

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, NOVEMBER 20, 2019

Meeting Opening

The meeting was called to order at approximately 4:05 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-Present; Mr. Nedohon-Present; Mr. Kelly-Absent.

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. Lopez.

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

Approval of Minutes

Mr. Olivio asked for a motion to approve the October 23, 2019, Regular Meeting, Public Session Minutes and the October 23, 2019 Executive Session Minutes. The motion was made by Mr. Nedohon, seconded by Mr. Lopez.

Mr. Olivio Yes; Mr. Jones Absent; Mr. Lopez Yes; 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. continues. Framing, Sheet Rock, tape/spackle, final mechanical, plumbing and electric is complete in the non-control room areas. Tiles, Bathroom fixtures, painting, ceilings, painting is almost complete. Control room submittals have been revised and appropriate modifications have been submitted for approval via change order. In the meantime, sheet rock is being installed to one side of the interior walls. This CO was reviewed and approved by all professionals as well as the City and is on the agenda for approval. All site work is completed. We were able to incorporate additional work in the dock area of the warehouse to the overall scope. 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. We are working with Oceanfirst to modify our existing note and collateral requirements. We hope to hear back by the end of November. The Park Ave. complex was re-appraised. The appraisal was substantially higher than the initial appraisal.

Inspira is evaluating fleet options and has indicated that they will get back to us once they complete internal discussions.

Our Construction Management Division is in full implementation mode. Many projects, including the county jail, tech school, Food Specialization, Cape May Commons, County Capital projects (72 N. Pearl, Sheriff Armory, Veterans Pavilion), MILL Building, college capital projects, Vineland PD, Bridgeton & Millville downtown and 57 W. Park Ave. are all in various stages of construction/design. 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 continue to increase incrementally as construction progresses.

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 on November 20th. We expect to hold a special meeting to award bid in early December.

Cape May County continues to move forward with its renovation project at the former K-Mart retail center. Site work continues and should be completed in early January. Construction bid will be awarded and construction will begin in early December. Construction will progress through the winter. Bids came in much lower than expected. We are overseeing the site and building construction for this project.

We continue to work with Complete Care to transition the Bridgeton Downtown project. Site acquisition is complete. Brownfield remediation and demolition will be completed by the end of November.

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 before the new year. Construction contract was awarded by Completecare. Our HDSRF Grant was approved and we should receive reimbursement by the end of the year.

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. We are working with our first tenant to finalize fit out and utility/equipment requirements. 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 Opportunity Zone grant application in November. We are also working on an Environmental Remediation grant that will provide up to \$600,000 for testing and evaluation of potential redevelopment sites in Vineland, Millville and Bridgeton.

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.

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. We are also working to upgrade our website and overall marketing activities for 2020. (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.**

We continue to work with the City of Millville to utilize our building at 2 N. High Street. We are also seeking alternative options to sell/reuse this facility.

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 \$900,000 in 2020. For the first time in almost a year, we had a slight decrease in our processing fee for single stream. However, the fee remains in excess of \$54/ton. This does not include staffing, vehicle/transportation costs and overhead.

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. Volume is down as a result of end of the year budgets. City of Millville is now a customer. We are hopeful that volume will increase.

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. We are speaking with a couple of school districts about the possibility of utilizing CNG vehicles. ACUA is also utilizing our Truck Wash. We have limited 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. Vacuums have been installed 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. Our ribbon cutting event was well attended. We had great feedback and conducted a tour for several attendees. We also met with the new Executive Director of the County Health Department and he took more than 3 hours to meet and tour the landfill. The meeting was extremely productive.

The fire at F&S has required EPP and the CCIA to reevaluate strategy and timing of the energy HUB. We have developed an alternative implementation strategy and will be meeting with ACE, F&S, LSA, Synagro and other potential users/stakeholders to implement the new plan. We are also discussing community solar and other solar options for the landfill redevelopment area. Lastly, we are working with SJI to evaluate and implement a methane gas processing facility. This will allow SJI/CCIA and EPP to develop mandated alternative energy strategies that can be used as a state model. This strategy will further develop our Energy HUB strategy.

We have received no feedback or comment from Deerfield Township since the public meeting. 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. We are meeting with ACE, BPU and other regulatory entities to receive necessary approvals.

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. We have recently hired two landscaping professionals with more than 45 years combined experience. This will allow us to enhance our landscaping capabilities for our owned, as well as our developed sites/projects. We have recently been approached by several entities about the possibility of taking over their facilities. We are evaluating those possibilities.

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. The security completion was temporarily delayed due to the completion deadline at the Vineland PD. MILL Building is currently under construction. The College has decided that it would like to implement the balance of the project, previously included as alternates that were not selected. This requires revisions to the plans and specifications and rebidding. Roofing project is complete. Please see monthly reports for updates.

Construction of the CNG facility is complete. Landscaping was 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.

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. We recently had to replace impellers and casing on the pump that sends untreated water from the large tank to the bio tank. This creates a situation where the flow from the large tank cannot keep up with our treatment flows out of the bio tank. As a result of more effective and efficient operations, we are now able to better maintain and adjust the overall system. Things that were previously overlooked are now part of our daily inspection routine.

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. We received a formal compliance notice on November 1, 2019.

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 are implementing modifications to 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)

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. Plans and specifications are being finalized and should be out to bid in December.

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.

We continue to provide notice regarding our new tip fee schedule for 2020. 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. Olivio requested a motion to approve the Resolutions by consent.

Mr. Olivio called for a motion to approve the Resolutions 2019-193 through 2019-227.

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

Mr. Olivio Yes; Mr. Jones Absent; Mr. Lopez Yes; Mr. Nedohon Yes; Mr. Kelly Absent.
The motion was approved by a 3-0 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 2019-193 through 2019-227. The motion was made by Mr. Nedohon and seconded by Mr. Lopez.

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

Mr. Lopez abstained from #2019-216, #2019-218, #2019-220 and #2019-222.

Treasurer's Report

1. Monthly Year over Year Tonnage:

17,386 tons were brought into the Solid Waste Complex including 8,168 tons of municipal solid waste generated in county. Total tonnage decreased by 862 tons, or 5%, 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 \$1,598,199 for the month and an ending balance of \$4,266,192. Amounts owed back to the General Fund totaled \$7,189,983.

3. Cash and Investments:

Interest earned on the local and trustee accounts for the month amounted to \$29,472 as noted on the schedule of bank account balances.

4. Landfill Operations Summary – Profit and Loss Statement:

Landfill operations generated revenues of \$1,310,569 which included total tipping fees of \$1,280,138 and revenues from other landfill activities of \$30,431. Total revenues of \$1,327,323 less total expenses for the month of \$1,198,913 resulted in a net excess of \$128,410.

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

Economic Development operations generated revenues of \$963,131 which included rental and management fees of \$841,621, Fleet Maintenance revenue of \$32,682, fuel income of \$26,900, and other income of \$61,928. Total revenues less total expenses of \$1,221,854 resulted in a net deficit of \$258,723. The deficit resulted primarily from debt service principal payment of \$382,000.

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. Lopez to go into Open Public Comment Session.

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

Tamara Isajiw & Nancy Ridgeway – Inquired about the pending condemnation process related to the Burns Avenue Extension. Ms. Isajiw expressed concern about the process and the potential cost. Mr. Velazquez explained that the newspaper article did not correctly represent the facts and that everything was being done to expedite the process and provide fair market offers to the current owner.

Gloria Jost – Inquired as to the status of the BioSolids project. Mr. Velazquez suggested that she call the developer directly.

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. Lopez to close Public Comment Session.

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

Executive Session

At approximately 4:36 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 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. Lopez.

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

Resume Public Session

Mr. Olivio called for a motion to come out of Executive Session and resume Public Session at approximately 4:53 p.m.

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

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