

Recycling & Energy (R&E): Joint Activities Budget

June 6, 2023

Agenda

I. Introduction

- Kathy Hedin, Deputy County Manager of Health and Wellness

II. Presentation

- Sara Hollie, Director of Public Health
- Michael Reed, Division Manager, Environmental Health/R&E
- Rae Eden Frank, Interim Division Manager, Environmental Health

III. Questions and Discussion

Land Acknowledgement

Every community owes its existence and vitality to generations from around the world who contributed their hopes, dreams, and energy to making the history that led to this moment. Some were brought here against their will, some were drawn to leave their distant homes in hope of a better life, and some have lived on this land since time immemorial. Truth and acknowledgment are critical to building mutual respect and connection across all barriers of heritage and difference.

We are standing on the ancestral lands of the Dakota People. We want to acknowledge the Ojibwe, the Ho Chunk and the other nations of people who also called this place home. We pay respects to their elders past and present. Please take a moment to consider the treaties made by the tribal nations that entitle non-Native people to live and work on traditional Native lands. Consider the many legacies of violence, displacement, migration, and settlement that bring us together here today. And please join us in uncovering such truths at any and all public events.

The acknowledgment given in the USDAC Honor Native Land Guide - edited to reflect Minnesota tribes.

In review with SIA and endorsed by Shannon Geshick, Executive Director
Minnesota Indian Affairs Council

Workshop Objectives

- Review proposed organizational structure recommendations.
- Provide an overview of the 2024 – 2025 R&E budget timeline.
- Review the proposed joint activities budget, impact analysis, and organizational changes including additional staff requests.
- Review the budget's alignment with the Ramsey County goals including environmental, race and health equity.
- Discuss the board's direction and preference on joint activities funding levels.

Ramsey/Washington County Recycling & Energy Proposed Organizational Structure Recommendations

Goal:

In early 2023, the Public Health Directors of Ramsey and Washington Counties were tasked with developing and recommending a new organizational structure for Ramsey/Washington Recycling and Energy due to the complex and ever-changing organizational growth and priorities, and to execute the board's vision through the shared partnership between the two counties.

Overarching Concern



Joint Leadership Team Structure

With the growth of the organization, a new leadership structure is needed to address inefficiencies and work capacity concerns with the current JLT structure.

Immediate Solutions



New Leadership Structure

- Replace the JLT with a new Executive Director, Deputy Director and operational structure.

Budget for New Positions

- In late 2023, cover new Executive Director position through existing county and R&E budgets (Deputy Director hire in 2024).
- Fully fund the two new FTEs in 2024 and 2025 R&E budget.

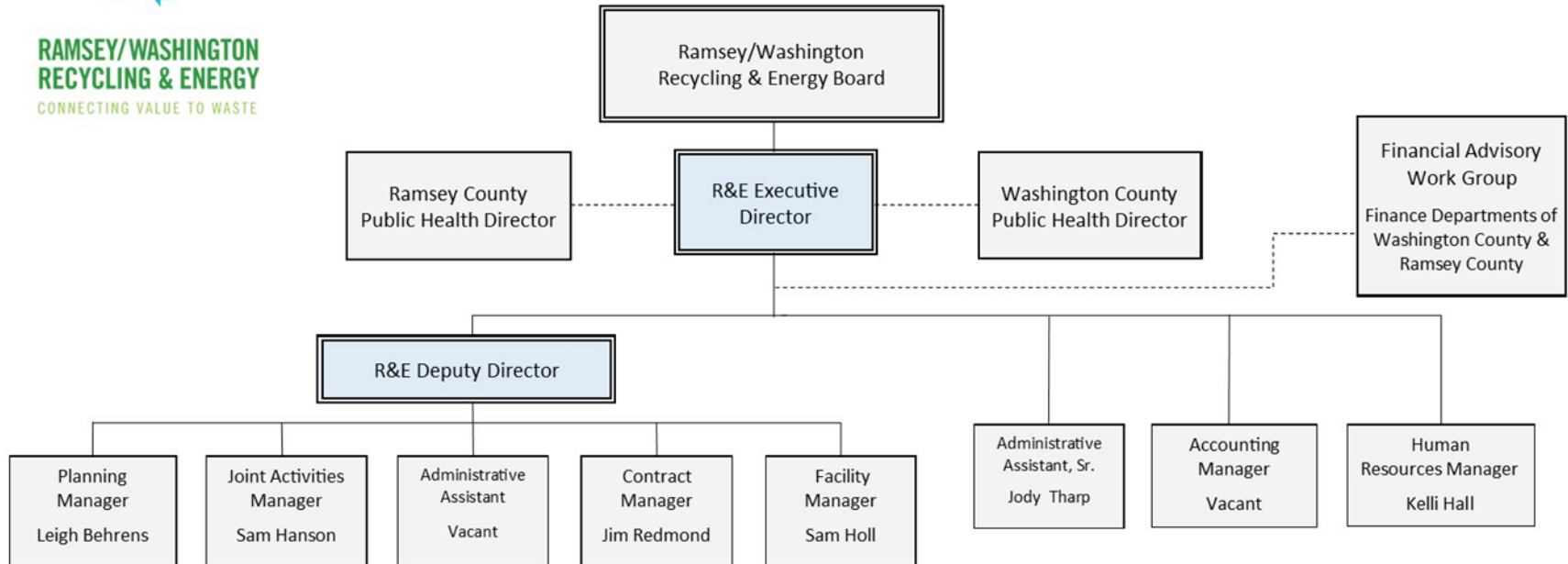
Budget for Existing JLT Positions

- Saint Paul – Ramsey County Public Health will continue to fund the EH/R&E Division Manager position at this time.
- Washington County Public Health does not plan to fill/fund the R&E Division Manager position at this time.

Proposed R&E Leadership Structure



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



Proposed Executive Director Role

Reports to the R&E Board

Dotted Line to the Public Health Directors



PROVIDES ADMINISTRATIVE OVERSIGHT

- Works with the board and PH Directors on the direction and vision for the R&E.
- Manages the organization & executive leadership team.
- Ensures compliance to the JPA and bylaws.
- Oversees investments and financial decisions.



LEADS CHANGE MANAGEMENT

- Builds and maintains an effective leadership team and organization.
- Develops organizational goals and monitors progress towards them.



DRIVES THE VISION & PRIORITIES

- Drives the vision and strategic direction for the organization while simultaneously striving toward sustainability.



MANAGES BOARD GOVERNANCE & COUNTY RELATIONSHIPS

- Forges and maintains relationships of trust with the board, the Public Health Directors, county leadership and external partners.
- Lead the work of Facility and Finance Committee.

Proposed Deputy Director Role

Reports to the Executive Director



SUBJECT MATTER EXPERT

- Great knowledge and expertise in this field.
- Technical understanding of the business and day-to-day facility operations.
- Helps build and support the legislative platform and serve as the representative to PWE and MRRA.



OPERATIONS OVERSIGHT

- Works with Finance to manage the budget and financial resources for the facility and operations.
- Participates in decision-making processes and providing guidance and support to the ED.



QUALITY & ORGANIZATIONAL IMPROVEMENT

- Monitors the performance of the operations and identifying areas for improvement.
- Assists the ED in developing and implementing policies, procedures and strategies for the organization.



STRATEGIC INITIATIVES

- Oversees the development and implementation of projects and initiatives.
- Collaborates with the other R&E executive leaders and county leadership.

Implementation Strategy

How we'll get there in the near future



Step 1

Meet with county executive leadership, the R&E Board executive team and R&E leadership to share the structure, roles and next steps.

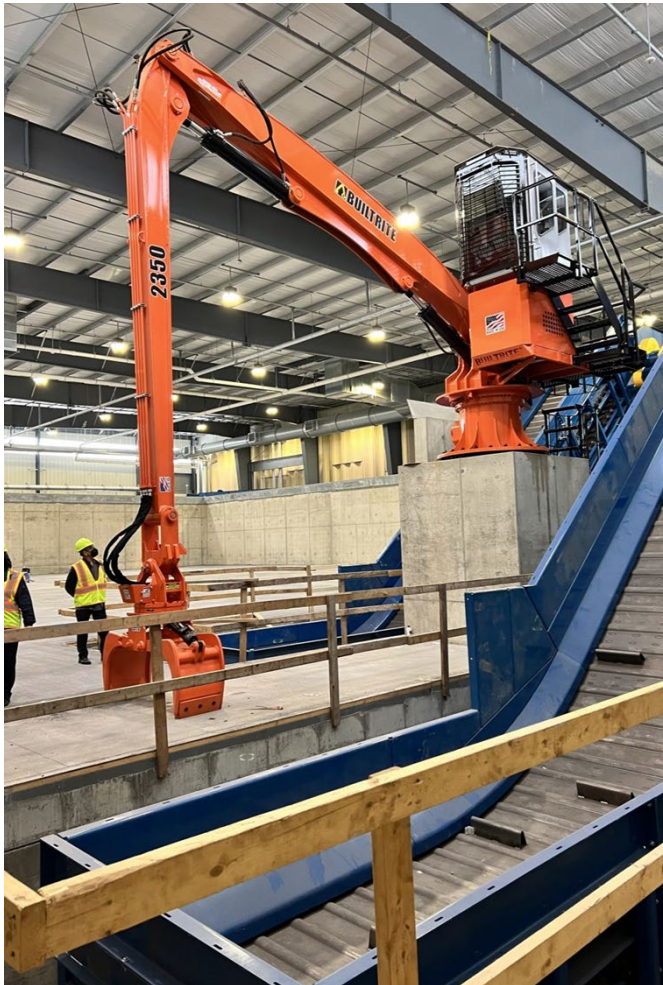
Step 2

Add R&E financial support for the two new positions; start the process to make necessary changes to the JPA and bylaws.

Step 3

Begin the competitive hiring process of the Executive Director (ED) with a member of the board and PH Directors followed by the hiring of the Deputy Director by the ED. Staff transitions when hires complete. Board appoints positions.

Future Solutions



Improved Collaboration and Support for Joint Activities

Develop a balanced score card to measure the health of the partnership between the three entities involved.

Funding

Re-examine the formula by which the counties financially contribute to the R&E; and the organizational sustainment over time.

Board Governance

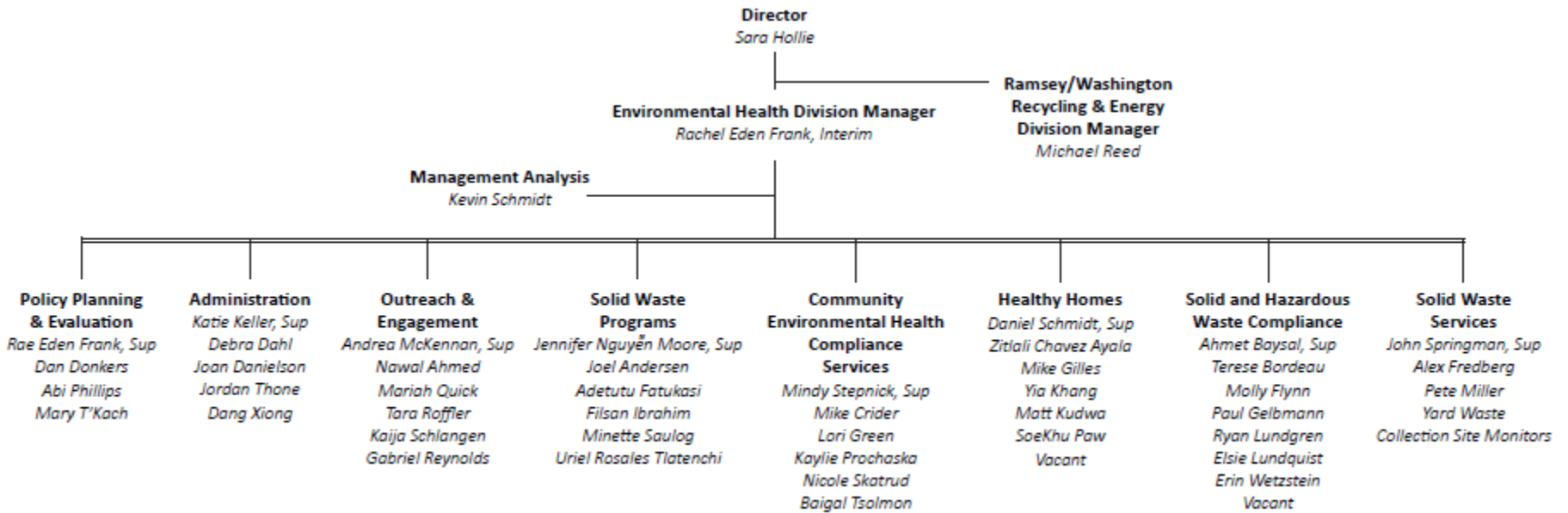
Reduce the size of the Board so that a minimum of each county's board of commissioners is represented.



SUMMARY

We believe this proposed structure will support the vision and achieve the goals of the R&E that will only strengthen the position and continued growth of this organization.

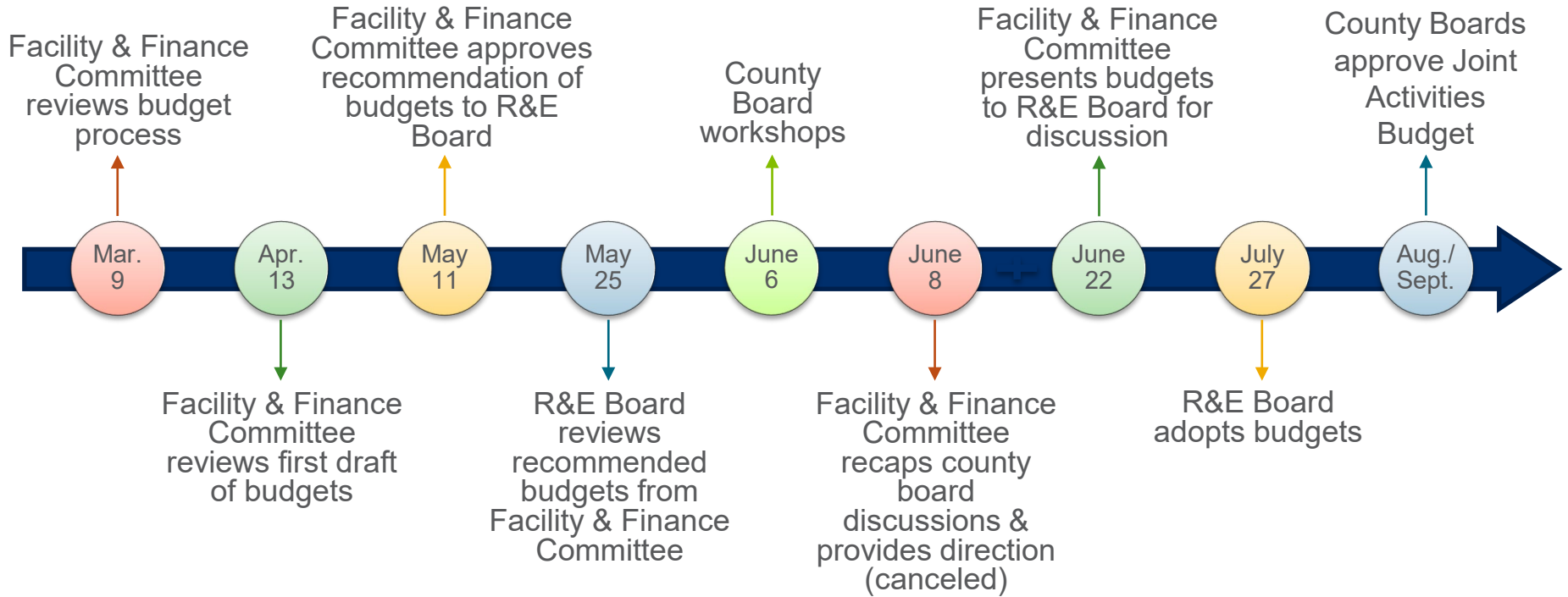
Saint Paul - Ramsey County Public Health Environmental Health Organizational Chart



Joint Activities Budget & Programming

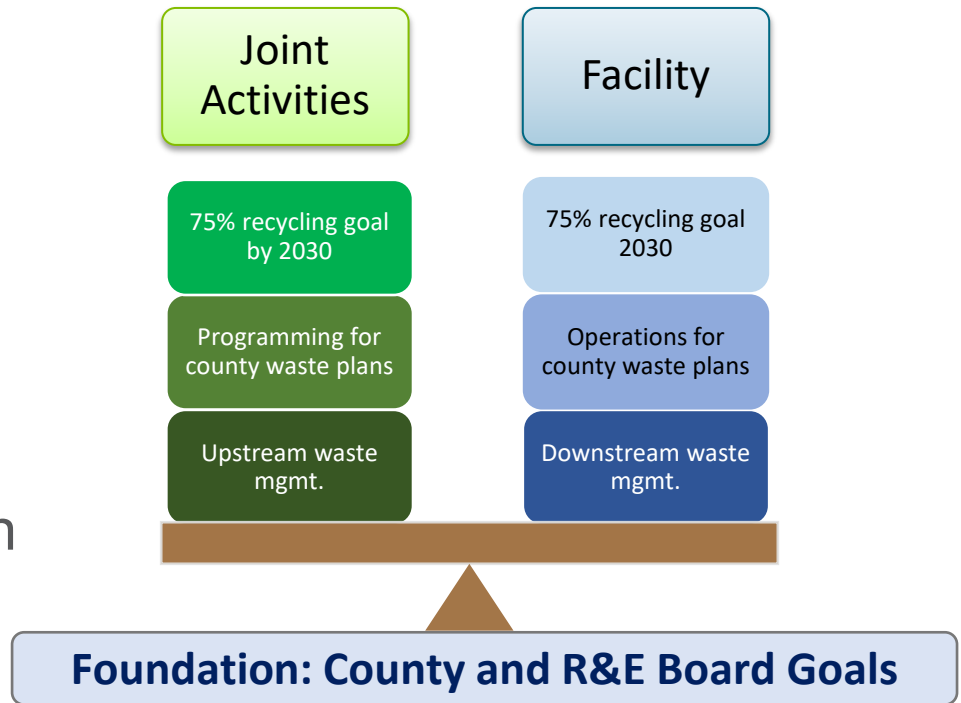
- 2024 – 2025 budget timeline.
- 73% contribution by Ramsey County; 27% by Washington County.
- Collaboration between Ramsey and Washington Counties and R&E staff aligning with the partnership.

2024 - 2025 Budget Timeline



Balance of Joint Activities and Facility

- Two approaches to achieve one set of goals.
- Flexibility and connectedness to find best solutions.
- Working across the solid waste hierarchy.
- Commitment to collaboration with Ramsey & Washington counties.



Organization-Wide Staffing Changes for Risk Reduction and Creating Sustainable Structure

- Staffing complements fall under both Joint Activities and Facility budgets.
- Adding them to this Joint Activities Workshop as several positions are split between the two budgets.

Staff Complement

- R&E has grown quickly in technological advances and programs.
- Facility and program staff numbers have increased, but intentional growth has outpaced staff capacity & structure.
- Business support (Finance, HR, Procurement) staff complement has remained mostly static and needs to increase to reduce legal and financial risk to R&E.
- Additionally, an increase in staff complement is necessary to complete all programmatic (Joint Activities) work while continuing county collaboration.
- Conducted evaluations and assessments to determine highest-priority needs.

Staff Complement Increase

- Makes evaluation-driven investments in R&E to fulfill the direction and goals of the R&E Board and Ramsey and Washington counties.
- Sustainable organizational structure and right-sizing to reduce risk and create stability.
- Staff complement change proposed for 2024-25:

Business Support

1.0 FTE HR Generalist
1.0 FTE Contract Specialist
1.0 FTE Budget Analyst (reclassify 1.0 FTE facility position to offset)

Joint Activities

1.0 FTE Program Supervisor
2.0 FTE Program Coordinators

Exec. Leadership

1.0 FTE Executive Director
1.0 FTE Deputy Director
(replacing 1.0 FTE Washington County JLT and 1.0 FTE Ramsey County JLT)

Proposed Business Support Staff



Human Resources

1.0 FTE HR Generalist

- Mitigate risk for employment litigation and regulatory fines.
- Address current gaps in HR needs, training, staff development, increase attraction and retention of employees.
- Cost split between the Facility (75%) and JA (25%) budgets.



Contracts & Procurement

1.0 FTE Contract Specialist

- Provide contract oversight, ensure contractors are compliant with insurance coverage and contractual obligations.
- Will reduce R&E's exposure to legal risk related to contracts.
- Cost split evenly between the Facility and JA budgets.



Budgets & Accounting

1.0 FTE Budget Analyst

- Monitor R&E's budgets & assist with preparing budgets.
- Identify budget issues & solutions, more robust internal controls, mitigate finance & accounting risks.
- Reclassify a position from the Facility budget, cost split between the Facility (75%) and JA (25%) budgets.

Proposed Joint Activities Program Staff



1.0 FTE Program Supervisor

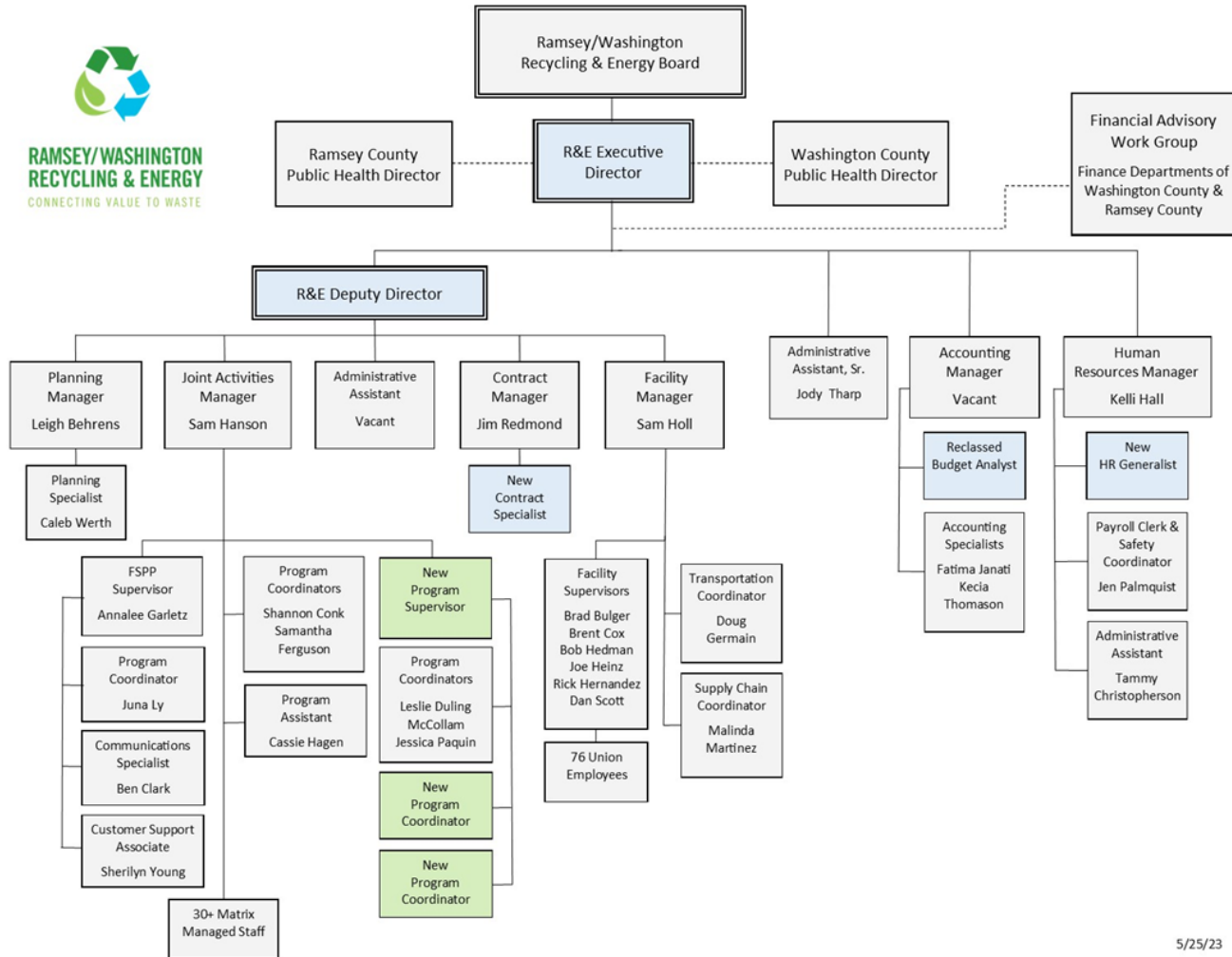
- Oversee *Commercial & Residential Recycling* and *Community Waste Solutions* program areas.
- Manage development of activities, provide direct supervision to four program coordinators and leadership to matrixed teams.
- Maximize collaboration with counties without requiring additional capacity from county supervisors.



2.0 FTE Program Coordinators

- Coordinate development and implementation of programs currently on hold due to lack of staff capacity.
 - *Compost Market Development, Community Resource Hubs, Bulky Waste Recycling, Deconstruction and C&D Recycling and Reuse & Repair*
- Maximize collaboration with counties – utilize existing matrix staff and prioritize county staff time for subject matter expertise.

Proposed 2024-2025 Organizational Chart



Proposed 2024 – 2025 Budget Changes

Additional Joint Activities

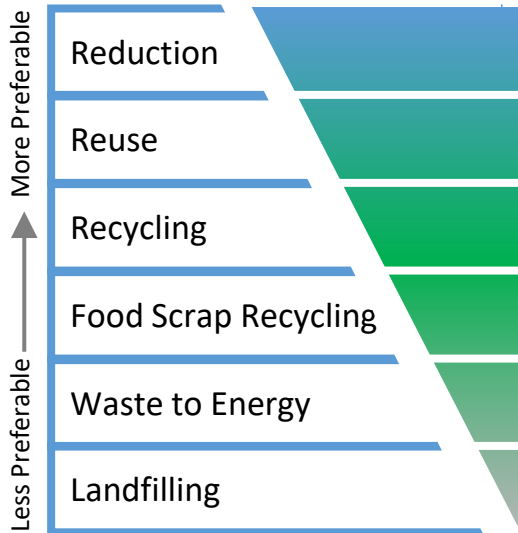
- Staff cost reallocation across budgets
 - June 2022: R&E Board direction for staffing costs to be allocated to Joint Activities *and* Facility budgets, rather than just Joint Activities Budget.
 - Result: reallocation of roughly \$600,000 in net costs from Joint Activities Budget to Facility Budget in 2024 (not including staffing additions).
 - Future positions' cost allocation will be considered across budgets.

Joint Activities Budget

Proposed 2024 – 2025 Joint Activities Budget

- Known as the General Fund or the Governmental Fund.
 - Funded by county contributions (Ramsey County 73%, Washington County 27%).
- R&E Board's Bylaws provide that the Facility & Finance Committee prepare a two-year budget for Joint Activities for R&E Board to approve and recommend for approval by the counties for their respective contributions.
- Programs align with both counties' waste management plans, which provide policy direction.
- Driven by R&E's vision and mission with upstream approach.
- Joint work to meet state and county waste goals – 75% recycling goal by 2030.

Ramsey & Washington County Solid Waste Priorities



Top Priority – Upstream – Joint Activities

- Prioritize waste reduction, reuse, repair
- Source-separated recycling – residential, multi-unit, commercial, schools, food scraps, etc.
- Extensive outreach and education - behavior change is continuous work

75%
Recycling
Goal =
Reduction,
Reuse &
Recycling

Last Option – Downstream

- RDF processing and resource recovery
- Landfilling as last resort

County Plans as Basis for R&E Joint Activities

The Counties' Vision

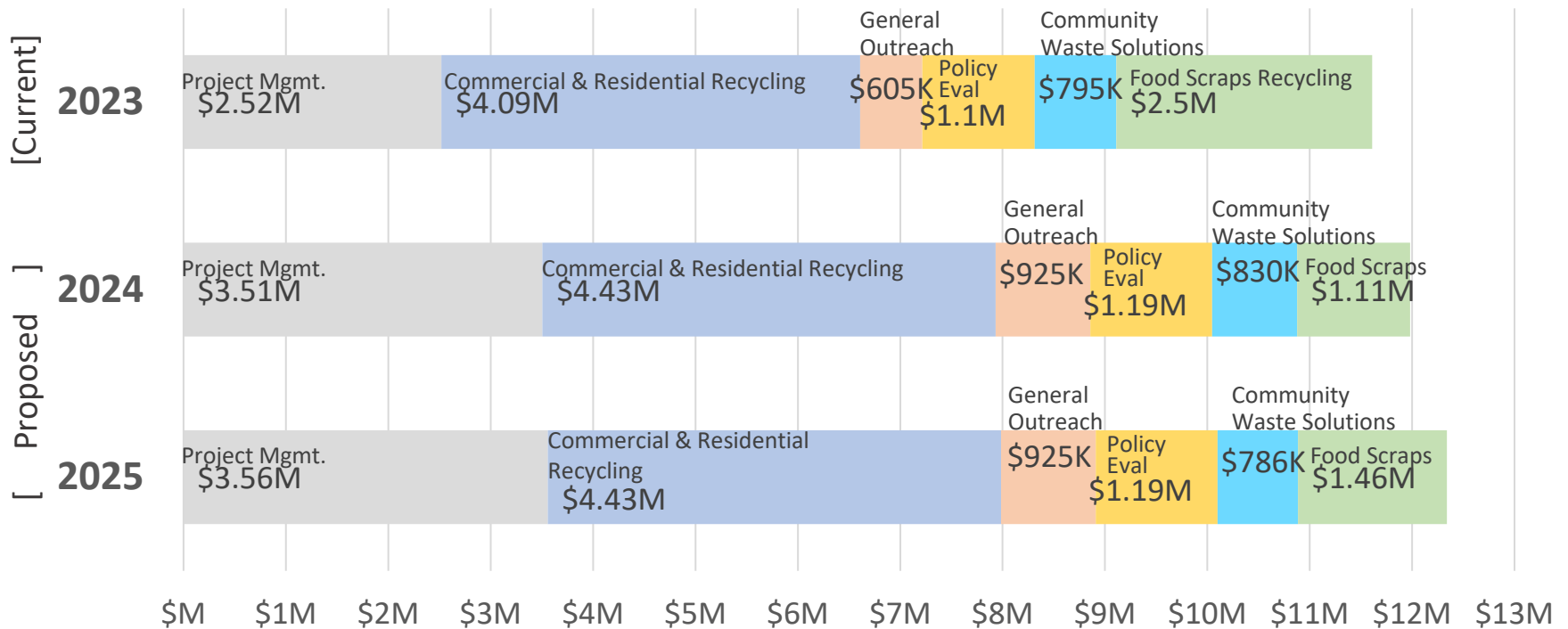
- Counties made strategic decision to increase work together on solid waste & created R&E in 2016 to foster collaboration.
- County waste plans intentionally developed with aligned strategies.
 - Basis for R&E Joint Activities
- Multiple areas with aligned strategies = intention to grow joint work over time.
- Delivering more value together than the counties could separately.



Considerations for the Proposed 2024 – 2025 Joint Activities Budget

- Joint Activities are how we can reduce the impact of higher tipping fees.
- Target problem materials in the waste stream that are costly for facility to manage.
- Prioritize waste hierarchy and managing materials at the source – most cost effective & most environmental benefits.
- Ramsey/Washington/R&E evaluated Joint Activities in 2022 and determined:
 - Counties value Joint Activities and want to continue collaboration
 - Staff capacity constraints preventing full implementation of Joint Activities
 - Matrix management system is not the best solution for all Joint Activities
 - Counties see added R&E staff capacity as most effective and efficient way to collaborate and fully implement Joint Activities programming across the two counties
- Revised county solid waste management plans may impact Joint Activities – improved staff structure for better adaptability.

Joint Activities Budget by Category, 2023-2025



Proposed Joint Activities: Programmatic Budget Areas

Commercial & Residential Recycling

- Grants, technical assistance, & resources for businesses and multi-unit properties to reduce waste, improve recycling, and prevent pollution.
- Food recovery and food waste prevention.
- Increasing demand for compost.

Food Scrap Recycling

- Providing multiple options for all residents to conveniently recycle food scraps – implementation of all elements needed to run the two counties' Food Scraps Pickup Program.

Community Waste Solutions

- Recycling problematic bulky waste materials like mattresses and furniture.
- Provide community-based recycling resources.
- Grants and resources for deconstruction and C&D recycling.
- Resources to increase reuse and repair.

General Outreach

- All the ongoing outreach, communications and promotion necessary for Joint Activities and R&E Center.
- Community engagement to inform our work.
- R&E Facility tours and waste system education.

Proposed 2024 - 2025

Joint Activities Budget Summary

- Ramsey County, Washington County and R&E all value Joint Activities and are equally committed to continuing the collaboration.
- Successful Joint Activities benefits R&E Center.
- Growth of Joint Activities since 2016 has been intentional – investment in future of solid waste management for both counties.
- Programmatic growth has outpaced staff capacity.
- Additional Joint Activities staff are best way to fully implement programming in collaboration with both counties.
- This budget addresses goals of counties and state while better preparing R&E for future.

Upstream Solution Benefits

Environmental

Upstream solutions, higher use of waste resources, producer responsibility, circular economy, climate mitigation strategies, Solid Waste Management Plan.

Racial & Health Equity

Programs accessible to all residents and businesses at no added cost, reducing air toxins, lowering costs.

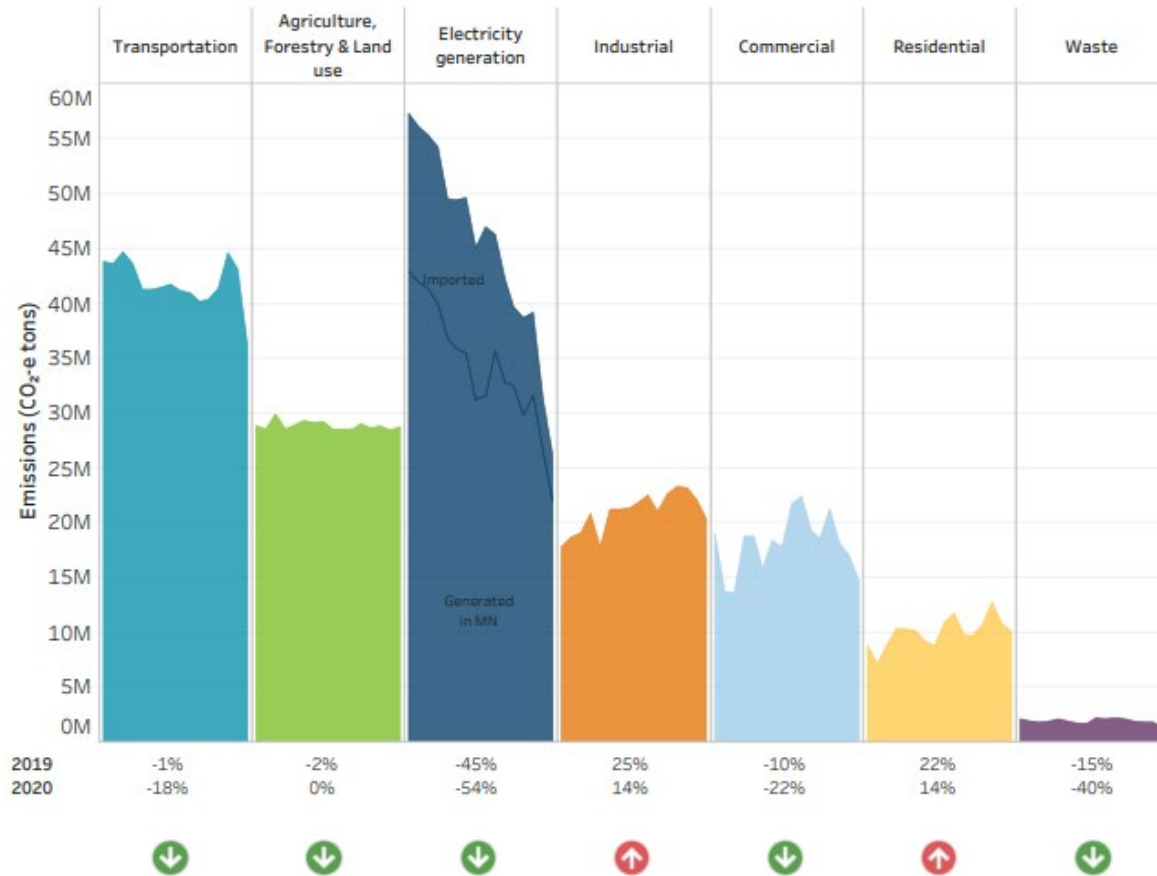
Economic

Resources for businesses to more cost effectively manage their waste resources, manage waste and resources locally.

Financial

Reducing environmental liability, not deferring costs to future generations, charging full cost of waste management.





Joint Activities Budget



Proposed 2024 - 2025 Joint Activities Budget

JOINT ACTIVITIES	2022 Unaudited	2023 Approved Budget		2024 Proposed Budget	2025 Proposed Budget
APPROPRIATIONS:					
Project Management	2,394,100	2,729,454	#	3,506,000	3,559,000
Commercial & Residential Recycling	2,966,814	4,050,000	#	4,425,000	4,425,000
Community Waste Solution	132,223	625,000	#	830,000	786,000
Food Scrap Recycling	756,167	2,500,000	#	1,105,000	1,455,000
General Outreach	1,048,693	605,000	#	925,000	925,000
Policy Evaluation	1,030,773	1,100,000	#	1,190,000	1,190,000
Total Appropriations	8,328,770	11,609,454		11,981,000	12,340,000
REVENUE:					
Washington County	2,891,086	3,134,553	#	3,234,870	3,331,800
Ramsey County	6,113,769	8,474,901	#	8,746,130	9,008,200
Total Revenue	9,004,855	11,609,454		11,981,000	12,340,000
TOTAL					
	2022 Unaudited	2023 Approved Budget		2024 Proposed Budget	2025 Proposed Budget
Appropriations	8,328,770	11,609,454		11,981,000	12,340,000
Revenue	9,004,855	11,609,454		11,981,000	12,340,000
Surplus/(Deficit)	676,085	-		-	-

Joint Activities Alignment with County Goals & Priorities

	Commercial Recycling	Community Waste Solutions	Food Scrap Recycling
 WELL-BEING	XXX	XXX	XXX
 PROSPERITY	XX	XXX	XXX
 OPPORTUNITY	XX	XX	XXX
 ACCOUNTABILITY	XX	XX	XX
Residents First	XXX	XXX	XXX
Race & Health Equity, Climate Change, Environmental Justice	XXX	XXX	XXX

Proposed 2024 – 2025 Tipping Fees

Revenue: Facility revenue to operate the R&E Center. Primary funding source is tipping fees paid by haulers and individuals.

Current 2023 tipping fee:

\$103.00 per ton

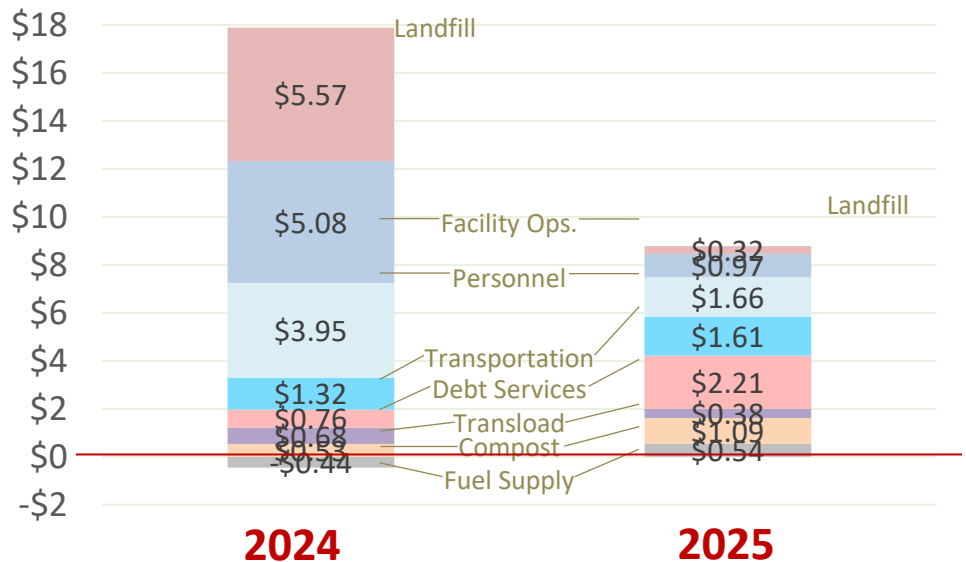
Proposed 2024 tipping fee:

\$121.00 per ton

Proposed 2025 tipping fee:

\$130.00 per ton

Drivers of Tipping Fee Increase (May Revised)



Impact of 2024 Tipping Fee Change

Average household



1 year



2,000 lbs. (1 ton) of trash per year

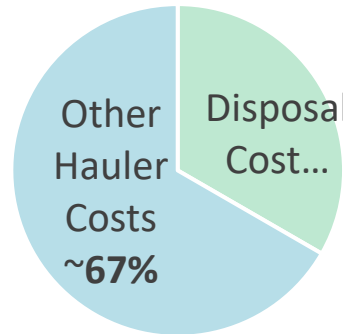
If \$18/ton tipping fee cost increase is passed on from hauler



= **\$18/year** increase in 2024 per household

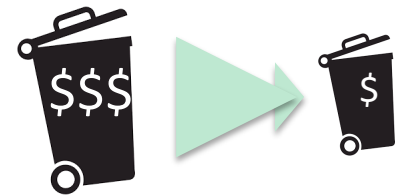
= **\$1.50/month** increase (less than \$5 per quarter)

About 1/3 of a hauler trash bill is for disposal costs



Haulers have other expenses (staff, fuel, truck maintenance, administrative, etc.) that impact hauler bills and may increase over time

Residents and businesses that reduce their trash pay less



Can use R&E's and county's upstream waste reduction and recycling programs to reduce trash = reduced cost impact



Recycling resources (e.g., Biz Recycling)



Compost at county drop-off sites



Reuse, repair, reconstruct programs

Questions & Discussion

