

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, SEPTEMBER 25, 2019

Meeting Opening

The meeting was called to order at approximately 4:05 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.

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. 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.

Approval of Minutes

Mr. Jones asked for a motion to approve the August 21, 2019, Regular Meeting, Public Session Minutes and the August 21, 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 Yes; Mr. Kelly Yes
The motion was approved by a 4-0 Vote.

2018 Audit Report – Mr. Steve Testa – Audit Report Attached.

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. Sheet Rock is being installed on walls, final mechanical, plumbing and electric is moving along. Framing, rough-ins for mechanical, plumbing and electric are well underway. Exterior walls are painted. Building and site are coming along. Control room submittals are complete and corresponding construction modifications have been forwarded for final review and approval. Pole removal is completed and final paving is being scheduled. Final landscaping will begin shortly. 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. We are fully equipped and prepared for snow plowing at all managed facilities.

Economic Development budget shows a net decrease for the month due to debt service payments. 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. Now that NAPA expenses are completed, fleet is showing net revenue. We are meeting with Inspira to discuss potential fleet services for their non-emergency vehicles.

Construction management fees will be received for the months of September through December. That will also help to offset current losses on the economic development budget.

During our special meeting in September, site work bids were awarded for both the Health and Science School and the Jail. Construction has commenced for both projects. Holding Center bids were rejected. 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 bid was awarded and construction has begun. Total project costs are expected to be in the \$25 million range. We are overseeing the site and building construction for this project. 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. Our remediation contractor will mobilize during the week of September 23rd. Complete Care will be able to obtain assignments of approvals, redevelopment designation, professional contracts and all items necessary to bring the project to fruition. We are expecting to close on final acquisition and property disposition in November. Bids are expected back for building construction in October.

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. Both have followed up and conducted additional site evaluation and have discussed possible terms and conditions during those meetings.

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. Our grant application to support the 5 Opportunity Zones in Vineland, Millville and Bridgeton will be submitted in early October.

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.

Our State of the County (October 15th) as well as our annual County Development Opportunities Forum (October 4th; TD Bank) are being marketed. We have more than 150 participants registered to date. We are working closely with Omnitrax (the entity that recently acquired the Winchester Western Rail in our region) to market our county and leverage their current customer base. 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. Our overall strategy has been modified. The City would like to purchase the building for \$1.1 million. This is below the appraised value; particularly since the sale includes all furniture, fixtures and equipment as well as the architectural and engineered plans for the renovations, but in the interest of continuing a mutually beneficial relationship with the City, we have agreed to the lower sales price.

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 \$800,000 in 2020.

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 expect ACUA to add vehicles in April 2020.

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 until January 2022.

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. We are currently work with the County BA and Assistant BA to come up with a model that will increase county participation. We are going to add vacuums to the wash area to allow for more thorough cleaning and we hope that this will increase participation.

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.

The fire at F&S has required EPP and the CCIA to reevaluate strategy and timing of the energy HUB. I will be getting back to you once we have made a final determination regarding next steps and schedule. Deerfield Township has received several resident concerns regarding potential traffic that will be created by the Redevelopment Area designation. Deerfield's decision to curtail traffic on Lebanon Rd. will significantly curtail development and the potential to generate additional tax rateables/revenue for the Township and its residents.

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. Unfortunately, the Township's stance on Lebanon Road traffic will negatively impact future energy HUB growth as well.

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 prior to the end of the year. 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 has been discontinued as a result of the larger energy project that will service the hospital, college and Technical High School. 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 are 90% complete. MILL Building is currently under construction. Please see monthly reports for updates.

Construction of the CNG facility is complete. Landscaping is currently being 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. This will be completed as part of the initial site work contract.

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 completed.

The DEP continues to visit the landfill site and interact with staff regularly. They are happy with the landfill conditions and operations.

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. Once the impound lot is relocated, this area will be used for tire recycling logistics.

We completed the 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 by the end of year. 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. We are seeking PT staff to work during the fall. Due to school scheduling, we no longer have our summer staff in place.

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. We received a NOV from DEP for missing a report deadline. The report was submitted after close of business on the due date.

All Municipalities and the County continue to process wood waste via Re-Nature Shared Services 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.

We received our reimbursement for the initial \$1.1million 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.

Resolutions

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

Mr. Jones called for a motion to approve the Resolutions 2019-160 through 2019-175.

The motion was made by Mr. Kelly and 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.

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 2019-160 through 2019-175. The motion was made by Mr. Olivio and 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

Mr. Lopez abstained from #2019-164 and #2019-174.

Treasurer's Report

1. Monthly Year over Year Tonnage:
16,242 tons were brought into the Solid Waste Complex including 8,161 tons of municipal solid waste generated in county. Total tonnage decreased by 1,691 tons, or 9%, 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 \$209,721 for the month and an ending balance of \$2,943,702. Amounts owed back to the General Fund totaled \$8,500,432.
3. Cash and Investments:
Interest earned on the local and trustee accounts for the month amounted to \$32,256 as noted on the schedule of bank account balances.
4. Landfill Operations Summary – Profit and Loss Statement:
Landfill operations generated revenues of \$1,187,040 which included total tipping fees of \$1,155,035 and revenues from other landfill activities of \$32,005. Total revenues of \$1,204,040 less total expenses for the month of \$1,088,783 resulted in a net excess of \$115,257.
5. Economic Development Operations Summary – Profit and Loss Statement:

Economic Development operations generated revenues of \$743,105 which included rental and management fees of \$630,643, Fleet Maintenance revenue of \$61,849, fuel income of \$30,490, and other income of \$20,123. Total revenues less total expenses of 807,306 resulted in a net deficit of \$64,201. The deficit resulted primarily from annual debt service interest payments due in August.

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. Kelly 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.

Nancy Ridgeway – (Re: 2019-165) Questioned the amount of the penalty from NJDEP. Mr. Velazquez responded that the penalty was for \$1,000 but NJDEP agreed to reduce amount to \$850.

Gloria Jost – Asked for confirmation from Mr. Velazquez that he and a Synagro Representative would be attending the Deerfield Township Meeting on Wednesday, October 2nd. Mr. Velazquez responded that he would be attending the meeting.

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 4:41 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. 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 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. Olivio, 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.

Adjournment

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