

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, AUGUST 21, 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-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 Absent; Mr. Nedohon Yes; Mr. Kelly Absent.
The motion was approved by a 3-0 Vote.

Approval of Minutes

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

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

President/C.E.O.'s Report

71 W. Park Ave. is 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 for the final phase of 57 W. Park Ave. is underway. Framing, rough-ins for mechanical, plumbing and electric are moving along. Submittals for the control room are being coordinated with contractors. Control room plans were not available at the time of bid. All underground electric, removal of wiring, including comcast is complete. Pole removal is scheduled for the first week of September. We modified building access to the public works area of 57 W. Park. Final landscaping will begin shortly to align better with September planting season. All of the buildings and parking areas remain 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, and cleaning continue.

Economic Development budget shows a significant net decrease for the month due to debt service payment for Park Ave. We do not accrue payments, but rather report them when they are made. This was

planned for in our annual budget so this is not a surprise. Although NAPA ceased operations in June, we are still having residual close out costs. We believe we are fully closed out at this time. The NAPA expense showing on our monthly statement should close this out. We will show net revenue from fleet going forward. We are meeting with Inspira to discuss potential fleet services for their non-emergency vehicles.

Bids for the site work for the Science and Medical/Tech addition, site work for the County Jail, and the Holding Facility will be returned during the week of August 19th. We will report results during the meeting. We will be scheduling a Special Meeting during the week of September 2nd to award those bids. As you know, we decided that completing site work while redesign takes place, would be the best way to maintain progress and lessen the impact to schedule.

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. Site work is out to bid and we expect the renovations to be out by August 24th. 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.

We continue to work with Complete Care to transition the Bridgeton Downtown project. Site acquisition is complete. We are finalizing lot consolidation, brownfield remediation and utility/site plan modifications, so that the project can be formally assigned to Complete Care. Complete Care has agreed to proceed with site remediation. A reimbursement agreement is on our agenda for approval. This will allow the CCIA to move forward with remediation per the prior bid process. 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 Food Specialization Center contractor has remobilized. We continue to work with potential tenants to fully occupy the building. We are currently working with two interested entities, one local and one from Greece that are interested in leasing our facility. We are also working with NJEDA and NJRA to leverage additional funding and other resources from the state and private investors.

The Arts and Innovation Center is complete and operations are moving along. We are now managing this property as part of our shared service agreement with the college. We have been discussing enhanced utilization with Rowan of SJ.

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. We are preparing a grant application to support the 5 Opportunity Zones in Vineland, Millville and Bridgeton. A resolution is on the agenda for approval.

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 are working on the State of the County as well as our annual County Development Opportunities Forum (TD Bank) events. We are also preparing to meet with the entity that recently acquired the Winchester Western Rail in our region. The planning process for our next 10-year plan continues and will provide some new initiatives and direction for the county economic development. (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

We have made significant progress with the City of Millville and the Judiciary regarding the final plan and scope of work for the re-use of our 2 N. High Street building. We are hopeful that the renovations can be completed by the end of the year and that operations can commence in January, 2020. 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. CCIA will design and implement the building modifications and the City will reimburse on a monthly basis 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. The direct cost to the CCIA for processing costs is expected to be approximately \$600,000 annually.

Our Fleet Maintenance operation has completed 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. ACUA is on site and continues to be one of our best shared service partners. We have a few meetings scheduled with potential new fleet customers over the next couple weeks.

We are working to coordinate the Centralized Fueling operation. Due to the volume of capital projects and shared service projects with the county, the roll out of this program will be delayed. There is no formal schedule for implementation at the time.

Truck Wash continues to operate much better and utilization continues to increase. ACUA is also utilizing our Truck Wash. 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 April 2020. Our agreement with EPP provides a shared cost arrangement, so the acquisition and implementation costs are mitigated for the CCIA. ACE continues to delay the implementation of our project and once again has proven to be a difficult partner for the County.

Total build out for Phase I and II is estimated to be \$9million. EPP has received positive feedback from BPU regarding our grant and we expect to receive good news shortly. 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 August, 2019. When completed, the former school will be an economic contributor to the Township by creating significant jobs and becoming a rateable for Deerfield Township.

The College, Combined Heat and Power Plant is awaiting final feedback from several stakeholders that are working to implement a similar project. If those energy entities implement their plan, our energy project can be incorporated into theirs and therefore eliminate the need for the CCIA to construct an on-site plant at the college. Savings will still be recognized, without the requirement for an up-front capital contribution. I will continue to update as we progress through planning.

CCIA has transitioned facilities management including landscaping, custodial and maintenance.

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. The security and access control, as well as the roof projects will be completed prior to the new school year.

Construction of the CNG facility is complete. Landscaping will be upgraded at the CNG/Landfill entrances. All ACUA and CCIA vehicles are utilizing the station. Gold Medal and Waste Management are also filling up at our station. ACUA is discussing possible expansion of its services and fleet. This may add up to 8 CNG vehicles to our CNG and Fleet operations.

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 complete

and is fully operational. As a result of cost savings, we will be able to upgrade pumphouses 4, 5, 6A and 6B. The upgrade will allow staff to remotely monitor those pumphouses, along with the new pumphouses on one integrated SCADA system. This will require a change to Dynatec's contract, but the overall costs of the treatment plant and this upgrade are less than originally budgeted in our closure plan.

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 first "soft" trash, 5 foot lift in cell 7B is almost completed. The DEP continues to visit the landfill site and interact with staff regularly. They are happy with the landfill conditions and operations. We have a meeting with DEP to finalize our settlement agreement. We have a conference call to finalize our payment amount.

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.

We are planning to construct a construction trailer convenience area adjacent to the workface. This will allow us to segregate the commercial trailers from the residential convenience center area and reduce the number of dumpsters that have to be hauled from the convenience center to the workface. This will also alleviate traffic and make the convenience center safer for residents.

We have met several times with the Data Center developer and are still on schedule to close at the end of August. His computer partner (Dell) was on site and they have finalized the layout and configuration of phase I of the data center operations.

Landfill operations continue to move along extremely well. Tony, Sal and Ben doing a very good job. Summer staff availability is winding down. Our seasonal staff is going back to school. We had a very successful summer.

We are finalizing plans to modify the current fleet and the administrative garage to maximize operations. The fleet modifications will support our CNG repairs and the administrative modifications will support ACUA expansion, landfill maintenance/operations and create additional meeting space. (see landfill report for further details) ACUA operations are expected to substantially increase in April 2020.

Plans and preliminary design for 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. Gas expansion in cell 7 is being designed. New wells and lines should be installed within the next year. This will provide much needed methane to support the full operations of our 3 engines.

F&P Engineering continues to work with CCIA and EPP staff with respect to 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. Air permits were initially approved by DEP. However, subsequent to the formal submission, DEP requested additional modifications. They were made and resubmitted to DEP.

Class B wood processing was placed on hold by Re-Nature. They had a deluge of wood waste due to the storms and requested a moratorium until August 19th. We expect full operations during the week of August 19th. All Municipalities and the County are included in this agreement. Wood waste is being collected and processed at no cost. The agreement provides free recycling of wood waste for all municipalities, the county and the CCIA.

Our closure plan was formally approved by DEP and we should receive our reimbursement for the initial \$1million paid to Dynatec for the treatment plant upgrades. This represents 100% of our disbursements to date. DEP's Closure Plan methodology and calculation assumptions, we will require an additional increase to our tipping fee in 2020.

Due to an influx of overweight trucks, we implemented an overweight vehicle fee. Imposition of the fee has reduced the number of overweight trucks entering the landfill. This will help to ensure that trucks are operating at safe weight levels and assist with safety in and around the landfill.

Mr. Kelly arrived at 4:21 p.m.

Resolutions

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

Mr. Jones called for a motion to approve the Resolutions 2019-132 through 2019-155.

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

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

Mr. Jones called for a motion to approve the Resolutions 2019-132 through 2019-155. The motion was made by Mr. Nedohon and seconded by Mr. Olivio.

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

The motion was approved by a 4-0 Vote

Treasurer's Report

1. Monthly Year over Year Tonnage:

17,087 tons were brought into the Solid Waste Complex including 8,423 tons of municipal solid waste generated in county. Total tonnage increased by 579 tons, or 4%, with one additional operating day as compared to the prior 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 \$289,708 for the month and an ending balance of \$2,733,982. Amounts owed back to the General Fund totaled \$8,270,444.

3. Cash and Investments:

Interest earned on the local and trustee accounts for the month amounted to \$36,169 as noted on the schedule of bank account balances.

4. Landfill Operations Summary – Profit and Loss Statement:

Landfill operations generated revenues of \$1,204,363 which included total tipping fees of \$1,178,700 and revenues from other landfill activities of \$25,663. Total revenues of \$1,418,075 less total expenses for the month of \$1,083,732 resulted in a net excess of \$334,343.

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

Economic Development operations generated revenues of \$728,014 which included rental and management fees of \$583,906, Fleet Maintenance revenue of \$49,595 fuel income of \$29,286, and other income of \$65,227. Total revenues less total expenses of 1,236,946 resulted in a net deficit of \$508,932. The deficit resulted primarily from debt service interest payments due in July.

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 Absent; Mr. Nedohon Yes; Mr. Kelly Yes.
The motion was approved by a 4-0 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. Nedohon, seconded by Mr. Olivio to close Public Comment Session.

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

Executive Session

At approximately 4:30 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, 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. Olivio, seconded by Mr. Nedohon.

Mr. Olivio Yes; Mr. Jones Yes; Mr. Lopez Absent; Mr. Nedohon Yes; 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 4:58 p.m.

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

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

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