

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, JUNE 26, 2019

Meeting Opening

The meeting was called to order at approximately 4:00 p.m. by Mr. Olivio. The notice of the meeting was read by Mr. Olivio.

Roll call of the Board Members of the Improvement Authority was taken. Mr. Olivio-
Present; Mr. Jones-Absent; Mr. Lopez-Absent; Mr. Nedohon-Present; Mr. Kelly-Present.

The Pledge of Allegiance was recited.

Freeholders present:

Approval of Agenda

Mr. Olivio asked for a motion to approve the agenda. The motion was made by Mr. Nedohon, seconded by Mr. Kelly.

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

Approval of Minutes

Mr. Olivio asked for a motion to approve the May 22, 2019, Regular Meeting, Public Session Minutes and the May 22, 2019 Executive Session Minutes. The motion was made by Mr. Nedohon, seconded by Mr. Kelly.

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

Mr. Lopez arrived at 4:06 p.m.

Treasurer's Report

1. Monthly Year over Year Tonnage:
18,168 tons were brought into the Solid Waste Complex including 8,478 tons of municipal solid waste generated in county. Total tonnage decreased by 699 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 \$1,639 for the month and an ending balance of \$2,556,874. Amounts owed back to the General Fund totaled \$7,879,411.
3. Cash and Investments:

Interest earned on the local and trustee accounts for the month amounted to \$44,943 as noted on the schedule of bank account balances.

4. Landfill Operations Summary – Profit and Loss Statement:

Landfill operations generated revenues of \$1,549,872 which included total tipping fees of \$1,524,697 and revenues from other landfill activities of \$25,175. Total revenues of \$1,573,709 less total expenses for the month of \$1,350,557 resulted in a net excess of \$223,152.

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

Economic Development operations generated revenues of \$603,990 which included rental and management fees of \$478,102, Fleet Maintenance revenue of \$37,597 fuel income of \$28,562, and other income of \$59,729. Total revenues less total expenses of 682,354 resulted in a net deficit of \$78,365.

President/C.E.O.'s Report

71 W. Park Ave. is now fully leased and operations are moving along as scheduled. CCIA staff is maintaining this facility as well the entire Delsea and Park Avenue Campus. Construction bids were received for the final phase of 57 W. Park Ave., and a resolution to award the construction contract is on the agenda for approval. Bids were consistent with budgets. Site work and relocation of above ground electrical wiring has resumed and should be completed in July. Landscaping at 71 W. Park is complete and landscaping at 57 W. Park will begin in July. 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.

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, as well as NAPA Store expense (due to lack of county/municipal participation).

NAPA store operations will be terminated as of June 30, 2019. After continued efforts to bring the NAPA store initiative to a breakeven point, we are now forced to terminate the program. Increased sales and volume have not materialized.

Bids for the new Technical High School addition and the County Jail received and were substantially over budget. Jail bids will be rejected in May. We will be rejecting Tech School bids during our June meeting. Please note that the debt service formula for state funding was reduced from 70 to 58%. As a result, additional funding is not an option. In order to move both of these projects forward, we will be bifurcating the site work portions of these projects and going out to bid in early July for site work only. This will allow us to award site contracts during our July meeting, and proceed with site work while we finalize our value engineering for both projects. Rather than lose several months during redesign, we will be able to complete site work while redesign takes place.

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. 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 the Bridgeton Downtown 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. 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 expect contractor to remobilize during the first week of July. The delay was a result of requested changes from a potential tenant that then decided not to move into the building. 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.

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. Our Opportunity Zone brochure has been utilized as a state model for other Opportunity Zones. We are redesigning our white board presentation. The presentation will be utilized to highlight our economic, redevelopment and shared service efforts. (Please see Economic Development report for additional information)

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.

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. We held our second Household Hazardous Waste event. The event was well attended. (See recycling report for additional information)

Our Fleet Maintenance operation is undergoing some major staff and software enhancements. These changes are necessary to allow us to move to the next level of efficiency. Service revenue and volume will be the focus of these changes. Volume and revenue increases were expected, but that has not materialized to the extent it should have. Our NAPA store will terminate operations as of June 30th. 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. We have not received participation from the County.

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. EPP has applied for grant funding to assist with the implementation of the micro-grid. 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 are working with SJ Gas to implement alternative energy initiatives related to our methane gas collection and potential processing.

We continue to work with the Data Center Developer. We expect to finalize this transaction and close in July, 2019. When completed, the former school will be an economic contributor to the Township by creating significant jobs and becoming a rateable.

The College, Combined Heat and Power Plant project is back on track. 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 security and access control, re-roofing and MILL Building upgrades. 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. Contractor has performed very well to date. Upgrades to college building for the STEM program were received and approved by the County/College. We expect to begin in early July.

Construction of the CNG facility is complete. All ACUA and CCIA vehicles are utilizing the station. 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. Waste Management is also filling up at our station.

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. Large tank is regularly below 150 inches, even on high rainfall events. Treatment Plant expansion is 90% complete and is fully operational. Dynatec is doing a very good job of implementing the project and creating additional enhancements along the way. Final adjustments and enhancements will be completed by the end of July.

We have been diligently working to fill cell 7B. We are currently operating two work faces and will be doing so until 2 lifts are placed in cell 7B.

The DEP conducted a reinspection of the landfill in late May and we received a fully compliant review. This was a follow up to our previous NOV. We are hoping to settle the previous NOV for 50% of the stipulated fee. This should be finalized with DEP in July.

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. We are now piping all contaminated water directly to our Treatment Plant. Required improvements to cells 1 through 6 is complete and we are now making additional minor modifications. 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 continues demolition of the Highland Avenue Redevelopment area. The City will be utilizing its building demolition allocation for this project.

Side slopes and top of cells 1 through 6 and temporary cover have been completed and look and are operating very well. 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 initially indicated that a formal approval would be forthcoming by the end of May. Unfortunately, this final approval has been delayed. 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.

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. Olivio requested a motion to approve the Resolutions by consent.

Mr. Olivio called for a motion to approve the Resolutions 2019-102 through 2019-117.

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

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

Mr. Olivio requested that the Solicitor handle Resolutions on the Agenda. Resolutions were read by Solicitor Weinstein.

Mr. Olivio called for a motion to approve the Resolutions 2019-102 through 2019-117. The motion was made by Mr. Nedohon and seconded by Mr. Kelly.

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

Mr. Lopez abstained from Resolutions #2019-104, #2019-106, #2019-114.

Old Business – No old business.

New Business – No new business.

Freeholder Liaison Remarks – No Freeholder remarks.

Open Public Comment Session

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

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

Nancy Ridgeway – Wished the Board Members Happy 4th of July.

Close Public Comment Session

Mr. Olivio called for a motion to close Public Comment Session. A motion was made by Mr. Nedohon, seconded by Mr. Kelly to close Public Comment Session.

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

Executive Session

At approximately 4:17 p.m. Mr. Olivio 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, 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 Weinstein 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 Absent; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Yes.
The motion was approved by a 4-0 Vote.

Resume Public Session

Mr. Olivio called for a motion to come out of Executive Session and resume Public Session at approximately 4:42 p.m.

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

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

Adjournment

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

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