



**RAMSEY/WASHINGTON
RECYCLING & ENERGY**
CONNECTING VALUE TO WASTE

MEETING NOTICE
RAMSEY/WASHINGTON RECYCLING & ENERGY BOARD

Date: Thursday, July 23, 2020
Time: 10:00 a.m. to 12:00 p.m.
Virtual Meeting: <https://zoom.us/j/92473178782?pwd=Q1dRb051RG9xWUZ2Skg0Smthd240Zz09>
Meeting ID: 924 7317 8782 | Password: 013347 | Phone #: +1 651-372-8299

The Chair of the Ramsey/Washington Recycling and Energy Board has determined that an in-person meeting is not practical or prudent because of the COVID-19 pandemic and the declared state and local emergencies. Commissioners will participate by telephone or other electronic means and the Board meeting will be conducted pursuant to and in compliance with Minnesota Statute 13D.021 and 13D.04 Subd. 3. Members of the public will be able to watch the public meeting live online.

AGENDA:

- I. Call to Order, Introductions, Commissioner Roll Call**
- II. Approval of Agenda** Action Page 1
- III. Approval of Minutes**
 - a. June 25, 2020 Board Minutes Action Page 2
- IV. Consent Agenda – No agenda items.**
- V. Governance – No agenda items.**
- VI. Management and Administration**
 - a. 2021 Budget
 - i. Joint Activities Budget Action Page 9
 - ii. Facility and Equipment Maintenance & Repair Budgets Action Page 26
- VII. Policy**
 - a. Enhancements Financing Action Action Page 47
- VIII. Updates and Reports**
 - a. Procurement Report Information Page 64
 - b. Facility Update Information Page 66
- IX. Other**
 - a. Invitation for comments from Ex Officio R&E Board members:
MPCA and City of Newport
- X. Adjourn**

NEXT MEETING: Thursday, August 20, 2020 | 10 am – 12:00 pm | Zoom meeting



THURSDAY, JUNE 25, 2020
RAMSEY/WASHINGTON RECYCLING & ENERGY BOARD MINUTES

A meeting of the Ramsey/Washington Recycling & Energy Board (R&E Board) was held as a remote Zoom meeting at 10:00 a.m. on Thursday, June 25, 2020. Essential staff participants met at the Ramsey County Environmental Health Office, 2785 White Bear Avenue North, Suite 350, Maplewood, Minnesota. Other participants joined through Zoom.

The Chair of the Ramsey/Washington Recycling and Energy Board has determined that an in-person meeting is not practical or prudent because of the COVID-19 pandemic and the declared state and local emergencies. Commissioners will participate by telephone or other electronic means and the Board meeting will be conducted pursuant to and in compliance with Minnesota Statute 13D.021 and 13D.04 Subd. 3. Members of the public will be able to watch the public meeting live online.

MEMBERS PRESENT

Commissioners Wayne Johnson, Gary Kriesel, Fran Miron, Lisa Weik – Washington County
Commissioners Toni Carter, Trista MatasCastillo, Mary Jo McGuire, Rafael Ortega, Victoria Reinhardt – Ramsey County

MEMBERS ABSENT

Commissioner Jim McDonough (Alt) – Ramsey County
Commissioner Stan Karwoski (Alt) – Washington County

EX-OFFICIO MEMBERS PRESENT

Dave Benke, Minnesota Pollution Control Agency (MPCA)
Dan Lund, Mayor, City of Newport

IN ATTENDANCE AT RAMSEY COUNTY ENVIRONMENTAL HEALTH

Zack Hansen, Sam Holl, Katie Keller, John Ristad, Nikki Stewart, Jody Tharp, Jordan Thone, Ryan Tritz, Kris Wehlage

ALSO ATTENDING

Joel Andersen, Zitlali Chavez Ayala, Leigh Behrens, Mary Elizabeth Berglund, I. Bounds, Shannon Conk, Dan Donkers, Dushani Dye, Rae Eden Frank, Jamie Giesen, Tom Gratz, Kelli Hall, Sam Hanson, Matt Herman, Filsan Ibrahim, Kevin Johnson, Hannah Keller, Katie Keller, Randy Kiser, Jennefer Klennert, Nate Klett, Sandy Koger, Kevin Magnuson, Ashley Marston, Leslie Duling McCollam, Andrea McKennan, Tate Moeller, Leo Moreno, Ryan O’Gara, Jessica Paquin, Melissa Peck, Mark Riegel, John Ristad, Afriani Rohim, Minette Saulog, Emily Schommer, Joe Smith, Ken Smith, David Suihkonen, Kecia Thomason, Mark Thompson, Britta Torkelson, Jeff Travis, Rob Vanasek, Joe Wozniak, Margaret Zuckweiler

CALL TO ORDER

Chair Miron called the meeting to order at 10:02 a.m. The statement regarding conduct of a remote meeting was read by Chair Miron. Introductions of participants present at Maplewood were made.

Roll Call	<u>Commissioner</u>	<u>Present</u>	<u>Absent</u>
	Carter	X	
	Johnson	X	
	Kriesel	X	
	MatasCastillo	X	
	McGuire	X	
	Miron	X	
	Ortega	X	
	Reinhardt	X	
	Weik	X	
	Karwoski		X
	McDonough		X
	<u>Ex Officio</u>		
	Benke	X	
	Lund	X	

APPROVAL OF THE AGENDA

Commissioner MatasCastillo moved to approve the agenda. Commissioner Reinhardt proposed a change in the order of the agenda, moving item Recognizing Ryan Tritz (IX.a.) to follow the Consent Agenda (IV.a.).

Commissioner MatasCastillo moved, seconded by Commissioner Reinhardt, to approve the agenda with the proposed modification.

Roll Call	<u>Commissioner</u>	<u>Aye</u>	<u>Nay</u>
	Carter	X	
	Johnson	X	
	Kriesel	X	
	MatasCastillo	X	
	McGuire	X	
	Miron	X	
	Ortega	X	
	Reinhardt	X	
	Weik	X	

Ayes: 9 Nays: 0 Motion carried.

APPROVAL OF BOARD MINUTES – May 28, 2020

Commissioner Reinhardt moved, seconded by Commissioner Ortega, to approve the May 28, 2020 R&E Board minutes.

Roll Call	<u>Commissioner</u>	<u>Aye</u>	<u>Nay</u>
	Carter	X	
	Johnson	X	
	Kriesel	X	
	MatasCastillo	X	
	McGuire	X	

Miron	X
Ortega	X
Reinhardt	X
Weik	X

Ayes: 9 Nays: 0 Motion carried.

CONSENT AGENDA

Electric Vehicle – Yard Tractor Procurement

Sam Holl, contract manager, presented the consent request to execute an agreement with Orange EV for the purchase of an electric yard tractor to replace a current diesel yard tractor scheduled for replacement in 2020.

Commissioner Ortega moved, seconded by Commissioner MatasCastillo, to approve the consent agenda. The R&E Board:

- Authorizes the Joint Leadership Team to finalize and execute an agreement with Orange EV for purchase of an electric yard tractor in accordance within R&E procurement guidelines upon approval as to form by the R&E attorneys.

Roll Call	<u>Commissioner</u>	<u>Aye</u>	<u>Nay</u>
	Carter	X	
	Johnson	X	
	Kriesel	X	
	MatasCastillo	X	
	McGuire	X	
	Miron	X	
	Ortega	X	
	Reinhardt	X	
	Weik	X	

Ayes: 9 Nays: 0 Motion carried.

OTHER

Recognition of Ryan Tritz

Nikki Stewart read the following statement:

“Ryan Tritz, the R&E Center facility manager, has been a key leader in the transition of the R&E Center from private to public ownership and operation since R&E purchased the facility in 2016. Ryan helped guide union and non-union staff through the major changes and developments R&E has successfully managed under his leadership. These efforts have included: the first year after public purchase with Great River Energy (GRE) as the transitional operator, procurement and making cost-saving improvements to equipment and assets long deferred prior to public ownership, welcoming elected officials, including the Governor of Minnesota, to hear and learn about the R&E Center and future enhancements as part of the R&E bonding request, as well as continued support and care of staff in continuing essential facility operations during the pandemic. Ryan will be greatly missed. We want to take a moment to recognize Ryan and celebrate his achievements and his steadfast commitment to

R&E. We look forward to working with Ryan in his new role, still remaining in the waste management industry.”

Commissioners and Zack Hansen shared their congratulations and expressed appreciation for Tritz, stating that his consistent dedication to the values of R&E and skills and acumen in managing the R&E Center have helped ensure that R&E is in a position to move forward with improvements to the facility. Ryan Tritz thanked leadership and commissioners for their comments, and thanked the board and R&E for the opportunity. He extended special thanks to the Joint Leadership Team for their care about both employees and their families.

Stewart read the resolution recognizing Ryan Tritz into the record.

Commissioner Reinhardt moved, seconded by Commissioner MatasCastillo to approve the resolution. The R&E Board:

- Expresses its gratitude to Ryan Tritz for his commitment to R&E, staff, and to the R&E’s mission of enhancing public health and the environment by creating value from waste through partnerships.
- Wishes Ryan Tritz farewell and continued collaboration in his new role in the waste management industry.

Roll Call	<u>Commissioner</u>	<u>Aye</u>	<u>Nay</u>
	Carter	X	
	Johnson	X	
	Kriesel	X	
	MatasCastillo	X	
	McGuire	X	
	Miron	X	
	Ortega	X	
	Reinhardt	X	
	Weik	X	

Ayes: 9 Nays: 0 Motion carried.

GOVERNANCE

No agenda items.

MANAGEMENT AND ADMINISTRATION

2021 Budget Review

Commissioner Carter, chair of the Facility & Finance Committee, shared that the committee was able to review budget items on the agenda. Due to lack of a bonding bill at the state level, the committee recommends board discussion of the 2021 budget, with final action to be discussed at the July 23 board meeting.

Kris Wehlage, finance manager, reviewed the R&E Board budget structure, and provided a brief overview of the three budget categories.

2019 Year-End Budget Report

Wehlage reported that 2019 financial reports are being finalized and will be available in July. Highlights include:

Facility Budget:

- Overall surplus in 2019
- Landfill - more expense due to Great River Energy (GRE) closure, Xcel downtime and more tons in the system
- Processing - less expense due to GRE closure
- Transload - more expense due to more waste through transfer stations
- Facility operations – more expense due to higher insurance costs and trailer retrofits for 28 trailers purchased from GRE
- Revenue - additional revenue due to more tons in the system than budgeted

Joint Activities Budget:

- Hauler rebates – more expense due to more waste in system than budgeted
- End of year balance – surplus goes to ERF

Equipment Maintenance & Replacement Budget:

- Expenses were on target

2020 Budget Status

Wehlage noted that expenses are reflected through early May, and it is relatively early to predict how 2020 will end. Given uncertainty around the pandemic and economic rebound, a conservative approach was taken for projections.

Facility Budget:

- Projected at 6% reduction from 2020 budget of 450,000 tons
- Includes \$1,500,000 to fulfill financial plan to fund ERF
- Projected end-of-year deficit of approximately \$411,000
- Continue to monitor with daily updates on MSW deliveries
- Mitigative measures are available to eliminate the deficit

Joint Activities Budget:

- Projected surplus
- Due to pandemic (businesses closed for a few months and are re-opening, but slowly)

Equipment Maintenance & Replacement Budget:

- On target

2021 Budget Review

Wehlage presented the 2021 budget for R&E Board discussion. R&E is in the second year of a two-year budget cycle. 2020-21 budgets were approved by the R&E Board in July 2019 with the ability to amend the 2021 budgets in 2020 if needed. Changes requested by the R&E Board will be brought back for action at its July meeting. Wehlage reviewed the budget process timeline. The Facility & Finance Committee met on May 21, 2020, and reviewed the following information.

Joint Activities Budget:

- No changes recommended

Equipment Maintenance & Replacement Budget:

- No changes recommended

Facility Budget:

- Changes proposed in personnel and facility operations appropriations, with no increase in approved budget
- Using funds currently budgeted for overtime and contracted services, add 4.0 full-time equivalent (FTE) positions
 - 1 supervisor, non-union, to improve staff monitoring and better manage supervisor time
 - 2 processor helpers, union, to reduce overtime and double time and improve employee safety by reducing fatigue
 - 1 electrician, union, to allow reduced dependence on expensive contracted labor and allow experience to remain with R&E

Tipping Fee:

- Change recommended from \$82 per ton in 2020 to \$84 per ton in 2021

Commissioner Carter spoke on behalf of the Facility & Finance Committee, stating their appreciation for the work that's been done on the budgets. The 2021 budget will be reviewed, and the committee expects to recommend it to the full board in July.

POLICY

No items.

UPDATES AND REPORTS

Legislative Session Update

Dan Donkers, Ramsey County Environmental Health staff, presented an update on legislative session efforts. Donkers directed the board to the Partnership on Waste and Energy (PWE) legislative platform and memos from Capitol Hill Associates and Fryberger Law.

The 2020 legislative session began with a budget surplus. COVID-19 forced the legislature into virtual meetings; few bills were passed in March, and a special session was held June 12-20. Waste-to-energy bills had a challenging time in both regular and special sessions. Funding for R&E enhancements was discussed in a March 4 hearing in the House, with Commissioner Johnson as one of those presenting. No bonding bill was passed in either session.

Rob Vanasek, Capitol Hill Associates, presented state bonding highlights. The state is in a projected deficit of roughly \$2.5 billion. By state law, the budget must be balanced by June 2021. In the last week of the regular session, the House introduced a \$2.5 billion bonding bill, while the Senate proposed \$1 million shy of \$1 billion. They came to agreement at \$1.3 billion; however, there was not enough support to advance it in the regular session.

Going into special session, legislators were further apart because of potential use of bonding funds for infrastructure around damages in Minneapolis and St. Paul due to the recent protests. A bonding bill containing the R&E \$8 million request didn't make it to Senate floor. There will be a second special session called, likely around July 12.

Commissioners Carter and McGuire left the meeting.

Procurement Report

Sam Holl, contract manager, presented information contained in the procurement report.

SUBJECT: R&EB 6-25-20 Minutes

Commissioner Miron asked whether the R&E Center is tracking expenses related to COVID-19, and whether R&E anticipates any kind of reimbursement for these costs. Kris Wehlage responded that R&E is tracking expenses related to COVID-19, from PPE and cleaning to payroll. These expenses have not yet been submitted to the state, but will be at some point in the future.

OTHER

Invitation for comments from Ex Officio R&E Board Members: MPCA and City of Newport

Dan Lund, Mayor, City of Newport, said R&E's efforts in odor control are vital to the City of Newport and have had a positive impact for the city. A settlement of the class action lawsuit against Sanimax, the primary odor emitter in the area, has been reached. Sanimax was ordered to invest at least \$450,000 on odor mitigation; its efforts must be reported to a magistrate. Sanimax has sued the City of South St. Paul for being re-zoned as legal non-conforming and not allowed to expand, which they believe unfairly targeted them.

Dave Benke, MPCA, shared his appreciation of Ryan Tritz. He stated that, from the MPCA standpoint, Tritz has been an excellent liaison, always thinking ahead to help MPCA learn about and understand the importance of the R&E Center.

Benke said the MPCA is still in litigation on restriction on landfills (certification of need) and appreciates R&E's input to help them move this litigation along.

Next meeting: Thursday, July 23, 2020, 10 am – 12:00 pm. This is anticipated to be a virtual meeting.

Commissioner Miron noted that a PWE Board meeting follows this meeting.

ADJOURN

Commissioner Miron adjourned the meeting at 11:25 a.m.

ATTESTED TO:

Approved: _____
July 23, 2020 Commissioner Fran Miron, Chair

Approved: _____
July 23, 2020



**RAMSEY/WASHINGTON
RECYCLING & ENERGY**
CONNECTING VALUE TO WASTE

R&E BOARD MEETING DATE:	July 23, 2020	AGENDA ITEM:	VI.a.i.
SUBJECT:	Joint Activities Budget		
TYPE OF ITEM:	<input type="checkbox"/> INFORMATION	<input type="checkbox"/> POLICY DISCUSSION	<input checked="" type="checkbox"/> ACTION
SUBMITTED BY:	Facility & Finance Committee		

R&E BOARD ACTION REQUESTED:

1. Approve the 2021 Joint Activities Budget.
2. Recommend that the Ramsey and Washington County boards approve the 2021 Joint Activities Budget.

EXECUTIVE SUMMARY:

The bylaws for the R&E Board specify that the Joint Activities Budget will be approved by August 1 of each year. It is also required that both counties approve their portion of the budget at their respective county board meetings by September 30. While a two-year budget is prepared and approved by the R&E Board, there is an opportunity to adjust the budget for the second year as needed (e.g., 2021 budget).


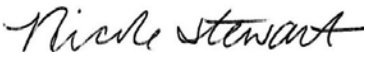
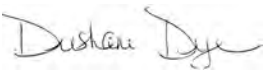
The Facility & Finance Committee reviewed the 2021 Joint Activities Budget at its May 21, 2020 meeting, and the R&E Board discussed the 2021 Joint Activities Budget at its June 25, 2020 meeting. No changes are recommended to the previously approved 2021 Joint Activities Budget from the July 25, 2019 Board meeting.

ATTACHMENTS:

1. Draft Resolution
2. 2021 Joint Activities Budget

FINANCIAL IMPLICATIONS:

Upon final approval, the financial implications will be explicit in the approved budgets.

AUTHORIZED SIGNATURES	DATE
JOINT LEADERSHIP TEAM   	7/15/2020

RAMSEY COUNTY ATTORNEY



7/15/2020

**WASHINGTON COUNTY
ATTORNEY**



7/15/2020



RESOLUTION R&EB-2020-06

WHEREAS, The Ramsey/Washington Recycling & Energy Board ("R&E Board") is governed by the amended and restated joint powers agreement by and between Ramsey County and Washington County dated September 22, 2015 ("Joint Powers Agreement"); and

WHEREAS, The Joint Powers Agreement provides that the R&E Board shall establish a Joint Activities Budget; and

WHEREAS, The Joint Leadership Team ("JLT") prepared a 2021 Joint Activities Budget, which was presented to and reviewed by the Facility & Finance Committee; and

WHEREAS, The Facility & Finance Committee recommended approval of the 2021 Joint Activities Budget at its May 20, 2020 meeting; and

WHEREAS, The R&E Board reviewed and discussed the 2021 Joint Activities Budget at its June 25, 2020 meeting and recommends that no changes be made to the previously approved 2021 Joint Activities Budget. NOW, THEREFORE, BE IT

RESOLVED, The Ramsey/Washington Recycling & Energy Board ("R&E Board") hereby approves the R&E Board 2021 Joint Activities Budget.

RESOLVED, The R&E Board hereby recommends that the Ramsey and Washington county boards approve the 2021 Joint Activities Budget.

Fran Miron, Board Chair
July 23, 2020

Attest
July 23, 2020

Ramsey/Washington Recycling & Energy Board

JOINT ACTIVITIES	2020 Approved Budget	2021 Approved Budget
APPROPRIATIONS:		
Project Management	1,571,964	1,603,369
Non-Residential Recycling	3,603,000	3,721,000
General Outreach	1,045,000	925,000
Policy Evaluation	870,000	870,000
Ramsey County Additional Programs	1,964,000	1,964,000
Total Appropriations	<u>9,053,964</u>	<u>9,083,369</u>
REVENUE:		
Washington County	1,914,290	1,922,230
Ramsey County	5,175,674	5,197,139
Ramsey County Additional Programs	1,964,000	1,964,000
Total Revenue	<u>9,053,964</u>	<u>9,083,369</u>
TOTAL	2020 Approved Budget	2021 Approved Budget
Appropriations	9,053,964	9,083,369
Revenue	9,053,964	9,083,369
Surplus/(Deficit)	<u>-</u>	<u>-</u>

Ramsey/Washington Recycling & Energy Board

Joint Activities

Account	Description	2020 Approved	2021 Approved
APPROPRIATIONS:			
<u>PROJECT MANAGEMENT</u>			
411101	Salaries Permanent	652,320	670,652
411103	Salaries Temporary	15,000	15,000
411201	PERA	38,301	39,240
411202	Fica - OASDI	31,042	31,791
411203	FICA - HI	7,499	7,680
411301	Health & Dental Ins	111,550	122,658
411306	Life Ins	665	729
411307	Long Term Disability Ins	320	352
411410	Cell Phone Reimbursement	3,817	3,817
421102	Auditor	20,000	20,000
421110	Fiscal agent Fees	50,000	50,000
421208	County Attorney	50,000	50,000
421501	Consulting	115,000	115,000
521522	Other Professional Services	6,500	6,500
421525	Recruitment Services	1,000	1,000
421603	Printing	4,500	4,500
421701	Postage	2,000	2,000
422402	Buildings & Office Space	25,000	25,000
423107	Other Education	100,000	100,000
423111	Employee Development	4,000	4,000
423309	Records Storage	250	250
424302	Membership & Dues	8,050	8,050
424303	Conference & Seminar	20,000	20,000
424304	Other Travel	40,000	40,000
424305	Meeting Expense	2,000	2,000
424501	Mileage	2,300	2,300
424507	Messenger Service	350	350
424601	Other Services	260,000	260,000
431101	Office Supplies	500	500
Total Project Management		1,571,964	1,603,369
<u>NON-RESIDENTIAL RECYCLING</u>			
421522	Other Professional Svcs	1,453,000	1,921,000
421602	Promotional Activities	200,000	200,000
425102	Grants	1,800,000	1,500,000
423107	Other Education	150,000	100,000
Total Non-Residential Recycling		3,603,000	3,721,000

SUBJECT: 2021 Joint Activities Budget

GENERAL OUTREACH

421509 Design Services	280,000	160,000
421522 Other Professional Services	100,000	100,000
421602 Promotional Activities	265,000	265,000
423107 Other Education	400,000	400,000
Total General Outreach	1,045,000	925,000

POLICY EVALUATION

421201 Legal Services	450,000	450,000
421502 Engineering Services	400,000	400,000
424601 Other Services	20,000	20,000
Total Policy Evaluation	870,000	870,000

RAMSEY COUNTY ADDITIONAL PROGRAMS

411101 Salaries Permanent	88,316	90,064
411201 PERA	6,624	6,753
411202 Fica - OASDI	5,184	5,287
411203 FICA - HI	1,016	1,036
411301 Health & Dental Ins	10,032	10,032
411306 Life Ins	104	104
411307 Long Term Disability Ins	64	64
411410 Cell Phone Reimbursement	660	660
421522 Other Professional Services	1,075,000	1,075,000
421602 Promotional Activities	152,000	150,000
425102 Grants	625,000	625,000
Total Ramsey County Additional Programs	1,964,000	1,964,000
Total Appropriations	9,053,964	9,083,369

REVENUE:

314103 Washington County	1,914,290	1,922,230
319110 Ramsey County	5,175,674	5,197,139
319110 Ramsey County Additional Programs	1,964,000	1,964,000
Total Revenue	9,053,964	9,083,369

Ramsey/Washington Recycling & Energy Board Joint Activities

LINE ITEM EXPLANATIONS

APPROPRIATIONS EXPLANATIONS

Project Management (51808)

Account Code	Account Name	2020 Approved	2021 Approved
411101	Salaries Permanent	652,320	670,652

EXPLANATION: Compensation for permanent full-time and permanent part-time employees.

Account Code	Account Name	2020 Approved	2021 Approved
411103	Salaries Temporary	15,000	15,000

EXPLANATION: Compensation for temporary full-time and temporary part-time employees.

Account Code	Account Name	2020 Approved	2021 Approved
411201	PERA	38,301	39,240

EXPLANATION: PERA rate calculation at 7.5% of Salaries Permanent

Account Code	Account Name	2020 Approved	2021 Approved
411202	Fica - OASDI	31,042	31,791

EXPLANATION: Fica - OASDI is calculated at 6.2% of Salary Permanent and Salaries Temporary

Account Code	Account Name	2020 Approved	2021 Approved
411203	FICA - HI	7,499	7,680

EXPLANATION: Fica - HI is calculated at 1.452% of Salaries Permanent and Salaries Temporary

Account Code	Account Name	2020 Approved	2021 Approved
411301	Health & Dental Ins	111,550	122,658

EXPLANATION: Health & Dental Insurance for Staff

Account Code	Account Name	2020 Approved	2021 Approved
411306	Life Ins	665	729

EXPLANATION: Life Insurance is paid up to a maximum of \$50,000 or 1 times an employee's salary for Staff

Ramsey/Washington Recycling & Energy Board Joint Activities

LINE ITEM EXPLANATIONS

Account Code	Account Name	2020 Approved	2021 Approved
411307	Long Term Disability Ins	320	352

EXPLANATION: Long Term Disability Insurance for Staff

Account Code	Account Name	2020 Approved	2021 Approved
411410	Cell Phone Reimbursement	3,817	3,817

EXPLANATION: Cell phone reimbursement for staff, \$55 per month per employee

Account Code	Account Name	2020 Approved	2021 Approved
421102	Auditor	20,000	20,000

EXPLANATION: Expenses associated with the required annual audit of the R&E Board

Account Code	Account Name	2020 Approved	2021 Approved
421110	Fiscal agent Fees	50,000	50,000

EXPLANATION: Annual Expenses paid to Ramsey County Finance for the cost of managing the R&E Board's finances

Account Code	Account Name	2020 Approved	2021 Approved
421208	County Attorney	50,000	50,000

EXPLANATION: Reimbursement expenses to the Ramsey and Washington County Attorney's office for legal services
Ramsey County - \$35,000/yr for 2020 and 2021
Washington County - \$15,000/yr for 2020 and 2021

Account Code	Account Name	2020 Approved	2021 Approved
421501	Consulting	115,000	115,000

EXPLANATION: Ramsey County Human Resources - \$75,000/yr, Ramsey County Information Services - \$40,000/yr

Account Code	Account Name	2020 Approved	2021 Approved
421522	Other Professional Services	6,500	6,500

EXPLANATION: Expenses related to processing payroll

Ramsey/Washington Recycling & Energy Board Joint Activities

LINE ITEM EXPLANATIONS

Account Code	Account Name	2020 Approved	2021 Approved
421525	Recruitment Services	1,000	1,000

EXPLANATION: Costs relating to hiring Recycling and Energy staff

Account Code	Account Name	2020 Approved	2021 Approved
421603	Printing	4,500	4,500

EXPLANATION: Printing services

Account Code	Account Name	2020 Approved	2021 Approved
421701	Postage	2,000	2,000

EXPLANATION: Postage

Account Code	Account Name	2020 Approved	2021 Approved
422402	Buildings & Office Space	25,000	25,000

EXPLANATION: Expenses paid to Ramsey County for providing office space to R&E Board employees that are not located at the R&E Center

Account Code	Account Name	2020 Approved	2021 Approved
423107	Other Education	100,000	100,000

EXPLANATION: Grant Management/Data Tool - EMERGE coordinated database

Account Code	Account Name	2020 Approved	2021 Approved
423111	Employee Development	4,000	4,000

EXPLANATION: Staff training

Account Code	Account Name	2020 Approved	2021 Approved
423309	Records Storage	250	250

EXPLANATION: Fee paid for storing records

Account Code	Account Name	2020 Approved	2021 Approved
424302	Membership & Dues	8,050	8,050

EXPLANATION: Minnesota Resource Recovery Association- \$5,250 for 2020 and 2021
American Biogas Council - \$300 for 2020 and 2021
Great Plains Institute - Bio-economy coalition - \$2,500 for 2020 and 2021

Ramsey/Washington Recycling & Energy Board Joint Activities

LINE ITEM EXPLANATIONS

Account Code	Account Name	2020 Approved	2021 Approved
424303	Conference & Seminar	20,000	20,000

EXPLANATION: Conference & Seminars for R&E Board and staff

Account Code	Account Name	2020 Approved	2021 Approved
424304	Other Travel	40,000	40,000

EXPLANATION: Site visits and other educational opportunities

Account Code	Account Name	2020 Approved	2021 Approved
424305	Meeting Expense	2,000	2,000

EXPLANATION: Expenses related to R&E Board staff meetings

Account Code	Account Name	2020 Approved	2021 Approved
424501	Mileage	2,300	2,300

EXPLANATION: Parking/Mileage paid to employees based on IRS reimbursement rate

Account Code	Account Name	2020 Approved	2021 Approved
424507	Messenger Service	350	350

EXPLANATION: Courier services

Account Code	Account Name	2020 Approved	2021 Approved
424601	Other Services	260,000	260,000

EXPLANATION: Olson-Thielen - Hauler audit for compliance with the County Environmental Charge in both counties Master Plan Alignment - \$150,000 for 2020 and 2021. Work performed on aligning the Master Plans for Ramsey County and Washington County for greater coordination between the two Counties.

Account Code	Account Name	2020 Approved	2021 Approved
431101	Office Supplies	500	500

EXPLANATION: General office supplies

Total Project Management		1,571,964	1,603,369
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Ramsey/Washington Recycling & Energy Board

Joint Activities

LINE ITEM EXPLANATIONS

Non-Residential Recycling (51809)

Account Code	Account Name	2020 Approved	2021 Approved
421522	Other Professional Svcs	1,453,000	1,921,000

EXPLANATION:

- 1) BizRecycling consultants - The demand for existing BizRecycling resources has increased. Budget proposes additional funding for BizRecycling grants, which increases need for consulting services to meet growing demand for technical assistance, grants, and other resources from businesses. MN Waste Wise - \$500,000 in 2020 and 2021; EcoConsilium - \$100,000 in 2020 and 2021
- 2) A new, comprehensive effort to reduce food waste engaging a variety of food recovery stakeholders, including a stronger partnership with Second Harvest Heartland, increased community engagement and new partnerships - \$153,000 for 2020 and \$121,000 for 2021
- 3) Maintain current BizRecycling Partners (non-profit business organizations such as chambers of commerce) to continue to effectively engage the business community and recruit program participation- \$250,000 for 2020 and \$250,000 for 2021
- 4) Building on 2019 Pilot, a fully funded Multi-Unit Recycling Program will require expert consultants, like those for BizRecycling, to provide technical assistance, coordinate grants, and provide other resources - \$400,000 for 2020 and 2021
- 5) Schools Continuum Consultant - Continue to provide counties with consultant support for implementation of school recycling continuum developed in 2019 - \$50,000 for 2020 and 2021
- 6) Durable Compostable Bags (DCB) - Design of the distribution system to receive and process orders and assure delivery of DCBs to residents, prior to roll-out of new county-wide organics program - \$0 for 2020 and \$500,000 for 2021

Account Code	Account Name	2020 Approved	2021 Approved
421602	Promotional Activities	200,000	200,000

EXPLANATION:

Biz Sponsorships - Maintaining existing efforts, to market BizRecycling and other programs through formal sponsor partnerships, large and small event sponsorships, engaging focus groups, developing materials. St. Paul Saints \$50,000 for 2020 and 2021, MN Brewers Guild \$25,000 for 2020 and 2021, MN United \$52,500 for 2020 and 2021, Ordway \$20,000 for 2020 and 2021, new sponsor opportunities \$52,500 for 2020 and 2021.

Account Code	Account Name	2020 Approved	2021 Approved
425102	Grants	1,800,000	1,500,000

EXPLANATION:

- 1) BizRecycling starter, reward, container, sustaining, and label grants - increase grant levels from 2019 level of \$1,000,000 to - \$1,300,000 in 2020, and return to \$1,000,000 for 2021
- 2) Multi-Unit Recycling Program starter, reward, container, and label grants - expanding grant pool from pilot test to meet needs of large, untapped sector - \$500,000 in each 2020 and 2021

Ramsey/Washington Recycling & Energy Board Joint Activities

LINE ITEM EXPLANATIONS

Account Code	Account Name	2020 Approved	2021 Approved
423107	Other Education	150,000	100,000
EXPLANATION:	1) Sustaining BizRecycling investments - following 2019 evaluation, design and implement new strategies to that will help advance new and improved recycling/organics efforts at participating businesses and ensure those efforts are maintained well into the future - \$100,000 for 2020 and 2021 2) R&E Center Tours/Curriculum - Design a comprehensive educational curriculum for the new tour room at the R&E Center, and about the integrated solid waste system in the East Metro for a variety of audiences - \$50,000 for 2020		
Total Non-Residential Recycling		3,603,000	3,721,000

Ramsey/Washington Recycling & Energy Board

Joint Activities

LINE ITEM EXPLANATIONS

General Outreach (51810)

Account Code	Account Name	2020 Approved	2021 Approved
421509	Design Services	280,000	160,000

EXPLANATION:

- 1) Using contract graphic design services, prepare the annual county Green Guides, the R&E annual report, and other materials - \$30,000 for 2020 and 2021
- 2) Recycling & Energy and BizRecycling websites - comprehensive updates to websites, online channels, and public content - \$150,000 for 2020 and \$80,000 for 2021.
- 3) BizRecycling and R&E Center videos - New and updated educational videos - \$100,000 for 2020 and \$50,000 for 2021 (more videos in 2020 to support launch of new web presence - decreased costs in 2021)

Account Code	Account Name	2020 Approved	2021 Approved
421522	Other Professional Services	100,000	100,000

EXPLANATION:

- 1) Communication services - contractors to assist with specialized communications needs like crisis communications, strategic planning, issue management, and public relations - \$50,000 in 2020 and 2021
- 2) Cultural consultants - contracting with specialists to better engage with specific cultural communities to ensure equitable distribution of resources - \$50,000 for 2020 and 2021

Account Code	Account Name	2020 Approved	2021 Approved
421602	Promotional Activities	265,000	265,000

EXPLANATION:

Promotion and marketing efforts using a variety of mediums, channels, and content - paid media campaigns, social media content, material development and distribution - ongoing to support programs and focused campaigns on timely issues - \$265,000 in 2020 and 2021

Account Code	Account Name	2020 Approved	2021 Approved
423107	Other Education	400,000	400,000

EXPLANATION:

Outreach and engagement activities focused on education - focused outreach campaigns, videos, educator forums, and other strategies to address issues like odor mitigation communications, new R&E Center technologies, R&E Center branding, food waste reduction education, quality of recycling, DCBs, hauler rebates/tip fee increases, bulky waste, etc.- \$400,000 for 2020 and 2021

Total General Outreach		1,045,000	925,000
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Ramsey/Washington Recycling & Energy Board Joint Activities

LINE ITEM EXPLANATIONS

Policy Evaluation (51811)

Account Code	Account Name	2020 Approved	2021 Approved
421201	Legal Services	450,000	450,000

EXPLANATION: Legal services contract with Stoel-Rives for legal services related to the R&E Board

Account Code	Account Name	2020 Approved	2021 Approved
421502	Engineering Services	400,000	400,000

EXPLANATION: General engineering and technical services contracted with Foth Infrastructure & Environmental, LLC - \$400,000 for 2020 and 2021

Account Code	Account Name	2020 Approved	2021 Approved
424601	Other Services	20,000	20,000

EXPLANATION: Other services - \$20,000 in 2020 and 2021

Total Policy Evaluation		870,000	870,000
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Ramsey/Washington Recycling & Energy Board Joint Activities

LINE ITEM EXPLANATIONS

Ramsey County Additional Programs

Account Code	Account Name	2020 Approved	2021 Approved
411101	Salaries Permanent	88,316	90,064
411201	PERA	6,624	6,753
411202	Fica - OASDI	5,184	5,287
411203	FICA - HI	1,016	1,036
411301	Health & Dental Ins	10,032	10,032
411306	Life Ins	104	104
411307	Long Term Disability Ins	64	64
411410	Cell Phone Reimbursement	660	660

EXPLANATION: Additional Recycling & Energy Program Coordinator to assist with program coordination for Ramsey County

Account Code	Account Name	2020 Approved	2021 Approved
421522	Other Professional Services	1,075,000	1,075,000

EXPLANATION:

- 1) BizRecycling consultants - The demand for existing BizRecycling resources has increased. Budget proposes additional funding for BizRecycling grants, which increases need for consulting services to meet growing demand for technical assistance, grants, and other resources from businesses. \$100,000 for 2020 and 2021
- 2) Building on 2019 Pilot, a fully funded Multi-Unit Recycling Program will require expert consultants, like those for BizRecycling, to provide technical assistance, coordinate grants, and provide other resources - \$125,000 for 2020 and 2021
- 3) A new, comprehensive effort to reduce food waste engaging a variety of food recovery stakeholders, including a stronger partnership with Second Harvest Heartland, increased community engagement and new partnerships - \$340,000 for 2020 and 2021
- 4) Expand current BizRecycling Partners (non-profit business organizations such as chambers of commerce) to continue to effectively engage the business community and recruit program participation- \$60,000 for 2020 and 2021
- 5) Partnering with Environmental Initiative/Clean Air Minnesota to reduce hazardous waste and emissions of pollutants that have adverse health effects. \$350,000 for 2020 and 2021
- 6) Programming development to provide a recycling outlet for mattresses to prevent them from being delivered to the R&E Center. \$75,000 for 2020 and 2021
- 7) Work with cities and service providers to ensure convenient textile recycling opportunities exist county wide. \$75,000 for 2020 and 2021

Account Code	Account Name	2020 Approved	2021 Approved
421602	Promotional Activities	152,000	150,000

EXPLANATION:

- 1) Biz Sponsorships - Expand existing efforts, to market BizRecycling and other programs through formal sponsor partnerships, large and small event sponsorships, engaging focus groups, developing materials. \$100,000 for 2020 and 2021.
- 2) Work to develop markets for finished compost, especially with Public Works Departments at cities and counties. \$52,000 for 2020 and \$50,000 for 2021

Ramsey/Washington Recycling & Energy Board Joint Activities

LINE ITEM EXPLANATIONS

Account Code	Account Name	2020 Approved	2021 Approved
425102	Grants	625,000	625,000
EXPLANATION:	1) BizRecycling starter, reward, container, sustaining, and label grants - 50 additional grants per year. \$500,000 for 2020 and 2021 2) Multi-Unit Recycling Program starter, reward, container, and label grants - expanding grant pool from pilot test to meet needs of large, untapped sector - additional 6-12 grants per year		
Total Ramsey County Additional Programs		1,964,000	1,964,000
Total Appropriations		9,053,964	9,083,369

Ramsey/Washington Recycling & Energy Board Joint Activities

LINE ITEM EXPLANATIONS

REVENUE EXPLANATIONS

Account Code	Account Name	2020 Approved	2021 Approved
314103	Washington County	1,914,290	1,922,230

EXPLANATION: Washington County 27% of Joint Activities Budget

Account Code	Account Name	2020 Approved	2021 Approved
319110	Ramsey County	5,175,674	5,197,139

EXPLANATION: Ramsey County 73% of Joint Activities Budget

Account Code	Account Name	2020 Approved	2021 Approved
319110	Ramsey County Additional Programs	1,964,000	1,964,000

EXPLANATION: Additional Ramsey County funding to provide Recycling & Energy activities conducted only in Ramsey County

Total Revenue		9,053,964	9,083,369
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**RAMSEY/WASHINGTON
RECYCLING & ENERGY**
CONNECTING VALUE TO WASTE

R&E BOARD MEETING DATE:		July 23, 2020			AGENDA ITEM:		VI.a.ii	
SUBJECT:		Facility and Equipment Maintenance & Repair Budgets						
TYPE OF ITEM:		<input type="checkbox"/>	INFORMATION	<input type="checkbox"/>	POLICY DISCUSSION		<input checked="" type="checkbox"/>	ACTION
SUBMITTED BY:		Facility & Finance Committee						

R&E BOARD ACTION REQUESTED:

1. Approve the 2021 Facility Budget, including the Equipment Maintenance & Repair Budget.
2. Approve the 2021 tipping fee for waste delivered from Ramsey and Washington counties to the Recycling & Energy Center (R&E Center) at \$84 per ton.

EXECUTIVE SUMMARY:

The bylaws for the R&E Board specify that the Facility Budget will be approved by August 1 of each year. While not called for in the bylaws, the Facility & Finance Committee is recommending that an Equipment Maintenance & Replacement Budget also be approved by the R&E Board. Although a two-year budget has been prepared and approved by the R&E Board, there is an opportunity to adjust the budget for the second year as needed (e.g., 2021 budget).

2021 Facility Budget:

Recommended changes to the 2021 Facility Budget include adding four full-time equivalent (FTE) positions to the 2021 facility complement. These positions are funding neutral as a result of reduced overtime/double time and reduction in contracted staff. The recommended positions are: one supervisor, two processor helpers, and one electrician. Reducing overtime/double time is a safety measure, reducing staff fatigue on long days.

Supervisor Position – The supervisor position is a non-union position. The facility currently has 5.0 FTE supervisors that oversee the work of 50 union employees. The facility operates 24/7, and the additional supervisor position is needed to better monitor staffing levels and allow current supervisors to take PTO hours when they desire.

Processor Helper Positions – Process helper positions are union positions. The facility has seen significant increases in overtime/double time due to staff shortages. Staffing shortages are due to vacant positions, leaves of absence, sick time, and vacations of current staff. The additional 2.0 FTE processor helper positions will provide efficient and effective staffing coverage for facility operations.

Electrician Position – The electrician position is a union position. Staff electricians perform electrical maintenance work on a continual basis, as well as on special projects. Hiring the 1.0 FTE electrician would allow the facility to decrease its dependence on expensive contracted labor and would allow for a transfer of knowledge and continuity of operations within the organization.

At the June 25, 2020 R&E Board meeting, a question was asked during the Facility Budget discussion regarding the newly created electrician position and the cost of the current position. Through June 2020, there were about \$29,000 in overtime and contractor costs associated with this work. Contract services are used when the current electrician is unavailable. Hiring an additional electrician is further recommended because:

- With only one electrician familiar with the plant, the R&E Center is at a disadvantage when the individual is out for any reason.
- As we continue to add new technology/improvements, the need for another electrician will increase. Hiring an additional electrician in 2021 allows the individual to become familiar with the plant and its equipment.
- The current electrician works days. There is an added benefit to having another electrician on second or third shift to cover needs beyond 2:00 pm.
- There are projects/issues where two electricians are needed. In these instances, R&E has to call contracted labor to assist the electrician on staff.

The 2021 Facility Budget is recommended to remain at the current funding levels. It is also recommended that the tipping fee be set as previously approved, at \$84 per ton.

2021 Equipment Maintenance & Replacement Budget:


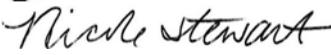



No recommended changes to the 2021 Equipment Maintenance & Replacement Budget.

ATTACHMENTS:

1. Draft Resolution
2. 2021 Facility Budget
3. 2021 Equipment Maintenance & Replacement Budget

FINANCIAL IMPLICATIONS:

Upon final approval, the financial implications will be explicit in the approved budgets.

AUTHORIZED SIGNATURES	DATE
JOINT LEADERSHIP TEAM	
	7/15/2020
	7/16/2020
	7/16/2020
RAMSEY COUNTY ATTORNEY	
	7/16/2020
WASHINGTON COUNTY ATTORNEY	
	7/16/2020



RESOLUTION R&EB-2020-07

WHEREAS, The Ramsey/Washington Recycling & Energy Board (“R&E Board”) is governed by the amended and restated joint powers agreement by and between Ramsey County and Washington County dated September 22, 2015 (“Joint Powers Agreement”); and

WHEREAS, The Joint Powers Agreement provides that the R&E Board shall establish a Facility Budget and an Equipment Maintenance & Replacement Budget; and

WHEREAS, The Joint Leadership Team (“JLT”) prepared a 2021 Facility Budget, including an Equipment Maintenance & Replacement Budget, which was presented to and reviewed by the Facility & Finance Committee; and

WHEREAS, The Facility & Finance Committee recommended approval of the 2021 Facility Budget, including the Equipment Maintenance & Replacement Budget, at its May 20, 2020 meeting; and

WHEREAS, The R&E Board reviewed and discussed the 2021 Facility Budget, including the Equipment Maintenance & Replacement Budget at its June 25, 2020 meeting and recommends that four full-time equivalent (FTE) positions be added to the Facility complement which are funding neutral. The four positions are: one supervisor, two processor helpers, and one electrician. No changes will be made to the previously approved 2021 Equipment Maintenance & Replacement Budget; and

WHEREAS, The R&E Board recommends no changes to R&E Center tipping fee which was approved on July 25, 2019 at \$84 per ton. NOW, THEREFORE, BE IT

RESOLVED, The Ramsey/Washington Recycling & Energy Board (“R&E Board”) hereby approves the R&E Board 2021 Facility Budget, including the Equipment Maintenance & Replacement Budget. BE IT FURTHER

RESOLVED, The R&E Board hereby approves the 2021 tipping fee of \$84 per ton.

Fran Miron, Board Chair
July 23, 2020

Attest
July 23, 2020

Ramsey/Washington Recycling & Energy Board

R&E CENTER	2020 Approved Budget	2021 Approved Budget	2021 Amended Budget
APPROPRIATIONS:			
Personnel Costs	7,718,574	7,938,405	8,127,905
Fuel Supply Agreements	7,020,217	6,511,520	6,511,520
Landfill	3,552,335	4,645,295	4,645,295
Waste Processing Mattress Recycling	260,000	260,000	260,000
Transportation	7,299,919	7,265,506	7,265,506
Transload	2,249,644	2,306,960	2,306,960
Facility Operations Contingency	5,483,237 2,009,295	5,602,008 1,980,073	5,412,508 1,980,073
Debt Services	1,697,155	1,695,748	1,695,748
Transfer to Equipment/Maintenance Fund: Approved Per Board Resolution R&EB - 2017-3	1,552,500	1,552,500	1,552,500
Additional Transfer -Approved/Proposed	300,000	300,000	300,000
Total Appropriations	<u>39,142,876</u>	<u>40,058,015</u>	<u>40,058,015</u>
REVENUE:			
Operations Revenue	37,590,376	38,505,515	38,505,515
Sale of Recyclable Materials - Transfer to Equipment/Maintenance Fund	1,552,500	1,552,500	1,552,500
Total Revenue	<u>39,142,876</u>	<u>40,058,015</u>	<u>40,058,015</u>
TOTAL	2020 Approved Budget	2021 Approved Budget	2021 Amended Budget
Appropriations	39,142,876	40,058,015	40,058,015
Revenue	39,142,876	40,058,015	40,058,015
Surplus/(Deficit)	<u>-</u>	<u>-</u>	<u>-</u>

Notes:

* 2020 and 2021 budget prepared based on receiving 450,000 tons of MSW.

** 2020 Proposed Tipping Fee is \$82/ton
2021 Proposed Tipping Fee is \$84/ton

Ramsey/Washington Recycling & Energy Board

Recycling & Energy Center - Facility

Tons Budget		450,000	450,000	450,000
Account	Description	2020 Approved	2021 Approved	2021 Amended
APPROPRIATIONS:				
<u>PERSONNEL COSTS</u>				
411101	Staff Non Union- Salary	1,442,799	1,482,389	1,560,389
411103	Temporary Staff	50,000	50,000	50,000
411201	PERA - Non Union Staff	111,960	114,929	120,429
411202	Fica - OASDI	75,901	77,836	78,542
411203	FICA - HI	18,363	18,832	18,903
411301	Health & Dental Ins	219,711	241,682	260,882
411306	Life Ins	2,252	2,308	2,376
411307	Long Term Disability Ins	1,405	1,441	1,508
411115	Staff Union - Salary	3,922,101	4,020,154	4,026,032
411412	Staff - Union Fringe	1,579,924	1,627,322	1,692,929
411201	PERA - Union Staff	294,158	301,512	315,914
421519	Contracted Labor	-	-	-
Total Personnel Costs		7,718,574	7,938,405	8,127,905
<u>FUEL SUPPLY</u>				
424515	NSP Fuel Supply Agreement	7,020,217	6,511,520	6,511,520
424516	Great River Energy Fuel Supply Agreement	-	-	-
Total Fuel Supply		7,020,217	6,511,520	6,511,520
<u>LANDFILL</u>				
424517	Landfill	3,552,335	4,645,295	4,645,295
Total Landfill		3,552,335	4,645,295	4,645,295
<u>Waste Processing</u>				
422304	Mattress Recycling	260,000	260,000	260,000
Total Waste Processing GRE		260,000	260,000	260,000
<u>TRANSPORTATION</u>				
424513	Transportation	7,299,919	7,265,506	7,265,506
Total Transportation		7,299,919	7,265,506	7,265,506
<u>TRANSLOAD</u>				
424514	Transload Fee	2,249,644	2,306,960	2,306,960
Total Transload		2,249,644	2,306,960	2,306,960
<u>FACILITY OPERATIONS</u>				
421112	Credit Card Fees	500	500	500
421401	Computer Support Contracts	98,350	98,350	98,350
421402	Telecommunication	35,543	35,543	35,543
421405	Computer Software License	36,311	37,219	37,219
421501	Consulting Services	115,000	115,000	115,000
421519	Contracted Services	49,055	50,281	50,281
421522	Other Professional Svcs	323,973	332,072	142,572

SUBJECT: 2021 Facility Budget

421525 Recruitment Services	500	500	500
421603 Printing	4,942	4,942	4,942
421701 Postage	250	250	250
422101 Building & Structures Repair	126,912	133,258	133,258
422109 Fire Systems Inspection	35,865	36,762	36,762
422203 Janitorial Service	-	-	-
422301 Gas	44,229	46,441	46,441
422302 Electricity	921,377	967,446	967,446
422303 Water Sewer	28,134	29,541	29,541
422601 Equipment & Machinery Repairs	654,365	670,723	670,723
422602 Data Proc Equip Main	4,695	4,695	4,695
422705 Trailer Repairs	423,300	423,300	423,300
422801 Grounds-Repairs	66,074	67,726	67,726
422802 Snow Removal	49,000	50,225	50,225
422811 Pest & Rodent Control	9,000	9,225	9,225
422813 Security Services	301,457	308,993	308,993
423110 On the Job Training Services	8,194	8,194	8,194
423111 Employee Development	48,296	48,296	48,296
424101 Automobile Truck Ins	37,500	37,500	37,500
424103 Workers Compensation Ins	202,000	202,000	202,000
424107 Liability & Property Damage	303,259	303,259	303,259
424110 Public Liability Ins	17,723	17,723	17,723
424112 Multi Cover Ins	169,888	169,888	169,888
424201 Payment in Lieu of Taxes	195,431	195,431	195,431
424302 Membership Dues	2,000	2,000	2,000
424303 Conference Seminar	12,300	12,300	12,300
424305 Meeting Exp	2,300	2,300	2,300
424501 Mileage	4,582	4,697	4,697
424507 Messenger Service	250	250	250
424602 Special Programs/Awards	12,000	12,000	12,000
424607 Licensing Fee	9,800	9,800	9,800
471101 Contingency/Appropriations	2,009,295	1,980,073	1,980,073
431101 Office Supplies	9,835	10,080	10,080
431104 Oils Lubricants Etc.	81,387	83,423	83,423
431105 Uniforms and Clothing	66,486	68,148	68,148
431205 First Aid Supplies	36,438	37,349	37,349
431508 Equipment Parts & Supplies	553,099	566,926	566,926
431604 Diesel Fuel	138,653	142,119	142,119
431702 Small Tools and Safety Equip	19,609	20,099	20,099
431902 Shop Materials & Supplies	74,375	76,234	76,234
443301 Computer Equipment	12,000	12,000	12,000
541101 Remittance To State	100,000	100,000	100,000
541106 Washington County CEC	37,000	37,000	37,000
Total Facility Operations	7,492,532	7,582,081	7,392,581
DEBT SERVICES			
501101 Principal Payment	1,059,015	1,076,185	1,076,185
502101 Interest Payment	638,140	619,563	619,563
Total Debt Services	1,697,155	1,695,748	1,695,748
TRANSFER TO EQUIPMENT/MAINTENANCE FUND			
481110 Approved Per Board Resolution R&EB - 2017-3	1,552,500	1,552,500	1,552,500
481110 Additional Transfer -Approved/Proposed	300,000	300,000	300,000
Total Transfer To Equipment/Maintenance Fund	1,852,500	1,852,500	1,852,500
Total Appropriations	39,142,876	40,058,015	40,058,015

SUBJECT: 2021 Facility Budget

REVENUE:

311766 Tipping Fee	36,900,000	37,800,000	37,800,000
311767 Tipping Fee Special	275,307	280,015	280,015
311768 Tipping Fee Private	190,069	200,500	200,500
317321 Sale of Recyclable Materials	1,552,500	1,552,500	1,552,500
319103 Recovery- Current Yr Exp	15,000	15,000	15,000
353152 Solid Waste Management Tax	100,000	100,000	100,000
318102 Interest	110,000	110,000	110,000
Total Revenue	39,142,876	40,058,015	40,058,015
Surplus/(Deficit)	-	-	-

Ramsey/Washington Recycling & Energy Board

Recycling & Energy Center - Facility

LINE ITEM EXPLANATIONS

APPROPRIATIONS EXPLANATIONS

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
411101	Staff Non Union- Salary	1,442,799	1,482,389	1,560,389

EXPLANATION: Compensation for permanent full-time and permanent part-time Non Union employees.

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
411103	Temporary Staff	50,000	50,000	50,000

EXPLANATION: Compensation for temporary full-time and temporary part-time Union employees.

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
411201	PERA - Non Union Staff	111,960	114,929	120,429

EXPLANATION: PERA rate calculation at 7.5% of Staff Non Union Salary

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
411202	Fica - OASDI	75,901	77,836	78,542

EXPLANATION: Fica - OASDI is calculated at 6.2% of Staff Non Union Salary

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
411203	FICA - HI	18,363	18,832	18,903

EXPLANATION: Fica - HI is calculated at 1.45% of Staff Non Union Salary

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
411301	Health & Dental Ins	219,711	241,682	260,882

EXPLANATION: Health & Dental Insurance is paid for Staff Non Union

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
411306	Life Ins	2,252	2,308	2,376

EXPLANATION: Life Insurance is paid up to a maximum of \$50,000 or 1 times an employee's salary for Staff Non Union

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
411307	Long Term Disability Ins	1,405	1,441	1,508

EXPLANATION: Long Term Disability Insurance for Staff Non Union

Ramsey/Washington Recycling & Energy Board

Recycling & Energy Center - Facility

LINE ITEM EXPLANATIONS

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
411115	Staff Union - Salary	3,922,101	4,020,154	4,026,032

EXPLANATION: Compensation for permanent full-time and permanent part-time Union employees

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
411412	Staff - Union Fringe	1,579,924	1,627,322	1,692,929

EXPLANATION: Fringes for permanent full-time and permanent part-time Union employees

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
411201	PERA - Union Staff	294,158	301,512	315,914

EXPLANATION: PERA rate calculation at 7.5% of Staff Union Salary

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
421112	Credit Card Fees	500	500	500

EXPLANATION: Monthly bank fees and credit card fees

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
421401	Computer Support Contracts	98,350	98,350	98,350

EXPLANATION: Cyber Advisors, MN Occupational , Annual Support - Paradigm.

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
421402	Telecommunication	35,543	35,543	35,543

EXPLANATION: CenturyLink, Verizon, Integra, Ramsey County IS (Comcast) - \$12,000/yr

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
421405	Computer Software License	36,311	37,219	37,219

EXPLANATION: Infor (MP2), Upgrade to CW , NetSuite, Anti-virus firewall Veeam Backup, Control room computer software and hardware updates.

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
421501	Consulting Services	115,000	115,000	115,000

EXPLANATION:	Consulting Services Labor Relations	100,000	100,000	100,000
	Consulting Services IS Superior Services	-	-	-
	Consultant - Risk Management	15,000	15,000	15,000

Ramsey/Washington Recycling & Energy Board

Recycling & Energy Center - Facility

LINE ITEM EXPLANATIONS

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
421519	Contracted Services	49,055	50,281	50,281

EXPLANATION:

Contracted Labor	49,055	50,281	50,281
2 laborer's 6 weeks out of the year for dust collection cleaning. Plus spring and fall cleanup of 2 laborer's 2 weeks each cleanup			
Contracted Accountant In Personnel Costs	-	-	-
Contracted Human Resources in Personnel Costs	-	-	-

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
421522	Other Professional Svcs	323,973	332,072	142,572

EXPLANATION: Payroll expense, Rigging Inspections, Air Sample Testing, Emissions Testing, Hearing and Respirator Sample, 2 IW's 8 month/year, plus IW's for outage and flail mill rotor change outage single source contract with Corval, electricians for incidental coverage.

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
421525	Recruitment Services	500	500	500

EXPLANATION: Costs relating to hiring staff at the Recycling and Energy Center.

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
421603	Printing	4,942	4,942	4,942

EXPLANATION: Printing services

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
421701	Postage	250	250	250

EXPLANATION: Postage

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
422101	Building & Structures Repair	126,912	133,258	133,258

EXPLANATION: Repairs to walls , repair divots, Roof Repairs, HVAC, Building Improvements, \$25K (estimate) to replace fire protection piping in tipping floor annually a section at a time. Current piping is original equipment and needs to be replaced.

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
422109	Fire Systems Inspection	35,865	36,762	36,762

EXPLANATION: Annual fire system inspection

Ramsey/Washington Recycling & Energy Board

Recycling & Energy Center - Facility

LINE ITEM EXPLANATIONS

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
422203	Janitorial Service	-	-	-

EXPLANATION: Janitorial / Housekeeping

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
422301	Gas	44,229	46,441	46,441

EXPLANATION: Utilities - Gas

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
422302	Electricity	921,377	967,446	967,446

EXPLANATION: Utilities - Electricity

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
422303	Water Sewer	28,134	29,541	29,541

EXPLANATION: Utilities - water/sewer

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
422601	Equipment & Machinery Repairs	654,365	670,723	670,723

EXPLANATION: Repairs to Work Platforms, Forklifts, Front End Loaders, Backhoes, Yard Tractors, Skid Steers, Scale Maintenance, Air Compressors, Air Knife, Compactors, Belt Conveyors, Apron Conveyors, Disc Screens, Flail Mills, Grapple Cranes, Secondary Shredders, Magnetic Separators, Dust Control, Conveyor Belts, Spin Roller Replacement

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
422602	Data Proc Equip Main	4,695	4,695	4,695

EXPLANATION: Copiers

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
422705	Trailer Repairs	423,300	423,300	423,300

EXPLANATION: Repairs to trailers

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
422801	Grounds-Repairs	66,074	67,726	67,726

EXPLANATION: Lawn care, street sweeping, paving - patch work and sealing cracks

Ramsey/Washington Recycling & Energy Board

Recycling & Energy Center - Facility

LINE ITEM EXPLANATIONS

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
422802	Snow Removal	49,000	50,225	50,225

EXPLANATION: Snow removal

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
422811	Pest & Rodent Control	9,000	9,225	9,225

EXPLANATION: Pest & rodent control

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
422813	Security Services	301,457	308,993	308,993

EXPLANATION: Security contract for R&E Center that provides security services and scalehouse operations on overnights and weekends

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
423110	On the Job Training Services	8,194	8,194	8,194

EXPLANATION: New employee screening/physicals, misc. purchases for facility.

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
423111	Employee Development	48,296	48,296	48,296

EXPLANATION: 3 classes, RDF II \$12,480, Welding Certification Class \$9,600, Heavy Equipment Training \$13,250. All of these classes are required as part of the MN Apprentice Program, CompuWeigh Training 3 employees \$600, supervisors computer training, AED Renewal \$120, 10 employees re-certification \$780, Fire Protection Training, RJF Monthly Fee/Annual Hazardous Waste Training, Safety & Health Conference in May each year \$1500

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
424101	Automobile Truck Ins	37,500	37,500	37,500

EXPLANATION: This insurance policy covers vehicles owned by the R&E Center. The amount determined by Risk Management Consultant

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
424103	Workers Compensation Ins	202,000	202,000	202,000

EXPLANATION: This insurance policy covers losses due to employee injury. The amount determined by Risk Management Consultant

Ramsey/Washington Recycling & Energy Board

Recycling & Energy Center - Facility

LINE ITEM EXPLANATIONS

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
424107	Liability & Property Damage	303,259	303,259	303,259

EXPLANATION: This insurance policy covers losses to property damage at the R&E Center. The amount determined by Risk Management Consultant

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
424110	Public Liability Ins	17,723	17,723	17,723

EXPLANATION: This insurance policy covers elected officials associated with the R&E Center. The amount determined by Risk Management Consultant

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
424112	Multi Cover Ins	169,888	169,888	169,888

EXPLANATION: This insurance policy covers the R&E Center. The amount is determined by Risk Management Consultant

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
424201	Payment in Lieu of Taxes	195,431	195,431	195,431

EXPLANATION: List of entities due Payment in Lieu of Taxes. 2018 and 2019 are estimates because the tax rates are not known until Washington County approves their budgets in December:

Washington County General	38,572	38,572	38,572
Washington County Regional Rail Authority	309	309	309
City of Newport	76,392	76,392	76,392
ISD 833 South Washington	53,332	53,332	53,332
School District other Levies	20,205	20,205	20,205
Non-School Voter Approved Referenda Levies	363	363	363
Metropolitan Council	1,086	1,086	1,086
Metropolitan Council Transit	1,657	1,657	1,657
Metropolitan Mosquito Control	585	585	585
South Washington Watershed	1,063	1,063	1,063
County HRA	1,868	1,868	1,868
Total	195,431	195,431	195,431

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
424302	Membership Dues	2,000	2,000	2,000

EXPLANATION: Newspaper, Minnesota Safety Council membership

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
424303	Conference Seminar	12,300	12,300	12,300

EXPLANATION: CW Training 3 employees, Travel conventions airfare and hotel.

Ramsey/Washington Recycling & Energy Board

Recycling & Energy Center - Facility

LINE ITEM EXPLANATIONS

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
424305	Meeting Exp	2,300	2,300	2,300

EXPLANATION: Expenses related to R&E Center meetings

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
424501	Mileage	4,582	4,697	4,697

EXPLANATION: Parking/Mileage paid to employees based on IRS reimbursement rate

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
424507	Messenger Service	250	250	250

EXPLANATION: Courier services

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
424513	Transportation	7,299,919	7,265,506	7,265,506

EXPLANATION: Contracted costs for trucking firms to transport material to various destinations, such as metal markets, Xcel energy facilities, and landfills.

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
424514	Transload Fee	2,249,644	2,306,960	2,306,960

EXPLANATION: Fees paid to transfer station operators to receive, weigh, and manage MSW delivered to their facilities by licensed haulers with a waste delivery agreement with the R&E Board as well as self-haulers delivering acceptable waste generated in Ramsey County or Washington County

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
424515	NSP Fuel Supply Agreement	7,020,217	6,511,520	6,511,520

EXPLANATION: Expenses associated with marketing of refuse derived fuel (RDF) to Xcel Energy, pursuant to a Fuel Supply Agreement.

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
424517	Landfill	3,552,335	4,645,295	4,645,295

EXPLANATION: Contracted costs to deposit residue, bulky waste and excess waste at landfills.

Ramsey/Washington Recycling & Energy Board

Recycling & Energy Center - Facility

LINE ITEM EXPLANATIONS

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
422304	Waste Processing	260,000	260,000	260,000

EXPLANATION: 2020 and 2021 proposed budget is mattress recycling program that is new in 2020. 2020-2021 budget based on 13,000 mattresses at \$20/mattress.

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
424602	Special Programs/Awards	12,000	12,000	12,000

EXPLANATION: Programs - such as - Employee recognition, Employee retirement, Annual hauler appreciation event,

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
424607	Licensing Fee	9,800	9,800	9,800

EXPLANATION: Licensing and Permit fees.

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
431101	Office Supplies	9,835	10,080	10,080

EXPLANATION: This account includes all basic office supplies for staff. Most office supply items are consumable and must be replenished.

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
431104	Oils Lubricants Etc.	81,387	83,423	83,423

EXPLANATION: Oil lubricant supplies

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
431105	Uniforms and Clothing	66,486	68,148	68,148

EXPLANATION: Staff uniforms and clothing. Costs include boots, winter clothing, hard hats, gloves, and glasses

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
431205	First Aid Supplies	36,438	37,349	37,349

EXPLANATION: Safety supplies

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
431508	Equipment Parts & Supplies	553,099	566,926	566,926

EXPLANATION: Tires and other equipment parts, Welding, Bolts, Fasteners, Hoses, Chisels, Radio Equipment, annual electrical/ARC Flash maintenance

Ramsey/Washington Recycling & Energy Board

Recycling & Energy Center - Facility

LINE ITEM EXPLANATIONS

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
431604	Diesel Fuel	138,653	142,119	142,119

EXPLANATION: Fuel costs for running equipment at the R&E Center

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
431702	Small Tools and Safety Equip	19,609	20,099	20,099

EXPLANATION: Replacing worn out tools

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
431902	Shop Materials & Supplies	74,375	76,234	76,234

EXPLANATION: Safety mats, towels, misc shop materials and supplies

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
443301	Computer Equipment	12,000	12,000	12,000

EXPLANATION: Computer and monitor replacements

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
471101	Contingency/Appropriations	2,009,295	1,980,073	1,980,073

EXPLANATION: A contingency account because of uncertainty associated with new ownership and operation.

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
481110	Transfers to Other Funds	1,852,500	1,852,500	1,852,500

EXPLANATION:	Approved Per Board Resolution R&EB - 2017-3	1,552,500	1,552,500	1,552,500
	Additional Transfer -Approved/Proposed	300,000	300,000	300,000

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
501101	Principal Payment	1,059,015	1,076,185	1,076,185

EXPLANATION: Debt principal payments made to Ramsey County and Washington County. Includes \$307,010 payments to Counties for BWRLO loan in 2020 and 2021

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
502101	Interest Payment	638,140	619,563	619,563

EXPLANATION: Debt interest payments made to Ramsey County and Washington County.

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
541101	Remittance To State	100,000	100,000	-

EXPLANATION: Payments to MN Department of Revenue for SWM Tax.

Ramsey/Washington Recycling & Energy Board

Recycling & Energy Center - Facility

LINE ITEM EXPLANATIONS

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
541106	Washington County CEC	37,000	37,000	37,000

EXPLANATION: Washington County CEC tax collected from non-license haulers and citizens.

REVENUE EXPLANATIONS

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
311766	Tipping Fee	36,900,000	37,800,000	37,800,000

EXPLANATION: Fee charging haulers. 2019 fee is \$79/ton, 2020 fee is \$82/ton, 2021 fee is \$84/ton

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
311767	Tipping Fee Special	275,307	280,015	280,015

EXPLANATION: The fees approved for 2020 and 2021 are unchanged from the 2019 Board approved fees.
Rates are Tires - \$8.00 per item, Auto or Truck tire and rim - \$10.00 per item,
Mattresses - \$20.00 plus tax per item, Appliance Non Freon - \$16.00 per item, Appliance Freon -
\$20.00 per item, Electronics - \$30.00 per item, Large bulky furniture such as couch or love seat - \$20.00 plus
tax per item.

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
311768	Tipping Fee Private	190,069	200,500	200,500

EXPLANATION: Special fees charged to citizens and unlicensed self haulers

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
317321	Sale of Recyclable Materials	1,552,500	1,552,500	1,552,500

EXPLANATION: Sale of Recyclable Materials. This revenue is transferred to the Equipment Maintenance Fund per Board Resolution R&EB-2017-3

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
319103	Recovery- Current Yr Exp	15,000	15,000	15,000

EXPLANATION: Revenue received for processing credit cards

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
353152	Solid Waste Management Tax	100,000	100,000	100,000

EXPLANATION: R&E Center must collect the Solid Waste Management Tax (SWMT) from self-haulers who have a waste delivery agreement but not filed an SWMT exemption certificate with the R&E Center

Account Code	Account Name	2020 Approved	2021 Approved	2021 Amended
318102	Interest	110,000	110,000	110,000

EXPLANATION: Interest revenue

Ramsey/Washington Recycling & Energy Board

EQUIPMENT/MAINTENANCE	2019 Approved Budget	2020 Approved Budget	2021 Approved Budget
APPROPRIATIONS:			
Equipment	1,215,302	505,000	505,000
Maintenance	850,000	640,000	685,000
Total Appropriations	<u>2,065,302</u>	<u>1,145,000</u>	<u>1,190,000</u>
REVENUE:			
Transfer from Facility Budget: Approved Per Board Resolution R&EB - 2017-3	1,548,800	1,552,500	1,552,500
Additional Transfer - Proposed	300,000	300,000	300,000
Total Revenue	<u>1,848,800</u>	<u>1,852,500</u>	<u>1,852,500</u>
TOTAL	2019 Approved Budget	2020 Approved Budget	2021 Approved Budget
Appropriations	2,065,302	1,145,000	1,190,000
Revenue/Fund Balance Transfer	1,848,800	1,852,500	1,852,500
Reserve for Future Years	<u>(216,502)</u>	<u>707,500</u>	<u>662,500</u>
Cumulative Reserve	513,830 *	1,221,330	1,883,830

* Amount consists of \$720,332 carried forward from 2018.

Ramsey/Washington Recycling & Energy Board Recycling and Energy Center - Equipment Maintenance Fund

Account	Description	2019 Approved Budget	2020 Approved Budget	2021 Approved Budget
APPROPRIATIONS:				
441207	Equipment	1,215,302	505,000	505,000
443101	Maintenance	850,000	640,000	685,000
	Total Appropriations	2,065,302	1,145,000	1,190,000
REVENUE:				
341208	Approved Per Board Resolution R&EB - 2017-3	1,548,800	1,552,500	1,552,500
341208	Additional Transfer - Proposed	300,000	300,000	300,000
	Total Revenue	1,848,800	1,852,500	1,852,500
Total Appropriations EM&R		2,065,302	1,145,000	1,190,000
Total Revenue EM&R		1,848,800	1,852,500	1,852,500
Reserve for Future Years		(216,502)	707,500	662,500
Cumulative Reserve		513,830	*	1,221,330
* Amount consists of \$720,332 carried forward from 2018.				1,883,830

Ramsey/Washington Recycling & Energy Board

Recycling & Energy Center - Equipment & Maintenance Fund

LINE ITEM EXPLANATIONS

APPROPRIATIONS EXPLANATIONS

Account Code	Account Name	2019 Approved Budget	2020 Approved Budget	2021 Approved Budget
441207	Equipment	1,215,302	505,000	505,000
EXPLANATION:	2020 - Replace front end loader - \$355,000, and replace yard tractor - \$150,000 2021 - Replace front end loader - \$355,000, Backhoe - \$130,000, Replace parts truck - \$20,000			

Account Code	Account Name	2019 Approved Budget	2020 Approved Budget	2021 Approved Budget
443101	Maintenance	850,000	640,000	685,000
EXPLANATION:	2020 - OBW rotors and pumps - \$225,000, C1 Tail upgrade - \$150,000, Radiation detector - \$100,000, 2nd floor roof - \$75,000, Primary disc screen rebuild - \$40,000, Flail roof area replacement - \$25,000, Bailer relining - \$25,000 2021 - Secondary disc screen rebuild - \$105,000, Primary disc screen rebuild - \$300,000, Cyclone/Dust collection - \$100,000, C9's Retro - \$60,000, Dust control system turn trailer - \$50,000, 2nd floor HVAC - \$50,000, Oil and water separator - \$20,000			

REVENUE EXPLANATIONS

Account Code	Account Name	2019 Approved Budget	2020 Approved Budget	2021 Approved Budget
341208	Approved Per Board Resolution R&EB - 2017-3	1,548,800	1,552,500	1,552,500
EXPLANATION:	Board Resolution R&EB-2017-3 approvals the use of revenue from the sale of recyclable material to support the Equipment & Maintenance Fund			

Account Code	Account Name	2019 Approved Budget	2020 Approved Budget	2021 Approved Budget
341208	Additional Transfer - Proposed	300,000	300,000	300,000
EXPLANATION:	Additional Board Proposed Transfer			

Capital Expense and Repair/Maintenance Expense Estimates - 5 years - 2020 thru 2024

Capital Improvements -Capital Maintenance Fund	2019	2020	2021	2022	2023	2024	Comments
Replace Mobile Equipment - Aluminum Walking Floor RDF Trailers	\$ 580,302	\$ -	\$ -	\$ -	\$ 660,000	\$ 660,000	6 trailers per year starting in 2018 (\$110,000/trailer includes signage)
Al Aluminum Recycling Equipment	\$ 450,000						Recycle more aluminum out of waste. Projected payback of 2-3 years
MO22A- (Horizontal In feed Conveyor)- Complete rebuild every 3 years.	\$ 300,000	\$ -	\$ -	\$ 340,000	\$ -	\$ -	
MO22B- (Horizontal In feed Conveyor)- Complete rebuild every 3 years.	\$ 300,000	\$ -	\$ -	\$ 340,000	\$ -	\$ -	
Flail Mill Grate Cradles	\$ 150,000						These hold the grates from falling into C1 conveyer belt
Al Waste Stream Equipment	\$ 150,000						
Secondary Disc Screen Rebuild- Every other year rebuild. Based off of last 2 purchases they have increased 5-6K per set.	\$ 100,000	\$ -	\$ 105,000	\$ -	\$ 110,000	\$ -	
Skid Loader	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	
Front End Loader (rebuild)- Includes 1 set of tires at \$45k	\$ -	\$ 355,000	\$ 355,000	\$ -	\$ 355,000	\$ -	Loader #13 2018, Loader #14 2020, Loader #16 2021, Loader #15 2023
OBW Rotors and Pumps		\$ 225,000		\$ 100,000		\$ 100,000	Every 4 to 5 years these need to be rebuilt
Yard Tractor		\$ 150,000	\$ -	\$ -	\$ 150,000	\$ -	Purchase new yard tractor
C1 Tail Upgrade		\$ 150,000	\$ -	\$ -	\$ -	\$ -	Turn the bottom 50 feet into a slider deck. Spill/explosion/impact resistant
Radiation Detector		\$ 100,000	\$ -	\$ -	\$ -	\$ -	
2nd floor roof		\$ 75,000					seal roof replace the penetration seals/ repair
Primary Disc Screen Rebuild	\$ -	\$ 40,000	\$ 300,000	\$ -	\$ -	\$ 350,000	Rebuild every three years
Flail Roof Area/Replacement	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 250,000	Explosion repairs every 6-7 years - replace the floor grading and I beams
Bailer Relining	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	Inside the bailer lining
Backhoe		\$ -	\$ 130,000	\$ -	\$ -	\$ -	
Cyclones/Dust Collection	\$ -	\$ -	\$ 100,000	\$ -	\$ 400,000	\$ -	100k Replace tunnels/Cyclones 25 years old / rust buildup / outside skin on dust collection repair
C9's Retro		\$ -	\$ 60,000	\$ -	\$ -	\$ -	replace the conveyor decks with slider decks and new drives
Dust Control System Turn Trailer	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	
2nd floor HVAC		\$ -	\$ 50,000	\$ -	\$ -	\$ -	old dampers/old unit/ and condensation elimination
Oil and Water Separator	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	30 years old
Replace Parts Truck		\$ -	\$ 20,000	\$ -	\$ -	\$ -	
MO20B- (Flat in feed conveyer before MO22A, MSW is loaded on this conveyer from tipping floor)- Complete rebuild every 5 years.	\$ -	\$ -	\$ -	\$ 175,000	\$ -	\$ -	
Tipping Floor	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000	Replace tipping floor every 10 years
Camera system PLC upgrade				\$ 20,000			
MO20A- (Flat in feed conveyer before MO22A, MSW is loaded on this conveyer from tipping floor)- Complete rebuild every 5 years.	\$ -	\$ -	\$ -	\$ -	\$ 260,000	\$ -	
Parking Lot Resurfacing		\$ -	\$ -	\$ -	\$ -	\$ 250,000	2024 Estimate to pave west side of property
DC Drives for Primary Disk Screens		\$ -	\$ -	\$ -	\$ -	\$ 150,000	replace old hyd units with direct drive motors/VFDs
Control Room Computers and Upgrade Software - needs to be done every 3 to 4 years.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	TKDA recommends 3-5 years
	\$ 2,065,302	\$ 1,145,000	\$ 1,190,000	\$ 1,025,000	\$ 1,935,000	\$ 1,965,000	

Beginning Cumulative Reserve	\$ 513,830	\$ 1,221,330	\$ 1,883,830	\$ 2,711,330	\$ 2,628,830
Revenue from Recyclables	\$ 1,552,500	\$ 1,552,500	\$ 1,552,500	\$ 1,552,500	\$ 1,552,500
Additional Board Approved Transfer	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Ending Cumulative Reserve	\$ 1,221,330	\$ 1,883,830	\$ 2,711,330	\$ 2,628,830	\$ 2,516,330



**RAMSEY/WASHINGTON
RECYCLING & ENERGY**
CONNECTING VALUE TO WASTE

R&E BOARD MEETING DATE:	July 23, 2020	AGENDA ITEM:	VII.a.
SUBJECT:	Enhancements Financing Action		
TYPE OF ITEM:	<input type="checkbox"/> INFORMATION	<input type="checkbox"/> POLICY DISCUSSION	<input checked="" type="checkbox"/> ACTION
SUBMITTED BY:	Facility & Finance Committee		

R&E BOARD ACTION REQUESTED:

Because the state legislature had not approved a bonding bill at the time the Facility & Finance Committee met in June 2020, it did not act on the following action request and does not recommend nor not recommend it. Should the legislature act on a bonding bill before the R&E Board meeting on July 23, the committee recommends that the R&E Board discuss and consider this resolution.

1. Accept the state bond funds in the amount approved by the legislature and authorize the Joint Leadership Team (JLT) to negotiate documents for receipt of state bond funds, with such agreements brought back for R&E Board approval as soon as possible.
2. Authorize the chair of the R&E Board to execute documents necessary for the receipt of state bond funds, upon approval as to form by the county attorney.
3. Authorize proceeding with the full scope of the R&E Center enhancements, including the durable compostable bag organics recycling system and the recyclables recovery system, and authorize the JLT to proceed with final engineering, architecture and construction plans to prepare for construction bidding as soon as funds are available.
4. Authorize the JLT to apply for permits necessary for the enhancements, and further authorize the JLT to execute necessary easement and permit documents upon approval as to form by county attorneys.
5. Approve and recommend that the county boards approve and implement a financing structure for the R&E Center enhancements, said financing structure to include the following:
 - a. Each county shall loan a proportionate share to R&E sufficient to cover its share of total financing for the R&E Center enhancements, according to of the percentages set forth in the joint powers agreement: Ramsey County – 73%, Washington County – 27% (the “County Enhancement Loans”).
 - b. Ramsey County shall issue general obligation bonds on behalf of both counties (the “County Bonds”) to fund the full loan amount for the R&E Center enhancements.
 - c. Ramsey County and Washington County shall enter into an agreement whereby Washington County agrees that Ramsey County will issue bonds on behalf of both counties, and that Washington County shall pay its share of the total financing of the R&E Center enhancements through its loan agreement with R&E.
 - d. R&E shall be obligated to and is hereby authorized to enter into one or more loan agreements pursuant to which it will agree to repay the County Enhancements Loans from facility revenues, CEC funds and other available revenues on terms and conditions that

match, or are otherwise consistent with, any terms and conditions of any bonds issued to fund its County Enhancements Loans.

6. Authorize the JLT to make all necessary budget adjustments related to the R&E Center enhancements project.

EXECUTIVE SUMMARY:

The Recycling & Energy Board (R&E Board) has been engaged in policy development to achieve environmental, economic and social benefits through the Recycling & Energy Center (R&E Center) since 2013. To achieve these goals, the R&E Center will require expansion and system improvements. At its May 2019 meeting, the board stated its intent to move forward with the enhancements. This triggered a series of actions, including approval of financing and procurement plans at its August 2019 meeting, pursuit of partial state funding, and authorization to proceed with development of construction-ready engineering documents.

A report on financing these enhancements was presented at the May 21, 2020 Facility & Finance Committee meeting and the May 28, 2020 R&E Board meeting. Commissioners discussed the report, and the approach recommended for the local match was met with favorable comments.

Commissioners also discussed the status of R&E's request for state bonding, and the timing of action by the R&E Board to move forward with local funding. The result of state bonding is integral to R&E and the counties' decisions on local funding.

The legislature adjourned on May 18 without approving a bonding bill. A first special session was held in June 2020, with the result that no bonding bill was advanced. On July 13, 2020 a second special session was called, with both houses working on a bonding bill, which was tied to other legislative issues. At the time this document was prepared the legislature was in special session, and it is possible a bonding bill will be addressed prior to the R&E Board meeting on July 23.


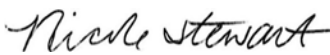
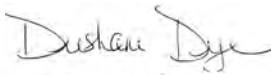



State funding of East Metro solid waste system changes is important because the counties are demonstrating strong partnership with the state by implementing policies for environmental protection, and state assistance will reduce the magnitude of local funding and associated costs and risk.

ATTACHMENTS:

1. Resolution
2. Memo from JLT
3. Estimated Enhancements Financing Timeline

FINANCIAL IMPLICATIONS:

The recommended actions would result in the R&E Board approving loans from the two counties in an amount to be approved upon resolution of state bonding. R&E would pay back the loans to the counties using revenue from tipping fees.

AUTHORIZED SIGNATURES		DATE
JOINT LEADERSHIP TEAM		7/20/2020
		7/20/2020
		7/20/2020
		7/17/2020
RAMSEY COUNTY ATTORNEY		7/17/2020
WASHINGTON COUNTY ATTORNEY		7/20/2020



RESOLUTION R&EB-2020-08

WHEREAS, it is the stated policy of the State of Minnesota, under the Waste Management Act, to manage solid waste in an environmentally sound manner; and

WHEREAS, Ramsey and Washington Counties (the “Counties”) have committed to continue to protect and ensure the public health, safety, welfare and environment of each County’s residents and businesses through sound management of solid and hazardous waste generated in each County; and

WHEREAS, Ramsey and Washington Counties have in place County Solid Waste Management Master Plans (“Master Plans”) approved by the Commissioner of the Minnesota Pollution Control Agency, which clearly state the policy goal of maintaining and improving an integrated system of solid waste management that supports Minnesota’s hierarchy of solid waste management, with an emphasis on waste reduction, reuse, recycling and composting before the remaining solid waste is managed through resource recovery; and

WHEREAS, the Master Plans also include policies that affirm the processing of waste, for recovering energy and recyclables, and other beneficially usable materials, as the preferred method to manage solid waste that is not reduced, reused or recycled; and

WHEREAS, the Ramsey/Washington Recycling & Energy Board (“R&E Board”) is governed by the amended and restated joint powers agreement by and between Ramsey County and Washington County dated September 22, 2015 (“Joint Powers Agreement”); and

WHEREAS, R&E has conducted extensive evaluation and analysis of methods to enhance recovery of value from the waste stream using source separation and mechanical separation of organics and recyclables, and has designed system changes to assist in meeting state recycling goals; and

WHEREAS, a peer-reviewed preliminary engineering design has been completed for enhancements to the R&E Center that would recover source separated organic waste in durable compostable bags and add equipment for removal of recyclables; and

WHEREAS, extensive analysis of these enhancements has been completed for technology, economics, environmental benefits, risk assessment and procurement; and

WHEREAS, to be “shovel ready” R&E has engaged the services of a construction manager and architect/engineer to prepare plans and budgets for these enhancements, and has completed the schematic design and budget, with a timeline to complete design and procurement with construction to begin in late 2020; and

WHEREAS, the R&E Board has applied to receive funding from the State of Minnesota to assist with construction of the proposed enhancements to provide this necessary public service, through the Minnesota Management and Budget (MMB) administered capital grants program, and through the Minnesota Pollution Control Agency’s (MPCA) capital assistance program, both of which require a local matching of funds; and

WHEREAS, At its meeting on August 21, 2019, the R&E Board approved Resolution R&EB-2019-16, which approved the Financing Plan to fund the capital improvements necessary for the system enhancements for recycling, and also approved a Procurement Plan (Resolution R&EB-2019-18) for steps necessary to proceed with design and budgeting of the enhancements; and

WHEREAS, the Joint Leadership Team (JLT), working with the two county finance departments, the counties' financial advisors and bond counsel, the R&E financial advisor Ehlers, and county attorneys, as completed a Financing Report to move forward the R&E Board's plans for R&E Center enhancements. NOW, THEREFORE, BE IT

RESOLVED, The R&E Board hereby approves the R&E Center Enhancements Financing Report. BE IT FURTHER

RESOLVED, the R&E Board hereby accepts state bond funds in the amount approved by the legislature and authorizes the Joint Leadership Team (JLT) to negotiate documents for receipt of state bond funds, with such agreements brought back for R&E Board approval as soon as possible. BE IT FURTHER

RESOLVED, The R&E Board hereby authorizes the chair of the R&E Board to execute documents necessary for the receipt of state bond funds, upon approval as to form by the county attorney. BE IT FURTHER

RESOLVED, the R&E Board hereby authorizes proceeding with the full scope of the R&E Center enhancements, including the durable compostable bag food scraps recycling system and the recyclables recovery system and authorizes the JLT to proceed with final engineering, architecture and construction plans. BE IT FURTHER

RESOLVED, the R&E Board hereby authorizes the JLT to apply for permits necessary for the enhancements, and further authorizes the JLT to execute necessary easement and permit documents upon approval as to form by county attorneys. BE IT FURTHER

RESOLVED, The Recycling & Energy Board hereby approves and recommends that the county boards approve and implement a financing structure for the R&E Center enhancements, with said financing structure to include the following:

- Each county shall loan a proportionate share to the R&E Board sufficient to cover its share of total financing, including all financing costs, for the R&E Center enhancements, according to the percentages set forth in the joint powers agreement: Ramsey County – 73%, Washington County – 27% (the "County Enhancement Loans").
- Ramsey County shall issue general obligation bonds on behalf of both counties (the "County Bonds") to fund the aggregate County Enhancement Loan amount for the R&E Center enhancements.
- Ramsey County and Washington County shall enter into an agreement whereby Washington County agrees that Ramsey County will issue bonds on behalf of both counties, and that Washington County shall provide its general obligation pledge to Ramsey County for its share of the financing and pay its share of the total financing of the R&E Center Enhancements through its loan agreement with the R&E Board.
- The R&E Board shall be obligated to and is hereby authorized to enter into one or more loan agreements pursuant to which it will agree to repay the County Enhancements Loans from facility revenues, CEC funds and other available revenues on terms and conditions that match, or are otherwise consistent with, any terms and conditions of any other loans outstanding and owed to the

counties, additional covenants required by the counties and the County Bonds issued to fund R&E Board's County Enhancements Loans. BE IT FURTHER

RESOLVED, The R&E Board hereby authorizes the JLT to make all necessary budget adjustments related to the R&E Center enhancements project.

Fran Miron, Board Chair
July 23, 2020

Attest
July 23, 2020



July 19, 2020

To: Recycling & Energy Board

From: Joint Leadership Team (Zack Hansen, Nikki Stewart, Dushani Dye, Mark Thompson)

RE: Recycling & Energy Center Enhancements

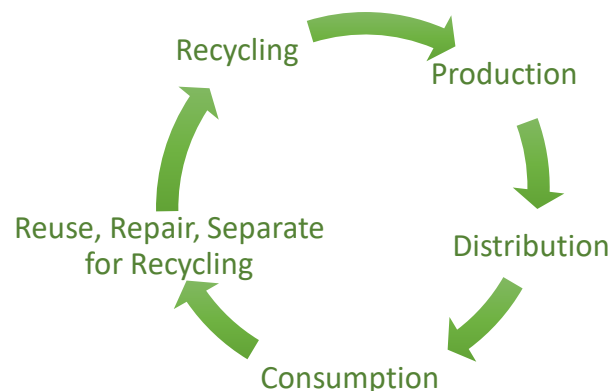
Introduction

Ramsey and Washington counties, first through the Ramsey/Washington Resource Recovery Project and more recently through the Recycling and Energy Board (R&E Board), have continuously evaluated technologies related to waste processing, dating back to the late 1990s. Since 2013, as it first began to contemplate purchase of the Ramsey/Washington Recycling & Energy Center (R&E Center), the R&E Board accelerated its examination of technologies to assess how to realize greater value from waste and advance goals for the East Metro's solid waste system. Since the purchase, the focus of the R&E Board's work has been on evaluating how to:

- increase waste reduction and reuse and continually improve recycling at homes and businesses
- integrate new technology into the R&E Center that will enhance recovery of materials and energy
- develop markets for organic materials through anaerobic digestion
- develop markets for refuse-derived fuel (RDF) through gasification

The R&E Board has been engaged in policy development to achieve environmental, economic and social benefits as identified in the R&E vision, "vibrant, healthy communities without waste." Pursuit of that vision is at work in R&E activities and each county's programs, which focus upstream, preventing waste and increasing source-separation of recyclables. Further, the R&E Center will be redesigned and repurposed to recover more value from waste.

R&E's work has been to reframe the waste/resource system in the East Metro, so that it can meet the principal aim of the system, protecting health and the environment, but also supporting and growing the local economy and local jobs, keeping the value of resources local and reducing financial risks to public and private sectors. This work will move the East Metro from a disposal-based economy and build the foundation for a circular economy.



There are several dimensions to the analysis that have led to decisions about the proposed system enhancements, shown below. Work on all dimensions has been reported in previous board meetings and workshops.



The tables below show a portion of the analysis results from the March 2019 workshop. These are comparative analyses of the recommended approaches of DCBs for organics recycling and a recyclables recovery system at the R&E Center.

	DCB Approach	Separate Organics Carts Approach
Costs	Initial: \$13.4-\$19.3M; Ongoing: \$5.3-\$10.8M/year	Initial: \$29.9M+; Ongoing: \$33M+/year
GHG Impact of Collection	No additional GHG impact due to using existing trucks/routes	Increase roughly 2,675 MTCO ₂ e (equivalent to 568 cars or burning 2,924,379 lbs of coal)
System Control	Same program for all residents in both counties	Program differences between cities likely
Implementation Timeline	Launch planned for 2022-2023	Launches will vary by community
Equity Considerations	All residents with garbage service, regardless of location, will have access with no additional fees	Variable access/rates by location. Renter access limited in cities with organized garbage if landlord does not want to pay extra fee.

	Recyclables Recovery System	Increased Source-Separation Efforts
Costs	Initial: \$15.1M-\$20.5M; O&M: \$2.4-\$2.6M	Variable – all programs est. \$12.8M/year
Revenue	Est. \$1.9M-\$2.8M annually, offsets O&M	Any revenue is recovered by haulers/MRFs
Material Capture	6.4-9k tons of recyclables + 14-24k tons of organic-rich materials annually	No model to predict tonnage – will rely on measurement post-implementation
GHG Impact of Recovery	Reduce GHGs by 7,020-10,395 MTCO ₂ e/year = 1,490-2,207 cars removed from road	Challenging to measure (any new recycling/reduction that occurs reduces GHGs)
Equity Considerations	Recyclables recovery regardless of access to recycling collection or education efforts	Reaching underserved communities remains challenging; regulation burdensome

From a financial perspective, the costs of both systems are borne primarily by R&E, using both the Finance Budget and Joint Activities budget for different operating expenses. When viewed through the lens of waste generators, primarily residents, the cost to achieve the environmental and economic outcomes is lower, and more predictable, than the alternative methods.

At its May 2019 meeting, the R&E Board stated its intent to move forward with enhancements to the R&E Center that will allow for the removal of durable compostable bags (DCBs) that contain source separated organics and the separation high-value recyclables from trash. Two reports followed that action, which were approved in August 2019: financing the enhancements and procurement of materials and services for the R&E Center.

State Bonding

Applications for state bond funds were submitted to Minnesota Management and Budget (MMB) for \$21 million, and the Minnesota Pollution Control Agency (MPCA) for \$8 million (the maximum request through the MPCA's Capital Assistance Program (CAP)). Lobbyists have been retained to work with the counties' lobbyists on this effort.

The Governor included \$8 million for the R&E Center project in the MPCA CAP bonding request. Bills were introduced in the House and Senate, which include both the \$8 million and \$21 million requests. Tours of the facility were held for the Governor, Governor's staff, the MPCA commissioner, the MMB commissioner, and Senate and House members.

The legislature adjourned on May 18 without approving a bonding bill. A first special session was held in June 2020, with the result that no bonding bill was advanced. On July 13, 2020 a second special session was called, with both houses working on a bonding bill, which was tied to other legislative issues. At the time this document was prepared the legislature was in special session, and it is possible a bonding bill will be addressed prior to the R&E Board meeting on July 23. The House version of the bill included \$7 million for R&E enhancements, and this memo is prepared with that amount in the financial projections.

State funding of East Metro solid waste system changes is important because the counties are demonstrating strong partnership with the state by implementing policies for environmental protection, and state assistance will reduce the magnitude of local funding and associated costs and risk.

Structure of Local Funding – County Loans to R&E Financed with General Obligation Bonds

The following is an outline of local funding. An estimated timeline for local funding is attached.

- R&E will sign a loan agreement with each county and pledge to repay the loans as scheduled.
- Ramsey County will sell general obligation (G.O.) bonds to fund the entire loan amount. Washington County will pledge its general obligation to Ramsey County for 27% of the bond repayment (fiscal responsibility for each county is Ramsey County 73% and Washington 27%).
- As with its existing loan obligations, R&E will use net revenues from the R&E Center enterprise to pay scheduled principal and interest on each of the new county loans.
- The G.O. bonds will likely have a 20-year term. R&E and the counties will determine the specific bond and loan repayment structures after the R&E Board's decision to proceed.
- G.O. bonds were determined to provide the lowest cost financing for the R&E Center enhancements, and are a financing mechanism compatible with the Center's provision of an essential community service.
- Revenue bonds were considered but not selected because of the underwriting challenges due to R&E's relatively short history owning and operating the Center.

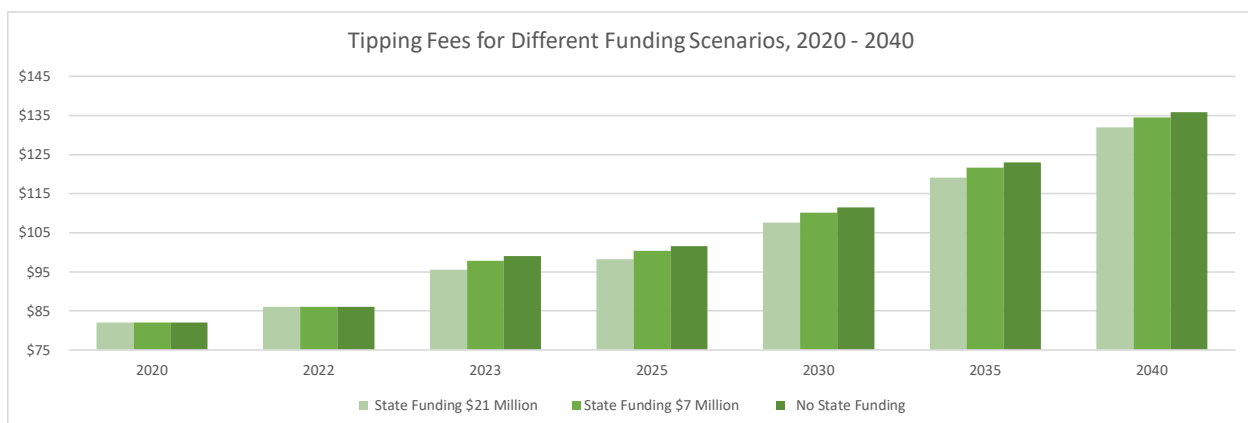
Financial Projections

Ehlers has prepared proformas to forecast the R&E Center's future financial performance using the best available information for the proposed enhancements and different financing assumptions. Each scenario estimates the annual tipping fees required for break-even operations given the scenario assumptions.

- The proformas are based on the 2019 R&E financial results and 2020 Facility Budget, with operating revenues and expenses projected annually to 2042.
- Some costs are fixed and are escalated based on a 2% consumer price index. Some costs are variable, and are escalated the same way, but change over time as new systems come on line.
- Revenue is from two sources: tipping fees and recyclables recovery revenues. Tipping fees are based on waste volumes, which are projected at 450,000 tons per year (464,000 tons were received in 2019). Recycling revenues are conservatively estimated and reflect current economic conditions.
- Debt service reflects all existing loans/notes and the proposed enhancement loans (i.e. assuming different levels of state funding, and therefore different county bonding and R&E loan amounts).

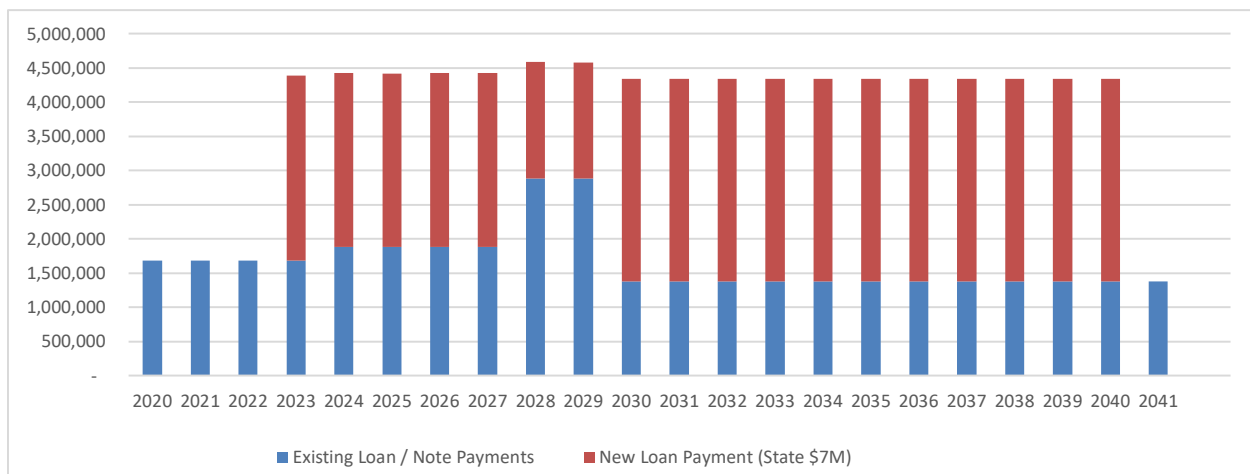
The estimated tipping fees required for break-even R&E Center operations (including loan repayments) are summarized in the following table and graph. Also included in the table are the expected tipping fees over the same time period should the enhancements not be developed; this is a business-as-usual illustration and is included for comparison to the other scenarios.

Tipping Fees by Year							
Scenario	2020	2022	2023	2025	2030	2035	2040
State Funding \$21 Million	\$82	\$86	\$96	\$98	\$108	\$119	\$132
State Funding \$7 Million	\$82	\$86	\$98	\$100	\$110	\$122	\$135
No State Funding	\$82	\$86	\$99	\$101	\$111	\$123	\$136
No Enhancements	\$82	\$86	\$88	\$91	\$101	\$111	\$123



Observations:

- The projected tipping fees are consistent with projections made in the *Ramsey and Washington Counties Joint Designation Plan* (2018) and the preliminary engineering design for the R&E Center enhancements (2019)
- Tipping fees will see a large increase in 2023 over 2022 for three reasons: (1) regular on-going operations will escalate in costs; (2) new enhancement operating costs (labor, utilities, etc.); (3) debt service.
- An average household generates about one ton of trash per year; the effect of the 2022-2023 increase ranges from \$10 per year to \$13 per year (\$0.83 to \$1.08 per month) depending on the level of state funding.
- The new bond and loan repayments are projected to start when the enhancements are operational in 2023 and remain stable in 2030-2040 (i.e. after an existing series of notes are retired in 2029).
 - To illustrate, the chart below shows R&E's existing loan/note payments in blue and its estimated new enhancement loan payments (assuming the "middle-ground" scenario of \$7 million of state funding) in red.



Circling back to all three scenarios, the portion of the annual tipping fees that R&E would use to repay the prospective new loans for the R&E Center enhancements is as follows:

Portion of Tipping Fees for New Loan Payments, by Year							
Scenario	2020	2022	2023	2025	2030	2035	2040
State Funding \$21 Million	\$0	\$0	\$3.67	\$3.45	\$4.02	\$4.02	\$4.02
State Funding \$7 Million	\$0	\$0	\$6.01	\$5.65	\$6.58	\$6.58	\$6.58
No State Funding	\$0	\$0	\$7.18	\$6.75	\$7.86	\$7.86	\$7.86

The average household is estimated to generate one ton of waste annually. Accordingly, looking at the tipping fees required for debt service/loan repayments in 2030 and beyond, the highest average household impact ranges from \$0.34 to \$0.66 per month for the three scenarios shown above.

Risk Management

Financial risks differ between R&E and the counties, and analyses have been conducted for each.

R&E Risk

- The R&E Center operates as an enterprise fund, meaning that Center expenses are expected to be funded with Center revenues. The most significant risk, therefore, is that R&E revenues are lower than projected and cannot cover all operating and debt service expenses.
- The two primary revenue sources at risk:
 - If waste deliveries drop below projections, tipping fee revenues would be reduced
 - If recycling revenues drop below projections
- R&E has determined that it could mitigate/offset the effects of temporarily reduced revenues (for example, for 1-5 years) implementing a number of strategies, which were listed in a priority order in the recent board document. That listing, however, is suggestive, and R&E would likely adopt a combination of measures depending on the specific circumstances (i.e. instead of using them strictly in order).
 - Cost containment: expenditure or other budget adjustments (Facility and Joint Activities) during the fiscal period
 - Deployment of budgeted contingency
 - Draw on Joint Activities fund balance (R&E general fund balance)
 - Draw on ORF/ERF balances (with pledge to replenish adopted in policy)
 - Equipment Maintenance & Replacement reserve balance
 - Adjust the tipping fee (90-day implementation window)
 - Reduce the Equipment Maintenance & Replacement budget
 - County Environmental Charge (short term loan)
- Ehlers prepared a sensitivity analysis to demonstrate R&E's ability to offset a significant revenue reduction with a combination of the above measures.
 - The purpose of this projection is to illustrate several ways in which R&E could mitigate a volume-driven reduction in tipping fee revenues. This should not be viewed as a prediction of future waste volumes or a corresponding "game plan."
 - This analysis assumes a sustained 10% reduction in waste volume below the 450,000 annual amount (464,000 tons were received in 2019), starting in 2020 and continuing through 2025.
 - The sensitivity analysis showed that a 10% reduction in waste volumes from 450,000 tons for the 5-year period would result in annual revenue shortfalls of \$2.4-3.9 million per year.
 - The analysis indicates that R&E has available and would need to deploy several the above mitigation strategies to maintain financial viability and be able cover operating costs and loan payments.
 - In the illustration the mitigation strategies included reducing operating expenses, using the Facility budget contingency fund, drawing down on joint activities fund balance and increasing tipping fees \$1.00 to \$2.00 per year above the amount shown above.
- In the event of a more permanent revenue reduction (for example, due to a protracted shortage of waste deliveries), major steps could be taken that were not included in the Ehlers sensitivity analysis. For example, personnel costs can be reduced by matching waste processing to reduced waste deliveries and altering the number of processing shifts at the Center or revising

processing schedules. The number of permanent employees could be changed, either by holding vacancies, furloughing employees, or reducing the workforce.

- In addition, R&E would have the longer-term options to pursue and capture more processible waste (such as processible construction/demolition or industrial wastes) that are currently exempt from designation, or to secure waste from other counties.

County Risk

- With the R&E Center's short financial history and new enhancement projects being brought online, projecting future financial performance of the R&E Center is difficult.
- The proposed issuance of general obligation debt to finance the enhancement projects means the counties will be obligated to pay the required debt service on the bonds, regardless of the financial performance of the R&E Center and its ability to make its loan payment to the counties.
- The principal risk to the counties is that the R&E Board is unable to meet its loan repayment obligations, thereby requiring the counties to use other resources to pay the associated general obligation bond debt service.
- The most effective way to mitigate this county risk is for all parties to collaborate and sustain mutual confidence in the financial viability of R&E Center operations – both before and after the organics and recyclables recovery enhancements are fully operational in 2023.
- An important step will be for R&E and the counties to fine-tune the enhancements financing plan once the level of state funding is known, and to ensure that the G.O. bond structure and corresponding loan payment schedule will be compatible with the R&E Center's expected operational plan and financial capacity to make all loan/note payments.
- To facilitate ongoing communication and be transparent in R&E Center fiscal viability a dashboard can be developed, with regularly updated information about key measures of the presence or absence of fiscal stresses on the R&E Center's Facility Budget. While updates are provided to the R&E Board in the form of budget reports, a dashboard would add other factors, such as waste delivery trends.
- The disruption to daily life caused by the COVID-19 virus and current social unrest, has been mirrored in the markets, including the municipal bond market. The municipal bond market is not functioning as it has in the past and is somewhat tentative in some instances as it responds to new announcements or events. At this writing, we do not expect high quality credits such as Ramsey County or Washington County general obligations to encounter problems selling bonds. Rates remain at historically low levels and access has been available.

Phasing or Delay of Enhancements

At the May 2020 meeting of the R&E Board, the question of phasing the DCB and recyclables recovery system was raised. This would mean delaying one of the projects while the other proceeded. The question was asked in the context of state bonding: if the full amount desired by the counties (\$21 million) was not received, but instead the amount recommended by the Governor (\$8 million) is allocated, could projects be phased?

- With regard to state bonding, the Governor's recommendation was to fund the MPCA's CAP program to include \$8 million for the R&E enhancements. That amount is calculated using a formula found in State Law, which allows for up to \$2 million per project per local jurisdiction. Should R&E receive the \$8 million, it could not use that full amount for only part of the

enhancements, but it could use up to \$4 million for one enhancement and up to \$4 million for the remaining enhancement. Funds would need to be encumbered by 2024.

- Regarding the cost of delay, the Construction Manager Agency (CMA) for the enhancements work, Adolphson & Peterson (A&P), provided financial estimates for construction costs delayed two years. Two years was used because the next “official” bonding year at the legislature is in 2022. A one-year delay would be half of the amounts shown below:
 - For delay of the recyclables recovery enhancements, an additional \$2,227,000
 - For delay of the DCB enhancements, an additional \$1,346,000
 - For delay of both enhancements, a total of \$3,573,000 in additional costs

Beyond the financial impacts of delaying the construction of the enhancements at the R&E Center, there are several other areas that will be impacted by a scenario that delays one or both projects.

Permitting Process

The R&E Center enhancements projects will require a permit modification from the MPCA. If one enhancement starts in 2020 and another in 2022, R&E will need to negotiate with the MPCA to request completing one permit modification. This is still within a normal permit cycle. If the MPCA does not allow that, R&E would need to undergo two separate permit modification processes.

Municipalities and Communities

Many members of the community are eager to have access to a curbside food scraps (organics) recycling collection program.

- Surveys of residents in Ramsey and Washington counties have consistently shown that a high proportion of residents (between 78% and 90%) are interested in participating in curbside organics recycling, with similar results in support for the counties to implement additional infrastructure to recover recyclables from the trash.
- In a 2019 survey to municipalities, 92% indicated willingness to partner on outreach and education to support the DCB program. One reason given for this support was demand for organics recycling programs by their residents. Also in that survey, about one-third of communities requested launch in the early-phase, one-third in the middle-phase, and one-third in the late-phase of roll-out.

Alternative MSW Uses

At present, R&E plans to begin a solicitation process for anaerobic digestion (AD) in mid-2020. The ability to deliver feedstock, such as organics, from the DCB system and the RRS, is key to entering into agreements with AD vendors. R&E’s current timeline for an AD facility estimates one could begin accepting materials by 2026 to 2027. Each delay pushes that timing back.

R&E’s pursuit of an alternative use for refuse-derived fuel (RDF), such as gasification, would be set back by a delay in the enhancement somewhat, with staff and consultant time dedicated to the enhancements work. Further delaying launch of that program means that there is a higher volume of material not being diverted, for which the R&E is responsible to find an alternative management method. Without alternative technology, that could mean extending the agreements with Xcel, if Xcel is willing, or landfilling that material.

**ESTIMATED SCHEDULE OF EVENTS
R&E-Related BOND SALE**

Date	Action/Event
July 20-23	MN Legislative session adjourns (R&E will know state bonding amount for REC Enhancements project); Begin process of grant agreement with state (likely MPCA)
July 23	<p>R&E BOARD MEETING – R&E Board will make decision about proceeding with project, and</p> <ul style="list-style-type: none"> • Authorize negotiation and execution of documents for R&E receipt of state bond funds • Approve and recommend county approval of Ramsey County to proceed with issuing GO bonds • Authorize proceeding with development of finance, engineering and architecture plans, contingent on sale of bonds • Accept state bond funds in the amount approved by the legislature and authorize the Joint Leadership Team (JLT) to negotiate documents for receipt of state bond funds • Authorize the chair of the R&E Board to execute documents necessary for the receipt of state bond funds, upon approval as to form by the county attorney.
August 10	Agenda.Net deadline – Approve and recommend county approval of Ramsey County to proceed with issuing GO bonds; bonding ordinance First Reading, Set Date for Public Hearing RBAs
August 21	RBAs due to County administrator in Washington County to: Approve and recommend county approval of Ramsey County to proceed with issuing GO bonds
Sept. 1	<p>RAMSEY COUNTY BOARD MEETING:</p> <ul style="list-style-type: none"> • Approve and recommend county approval of Ramsey County to proceed with issuing GO bonds, and outlining various agreements that will be needed • First reading of ordinance at Ramsey County Board meeting • Set date for public hearing (no sooner than 10 days after first reading)
Sept. 1	WASHINGTON COUNTY BOARD MEETING: Approve and recommend county approval of Ramsey County to proceed with issuing GO bonds, and outlining various agreements that will be needed
Sept. 14	Agenda.Net deadline: RBA for second reading of ordinance due to Ramsey County Manager; RBA for holding public hearing due to Ramsey County Manager

- Sept. 28 Agenda Review for second reading and public hearing RBAs
- Sept. 28 Agenda.Net deadline:
- Approval of bonding ordinance
 - Approve loan agreement between Ramsey County and R&E Board, contingent on sale of bonds
 - Approve agreement between Washington County and Ramsey County on joint bonding
- October 9 Washington County RBA due to County Administrator:
- Approve agreement between Washington County and Ramsey County on joint bonding
 - Approve loan agreement between Washington County and R&E Board, contingent on sale of bonds
- October 6 RAMSEY COUNTY BOARD MEETING
- Second Reading of bonding ordinance
 - Hold Public Hearing
- October 12 Agenda Review for RBA for approval of bonding ordinance
- October 20 RAMSEY COUNTY BOARD MEETING
- Approval of bonding ordinance
 - Approve loan agreement between Ramsey County and R&E Board, contingent on sale of bonds
 - Approve agreement between Washington County and Ramsey County on joint bonding
- October 20 WASHINGTON COUNTY BOARD MEETING
- Approve agreement between Washington County and Ramsey County on joint bonding
 - Approve loan agreement between Washington County and R&E Board, contingent on sale of bonds
- October 28 Publication of Ordinance
Forty-five (45) day Referendum Petition waiting period starts
- October 29 Begin preparation of draft official statement
- November 13 Draft official statement distributed for review internally
- December 12 Ordinance becomes effective
Referendum period closes 45 days after Ordinance Publication
- December 15** RAMSEY COUNTY BOARD MEETING
- Resolution authorizing bond sale

SUBJECT: 2020-21 R&E Financing Timeline

December 17 Post final Official Statement on internet
 Final Preliminary Official Statement delivered to rating agencies

December 28- Rating conferences conducted
January 7

January 12 Rating determination by Moody's and Standard & Poor's

January 18 Take bids on bonds

January 19 RAMSEY COUNTY BOARD MEETING
 • Considers awarding the sale of bonds

February 11 Bond Proceeds Received



RAMSEY/WASHINGTON RECYCLING & ENERGY

CONNECTING VALUE TO WASTE

R&E BOARD MEETING DATE:		July 23, 2020		AGENDA ITEM:		VIII.a		
SUBJECT:	Procurement Report							
TYPE OF ITEM:	<input checked="" type="checkbox"/>	INFORMATION	<input type="checkbox"/>	POLICY DISCUSSION	<input type="checkbox"/>	ACTION	<input type="checkbox"/>	CONSENT
SUBMITTED BY:	Sam Holl, Contract Manager							

R&E BOARD ACTION REQUESTED:

None.

EXECUTIVE SUMMARY:

Staff will provide a written report of new contracts and amendments that were executed under authority of the R&E Board's procurement guidelines during the period June 1, 2020 through June 30, 2020. Funding for the contracts was available in the approved 2020 Joint Activities and Facility Budgets, following approval as to form by the Ramsey County or Washington County attorney's office.

ATTACHMENTS:

1. Procurement Report

FINANCIAL IMPLICATIONS:

None.

AUTHORIZED SIGNATURES	DATE
JOINT LEADERSHIP TEAM <div> <div>6F6294EFCDD340E</div> <div><i>Zack Hansen</i></div> <div>DocuSigned By: Zack Hansen</div> </div>	7/16/2020
<div> <div>E6E401905F734BB...</div> <div>DocuSigned by:</div> <div><i>Nicole Stewart</i></div> </div>	7/16/2020
<div> <div>0C6AA684BE0146E...</div> <div>DocuSigned by:</div> <div><i>Dushani Dye</i></div> </div>	7/16/2020



**RAMSEY/WASHINGTON
RECYCLING & ENERGY**
CONNECTING VALUE TO WASTE

Report of all contracts and amendments executed under authority of the Recycling & Energy Board's procurement guidelines (Resolution R&EB 2019-2), June 1, 2020 through June 30, 2020.

Vendor	Effective Date	Description	NTE/Budgeted Amount	Procurement Type
Steinert US, Inc.	1/1/2020	Facility - specialty parts/operations	Budgeted \$14,000	Amendment - renewal
Corval Group	5/1/2020	Facility - contracted labor/trades	Budgeted \$348,027	Amendment - renewal
Deloitte Consulting, LLP	6/10/2020	R&E - compensation study	NTE \$50,000	Single Source
Custom Earth Promos	6/12/2020	Joint Activities – multi-unit program reusable bags	NTE \$25,000	Single Source



**RAMSEY/WASHINGTON
RECYCLING & ENERGY**
CONNECTING VALUE TO WASTE

R&E BOARD MEETING DATE:	July 23, 2020	AGENDA ITEM:	VIII.b.
SUBJECT:	R&E Update		
TYPE OF ITEM:	<input checked="" type="checkbox"/> INFORMATION	<input type="checkbox"/> POLICY DISCUSSION	<input type="checkbox"/> ACTION
SUBMITTED BY:	R&E Staff		

FACILITY & FINANCE COMMITTEE ACTION REQUESTED:

For information only.

EXECUTIVE SUMMARY:

Staff will provide an updates on R&E projects and operations.

ATTACHMENTS:

None.

FINANCIAL IMPLICATIONS:

None.

AUTHORIZED SIGNATURES	DATE
JOINT LEADERSHIP TEAM	
<div><div>6F6294EFCDD340E</div><div><i>Zack Hansen</i></div><div>DocuSigned By: Zack Hansen</div><div>DocuSigned by:</div></div>	7/20/2020
<div><div>E6E401905F734BB...</div><div><i>Nicole Stewart</i></div><div>DocuSigned by:</div></div>	7/19/2020
<div><div>0C6AA684BE0146E...</div><div><i>Dushani Dye</i></div><div>DocuSigned by:</div></div>	7/20/2020