

CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
MINUTES OF REGULAR MEETING
WEDNESDAY, JANUARY 22, 2020

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. 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.

Approval of Minutes

Mr. Jones asked for a motion to approve the December 18, 2019, Regular Meeting, Public Session Minutes and the December 18, 2019 Executive Session Minutes. The motion was made by Mr. Kelly, seconded by Mr. Nedohon.

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

Resolutions

Mr. Jones requested a motion to approve the Resolutions by consent.
Mr. Jones called for a motion to approve the Resolutions 2020-001 through 2020-016.
The motion was made by Mr. Kelly and 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.

Mr. Jones requested that the Solicitor handle Resolutions on the Agenda. Resolutions were read by Solicitor Rapuana.

Mr. Jones called for a motion to approve the Resolutions 2020-001 through 2020-016. 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 #2020-007 and #2020-009.

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. The non-control room phase of the project is substantially complete. Furniture is installed and final data and phone is being installed. Control room framing and sheet rock is completed along with rough electrical, plumbing and HVAC. Submittals were approved and equipment has been ordered. South State is leasing an area of our lot for mobilization on another project. In return, they will be making additional improvements in the loading dock and driveway areas. Final landscaping has been rescheduled for early March. Our staff will install river rock in all medians in February and 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. We have finalized the loan modification and release of funds with Oceanfirst.

Inspira continues to evaluate fleet options.

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, Salem County Court House 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. Jail site work is substantially complete and punch list items are being addressed. Tech School site work is more than 75% complete. Change order to incorporate additional scope related to the final building pad and infrastructure as well as the ball field area are on the agenda for approval. The total of change orders to date is still below the initially contracted price.

Bids for the jail were rejected during a special meeting and negotiations are underway with the two low bidders. After extensive discussions with the contractors, their subcontractors, and our professionals, we developed a final scope and have requested final pricing. We hope to award the contract in February.

Cape May County continues to move forward with its renovation project at the former K-Mart retail center. Site work continues, but has been delayed to early February as a result of additions requested by the Freeholder Board. Construction contract was awarded and construction is underway. Approximately 10% of the building construction is completed to date. Construction will progress through the winter. 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 are completed and final testing is underway.

Complete Care is working to memorialize final site plan and redevelopment approvals. Because of the need to revise these approvals, and as a result of uncooperative adjacent owners, closing was pushed to

the end January and potentially to February. Construction contract was awarded by Completecare. Our HDSRF Grant was approved and we are finalizing the required reimbursement documentation.

The Food Specialization Center is back on track and completing is scheduled for mid-July. We continue to contact and work with potential tenants to fully occupy the building. Site and infrastructure work are well underway as is steel erection. Fit out and utility/equipment requirements have been finalized for our first tenant.

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 were one of only 5 Opportunity Zone applications approved by the state. We will receive \$100,000 to implement OZ marketing and outreach. Our 2020-2030 planning is underway as is an update to our marketing material, website and impact analysis.

We submitted an Environmental Remediation grant application that will provide up to \$600,000 for testing and evaluation of potential redevelopment sites in Vineland, Millville and Bridgeton. USEPA and NJDEP have contacted us to coordinate a Southern NJ training and financing seminar for Brownfields development.

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.

As a result of our enhanced relationship with the County regarding Capital Project development, we are modifying our agreements to allow the CCIA to enter into construction contracts directly with contractors. This will expedite and make the bidding and construction payment process more efficient. County will approve and commit funding prior to execution of a contract. CCIA will manage and pay contractors directly. County will provide funds to CCIA in order to pay contractor.

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.**

In light of the fact that we could not reach final agreement with the City of Millville, we decided to publish an RFP for the sale of this property. Responses are due back January 29th. We are also working with the City to develop a more cooperative economic development relationship.

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. Historically, for Cumberland County, we have maintained low levels of contamination. However, we have seen an increase of contamination over the past several months. We are being forced to reject commercial loads and charge fees to commercial loads. The direct cost to the CCIA for processing costs is expected to be in excess of \$900,000 in 2020. Our processing fee was below \$50/ton for the month. This does not include staffing, vehicle/transportation costs and overhead. Volume has substantially increased over the past 60 days. We are now collecting a commercial and out of county fee for single stream material.

Our Fleet Maintenance operation has completed major staff and software enhancements. We continue to work to build our service volume. Volume has increased as the new budget year commences. We are meeting with potential customers and we expect Millville volume to increase.

ACUA is on site and continues to be one of our best shared service partners. ACUA I gearing up for its Millville services to begin on April 1st. ACUA lease space has been renovated to accommodate additional staff.

We are working to coordinate the Centralized Fueling operation. The City of Vineland and Vineland BOE are also contemplating the development of new fueling stations. We will be working together to formulate a county-wide strategy. 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.

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. Synagro continues to work with DEP and Deerfield to obtain its approvals. DEP has required that Synagro conduct 2 additional public meetings. One in the evening and one during the daytime.

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. Deerfield is working with the Developer to finalize a PILOT/Financial Agreement. We are working on final title and subdivision documents as well. When completed, the former school will be an economic contributor to the Township by creating significant jobs and becoming a rateable for Deerfield Township.

CCIA has transitioned facilities management including landscaping, custodial and maintenance. We have recently been approached by several entities about the possibility of taking over their facilities. We have provided proposals and awaiting a response.

We are working very closely with the College on capital projects and facility upgrades. Access control and security is complete and being programmed. Phase I of MILL Building is currently under construction, and Phase II is out to bid. Roofing project is complete. We are experiencing some water ponding and other close out issues, but are working through those with the contractor. Energy upgrades are being designed for the Science building. We have decided to pre-purchase AHU for the building via cooperative/state contract pricing. This will expedite the construction process and schedule. We hope to complete the project during summer recess. Please see monthly reports for updates.

CNG facility is fully operational. 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. We repaired manufacturer's defect in the pumps and have worked out a final payment agreement with ACUA.

Construction of the new county jail facility will allow us to relocate the County Impound lot. This has been completed as part of the initial site work contract. However, we have decided to wait until later in the year to relocate the lot and vehicles.

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 fix was not as effective as expected. We are now going to increase the pump size in the pump house to correct this issue. As a result of more effective and efficient operations, we are now able to better maintain and adjust the overall system.

We have been diligently working to fill cell 7B. We created a fill plan for cells 7, 8 and 9.

The DEP continues to visit the landfill site and interact with staff regularly. We recently received an NOV for propagation of birds. We have several measures in place to mitigate this issue, but the inspector was a bit aggressive with his review and expectations. We have also engaged a bird mitigation expert to provide a proposal for review.

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.

Newly implemented convenience center rules commenced as of January 1, 2020. We have had less than 10 complaints over the first 3 weeks. That is much better than anticipated.

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. Well pits have been installed in preparation for well installation. This will provide much needed methane to support the full operations of our 3 engines. Plans and specifications have been finalized and are currently out to bid. We conducted drone testing of our methane gas system to ensure safe and effective operations. Testing concluded that we have no issues.

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.

Our new tip fee went into effect on January 1, 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 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.

Treasurer's Report

1. Monthly Year over Year Tonnage:

15,312 tons were brought into the Solid Waste Complex including 7,646 tons of municipal solid waste generated in county. Total tonnage decreased by 55 tons as compared to the prior year. Total tonnage for 2019 was 193,618, approximately 2% less than 2018

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 \$290,316 for the month and an ending balance of \$4,186,294. Amounts owed back to the General Fund totaled \$7,170,008.

3. Cash and Investments:

Interest earned on the local and trustee accounts for the month amounted to \$25,700 as noted on the schedule of bank account balances.

4. Landfill Operations Summary – Profit and Loss Statement:

Landfill operations generated revenues of \$1,108,767 which included total tipping fees of \$1,081,423 and revenues from other landfill activities of \$27,344. Total revenues of \$1,133,804 less total expenses for the month of \$1,496,470 resulted in a net deficit of \$362,666.

5. Economic Development Operations Summary – Profit and Loss Statement:
Economic Development operations generated revenues of \$665,524 which included rental and management fees of \$618,394, Fleet Maintenance revenue of \$24,714, fuel income of \$9,639, and other income of \$12,777. Total revenues less total expenses of \$728,839 resulted in a net deficit of \$63,315.

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. Olivio, seconded by Mr. Nedohon 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.

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. 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 4:22 p.m. Mr. Jones called for a motion to go into Executive Session. Prior to the resolution, Solicitor Rapuana 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 Rapuana 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 4:52 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. 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.