CITY OF NEENAH
SPECIAL PUBLIC SERVICES AND SAFETY COMMITTEE MEETING
Wednesday, August 7, 2019 - 6:45 PM
Hauser Room - City Administration Building

NOTICE IS HEREBY GIVEN, pursuant to the requirements of Wis. Stats. Sec. 19.84, that a majority of the Neenah Common Council may be present at this meeting. Common Council members may be present to gather information about a subject over which they have decision-making responsibility. This may constitute a meeting of the Neenah Common Council and must be noticed as such. The Council will not take any formal action at this meeting.

A G E N D A

1. 2018 Surplus Commodity Revenue Ballot (Attachment)

2. Adjournment

In accordance with the requirements of Title II of the Americans with Disabilities Act (ADA), the City of Neenah will not discriminated against qualified individuals with disabilities on the basis of disability in its services, programs, or activities. If you need assistance, or reasonable accommodation in participating in this meeting or event due to a disability as defined under the ADA, please call the **Public Works Administrative Assistant at (920)886-6240** or the **City's ADA Coordinator at (920)886-6106 or e-mail attorney@ci.Neenah.wi.us** at least 48 hours prior to the scheduled meeting or event to request an accommodation.

Department of Public Works
211 Walnut St. • P.O. Box 426 • Neenah WI 54957-0426
Phone 920-886-6241 • e-mail: gkaiser@ci.neenah.wi.us
GERRY KAISER, P.E.
DIRECTOR OF PUBLIC WORKS

M E M O R A N D U M

DATE: July 31, 2019

TO: Mayor Kaufert, and Members of the Public Services and Safety Committee

FROM: Gerry Kaiser, Director of Public Works

RE: 2018 Surplus Commodity Revenue Ballot

The Winnebago County Solid Waste Management Board (WCSWMB) is asking the City to vote on the use of the 2018 surplus commodity revenue. In prior years, Neenah voted to allow WCSWMB to retain a portion of the surplus in order to offset a deficit in their recycling operations primarily due to debt service on the Tri-County Single Stream Recycling Facility. Other than a change in numbers, a similar case exists this year.

The total 2018 amount available to be shared by all municipalities is $87,018. WCSWMB operated at a deficit of $50,925 in 2018. They are requesting that they be allowed to retain this amount to cover the deficit, with the remaining $36,093 returned to the municipalities. I have attached their cover memo and financial summary that explains the deficit.

The ballot, which is also attached, gives Neenah the option of returning the $87,018 to the municipalities or allowing the WCSWMB to retain $50,925 and return $36,093 to the municipalities. The impact for Neenah is summarized in the table below.

Should the signing communities choose to have all of the revenue returned, WCSWMB will need to address their deficit in some fashion. One obvious choice is to adjust tipping fees, which would have a correspondingly negative impact on our operating budget.

An appropriate action would be to **move that Winnebago County retain $50,925 to cover their 2018 operating deficit, and refund the remaining recycling revenue surplus of $36,093 for 2018 to all municipalities, based upon the actual tonnage processed in 2018 for each municipality.**

	2018
Total Commodity Revenue	$87,018.00
WCSWMB Deficit	$50,925.00
Net Commodity Revenue	$36,093.00
Neenah Share of Total Revenue	$15,647.78
Neenah Share of Net Revenue	$6,489.52
Difference	$9,158.26

Note 1: Neenah Share is based on the Neenah recycling tonnage as a percentage of the total tonnage processed by WCSWMB for the signing municipalities.

LANDFILL/ADMINISTRATION
(920) 232-1800
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Winnebago County

Solid Waste Management Board

The Wave of the Future

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

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

MEMORANDUM

DATE: May 20, 2019

TO: Contracted Responsible Units

FROM: Kathy Hutter – Recycling Program Manager

RE: 2018 Surplus Commodity Revenue Ballot

Enclosed is the Signing Municipality Recycling Surplus Revenue Ballot for 2018 Funds. Please consider the options carefully and **return the ballot by August 1, 2019** with a copy of your city, town or village resolution or copy of the municipal board minutes authorizing this vote.

Those of you who attended the Annual Financial and Informational Meeting on May 16th will recall the discussion on the 2018 Financial Report. A copy of the report is enclosed. The report revealed a surplus to the Signing Municipalities of $87,018 and a deficit to the County of $50,925. The primary reason behind this is that the Winnebago County Solid Waste Management Board (Winnebago County or County) assumes the entire responsibility of the debt service on the Tri-County Single Stream Recycling Facility. You will see on the enclosed Financial Report in the Debt Service line, the amount of $311,697 is in the County column only, with no portion of this passed to the Municipalities. The original 1993 County/Municipal Recycling Agreement shared debt service on the Winnebago County Material Recovery Facility with the Municipalities. When the Tri-County Single Stream Recycling Facility was constructed in 2008/2009, Winnebago County did not seek an Amendment to the 1993 County/Municipal Recycling Agreement to share the debt service. As a result, the debt service is shown only as an expense to the County and results in a deficit in 2018.

The County relies on its share of revenues generated from Tri-County Recycling's material supply contracts and commercial tonnage revenues to offset Debt Service. In 2018, recycling processors across the nation experienced significantly depressed commodity market values and with this decline, the County was not able to cover Debt Service expenses with MRF revenues.

It is also important to remember that as an Enterprise Fund, Winnebago County receives no 'tax levy' funds and charges tip fees to cover the expenses of the operation. A deficit in the single stream recycling program, therefore, would need to be covered by revenues from other areas of the operation, such as landfill tip fees. Winnebago County strives to keep landfill tip fees as low as possible for our Municipalities and customers. The alternative to using landfill tip fees to cover the recycling deficit would be to reduce the recycling revenue rebate to the Signing Municipalities. The enclosed ballot provides our Municipalities the ability to consider this option. In

so doing, the Signing Municipalities would still receive surplus revenue in the amount of $36,093 and allow the County to 'break even' on the recycling program. I have enclosed a spreadsheet which provides the dollar amounts each Signing Municipality could expect to receive if the ballot results allow the County to rebate $36,093.

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

WINNEBAGO COUNTY SOLID WASTE MANAGEMENT BOARD
SIGNING MUNICIPALITY RECYCLING SURPLUS REVENUE BALLOT FOR 2018 FUNDS
MAY 16, 2019

ARTICLE IX
FURTHER AMENDMENTS

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

ARTICLE VI
FUNDING

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

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

2. After January 1, 1995 the processing fee per ton shall be set to reflect the anticipated cost of services provided. The County shall maintain revenue rebates from Signing Municipality material sold during the year 2018 in the amount of fifty thousand, nine hundred and twenty-five dollars ($50,925.00) to avoid a 2018 recycling deficit and rebate thirty-six thousand, ninety-three dollars ($36,093.00) to the Signing Municipalities.

Please check the appropriate box for your municipality's choice, sign and indicate individual title, date and return this ballot on or before August 1, 2019 (include a copy of your city, town or village resolution or a copy of the municipal board meeting minutes authorizing this vote).

☐ Winnebago County shall maintain $50,925.00 of the surplus recycling revenue to avoid a 2018 County recycling deficit and rebate $36,093.00 to the Signing Municipalities based on the Municipality's actual tonnage processed and sold for year 2018.

☐ Winnebago County shall refund the recycling revenue surplus of $87,018.00 to Signing Municipalities based upon each Municipality's actual tonnage processed and sold for year 2018.

Signature	Print Name	Municipality
Title	Date Signed	

Winnebago County Solid Waste Management
Single-Stream Material Recovery Facility
Unaudited Income Statement December 31, 2018

Municipal Surplus/Deficit Summary

$	30.11	Municipal Revenue per ton
$	23.09	Municipal Expense per ton
$	7.03	Municipal Surplus/(Deficit) per ton

Tonnage Thru December 2018

	Actual	Budgeted
Signing Municipalities	12,386	12,000
County	3,434	2,000
Total	15,820	14,000

Revenue	**Budget Total**	**Actual Total**	**Signing Municipalities**	**County**
Commodity Revenue	$ 300,000	$ 270,122	$ 211,488	$ 58,635
Commodity Revenue (Shared BOW)	-	260,251	-	260,251
SSR Revenue (RU tip fees)	65,000	63,632	49,820	13,812
Cost Share (Outagamie County) SS Hauling	130,000	135,769	106,298	29,471
Cost Share (Outagamie County) Compactor	3,000	6,834	5,350	1,483
Total Revenue	$ 498,000	$ 736,609	$ 372,956	$ 363,653

Expenses	**Budget Total**	**Actual Total**	**Signing Municipalities**	**County**
Labor Costs	$ 167,979	$ 160,495	$ 125,657	$ 34,838
Travel	2,035	713	558	155
Office	6,600	4,937	3,866	1,072
Operating Expenses	7,750	6,935	5,430	1,505
Education/Advertising	2,000	1,322	1,035	287
Repairs	10,050	8,258	6,466	1,793
Utilities	8,500	7,250	5,676	1,574
Contracts	177,850	167,539	112,690	54,849
Miscellaneous	944	945	740	205
Debt Service	313,000	311,697	-	311,697
Depreciation	23,400	30,425	23,821	6,604
Total Expenses	$ 720,108	$ 700,516	$ 285,938	$ 414,578
Net Surplus/(Deficit)	$(222,108)	$ 36,093	$ 87,018	$ (50,925)

Tonnage Thru December 2018

	Actual	Budget
Signing Municipalities	12,386	12,000
County	3,434	2,000
Total	15,820	14,000

Winnebago County Solid Waste Management
Material Recovery Facility

Year	Net Surplus/(Deficit) Total	County	Signing Muni's	
1995	891,709	254,209	637,500	(1)
1996	(106,122)	(53,612)	(52,510)	(1)
Reduce Debt Funding	(584,990)	-	(584,990)	
1997	68,362	6,808	61,554	(2)
1998	47,847	(33,250)	81,097	(2)
1999	(114,586)	(44,747)	(69,839)	(2)
2000	234,571	30,246	204,325	(2)
2001	(93,822)	(26,249)	(67,574)	
2002	37,144	(31,004)	68,149	(2)
Reduce Debt Funding	(158,469)	-	(158,469)	(3)
2003	63,099	13,199	49,900	(2)
2004	471,432	85,786	385,646	(2)
2005	389,568	41,489	348,079	
2006	238,580	55,643	182,937	
Refund Portion of Surplus	(523,047)	-	(523,047)	(4)
2007	252,971	49,451	203,520	
Refund Surplus	(766,278)	-	(766,278)	(5)
2008	469,656	44,236	425,420	(6)
2009	(28,459)	(142,690)	114,231	
Refund Surplus	(539,651)	-	(539,651)	(6)
2010	109,394	(221,493)	330,887	
Refund Surplus	(330,887)		(330,887)	(7)
2011	780,911	(171,470)	952,381	
Refund Surplus	(780,911)		(780,911)	(8)
Signing Munis Vote to Offset County 2011 Deficit	-	171,470	(171,470)	(9)
2012	194,445	(160,614)	355,059	(10)
Signing Munis Vote to Offset County 2012 Deficit	-	160,614	(160,614)	(11)
2013	77,384	(112,265)	189,649	(12)
Signing Munis Vote to Offset County 2013 Deficit	-	112,265	(112,265)	(13)
2014	139,490	(3,956)	143,446	(14)
Refund Surplus	(139,490)	3,956	(143,446)	(15)
2015	(91,082)	(136,406)	45,324	(16)
Refund Surplus	91,082	136,406	(45,324)	(17)
2016	195,723	51,906	143,817	(18)
Refund Surplus	(195,723)	(51,906)	(143,817)	(19)
2017	535,224	271,431	263,793	(20)
Refund Surplus	(535,224)	(271,431)	(263,793)	(21)
2018	36,093	(50,925)	87,018	(22)
Total Net Surplus/(Deficit)	**335,944**	**(22,903)**	**358,847**	

(1) **Used to reduce debt funding for second expansion in 1996 as authorized.**
(2) **Excess commodity revenue was reserved for tipping fee stabilzation as authorized.**
(3) **Used to pay off all remaining debt.**
(4) **2005 - 2006 Refunded surplus $523,047.**
(5) **1997 - 2004 and 2007 Refunded surplus 766,278.**
(6) **2008 - 2009 Refunded surplus $539,651.**
(7) **2010 - Refunded surplus $330,887.**
(8) **2011 - Refunded surplus $780,911.**
(9) **2011- County maintain $171,470 to cover deficit.**
(10) **2012 - Surplus revenues $355,059.**
(11) **2012- County maintain $160,614 to cover deficit. Refunded $194,445.**
(12) **2013 - Surplus revenues $189,649.**
(13) **2013 - County to maintain $112,265 to offset deficit. Refunded $77,384.**
(14) **2014 - Surplus revenues $143,446.**
(15) **2014 - Refunded surplus $143,446.**
(16) **2015 - Surplus revenues $45,324.**
(17) **2015 - Refunded surplus $45,324.**
(18) **2016 - Surplus revenues $143,817.**
(19) **2016 - Refunded surplus $143,817**
(20) **2017 - Surplus revenues $263,793.**
(21) **2017 - Refunded surplus $263,793.**
(22) **2018 - Surplus revenues $87,018.**

Note: 2016 County $51,906 to be allocated to reserve fund per the SWMB 4/5/2017.