City of Menasha • Department of Public Works

June 14, 2012

Board of Public Works
City of Menasha
Menasha, WI 54952

RE: Winnebago County Recycling Surplus Commodity Revenue Ballots for 2011 Funds

Members of the Board:

Winnebago County has established the surplus commodity revenue amounts for the 2011 operating year. For 2011, there is surplus revenue of $952,381 to the Signing Municipalities and a deficit of $171,470 to Winnebago County (see attached Winnebago County memo).

The City of Menasha and other Winnebago County participating municipalities are governed by an agreement with Winnebago County relative to the use of surplus revenue from its recycling operations. The decision whether, and how, the surplus revenue should be rebated to the signing municipalities is made by the municipalities representing 70% of the total population of the signing municipalities.

As the attached memo indicates, Winnebago County realized a deficit of $171,470 in 2011 because the County is totally responsible for debt service. This year's ballot is asking the Signing Municipalities whether their entire surplus should be rebated to them, or if the amount should be reduced to cover the County deficit. The rebate amount would be reduced by $171,470 to $780,911 if the ballot results allow the Board to use rebated funds to cover the deficit. If the deficit is not covered by the reduced rebates, the likely result would be an increase in landfill tipping fees to cover the County deficit.

Using the reduced rebate amount of $780,911 for all the Signing Municipalities, the City of Menasha's portion would be $82,090. If the original rebate amount of $952,381 is used, the City's portion would be $100,115; however, we could expect increases to our landfill tipping fees in future years under this scenario.

Winnebago County Solid Waste and Recycling staff has been very helpful to the City in several ways in recent years:

1. Through coordination of the Recycling Consolidation Grant for a number of years which directs grant funds to the City and other smaller Signing Municipalities,

2. Providing a $3.00/ton rebate to the City for solid waste tipping fees starting approximately in 2000 and continuing today, and

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3. Recommending and participating in the Tri-County consortium (Brown, Outagamie, and Winnebago) which has saved the City significant dollars through higher commodity market values resulting in lower recycling tipping fees.

In order to help stabilize the landfill tipping fees, and to truly be a partner with Winnebago County, I recommend the City cast a ballot to refund the recycling revenue surplus of $780,911 to Signing Municipalities based upon each municipality's actual tonnage processed and sold for year 2011 while allowing Winnebago County to retain $171,470 of the surplus recycling revenue to avoid a 2011 County recycling deficit.. Be mindful that the ultimate decision is controlled by the prevailing ballot representing 70% of the total population of the signing municipalities.

Sincerely,

Mark Radtke

Mark Radtke
Director of Public Works

Enclosures

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LANDFILL / ADMINISTRATION
(920) 232-1800
FOX CITIES
(920) 727-2884
FAX (920) 424-1189

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OSHKOSH, WI 54901
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# Winnebago County

Solid Waste
Management Board

*The Wave of the Future*

SOLID WASTE/RECYCLING
TRANSFER STATION
(920) 232-1850
FOX CITIES
(920) 727-2896
FAX (920) 424-4955

LANDFILL GAS FACILITY
(920) 232-1800
FAX (920) 424-7761

**DATE:** June 4, 2012

**TO:** Contracted Responsible Units

**FROM:** Jennifer Semrau - Recycling Specialist

**RE:** 2011 Surplus Commodity Revenue Ballot

Enclosed is the Signing Municipality Recycling Surplus Revenue Ballot for 2011 Funds. Please consider the options carefully and **return the ballot by July 30, 2012** with a copy of your city, town or village resolution or copy of the municipal board minutes authorizing this vote.

Those of you who attended the Annual Financial and Informational Meeting on April 19th will recall significant discussion on the 2011 Financial Report. A copy of the report is enclosed. The report revealed a surplus to the Signing Municipalities of $952,381 and a deficit to the County of $171,470. The primary reason behind this is that the Winnebago County Solid Waste Management Board (WCSWMB) assumes the entire responsibility of the debt service on the Tri-County Single Stream Recycling Facility. You will see on the enclosed Financial Report in the Debt Service line, the amount of $324,119 is in the County column only, with no portion of this passed to the Municipalities. The original 1993 County/Municipal Recycling Agreement shared debt service on the Winnebago County Material Recovery Facility with the Municipalities. When the Tri-County Single Stream Recycling Facility was constructed in 2008/2009, Winnebago County did not seek an Amendment to the 1993 County/Municipal Recycling Agreement to share the debt service. As a result, the debt service is shown only as an expense to the County and results in a deficit in 2011.

As an Enterprise Fund, the WCSWMB receives no County 'tax levy' funds and charges user fees or tip fees to cover the expenses of the operation. A deficit in the recycling program, therefore, would need to be covered by revenues from other areas of the operation, such as landfill tip fees. The WCSWMB strives to keep landfill tip fees as low as possible for our Municipalities and customers. The alternative to looking at landfill tip fees to cover the recycling deficit would be to reduce the recycling revenue rebate to the Signing Municipalities. The enclosed ballot asks Municipalities to consider this option. In so doing, the Signing Municipalities would still receive surplus revenue in the amount of $780,911 (up from $330,887 last year due to efficient operation of the Tri-County Single Stream Recycling Facility and positive commodity markets) and allow the WCSWMB to 'break even' on the recycling program. I have enclosed is a spreadsheet which provides the dollar amounts each Signing Municipality could expect to receive if the ballot results allow the WCSWMB to rebate $780,911.

Thank you for carefully considering the enclosed ballot. Please feel free to contact me at (920) 232-1853 or jsemrau@co.winnebago.wi.us with any questions or clarifications on the ballot or financial report.

**Tonnage Thru December 2011**

| | Actual | Budget |
|---|---|---|
| Signing Municipalities | 12,191 | - |
| County | 999 | - |
| Total | 13,189 | 12,500 |

**Winnebago County Solid Waste Management**
**Material Recovery Facility**
**Unaudited Income Statement December 31, 2011**

| | Budget | | Actual | | Signing Municipalities | County |
|---|---|---|---|---|---|---|
| **Revenue** | Per Ton | Total | Total | Per Ton | | |
| Commodity Revenue (RUG'S) | $ 16.00 | $ 200,000 | $ 1,112,883 | $ 84.38 | $ 1,028,615 | $ 84,269 |
| Commodity Revenue (Non RUG'S) | - | - | 12,725 | 0.96 | - | 12,725 |
| Tire Revenue | 1.44 | 18,000 | 12,150 | 0.92 | - | 12,150 |
| Appliance Revenue | 1.20 | 15,000 | 20,267 | 1.54 | - | 20,267 |
| Electronic Revenue | 0.72 | 9,000 | 14,758 | 1.12 | - | 14,758 |
| RUG Revenue | 9.60 | 120,000 | 121,221 | 9.94 | 112,042 | 9,179 |
| Other Fees (Hauling Reimbursed) | - | - | 131,555 | 9.97 | 121,594 | 9,962 |
| Rental Revenues | - | - | 2,093 | 0.16 | | 2,093 |
| Sale of Scrap & Equipment | 0.16 | 2,000 | 12,633 | 12.65 | - | 12,633 |
| **Total Revenue** | $ 29.12 | $ 364,000 | $ 1,440,285 | $ 121.65 | $ 1,262,251 | $ 178,035 |
| **Expenses** | | | | | | |
| Labor Costs | $ 7.87 | $ 103,853 | $ 118,762 | $ 9.00 | $ 109,770 | $ 8,993 |
| Travel | 0.15 | 1,975 | 1,342 | 0.10 | 1,240 | 102 |
| Office | 0.24 | 3,210 | 1,508 | 0.59 | 1,394 | 114 |
| Operating Expenses | 0.42 | 5,600 | 2,582 | 0.20 | 2,387 | 196 |
| Education/Advertising | 0.76 | 10,000 | 6,925 | 0.05 | 6,401 | 524 |
| Repairs | 0.19 | 2,525 | 1,227 | 0.09 | 1,134 | 93 |
| Utilities | 0.24 | 3,125 | 1,758 | 0.13 | 1,625 | 133 |
| Contracts | 4.59 | 60,475 | 175,602 | 13.31 | 162,305 | 13,297 |
| Miscellaneous | 0.04 | 550 | 12 | 0.00 | 11 | 1 |
| Debt Service | 23.96 | 315,967 | 324,119 | 25.36 | - | 324,119 |
| Depreciation | 1.34 | 17,707 | 10,381 | 0.79 | 9,595 | 786 |
| Capital Outlay | - | - | - | 0.22 | - | - |
| Interfund | 0.20 | 2,605 | 15,156 | 1.15 | 14,009 | 1,148 |
| **Total Expenses** | $ 40.00 | $ 527,592 | $ 659,375 | $ 51.00 | $ 309,870 | $ 349,505 |
| **"Net Surplus/(Deficit)"** | $ (10.88) | $ (163,592) | $ 780,911 | $ 70.65 | $ 952,381 | $ (171,470) |

## 2011 Surplus Commodity Revenue Distribution Based on Tonnage

| Municipality | 2011 SS Tonnage | % of Refund | $ Refund |
|---|---|---|---|
| Town of Algoma | 662.3 | 5.43% | $ 42,425.57 |
| Town of Black Wolf | 258.4 | 2.12% | $ 16,552.57 |
| Town of Clayton | 413.0 | 3.39% | $ 26,455.92 |
| Town of Menasha | 1,383.3 | 11.35% | $ 88,611.33 |
| Town of Neenah | 386.7 | 3.17% | $ 24,771.20 |
| Town of Nekimi | 148.1 | 1.21% | $ 9,486.98 |
| Town of Omro | 118.7 | 0.97% | $ 7,603.68 |
| Town of Vinland | 225.0 | 1.85% | $ 14,413.03 |
| Town of Winneconne | 214.3 | 1.76% | $ 13,727.61 |
| Town of Wolf River | 63.0 | 0.52% | $ 4,035.65 |
| Village of Winneconne | 198.8 | 1.63% | $ 12,734.72 |
| City of Menasha | 1,281.5 | 10.51% | $ 82,090.24 |
| City of Neenah | 2,160.6 | 17.72% | $ 138,403.56 |
| City of Omro | 242.5 | 1.99% | $ 15,534.05 |
| City of Oshkosh | 4,434.5 | 36.38% | $ 284,064.89 |
| Total Tonnage | 12,190.7 | | $ 780,911.00 |
| Total Refunded | | $ 780,911.00 | |

**WINNEBAGO COUNTY**
**SIGNING MUNICIPALITY RECYCLING SURPLUS REVENUE BALLOT FOR 2011 FUNDS**
**JUNE 4, 2012**

## ARTICLE IX
## FURTHER AMENDMENTS

The County and the Signing Municipalities agree that this initial Agreement may be further amended and/or supplemented by written agreement of both the County and Signing Municipalities representing 70% of the total population of Signing Municipalities.

## ARTICLE VI
## FUNDING

B. The County shall have the right to collect any and all revenues from the sale of recycled materials processed by the County under this Agreement.

1. From the time of the County MRF's opening until December 31, 1994, said revenues from Signing Municipalities shall be applied to the cost of construction, purchase and operation for all structures, equipment and personnel required by the County to perform its obligations under the Agreement. In the event that revenues from Signing Municipality processing fees and material sales exceed the cost of program operation, the net profit shall be rebated after year's end to Municipalities signing this Agreement. Rebates shall be based upon each Municipality's actual tonnage processed during that calendar year.

2. After January 1, 1995 the processing fee per ton shall be set to reflect the anticipated cost of services provided. The County shall maintain revenue rebates from Signing Municipality material sold during the year 2011 in the amount of one hundred seventy-one thousand, four hundred and seventy dollars ($171,470.00) to avoid a 2011 recycling deficit and rebate seven hundred eighty thousand, nine hundred and eleven dollars ($780,911.00) to the Signing Municipalities.

**Please check the appropriate box for your municipality's choice, sign and indicate individual title, date and return this ballot on or before July 30, 2012 (include a copy of your city, town or village resolution or a copy of the municipal board meeting minutes authorizing this vote).**

☐ Winnebago County shall maintain $171,470.00 of the surplus recycling revenue to avoid a 2011 County recycling deficit and rebate $780,911.00 to the Signing Municipalities based on the Municipality's actual tonnage processed and sold for year 2011.

☐ Winnebago County shall refund the recycling revenue surplus of $952,381.00 to Signing Municipalities based upon each Municipality's actual tonnage processed and sold for year 2011.

| | | |
|---|---|---|
| Signature | Print Name | Municipality |
| Title | Date Signed | |