bridgeton Downtown Redevelopment Project is moving forward. Site remediation should begin shortly. 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 close by the end of the year. Bids will be received in early November and we would expect to award the bid during our November meeting. 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 had a slight delay as a result of required modifications for proposed tenant #1, but footings and foundations have been completed. Steel is ordered and we should see building structure going up soon. We continue to work with at least 4 different food processors that are interested in moving into the building. We hope to receive state funding approval for our first tenant.

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 are working 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.

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 hope to close the bonds in December. We are working through the OSC to obtain final bid document approval. Once we receive that approval, we will publicly bid the project. We hope to award the Design-Build contract in December. The college agreement as well as all local zoning, subdivision 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. We submitted a response for proposal for a new aviation related business at the Airport. We were one of 8 communities that were shortlisted. The City continues to work with 3 new businesses wishing to locate at its Airport Redevelopment Area.

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 Draft Budget was completed and forwarded to DCA for approval.

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.

I visited with a local business in Bridgeton to discuss potential expansion opportunities. While there, we worked with them to assist with an important national environmental certification that will allow this division to be the first in the entire national footprint to receive this designation. We also discussed the potential use of the soon to be developed Bio-solids facility on Lebanon Road.

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. We have set up a meeting with DCA/LFB to discuss the best methodology for implementation of this program. 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. An informational meeting with county and municipal representatives has been scheduled for October 22nd, to allow NAPA staff to discuss process, shared service/price structure and overall implementation objectives of the proposed store.

All Truck Wash repairs have been made and the kiosk software has been patched to provide proper billing and processing. We are now able to proceed with marketing and utilization.

We have made significant progress with ACE since our last meeting. The final agreement necessary to implement our Energy HUB/Micro Grid Initiative is on the agenda for approval. 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 and Phase II (F&S, Lebanon Road Redevelopment Area and back-up Generators) by March 2019.

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 approved our Data Center Site Plan and confirmed that the current zoning allowed for the development of our proposed Data Center. The Township also authorized the completion of a formal Redevelopment Plan naming the CCIA the Redeveloper for the site. The Township Committee also approved the transfer of the landfill to the CCIA for \$1. 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.

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. We are hiring additional staff to provide custodial and maintenance services for 275 N. Delsea and W. Park Ave. properties. This has created new job opportunities and further reduced our operating costs. These services are currently being provided by private vendors. Our overall staffing has increased to approximately 95; 85 year-round and 10 part-time employees. Our final staffing number should be approximately 100 employees.

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. We have finalized a strategy for bidding roof repairs as well. Those bids will go out in 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 once the Rowan/CCC relationship is finalized.

Construction of the CNG facility is underway. Site clearing is moving along and equipment is ordered. TD Bank equipment financing was utilized to finance this project. Operations will begin operations in January, 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.

Ben Boardley has stepped into the Treatment Plant Management position and is doing very well. The plant has been running much better since he has taken over for John Winterburn who abruptly retired (2 week notice). We are developing a new management, maintenance and operations plan for the Treatment plant.

Tire recycling is progressing very well.

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 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. This resulted in an NOV with no fine. However, we were required to prepare a plan for correcting the problem. We requested assistance from the CCUA. We were given approval to haul the leachate/storm water, but the fee provided to treat at the CCUA plant is higher than our fee to haul AND treat to Delcora in Delaware. This level of cooperation is disappointing.

Preparation of side slopes and top of cells 1 through 6 and temporary cover has been completed. 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. Two major repairs were completed over the last two weeks to allow for increased gas production.

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 approval included a tip fee increase of \$4.00/ton. Cumberland County still has the lowest tip fee in the state. The increase is on the agenda for approval and will be forwarded to all of our customers well in advance of January 1, 2019. We have also created a late fee policy that will be implemented along with the tip fee modification on January 1, 2019. The new policy was created to encourage our customers to make timely payments.

The new Administrative Office building on Lebanon Road is moving along. Interior finishes will begin shortly and the project is on schedule for completion by the end of 2018. 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.

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.

Craig Truitt's final day before retirement is October 26th. This is a very sad day for the CCIA. Craig has been a model employee and a great asset to the organization for more than 32 years! He will be missed, both professionally and personally. I would like to send a special thanks to Craig for teaching me everything I know about the landfill and its operations. Craig has been a great resource and mentor to me during my 5.5 years at the CCIA.

We have two shared service agreements on the agenda for approval. The agreements are with Cape May County and the Salem County Improvement Authority. These agreements demonstrate our neighbor's respect and confidence in our ability to assist them with project implementation. We look forward to working with both Counties. The additional work will provide new revenue streams to support our Construction Management Division.

Resolutions

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

Mr. Jones called for a motion to approve the Resolutions 2018-236 through 2018-259.

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 2018-236 through 2018-259. 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. Lopez abstained from Resolutions #2018-239, #2018-247, #2018-248, #2018-256 and #2018-257.

Treasurer's Report

1. Monthly Year over Year Tonnage:
15,691 tons were brought into the Solid Waste Complex including 7,661 tons of municipal solid waste generated in county. Total tonnage decreased by 56 tons, or .4%, 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 \$69,680 for the month and an ending balance of \$875,000. Amounts owed back to the General Fund totaled \$13,490,414.
3. Cash and Investments:
Interest earned on the local and trustee accounts for the month amounted to \$49,256 as noted on the schedule of bank account balances.
4. Landfill Operations Summary – Profit and Loss Statement:
Landfill operations generated revenues of \$1,071,684 which included total tipping fees of \$1,031,639 and revenues from other landfill activities of \$40,045. Total revenues of \$1,095,379, less total expenses for the month of \$1,011,684 resulted in a net excess of \$83,695.
5. Economic Development Operations Summary – Profit and Loss Statement:
Economic Development operations generated revenues of \$547,743 which included rental income of \$339,060, Interest Income of \$32,118, Property Management fee of \$73,500, Project Management fee of \$40,000, Fleet Maintenance revenue of \$24,646, Interest Income on Loans of \$32,739 and other income of \$5,680. Total revenues less total expenses of \$474,783 resulted in a net excess of \$72,959.

Old Business – No old business.

New Business – No new business.

Freeholder Liaison Remarks – No Freeholder Comments.

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. Nedohon 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 – Commented that Mr. Velazquez had reported at a previous Board Meeting that the Authority was looking into an industrial sized grinder to use at the SWC. She inquired if any progress had been made. Mr. Velazquez responded that the Authority had looked into it and it was not as effective as they had hoped and were looking into other options.

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. Olivio, seconded by Mr. Lopez 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 4:32 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 or anticipated litigation or contract negotiation 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 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 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 4:58 p.m.

The motion was made by Mr. Lopez, 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.

Adjournment

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