

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, JANUARY 23, 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 December 19, 2018, Regular Meeting, Public Session Minutes and the December 19, 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 Absent
The motion was approved by a 4-0 Vote.

President/C.E.O.'s Report

Construction is complete for 71 W. Park Ave. as well as 57 W. Park Ave, phase I. The State Police are occupying the first floor, but the second floor tenants have pushed their move in date to mid-February, beginning of March. We still have some specialized equipment and equipment that has to be installed, but they are fully operational. Final construction documents are currently being finalized for bid. Budgets have been submitted and approved by VMEU and a Shared Services Resolution was officially adopted by the City of Vineland. Paving and site work are 80% complete. The bad weather and the need to move above ground electrical wiring have delayed completion. However, all of the buildings and parking areas are fully accessible and are currently being utilized by the City and the State. All specialized renovations have been reimbursed by NJ Treasury. Phase II pre-development, demolition and prep work has been

completed and final plans will be distributed for the completion of the final phase of interior construction including the VMEU control/command center.

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. We are working on our RFP for landscaping and irrigation services. We hope to have that out to bid in the next couple of weeks and would like to award in February or March, depending upon the timeline of the initial public notice.

Economic Development budget shows an increase in net revenue for the month as a result of construction and project management fees. 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 expect to award a design contract in early February. We also forwarded an invoice to Cape May County for our initial Construction/Project Management fee for the office renovation.

As you know, the Bridgeton Downtown Redevelopment Project bids were substantially higher than expected. 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. 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. We are waiting for formal notification of this funding. Additionally, we have initiated discussions with our design team to identify potential savings that would reduce the overall costs of the project. We have delayed our remediation efforts until a funding commitment can be finalized. Underground utility services, design and relocation by ACE, Comcast, Verizon and SJ Gas have been finalized and are awaiting final completion. 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.

Construction of the Food Specialization Center is delayed as a result of requested changes from a potential tenant. Additionally, the Federal Shut Down has eliminated the ability for us to request construction reimbursements and any potential building and programming modifications requested by our potential tenant. Steel redesign and refrigeration needs are also being finalized, but are delayed because we need to obtain final operating and use specifications from identified tenants. 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. An architect was identified by the City of Bridgeton and Rutgers to begin the design and programming phase of this project. Grant funds will be utilized to pay for architectural services related to building modifications for proposed tenant.

We continue to struggle with Office of State Comptroller to obtain our final bid document approval. We have been working with OSC for the past 4 months in an attempt to finalized the documents. We believe we have provided final edits that will be approved, but until we receive formal approval, we cannot go out to bid. All DOE funding is in place and the plans and specifications are complete. Bonding is closed and we are ready to implement the project immediately upon OSC approval. We finalized our lease and development agreements with the Tech School and County.

The college agreement as well as all local zoning, subdivision and planning approvals are in place. Closing on the college owned property is scheduled for early February.

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. A new contract with our current processor has been reviewed and approved by counsel.

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. We have entered into final discussions with two public entities interested in leasing 2 N. High Street. I will provide additional update during our meeting.

Single Stream processing continues to be one of our biggest challenges. This is also a challenge nationwide. Outlets are diminishing and contamination is at an all-time high. Fortunately for Cumberland County, we continue to have low levels of contamination. 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. The City of Vineland and Cumberland County have also joined. ACUA is on site and have proven to be one of our best share service partners. Fleet operations was given a big boost as a result of the ACUA volume. ACUA is also utilizing our Truck Wash. We are hoping that the opening of the NAPA store will attract more attention and business to our fleet services and truck wash. We are working to coordinate the Centralized Fueling operation. This has proven to be much more complicated than expected. 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 2020.

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. Participation has not been as high as we had hoped. We continue to forward an email notices and requests to our public partners. 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 have had recent inquiries and utilization by ACUA, The City of Vineland, and a couple private entities.

Our Energy HUB/Micro Grid Initiative is moving forward. We received required approvals from ACE and installation of the additional infrastructure begins on January 21st. The initial phase that connects existing facilities to the grid should be operational in February/March 2019. Phase I (landfill, treatment plant and administrative office) by Feb/March 2019 and Phase II (F&S, Lebanon Road Redevelopment Area and back-up Generators) by April/May 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.

We continue to work with the Data Center Developer. We should have a proposed sales and lease agreement in hand by the end of January. Deerfield Township and its Planning Board granted all

necessary Redevelopment approvals. When completed, The former school will 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. After discussions with the College and the County, we are going to reject the bids. The revised bid will require the provision of the required equipment AND installation. The project may utilize Chapter 12 funding to further enhance savings to the College, the County and the CCIA. 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 95% complete. All ACUA vehicles are utilizing the station. CCIA vehicles are also using the station. We are finalizing an RFP for a billing/marketing entity for the CNG station. This will allow us to sell CNG to private entities. Pricing includes actual cost of Natural Gas, operating costs, electricity, capital costs, taxes etc.

Construction of the new county jail facility will allow us to relocate the County Impound lot.

The treatment plant continues to operate more efficiently and effectively than previous operations. We are preparing for the treatment plant expansion. As a result of our recent success and preventative maintenance program, we are realizing areas where improvement is needed. Unfortunately, the rain has not given us a break. Rainfall continues to be way above average. In order to mitigate this issue, we are bringing in an RO trailer on an emergent basis to empty cell 7B and allow us to catch up in our plant and clean out our 1million gallon tank. The tank is way overdue and the combination of water and biology is causing our large tank to fail. The temporary berm between 7A and 7B has been removed and the underground leachate piping has been installed. 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. We completed plans for the recertification of cell 7B and will be soliciting proposals over the next several days.

Tire recycling is progressing very well. We are combining private hauling with in-house hauling via CCIA staff to maximize tire recycling options. DEP and the County Health Department visited our site and indicated that they were not totally satisfied with our tire recycling process. This was in light of the fact that our tire recycling process has been enhanced and we are moving tires on a weekly basis.

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

Cell operations are moving along extremely well. 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. In an effort to maximize their time and our efficiency, we have designated an internal team to work with F&P when they visit the site. We believe we can augment their team to provide additional services and modifications/fine tuning. They have begun to work more closely with EPP to maximize efficiency of the overall system. 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. We have run into a slight delay due to the Federal Shut Down. Prior to the shutdown, USDA approved funding for our building. Unfortunately, the approval reached DC, but is sitting on someone's desk but cannot be acted on. Additionally, because of the delay, the interest rate increased to a level that is higher than our standard bonding rate. The county agreed to assist by providing a guarantee and we should receive LFB approval in February. The building is almost complete. We have set our move in date for late March. The move will significantly enhance our operational efficiencies. We hope to have a new tenant for our building beginning April 1, 2019.

We received formal Opportunity Zone approval for Vineland, Millville and Bridgeton and hope to begin marketing for this opportunity shortly. Unfortunately, the federal shut down has delayed the approval of final regulations. 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 once new legislation is approved.

Resolutions

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

Mr. Jones called for a motion to approve the Resolutions 2019-001 through 2019-023.

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 Absent.

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. Velazquez pointed out that a clerical error was made regarding Resolution #2018-236 for Leachate Hauling to Hilltop Enterprises. The Resolution should have certified \$750,000 rather than \$75,000 noted during the December Board Meeting.

Mr. Jones called for a motion to approve the Resolutions 2019-001 through 2019-023. 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 Absent.

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

Ms. Nancy Ridgeway – Ms Ridgeway complimented Mr. Velazquez on his comments during the Freeholder meeting regarding Administration Building Bond Guarantee. She questioned how construction expenses for the building were currently being paid. Mr. Velazquez indicated that interim financing was in place.

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 Yes; Mr. Nedohon Yes; Mr. Kelly Absent.

The motion was approved by a 4-0 Vote.

Executive Session

At approximately 4:35 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 where the public body is a party or may become a party. 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 Yes; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Absent.
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 5:07 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 Absent.
The motion was approved by a 4-0 Vote.

At this time the Board was asked to vote on Resolution #2019-022 which was included in the Board Packet, but mistakenly left off of the Agenda and not publicly read by the Solicitor. Solicitor Gibson publicly read Resolution #2019-022. Mr. Jones asked for a motion to approve Resolution #2019-022. 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 Absent.
The motion was approved by a 4-0 Vote.

Mr. Velazquez informed the public that a special meeting would be held on February 20th to approve resolution related to the Administrative Office financing.

Adjournment

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

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