



## MEETING NOTICE RAMSEY/WASHINGTON RECYCLING & ENERGY BOARD

**Date:** Thursday, July 28, 2022 | 10:00 am to 12:00 pm

**Commissioners, Key staff, Presenters:**

Ramsey County Environmental Health | 2785 White Bear Ave N. | 2<sup>nd</sup> Floor Conference Room  
Maplewood, MN | 55109 | [Map](#)

**Public:** [Microsoft TEAMS](#) | Call In: 1-323-792-6297 | Phone Conference ID: 493 084 760#

The Recycling & Energy Board Chair approved, starting with the March 24, 2022 R&E Board meeting, hosting with commissioner members all in person at Ramsey County Environmental Health Offices in Maplewood, along with key staff and presenters. Members of the public are encouraged to participate remotely or may attend at the Maplewood address.

**AGENDA:**

- I. Call to Order, Introductions, Commissioner Roll Call**
- II. Approval of Agenda** Action Page 1
- III. Approval of Minutes**
  - a. June 23, 2022 Board Meeting Action Page 2
  - b. June 23, 2022 Board Workshop Action Page 6
- IV. Consent Agenda – no items.**
- V. Governance – no items.**
- VI. Management and Administration**
  - a. Approval of 2023 Budgets Action Page 11
  - b. 2021 Financial Statements Information Page 43
  - c. 2022 Budget Update Information Page 95
- VII. Policy – no items.**
- VIII. Updates and Reports** Information Page 98
  - a. Facility Updates
  - b. Joint Activities Updates
  - c. Procurement Report Page 99
- IX. Other**
  - a. Invitation for Comments from Ex Officio R&E Board Members: Information  
MPCA and City of Newport
- X. Adjourn**

**NEXT MEETING:**

R&E Board | Thursday, August 25, 2022 | 10 am – 12 pm | Ramsey County Environmental Health, Maplewood



**THURSDAY, JUNE 23, 2022**  
**RAMSEY/WASHINGTON RECYCLING & ENERGY BOARD MINUTES**

A meeting of the Ramsey/Washington Recycling & Energy Board (R&E Board) was held at 10:00 a.m. on Thursday, June 23, 2022, at the Ramsey County Environmental Health Office, 2785 White Bear Avenue North, Suite 350, Maplewood, Minnesota. Members of the public attended remotely or in person at the Maplewood address.

**MEMBERS PRESENT**

Commissioners Wayne Johnson, Stan Karwoski, Gary Kriesel (alternate), Fran Miron, Lisa Weik – Washington County

Commissioners Nicole Frethem, Trista MatasCastillo, Mary Jo McGuire, Rafael Ortega, Victoria Reinhardt – Ramsey County

**MEMBERS NOT PRESENT**

Commissioner Jim McDonough (alternate) - Ramsey County

**EX-OFFICIO MEMBERS PRESENT**

Dave Benke, Minnesota Pollution Control Agency

**EX-OFFICIO MEMBERS NOT PRESENT**

Tom Ingemann, City of Newport

**ATTENDING AT RAMSEY ENVIRONMENTAL HEALTH, MAPLEWOOD**

Kate Bartelt, David Black, Dave Brummel, Shannon Conk, Leslie Duling McCollam, Jamie Giesen, Kelli Hall, Sam Hanson, Hannah Keller, Katie Keller, Jennefer Klennert, Nate Klett, Juna Ly, Kevin Magnuson, Jennifer Nguyễn Moore, Michael Reed, Gabriel Reynolds, John Ristad, John Springman, Nikki Stewart, Jody Tharp, Jordan Thone, Kris Wehlage, Dave Wiggins

**ATTENDING REMOTELY**

Joel Anderson, John Berns, Vinnie Bevivino, Gary Bruns, Anthony Cecil, Max Dalton, Dan Donkers, Caitlyn Duin, Amanda Erickson, Peter Ettinger, Tabatha Hansen, Sylvia Hendron, Filsan Ibrahim, Fatima Janati, Julie Ketchum, Nick Kluge, Sandy Koger, Ashley Marston, McClain Porter, Mayumi Morgan, Rob Murray, Jeff O'Donnell, Mark Stoltman, Ryan Tritz, Jenna Venem, Margaret Vesel, Kyler Vossen, Renee Vought, Brendan Wasser, Joua Yang

**CALL TO ORDER/APPROVAL OF THE AGENDA**

Chair Reinhardt called the meeting to order at 10:03 a.m. Introductions were made.

Commissioner Miron moved, seconded by McGuire, to approve the agenda as presented.

Roll Call: Ayes: 8    Nays: 0    Motion Carried.

**APPROVAL OF MINUTES**

Commissioner Johnson moved, seconded by MatasCastillo, to approve the May 26, 2022, R&E Board minutes.

Roll Call: Ayes: 8    Nays: 0    Motion Carried.

## **MANAGEMENT AND ADMINISTRATION**

### **Review of 2023 Budgets**

Commissioner Johnson, Facility & Finance (F&F) Committee chair, presented a summary of budget information presented at the May 26 R&E Board meeting. Proposed budgets have been discussed at both county boards in workshops since the May 26 meeting.

Kris Wehlage, R&E accounting manager, presented the proposed 2023 budget. No changes are needed to the total county contributions from CEC for the Joint Activities Budget, and no changes are needed to the total for the Equipment, Maintenance & Replacement Budget (EM&R). Amendments are needed to the Facility Budget due to increased costs.

### ***Proposed 2023 Joint Activities Budget***

- Additional FTE planning specialist position is needed to facilitate planning, project initiations, timelines and budget development, staff resource planning, project tracking and evaluation for efforts in 2022-2023.
- Additional FTE program assistant position to support current R&E programs such as the food scraps pickup program.
- Proposed FTEs are funding neutral and do not require additional county contributions for 2023.

### ***Proposed 2023 Facility Budget***

- Transportation costs are for trucking firms contracted to transport material to Xcel facilities, recycling markets and landfills. Current contracts expire at the end of 2022. The proposed 2023 increase of \$1.66 million is due to CPI contract adjustments and rising fuel costs.
- Transload fees are paid to transfer station operators to receive, weigh and manage waste delivered to their facilities. Current contracts expire at the end of 2022. The proposed 2023 increase of \$113,000 is due to CPI contract adjustments.
- Recommendations from F&F Committee include:
  - Transfer \$1.5 million of 2021 Joint Activities Fund Balance to 2023 Facility Budget
  - Use \$268,110 in 2023 Contingency funding
  - 2023 tipping fee remain at \$99/ton as previously approved on July 22, 2021

Commissioner Weik arrived.

Impacts from the proposed recommendations include:

- Without use of the fund balance, 2023 tip fee would have to increase by an additional \$4/ton to \$103/ton
- R&E does not need to tap into its Operating Reserve Fund (ORF) or the Enterprise Reserve Fund (ERF), and R&E repayments to the counties remain on schedule
- Joint Activities Fund Balance remains at 35%

### ***2023 EM&R Budget***

Wehlage reviewed the structure of the EM&R Budget and said there are no recommended changes to the budget previously approved on July 22, 2021.

Commissioner Reinhardt shared that both county boards had workshops to discuss R&E budgets, with a particular focus on the Facility Budget. The Ramsey County Board discussed the importance and success of the partnership with Washington County and discussed the tipping fee.

Commissioner Johnson shared that Washington County Board had two budget workshops. When the R&E Center was purchased, the agreed upon goal was to have the R&E Center operate on its own without subsidy from the counties. In discussing the transfer of funds from the Joint Activities Budget to the Facility Budget, the Washington County Board looked at the original goal of self-sufficiency and meeting expectations of the state. They reviewed the impact of increasing the tipping fee from the previously approved \$99/ton to \$103/ton in 2023 rather than transferring funds from Joint Activities to the Facility Budget. The Washington County Board agreed in its discussion to increasing the tipping fee to \$103/ton for 2023.

Commissioner Johnson moved, second by MatasCastillo, to amend raising the 2023 tipping fee to \$103/ton, to be approved in July 2022.

Roll Call: Ayes: 9    Nays: 0    Motion Carried.

Commissioner Frethem inquired whether the costs of organics with the food scrap pickup program are included in the tipping fee.

Michael Reed, Ramsey County and R&E JLT, said that costs for the food scraps pickup program have been calculated into the tipping fee. The increase from the current fee to \$99/ton would be approximately \$1.00/month increase for residents. Going to \$103/ton from the current rate would be an increase of approximately \$1.33/month.

Commissioner MatasCastillo said the timing for this increase will help the City of Saint Paul with transparency as it moves into the RFP process for renewal of hauler contracts.

Commissioner Karwoski asked whether R&E could aid haulers with messaging to help in resident understanding of the increase. Commissioner Reinhardt said communication could be reinforced by haulers if they agree to it. R&E should use the full spectrum of county communications to reach residents.

Commissioner McGuire expressed concern that because the tipping fee increase is coming at the same time as the food scraps pickup program, residents may mistakenly associate it with the new program. Clear communication with haulers and residents will be needed to differentiate the two.

Commissioner Johnson moved, seconded by McGuire, to amend directing fund balance surplus from the 2021 Joint Activities Budget over 35% to the R&E's Enterprise Reserve Fund for 2023.

Roll Call: Ayes: 9    Nays: 0    Motion Carried.

In light of huge investment in improvements to the R&E Center, Commissioner Reinhardt asked what the tipping fee was when the facility was purchased. Nikki Stewart, Washington County and R&E JLT, said that under private ownership in 2015, it was \$87.22/ton. Under public ownership in 2016, it was \$70/ton with a hauler rebate, bringing it to \$58/ton.

## **UPDATES AND REPORTS**

### **Facility Updates**

Kelli Hall, R&E Center assistant facility manager, shared that construction is progressing as planned and new wayfinding signs have been installed onsite. The July board meeting will include a report on facility insurance and IT security, to be presented by R&E's risk management and IT consultants.

### **Procurement Report**

Michael Reed presented the report for the period May 1 through May 31, 2022.

**OTHER**

Michael Reed announced that commissioners will receive information on June 24 about two new grant programs, Food Recovery and Waste Reduction & Innovation.

**Invitation for Comments from Ex Officio R&E Board Members**

Dave Benke, MPCA, said that, as a Washington County resident, he considers the services provided by R&E a bargain for all that is received. The MPCA is working this summer on issues related to permitting of landfills and he will share information as it becomes available.

**ADJOURN**

Chair Reinhardt declared the meeting adjourned at 11:02 a.m.

ATTESTED TO:

Approved: \_\_\_\_\_  
July 28, 2022

Approved: \_\_\_\_\_  
July 28, 2022



**THURSDAY, JUNE 23, 2022**  
**RAMSEY/WASHINGTON RECYCLING & ENERGY BOARD**  
**MINUTES - BOARD WORKSHOP: FOOD SCRAPS PICKUP PROGRAM**

A Ramsey/Washington Recycling & Energy Board (R&E Board) Workshop was held at 11:00 a.m. on Thursday, June 23, 2022, at the Ramsey County Environmental Health Office, 2785 White Bear Avenue North, Suite 350, Maplewood, Minnesota. Members of the public attended remotely or in person at the Maplewood address.

**MEMBERS PRESENT**

Commissioners Wayne Johnson, Stan Karwoski, Fran Miron, Lisa Weik – Washington County  
Commissioners Nicole Frethem, Trista MatasCastillo, Mary Jo McGuire, Rafael Ortega, Victoria Reinhardt – Ramsey County

**MEMBERS NOT PRESENT**

Commissioner Gary Kriesel (alternate) - Washington County  
Commissioner Jim McDonough (alternate) - Ramsey County

**EX-OFFICIO MEMBERS PRESENT**

Dave Benke, Minnesota Pollution Control Agency

**EX-OFFICIO MEMBERS NOT PRESENT**

Tom Ingemann, City of Newport

**ATTENDING AT RAMSEY ENVIRONMENTAL HEALTH, MAPLEWOOD**

Kate Bartelt, David Black, Dave Brummel, Shannon Conk, Leslie Duling McCollam, Jamie Giesen, Kelli Hall, Sam Hanson, Hannah Keller, Katie Keller, Jennefer Klennert, Nate Klett, Juna Ly, Kevin Magnuson, Jennifer Nguyễn Moore, Michael Reed, Gabriel Reynolds, John Ristad, John Springman, Nikki Stewart, Jody Tharp, Jordan Thone, Kris Wehlage

**ATTENDING REMOTELY**

Joel Anderson, John Berns, Vinnie Bevivino, Gary Bruns, Anthony Cecil, Max Dalton, Dan Donkers, Caitlyn Duin, Amanda Erickson, Peter Ettinger, Tabatha Hansen, Sylvia Hendron, Filsan Ibrahim, Fatima Janati, Julie Ketchum, Nick Kluge, Sandy Koger, Ashley Marston, McClain Porter, Mayumi Morgan, Rob Murray, Jeff O'Donnell, Mark Stoltman, Ryan Tritz, Jenna Venem, Margaret Vesel, Kyler Vossen, Renee Vought, Brendan Wasser, Joua Yang

**CALL TO ORDER**

Chair Reinhardt called the meeting to order at 11:10 a.m.

**WORKSHOP**

Chair Reinhardt reviewed the workshop purpose. Staff will provide a brief overview of R&E's comprehensive approach to addressing food waste, updates on the upcoming food scraps pickup program being implemented collaboratively by Ramsey County, Washington County and Ramsey/Washington Recycling & Energy (R&E), as well as provide an opportunity for board members to ask questions.

### **Overview of R&E and Counties' Food Scrap Recycling Programs**

Sam Hanson, R&E Joint Activities manager, discussed addressing food waste through collaboration in three primary areas:

- **Food waste prevention:** Approaches include outreach, education and community engagement, strategic partnerships and food recovery grants
- **Food scrap recycling:** Includes backyard composting, county food scrap drop-off sites, food scraps pickup program and commercial food scrap recycling
- **Compost market development:** Encourages growing demand for finished products

### **Food Scraps Pickup Program Pilot, Phased Launch and Timeline Plans**

Juna Ly, R&E food scraps pickup program coordinator, discussed the food scraps pickup program pilot, phased launch and timeline plans.

#### ***Pilot and Phased Launch - Selection Criteria***

Selection for the launch phases addressed balancing community considerations and operational needs.

- Community considerations: Ensuring communities from both counties are represented in each phase
- Diversity considerations: Housing/neighborhood types, population density and community make-up
- Operational needs: Piloting first with communities that deliver trash directly to the R&E Center and secondly with communities that deliver trash to a transfer station which is then transferred to the R&E Center

#### ***Pilot and Phased Launch Approach***

A phased approach allows for evaluation and recalibration of the program and/or operations between phases. Phased rollout allows the R&E Center to ramp up operations to handle volume and processing capacities.

#### ***Pilot Test – Tentative start October 2022***

This phase is a simplified "test" of the program prior to launch to observe the overall system and each component, with 2,000 eligible households in the two counties included. Communities that deliver trash directly to the R&E Center were selected, and include only portions of cities and specific garage truck routes.

- Ramsey County: 500 households each in Maplewood and St. Paul West Side District Council 3
- Washington County: 500 households each in Cottage Grove and Newport

#### ***Program Phase 1 – Tentative start of spring 2023***

Communities in this phase have trash delivered directly to R&E Center for sorting without going through transfer stations. Approximately 26% of residents become eligible to participate in this phase, with the addition of 83,493 eligible households (85,493 total households).

- Ramsey County: 54,992 households added
- Washington County: 28,501 households added

Commissioner Miron asked whether haulers had been contacted. Jennefer Klennert, HDR Inc., said the haulers included in the pilot portion have been contacted personally prior to the board workshop, and very positive reactions were received.

Commissioner Reinhardt inquired whether all cities in the pilot had been contacted. Klennert affirmed that they had. Community mapping of pilot rollouts will be provided to commissioners, which will help clear up geographic location of the phases.

***Program Phase 2 - Tentative start of late Summer 2023***

Some transfer stations will be added to the system, and operational considerations in this phase are more complex. Approximately 59% of residents become eligible to participate in this phase, with the addition of 192,589 households. After Phase 2 launch, 85% of county residents will be included (278,082 households).

- Ramsey County: 145,131 households added
- Washington County: 47,458 households added

***Program Phase 3 – Tentative start of late Fall 2023***

Additional transfer stations will be added to the system. Approximately 15% of residents become eligible to participate in this phase, with the addition of 47,251 households. At the end of Phase 3, 100% of residents will be able to use the program (325,333 households).

- Ramsey County: 16,818 households added
- Washington County: 30,433 households added

John Springman, Ramsey County Environmental Health solid waste supervisor, shared information regarding yard waste drop-off sites and food scraps bags. All sites in both counties will remain open after program launch. Residents may pick up free compost bags at county yard waste sites and bring bagged food scraps to each county's drop-off sites. Early communication and signage for the food scraps pickup program is planned at all sites. Flyers will be available at staffed sites to inform users that a new way to obtain bags is coming and promote the food scraps pickup program.

**Review of Food Scraps Pickup Program Communication Plan and Strategy**

Shannon Conk, R&E community engagement program coordinator, presented an overview of communication to stakeholders and partners regarding the proposed phased food scraps pickup program timeline. Earlier in June, both county boards and city contacts in the pilot launch communities were contacted. After the workshop, city contacts in the phased launch communities and waste haulers will be contacted. Later this summer, R&E will begin communication with residents and the general public.

Commissioners will receive later this summer a link to a digital folder of communication materials for the program that includes social media/newsletter posts to be shared, a PowerPoint presentation and a digital image of the program flier, with more content added to this digital folder as the program rolls out. Commissioners are asked to wait to share information about program phasing until these materials are received, to ensure counties and partners are sharing similar messaging at the same time. R&E is working closely with both counties' communication staff and the communication workgroup/planning team consists mostly of county staff.

Targeted communication strategy during each phase of rollout:

- Partners, including elected officials, municipalities and haulers, receive communication kits about two months prior to the program being available in their community
- Residents receive a postcard when the program is available in their area, written in two languages, English and other most predominant language in the mailing area
- Residents have an opportunity to sign up for email/text updates via the website
- Additional communications, such as county staff tabling at community events, press releases to local media outlets, targeted ads, instructional/promotional videos



Broad communication efforts later in rollout:

- Sharing information broadly on county communications channels
- Advertising campaign, including billboards, bus shelters, social media, digital, print and radio
- Additional messaging to include testimonials from program participants, address common program issues such as contamination or in-home challenges, and targeted messaging for demographics with lower participation rates

The community engagement strategy is based on the phased timeline due to each phase having varying size and demographics of county residents.

- Feedback from each engagement phase will be used to address potential barriers to program participation.
- Currently working with cultural consultant New Publica to plan a language accessibility engagement to test some of the communications materials and website for accurate translation, cultural comprehension and cultural inclusivity.
- Long-term engagement approaches: Outreach at community events and county sites, integrating program information and demonstrations into R&E Center tours, connecting directly with residents and a feedback loop that allows for continual resident input.

#### **Food Scraps Pickup Program Development Updates**

***Food Scrap Bags*** – The final bag imprint has been approved, with instructions and accepted items list included on the bags. Bags are anticipated to be in warehouse in August. Each case of bags will include program instructions, instructions for bag use, a full list of accepted/not accepted items and storage recommendations.

***Website*** - Beginning in September 2022, residents will be able to sign up and pre-order bags, which will ship at the launch of each phase.

***Customer Service*** - Phone line will be live July 6, 2022.

***Website opportunity to provide feedback*** - Staff will provide an overview of the test website at a future R&E Board meeting for members to review.

Commissioner Ortega asked that board members receive a list of media outlets that will be used prior to pilot launch to ensure connection to the right community organizations who can assist with participation.

Commissioner MatasCastillo said that Ramsey County did extensive work on a trusted network for COVID communications that should be tapped into, as contracts are already in place.

Commissioner Karwoski asked if it's possible to use QR codes for language options, allowing people to use their phones to assist in language choices. Ly stated that the website will be translated into six primary languages and will include information on a language line with 200+ languages available. Conk shared that the postcard that will be sent includes a QR code that will take residents to a website with information on the 200+ languages available.

Commissioner McGuire expressed appreciation that residents can sign up and learn when they'll have the program available to them. Ly said residents will be able to sign up and pre-order bags, as well as get information for when they'll be eligible for pickup in their area.

**ADJOURN**

Chair Reinhardt declared the workshop adjourned at 12:00 p.m.

ATTESTED TO:

Approved: \_\_\_\_\_  
July 28, 2022

Approved: \_\_\_\_\_  
July 28, 2022



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

R&E BOARD MEETING DATE:		July 28, 2022				AGENDA ITEM:		VI.a	
SUBJECT:		Approval of 2023 Budgets							
TYPE OF ITEM:		<input type="checkbox"/>	INFORMATION	<input type="checkbox"/>	POLICY DISCUSSION	<input checked="" type="checkbox"/>	ACTION	<input type="checkbox"/>	CONSENT
SUBMITTED BY:		Joint Leadership Team (JLT)							

**R&E BOARD ACTION REQUESTED:**

1. Approve the 2023 Joint Activities Budget.
2. Recommend that the Ramsey and Washington County Boards approve the 2023 Joint Activities Budget.
3. Approve the 2023 Facility Budget, including the Equipment Maintenance & Replacement Budget.
4. Approve the 2023 tipping fee for waste delivered from Ramsey and Washington counties to the Recycling & Energy Center (R&E Center) at \$103 per ton.

**EXECUTIVE SUMMARY:**

The Recycling & Energy Board met on June 23, 2022, to review and make changes to the previously approved 2023 budgets for Ramsey/Washington Recycling & Energy (R&E). The R&E Board's bylaws provide that the Facility & Finance Committee will prepare a two-year budget for Joint Activities for R&E Board approval on or prior to August 1 of the year prior. The R&E Board then submits the Joint Activities Budget to the counties annually for approval of their respective contributions. The bylaws also state that the Facility & Finance Committee will prepare the annual Facility Budget for approval by the R&E Board each year on or prior to August 1 of the year prior. While not called for in the bylaws, the Joint Leadership Team (JLT) is recommending that the Equipment Maintenance & Replacement (EM&R) Budget also be prepared for consideration by the R&E Board.

**Joint Activities Budget**

Recommended changes to the 2023 Joint Activities Budget include adding two full-time equivalent (FTE) positions to the complement. These positions are funding neutral as a result of savings from various categories. The recommended positions are a planning specialist and a program assistant.

Planning Specialist – This position is needed to support planning and project management for R&E in Joint Activities and to support R&E staff in implementing new efforts in the current 2022-2023 budget. Additional coordination is needed for the 13 programs and efforts across the three organizations. For example, there are 27 county and R&E staff that make up 12 workgroups established to develop and implement the food scraps pickup program. This position is also needed to address Recycling & Energy Center efforts such as alternative management for bulky wastes, project management of standard operating procedures development and updates and coordinate critical updates to facility incident plans. The planning specialist

**SUBJECT: Approval of 2023 Budgets**

position is needed to facilitate planning, project initiations, timelines and budget development, staff resource planning, project tracking and evaluation across the entire organization.

Program Assistant – This position is needed to support current R&E Joint Activities programming. The current top priority program for Joint Activities is the development of the food scraps pickup program, which will begin phased launch to residents in 2023. Currently, R&E is developing the website for bag ordering; a customer service phone line; warehousing arrangements; as well as communication, education and outreach materials to ensure residents have the knowledge, tools and support to participate successfully. A program assistant is needed to support current R&E staff in Joint Activities grants management and outreach support (there are 12 other Joint Activities efforts), as well as added support for the development of the food scraps pickup program. In 2022, R&E has seven different grant or financial incentive offerings through the Joint Activities budget requiring program assistance and outreach support.

**Facility Budget**

Recommended changes to the 2023 Facility Budget include increasing the transportation and transload fee budgets for 2023 and increasing the tipping fee to \$103.00 per ton. Transportation and transload fee agreements expire at the end of 2022, and new agreements will be needed in 2023.

Transportation – These are contracted costs for trucking firms to transport material to various destinations, such as metal markets, Xcel Energy facilities and landfills. The 2023 increase is \$1,655,110 and is primarily due to rising fuel costs and inflation.

Transload Fee – These are fees paid to transfer station operators to receive, weigh and manage MSW delivered to their facilities by licensed haulers with waste delivery agreements with R&E. The 2023 increase is \$113,000 and is primarily due to inflation.

Contingency – This fund provides contingency due to uncertainty of operations. The 2023 contingency fund is increased by \$31,890.

Tipping Fee – It is recommended that the tipping fee be set at \$103.00 per ton.

**Equipment Maintenance & Replacement Budget**

No recommended changes to the 2023 EM&R budget previously approved on July 22, 2021.


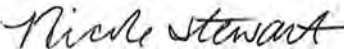
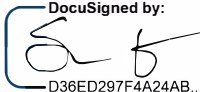


**ATTACHMENTS:**

1. Draft Resolution
2. Proposed 2023 Joint Activities Budget
3. Proposed 2023 Facility Budget
4. Proposed 2023 Equipment Maintenance & Replacement Budget

**FINANCIAL IMPLICATIONS:**

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

**SUBJECT:** *Approval of 2023 Budgets*

AUTHORIZED SIGNATURES	DATE
JOINT LEADERSHIP TEAM	7/18/22
 	7/18/22
	7/20/2022
RAMSEY COUNTY ATTORNEY	7/15/22
	
WASHINGTON COUNTY ATTORNEY	7/15/22
	



**RESOLUTION R&EB-2022-12**

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 November 19, 2019 ("Joint Powers Agreement"); and

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

WHEREAS, The Joint Leadership Team ("JLT") prepared a 2023 Joint Activities Budget, 2023 Facility Budget and 2023 Equipment Maintenance & Replacement Budget, which were presented to and reviewed by the Facility & Finance Committee; and

WHEREAS, The Facility & Finance Committee has recommended the 2023 Joint Activities Budget, 2023 Facility Budget and 2023 Equipment Maintenance & Replacement Budget (Resolution R&EB-FFC-2022-04); and

WHEREAS, The R&E Board discussed and amended the 2023 Joint Activities Budget and the 2023 Facility Budget, including the Equipment Maintenance & Replacement Budget, at its June 23, 2022, meeting; NOW, THEREFORE, BE IT

RESOLVED, The R&E Board hereby approves the 2023 Joint Activities Budget. BE IT FURTHER

RESOLVED, The R&E Board recommends that the Ramsey and Washington County Boards approve the 2023 Joint Activities Budget. BE IT FURTHER

RESOLVED, The R&E Board approves the 2023 Facility Budget, including the 2023 Equipment Maintenance & Replacement Budget. BE IT FURTHER

RESOLVED, The R&E Board hereby establishes the tipping fee at the Ramsey/Washington Recycling & Energy Center ("R&E Center") for waste from Ramsey and Washington counties at \$103 per ton in 2023.

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Victoria Reinhardt, Board Chair  
July 28, 2022

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Attest  
July 28, 2022

**Ramsey/Washington Recycling & Energy Board**

<b>JOINT ACTIVITIES</b>	<b>2022 Approved Budget</b>	<b>2023 Approved Budget</b>	<b>2023 Proposed Budget</b>	<b>Change in Budget</b>
<b>APPROPRIATIONS:</b>				
Project Management	2,729,727	2,519,454	2,729,454	210,000
Non-Residential Recycling	4,090,000	4,090,000	4,050,000	(40,000)
Community Waste Solution	795,000	795,000	625,000	(170,000)
Food Scrap Recycling	1,468,000	2,500,000	2,500,000	-
General Outreach	605,000	605,000	605,000	-
Policy Evaluation	1,020,000	1,100,000	1,100,000	-
Total Appropriations	10,707,727	11,609,454	11,609,454	-
<b>REVENUE:</b>				
Washington County	2,891,086	3,134,553	3,134,553	-
Ramsey County	7,016,641	8,474,901	8,474,901	-
Anticipated Carryover Funds RC Addition P	800,000	-	-	-
Total Revenue	10,707,727	11,609,454	11,609,454	-
<b>TOTAL</b>				
Appropriations	10,707,727	11,609,454	11,609,454	-
Revenue	10,707,727	11,609,454	11,609,454	-
Surplus/(Deficit)	-	-	-	-

## Ramsey/Washington Recycling & Energy Board Joint Activities

Account	Description	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
<b>APPROPRIATIONS:</b>					
<b><u>PROJECT MANAGEMENT</u></b>					
411101	Salaries Permanent	1,016,647	1,038,685	1,180,685	142,000
411103	Salaries Temporary	15,000	15,000	15,000	-
411201	PERA	76,249	77,901	88,401	10,500
411202	Fica - OASDI	61,899	63,221	71,721	8,500
411203	FICA - HI	15,007	15,328	17,328	2,000
411301	Health & Dental Ins	250,809	275,890	321,390	45,500
411306	Life Ins	1,405	1,546	1,546	-
411307	Long Term Disability Ins	1,716	1,888	1,888	-
411410	Cell Phone Reimbursement	7,920	7,920	9,420	1,500
421101	Accounting & Auditing Services	110,000	110,000	110,000	-
421102	Auditor	26,000	26,000	26,000	-
421110	Fiscal agent Fees	30,000	30,000	30,000	-
421208	County Attorney	85,000	85,000	85,000	-
421401	Computer Maintenance and Other	656,100	395,100	395,100	-
421501	Consulting	225,000	225,000	225,000	-
421511	Partnership on Waste and Energy Contribution	83,250	83,250	83,250	-
421525	Recruitment Services	1,000	1,000	1,000	-
421603	Printing	4,500	4,500	4,500	-
421701	Postage	2,000	2,000	2,000	-
423111	Employee Development	4,000	4,000	4,000	-
423309	Records Storage	275	275	275	-
424302	Membership & Dues	8,600	8,600	8,600	-
424303	Conference & Seminar	20,000	20,000	20,000	-
424304	Other Travel	20,000	20,000	20,000	-
424305	Meeting Expense	2,000	2,000	2,000	-
424501	Mileage	4,500	4,500	4,500	-
424507	Messenger Service	350	350	350	-
431101	Office Supplies	500	500	500	-
<b>Total Project Management</b>		<b>2,729,727</b>	<b>2,519,454</b>	<b>2,729,454</b>	<b>210,000</b>
<b><u>NON-RESIDENTIAL RECYCLING</u></b>					
421542	BizRecycling	2,050,000	2,050,000	2,050,000	-
421543	Multi-Unit Recycling	1,250,000	1,250,000	1,250,000	-
421544	Business Pollution Prevention	450,000	450,000	410,000	(40,000)
421545	Food Waste Prevention	300,000	300,000	300,000	-
421546	Compost Market Development	40,000	40,000	40,000	-
<b>Total Non-Residential Recycling</b>		<b>4,090,000</b>	<b>4,090,000</b>	<b>4,050,000</b>	<b>(40,000)</b>
<b><u>COMMUNITY WASTE SOLUTIONS</u></b>					
421538	Community Resource Hubs	220,000	220,000	110,000	(110,000)
421539	Bulky Waste Solutions	475,000	475,000	435,000	(40,000)
421540	Reuse & Repair	100,000	100,000	80,000	(20,000)
<b>Total Community Waste Solutions</b>		<b>795,000</b>	<b>795,000</b>	<b>625,000</b>	<b>(170,000)</b>



**SUBJECT: Approval of 2023 Budgets - Joint Activities**

**FOOD SCRAP RECYCLING**

421541 Program Resources	320,000	760,000	760,000	-
421522 Other Professional Services	658,000	1,280,000	1,280,000	-
421602 Promotional Activities	490,000	460,000	460,000	-
<b>Total Food Scrap Recycling</b>	<b>1,468,000</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>-</b>

**GENERAL OUTREACH**

421509 Communications, Design, & Educational Services	455,000	455,000	455,000	-
421522 Other Professional Services	150,000	150,000	150,000	-
<b>Total General Outreach</b>	<b>605,000</b>	<b>605,000</b>	<b>605,000</b>	<b>-</b>

**POLICY EVALUATION**

421201 Legal Services	490,000	490,000	490,000	-
421502 Engineering Services	530,000	610,000	610,000	-
<b>Total Policy Evaluation</b>	<b>1,020,000</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>-</b>
<b>Total Appropriations</b>	<b>10,707,727</b>	<b>11,609,454</b>	<b>11,609,454</b>	<b>-</b>

**REVENUE:**

314103 Washington County	2,891,086	3,134,553	3,134,553	-
319110 Ramsey County	7,016,641	8,474,901	8,474,901	-
Anticipated Carryover Funds RC Addition Program	800,000	-	-	-
<b>Total Revenue</b>	<b>10,707,727</b>	<b>11,609,454</b>	<b>11,609,454</b>	<b>-</b>

## Ramsey/Washington Recycling & Energy Board Joint Activities

**LINE ITEM EXPLANATIONS**

**APPROPRIATIONS EXPLANATIONS**

**Project Management (51808)**

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
411101	Salaries Permanent	1,016,647	1,038,685	1,180,685	142,000

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

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
411103	Salaries Temporary	15,000	15,000	15,000	-

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

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
411201	PERA	76,249	77,901	88,401	10,500

EXPLANATION: PERA rate calculation at 7.5% of Salaries Permanent

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
411202	Fica - OASDI	61,899	63,221	71,721	8,500

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

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
411203	FICA - HI	15,007	15,328	17,328	2,000

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

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
411301	Health & Dental Ins	250,809	275,890	321,390	45,500

EXPLANATION: Health & Dental Insurance for Staff

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
411306	Life Ins	1,405	1,546	1,546	-

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

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
411307	Long Term Disability Ins	1,716	1,888	1,888	-

EXPLANATION: Long Term Disability Insurance for Staff

## Ramsey/Washington Recycling & Energy Board Joint Activities

### LINE ITEM EXPLANATIONS

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
411410	Cell Phone Reimbursement	7,920	7,920	9,420	1,500

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

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421101	Accounting & Auditing Services	110,000	110,000	110,000	-

EXPLANATION: Olson-Thielen - Hauler audit for compliance with the County Environmental Charge in both counties

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421102	Auditor	26,000	26,000	26,000	-

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

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421110	Fiscal agent Fees	30,000	30,000	30,000	-

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

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421208	County Attorney	85,000	85,000	85,000	-

EXPLANATION: Reimbursement expenses to the Ramsey and Washington County Attorney's office for legal services  
Ramsey County - \$45,000/yr  
Washington County - \$40,000/yr

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421401	Computer Maintenance and Other	656,100	395,100	395,100	-

EXPLANATION: Computer system maintenance and other IT costs - Salesforce \$29,000; Spring CM \$25,000; EMERGE database \$100,000; CBIZ payroll system, projects based on IT consultant study - communication and collaboration, IT infrastructure and security, and business applications  
Computer system maintenance and other IT costs previously paid out of the Facility operating budget - IS service agreement - \$55,360 misc support, service maintenance, anti-virus; WebEx \$2,000; RingCentral \$7,200; Allstream internet \$14,640; Accounting system \$30,000, per year for 2022 and 2023

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421501	Consulting	225,000	225,000	225,000	-

EXPLANATION: Ramsey County Human Resources - \$5,000/yr, IT consultant - \$220,000/yr

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421511	Partnership on Waste and Energy Contribution	83,250	83,250	83,250	-

EXPLANATION: Recycling and Energy's contribution to Partnership on Waste and Energy.

## Ramsey/Washington Recycling & Energy Board Joint Activities

**LINE ITEM EXPLANATIONS**

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421525	Recruitment Services	1,000	1,000	1,000	-

EXPLANATION: Costs relating to hiring Recycling and Energy staff

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421603	Printing	4,500	4,500	4,500	-

EXPLANATION: Printing services

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421701	Postage	2,000	2,000	2,000	-

EXPLANATION: Postage

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
423111	Employee Development	4,000	4,000	4,000	-

EXPLANATION: Staff training

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
423309	Records Storage	275	275	275	-

EXPLANATION: Fee paid for storing records

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
424302	Membership & Dues	8,600	8,600	8,600	-

EXPLANATION: Minnesota Resource Recovery Association- \$5,250/yr  
American Biogas Council - \$850/yr  
Great Plains Institute - Bio-economy coalition - \$2,500/yr

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
424303	Conference & Seminar	20,000	20,000	20,000	-

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

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
424304	Other Travel	20,000	20,000	20,000	-

EXPLANATION: Site visits and other educational opportunities

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
424305	Meeting Expense	2,000	2,000	2,000	-

EXPLANATION: Expenses related to R&E Board staff meetings

**Ramsey/Washington Recycling & Energy Board  
Joint Activities**

**LINE ITEM EXPLANATIONS**

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
424501	Mileage	4,500	4,500	4,500	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
424507	Messenger Service	350	350	350	-

EXPLANATION:      Courier services

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
431101	Office Supplies	500	500	500	-

EXPLANATION:      General office supplies

<b>Total Project Management</b>		<b>2,729,727</b>	<b>2,519,454</b>	<b>2,729,454</b>	<b>210,000</b>
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## Ramsey/Washington Recycling & Energy Board Joint Activities

### LINE ITEM EXPLANATIONS

#### Non-Residential Recycling (51809)

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421542	BizRecycling	2,050,000	2,050,000	2,050,000	-

EXPLANATION: 1) BizRecycling consulting services - \$600,000/yr (MN Waste Wise -\$500,000/yr; EcoConsilium - \$100,000/yr)  
 2) BizRecycling partners (business organizations such as chambers of commerce) - \$225,000/yr  
 3) BizRecycling sponsorships (promotional relationships) - \$225,000/yr (St. Paul Saints \$50,000/yr, MN United \$55,125/yr, Ordway \$20,000/yr)  
 4) BizRecycling grants and incentives (starter, reward, container, sustaining, and label grants) - \$1,000,000/yr

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421543	Multi-Unit Recycling	1,250,000	1,250,000	1,250,000	-

EXPLANATION: 1) Multi-Unit Recycling consulting services (MN Waste Wise - \$500,000/yr)  
 2) Multi-Unit Recycling Program grants and incentives (starter, reward, container, label grants, and apartment recycling specialist stipends) - \$750,000/yr

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421544	Business Pollution Prevention	450,000	450,000	410,000	(40,000)

EXPLANATION: 1) Business Pollution Prevention consulting services - \$125,000/yr (Environmental Initiative/Clean Air Minnesota \$125,000/yr)  
 2) Business Pollution Prevention grants and incentives - \$325,000 in 2022, \$285,000 in 2023

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421545	Food Waste Prevention	300,000	300,000	300,000	-

EXPLANATION: Resources for preventing food waste and increasing food recovery efforts - \$300,000/yr (Second Harvest Heartland \$40,000/yr; The Good Acre \$40,000/yr)

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421546	Compost Market Development	40,000	40,000	40,000	-

EXPLANATION: Resources to aid the growth of end markets for finished compost - \$40,000/yr

<b>Total Non-Residential Recycling</b>		<b>4,090,000</b>	<b>4,090,000</b>	<b>4,050,000</b>	<b>(40,000)</b>
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## Ramsey/Washington Recycling & Energy Board Joint Activities

### LINE ITEM EXPLANATIONS

#### Community Waste Solutions (51817)

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421538	Community Resource Hubs	220,000	220,000	110,000	(110,000)

EXPLANATION: 1) Community Resource Hub hard costs (rent, equipment, materials, etc.)- \$120,000 in 2022, \$65,000 in 2023  
2) Community Resource Hub staffing, contractors, and partnerships - \$100,000 in 2022, \$45,000 in 2023

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421539	Bulky Waste Solutions	475,000	475,000	435,000	(40,000)

EXPLANATION: 1) Mattress recycling strategies - \$350,000 in 2022, \$310,000 in 2023  
2) Research, planning, and pilot testing for other bulky items - \$50,000/yr  
3) Construction and Demolition (C&D) and deconstruction training, resources, and partnerships - \$75,000/yr

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421540	Reuse & Repair	100,000	100,000	80,000	(20,000)

EXPLANATION: Education, resources, and shared county disposal directory - \$100,000 in 2022, \$80,000 in 2023

<b>Total Community Waste Solutions</b>		795,000	795,000	625,000	(170,000)
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#### Food Scrap Recycling (51818)

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421541	Program Resources	320,000	760,000	760,000	-

EXPLANATION: Durable Compostable Bags (DCB's) - \$320,000/yr for 2022 and \$760,000/yr for 2023

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421522	Other Professional Services	658,000	1,280,000	1,280,000	-

EXPLANATION: 1) Distribution of DCB's - Warehouse, fulfillment, and delivery of DCB's - \$484,000/yr for 2022 and \$1,025,000/yr for 2023  
2) Administration of DCB's - Customer service, program development and maintenance, and license - \$174,000/yr for 2022 and \$255,000/yr for 2023

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421602	Promotional Activities	490,000	460,000	460,000	-

EXPLANATION: 1) Website - Hosting fees, maintenance, and support - \$165,000/yr for 2022 and \$135,000/yr for 2023  
2) Videography - Educational and promotional videos - \$25,000/yr for 2022 and 2023  
3) Media campaign - Promotional campaigns - \$200,000/yr for 2022 and 2023  
4) Contracted services - Agency fees and staff time for Metre LLC. - \$100,000/yr for 2022 and 2023

<b>Total Food Scrap Recycling</b>		1,468,000	2,500,000	2,500,000	-
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## Ramsey/Washington Recycling & Energy Board Joint Activities

### LINE ITEM EXPLANATIONS

#### General Outreach (51810)

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421509	Communications, Design, & Educational Services	455,000	455,000	455,000	-

EXPLANATION: 1) Contracted graphic design services for the annual county Green Guides, the R&E annual report, and other materials - \$50,000/yr  
 2) Recycling & Energy and BizRecycling websites - \$55,000/yr  
 3) Videography to support programs, activities, and R&E Center - \$50,000/yr  
 4) Outreach, engagement, promotion, marketing, and educational activities to support programs and R&E Center - \$300,000/yr

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421522	Other Professional Services	150,000	150,000	150,000	-

EXPLANATION: 1) Communication services - contractors to assist with specialized communications needs - \$50,000/yr  
 2) Cultural consultants - contracting with New Publica and other specialists to better engage with specific cultural communities - \$100,000/yr

<b>Total General Outreach</b>		605,000	605,000	605,000	-
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#### Policy Evaluation (51811)

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421201	Legal Services	490,000	490,000	490,000	-

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

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
421502	Engineering Services	530,000	610,000	610,000	-

EXPLANATION: General engineering and technical services contracted with Foth Infrastructure & Environmental, LLC - \$630,000 (\$100,000 paid out of Enhancement Project budget) for 2022 and \$610,000 for 2023

<b>Total Policy Evaluation</b>		1,020,000	1,100,000	1,100,000	-
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<b>Total Appropriations</b>		10,707,727	11,609,454	11,609,454	-
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**Ramsey/Washington Recycling & Energy Board  
Joint Activities**

**LINE ITEM EXPLANATIONS**

**REVENUE EXPLANATIONS**

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
314103	Washington County	2,891,086	3,134,553	3,134,553	-
EXPLANATION: Washington County 27% of Joint Activities Budget					
<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
319110	Ramsey County	7,016,641	8,474,901	8,474,901	-
	Anticipated Carryover Funds RC Addition Program	800,000	-	-	-
EXPLANATION: Ramsey County 73% of Joint Activities Budget					
<b>Total Revenue</b>		<b>10,707,727</b>	<b>11,609,454</b>	<b>11,609,454</b>	<b>-</b>

**Ramsey/Washington Recycling & Energy Board  
Recycling & Energy Center - Facility**

<b>R&amp;E CENTER</b>	<b>2022 Approved Budget</b>	<b>2023 Approved Budget</b>	<b>2023 Proposed Budget</b>	<b>Change in Budget</b>
<b>APPROPRIATIONS:</b>				
Personnel Costs	9,727,302	10,326,866	10,326,866	-
Fuel Supply Agreements	6,642,039	6,584,768	6,584,768	-
Landfill	4,943,653	5,196,283	5,196,283	-
Waste Processing	28,500	29,070	29,070	-
Transportation	7,007,329	6,886,099	8,541,209	1,655,110
Transload	2,854,370	2,442,387	2,555,387	113,000
Facility Operations	7,033,322	8,196,568	8,196,568	-
Contingency	690,767	589,053	620,943	31,890
Enterprise Reserve Fund	1,500,000	1,500,000	1,500,000	-
Debt Services	1,693,855	3,533,586	3,533,586	-
Transfer to Equipment/Maintenance Fund: Additional Transfer -Approved/Proposed	300,000	300,000	300,000	-
<b>Total Appropriations</b>	<b>42,421,137</b>	<b>45,584,680</b>	<b>47,384,680</b>	<b>1,800,000</b>
<b>REVENUE:</b>				
Operations Revenue	40,184,680	45,584,680	47,384,680	1,800,000
Enhancement Project Reimbursable Revenue	1,074,673	-	-	-
2020 Joint Activites Fund Balance Transfer	556,000	-	-	-
2020 Facility Surplus	605,784	-	-	-
<b>Total Revenue</b>	<b>42,421,137</b>	<b>45,584,680</b>	<b>47,384,680</b>	<b>1,800,000</b>
<b>TOTAL</b>	<b>2022 Approved Budget</b>	<b>2023 Approved Budget</b>	<b>2023 Proposed Budget</b>	<b>Change in Budget</b>
Appropriations	42,421,137	45,584,680	47,384,680	1,800,000
Revenue	42,421,137	45,584,680	47,384,680	1,800,000
Surplus/(Deficit)	-	-	-	-

**Notes:**

2021 Approved Tipping Fee is \$84/ton

\*\* 2022 Approved Tipping Fee is \$87/ton

\*\*\* 2023 Proposed Tipping Fee is \$103/ton

## Ramsey/Washington Recycling & Energy Board

### Recycling & Energy Center - Facility

Tons Budget		450,000	450,000	450,000	
Account	Description	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
<b>APPROPRIATIONS:</b>					
<b><u>PERSONNEL COSTS</u></b>					
411101	Staff Non Union- Salary	1,633,394	1,646,828	1,646,828	-
411103	Temporary Staff	50,000	50,000	50,000	-
411201	PERA - Non Union Staff	115,005	116,012	116,012	-
411202	Fica - OASDI	421,595	456,826	456,826	-
411203	FICA - HI	104,632	113,433	113,433	-
411301	Health & Dental Ins	318,240	350,064	350,064	-
411306	Life Ins	1,626	1,789	1,789	-
411307	Long Term Disability Ins	1,571	1,728	1,728	-
411115	Staff Union - Salary	5,552,097	6,115,379	6,115,379	-
411412	Staff - Union Fringe	1,745,744	1,920,318	1,920,318	-
411201	PERA - Union Staff	408,157	451,153	451,153	-
411111	Vacancy Factor	(624,759)	(896,665)	(896,665)	-
<b>Total Personnel Costs</b>		<b>9,727,302</b>	<b>10,326,865</b>	<b>10,326,865</b>	<b>-</b>
<b><u>FUEL SUPPLY</u></b>					
424515	NSP Fuel Supply Agreement	6,642,039	6,584,768	6,584,768	-
<b>Total Fuel Supply</b>		<b>6,642,039</b>	<b>6,584,768</b>	<b>6,584,768</b>	<b>-</b>
<b><u>LANDFILL</u></b>					
424517	Landfill	4,943,653	5,196,283	5,196,283	-
<b>Total Landfill</b>		<b>4,943,653</b>	<b>5,196,283</b>	<b>5,196,283</b>	<b>-</b>
<b><u>Waste Processing</u></b>					
422304	Waste Processing	28,500	29,070	29,070	-
<b>Total Waste Processing</b>		<b>28,500</b>	<b>29,070</b>	<b>29,070</b>	<b>-</b>
<b><u>TRANSPORTATION</u></b>					
424513	Transportation	7,007,329	6,886,099	8,541,209	1,655,110
<b>Total Transportation</b>		<b>7,007,329</b>	<b>6,886,099</b>	<b>8,541,209</b>	<b>1,655,110</b>
<b><u>TRANSLOAD</u></b>					
424514	Transload Fee	2,854,370	2,442,387	2,555,387	113,000
<b>Total Transload</b>		<b>2,854,370</b>	<b>2,442,387</b>	<b>2,555,387</b>	<b>113,000</b>
<b><u>FACILITY OPERATIONS</u></b>					
421112	Credit Card Fees	500	500	500	-
421401	Computer Support Contracts	-	-	-	-
421301	Medical Services	3,500	3,500	3,500	-
421402	Telecommunication	37,200	37,200	37,200	-
421405	Computer Software License	46,225	46,225	46,225	-
421501	Consulting Services	116,500	116,500	116,500	-
421519	Contracted Services	76,712	76,712	76,712	-
421522	Other Professional Svcs	463,296	472,562	472,562	-

**SUBJECT: Approval of 2023 Budgets - Facility**

421525 Recruitment Services	750	750	750	-
421603 Printing	4,500	4,500	4,500	-
421701 Postage	250	250	250	-
422101 Building & Structures Repair	128,706	133,258	133,258	-
422109 Fire Systems Inspection	69,743	71,138	71,138	-
422203 Janitorial Service	57,431	58,580	58,580	-
422301 Gas	48,652	53,517	53,517	-
422302 Electricity	970,000	1,200,000	1,200,000	-
422303 Water Sewer	40,009	44,010	44,010	-
422601 Equipment & Machinery Repairs	650,000	649,999	649,999	-
422602 Data Proc Equip Main	4,800	4,800	4,800	-
422705 Trailer Repairs	430,000	430,000	430,000	-
422801 Grounds-Repairs	83,828	85,504	85,504	-
422802 Snow Removal	51,230	52,254	52,254	-
422811 Pest & Rodent Control	9,762	9,958	9,958	-
422813 Security Services	337,977	344,737	344,737	-
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	47,570	47,570	47,570	-
424103 Workers Compensation Ins	153,419	153,419	153,419	-
424107 Liability & Property Damage	1,650,000	1,650,000	1,650,000	-
424110 Public Liability Ins	16,500	16,500	16,500	-
424112 Multi Cover Ins	225,380	165,380	165,380	-
424201 Payment in Lieu of Taxes	179,272	179,272	179,272	-
424302 Membership Dues	2,000	2,000	2,000	-
424303 Conference Seminar	12,300	12,300	12,300	-
424305 Meeting Exp	2,500	2,500	2,500	-
424501 Mileage	4,700	4,700	4,700	-
424507 Messenger Service	250	250	250	-
424602 Special Programs/Awards	5,000	5,000	5,000	-
424607 Licensing Fee	12,500	12,500	12,500	-
471101 Contingency/Appropriations	2,190,767	2,089,053	2,120,943	31,890
431101 Office Supplies	3,500	3,500	3,500	-
431104 Oils Lubricants Etc.	98,350	100,318	100,318	-
431105 Uniforms and Clothing	92,158	94,001	94,001	-
431205 First Aid Supplies	38,000	39,000	39,000	-
431508 Equipment Parts & Supplies	400,000	1,352,095	1,352,095	-
431604 Diesel Fuel	160,000	160,000	160,000	-
431702 Small Tools and Safety Equip	23,890	24,368	24,368	-
431902 Shop Materials & Supplies	48,972	49,951	49,951	-
443301 Computer Equipment	32,000	32,000	32,000	-
541101 Remittance To State	100,000	100,000	100,000	-
541106 County CEC	37,000	37,000	37,000	-
<b>Total Facility Operations</b>	<b>9,224,089</b>	<b>10,285,621</b>	<b>10,317,511</b>	<b>31,890</b>
<b>DEBT SERVICES</b>				
501101 Principal Payment	1,093,618	2,016,388	2,016,388	-
502101 Interest Payment	600,237	1,517,198	1,517,198	-
<b>Total Debt Services</b>	<b>1,693,855</b>	<b>3,533,586</b>	<b>3,533,586</b>	<b>-</b>
<b>TRANSFER TO EQUIPMENT/MAINTENANCE FUND</b>				
481110 Additional Transfer -Approved/Proposed	300,000	300,000	300,000	-
<b>Total Transfer To Equipment/Maintenance Fund</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>
<b>Total Appropriations</b>	<b>42,421,137</b>	<b>45,584,680</b>	<b>47,384,680</b>	<b>1,800,000</b>

**SUBJECT: Approval of 2023 Budgets - Facility**

**REVENUE:**

311766 Tipping Fee	39,150,000	44,550,000	46,350,000	1,800,000
311767 Tipping Fee Special	443,015	443,015	443,015	-
311768 Tipping Fee Private	381,665	381,665	381,665	-
319103 Recovery- Current Yr Exp	15,000	15,000	15,000	-
353152 Solid Waste Management Tax	100,000	100,000	100,000	-
318102 Interest	95,000	95,000	95,000	-
319102 Enhancement Project Reimbursable Revenue	1,074,673	-	-	-
2020 Joint Activites Fund Balance Transfer	556,000	-	-	-
2020 Facility Surplus	605,784	-	-	-
2021 Joint Activites Fund Balance Transfer	-	-	-	-
<b>Total Revenue</b>	<b>42,421,137</b>		<b>47,384,680</b>	<b>1,800,000</b>
Surplus/(Deficit)	-	-	-	-

**Ramsey/Washington Recycling & Energy Board  
Recycling & Energy Center - Facility**

**LINE ITEM EXPLANATIONS**

**APPROPRIATIONS EXPLANATIONS**

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
411101	Staff Non Union- Salary	1,633,394	1,646,828	1,646,828	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
411103	Temporary Staff	50,000	50,000	50,000	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
411201	PERA - Non Union Staff	115,005	116,012	116,012	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
411202	Fica - OASDI	421,595	456,826	456,826	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
411203	FICA - HI	104,632	113,433	113,433	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
411301	Health & Dental Ins	318,240	350,064	350,064	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
411306	Life Ins	1,626	1,789	1,789	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
411307	Long Term Disability Ins	1,571	1,728	1,728	-

EXPLANATION: Long Term Disability Insurance for Staff Non Union

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
411115	Staff Union - Salary	5,552,097	6,115,379	6,115,379	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
411111	Vacancy Factor	(624,759)	(896,665)	(896,665)	-

EXPLANATION: Accounts for vacant positions

**Ramsey/Washington Recycling & Energy Board  
Recycling & Energy Center - Facility**

**LINE ITEM EXPLANATIONS**

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
411412	Staff - Union Fringe	1,745,744	1,920,318	1,920,318	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
411201	PERA - Union Staff	408,157	451,153	451,153	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
421112	Credit Card Fees	500	500	500	-

EXPLANATION: Monthly bank fees and credit card fees

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
421301	Medical Services	3,500	3,500	3,500	-

EXPLANATION: Medical Services

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
421402	Telecommunication	37,200	37,200	37,200	-

EXPLANATION: Verizon, Ramsey County IS (Comcast), Comcast (Fire Rover)

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
421405	Computer Software License	46,225	46,225	46,225	-

EXPLANATION: Control room computer software, MP2, Paradigm, digital signage, and fleet management

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
421501	Consulting Services	116,500	116,500	116,500	-

EXPLANATION: Consulting Services Labor Relations  
Consultant - Risk Management

100,000 100,000 100,000  
16,500 16,500 16,500

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
421519	Contracted Services	76,712	76,712	76,712	-

EXPLANATION: 2 laborer's 6 weeks out of the year for dust collection cleaning. Plus spring cleaning

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
421522	Other Professional Svcs	463,296	472,562	472,562	-

EXPLANATION: 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.

**Ramsey/Washington Recycling & Energy Board  
Recycling & Energy Center - Facility**

**LINE ITEM EXPLANATIONS**

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
421525	Recruitment Services	750	750	750	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
421603	Printing	4,500	4,500	4,500	-

EXPLANATION: Printing services

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
421701	Postage	250	250	250	-

EXPLANATION: Postage

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
422101	Building & Structures Repair	128,706	133,258	133,258	-

EXPLANATION: Repairs to walls , repair divots, Roof Repairs, HVAC, building repairs

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
422109	Fire Systems Inspection	69,743	71,138	71,138	-

EXPLANATION: Annual fire system inspection and Fire Rover

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
422203	Janitorial Service	57,431	58,580	58,580	-

EXPLANATION: Janitorial / Housekeeping

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
422301	Gas	48,652	53,517	53,517	-

EXPLANATION: Utilities - Gas

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
422302	Electricity	970,000	1,200,000	1,200,000	-

EXPLANATION: Utilities - Electricity

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
422303	Water Sewer	40,009	44,010	44,010	-

EXPLANATION: Utilities - water/sewer



## Ramsey/Washington Recycling & Energy Board Recycling & Energy Center - Facility

**LINE ITEM EXPLANATIONS**

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
422601	Equipment & Machinery Repairs	650,000	649,999	649,999	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
422602	Data Proc Equip Main	4,800	4,800	4,800	-

EXPLANATION: Copiers

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
422705	Trailer Repairs	430,000	430,000	430,000	-

EXPLANATION: Repairs to trailers

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
422801	Grounds-Repairs	83,828	85,504	85,504	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
422802	Snow Removal	51,230	52,254	52,254	-

EXPLANATION: Snow removal

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
422811	Pest & Rodent Control	9,762	9,958	9,958	-

EXPLANATION: Pest & rodent control

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
422813	Security Services	337,977	344,737	344,737	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
423110	On the Job Training Services	8,194	8,194	8,194	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
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 Conf in May each year \$1500

**Ramsey/Washington Recycling & Energy Board  
Recycling & Energy Center - Facility**

**LINE ITEM EXPLANATIONS**

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
424101	Automobile Truck Ins	47,570	47,570	47,570	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
424103	Workers Compensation Ins	153,419	153,419	153,419	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
424107	Liability &Property Damage	1,650,000	1,650,000	1,650,000	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
424110	Public Liability Ins	16,500	16,500	16,500	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
424112	Multi Cover Ins	225,380	165,380	165,380	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
424201	Payment in Lieu of Taxes	179,272	179,272	179,272	-

EXPLANATION: List of entities due Payment in Lieu of Taxes. 2022 and 2023 are estimates because the tax rates are not known until Washington County approves their budgets in December:

Washington County General	37,889	37,889	37,889	-
Washington County Regional Rail Authority	191	191	191	-
City of Newport	65,726	65,726	65,726	-
ISD 833 South Washington	43,852	43,852	43,852	-
School District other Levies	26,237	26,237	26,237	-
Non-School Voter Approved Referenda Levies	292	292	292	-
Metropolitan Council	764	764	764	-
Metropolitan Council Transit	1,387	1,387	1,387	-
Metropolitan Mosquito Control	462	462	462	-
South Washington Watershed	903	903	903	-
County CDA	1,569	1,569	1,569	-
Total	179,272	179,272	179,272	-

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
424302	Membership Dues	2,000	2,000	2,000	-

EXPLANATION: Newspaper, Minnesota Safety Council membership

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
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**

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
424305	Meeting Exp	2,500	2,500	2,500	-

EXPLANATION: Expenses related to R&E Center meetings

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
424501	Mileage	4,700	4,700	4,700	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
424507	Messenger Service	250	250	250	-

EXPLANATION: Courier services

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
424513	Transportation	7,007,329	6,886,099	8,541,209	1,655,110

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
424514	Transload Fee	2,854,370	2,442,387	2,555,387	113,000

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
424515	NSP Fuel Supply Agreement	6,642,039	6,584,768	6,584,768	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
424517	Landfill	4,943,653	5,196,283	5,196,283	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
422304	Waste Processing	28,500	29,070	29,070	-

EXPLANATION: Costs associated with disposing tires, and appliances

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
424602	Special Programs/Awards	5,000	5,000	5,000	-

EXPLANATION: Annual hauler appreciation event

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
424607	Licensing Fee	12,500	12,500	12,500	-

EXPLANATION: Licensing and Permit fees.

**Ramsey/Washington Recycling & Energy Board  
Recycling & Energy Center - Facility**

**LINE ITEM EXPLANATIONS**

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
431101	Office Supplies	3,500	3,500	3,500	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
431104	Oils Lubricants Etc.	98,350	100,318	100,318	-

EXPLANATION: Oil lubricant supplies

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
431105	Uniforms and Clothing	92,158	94,001	94,001	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
431205	First Aid Supplies	38,000	39,000	39,000	-

EXPLANATION: Safety supplies

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
431508	Equipment Parts & Supplies	400,000	1,352,095	1,352,095	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
431604	Diesel Fuel	160,000	160,000	160,000	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
431702	Small Tools and Safety Equip	23,890	24,368	24,368	-

EXPLANATION: Replacing worn out tools

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
431902	Shop Materials & Supplies	48,972	49,951	49,951	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
443301	Computer Equipment	32,000	32,000	32,000	-

EXPLANATION: Computer and monitor replacements

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
471101	Contingency/Appropriations	2,190,767	2,089,053	2,120,943	31,890

EXPLANATION: Contingency due to uncertainty of operations 690,767 589,053 620,943 31,890  
Enterprise Reserve Fund (ERF) 1,500,000 1,500,000 1,500,000 -

**Ramsey/Washington Recycling & Energy Board  
Recycling & Energy Center - Facility**

**LINE ITEM EXPLANATIONS**

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
481110	Transfers to Other Funds	300,000	300,000	300,000	-

EXPLANATION: Additional Transfer to EM&R Budget

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
501101	Principal Payment	1,093,618	2,016,388	2,016,388	-

EXPLANATION: Debt principal payments made to Ramsey County and Washington County.  
Includes \$307,010 payments to Counties for BWRLO loan in 2022 and 2023

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
502101	Interest Payment	600,237	1,517,198	1,517,198	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
541101	Remittance To State	100,000	100,000	100,000	-

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

<b>Account Code</b>	<b>Account Name</b>	<b>2022 Approved</b>	<b>2023 Approved</b>	<b>2023 Proposed</b>	<b>Change in Budget</b>
541106	County CEC	37,000	37,000	37,000	-

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

**Ramsey/Washington Recycling & Energy Board  
Recycling & Energy Center - Facility**

**LINE ITEM EXPLANATIONS**

**REVENUE EXPLANATIONS**

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
311766	Tipping Fee	39,150,000	44,550,000	46,350,000	1,800,000

EXPLANATION: Fee charging haulers. 2021 fee is \$84/ton, 2022 fee is \$89/ton, 2023 fee is \$103/ton

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
311767	Tipping Fee Special	443,015	443,015	443,015	-

EXPLANATION: The fees approved for 2022 and 2023 are unchanged from the 2021 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	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
311768	Tipping Fee Private	381,665	381,665	381,665	-

EXPLANATION: Special fees charged to citizens and unlicensed self haulers

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
319102	Enhancement Project Reimbursable Revenue	1,074,673	-	-	-

EXPLANATION: Enhancement Project reimbursable revenue transferred from Enhancement Project

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
319103	Recovery- Current Yr Exp	15,000	15,000	15,000	-

EXPLANATION: Recovery of current year expense

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
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	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
318102	Interest	95,000	95,000	95,000	-

EXPLANATION: Interest revenue

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
	2020 Joint Activities Fund Balance Transfer	556,000	-	-	-

EXPLANATION: Transfer from 2020 Joint Activities fund balance over 35%

Account Code	Account Name	2022 Approved	2023 Approved	2023 Proposed	Change in Budget
	2020 Facility Surplus	605,784	-	-	-

EXPLANATION: Surplus from 2020 Facility budget

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

<b>EQUIPMENT/MAINTENANCE</b>	<b>2022 Approved Budget</b>	<b>2023 Approved Budget</b>	<b>2023 Proposed Budget</b>	<b>Change in Budget</b>
<b>APPROPRIATIONS:</b>				
Equipment	20,000	1,207,000	1,207,000	-
Maintenance	1,415,000	850,000	850,000	-
Total Appropriations	1,435,000	2,057,000	2,057,000	-
<b>REVENUE:</b>				
Sale of Recyclable Materials	830,000	1,174,165	1,174,165	-
Additional Transfer - Proposed	300,000	300,000	300,000	-
Total Revenue	1,130,000	1,474,165	1,474,165	-
<b>TOTAL</b>				
Appropriations	1,435,000	2,057,000	2,057,000	-
Revenue/Fund Balance Transfer	1,130,000	1,474,165	1,474,165	-
Reserve for Future Years	(305,000)	(582,835)	(582,835)	-
Cumulative Reserve	2,306,894	1,724,059	1,724,059	-

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

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Account	Description	2022 Approved Budget	2023 Approved Budget	2023 Proposed Budget	Change in Budget
<b>APPROPRIATIONS:</b>					
441207	Equipment	20,000	1,207,000	1,207,000	-
443101	Maintenance	1,415,000	850,000	850,000	-
	Total Appropriations	1,435,000	2,057,000	2,057,000	-
<b>REVENUE:</b>					
317321	Sale of Recyclable Materials	830,000	1,174,165	1,174,165	-
341208	Additional Transfer - Proposed	300,000	300,000	300,000	-
	Total Revenue	1,130,000	1,474,165	1,474,165	-
Total Appropriations EM&R		1,435,000	2,057,000	2,057,000	-
Total Revenue EM&R		1,130,000	1,474,165	1,474,165	-
Reserve for Future Years		(305,000)	(582,835)	(582,835)	-
Cumulative Reserve		2,306,894	1,724,059	1,724,059	-



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

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**LINE ITEM EXPLANATIONS**

**APPROPRIATIONS EXPLANATIONS**

Account Code	Account Name	2022 Approved Budget	2023 Approved Budget	2023 Proposed Budget	Change in Budget
441207	Equipment	20,000	1,207,000	1,207,000	-

EXPLANATION: 2022 - Camera system upgrade - \$20,000  
2023 - Replace 6 trailers - \$660,000, Replace front end loader - \$397,000, Yard tractor - \$150,000

Account Code	Account Name	2022 Approved Budget	2023 Approved Budget	2023 Proposed Budget	Change in Budget
443101	Maintenance	1,415,000	850,000	850,000	-

EXPLANATION: 2022 - MO22A conveyer rebuild - \$340,000, MO22B conveyer rebuild - \$340,000, OBW rotors and pumps rebuild - \$100,000, Flail roof area replacement - \$100,000, Oil and water separator - \$10,000, MO20B conveyer rebuild - \$175,000, Tipping floor maintenance - \$50,000, Parking lot resurface - \$225,000, Scale house remodel - \$75,000  
2023 - Bailer relining - \$30,000, Secondary disc screen rebuild - \$110,000, Cyclones/Dust collection rebuild - \$400,000, Tipping floor maintenance - \$50,000, MO20A conveyer rebuild - \$260,000

**REVENUE EXPLANATIONS**

Account Code	Account Name	2022 Approved Budget	2023 Approved Budget	2023 Proposed Budget	Change in Budget
317321	Sale of Recyclable Materials	830,000	1,174,165	1,174,165	-

EXPLANATION: Board Resolution R&EB-2017-3 approves the use of revenue from the sale of recyclable material to support the Equipment & Maintenance Fund

Account Code	Account Name	2022 Approved Budget	2023 Approved Budget	2023 Proposed Budget	Change in Budget
341208	Additional Transfer - Proposed	300,000	300,000	300,000	-

EXPLANATION: Additional Board Proposed Transfer

**SUBJECT: Approval of 2023 Budgets - EM&R**

Capital Expense and Repair/Maintenance Expense Estimates - 6 years - 2021 thru 2026

Capital Improvements -Equipment/Maintenance Fund	2021	2022	2023	2024	2025	2026	Comments
<b>MO22A-</b> (Horizontal In feed Conveyor)- Complete rebuild every 3 years.		\$ 340,000			\$ 400,000		Complete rebuild every three years
<b>MO22B-</b> (Horizontal In feed Conveyor)- Complete rebuild every 3 years.		\$ 340,000			\$ 400,000		Complete rebuild every three years
<b>Parking Lot Resurfacing</b>	\$ -	\$ 225,000	\$ -	\$ 250,000	\$ -	\$ 50,000	\$225k to pave the entire incoming lane to the facility, 2024 Estimate to pave west side of property
<b>MO20B-</b> (Flat in feed conveyor before MO22A, MSW is loaded on this conveyor from tipping floor)- Complete rebuild every 5 years.	\$ -	\$ 175,000	\$ -	\$ -	\$ -		Outage every 5 years
<b>Flail Roof Area/Replacement</b>	\$ -	\$ 100,000	\$ -	\$ 250,000	\$ -	\$ 50,000	Explosion repairs every 6-7 years - replace the floor grading and I beams
<b>OBW Rotors and Pumps</b>		\$ 100,000		\$ 100,000	\$ -	\$ 120,000	Every 4 to 5 years these need to be rebuilt
<b>Scale house remodel</b>	\$ -	\$ 75,000					
<b>Tipping Floor</b>	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	added \$50k to 2023, 2024 and 2025 - patching only, complete tipping floor was done in 2018
<b>Camera system PLC upgrade</b>	\$ -	\$ 20,000					
<b>Oil and Water Separator</b>	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ -		
<b>Replace Mobile Equipment</b> - Aluminum Walking Floor RDF Trailers	\$ -	\$ -	\$ 660,000	\$ 660,000	\$ -		6 trailers per year starting in 2018 (\$110,000/trailer includes signage)
<b>Cyclones/Dust Collection</b>	\$ 100,000	\$ -	\$ 400,000	\$ -	\$ -		100k Replace tunnels/Cyclones 25 years old / rust buildup / outside skin on dust collection repair
<b>Front End Loader (rebuild)- Includes 1 set of tires at \$45k</b>	\$ 355,000	\$ -	\$ 397,000	\$ -	\$ 400,000	\$ 400,000	Loader #13 2018, Loader #14 2020, Loader #16 2021, Loader #15 2023, rebuild in 2025 and 2026
<b>MO20A-</b> (Flat in feed conveyor before MO22A, MSW is loaded on this conveyor from tipping floor)- Complete rebuild every 5 years.	\$ -	\$ -	\$ 260,000	\$ -	\$ -		Outage every 5 years
<b>Yard Tractor</b>	\$ -	\$ -	\$ 150,000	\$ -	\$ 150,000		Purchase new yard tractor
<b>Secondary Disc Screen Rebuild-</b> Every other year rebuild. Based off of last 2 purchases they have increased 5-6K per set.	\$ 105,000	\$ -	\$ 110,000	\$ -	\$ 120,000		
<b>Bailer Relining</b>	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ 10,000	Inside the bailer lining
<b>Primary Disc Screen Rebuild</b>	\$ 300,000	\$ -	\$ -	\$ 350,000	\$ -	\$ 40,000	Rebuild every three years
<b>Backhoe</b>	\$ 130,000	\$ -	\$ -	\$ -	\$ -		
<b>C9's Retro</b>	\$ 60,000	\$ -	\$ -	\$ -	\$ -		replace the conveyor decks with slider decks and new drives
<b>Dust Control System Turn Trailer</b>	\$ 50,000	\$ -	\$ -	\$ -	\$ -		
<b>2nd floor HVAC</b>	\$ 50,000	\$ -	\$ -	\$ -	\$ -		
<b>Replace Parts Truck</b>	\$ 20,000	\$ -	\$ -	\$ -	\$ -		
<b>DC Drives for Primary Disk Screens</b>	\$ -	\$ -	\$ -	\$ 150,000	\$ -		replace old hyd units with direct drive motors/VFDs
<b>Control Room Computers and Upgrade Software</b> - needs to be done every 3 to 4 years.	\$ -	\$ -	\$ -	\$ 100,000	\$ -		TKDA recommends 3-5 years
<b>Skid Loader</b>	\$ -	\$ -	\$ -	\$ 55,000	\$ -		
<b>Dust Control Replacement</b>	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000		Estimate
<b>Tipping floor wall repair</b>				\$ 50,000	\$ 50,000	\$ 50,000	
<b>Total</b>	\$ 1,190,000	\$ 1,435,000	\$ 2,057,000	\$ 2,015,000	\$ 1,570,000	\$ 770,000	

<b>Beginning Cumulative Reserve</b>	\$ 1,949,394	\$ 2,611,894	\$ 2,306,894	\$ 1,724,059	1,183,224	1,087,389
<b>Revenue from Recyclables</b>	\$ 1,552,500	\$ 830,000	\$ 1,174,165	\$ 1,174,165	\$ 1,174,165	\$ 1,174,165
<b>Additional Board Approved Transfer</b>	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	300,000	300,000
<b>Ending Cumulative Reserve</b>	\$ 2,611,894	\$ 2,306,894	\$ 1,724,059	\$ 1,183,224	\$ 1,087,389	\$ 1,791,554



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

<b>R&amp;E BOARD MEETING DATE:</b>	July 28, 2022	<b>AGENDA ITEM:</b>	VI.b
<b>SUBJECT:</b>	2021 Financial Statements		
<b>TYPE OF ITEM:</b>	<input checked="" type="checkbox"/> INFORMATION	<input type="checkbox"/> POLICY DISCUSSION	<input type="checkbox"/> ACTION <input type="checkbox"/> CONSENT
<b>SUBMITTED BY:</b>	Kris Wehlage, Accounting Manager		

**R&E BOARD ACTION REQUESTED:**

None.

**EXECUTIVE SUMMARY:**

The Office of the State Auditor completed their audit of Ramsey/Washington Recycling & Energy's 2021 financial statements in June. Staff will provide a brief presentation regarding the statements.

**ATTACHMENTS:**

1. 2021 R&E Financial Statements

**FINANCIAL IMPLICATIONS:**

None.

AUTHORIZED SIGNATURES	DATE
<b>JOINT LEADERSHIP TEAM</b>	
	7/19/22
	7/19/22
 D36ED297F4A24AB...	7/20/2022
<b>RAMSEY COUNTY ATTORNEY</b>	7/15/22
	
<b>WASHINGTON COUNTY ATTORNEY</b>	7/18/22
	



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

# ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2021

**ANNUAL FINANCIAL REPORT**  
**OF THE**  
**RAMSEY/WASHINGTON**  
**RECYCLING AND ENERGY BOARD**

**Year Ended December 31, 2021**

Prepared by:  
Accounting Department  
Ramsey/Washington Recycling and  
Energy Board

## **RAMSEY/WASHINGTON RECYCLING AND ENERGY BOARD**

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## INTRODUCTORY SECTION



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

June 17, 2022

Honorable Chair and Members  
Ramsey/Washington Recycling & Energy Board  
2785 White Bear Avenue, Suite 350  
Maplewood, MN 55109

The annual financial report of the Ramsey/Washington Recycling & Energy Board (R&E Board) is submitted for the fiscal year that ended December 31, 2021. This report was prepared by the R&E Board accounting staff and reviewed by the Joint Leadership Team. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with administration of the R&E Board. We have prepared this report in conformity with generally accepted accounting principles (GAAP) as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB).

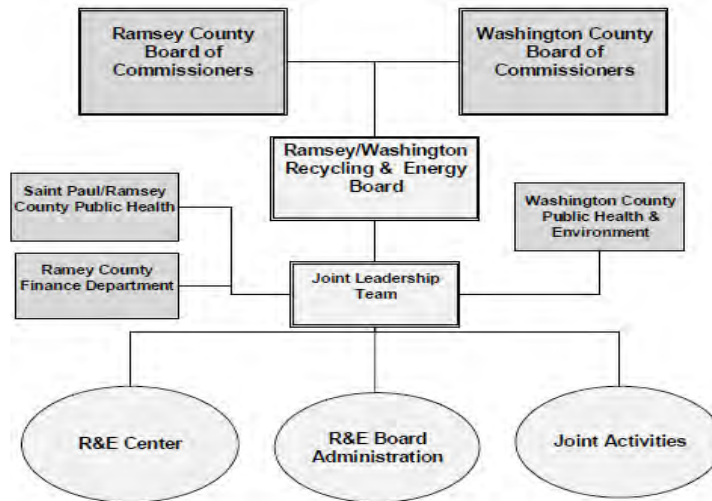
We believe the data is accurate and sets forth the financial position and results of operations of the R&E Board, as measured by the financial activity of its funds. We believe we have made all disclosures necessary to enable maximum understanding of the financial affairs of the organization.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

### **Organization and Purpose**

The R&E Board was established according to a joint powers agreement approved by Ramsey and Washington Counties, in recognition of the need for managing solid waste to recover resources and energy in the East Metro area, and in response to the directives of the State of Minnesota. In 2021 the R&E Board consisted of five Ramsey County commissioners, four Washington County commissioners and two ex-officio, non-voting members, one from the Minnesota Pollution Control Agency (MPCA) and one from the City of Newport. The R&E Board provides a range of solid waste services to residents, businesses and institutions in the two Counties.





Ramsey and Washington Counties began to work on waste-to-energy as an alternative to landfilling through a joint powers agreement in 1982. Following selection of refuse-derived fuel technology instead of mass burn technology, the two Counties began to work jointly in 1987 through a new joint powers board called the Ramsey/Washington Resource Recovery Project Board (Project Board). The Project Board administered the responsibilities of both counties regarding their joint service agreement with Northern States Power Company (NSP) for design, construction, ownership and operation of the resource recovery facility located in the City of Newport. In 1993, the service agreement with NSP was amended to transfer ownership of the Newport Facility from NSP to NRG Energy, Inc. In June 2006, the service agreement was amended to transfer the ownership of, and responsibility for, the Facility from NRG to Resource Recovery Technologies (RRT). The service agreement remained in effect until December 31, 2006.

Beginning January 1, 2007, the Counties and RRT entered into a six-year processing agreement. Both Counties' solid waste master plans supported waste processing and favored private sector ownership as long as the Facility could compete in the marketplace. RRT's need for increased public funding caused the Counties to pursue ownership options. Following a second three-year processing agreement with RRT, the Counties decided to purchase the Facility from RRT. In September 2015, the Ramsey and Washington County Boards adopted an amended and restated joint powers agreement (JPA). That agreement broadened the powers of the former Project Board and was renamed the Ramsey/Washington Recycling and Energy Board (R&E Board).

The administrative structure outlined in the current JPA includes:

- A Joint Leadership Team (JLT) comprised of one member of the Washington County Department of Public Health and Environment; one member of the Saint Paul-Ramsey County Public Health, Environmental Health Division; and one member of the Ramsey County Finance Department serving as the financial liaison. Authorization to the JLT to carry out project management activities is provided for in the joint powers agreement and bylaws adopted by the R&E Board.

- The R&E Board is authorized to employ staff. Other staff support is provided by the Saint Paul-Ramsey County Public Health, Environmental Health Division and the Washington County Department of Public Health and Environment.
- The R&E Board entered into a fiscal agent agreement with Ramsey County for financial management, and a purchase of services agreement with Ramsey County for human resources benefit services.
- Legal representation for the R&E Board is provided by both the Ramsey and Washington County Attorney's offices. Special legal counsel may be retained upon the advice of those offices. Risk management services are provided through a consultant.

### **Reporting Entity Significant Events in 2022**

Despite the COVID-19 pandemic and related economic downturn, the R&E Board was able to continue to operate the R&E Center (an essential function) and other programs in a safe manner.

The R&E Center processed 399,018 tons of waste in 2021, recovering 20,161 tons of metal for recycling, producing enough refuse-derived fuel to power 12,300 homes, and generating 95,052 fewer tons of greenhouse gas emissions than if the waste had been landfill. With waste designation in place through County ordinances, all trash generated in the two Counties is required to be delivered to the R&E Center where it can be processed to recover value.

The R&E Board approved a \$41 million processing improvements project in 2020 that started construction in 2021 with an anticipated completion date in the summer of 2023. The processing improvements project will enable the R&E Center to recycle food scraps, cardboard, and plastics. The R&E Board also secured a \$7 million Capital Assistance Program grant in 2021 from the State of Minnesota (through the MPCA) to help fund this project. This grant is expected to be received in 2022.

In 2022, the R&E Board is developing the Food Scrap Pickup Program for full launch to residents in Ramsey and Washington counties in 2023. In 2022 the key components under development include the R&E Center construction and equipment installation for food scrap bag recovery, a bag manufacturer of the custom food scrap bags, a website for residents to order the bags and learn about the program, customer support services for resident with questions or need assistance, a warehouse and fulfillment center to distribute the bags to residents and development of communications and educational assets. The R&E Board will conduct a pilot program in fall of 2022 to test the implementation under limited parameters. Phase 1 is expected to launch in early 2023 to start the scale up of the program with select cities, and the additional phases are expected to launch in 2023 and roll out over several months to ultimately become available to all resident in both Counties by the end of 2023.

Additional investments made to the R&E Center in 2021 include adding a robotic sorter to remove additional high value ferrous metals such as aluminum cans and enclosing the refuse derived fuel load-out area to reduce odors and litter. The R&E Board completed its remodel of the R&E Center's administration building which had not been updated since 1985 and had a leaking roof, poor windows and inefficient lighting.

BizRecycling continued to be a successful program to increase recycling in the business sector. BizRecycling is grant program that uses financial grants aimed at commercial businesses to increase and improve recycling and organics management. BizRecycling also provides grants to multi-unit residential properties. During 2021 BizRecycling adapted its grant programs to reflect business needs during the pandemic, with an emphasis on reaching small businesses and minority-owned businesses.

One of the R&E Board's priorities is food waste reduction, and during 2021, in an effort to reduce food waste and provide for food security for residents, the R&E Board engaged partners and provided grants resulting in over 10 million pounds of food being recovered and redistributed.

The R&E Board provides outreach and education in both Counties on general solid waste issues. Working jointly provides efficiency in design and delivery of messages, as well as consistency in the East Metro area. Each County incorporates its own efforts to reach various residential and non-residential audiences; the R&E Board's efforts are designed to complement the work of each County.

The R&E Board entered into a joint powers agreement in 2018 with Hennepin County to form the Partnership on Waste and Energy. Through the Partnership on Waste and Energy, Ramsey, Washington and Hennepin Counties collaborate on legislation and policy development, communication and outreach, and planning and evaluation of waste processing.

### **Financial Management**

The R&E Board uses the Ramsey County accounting system, as provided by the joint powers agreement.

#### **Internal Controls:**

Management of the R&E Board is responsible for establishing and maintaining internal controls designed to ensure that the assets of the R&E Board are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the costs of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

We believe that the R&E Board's internal accounting controls adequately safeguard assets and provide reasonable assurance and proper recording of financial transactions.

#### **Budgetary Control:**

Budgetary control is maintained at a departmental level by encumbrance of estimated purchase and contract amounts prior to the release of purchase orders and contract payments to vendors. Purchase orders or contracts that result in an overrun of line item balances are not released until additional appropriations are made available.

**Notes to the Financial Statements:**

The Notes to the Financial Statements, presented with the financial statements, are an integral part of this annual financial report and should be read for a fuller understanding of the statements and information presented within.

**Independent Audit:**

Minnesota state law requires an audit of the books of account, financial records and transactions. This requirement has been complied with and the independent auditor's report has been included in this report. The Office of the State Auditor will issue a management and compliance letter covering the review made as part of the R&E Board's system of internal control and compliance with applicable legal provisions. The management and compliance letter will not modify or affect, in any way, this report on the financial statements.

**Acknowledgements**

We thank the Ramsey/Washington Recycling & Energy Board members for their interest and support in planning and conducting financial activities in a responsible manner.

Sincerely,



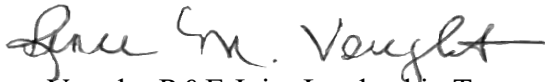
Kris Wehlage, Accounting Manager  
Ramsey/Washington Recycling & Energy Board



Michael Reed, R&E Joint Leadership Team  
Ramsey County Environmental Health Division



Nicole Stewart, R&E Joint Leadership Team  
Washington County Public Health and Environmental Department



Renee Vought, R&E Joint Leadership Team  
Ramsey County Finance Department

**RAMSEY/WASHINGTON  
RECYCLING AND ENERGY BOARD**

**ORGANIZATION  
December 31, 2021**

**Board**

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Fran Miron	Chair	Commissioner-Washington County
Victoria Reinhardt	Vice-Chair	Commissioner-Ramsey County
Wayne Johnson	Secretary/Treasurer	Commissioner-Washington County
Nicole Frethem	Member	Commissioner-Ramsey County
Stan Karwoski	Member	Commissioner-Washington County
Trista MatasCastillo	Member	Commissioner-Ramsey County
MaryJo McGuire	Member	Commissioner-Ramsey County
Rafael Ortega	Member	Commissioner-Ramsey County
Lisa Weik	Member	Commissioner-Washington County
Dave Benke	Ex-Officio	Minnesota Pollution Control Agency
Tom Ingemann	Ex-Officio	Newport City Council

**County Attorneys**

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Kevin Magnuson	Washington County
John Ristad	Ramsey County

**Joint Leadership Team**

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Michael Reed	Ramsey County	Environmental Health
Nicole Stewart	Washington County	Public Health and Environment
Renee Vought	Ramsey County	Finance

**Support & Advisory Staff**

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Alexandra Kotze	Ramsey County	Finance Director
Tabatha Hansen	Washington County	Accounting & Finance Director

## FINANCIAL SECTION

**Julie Blaha**  
State Auditor



**Suite 500**  
**525 Park Street**  
**Saint Paul, MN 55103**

## INDEPENDENT AUDITOR'S REPORT

Ramsey/Washington Recycling and Energy Board  
Maplewood, Minnesota

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ramsey/Washington Recycling and Energy Board as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Ramsey/Washington Recycling and Energy Board's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ramsey/Washington Recycling and Energy Board as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Ramsey/Washington Recycling and Energy Board, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ramsey/Washington Recycling and Energy Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ramsey/Washington Recycling and Energy Board's internal control. Accordingly, no such opinion is expressed;
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; and
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ramsey/Washington Recycling and Energy Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



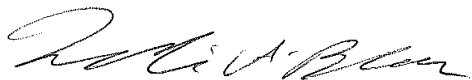
***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; the Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund Budgetary Comparison; the Schedule of Proportionate Share of Net Pension Liability; and the Schedule of Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



JULIE BLAHA  
STATE AUDITOR



DIANNE SYVERSON, CPA  
DEPUTY STATE AUDITOR

June 17, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS** **(Unaudited)**

The management of the Ramsey/Washington Recycling and Energy Board (R&E Board) offers readers of its financial statements this narrative overview and analysis of its financial activities for the fiscal year ended December 31, 2021. Readers are encouraged to consider this information in conjunction with additional information that has been furnished in the letter of transmittal and notes to the financial statements which can be found on pages 1 and 25 respectively, of this report.

### **Financial Highlights**

- The assets and deferred outflows of resources of the R&E Board exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$14,918,448 (net position). Of this amount, \$3,623,593 is the net investment in capital assets, and \$11,294,855 is unrestricted net position.
- The total net position increased by \$2,460,581. This compares with 2020 when the net position increased by \$3,244,406.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the R&E Board's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements.

**Government-wide financial statements** – The government-wide financial statements are designed to provide readers with a broad overview of the R&E Board's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the R&E Board's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the R&E Board is improving or deteriorating.

The Statement of Activities presents information showing how the R&E Board's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**Fund financial statements** – A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The R&E Board, like other state and local governments, uses fund accounting to ensure and demonstrate

compliance with finance-related legal requirements. The General Fund of the R&E Board is classified as a governmental fund and the Enterprise Fund is classified as a proprietary fund.

- 1) Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

The basic governmental fund financial statements can be found on Exhibits C and D of this report.

- 2) Proprietary funds are used to account for operations financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing services be financed or recovered primarily through user charges. The R&E Board maintains one proprietary fund. The proprietary fund statements provide separate information for the Enterprise Fund.

The basic proprietary fund financial statements can be found on Exhibits E through G of this report.

- 3) Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the R&E Board's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on Exhibits H and I of this report.

### **Financial Analysis of the Ramsey/Washington Recycling and Energy Board**

#### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The R&E Board's net position at the close of the most recent fiscal year was \$14,918,448, and \$12,457,867 at the close of 2020. The increase in net position was partially due

to the tipping fee increase of \$3/ton for 2021 compared to 2020, as well as the COVID-19 pandemic slowing growth, and expansion of programs in Joint Activities. Businesses were shut down or were operating at reduced capacities for much of 2021, which resulted in substantial savings in the government-wide activities.

### Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 5,031,479	\$ 4,444,325	\$ 37,140,345	\$ 23,845,346	\$ 42,171,824	\$ 28,289,671
Capital Assets	-	-	41,260,432	27,251,282	41,260,432	27,251,282
Total Assets	5,031,479	4,444,325	78,400,777	51,096,628	83,432,256	55,540,953
Deferred Outflows of Resources	352,771	246,884	2,364,976	2,008,316	2,717,747	2,255,200
Current Liabilities	1,406,240	1,590,217	4,246,122	8,643,077	5,652,362	10,233,294
Long-Term Liabilities	417,275	599,547	62,286,129	34,351,154	62,703,404	34,950,701
Total Liabilities	1,823,515	2,189,764	66,532,251	42,994,231	68,355,766	45,183,995
Deferred Inflows of Resources	384,590	18,452	2,491,199	135,839	2,875,789	154,291
Net Position:						
Net Investment in Capital Assets	-	-	3,623,593	1,044,308	3,623,593	1,044,308
Unrestricted	3,176,145	2,482,993	8,118,710	8,930,566	11,294,855	11,413,559
Total Net Position	\$ 3,176,145	\$ 2,482,993	\$ 11,742,303	\$ 9,974,874	\$ 14,918,448	\$ 12,457,867

### Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services and Other	\$ 9,086,897	\$ 9,053,964	\$ 39,135,992	\$ 37,553,520	\$ 48,222,889	\$ 46,607,484
Operating Contributions	-	-	1,280,000	-	1,280,000	-
General Revenues:						
Investment Earnings	1,971	16,095	8,026	25,459	9,997	41,554
Miscellaneous	1,528	1,693	388,910	1,082,967	390,438	1,084,660
Transfers	(1,500,000)	(2,500,000)	1,500,000	2,500,000	-	-
Total Revenues and Transfers	7,590,396	6,571,752	42,312,928	41,161,946	49,903,324	47,733,698
Expenses:						
Sanitation	6,897,244	6,999,171	40,545,499	37,490,121	47,442,743	44,489,292
Change in Net Position	693,152	(427,419)	1,767,429	3,671,825	2,460,581	3,244,406
Net Position – Beginning	2,482,993	2,910,412	9,974,874	6,303,049	12,457,867	9,213,461
Net Position – Ending	\$ 3,176,145	\$ 2,482,993	\$ 11,742,303	\$ 9,974,874	\$ 14,918,448	\$ 12,457,867

**Governmental Fund.** The General Fund's fund balance at the close of the most recent fiscal year was \$3,731,597 and \$2,922,224 at the close of 2020. The increase in fund balance was largely due to a reduction in due to other funds from the prior year. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to expenditures. The fund balance represents 55% of total expenditures.

**Proprietary Fund.** The Enterprise Fund’s net position at the close of the most recent fiscal year was \$11,742,303 and \$9,974,874 at the close of 2020. The increase in net position was partially due to the tipping fee increase of \$3/ton for 2021 compared to 2020, as well as the transfer from the General Fund. As a measure of the Enterprise Fund’s liquidity, it may be useful to compare net position to expenses. The net position represents 29% of total expenses.

### **General Fund Highlights**

The overall fund balance was \$1,156,312 less than the final amended budget. The variance was largely due to the transfer out that was not budgeted for.

#### The R&E Board’s Capital Assets (Net of Accumulated Depreciation)

	<b>Business-Type Activities</b>	
	<b>2021</b>	<b>2020</b>
Land	\$ 877,858	\$ 877,858
Construction in Progress	16,959,639	1,860,566
Buildings and Improvements	11,390,431	11,863,386
Machinery and Equipment	12,032,504	12,649,472
Total Capital Assets	<u>\$ 41,260,432</u>	<u>\$ 27,251,282</u>

The change in capital assets is largely due to the enhancement project that started in 2021.

#### The R&E Board’s Long-Term Debt

	<b>Business-Type Activities</b>	
	<b>2021</b>	<b>2020</b>
Notes Payable	\$ 60,696,676	\$ 31,572,261

The change in long-term debt is due to the receipt of funding from Ramsey and Washington Counties for the enhancement project.

### **Economic Factors and Next Year’s Budget and Rates**

The R&E Board approved the 2022 General Fund budget for \$10,707,727 which includes two new programs starting in 2022. They are Community Waste Solution and Food Scrap Recycling and assist in waste being recycled upstream. The 2022 General Fund budget is \$10,707,727 which represents a 18% increase from 2021.

### **Request for Information**

This financial report is designed to give a general overview of the R&E Board's finances. Requests for additional information or questions concerning any information provided in this report should be addressed to: Ramsey/Washington Recycling and Energy Board, 2785 White Bear Avenue, Suite 350, Maplewood, MN 55109.

EXHIBIT A

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Pooled Investments	\$ 6,047,143	\$ 28,187,839	\$ 34,234,982
Petty Cash	250	-	250
Accounts Receivable	3,528	5,838,712	5,842,240
Due From Other Governments	480,558	180,858	661,416
Internal Balances	(1,500,000)	1,500,000	-
Inventories	-	1,432,936	1,432,936
<b>Total Current Assets</b>	<b>5,031,479</b>	<b>37,140,345</b>	<b>42,171,824</b>
<b>Noncurrent Assets</b>			
Capital Assets			
Nondepreciable			
Land	-	877,858	877,858
Construction in Progress	-	16,959,639	16,959,639
Depreciable			
Buildings and Improvements	-	13,575,135	13,575,135
Machinery and Equipment	-	23,094,268	23,094,268
Less: Accumulated Depreciation	-	(13,246,468)	(13,246,468)
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>41,260,432</b>	<b>41,260,432</b>
<b>Total Assets</b>	<b>5,031,479</b>	<b>78,400,777</b>	<b>83,432,256</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflows	352,771	2,364,976	2,717,747
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Salaries Payable	36,831	201,126	237,957
Accounts Payable	1,188,703	2,229,641	3,418,344
Interest Payable	-	254,207	254,207
Due to Other Governments	74,348	252,377	326,725
Compensated Absences - Current	106,358	215,154	321,512
Notes Payable - Current	-	1,093,617	1,093,617
<b>Total Current Liabilities</b>	<b>1,406,240</b>	<b>4,246,122</b>	<b>5,652,362</b>
<b>Noncurrent Liabilities</b>			
Notes Payable	-	59,603,059	59,603,059
Net Pension Liability	417,275	2,683,070	3,100,345
<b>Total Noncurrent Liabilities</b>	<b>417,275</b>	<b>62,286,129</b>	<b>62,703,404</b>
<b>Total Liabilities</b>	<b>1,823,515</b>	<b>66,532,251</b>	<b>68,355,766</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Inflows	384,590	2,491,199	2,875,789
<b>NET POSITION</b>			
Net Investment in Capital Assets	-	3,623,593	3,623,593
Unrestricted	3,176,145	8,118,710	11,294,855
<b>TOTAL NET POSITION</b>	<b>\$ 3,176,145</b>	<b>\$ 11,742,303</b>	<b>\$ 14,918,448</b>

The notes to the financial statement are an integral part of this statement.

EXHIBIT B

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>Expenses</b>			
Sanitation			
Materials and Services	\$ 6,897,244	\$ 40,545,499	\$ 47,442,743
Total Program Expenses	<u>6,897,244</u>	<u>40,545,499</u>	<u>47,442,743</u>
<b>Program Revenues</b>			
Charges for Services and Other	9,086,897	39,135,992	48,222,889
Operating Contributions	-	1,280,000	1,280,000
Total Program Revenues	<u>9,086,897</u>	<u>40,415,992</u>	<u>49,502,889</u>
Net Program Revenues (Expenses)	<u>2,189,653</u>	<u>(129,507)</u>	<u>2,060,146</u>
<b>General Revenues</b>			
Investment Earnings	1,971	8,026	9,997
Miscellaneous	1,528	388,910	390,438
<b>Transfers</b>	<u>(1,500,000)</u>	<u>1,500,000</u>	<u>-</u>
Total General Revenues and Transfers	<u>(1,496,501)</u>	<u>1,896,936</u>	<u>400,435</u>
Change in Net Position	693,152	1,767,429	2,460,581
Net Position - Beginning	2,482,993	9,974,874	12,457,867
Net Position - Ending	<u>\$ 3,176,145</u>	<u>\$ 11,742,303</u>	<u>\$ 14,918,448</u>

The notes to the financial statement are an integral part of this statement.



EXHIBIT C

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD  
BALANCE SHEET  
GENERAL FUND  
DECEMBER 31, 2021**

**ASSETS**

Cash and Pooled Investments	\$ 6,047,143
Petty Cash	250
Accounts Receivable	3,528
Due From Other Governments	480,558
<b>Total Assets</b>	<u>6,531,479</u>

**LIABILITIES AND FUND BALANCE**

**Liabilities**

Salaries Payable	36,831
Accounts Payable	1,188,703
Due to Other Funds	1,500,000
Due to Other Governments	74,348
<b>Total Liabilities</b>	<u>2,799,882</u>

**Fund Balance**

Committed	1,702,872
Unassigned	2,028,725
<b>Total Fund Balance</b>	<u>3,731,597</u>

**Reconciliation to Statement of Net Position (Exhibit A)**

Amounts reported for governmental activities in the  
Statement of Net Position are different because:

Deferred outflows of resources resulting from pension obligations are not available resources and, therefore are not reported in the governmental fund.	352,771
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements.	
Compensated absences	(106,358)
Net pension liability	(417,275)
Deferred inflows of resources resulting from pension obligations are not due and payable in the current period and therefore are not reported in the governmental fund.	<u>(384,590)</u>

**NET POSITION OF GOVERNMENTAL ACTIVITIES**

<u>\$ 3,176,145</u>
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The notes to the financial statement are an integral part of this statement.

EXHIBIT D

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GENERAL FUND  
FOR YEAR ENDED DECEMBER 31, 2021**

**Revenues**

Charges for Services and Other	\$ 9,086,897
Investment Earnings	1,971
Miscellaneous	500
<b>Total Revenues</b>	<u>9,089,368</u>

**Expenditures**

Sanitation	
Personal Services	1,040,588
Other Services and Charges	5,739,407
<b>Total Expenditures</b>	<u>6,779,995</u>

**Excess (Deficiency) of Revenues  
Over Expenditures**

2,309,373

**Other Financing Sources (Uses)**

Transfers Out	(1,500,000)
---------------	-------------

**Net Change in Fund Balance**

809,373

**Fund Balance at Beginning of Year**

2,922,224

**Fund Balance at End of Year**

3,731,597

**Reconciliation to Statement of Activities (Exhibit B)**

Net Change in Fund Balance - General Fund 809,373

Some expenses reported in the Statement of Activities  
do not require the use of current financial resources  
and, therefore, are not reported as expenditures in  
the General Fund.

Change in deferred pension outflows	\$ 105,887	
Change in deferred pension inflows	(366,138)	
Change in compensated absences	(38,242)	
Change in net pension liability	182,272	(116,221)

**Change in Net Position - Governmental Activities**

\$ 693,152

The notes to the financial statement are an integral part of this statement.

**EXHIBIT E**

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD  
STATEMENT OF NET POSITION  
ENTERPRISE FUND  
DECEMBER 31, 2021**

**ASSETS**

Current Assets	
Cash and Pooled Investments	\$ 28,187,839
Accounts Receivable	5,838,712
Due From Other Governments	180,858
Due From Other Funds	1,500,000
Inventories	1,432,936
Total Current Assets	<u>37,140,345</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	
Land	877,858
Construction in Progress	16,959,639
Depreciable	
Buildings and Improvements	13,575,135
Machinery and Equipment	23,094,268
Less: Accumulated Depreciation	(13,246,468)
Total Noncurrent Assets	<u>41,260,432</u>
<b>Total Assets</b>	<u><b>78,400,777</b></u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Pension Outflows	<u>2,364,976</u>
---------------------------	------------------

**LIABILITIES**

Current Liabilities	
Salaries Payable	201,126
Accounts Payable	2,229,641
Interest Payable	254,207
Due to Other Governments	252,377
Compensated Absences	215,154
Notes Payable - Current	1,093,617
Total Current Liabilities	<u>4,246,122</u>
Noncurrent Liabilities	
Notes Payable	59,603,059
Net Pension Liability	2,683,070
Total Noncurrent Liabilities	<u>62,286,129</u>
<b>Total Liabilities</b>	<u><b>66,532,251</b></u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred Pension Inflows	<u>2,491,199</u>
--------------------------	------------------

**NET POSITION**

Net Investment in Capital Assets	3,623,593
Unrestricted	8,118,710
<b>TOTAL NET POSITION</b>	<u><u><b>\$ 11,742,303</b></u></u>

## EXHIBIT F

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**ENTERPRISE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**OPERATING REVENUES**

Sales	\$ 39,135,992
Miscellaneous	388,910
Operating Contributions	1,280,000
Total Operating Revenues	<u>40,804,902</u>

**OPERATING EXPENSES**

Personnel Costs	6,811,782
Fuel Supply	5,752,942
Landfill	6,042,066
Waste Processing - Great River Energy	169,238
Transportation	6,827,374
Transload	2,392,401
Facility Operations	6,104,941
Supplies	2,809,791
Pension Expense	826,690
Deferred Compensation	33,507
Depreciation	2,145,874
Total Operating Expenses	<u>39,916,606</u>

<b>OPERATING INCOME (LOSS)</b>	<u>888,296</u>
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**NONOPERATING REVENUES (EXPENSES)**

Interest Expense	(611,675)
Loss on Disposal of Capital Assets	(17,218)
Investment Earnings	8,026
Total Nonoperating Revenues (Expenses)	<u>(620,867)</u>

<b>Income Before Contributions and Transfers</b>	267,429
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**OTHER FINANCING SOURCES (USES)**

Operating Transfers In	<u>1,500,000</u>
------------------------	------------------

<b>Change in Net Position</b>	1,767,429
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<b>Total Net Position - Beginning</b>	<u>9,974,874</u>
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<b>Total Net Position - Ending</b>	<u><u>\$ 11,742,303</u></u>
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**EXHIBIT G**

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD  
STATEMENT OF CASH FLOWS  
ENTERPRISE FUND  
DECEMBER 31, 2021**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts From Customers and Users	\$ 39,214,789
Payments to Suppliers	(34,504,945)
Payments to Employees	<u>(6,784,084)</u>
Net Cash Provided (Used) for Operating Activities	<u>(2,074,240)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Operating Subsidies and Transfers from Other Funds	<u>2,780,000</u>
Noncapital Financing Activities	<u>2,780,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of Capital Assets	(16,172,245)
Proceeds From Notes Issued	30,200,600
Principal Paid on Notes Payable	(1,076,185)
Interest Paid on Notes Payable	<u>(619,562)</u>
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>12,332,608</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest	<u>8,026</u>
Net Increase (Decrease) in Cash and Cash Equivalents	13,046,394
Cash and Cash Equivalents, January 1	<u>15,141,445</u>
Cash and Cash Equivalents, December 31	<u><u>\$ 28,187,839</u></u>

**EXHIBIT G**

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
DECEMBER 31, 2021**

Reconciliation of Operating Income to Net		
Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$	888,296
Depreciation Expense		2,145,874
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable		(1,743,885)
(Increase) decrease in Due From Other Funds		220,000
(Increase) Decrease in Due From Other Governments		(66,228)
(Increase) Decrease in Inventories		61,508
(Increase) Decrease in Deferred Pension Outflows		(356,660)
Increase (Decrease) in Salaries Payable		27,695
Increase (Decrease) in Accounts Payable		(1,348,413)
Increase (Decrease) in Due to Other Governments		(2,686)
Increase (Decrease) in Compensated Absences Payable		33,507
Increase (Decrease) in Unearned Revenue		(3,116,601)
Increase (Decrease) in Net Pension Liability		(1,172,008)
Increase (Decrease) in Deferred Pension Inflows		2,355,361
Net Cash Provided (Used) by Operating Activities	\$	<u>(2,074,240)</u>
Non-Cash Capital and Related Activities		
Book Value of Machinery and Equipment Disposed	\$	17,221

**EXHIBIT H**

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD  
STATEMENT OF NET POSITION  
FIDUCIARY FUND  
DECEMBER 31, 2021**

	<u>Custodial Fund</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 114,208
Total Assets	<u>114,208</u>
<b>LIABILITIES</b>	
Accounts Payable	<u>18,122</u>
Total Liabilities	<u>18,122</u>
<b>NET POSITION</b>	
Restricted for:	
Payments to Other Entities	<u>96,086</u>
Total Net Position	<u><u>\$ 96,086</u></u>

The notes to the financial statement are integral part of this statement.

**EXHIBIT I**

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Custodial Fund</u>
<b>Additions:</b>	
Collections for Other Entities	\$ 166,500
<b>Total Additions</b>	<u>166,500</u>
<b>Deductions:</b>	
Payments to Other Entities	<u>205,816</u>
<b>Total Deductions</b>	<u>205,816</u>
<b>Change in Net Position</b>	(39,316)
 <b>Net Position - Beginning</b>	 135,402
<b>Net Position - Ending</b>	<u><u>\$ 96,086</u></u>

The notes to the financial statements are an integral part of this statement.



**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DETAILED NOTES**

Ramsey and Washington Counties of Minnesota jointly entered into a construction agreement and a service agreement with Northern States Power Company (NSP) to build and operate a resource recovery facility which produces refuse derived fuel (RDF) to be burned at NSP's electric plants. The Counties administered the service agreement through a joint powers board called the Ramsey/Washington County Resource Recovery Project Board. In 1993, the service agreement with NSP was amended to transfer ownership of the Newport Facility (Facility) from NSP to NRG Energy, Inc. In 2000, NSP merged with New Century Energies to form Xcel Energy (Xcel). In June 2006, the service agreement was amended to transfer the ownership of the Facility from NRG to Resource Recovery Technologies (RRT). The service agreement remained in effect until December 31, 2006. The service agreement obligated the Counties to deliver a minimum of 280,800 tons of solid waste per year to the Resource Recovery Project (Project) and pay a service fee based upon each ton of solid waste handled by the Facility, subject to a minimum fee based on 280,800 tons per year minimum and certain other adjustments. Owners of the Facility were obligated to accept, process, transport, and dispose of most of the County waste delivered to the Facility for twenty years. The service agreement terminated December 31, 2006, and the Counties entered into a six-year Solid Waste Processing Agreement with RRT that included payments to the owner for each ton of waste and rebates to qualified haulers for each ton of waste delivered to the Facility. That agreement expired December 31, 2012.

A new three-year agreement became effective January 1, 2013, and eliminated the payment of a service fee to the owner of the Facility. When the Processing Agreement with RRT was executed, RRT stated that it intended to evolve the Facility to where it could operate as a merchant facility, eventually competing with landfills or alternative options without the Counties' subsidies. Unlike NSP and NRG, RRT contracted directly with private haulers for waste delivery. Over the six-year term of the Processing Agreement, the Counties paid RRT a processing payment, and also paid hauler rebates that incentivized the haulers to deliver waste to the Facility. The payment for processing began at \$40 per ton in 2007, and declined each year to \$10 per ton in 2012. Hauler rebates began at \$12 per ton, and increased to \$14 per ton by 2012. Total annual cost to the Counties during that period ranged from \$16.8 million (2007) to \$8.4 million (2012).

In 2007, not long after the Processing Agreement was executed, the U.S. Supreme Court issued a decision on waste designation, or flow control, that determined that a government using its regulatory powers to direct waste to a publicly owned and operated Facility was not in conflict with the dormant Commerce Clause. This development created an opportunity for the Counties to re-evaluate the public role in the waste management system. When the Counties' Processing Agreement with RRT ended in 2013, the Counties and RRT entered into a short-term renewal agreement (the "2013-2015 Processing Agreement") and began an extensive evaluation of whether the Counties should purchase the Facility.

The issue of the failure of the market to support a merchant approach was heavily documented during negotiations for an extension of the 2013-2015 Processing Agreement with RRT during 2012. As a result, policy direction was taken based on the determination that the market had failed, and a merchant approach was determined to not be possible. It is based on this policy direction that the 2013-2015 Processing Agreement included a provision for the Counties' option to purchase, and the Counties embarked on an evaluation of the future of processing during the term of the 2013-2015 Processing Agreement. Throughout the discussion of the 2013-2015 Processing Agreement with the Board, it was

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

clear that the 2013-2015 Processing Agreement was assuring that processing would continue while the future of processing was determined, leading to a decision point in 2015.

The 2013-2015 Processing Agreement included no direct payment for processing, but the Counties agreed to pay a hauler rebate of \$28 per ton up to an aggregate amount of \$8.4 million per year (corresponding to 300,000 tons per year (“TPY”) guaranteed to be accepted by RRT under the Processing Agreement). Rebate amounts paid to haulers over the \$8.4 million cap were reimbursed to the Counties by RRT at the end of each year.

During the time in which RRT owned and operated the Facility, the Counties were able to assist RRT in obtaining an average of approximately 322,000 tons of waste each year, ranging from a low of 304,000 tons (2008) to a high of 346,000 tons (2015). However, during that same period, an average of 111,000 TPY of waste generated in the Counties was landfilled in Minnesota, Iowa, and Wisconsin, ranging from 77,000 tons (2013) to 167,000 tons (2007). In order to secure sufficient waste to operate, RRT worked to replace those missing tons by accepting waste generated outside the Counties. To incentivize haulers to deliver out-of-county waste to the Facility, RRT charged a tipping fee below the tipping fee of \$86.22 per ton for waste generated in the Counties. As a result, RRT determined that hauler rebates for Ramsey/Washington waste, likely in increasing amounts, would be necessary for the foreseeable future. This is the situation that caused the Counties to determine that a merchant approach for operating the Facility was not feasible.

Prompted by the ability to exercise an option to purchase the Facility, the joint powers board conducted a policy evaluation on the future of waste processing in the East Metro area during 2013 and 2014. As with most issues related to solid waste, the analysis began with the Counties’ respective Solid Waste Management Master Plans (“Master Plans”). Those Master Plans established current County policies related to waste management, and governed the evaluation process.

The Board decided to proceed with Facility acquisition in May 2015, with follow-up action by the two County Boards in June 2015. That triggered a number of actions, including:

- Negotiation of an Asset Purchase Agreement;
- Due diligence to resolve material issues and liabilities;
- Development of a financing structure for the purchase; and
- Development of a transition plan for operations and development of an interim operations agreement.

The joint powers agreement between the Counties was amended in September 2015, and the Board was renamed the Ramsey/Washington Recycling and Energy Board (R&E Board).

On December 31, 2015 at 11:59 p.m., the R&E Board acquired the Facility and took over its operations. Indicative of its longer term plans to use the Facility as a hub for ever more ambitious waste management initiatives, the R&E Board renamed the Facility the Recycling and Energy Center, or the R&E Center. The R&E Board is in the process of evaluating the R&E Center’s functions and operations as well as implementing needed capital improvements aimed at improving safety and efficiency. The R&E Board will continue delivering the RDF processed at the R&E Center to Xcel Energy’s RDF combustion units in Red Wing and Mankato. The R&E Board envisions the possible addition of Mixed Waste Processing (“MWP”) at the R&E Center in the next few years, along with potential diversion of organics separated

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

at the R&E Center to anaerobic digestion, as well as a shift from using all the RDF at Xcel's combustion units to gasification of some or all of the RDF into biofuels and chemicals.

The Ramsey/Washington Recycling and Energy Board financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local government through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the Ramsey/Washington Recycling and Energy Board are discussed below.

**A. FINANCIAL REPORTING ENTITY**

The R&E Board was established by a joint powers agreement dated September 22, 2015, pursuant to Minn. Stat Section 471.59. The R&E Board consists of five Ramsey County Commissioners and four Washington County Commissioners. The Commissioners are appointed by the respective County Boards with the Chair of the R&E Board rotating between the Commissioners from each County on a biennial basis. The powers of the R&E Board were expanded, most notably allowing it to own and operate the R&E Center in Newport. The purpose of the joint powers agreement is to create a structure for the joint ownership and operation of the R&E Center, and to define the responsibilities of the R&E Board.

The R&E Board has the authority to:

- Acquire, own, improve, hold and lease real and personal property;
- Manage and oversee the operation, maintenance and improvement of the R&E Center;
- Enter into contracts;
- Hire employees;
- Incur and discharge debt, including issuing bonds;
- Approve the R&E Center budget, including fees and charges each year; and
- Recommend a Joint Activities Budget for approval by the two County Boards.

The joint powers agreement establishes the apportionment between the two Counties of the joint activities costs and for other financial matters, such as funding an operating reserve fund and capital improvement fund, at 73 percent Ramsey County and 27 percent Washington County for the term of the agreement. The R&E Board participates in a joint venture described in Note 4.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the R&E Board except for fiduciary activities. The effect of interfund activity has been eliminated from the government-wide financial statements. The R&E Board's net position is reported in two parts: net investment in capital assets and unrestricted net position. The R&E Board first utilizes restricted resources to finance qualifying activities. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues are charges for services provided by a given function. Revenues not classified as program revenues are presented as general revenues. Separate financial statements are provided for the governmental fund, proprietary fund, and fiduciary fund.

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Enterprise Fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operations of the Enterprise Fund is charges to customers (tipping fees) for accepting waste at the R&E Center. Operating expenses for the Enterprise Fund include the cost related to operating and maintaining the R&E Center, transporting derived fuel, processing any remaining waste, administrative expenses, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Any capital contributions to the Enterprise Fund are to consist of cash amounts contributed to the R&E Board by Ramsey and Washington Counties in proportion to their respective obligations, 73% from Ramsey County and 27% from Washington County.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured.

Interest associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenue of the current fiscal period. Miscellaneous revenue is considered to be measurable and available only when cash is received by the government.

The R&E Board reports the General Fund as a major governmental fund. It accounts for all financial resources of the R&E Board except for those related to the operation of the R&E Center. The R&E Board also reports an Enterprise Fund as a major fund, which accounts for the operation and maintenance of the R&E Center.

The R&E Board has a fiduciary fund, which is used to account for assets that the R&E Board holds for the Partnership on Waste and Energy.

**D. BUDGET AND BUDGETARY ACCOUNTING**

The R&E Board adopts a budget for the General Fund on the modified accrual basis of accounting. The Statement of Revenues, Expenditures, and Changes in Fund Balance (Exhibit D) is prepared on a GAAP basis. Results of operations included in the Schedule of Revenues, Expenditures, and Changes in Fund Balance-General Fund-Budgetary Comparisons (Schedule 1), are presented on a

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

Non-GAAP budgetary basis. The primary difference between the two bases of accounting is that the “actual” column in Schedule 1 does not include expenditures from prior years’ reserve for encumbrances.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, capital reserves, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end do not constitute expenditures or liabilities because the commitments will be re-apportioned and honored during the subsequent year.

**E. ASSETS, LIABILITIES, DEFERRED OUTFLOW/INFLOWS OF RESOURCES, AND EQUITY ACCOUNTS**

**1) Assets**

**Deposits and Investments**

The R&E Board invests funds in Ramsey County's investment pool. The fair value of the investment is the fair value per share of the underlying portfolio. The R&E Board invests in this pool for the purpose of joint investment with the County in order to enhance investment earnings. There are no redemption limitations.

Minnesota statutes require that all R&E Board’s deposits be covered by insurance, surety bond, or collateral. The R&E Board’s available deposits are invested by Ramsey County in accordance with Minnesota Statutes. The types of securities available to Ramsey County are authorized by Minn. Stat. Sections 118A.04 and 118A.05. Additional disclosures defining cash and investments can be found in the Ramsey County Annual Comprehensive Financial Report.

Earnings from these investments are allocated monthly to the R&E Board’s General Fund based on average daily balances during the month. Pooled investments earnings for 2021 is \$1,971.

The R&E Board has defined cash and cash equivalents in the proprietary fund as the funds invested in Ramsey County’s investment pool noted as cash and pooled investments.

**Accounts Receivable**

Accounts receivable consists of tipping fees due from haulers and citizens at the R&E Center. No allowance for uncollectible receivables has been provided because such amounts are not expected to be material.

**Due From Other Governments**

Due from other governments consists of contributions from Ramsey and Washington Counties, as well as tipping fees due from local governments at the R&E Center.

**Inventories**

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Capital Assets**

Capital assets include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, and similar items), and are reported in the business-type activities column in the government-wide financial statements as well as in the proprietary fund. Capital assets are defined by the R&E Board as assets with an initial, individual cost of more than \$15,000 for machinery and equipment to more than \$100,000 for buildings, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10-50
Building Improvements	5-20
Infrastructure	20-75
Machinery and Equipment	2-20
Computer Software	5-10

Capital asset activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>				
Capital Assets not Being Depreciated:				
Land	\$ 877,858	\$ -	\$ -	\$ 877,858
Construction in Progress	1,860,566	15,099,073	-	16,959,639
Total Capital Assets, not Being Depreciated	<u>2,738,424</u>	<u>15,099,073</u>	<u>-</u>	<u>17,837,497</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	13,575,135	-	-	13,575,135
Machinery and Equipment	22,082,318	1,073,168	(61,218)	23,094,268
Total Capital Assets Being Depreciated	<u>35,657,453</u>	<u>1,073,168</u>	<u>(61,218)</u>	<u>36,669,403</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(1,711,749)	(472,955)	-	(2,184,704)
Machinery and Equipment	(9,432,846)	(1,672,919)	44,001	(11,061,764)
Total Accumulated Depreciation	<u>(11,144,595)</u>	<u>(2,145,874)</u>	<u>44,001</u>	<u>(13,246,468)</u>
Total Capital Assets Being Depreciated, Net	<u>24,512,858</u>	<u>(1,072,706)</u>	<u>(17,217)</u>	<u>23,422,935</u>
Business-Type Activities Capital Assets, Net	<u>\$ 27,251,282</u>	<u>\$ 14,026,367</u>	<u>\$ (17,217)</u>	<u>\$ 41,260,432</u>

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**2) Interfund Receivables, Payables, and Transfers**

**Due To/From Other Funds**

At December 31, 2021, the R&E Board had an interfund balance of \$1,500,000 between the General Fund and the Enterprise Fund to transfer excess funds to the Enterprise Fund in accordance with the R&E Board's fund balance policy.

The outstanding balance between funds result mainly from a time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**Interfund Transfers**

Interfund transfers for the year ended December 31, 2021, consisted of a transfer of \$1,500,000 from the General Fund due to the Enterprise Fund per the R&E Board's fund balance policy.

**3) Liabilities**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

**Compensated Absences**

It is the R&E Board's policy to permit employees to accumulate earned but unused paid time off benefits. All paid time off benefits that are vested as severance pay are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental fund only if they have matured: for example, as a result of employee resignations and retirements. The entire balance of the liability will be considered current until the balances are large enough to segregate a long-term portion. Then the current portion of the liability will be calculated based on a five-year average of historical usage.

**Notes Payable**

Notes payable at December 31, 2021 comprises the following individual issues:

Type of Indebtedness	Final Maturity	Original Balance	Interest Rate (%)	Date Issued	Outstanding Balance as of 12/31/21
Ramsey County Original Purchase Loan	2041	\$ 17,900,000	3.0 - 3.15	12/31/2015	\$ 15,265,000
Washington County Original Purchase Loan	2041	6,588,000	.55 - 3.25	12/31/2015	5,517,056
Ramsey County Bulky Waste Load-Out Loan	2023	1,120,550	0.00	7/23/2018	448,220
Washington County Bulky Waste Load-Out Loan	2023	414,500	0.00	7/9/2018	165,800
Ramsey County Operating Reserve Loan	2028	2,993,000	0.00	12/3/2015	2,993,000
Washington County Operating Reserve Loan	2028	1,107,000	0.00	12/3/2015	1,107,000
Ramsey County Admin Building Remodel Loan	2029	3,650,000	0.00	1/8/2020	3,650,000
Washington County Admin Building Remodel Loan	2029	1,350,000	0.00	1/8/2020	1,350,000
Ramsey County Enhancement Project Loan	2041	23,890,000	5.00	3/1/2021	22,050,838
Washington County Enhancement Project Loan	2041	8,830,000	5.00	3/1/2021	8,149,762
Total Notes Payable		<u>\$ 67,843,050</u>			<u>\$ 60,696,676</u>

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**Business-Type Activities**  
**Notes Payable Repayment Schedules**

Years Ending December 31	Original Purchase Principal	R&E Center Interest	BWLO Principal	Admin Building Remodel Principal	Enhancement Project Principal	Enhancement Project Interest
2022	\$ 786,607	\$ 600,237	\$ 307,010	\$ -	\$ -	\$ -
2023	809,377	579,998	307,010	-	900,000	937,200
2024	827,586	58,798	-	500,000	1,100,000	887,200
2025	851,228	536,619	-	500,000	1,150,000	830,950
2026	875,343	513,402	-	500,000	1,210,000	771,950
2027-2031	4,751,944	2,178,278	-	3,500,000	5,790,000	3,140,300
2032-2036	5,496,603	1,422,439	-	-	10,710,000	1,741,000
2037-2041	6,383,368	515,688	-	-	9,340,600	602,400
Total	<u>\$ 20,782,056</u>	<u>\$ 6,405,459</u>	<u>\$ 614,020</u>	<u>\$ 5,000,000</u>	<u>\$ 30,200,600</u>	<u>\$ 8,911,000</u>

The payment schedule above excludes the Operating Reserve loans as formal repayment terms have not been set. However, the R&E Board did approve a plan to pay back the loans between 2025 and 2028.

**Construction Commitments**

The R&E Board has active construction projects as of December 31, 2021. The projects includes the administration building renovation project, the refuse derived fuel load out enclosure project, and the enhancement project. At year end, the R&E Board spent \$17,057,240 on the projects and has a remaining commitment of \$15,758,093.

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Compensated absences	\$ 68,116	\$ 143,979	\$ 105,737	\$ 106,358	\$ 106,358
<b>Business-Type Activities</b>					
Compensated absences	181,647	285,680	252,173	215,154	215,154
Notes Payable	31,572,261	32,720,000	3,595,585	60,696,676	1,093,617
Total Long-Term Liabilities	<u>\$ 31,822,024</u>	<u>\$ 33,149,659</u>	<u>\$ 3,953,495</u>	<u>\$ 61,018,188</u>	<u>\$ 1,415,129</u>

**4) Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure/expense) until then. The R&E Board has one item that qualifies for reporting in this category: deferred pension outflows, reported in the government-wide statement of net position. These outflows arise only under the full accrual basis of accounting and consist of differences between expected and actual pension plan economic experience, changes in actuarial assumptions, pension plan changes in proportionate share, and contributions paid subsequent to the measurement date.



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In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The R&E Board has one item that qualifies for reporting in this category: deferred pension inflows, reported in the government-wide statement of net position. These inflows arise only under the full accrual basis of accounting and consist of differences between expected and actual pension plan economic experience, changes in actuarial assumptions, differences between projected and actual investment earnings, and pension plan changes in proportionate share.

**5) Net Position**

Net position in the government-wide and proprietary fund financial statements is classified in the following categories:

- Net investment in capital assets - The amount of net position representing capital assets net of accumulated depreciation and reduced by outstanding debt attributable to the acquisition, construction or improvement of the assets.
- Unrestricted net position - The amount of net position that does not meet the definition of restricted or net investment in capital assets.

**6) Fund Balance:**

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the R&E Board is “bound to honor constraints on the specific purposes for which amounts in the fund can be spent” in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

**Minimum Fund Balance Policy**

It is the policy of the R&E Board to maintain unrestricted fund balance between 20 and 35 percent of the subsequent year's Joint Activities Budget for cash flow purposes. It is the R&E Board's policy that if the year-end unrestricted fund balance exceeds 35 percent of the subsequent year's budget in the General Fund, the excess amounts shall be transferred to the Enterprise Fund.

**Fund Balance Components**

The components for reporting the R&E Board's fund balance are nonspendable, restricted, committed, assigned, and unassigned. Nonspendable fund balance includes those amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items not expected to be converted to cash. Restrictions on fund balance are for a specific purpose, either externally imposed or imposed by law. Fund balance amounts that are committed need to be authorized prior to year-end and require a resolution by the R&E Board to establish or modify the commitment. The R&E Board is the highest level of decision making. Fund balance amounts that are assigned represent management intent for specific purposes. Assignments are subject to change and can be set by the Accounting Manager as designated by the R&E Board. The unassigned fund balance represents the residual classification for the General Fund and includes all spendable amounts not contained in the other fund balance classification.

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The R&E Board considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The R&E Board does not have a formal policy for its use of unrestricted fund balance amounts; therefore, it considers committed amounts to be used first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**7) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from such estimates.

**2. PENSION PLANS**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

The two Counties' employees assigned to work on the R&E Board remain employees of their respective organizations and thus the pension costs are included in the Saint Paul-Ramsey County Public Health and Washington County Department of Public Health and Environment budgets. The Counties charge the R&E Board the portion of pension plan cost related to the staff time working to the R&E Board, which reimburses those costs out of County Project Management Services.

**A. Defined Benefit Pension Plan**

**1. Plan Description**

All full-time and certain part-time employees of the R&E Board are covered by defined benefit pension plans administered by PERA. PERA administers the General Employees Retirement Plan (the General Employees Plan), which is a cost-sharing, multiple-employer retirement plan. The plan is established and administered in accordance with Minn. Stat. chs. 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

The General Employees Plan (accounted for in the General Employees Fund) has multiple benefit structures with members belonging to the Coordinated Plan, the Basic Plan, or the Minneapolis Employees Retirement Fund. Coordinated Plan members are covered by Social Security, and the Basic Plan and Minneapolis Employees Retirement Fund

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members are not. The Basic Plan was closed to new members in 1967. The Minneapolis Employees Retirement Fund was closed to new members during 1978 and merged into the General Employees Plan in 2015. All new members must participate in the Coordinated Plan, for which benefits vest after five years of credited service. No R&E Board employees belong to either the Basic Plan or the Minneapolis Employees Retirement Fund.

2. Benefits Provided

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefit provisions are established by state statute and can be modified only by the state legislature. Benefit increases are provided to benefit recipients each January.

General Employees Plan benefit recipients will receive a post-retirement increase equal to 50 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.00 percent and maximum of 1.50 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under the Rule of 90 are exempt from the delay to normal retirement.

The benefit provisions stated in the following paragraph of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits, but are not yet receiving them, are bound by the provisions in effect at the time they last terminated their public service.

Benefits are based on a member's highest average salary for any 60 consecutive months of allowable service, age, and years of credit at termination of service. In the General Employees Plan, two methods are used to compute benefits for Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Coordinated Plan member is 1.20 percent of average salary for each of the first ten years of service and 1.70 percent of average salary for each remaining year. Under Method 2, the annuity accrual rate is 1.70 percent for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989.

For General Employees Plan members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90, and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66. Disability benefits are available for vested members and are based on years of service and average high-five salary.

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**3. Contributions**

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. These statutes are established and amended by the state legislature. General Employees Plan members were required to contribute 6.50 percent of their annual covered salary in 2021.

In 2021, the R&E Board was required to contribute 7.50 percent of annual covered salary. The employee and employer rates did not change from the previous year.

The R&E Board's contributions for the General Employees Plan for the year ended December 31 2021, were \$417,877. The contributions are equal to the statutorily required contributions as set by state statute.

**4. Pension Costs**

At December 31, 2021, the R&E Board reported a liability of \$3,100,345 for its proportionate share of the General Employees Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The R&E Board's proportion of the net pension liability was based on the R&E Board's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2021, the R&E Board's proportion was 0.0726 percent. It was 0.0743 percent measured as of June 30, 2020. The R&E Board recognized pension expense of \$900,693 for its proportionate share of the General Employees Plan's pension expense.

The R&E Board also recognized \$15,595 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's expense related to its contribution to the General Employees Plan, which qualifies as a special funding situation. Legislation requires the State of Minnesota to contribute \$16 million to the General Employees Plan annually until September 15, 2031.

The R&E Board's proportionate share of the net pension liability	\$ 3,100,345
State of Minnesota's proportionate share of the net pension liability associated with the R&E Board	<u>94,657</u>
Total	<u>\$ 3,195,002</u>

The R&E Board reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 18,471	\$ 95,136
Changes in actuarial assumptions	1,893,007	69,016
Difference between projected and actual investment earnings	-	2,635,195
Changes in proportion	590,450	76,442
Contributions paid to PERA subsequent to the measurement date	215,819	-
	<hr/>	<hr/>
Total	\$ 2,717,747	\$ 2,875,789

The \$215,819 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2022	\$ 422,196
2023	(16,542)
2024	(47,167)
2025	(732,348)

**5. Actuarial Assumptions**

The total pension liability in the June 30, 2021, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following additional actuarial assumptions:

Inflation	2.25 percent per year
Active member payroll growth	3.00 percent per year
Investment rate of return	6.50 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on the Pub-2010 General Employee Mortality Table, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1.25 percent.

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of actuarial experience studies. The experience study for the General Employees Plan was

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dated June 27, 2019. A review of inflation and investment assumptions dated June 24, 2021, was utilized.

The long-term expected rate of return on pension plan investments is 6.50 percent. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities	33.50%	5.10%
Broad international stock pool	16.50	5.30
Bond pool	25.00	0.75
Alternatives	25.00	5.90

6. Discount Rate

The discount rate used to measure the total pension liability was 6.50 percent in 2021, which is a decrease of one percent from 2020. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the fiduciary net position of the General Employees Plan was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. Changes in Actuarial Assumptions and Plan Provisions

The following changes in actuarial assumptions occurred in 2021:

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

8. Pension Liability Sensitivity

The following presents the R&E Board's proportionate share of the net pension liability calculated using the discount rate previously disclosed, as well as what the R&E Board's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

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	<u>Discount</u>	<u>Proportionate Share of the General Employees Plan Net Pension Liability</u>
	<u>Rate</u>	
1% Decrease	6.50%	\$ 6,323,122
Current	7.50	3,100,345
1% Increase	8.50	455,860

9. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at [www.mnpera.org](http://www.mnpera.org); by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088; or by calling 651-296-7460 or 1-800-652-9026.

**3. RISK MANAGEMENT**

The R&E Board is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; or natural disasters.

The R&E Board carries commercial insurance. The R&E Board has not reduced insurance coverage in the past year and has not had settlements in excess of insurance coverage.

**4. JOINT VENTURE**

**Partnership on Waste and Energy**

The R&E Board entered into a joint powers agreement with Hennepin County on November 16, 2017, pursuant to the provisions of Minn. Stat. Section 471.59, to create the Partnership on Waste and Energy. The purpose of the agreement is to assist the Partnership on Waste and Energy in accomplishing the goals outlined in Minnesota Statutes related to waste management and Metropolitan Solid Waste Management Policy Plan, with a focus on policy development, emerging waste processing technologies, and communication, as well as coordination on energy issues related to waste and interest of the Partnership on Waste and Energy.

The Partnership on Waste and Energy Board consists of the Chair and Vice Chair of the R&E Board and a commissioner appointed by Hennepin County. The R&E Board is the fiscal agent of the Partnership on Waste and Energy and reports the activity as the custodial fund. During the year, the R&E Board contributed \$83,250 to the Partnership on Waste and Energy. No audited financial statements are available.

**5. SUBSEQUENT EVENTS**

In 2021, the R&E Board was awarded a Minnesota Pollution Control Agency (MPCA) grant for \$7 million for the enhancement project. It is anticipated that the \$7 million will be received in 2022.

## REQUIRED SUPPLEMENTARY INFORMATION



**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**BUDGETARY COMPARISONS (NON-GAAP BUDGETARY BASIS)**  
**YEAR ENDED DECEMBER 31, 2021**

	<b>BUDGET</b>		<b>ACTUAL ON A BUDGETARY BASIS</b>	<b>VARIANCE WITH BUDGET BUGET OVER (UNDER)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>Revenues</b>				
Charges for Services and other	\$ 9,083,369	\$ 9,083,369	\$ 9,086,897	\$ 3,528
Investment Earnings	-	-	1,971	1,971
Miscellaneous	-	-	500	500
<b>Total Revenues</b>	<u>9,083,369</u>	<u>9,083,369</u>	<u>9,089,368</u>	<u>5,999</u>
<b>Expenditures</b>				
Personal Services	1,040,588	1,040,588	1,040,588	-
Other Services and Charges	8,042,781	6,130,138	5,792,449	337,689
<b>Total Expenditures</b>	<u>9,083,369</u>	<u>7,170,726</u>	<u>6,833,037</u>	<u>337,689</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>1,912,643</u>	<u>2,256,331</u>	<u>343,688</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	-	-	(1,500,000)	(1,500,000)
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>1,912,643</u>	<u>756,331</u>	<u>(1,156,312)</u>
Adjustment	53,042	53,042	53,042	-
<b>Fund Balance at Beginning of Year</b>	<u>2,922,224</u>	<u>2,922,224</u>	<u>2,922,224</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 2,975,266</u>	<u>\$ 6,800,552</u>	<u>\$ 3,731,597</u>	<u>\$ (1,156,312)</u>

The notes to the required supplementary information are an integral part of this schedule.

**SCHEDULE 2**

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
PERA GENERAL EMPLOYEES RETIREMENT PLAN  
DECEMBER 31, 2021**

<b>Measurement Date</b>	<b>Employer's Proportion of the Net Pension Liability (Asset)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) (a)</b>	<b>State's Proportionate Share of the Net Pension Liability Associated with Entity Name (b)</b>	<b>Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)</b>	<b>Covered Payroll ( c )</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2021	0.0726%	\$ 3,100,345	\$ 94,657	\$ 3,195,002	\$ 5,489,959	56.47%	87.00%
2020	0.0743%	4,454,625	137,381	4,592,006	5,365,623	83.02%	79.06%
2019	0.0704%	3,892,258	120,995	4,013,253	5,049,677	77.08%	80.23%
2018	0.0356%	1,974,942	-	1,974,942	2,267,718	87.09%	79.53%
2017	0.0027%	172,366	-	172,366	187,819	91.77%	75.90%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.  
The measurement date for each year is June 30.  
N/A - Not Applicable

The notes to the required supplementary information are an integral part of this schedule.

**SCHEDULE 3**

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD  
SCHEDULE OF CONTRIBUTIONS  
PERA GENERAL EMPLOYEES RETIREMENT PLAN  
DECEMBER 31, 2021**

<b>Year Ending</b>	<b>Statutorily Required Contributions (a)</b>	<b>Actual Contributions in Relation to Statutorily Required Contributions (b)</b>	<b>Contribution (Deficiency) Excess (b - a)</b>	<b>Covered Payroll (c)</b>	<b>Actual Contributions as a Percentage of Covered Payroll (b/c)</b>
2021	\$ 417,877	\$ 417,877	\$ -	\$ 5,571,693	7.50%
2020	405,908	405,908	-	5,412,106	7.50%
2019	390,511	390,511	-	5,206,123	7.50%
2018	348,630	348,630	-	4,648,400	7.50%
2017	22,102	22,102	-	294,693	7.50%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.  
The R&E Board's year-end is December 31.

The notes to the required supplementary information are an integral part of this schedule.

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD**  
**Notes to the Required Supplementary Information**  
**December 31, 2021**

**Budgetary Information**

The annual budget for the General Fund that was approved by the Recycling and Energy Board (R&E Board).

The Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund is prepared on a GAAP basis. Results of operations included in the Schedule of Revenues, Expenditures, and Changes in Fund Balance - General Fund - Budgetary Comparisons are presented on a Non-GAAP budgetary basis. The primary difference between the two bases of accounting is that the “actual on a budgetary basis” column includes encumbrances and does not include expenditures from prior year budget reserves.

Adjustments necessary to convert actual expenditures reported on the budgetary basis in the Schedule of Revenues, Expenditures, and Changes in Fund Balance - General Fund - Budgetary Comparisons to the GAAP basis as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund are:

Actual Expenditures - Budgetary Basis	\$ 6,833,037
Encumbrances	(276,885)
Decrease:	
Expenditures in 2021 from December 31, 2020	223,843
Expenditures - GAAP Basis	<u>\$ 6,779,995</u>
Encumbrances	\$ (276,885)
Expenditures in 2021 from December 31, 2020 Reserves for Encumbrances	223,843
Adjustment to Reconcile Schedule of Revenues, Expenditures, and Changes in Fund Balance - General Fund - Budgetary Comparisons to Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	<u>\$ (53,042)</u>

Based on a process established by the R&E Board, the Joint Leadership Team (JLT) performs analysis, evaluations, and prepares an original draft budget for the review of the Facility and Finance Committee. The Facility and Finance Committee submits their budget and financial recommendations to the R&E Board every two years. Any supplemental budget revisions, if any, follow the same process as the original budget. The R&E Board’s budget requirements are submitted to both Ramsey and Washington Counties for funding once the budget is approved.

The appropriated budget is prepared by fund. Budgets may be amended during the year with the approval of the R&E Board. The JLT is authorized to transfer budgeted amounts between funds or appropriate certain revenues received in excess of the original budget estimate. Transfers of appropriations between funds and other transfers of appropriations require JLT approval. When the R&E Board approves, the JLT directs the R&E Board’s fiscal agent (Ramsey County Finance Department) to make the budget changes. Expenditures may not legally exceed budgeted appropriations at the fund level. All appropriations, which are not expended, or encumbered, lapse at year end.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts, capital reserves, and other commitments for the expenditure of monies) outstanding at year end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD**  
**Notes to the Required Supplementary Information**  
**December 31, 2021**

**Defined Benefit Pension Plans – Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions.**

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the fiscal year June 30:

General Employees Retirement Plan

2021

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two to five and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Employee Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality table to the Pub-2010 General/Teacher Disabled Retiree Mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35 percent to 45 percent. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15 percent to 30 percent. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.
- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020 through December 31, 2023 and 0.00 percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019

- The mortality projection scale was changed from MP-2017 to MP-2018.

**RAMSEY / WASHINGTON RECYCLING AND ENERGY BOARD**  
**Notes to the Required Supplementary Information**  
**December 31, 2021**

2018

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase rate was changed from 1.00 percent per year through 2044 and 2.5 percent per year thereafter, to 1.25 percent per year.
- The augmentation adjustment in early retirement factors is eliminated over a five year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90 percent funding to 50 percent of the Social Security cost of living adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to the Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.



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

<b>R&amp;E BOARD MEETING DATE:</b>	July 28, 2022	<b>AGENDA ITEM:</b>	VI.c
<b>SUBJECT:</b>	2022 Budget Update		
<b>TYPE OF ITEM:</b>	<input checked="" type="checkbox"/> INFORMATION	<input type="checkbox"/> POLICY DISCUSSION	<input type="checkbox"/> ACTION <input type="checkbox"/> CONSENT
<b>SUBMITTED BY:</b>	Kris Wehlage – Accounting Manager		

**R&E BOARD ACTION REQUESTED:**

For information only.

**EXECUTIVE SUMMARY:**

Staff will provide an overview of the 2022 year-end projections, based on spending as of May, 2022, for Ramsey/Washington Recycling & Energy budgets (Joint Activities, Facility, and Equipment Maintenance & Replacement). Below are items to note for each budget.

**2022 year-end Joint Activities Budget – projected year-end surplus**

- County and R&E staff resources have been redirected from other joint activities to primarily support the development and implementation of the counties' food scraps pickup program.
- The first quarter of the year had many county staff working on pandemic-related efforts. More staff have since been able to resume joint activities work.
- Businesses continue to be hesitant to participate in R&E grant programs, particularly those programs that require capital investment or operational changes.

**2022 year-end Facility Budget**

- Projected 2022 municipal solid waste (MSW) tonnage of 444,000 in system compared to the budgeted 450,000 tons is resulting in lower revenue projections (1% variance).
- The personnel cost savings is due to difficulty in hiring with current labor market.
- Transportation is over budget primarily due to rising fuel costs.
- Facility operations are over budget primarily due to contracted labor, facility insurance and rising utility costs.
- Overall, the Facility Budget is projected to be on budget.

**2022 year-end Equipment Maintenance & Replacement Budget**

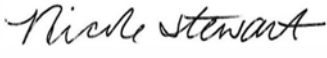
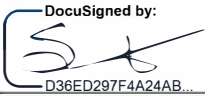

- This includes increased revenue due to higher recycling rates for ferrous and non-ferrous metals.

**SUBJECT:** 2022 Budget Update

**ATTACHMENTS:**

- 1. 2022 Budget Status Report

**FINANCIAL IMPLICATIONS:**

AUTHORIZED SIGNATURES		DATE
JOINT LEADERSHIP TEAM		7/18/22
		7/18/22
		7/20/2022
RAMSEY COUNTY ATTORNEY		7/15/22
WASHINGTON COUNTY ATTORNEY		7/15/22



**Ramsey/Washington Recycling & Energy**  
**SURPLUS/DEFICIT YEAR-END PROJECTION REPORT**  
**As of May 31, 2022**

<b>JOINT ACTIVITIES</b>	<b>2022 Approved Budget</b>	<b>2022 Projection</b>	<b>Variance</b>
Project Management	2,729,727	2,846,137	(116,410)
Non-Residential Recycling	4,090,000	3,660,000	430,000
Community Waste Solution	795,000	441,200	353,800
Food Scrap Recycling	1,468,000	1,468,000	-
General Outreach	605,000	607,393	(2,393)
Policy Evaluation	1,020,000	1,040,000	(20,000)
	<u>10,707,727</u>	<u>10,062,730</u>	<u>644,997</u>
Revenue:	<u>10,707,727</u>	<u>10,707,727</u>	<u>-</u>
Surplus/(Deficit)	-	644,997	644,997

<b>FACILITY</b>	<b>2022 Approved Budget</b>	<b>2022 Projection</b>	<b>Variance</b>
Personnel Costs	9,908,945	8,200,691	1,708,254
Fuel Supply	6,642,039	6,789,550	(147,511)
Landfill	4,943,653	4,446,138	497,515
Transportation	7,007,329	7,741,013	(733,684)
Transload	2,854,370	2,658,242	196,128
Facility Operations	6,880,179	8,444,568	(1,564,389)
Contingency	690,767	-	690,767
Enterprise Reserve Fund (ERF)	1,500,000	1,500,000	-
Transfer to Equipment Maintenance	300,000	300,000	-
Debt Services	1,693,855	1,693,855	-
	<u>42,421,137</u>	<u>41,774,057</u>	<u>647,080</u>
Revenue:	<u>42,421,137</u>	<u>41,858,848</u>	<u>(562,289)</u>
Surplus/(Deficit)	-	84,791	84,791

<b>EQUIPMENT MAINTENANCE</b>	<b>2022 Approved Budget</b>	<b>2022 Projection</b>	<b>Variance</b>
Equipment/Maintenance	1,435,000	1,432,820	2,180
Revenue:	1,130,000	1,962,052	832,052
Surplus/(Deficit)	<u>(305,000)</u>	<u>529,232</u>	<u>834,232</u>



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

<b>R&amp;E BOARD MEETING DATE:</b>	July 28, 2022	<b>AGENDA ITEM:</b>	VIII
<b>SUBJECT:</b>	R&E Updates and Reports		
<b>TYPE OF ITEM:</b>	<input checked="" type="checkbox"/> INFORMATION	<input type="checkbox"/> POLICY DISCUSSION	<input type="checkbox"/> ACTION <input type="checkbox"/> CONSENT
<b>SUBMITTED BY:</b>	Joint Leadership Team (JLT)		

**R&E BOARD ACTION REQUESTED:**

For Information only.

**EXECUTIVE SUMMARY:**

**Facility Updates**

Staff will provide updates on R&E projects and operations. This will include presentations from R&E's risk consultant, MAP Consulting, and IT Leadership consultant, Impact Group.

**Joint Activities Updates**

Staff will provide updates on Joint Activities. This will include an update on the food scraps pickup program.

**Procurement Report**

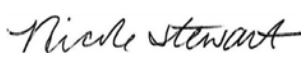

Staff will provide a written report of new contracts and amendments that were executed under authority of R&E's procurement guidelines during the period May 26, 2022 through June 30, 2022. Funding for the contracts is available in the approved Joint Activities, Facility and EM&R Budgets, following approval as to form by the Ramsey County or Washington County attorney's office.

**ATTACHMENTS:**

1. Procurement Report

**FINANCIAL IMPLICATIONS:**

None.

AUTHORIZED SIGNATURES	DATE
<b>JOINT LEADERSHIP TEAM</b>  	7/20/22



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

Report of all professional service and supplies, equipment, material and labor (SEML) contracts, amendments and solicitations issued and executed under authority of Ramsey/Washington Recycling & Energy's procurement guidelines (Resolution R&EB 2022-06), May 26, 2022, through June 30, 2022.

Vendor	Effective Date	Description	NTE/Budgeted Amount	Procurement Type
Greater Stillwater Chamber of Commerce	4/1/22	Joint Activities – BizRecycling Partner agreement to provide community outreach services.	\$11,250	Professional Service
Impact Group	6/15/22	Joint Activities – Amendment clarifies invoicing and billing practices.	\$152,875 per year	Professional Service
Saint Paul Public Housing Agency	6/28/22	Joint Activities – Mattress recycling at SPPHA facilities.	\$0	Professional Service
Loaves and Fishes	1/1/22	Joint Activities – Extends services through 2022 and adds funds for new programming.	\$73,047.73	Professional Service
Appspace (formerly The Marlin Company)	6/1/22	Joint Activities – Technical amendment processing a vendor name change.	Rate Setting	Professional Service
Solicitation Name	Issue Date	Description	Closing Date	Anticipated Contract Start Date
Short-Term Composting RFP	5/26/22	Procures provider(s) to process food scrap bags until an end-markets solution is online.	7/14/22	9/1/22