



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

R&E BOARD MEETING DATE:	June 23, 2022			AGENDA ITEM:	VI.a			
SUBJECT:	Review of 2023 Budgets							
TYPE OF ITEM:	<input type="checkbox"/>	INFORMATION	<input checked="" type="checkbox"/>	POLICY DISCUSSION	<input type="checkbox"/>	ACTION	<input type="checkbox"/>	CONSENT
SUBMITTED BY:	Facility & Finance Committee							

R&E BOARD ACTION REQUESTED:

The 2023 budgets are presented for R&E Board discussion. Changes requested by the R&E Board will be brought back for action at its July 28, 2022, meeting.

EXECUTIVE SUMMARY:

The Facility & Finance Committee met on May 19, 2022, to review and recommend any 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 program assistant.

Planning Specialist – This position is needed to support planning and project management for R&E, specifically Joint Activities, to support R&E staff in implementing new efforts in the current 2022-2023 budget. Additional capacity is needed to assist in the coordination of 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 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 position is needed to facilitate planning, project initiations, timelines and budget development, staff resource planning, project tracking and evaluation.

Program Assistant – This position is needed to support current R&E Joint Activities programming. The current top priority program for Joint Activities for program development is the food scraps pickup

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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 using 2021 Joint Activities Fund Balance transfer and the 2023 contingency to offset the increases. Transportation and transload fee agreements expire at the end of 2022, and new agreements will be needed in 2023.

Transportation – 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 – 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.

2021 Joint Activities Fund Balance Transfer – The Joint Activities Fund Balance Policy states that if the year-end unrestricted fund balance exceeds 35% of the subsequent year’s budget, the excess amount shall be transferred to the R&E Equipment & Maintenance Fund, which is part of the Facility Budget. The Joint Leadership Team is recommending that the funds be transferred to the 2023 Facility Budget as a solution to keep the tipping fee at \$99/ton for 2023. The 2021 Joint Activities Fund Balance transfer is \$1,500,000.

Contingency – This fund provides contingency due to uncertainty of operations. The 2023 contingency fund is reduced by \$268,110 to offset transportation and transload fee increases.

Tipping Fee – It is recommended that the tipping fee be set as previously approved, at \$99.00 per ton.

Equipment Maintenance & Replacement Budget

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

ATTACHMENTS:

1. R&E Budget Structure
2. 2023 Budget Timeline
3. Proposed 2023 Joint Activities Budget
4. Proposed 2023 Facility Budget
5. Proposed 2023 Equipment Maintenance & Replacement Budget

FINANCIAL IMPLICATIONS:

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

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AUTHORIZED SIGNATURES	DATE
JOINT LEADERSHIP TEAM <i>Michael Reed</i> <i>Nicole Stewart</i> <i>Jane M. Vaughn</i>	6/9/2022
RAMSEY COUNTY ATTORNEY <i>[Signature]</i>	6/9/2022
WASHINGTON COUNTY ATTORNEY <i>[Signature]</i>	6/9/2022