

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, DECEMBER 19, 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-Absent; 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 Absent; Mr. Nedohon Yes; Mr. Kelly Absent.
The motion was approved by a 3-0 Vote.

Approval of Minutes

Mr. Jones asked for a motion to approve the November 28, 2018, Regular Meeting, Public Session Minutes and the November 28, 2018 Executive Session Minutes. The motion was made by Mr. Nedohon, seconded by Mr. Olivio.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Absent; Mr. Nedohon Yes; Mr. Kelly Absent
The motion was approved by a 3-0 Vote.

Mr. Albert Kelly arrived at 4:07 p.m.

Executive Director's Report

Construction is complete for 71 W. Park Ave. as well as 57 W. Park Ave, phase I. The As of the date of our Board meeting, the State will also be in 71 W. Park. That building will be fully occupied. The NJ State Police are very happy with their new offices. We still have some specialized equipment and equipment that has to be installed, but they are fully operational. 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 has improved and paving should begin this week. We continue to work with our

contractor to coordinate site work and make better use of his time and scheduled work. All specialized renovations have been reimbursed by NJ Treasury. Phase II demolition and prep work is underway. There is no change to CWED, DMV, 275 N. Delsea Drive, the College and W. Park Ave. operations. These facilities 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 have been hired and we have switched to an in-house staffing model for all Park Avenue and 275 N. Delsea Drive properties. Custodial staff has been a great resource to our team.

Economic Development budget shows a slight decrease in 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 have initiated our work with Cape May and hope to begin design for the new building shortly. CCIA will be acting as project and construction manager for the project.

As you know, the Bridgeton Downtown Redevelopment Project 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. We are hopeful that a funding mechanism has been found to support the Brownfields Clean up on the site. This will provide almost all of the funding to put the project back on track. We continue to purchase and consolidate the lots for the project. We have delayed our remediation efforts until a funding commitment can be finalized. Underground utility services by ACE, Comcast, Verizon and SJ Gas are underway. 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 will spend the next few months finalizing our funding, securing a final lot consolidation, completing the street vacations and value engineering the current drawings.

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. This has been a bit more difficult than anticipated due to steel redesign and refrigeration needs. 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 have been included in several meetings 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 expected OSC approval last month, but unfortunately, we are still waiting. Once we receive that approval, we are prepared to go out to bid. We finalized our lease and development agreements with the Tech School and County. The anticipated date for the Design-Build contract award was pushed back to February or March (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 our municipal partners on their economic and redevelopment initiatives. (Please see Economic Development report for additional information)

We are working on Millville Downtown Redevelopment activities, as well as the re-use of our 2 N. High Street building.

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 more per ton every month. 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. Our NAPA store is now open and the Vineland BOE was our first shared service partner. Our shared ACUA share service agreement will begin in January along with the ACUA's curbside efforts in Vineland. Fleet operations continue to produce a net revenue. We are hoping that the opening of the NAPA store will attract more attention and business to our fleet services program.

We are working to coordinate the Centralized Fueling operation. This has proven to be much more complicated than expected. We are currently working with the City of Vineland to locate the best location for a fueling station. 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. 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. Our Energy HUB/Micro Grid Initiative is moving forward. We received required approvals from ACE and should be operational in early 2019. 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 and its Planning Board granted all necessary Redevelopment approvals to allow the Data Center project to proceed. We are now waiting for a formal proposal and financing package from the developer in order to proceed. The former school will now be an economic contributor to the Township by creating significant jobs and becoming a rateable.

The Combined Heat and Power Plant plans and specifications for the college electric generation were received. We are evaluating the bids and the required next steps in anticipation of providing a formal recommendation to the Board in January. We expect to save the College approximately \$90,000 per year in utility costs.

CCIA has transitioned facilities management including landscaping, custodial and maintenance. This strategy has created new job opportunities and further reduced our operating costs.

The College Capital Projects Implementation is underway. We are working very closely with the College on several initiatives and projects. 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 moving along very well. We should be able to accommodate the new ACUA trucks when they begin operations in January. Pricing has been finalized and we are working toward implementing the operating mechanism for billing and invoicing. Pricing includes actual cost of Natural Gas, operating costs, electricity, capital costs, taxes etc. We have reached an agreed upon structure with ACUA.

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.

Our treatment plant has been operating better than ever. Our new operator is doing a very good job of staying ahead of the rain and has been able to drain all of cell 7B as well as 7A. Pumps are cycling off due to the low levels of water in the system. We started to remove the temporary berm and have located the underground pipe that must be reconnected in order recertify the cell. We completed a survey of cell 7b and expect to be able to obtain a recertification shortly. We have been working closely with DEP to move this process forward.

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

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

Construction Contracts for the Treatment Plant upgrade have been finalized and we expect that work to begin immediately after the holiday break. We are working on alternates that will provide enhanced RO capacity prior to, 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. 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 and look and are operating very well. 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 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. Site work is moving along and the site will be in good shape before the Christmas break. Our move in date will be in late 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. We expect to obtain final USDA approval by the end of December. The USDA program provides long-term, low interest financing. We hope to have USDA

approval in December and LFB approval in January. This is for permanent financing only, so construction financing will move forward through CEZC as currently proposed.

We forwarded an official lease agreement to our proposed office tenant to backfill our space in Millville. Move expected by February 2019 pending final board approval. 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 expressed his appreciation knowing that we are working to create additional foot traffic in the downtown.

We received formal Opportunity Zone approval for Vineland, Millville and Bridgeton and hope to begin marketing for this opportunity shortly. Unfortunately, regulations are still 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.

Resolutions

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

Mr. Jones called for a motion to approve the Resolutions 2018-297 through 2018-330.

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

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Absent; Mr. Nedohon Yes; Mr. Kelly Yes.

The motion was approved by a 4-0 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 2018-297 through 2018-330. The motion was made by Mr. Kelly and seconded by Mr. Olivio.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Absent; Mr. Nedohon Yes; Mr. Kelly Yes.

The motion was approved by a 4-0 Vote.

Treasurer's Report

1. Monthly Year over Year Tonnage:

16,214 tons were brought into the Solid Waste Complex including 8,000 tons of municipal solid waste generated in county. Total tonnage decreased by 460 tons, or 3%, 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 \$751,981 for the month and an ending balance of \$448,242. Amounts owed back to the General Fund totaled \$10,563,409.

3. Cash and Investments:
Interest earned on the local and trustee accounts for the month amounted to \$51,497 as noted on the schedule of bank account balances.
4. Landfill Operations Summary – Profit and Loss Statement:
Landfill operations generated revenues of \$995,227 which included total tipping fees of \$956,501 and revenues from other landfill activities of \$38,726. Total revenues of \$1,013,185, less total expenses for the month of \$1,355,803 resulted in a net deficit of \$342,618.
5. Economic Development Operations Summary – Profit and Loss Statement:
Economic Development operations generated revenues of \$591,188 which included rental income of \$363,593, Project Management fee of \$95,240, Property Management fee of \$73,500, Interest Income of \$35,439, Fleet Maintenance revenue of \$22,815, and other income of \$601. Total revenues less total expenses of \$602,184 resulted in a net deficit of \$10,997.

Old Business – No old business.

New Business – No new business.

Freeholder Liaison Remarks – No Freeholder remarks.

Open Public Comment Session

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

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

Mr. Dean Hawk – Mr. Hawk suggested that resolutions include a list of all entities who respond to RFQ/RFPs noting Resolution #2018-308. Mr. Velazquez acknowledged that there may be a typo on the Resolution but there was no information missing. Mr. Hawk asked what the purpose of the “Certification of Funds” Resolutions were. Mr. Velazquez responded that law requires that the Authority certify that funds are available for payment.

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. Nedohon, seconded by Mr. Olivio to close Public Comment Session.

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

Executive Session

At approximately 4:30 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 where the public body is a party or may become a party and matters involving the employment, appointment, termination of employment. 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. Kelly.

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

Resume Public Session

Mr. Jones called for a motion to come out of Executive Session and resume Public Session at approximately 5:44 p.m.

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

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

Adjournment

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

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