

**CUMBERLAND COUNTY IMPROVEMENT AUTHORITY**  
**MINUTES OF REGULAR MEETING**  
**WEDNESDAY, APRIL 24, 2019**

**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-Absent; Mr. Nedohon-Absent; Mr. Kelly-Present.

**The Pledge of Allegiance was recited.**

Freeholders present: Mr. 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. Olivio, seconded by Mr. Kelly.

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

**Approval of Minutes**

Mr. Jones asked for a motion to approve the March 27, 2019, Regular Meeting, Public Session Minutes and the March 27, 2019 Executive Session Minutes. The motion was made by Mr. Olivio, seconded by Mr. Kelly.

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

**President/C.E.O.'s Report**

71 W. Park Ave. is now fully occupied and operations are moving along as scheduled. Full lease up payments began on April 1<sup>st</sup>. CCIA staff is maintaining this facility as well the entire Delsea and Park Avenue Campus. Our tenants have indicated that the change in facilities staff (from private to CCIA) is a pleasant upgrade. Construction documents for the final phase of 57 W. Park Ave. are being finalized and we expect to be out to bid in May. The delay caused by the review process may have an impact on budget. Bids will be out during the busy time of the year, rather than the cold weather months as originally planned. Budgets have been submitted and approved by VMEU, but we cannot complete the bidding process until we have final comments back from the tenant. Paving and site work continue. Final negotiations concluded related to a change order request and we should be completed within the next 30

to 60 days. Relocation of above ground electrical wiring still needs to be completed. All of the buildings and parking areas remain fully accessible and are currently being utilized by the City and the State. NJ State Police gate closers have been installed.

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, and cleaning continue. Landscaping bids are on the agenda for approval. Landscaping has been lacking, but will be on the front burner beginning in May. Custodial staff has been a great resource to our team. RFP approvals for Electrical, HVAC/Plumbing, General Construction and landscaping/irrigation services are on the agenda for approval.

Economic Development budget shows a decrease in net revenue for the month. This is a result of our Pension Contribution, NAPA Store expense (due to lack of county/municipal participation) and a lull in construction progress while waiting for projects to commence construction.

We expected and increase in our NAPA Store sales volume, but that has not materialized. We have set an internal date of June to determine if we are going to continue the NAPA store.

Bids for the new Technical High School addition were opened on April 16<sup>th</sup>. All bids were substantially over budget and will be rejected. We believe that the SDA-Design Build had a negative impact on pricing. We are evaluating bids and options for going forward.

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. Construction management revenue will increase incrementally upon the start of construction.

Cape May County continues to move forward with its renovation project at the former K-Mart retail center. We have had several meetings with tenants to review floor plan, programming and space needs. We are working closely with the County's architect and engineer. The project scope has expanded to include the site, parking lot, infrastructure, exterior elevation, retail and movie theater components of the building. This partnership is going very well.

As a result of the cost to complete the Bridgeton Downtown project, we are modifying our strategy to allow Complete Care to complete the project. Complete Care will be able to obtain assignments of approvals, redevelopment designation, professional contracts and all items necessary to bring the project to fruition. The state funding that was promised for brownfields remediation did not materialize. Final lot acquisition, consolidation, street vacations are almost complete. Underground utility services, design and relocation by ACE, Comcast, Verizon and SJ Gas have been finalized and are awaiting final completion. New Market Tax Credit allocation was confirmed and we have reinitiated discussions and expect to close in late summer.

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 that then decided not to move into the building. 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. We received a Letter of Intent from a National company and continue to work with them to execute a formal lease while they identify additional partners. Architectural and MEP design is being completed for this tenant via innovation grant funding.

The County Jail project is out to bid. We had over 30 construction representatives attend the pre-bid meeting. Bids are due back on May 15<sup>th</sup>. Closing for the final jail property was finalized and we now own all properties required to complete the project. Demolition of the structure purchased will take place prior to construction of the jail. We are evaluating quotes for the demolition and will proceed shortly. The quotes are under or bid threshold.

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. We have been discussing enhanced utilization under the proposed, new college structure.

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 conducted another successful Household Hazardous Waste day at the landfill. Please see Recycling Coordinator's report for additional detail. 577 cars/residents participated in the event.

We continue to work with our municipal partners on their economic and redevelopment initiatives. We are preparing for the annual Bankers and Brokers event on May 3, 2019. We are preparing an Opportunity Zone brochure and program description. (Please see Economic Development report for additional information)

We prepared our annual Shared Service Calculation highlighting the CCIA's annual savings/contribution to the county as a result of our shared service initiatives and direct contributions. The total annual contribution/savings is now in excess of \$3.2 million (please see attached summary).

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 lease-purchase agreement for 2 N. High Street. The building will be fully utilized by the City for its court and related operations. I agreed to assist the City with required renovations to the building. CCIA will design and implement the building modifications and the City will reimburse on a monthly basis over the term of the lease. This will be paid as additional rent.

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 met with our current processor and they requested a significant adjustment to our pricing index. The modification will result in an increase from \$0 to \$44 per ton. This will cause an additional annual cost of approximately \$500,000 per year. We are currently receiving \$0 per ton, but that agreement terminates in July. In order to reduce the increase, we have negotiated the increase prior to the termination of the agreement. If we do not increase now, our rate on August 1<sup>st</sup> will be in excess of \$75/ton. Our options are extremely limited and the rate of \$46 per ton is \$30 less than other neighboring municipalities are paying. We have prepared a resolution for your approval.

As you know, Philadelphia is in excess of \$100 per ton. I was recently in a meeting with other IAs and they indicated that some of them are paying in excess of \$140 per ton. (See recycling report for additional information)

Our Fleet Maintenance operation continues to progress well and demonstrate a net revenue for the month. Volume and revenue are expected to increase over the next couple of months as the night shift begins regular maintenance on the new ACUA fleet. Our NAPA store continues to underperform and is being reevaluated. If we do not receive increased participation, the IBS Shared Service opportunity and store will be forced to close. ACUA is on site and continues to be one of our best shared service partners. ACUA is also utilizing our Truck Wash.

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 and utilization continues to increase.

Phase I (landfill, treatment plant and administrative office) of our Energy HUB/Micro Grid Initiative is completed. We purchased ACE's on-site infrastructure and are now producing our own energy that supplies the entire landfill site. 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. Total build out for Phase I and II is estimated to be \$9million.

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 receive developer interest on our Lebanon Road site. This provides a great opportunity for energy and water re-use via our micro-grid and water treatment facility.

We continue to work with the Data Center Developer. We expect to finalize this transaction and close by June 1, 2019. 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 bids were rejected. Revised plans and specifications were proceeding, but we have recently been contacted by an energy developer to discuss a much larger master plan that would be more beneficial to the college, county and the CCIA. Chapter 12 funding may be available to fund this project. 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 bids were received and we will be able to complete all proposed roofs within the designated budget. The contracting process is underway and we expect work to begin in April and be completed by September. Upgrades to college building for the STEM program are out to bid and should be approved during our June Board Meeting.

Construction of the CNG facility is complete. A few punch list items remain open, but are progressing well. All ACUA and CCIA vehicles are utilizing the station. We went out to bid for a second time, but received no responses. With the assistance of our general counsel, we will attempt to negotiate a billing arrangement with a private billing entity, or utilize internal staff to implement. Until we utilize a private entity to bill potential private customers, or receive alternate direction from the state, we cannot sell gas to non-public 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. The temporary berm between 7A and 7B has been removed and the underground leachate piping has been installed. Inspections and an as-built survey were completed as required. A full certification package was forwarded to DEP for final approval. We expect to utilize cell 7B in May. We also requested temporary approval to operate 2 workfaces until the first lift was completed.

Treatment Plant expansion is underway and completion is expected by May 2019. The project is moving along as scheduled.

Tire recycling is progressing very well. Tire recycling process has been enhanced and we are moving tires on a weekly basis. 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. We received comments to our proposed lease agreement from our recycling developer. We expect to finalize the lease and begin operations by 2020.

Cell operations are moving along extremely well. We are now piping all contaminated water directly to our Treatment Plan. We are working to complete the required modifications to the top of cells 1 through 6. The change in time and weather is allowing us to work extra hours to complete required site, cell and basin work throughout the landfill.

The City of Vineland has initiated the delivery of construction debris from the Highland Avenue Redevelopment area. The City will be utilizing its building demolition allocation for this project. I agreed to increase their total tonnage from 150 to 350 tons with the requirement that they process all concrete and brick to 3 minus before delivery to the landfill. This material will help with roadways throughout the landfill.

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. 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 have ordered the necessary landfill gas parts to implement repairs and create an inventory for on- call repairs and maintenance. This will help to improve our repair effectiveness and efficiency.

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.

As a result of DEP modifications to its Closure Plan methodology and calculation assumptions, we will require an additional increase to our tipping fee. We have evaluated the closure funding calculation to determine the best method for reaching the revised closure fund balance. We can have small annual increases for the next 20 years, or have a larger increase over the next few years to reach the required closure fund balance.

The new Administrative Office building on Lebanon Road is complete.

We received formal Opportunity Zone approval for Vineland, Millville and Bridgeton and hope to begin marketing for this opportunity shortly. 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. I have had a couple conversations with potential investors regarding participation in Cumberland County OZ projects.

Landfill operations continue to move along extremely well. Tony, Sal and Ben doing a very good job. Due to a recent influx of overweight trucks, we are implementing an overweight vehicle fee. This will help to ensure that trucks are operating at safe weight levels and assist with safety in and around the landfill.

## **Resolutions**

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

Mr. Jones called for a motion to approve the Resolutions 2019-063 through 2019-081.

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

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Absent; Mr. Nedohon Absent; Mr. Kelly Yes.  
The motion was approved by a 3-0 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 2019-063 through 2019-081. The motion was made by Mr. Kelly and seconded by Mr. Olivio.

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

## **Treasurer's Report**

1. Monthly Year over Year Tonnage:  
15,345 tons were brought into the Solid Waste Complex including 7,249 tons of municipal solid waste generated in county. Total tonnage decreased by 622 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 decrease in the general fund of \$477,213 for the month and an ending balance of \$876,741. Amounts owed back to the General Fund totaled \$9,194,947.
3. Cash and Investments:  
Interest earned on the local and trustee accounts for the month amounted to \$42,317 as noted on the schedule of bank account balances.
4. Landfill Operations Summary – Profit and Loss Statement:  
Landfill operations generated revenues of \$1,128,734 which included total tipping fees of \$1,103,802 and revenues from other landfill activities of \$24,932. Total revenues of \$1,151,866 less total expenses for the month of \$1,455,233 resulted in a net deficit of \$303,367. The deficit resulted primarily from the annual PERS expense and partial payment of the county appropriation.
5. Economic Development Operations Summary – Profit and Loss Statement:  
Economic Development operations generated revenues of \$535,723 which included rental and management fees of \$439,042, Fleet Maintenance revenue of \$58,689, fuel income of \$22,733, and other income of \$15,259. Total revenues less total expenses of \$736,434 resulted in a net deficit of \$200,711. The deficit resulted primarily from the annual PERS expense and increased operating costs.

**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 Absent; Mr. Kelly Yes.  
The motion was approved by a 3-0 Vote.

There were no 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. Kelly to close Public Comment Session.

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

### **Executive Session**

At approximately 4:16 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, pending or anticipated litigation where the public body is a party or may become a party. Solicitor Weinstein noted that no further business would be conducted after the conclusion of the Executive Session.

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

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

### **Resume Public Session**

Mr. Jones called for a motion to come out of Executive Session and resume Public Session at approximately 4:38 p.m.

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

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

### **Adjournment**

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

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