

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, OCTOBER 23, 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-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. Nedohon, 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.

Approval of Minutes

Mr. Jones asked for a motion to approve the September 25, 2019, Regular Meeting, Public Session Minutes and the September 25, 2019 Executive Session Minutes. The motion was made by Mr. Nedohon, 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.

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. continues. Framing, Sheet Rock, tape/spackle, final mechanical, plumbing and electric is complete in the non-control room areas. Control room submittals are complete and corresponding construction modifications have been approved. Pole removal is completed and final paving is scheduled for the week of October 21st. Final landscaping has been rescheduled for early March. Underground sleeves have been installed for irrigation. 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. Inspira is evaluating options and has indicated that they will get back to us once they complete internal discussions. Construction management fees are being billed monthly and generate operating revenue for the foreseeable future, and will help offset current economic development budget short fall.

Our Construction Management Division implementing our projects (jail, tech school, cape may commons, county capital projects, vineland pd, Bridgeton & Millville downtown and park/west ave.) 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.

Site work for both the Health and Science School and the Jail are moving along very well. Bids for the jail were released and will be returned in November.

Cape May County continues to move forward with its renovation project at the former K-Mart retail center. Site work continues. Bids for construction are expected to be returned in early November. Construction will progress through the winter. Total project costs are expected to be in the \$25 million range. We are overseeing the site and building construction for this project. During the last Freeholder meeting, the County staff thanked the CCIA for its participation and support of this project.

We continue to work with Complete Care to transition the Bridgeton Downtown project. Site acquisition is complete. Brownfield remediation and demolition are moving along. 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. Construction bids were returned and are within budget. This was the last outstanding item in order to achieve final closing and project transition.

The Food Specialization Center contractor has remobilized. We continue to work with potential tenants to fully occupy the building. Site and infrastructure work are being completed in anticipation of receiving structural steel.

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 expect to hear back from the state regarding our grant application in early November.

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.

Our State of the County and annual County Development Opportunities Forum were very well attended. We received great feedback about both events.

We are working closely with Omnitrac (the entity that recently acquired the Winchester Western Rail in our region) to market our county and leverage their current customer base. Omnitrac was very complimentary of the CCIA and indicated several times that our operation compares very favorably to others throughout the nation.

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 \$3.5 million.**

The City of Millville passed a resolution (3-2) to purchase our Millville building. Unfortunately, the resolution was NOT passed by a super majority (4-1) needed to utilize bond financing. We are now seeking alternative options to sell/reuse this facility. This was very disappointing, particularly in light of the fact that they have no back up plan to facilitate the required upgrades to the court operations. 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 in excess of \$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. The Millville BOE is now a customer. ACUA will now be providing curb side pick up to Millville. This will require the purchase of additional vehicles to the existing landfill fleet.

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.

ACUA is also utilizing our Truck Wash. We have not received participation from the County. We continue to 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.

We are discussing micro grid/sale of electricity with LSA and the Biosolids operator.

Deerfield Township conducted a public meeting aimed at providing additional information to its residents regarding the approved biosolids facility. Once the traffic issues were resolved by the CCIA and Synagro, the focus turned to other resident concerns and the previous Township approval process as well as the ongoing DEP approvals yet to be finalized.

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, Deerfield's decision to curtail traffic on Lebanon Rd. will significantly curtail development and the potential to generate additional tax ratables/revenue for the Township and its residents.

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 is 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 will be increasing its utilization of the station as a

result of its expansion into Millville. An open house is scheduled for October 30th to highlight the energy HUB and Micro-grid initiative.

We continue to work with SJ Gas to implement alternative energy initiatives related to our methane gas collection and potential processing.

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 and should be completed before the end of this year.

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.

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 continues to visit the landfill site and interact with staff regularly. DEP and the County Health Department were on site to inspect on October 15, 2019. They found no concerns with 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.

Operations at the new construction trailer convenience area are going well. This allows 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 alleviates traffic and makes 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)

After further evaluation of the final capping plan, we realized that the implementation of this plan would eliminate more than 3 years of airspace from our operations. As a result, we cannot proceed with final capping at this time. Gas expansion in cell 7 will continue as planned, and 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. EPP is also assisting the CCIA to better tune and monitor the well system.

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.

DEP's Closure Plan methodology and calculation assumptions, as well as the substantial increase in single stream disposal/processing are the major reasons for the proposed 2020 tip fee increase. The proposed increase of \$4.80 per ton will partially offset the increase costs. Increased operating efficiencies will help to limit additional increases for 2020.

The implementation of our fee structure 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 2019-176 through 2019-192.

The motion was made by Mr. Nedohon 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. 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 2019-176 through 2019-192. The motion was made by Mr. Nedohon 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 #2019-182 and #2019-188.

Treasurer's Report

1. Monthly Year over Year Tonnage:
15,113 tons were brought into the Solid Waste Complex including 7,561 tons of municipal solid waste generated in county. Total tonnage decreased by 577 tons, or 4%, 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 decrease in the general fund of \$275,710 for the month and an ending balance of \$2,667,993. Amounts owed back to the General Fund totaled \$7,648,303.
3. Cash and Investments:
Interest earned on the local and trustee accounts for the month amounted to \$29,659 as noted on the schedule of bank account balances.
4. Landfill Operations Summary – Profit and Loss Statement:
Landfill operations generated revenues of \$1,102,722 which included total tipping fees of \$1,070,543 and revenues from other landfill activities of \$32,179. Total revenues of \$1,125,136 less total expenses for the month of \$1,106,717 resulted in a net excess of \$18,419.
5. Economic Development Operations Summary – Profit and Loss Statement:
Economic Development operations generated revenues of \$658,322 which included rental and management fees of \$574,935, Fleet Maintenance revenue of \$32,348, fuel income of \$27,313, and other income of \$23,726. Total revenues less total expenses of \$903,188 resulted in a net deficit of \$244,865. The deficit

resulted primarily from debt service principal payment of \$252,156. Grant revenues were recognized in 2018, which were used to reduce the balance of the leverage loan.

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 Yes; Mr. Nedohon Yes; Mr. Kelly Yes.
The motion was approved by a 5-0 Vote.

Nancy Ridgeway – Asked for clarification on ownership of the Data Center in Deerfield Township. Mr. Velazquez confirmed that the Authority will **not** own the building.

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. Olivio 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 4:23 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 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. 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 5:04 p.m.

The motion was made by Mr. Nedohon, 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. 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.