



June 11, 2014

Board of Public Works
City of Menasha
Menasha, WI 54952

RE: Winnebago County Recycling Surplus Commodity Revenue Ballots for 2013 Funds

Members of the Board:

Winnebago County has established the surplus commodity revenue amounts for the 2013 operating year. For 2013, there is surplus revenue of \$189,649 to the Signing Municipalities and a deficit of \$112,265 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 \$112,265 in 2013 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 \$112,265 to \$77,384 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 \$77,384 for all the Signing Municipalities, the City of Menasha's portion would be \$7,737. If the original rebate amount of \$189,649 is used, the City's portion would be \$18,965; 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 \$77,384 to Signing Municipalities based upon each municipality's actual tonnage processed and sold for year 2013 while allowing Winnebago County to retain \$112,265 of the surplus recycling revenue to avoid a 2013 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 large, stylized "R" and a long horizontal stroke extending to the right.

Mark Radtke
Director of Public Works

Enclosures

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

MEMORANDUM

DATE: May 30, 2014
TO: Contracted Responsible Units
FROM: Jennifer Semrau - Recycling Specialist
RE: 2013 Surplus Commodity Revenue Ballot

Enclosed is the Signing Municipality Recycling Surplus Revenue Ballot for 2013 Funds. Please consider the options carefully and **return the ballot by August 1, 2014** 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 17th will recall the discussion on the 2013 Financial Report. A copy of the report is enclosed. The report revealed a surplus to the Signing Municipalities of \$189,649 and a deficit to the County of \$112,265. The primary reason behind this is that the Winnebago County Solid Waste Management Board (Winnebago County or County) 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 \$322,790 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 2013.

You will also likely recall, Winnebago County experienced a similar deficit in 2011 and 2012. However the Tri-County program made significant strides in increasing non-BOW (Brown, Outagamie, Winnebago) County tonnage in 2013. This resulted in the County's share of non-BOW revenue increasing from only \$12,275 in 2011 to \$103,595 in 2012 to \$157,420 in 2013. Despite commodity markets being lower in 2013 versus 2012, Winnebago County was actually able to reduce its deficit, not increase it. The County hopes that further expansion of non-BOW tonnage and improved commodity markets will further decrease or eliminate our deficit situation in future years.

It is also important to remember that as an Enterprise Fund, Winnebago County receives no '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. Winnebago

County 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 provides our Municipalities the ability to consider this option. In so doing, the Signing Municipalities would still receive surplus revenue in the amount of \$77,384 and allow the County 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 County to rebate \$77,384.

Winnebago County 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 94% 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 SOLID WASTE MANAGEMENT BOARD
SIGNING MUNICIPALITY RECYCLING SURPLUS REVENUE BALLOT FOR 2013 FUNDS
MAY 30, 2014**

**ARTICLE IX
FURTHER AMENDMENTS**

The Winnebago County Solid Waste Management Board (Winnebago County or 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 2013 in the amount of one hundred twelve thousand, two hundred and sixty-five dollars (\$112,265.00) to avoid a 2013 recycling deficit and rebate seventy-seven thousand, three hundred and eighty-four dollars (\$77,384.00) 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 1, 2014 (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 \$112,265.00 of the surplus recycling revenue to avoid a 2013 County recycling deficit and rebate \$77,384.00 to the Signing Municipalities based on the Municipality's actual tonnage processed and sold for year 2013.

Winnebago County shall refund the recycling revenue surplus of \$189,649.00 to Signing Municipalities based upon each Municipality's actual tonnage processed and sold for year 2013.

Signature

Print Name

Municipality

Title

Date Signed

Tonnage Thru December 2013

	Actual	Budget
Signing Municipalities	11,985	12,000
County	1,671	1,000
Total	13,656	13,000

Winnipeg County Solid Waste Management
Material Recovery Facility
Unaudited Income Statement December 31, 2013

Revenue	Budget Per Ton	Total	Actual Total	Per Ton	Signing Municipalities	County
Commodity Revenue	53.85	700,000	375,662	27.51	329,694	45,967
Commodity Revenue (Non BOW)	-	-	157,420	11.53	-	157,420
Tire Revenue	0.87	11,250	10,765	0.79	-	10,765
Appliance Revenue	1.54	20,000	15,606	1.14	-	15,606
Electronics Revenue	0.92	12,000	13,193	0.97	-	13,193
Signing Municipality Revenue	4.62	60,000	58,042	4.25	50,940	7,102
Cost Share (Outagamie County) SS Hauling	13.46	175,000	179,975	13.18	157,952	22,022
Sale of Scrap/Misc	1.15	15,000	12,669	0.93	-	12,669
Total Revenue	76.40	993,250	823,331	60.29	538,586	284,745

Expenses

Labor Costs	12.30	167,999	148,528	10.88	130,354	18,174
Travel	0.15	2,010	1,237	0.09	1,085	151
Office	0.36	4,850	1,332	0.10	1,169	163
Operating Expenses	0.40	5,440	18,541	1.36	16,272	2,269
Education/Advertising	0.73	10,000	10,789	0.79	9,469	1,320
Repairs	0.20	2,730	1,914	0.14	1,680	234
Utilities	0.61	8,280	9,315	0.68	8,175	1,140
Contracts	16.69	227,970	224,730	16.46	174,790	49,940
Miscellaneous	0.10	1,384	1,380	0.10	1,211	169
Debt Service	23.64	322,790	322,790	23.64	-	322,790
Depreciation	1.57	21,407	5,392	0.39	4,732	660
Total Expenses	56.74	774,860	745,947	54.62	348,937	397,011

Net Surplus/(Deficit)

		218,390	77,384		189,649	(112,265)
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Tonnage Thru December 2013

	Actual	Budget
Signing Municipalities	11,985	12,000
County	1,671	1,000
Total	13,656	13,000

Winnepago County Solid Waste Management
Material Recovery Facility
Unaudited

Year	Net Surplus/(Deficit)		
	Total	County	Signing Munis
1995	891,709	254,209	637,500 (1)
1996	(106,122)	(63,612)	(52,510) (1)
Reduce Debt Funding	(584,990)	-	(584,990)
1997	66,362	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)	-	(330,887)
2011	780,911	(171,470)	952,381
Refund Surplus	(780,911)	-	(780,911) (8)
Signing Munis Vote to Offset County 2011 Deficit	-	171,470	(171,470) (9)
2012	194,445	(160,614)	355,059 (10)
Signing Munis Vote to Offset County 2012 Deficit	-	160,614	(160,614) (11)
2013	77,384	(112,265)	189,649 (12)
Total Net Surplus/(Deficit)	299,851	(84,243)	384,094

- (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.
- (11) 2012 - County maintain \$160,614 to cover deficit.
- (12) 2013 - Surplus revenues \$189,649.

2013 Surplus Commodity Revenue Distribution Based on Tonnage

Municipality	2013 SS Tonnage	% of Refund	\$ Refund
Town of Algoma	663.3	5.53%	\$ 4,282.83
Town of Black Wolf	264.3	2.21%	\$ 1,706.54
Town of Clayton	433.1	3.61%	\$ 2,796.46
Town of Menasha	1,439.2	12.01%	\$ 9,292.69
Town of Neenah	382.2	3.19%	\$ 2,467.81
Town of Nekimi	132.4	1.10%	\$ 854.89
Town of Omro	115.0	0.96%	\$ 742.54
Town of Vinland	224.8	1.88%	\$ 1,451.50
Town of Winneconne	225.3	1.88%	\$ 1,454.73
Town of Wolf River	75.1	0.63%	\$ 484.91
Village of Winneconne	194.0	1.62%	\$ 1,252.63
City of Menasha	1,198.2	10.00%	\$ 7,736.59
City of Neenah	2,064.0	17.22%	\$ 13,326.93
City of Omro	256.9	2.14%	\$ 1,658.76
City of Oshkosh	4,317.0	36.02%	\$ 27,874.20
Total Tonnage	11,984.8		\$ 77,384.00
Total Refunded		\$ 77,384.00	