

**Cumberland Empowerment Zone Corporation
Board of Directors Meeting
Wednesday, July 13, 2016 12:30 PM
Cumberland County Improvement Authority, 2 North High Street
Millville, NJ 08332**

Present: Don Ayres, Ed Bethea, Jessica Cruz, Rita Danna, Greg Gallo (for Mayor Bermudez), Carol Hickman, Mayor Albert Kelly, Jeannine MacDonald, Susan Martine, Arnold Robinson, Shelly Schneider, and Mayor Ron Sutton

Absent: Freeholder Darlene Barber, Freeholder Jim Quinn, Dante Rieti, Mayor Michael Santiago, and Wade Sjogren

Newspapers: None

WELCOME AND INTRODUCTIONS

Mr. Bethea called the meeting to order at 12:30 PM.

MEETING NOTIFICATION PROCESS

Meeting notice was given in accordance with the Open Public Meetings Act.

CONFLICT OF INTEREST STATEMENT

In accordance with the new IRS requirements, members were asked to make known any conflict of interest for agenda items. Mr. Kelly noted a conflict with 6a Bridgeton Restaurant Development Request.

ROLL CALL

Mr. Quinn, Mr. Rieti and Mr. Sjogren notified staff they were unable to attend the meeting. Ms Barber is unable to attend for health reasons.

APPROVAL OF MINUTES – JUNE 6, 2016 OPEN AND CLOSED SESSIONS

Ms Schneider made the motion to dispense with the reading of the June 6, 2016 Open Session minutes and approve as written. Ms Martine seconded. Roll call was taken and all voted to approve the motion.

Ms Schneider made the motion to dispense with the reading of the June 6, 2016 Closed Session minutes and approve as written. Mr. Kelly seconded. Roll call was taken and all voted to approve the motion.

APPLICATIONS

BRIDGETON RESTAURANT DEVELOPMENT REQUEST

The summary and memo from special projects counsel was included in the board packet. CEZC and the City of Bridgeton met with restaurant operators with businesses in Atlantic City and Pleasantville. They are interested in opening a restaurant in Bridgeton at the location where the former Hillcrest Tavern was prior to it being destroyed in a fire. The City of Bridgeton approached the CCIA and CEZC regarding purchasing the vacant lot to demonstrate site control and purchase the liquor license. Ms MacDonald contacted the City of Vineland VDC who was in a similar situation. They were advised they could not purchase the liquor license as a quasi-government agency with board members appointed by the city. She also contacted counsel regarding CEZC purchasing the liquor license and its affect on the 501(c)3 status. The laws remain silent on this; however an opinion from the state will be requested prior to purchase. Staff advised the CEZC board members that this would be a short term purchase and the possible development project of the restaurant with the interested individuals. The property would be purchased through the Cumberland Redevelopment Corporation which was set up by the CEZC for projects such as this. The CEZC 501(c)3 status would be insulated and CEZC would provide funding only.

Ms MacDonald noted two conditions would need to be satisfied before purchasing the property. The first is that formal approval be obtained from the state for the purchase of the liquor license and the second is that an appraisal of the property be done.

A motion to approve the Executive Director to move forward and enter into a contract contingent upon the conditions as noted was made by Mr. Ayres and seconded by Ms Martine. Roll call was taken and all voted to approve the motion with the exception of Mr. Kelly who abstained.

HOLLY CITY DEVELOPMENT CORPORATION – SUBORDINATION REQUEST

The HCDC has requested a subordination of their loan with CEZC. There is a \$42,000 balance on the original \$50,000 loan. CEZC holds the mortgage at 14 Mulberry Street. HCDC has received a grant to renovate the building as well as additional funding from the Community Loan Fund providing they take first position ahead of CEZC on the building. There is little risk involved with this as HCDC has been a good paying client in the past. A motion to approve the subordination request was made by Mr. Kelly and seconded by Ms Schneider. Roll call was taken and all voted to approve the motion.

2016 OPERATIONS

FY 2015 AUDIT UPDATE

This FY 2015 audit was included in the board packet. It was a clean audit with no issues or questions. Note on page 5 in 2015 staff saw a positive increase in cash flow. Note on page 4 the overall deficit revenue doesn't include the \$13,300 CCIA shared services for the end of 2015, which was received in 2016. Also \$11,000 is a grant from second generation funds. An additional \$12,000 in loans were written off. In 2016 staff looks for a revenue increase with the interest from the CCIA loan (as opposed to the interest from the Capital Bank CD). The CEZC continues to move in the right direction as outlined in the strategic plan. A motion to approve the FY2015 audit was made by Mr. Ayres and seconded by Mr. Kelly. Roll call was taken and all voted to approve the motion.

FORM 990

Members received the draft Form 990 by email for review. A motion to approve the Form 990 and submit same to the IRS was made by Mr. Ayres and seconded by Ms Schneider. Roll call was taken and all voted to approve the motion.

PROJECTS/PROGRAMS

ARTS AND INNOVATION CENTER

The monthly report was included in the board packet. Anticipated completion of the project is the end of 2016.

HISPANIC BUSINESS SURVEY

This was included in the board packet. It's a great report which can be used to attract future funding. Ms MacDonald continues to pass along information and resources to the focus group.

EDUCATION PROGRAMS

Ms Cruz gave an update on the 21CCLC summer programs. Students are engaging in outdoor activities as well as team building, leadership and science projects. There are approximately 150 students from the four sites. They will be taking part in a program at Cumberland County College next week.

MILLVILLE NEIGHBORHOOD REVITALIZATION ALLIANCE INITIATIVE

Ms MacDonald met with the Millville Neighborhood Revitalization Alliance. Subcommittees have been meeting during the past month. They will be pursuing applying for funds from the Wells Fargo Neighborhood Initiative. There are more than 40 partners involved.

BUDGET REVIEW/PAYMENT OF BILLS

BUDGET REVIEW

Budget information for May and June 2016 was included in the board packet.

PAYMENT OF BILLS

A motion to approve the June Payment of Bills 16-101 to 16-116 was made by Ms Schneider and second by Mr. Sutton. Roll call was taken and all voted to approve the motion.

EXECUTIVE DIRECTOR'S REPORT

This was included in the board packet.

OLD BUSINESS

There was none at this time.

NEW BUSINESS

There was none at this time.

PUBLIC COMMENT PERIOD

There was none at this time.

ADJOURN

A motion was made by Ms Schneider to adjourn and it was seconded by Mr. Kelly. All approved the motion. The meeting was adjourned at 1:00 PM.