

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, FEBRUARY 27, 2018

Meeting Opening

The meeting was called to order at approximately 4:00 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.

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| Freeholders present: |
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Approval of Agenda

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

Approval of Minutes

Mr. Jones asked for a motion to approve the January 23, 2019, Regular Meeting, Public Session Minutes and the January 23, 2019 Executive Session Minutes. The motion was made by Mr. Nedohon, 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.

President/C.E.O.'s Report

71 W. Park Ave. is now fully occupied. Our second floor tenant moved in this month. Our staff is maintaining this facility. We still have some specialized security equipment in the NJ State Police area that needs to be installed, but they are fully operational. Construction documents for the final phase of 57 W. Park Ave. will be completed and out to bid in mid-March. Budgets have been submitted and approved by VMEU. Paving and site work continue and are almost complete. Continued inclement 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.

There is no change to CWED, DMV, 275 N. Delsea Drive, the College and W. Park Ave. operations. Revenues and expenses continue as budgeted. Regular maintenance, landscaping and cleaning continue.

All required custodial staff have been hired and we have switched to an in-house staffing model for all CCIA properties, including Park Avenue and 275 N. Delsea Drive. 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 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 continues to move forward with its renovation project at the former K-Mart retail center. The County selected a lead architect and will be selecting a civil engineering firm shortly. Our team, along with the County and Architect will be moving the design process along. The overall project includes approximately 62,000 sf office and health care space.

CCIA staff continues to work with our professionals to modify plans and specifications in order to reduce the overall costs associated with the Bridgeton Downtown Redevelopment Project. We are confident that we can implement the necessary changes to meet our project budget. Additionally, we are hopeful that the State will provide remediation funding for the required site clean-up. Final lot acquisition, consolidation, street vacations and value engineering continue while we await additional funding commitments.

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.

The Food Specialization Center was delayed, but is now getting back on track. The delay was a result of requested changes from a potential tenant. Steel redesign and refrigeration needs have been finalized. We continue to work with potential tenants to fully occupy 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 received a Letter of Intent from a National company and hope to execute a formal lease in the next 30 days.

We broke the log jam related to our OSC approvals and have been able to put the Technical High School addition out to bid. 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 on the agenda for approval and we will close in early March. The County Jail will follow shortly.

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 is in place with our current processor.

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. The City of Millville has agreed to a long term lease for 2 N. High Street. The building will be fully utilized by the City for its court and related operations.

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. The monthly revenue is up, but the overall monthly income shows a deficit balance. This is a result of additional expenses related to increased staffing for the second shift. Volume and revenue are expected to increase to cover these additional costs over the next couple of months. Our NAPA store is gathering momentum and we expect substantial utilization increases over the next 60 days. ACUA is on site and continues to be one of our best shared service partners. Fleet operations was given a big boost as a result of the ACUA volume. ACUA is also utilizing our Truck Wash. Truck was revenue for the first two months of 2019 are higher than revenue collected for all of 2018.

We are hoping that the opening of the NAPA store will attract more attention and business to our fleet services and truck wash. We held another informational session for County and municipal fleet and finance staff in order to attract more users to the store.

We are working to coordinate the Centralized Fueling operation. 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.

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 purchased ACE's on-site infrastructure and have been working with EPP to complete the first phase of the micro-grid. As of February 28th, the CCIA will officially be on its own micro-grid system. We will be independent from the ACE electrical grid. Phase I (landfill, treatment plant and administrative office) is completed and Phase II (F&S, Lebanon Road Redevelopment Area and back-up Generators) will be completed by December 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.

We continue to work with the Data Center Developer. We have negotiated a revised sales price and approval to sell the former tech school, adjacent land and former township landfill are on the agenda for approval. 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 first 6 months of operations at the college have proven to be even more efficient and productive than anticipated. The college prepared a summary highlighting the fact that overall work orders have doubled, while open work orders have decreased by 90% since the transition. More work, completed more effectively and efficiently.

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 are out to bid and we are prepared for an early Spring start.

Construction of the CNG facility is substantially complete. Punch list is being completed. All ACUA and CCIA vehicles are utilizing the station. Once we have selected a private marketer and operator, we will be able 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 expected to increase our treatment volume by utilizing a temporary trailer, but the volume of the effluent decreased due to the cold weather and tank biology. Tank cleaning 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 received bids for the resurfacing of cell 7B and expect the required work and recertification to be completed by mid-March. Recertification of the cell will assist with leachate treatment and overall operations.

Treatment Plant expansion is underway and completion is expected by May 2019. Change Order (reduction) is on the agenda for approval.

Tire recycling is progressing very well. 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. They are mistakenly classifying our transfer of tires as a class B recycling facility. After our visit from the NJDEP and hearing their concerns about how we store our tires, the CCIA is now loading the tires into trailers weekly so they do not sit on ground. The tires only remain on the ground for 2 to 3 days until we have time to load them. Once we have a full trailer, tires are shipped. Because we are conducting our own hauling, we can load our trailers and have them ready for shipment. We have three trailers available for this task, so weekly storage/shipping is not an issue.

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. Additional temporary cover is being planned for the top of the hill to further enhance water collection and gas collection.

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. CCIA staff is becoming increasingly proficient with gas repairs and upgrades and an internal tracking system is being documented to increase repair and collection efficiencies.

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 started on January 1, 2019.

The new Administrative Office building on Lebanon Road is almost complete. LFB provided its formal approval of our bond financing. The county agreed to assist by providing a guarantee LFB thanked the CCIA and the County for our diligence in identifying and securing the most advantageous financing for this project. We expect to move into the building by late March, early April.

We received formal Opportunity Zone approval for Vineland, Millville and Bridgeton and hope to begin marketing for this opportunity shortly. The federal shutdown 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.

Landfill operations continue to move along extremely well. Tony, Sal and Ben doing a very good job. Danone has requested approval to divert approximately 52-60 tons per year in waste to Camden incinerator. This diversion will allow Danone to obtain a zero waste certification. Danone will include CCIA on all of its marketing materials. This will create a loss in revenue of less than \$4,000 per year, but will create extensive good will and national and international recognition from Danone.

Resolutions

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

Mr. Jones called for a motion to approve the Resolutions 2019-025 through 2019-048.

The motion was made by Mr. Nedohon and 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.

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 2019-025 through 2019-048. The motion was made by Mr. Olivio 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 2019-041, 2019-042 and 2019-044.

Treasurer's Report

1. Monthly Year over Year Tonnage:

15,927 tons were brought into the Solid Waste Complex including 7,611 tons of municipal solid waste generated in county. Total tonnage increased by 203 tons, or 1%, 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 \$875,875 for the month and an ending balance of \$1,716,961. Amounts owed back to the General Fund totaled \$9,656,094.

3. Cash and Investments:

Interest earned on the local and trustee accounts for the month amounted to \$47,431 as noted on the schedule of bank account balances.

4. Landfill Operations Summary – Profit and Loss Statement:

Landfill operations generated revenues of \$1,152,757 which included total tipping fees of \$1,056,056 and revenues from other landfill activities of \$96,701. Total revenues of \$1,170,855 less total expenses for the month of \$669,052 resulted in a net excess of \$501,802.

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

Economic Development operations generated revenues of \$804,556 which included rental and management fees of \$682,763, Interest Income of \$32,752, Fleet Maintenance revenue of \$40,513, and other income of \$48,527. Total revenues less total expenses of \$435,738 resulted in a net excess of \$368,817.

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. 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.

Tamara – Commented that there was a notice in the newspaper for the Special Board Meeting held on February 20th but no notices were placed in the newspaper for the regular Monthly Board Meetings. Mr. Velazquez stated that a notice is sent to the Newspapers at the beginning of the calendar year with dates, times and location of Board Meetings and not on a monthly basis. Mr. Velazquez offered to give his email address after meeting should she need future information.

Ms. Nancy Ridgeway – Asked for confirmation on the location of the Authority’s March 2019 Board Meeting. Mr. Velazquez confirmed that the meeting would be held at 2 N. High Street, Millville.

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. Nedohon 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 4:29 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 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 5:03 p.m.

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.

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 Yes.

The motion was approved by a 5-0 Vote.