



July 10, 2013

Board of Public Works
City of Menasha
Menasha, WI 54952

RE: Winnebago County Recycling Surplus Commodity Revenue Ballots for 2012 Funds

Members of the Board:

Winnebago County has established the surplus commodity revenue amounts for the 2012 operating year. For 2012, there is surplus revenue of \$355,059 to the Signing Municipalities and a deficit of \$160,614 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 \$160,614 in 2012 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 \$160,614 to \$194,445 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 \$194,445 for all the Signing Municipalities, the City of Menasha's portion would be \$18,826. If the original rebate amount of \$355,059 is used, the City's portion would be \$34,370; 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

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 \$194,445 to Signing Municipalities based upon each municipality's actual tonnage processed and sold for year 2012 while allowing Winnebago County to retain \$160,614 of the surplus recycling revenue to avoid a 2012 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,

A handwritten signature in black ink that reads "Mark Radtke". The signature is written in a cursive style with a horizontal line extending to the right from the end of the name.

Mark Radtke
Director of Public Works

Enclosures

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



RECYCLING FACILITY
(920) 232-1850
FOX CITIES
(920) 727-2896
FAX
(920) 424-4955

100 W. COUNTY RD. Y
OSHKOSH, WI 54901

Winnebago County

Solid Waste Management Board

The Wave of the Future

LANDFILL GAS FACILITY
(920) 232-1810
LANDFILL GAS FAX
(920) 424-7761

DATE: June 24, 2013
TO: Contracted Responsible Units
FROM: Jennifer Semrau - Recycling Specialist
RE: 2012 Surplus Commodity Revenue Ballot

Enclosed is the Signing Municipality Recycling Surplus Revenue Ballot for 2012 Funds. Please consider the options carefully and **return the ballot by August 23, 2013** 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 25th will recall the discussion on the 2012 Financial Report. A copy of the report is enclosed. The report revealed a surplus to the Signing Municipalities of \$355,059 and a deficit to the County of \$160,614. 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 \$323,860 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 2012.

You will likely recall, WCSWMB experienced a similar deficit in 2011. However the Tri-County program made significant strides in increasing non-BOW (Brown, Outagamie, Winnebago) County tonnage in 2012. This resulted in the County's share of non-BOW revenue increasing from only \$12,275 in 2011 to \$103,595 in 2012. Despite commodity markets being markedly lower in 2012 versus 2011, Winnebago County was actually able to reduce its deficit, not increase it. WCSWMB hopes that further expansion of non-BOW tonnage will further decrease or eliminate our deficit situation in future years.

It is also important to remember that 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 \$194,445 and allow the WCSWMB to 'break even' on the recycling program. I have enclosed a spreadsheet which provides the dollar amounts each Signing Municipality could expect to receive if the ballot results allow the WCSWMB to rebate \$194,445.

The WCSWMB appreciates the support and the partnership we have with our municipalities in our solid waste and recycling programs. This was demonstrated last year when the majority of our municipalities (representing 91% of the signing municipality population) voted to allow the County to cover its recycling deficit.

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.

**WINNEBAGO COUNTY
SIGNING MUNICIPALITY RECYCLING SURPLUS REVENUE BALLOT FOR 2012 FUNDS
JUNE 24, 2013**

**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 2012 in the amount of one hundred sixty thousand, six hundred and fourteen dollars (\$160,614.00) to avoid a 2012 recycling deficit and rebate one hundred ninety-four thousand, four hundred and forty-five dollars (\$194,445.00) 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 August 23, 2013 (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 \$160,614.00 of the surplus recycling revenue to avoid a 2012 County recycling deficit and rebate \$194,445.00 to the Signing Municipalities based on the Municipality's actual tonnage processed and sold for year 2012.

Winnebago County shall refund the recycling revenue surplus of \$355,059.00 to Signing Municipalities based upon each Municipality's actual tonnage processed and sold for year 2012.

Signature

Print Name

Municipality

Title

Date Signed

Tonnage Thru December 2012

| | Actual | Budget |
|------------------------|---------------|---------------|
| Signing Municipalities | 12,278 | 11,500 |
| County | 1,252 | 1,000 |
| Total | 13,530 | 12,500 |

Winnebago County Solid Waste Management
Material Recovery Facility
Unaudited Income Statement December 31, 2012

| Revenue | Per Ton | Budget Total | Total | Actual Total | Per Ton | Signing Municipalities | County |
|--|--------------|----------------|----------------|--------------|----------------|------------------------|--------|
| Commodity Revenue | 32.00 | 400,000 | 521,602 | 38.55 | 473,335 | 48,266 | |
| Commodity Revenue (Non BOW) | - | - | 103,595 | 7.66 | - | 103,595 | |
| Tire Revenue | 0.90 | 11,250 | 12,786 | 0.94 | - | 12,786 | |
| Appliance Revenue | 1.44 | 18,000 | 15,639 | 1.16 | - | 15,639 | |
| Electronics Revenue | 0.80 | 10,000 | 12,998 | 0.96 | - | 12,998 | |
| Signing Municipality Revenue | 4.60 | 57,500 | 60,891 | 4.50 | 55,257 | 5,635 | |
| Cost Share (Outagamie County) SS Hauling | 10.00 | 125,000 | 163,171 | 12.06 | 148,072 | 15,099 | |
| Sale of Scrap/Misc | 0.96 | 12,000 | 9,661 | 0.71 | - | 9,661 | |
| Total Revenue | 50.70 | 633,750 | 900,342 | 66.54 | 676,664 | 223,678 | |

Expenses

| | | | | | | |
|------------------------------|--------------|----------------|----------------|--------------|----------------|------------------|
| Labor Costs | \$ 6.28 | \$ 85,030 | \$ 126,435 | \$ 9.34 | \$ 114,735 | \$ 11,700 |
| Travel | 0.15 | 2,080 | 1,640 | 0.12 | 1,488 | 152 |
| Office | 0.44 | 5,950 | 2,141 | 0.16 | 1,943 | 198 |
| Operating Expenses | 0.40 | 5,440 | 10,163 | 0.75 | 9,223 | 940 |
| Education/Advertising | 0.74 | 10,000 | 9,639 | 0.71 | 8,747 | 892 |
| Repairs | 0.17 | 2,260 | 7,770 | 0.57 | 7,051 | 719 |
| Utilities | 0.18 | 2,425 | 6,461 | 0.48 | 5,864 | 598 |
| Contracts | 13.98 | 189,175 | 208,598 | 15.42 | 164,215 | 44,383 |
| Miscellaneous | 0.02 | 335 | 3,348 | 0.25 | 3,038 | 310 |
| Debt Service | 23.14 | 313,107 | 323,860 | 23.94 | - | 323,860 |
| Depreciation | 0.02 | 213 | 5,842 | 0.43 | 5,301 | 541 |
| Total Expenses | 45.53 | 616,015 | 705,898 | 52.17 | 321,605 | 384,292 |
| Net Surplus/(Deficit) | 5.17 | 17,735 | 194,445 | 14.37 | 355,059 | (160,614) |

Tonnage Thru December 2012

| | Actual | Budget |
|------------------------|---------------|---------------|
| Signing Municipalities | 12,278 | 11,500 |
| County | 1,252 | 1,000 |
| Total | 13,530 | 12,500 |

Winnebago County Solid Waste Management
Material Recovery Facility
Unaudited

| Year | Total | County | Signing Muni's |
|---|-----------|-----------|----------------|
| 1995 | 891,709 | 254,209 | 637,500 (1) |
| 1996 | (106,122) | (53,612) | (52,510) (1) |
| Reduce Debt Funding | (584,980) | - | (584,980) |
| 1997 | 68,362 | 6,808 | 61,554 (2) |
| 1998 | 47,847 | (33,250) | 81,097 (2) |
| 1999 | (114,586) | (44,747) | (69,839) (2) |
| 2000 | 234,571 | 30,246 | 204,325 (2) |
| 2001 | (93,822) | (26,249) | (67,574) |
| 2002 | 37,144 | (31,004) | 68,149 (2) |
| Reduce Debt Funding | (158,469) | - | (158,469) (3) |
| 2003 | 63,099 | 13,199 | 49,900 (2) |
| 2004 | 471,432 | 85,786 | 385,646 (2) |
| 2005 | 389,568 | 41,489 | 348,079 |
| 2006 | 238,580 | 55,643 | 182,937 |
| Refund Portion of Surplus | (523,047) | - | (523,047) (4) |
| 2007 | 252,971 | 49,451 | 203,520 |
| Refund Surplus | (766,278) | - | (766,278) (5) |
| 2008 | 469,656 | 44,236 | 425,420 (6) |
| 2009 | (28,459) | (142,690) | 114,231 |
| Refund Surplus | (539,651) | - | (539,651) (6) |
| 2010 | 109,394 | (221,493) | 330,887 (7) |
| Refund Surplus | (330,887) | (171,470) | (330,887) (7) |
| 2011 | 780,911 | 171,470 | 952,381 |
| Refund Surplus | (780,911) | 171,470 | (780,911) (8) |
| Signing Muni's Vote to Offset County 2011 Deficit | 194,445 | (160,614) | (171,470) (9) |
| 2012 | 222,467 | (132,592) | 355,059 (10) |
| Total Net Surplus/(Deficit) | | | 355,059 |

- (1) Used to reduce debt funding for second expansion in 1996 as authorized.
- (2) Excess commodity revenue was reserved for tipping fee stabilization as authorized.
- (3) Used to pay off all remaining debt.
- (4) 2005 - 2006 refunded surplus \$523,047.
- (5) 1997 - 2004 and 2007 refunded surplus \$766,278.
- (6) 2008 - 2009 refunded surplus \$539,651.
- (7) 2010 - refunded surplus \$330,887.
- (8) 2011 - refunded surplus \$780,911.
- (9) 2011 - County maintain \$171,470 to cover deficit.
- (10) 2012 - surplus revenues \$355,059.00.

2012 Surplus Commodity Revenue Distribution Based on Tonnage

| Municipality | 2012 SS Tonnage | % of Refund | \$ Refund |
|-----------------------|--------------------|---------------|---------------|
| Town of Algoma | 663.8 | 5.41% | \$ 10,512.00 |
| Town of Black Wolf | 279.6 | 2.28% | \$ 4,427.77 |
| Town of Clayton | 458.0 | 3.73% | \$ 7,252.93 |
| Town of Menasha | 1,373.5 | 11.19% | \$ 21,750.87 |
| Town of Neenah | 396.1 | 3.23% | \$ 6,272.67 |
| Town of Nekimi | 139.2 | 1.13% | \$ 2,204.38 |
| Town of Omro | 107.3 | 0.87% | \$ 1,699.21 |
| Town of Vinland | 229.1 | 1.87% | \$ 3,628.05 |
| Town of Winneconne | 233.9 | 1.90% | \$ 3,704.06 |
| Town of Wolf River | 71.5 | 0.58% | \$ 1,132.28 |
| Village of Winneconne | 201.0 | 1.64% | \$ 3,183.05 |
| City of Menasha | 1,188.8 | 9.68% | \$ 18,825.94 |
| City of Neenah | 2,156.5 | 17.56% | \$ 34,150.53 |
| City of Omro | 254.1 | 2.07% | \$ 4,023.95 |
| City of Oshkosh | 4,526.2 | 36.86% | \$ 71,677.31 |
| Total Tonnage | 12,278.6 | | \$ 194,445.00 |
| Total Refunded | | \$ 194,445.00 | |