

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, MAY 22, 2019

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-Absent; Mr. Kelly-Present.

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. Olivio, seconded by Mr. Kelly.

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

Approval of Minutes

Mr. Jones asked for a motion to approve the April 24, 2019, Regular Meeting, Public Session Minutes and the April 24, 2019 Executive Session Minutes. The motion was made by Mr. Olivio, seconded by Mr. Kelly.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Abstained; 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 1st. 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 completed and project will be out to bid on May 17th. 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. Site work and relocation of above ground electrical wiring has resumed and should be completed within the next 60 days. 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. Landscaping has been awarded and will be completed by the end of June.

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. All professional service agreements have been awarded.

Economic Development budget shows a decrease in net revenue for the month. This is a result of delays in construction commencement for the jail and technical high school, NAPA Store expense (due to lack of county/municipal participation).

After continued efforts to bring the NAPA store initiative to a breakeven point, we will be forced to terminate the program. Increased sales and volume have not materialized and I will be making a formal recommendation to terminate the agreement.

Bids for the new Technical High School addition and the County Jail received and were substantially over budget. Jail bids will be rejected. We are attempting to obtain additional funding for the Tech School. 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. We also hired a licensed engineer to assist with both the landfill and construction management operations. This will enhance both operations and provide support for dealing with DEP and other regulatory entities more directly. We have not had a licensed engineer on staff for 13 years.

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. Plans and specifications are moving along and we expect to be out to bid in late Summer.

We continue to work with Complete Care to transition this project. We are working to finalize all site acquisition, lot consolidation, brownfield remediation and utility/site plan modifications, so that the project can be formally assigned to Complete Care. 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. 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. We are working through change order requests for increased labor and material costs. 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 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.

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. Architectural and MEP design is being completed for this tenant via innovation grant funding.

The County Jail bids were returned on May 15th. We had 10 bidders. Unfortunately, the bids were significantly over budget. Closing for the final jail property was finalized and we now own all properties required to complete the project. Demolition of the structure will take place prior to construction of the jail. Contractor has been given authorization to proceed. The total demolition was less than \$15,000.

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 continue to work with our municipal partners on their economic and redevelopment initiatives. The Bankers and Brokers event was very well attended. More than 200 registrations were received. Both Directors from NJEDA and Choose NJ were in attendance and made presentations. Our Opportunity Zone brochure and program description is completed. (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. Our new contract was approved in April and effective as of May 1, 2019. This will cause an additional annual cost of approximately \$500,000 per year. 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. While we had a small loss for the month, our overall revenues outpaced our expenses for the year. 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 as noted earlier, I am recommending that we terminate the program. 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 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 for the college project were rejected. We had hoped to piggy back on a larger energy project that would provide energy to the college, but that project is no longer moving forward. Chapter 12 funding has been designated for this project, so we will regroup and move this forward. 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 construction is underway and moving along as expected. Graduation is over so manpower and construction can step up to be completed as scheduled. Contractor has performed very well to date. Upgrades to college building for the STEM program are out to bid and will be returned on May 29th. We will recommend approval 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. Gold Medal recently purchased the front and rear load portions of Earthtech. This has created an unforeseen opportunity for the CCIA. Gold Medal has expanded its current account to include 15 additional CNG vehicles. Gas is charged to their account via our key fob system and charged to their landfill account, similar to our truck wash operation.

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 received approval from the DEP to fill cell 7B and to operate 2 workfaces while we install the first lift in cell 7B. We received a Notice of Violation from the DEP for standing water in cell 7B and on top of temporarily closed cells 1-6. Water is an ongoing issue due to the heavy rainfall and the inability to place trash in cell 7B. We have mitigated the water related violations noted and hope to settle with DEP prior to the end of May.

Treatment Plant expansion is underway and will be completed by the end of May 2019. Dynatec is doing a very good job of implementing the project and creating additional enhancements along the way. We are simultaneously working with DEP to receive Treatment Works Approval so we can operate the facility upon completion.

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.

Landfill operations are moving along extremely well (in spite of the recent heavy rainfall). We are now piping all contaminated water directly to our Treatment Plant. 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. We are evaluating the possibility of placing final cover on the side slopes of the cells as you enter the main driveway. This will mitigate water and leachate issues, increase the capture of gas, as well as assist with water overflow into the basin.

F&P Engineering continues to do a great job monitoring and adjusting the gas system. 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. All air permit applications have been submitted to DEP for approval.

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.

DEP has completed its review of our financial/closure plan and has indicated that a formal approval will be forthcoming by the end of May. 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 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. The fees collected for overweight vehicles has been much greater and longer in duration than expected. We continue to implement the fee in hopes that we can force haulers to operate their vehicles per state mandate.

Resolutions

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

Mr. Jones called for a motion to approve the Resolutions 2019-082 through 2019-101.

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

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Absent; 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 2019-082 through 2019-101. The motion was made by Mr. Olivio and seconded by Mr. Kelly.

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

The motion was approved by a 4-0 Vote

Treasurer's Report

1. Monthly Year over Year Tonnage:

17,267 tons were brought into the Solid Waste Complex including 7,957 tons of municipal solid waste generated in county. Total tonnage increased by 1,294 tons, or 8%, 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 \$1,681,772 for the month and an ending balance of \$2,558,513. Amounts owed back to the General Fund totaled \$7,422,741.

3. Cash and Investments:

Interest earned on the local and trustee accounts for the month amounted to \$42,597 as noted on the schedule of bank account balances.

4. Landfill Operations Summary – Profit and Loss Statement:

Landfill operations generated revenues of \$1,286,667 which included total tipping fees of \$1,265,514 and revenues from other landfill activities of \$21,153. Total revenues of \$1,453,303 less total expenses for the month of \$1,048,943 resulted in a net excess of \$404,360.

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

Economic Development operations generated revenues of \$736,091 which included rental and management fees of \$588,816, Interest income on loans of \$50,679, Fleet Maintenance revenue of \$36,925, fuel income of \$20,557, and other income of \$39,114. Total revenues less total expenses of 746,542 resulted in a net deficit of \$10,451.

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

Tamara Isajiw– Asked if Resolutions #2019-087, #2019-092 & #2019-097 were all referring to the same project in Downtown Millville. Mr. Velazquez replied that it was all the same project. Ms. Isajiw then asked if the mural on the Zelphy Building would be maintained and Mr. Velazquez stated that the mural would remain. Ms. Isajiw asked if the Authority could assist in removing the C.C.I.A. parking signs located in the lots adjacent to the High Street Office. Mr. Velazquez replied that he would call the City to have them removed.

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

Executive Session

At approximately 4:38 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, 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, matters involving the employment, appointment, termination of employment, terms and conditions 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. Olivio, seconded by Mr. Kelly.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Absent; 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 5:24 p.m.
The motion was made by Mr. Olivio, seconded by Mr. Lopez.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Yes; Mr. Nedohon Absent; 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. Olivio, seconded by Mr. Lopez.

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