



KENT COUNTY BOARD OF PUBLIC WORKS

June 3, 2021

8:30 AM

**Kent County Administration Building
Board of Commissioners Meeting Room Chambers
300 Monroe Avenue
Grand Rapids, MI 49503**

MEMBERS PRESENT: Commissioner Brieve, Skaggs, Yonker, Greene, Bulkowski, Janes, Ponstein

MEMBERS ABSENT: None

OTHERS PRESENT: Darwin Baas, Director; Kimberly Williams, Finance Division Director; Alisha Barber, Office Administrator; Molly Sherwood, Environmental Compliance Manager; Nic VanderVinne, Resource Recovery and Recycling Manager; Dan Rose, Solid Waste Operations Manager; Kristen Wieland, Marketing & Communications Manager; Constance Westgate, Environmental Engineer Technician; Craig Paull, Indigent Defense Administrator/Attorney Administrator/Controller; Katelynn Kirkstra, Resource Recovery Specialist; Stuart Velarde, Resource Recovery Specialist; Lauren Westerman, Resource Recovery Specialist; Isaac Thaler, Recycling Facility Supervisor; John Van Tholen, Van Tholen & Associates; Russ Boersma, Arrowwaste; Mayor Rosalynn Bliss, City of Grand Rapids; Mayor Stephen Kepley, City of Kentwood; James Hurt, City of Grand Rapids; Diane Druckenmiller, Arrowwaste

I. Call to Order

Meeting called to order at 8:34 a.m. by Chair Emily Brieve.

II. Consent Agenda

- A. Review and Approval of Minutes
- B. Approval of Monetary Outlays

Motion

It was moved by Commissioner Janes and seconded by Commissioner Ponstein to approve the Consent Agenda.

The Consent Agenda was approved by the following vote:

YEAS: Commissioners Brieve, Skaggs, Yonker, Greene, Janes, Bulkowski, Ponstein

ABSENT: None

NAYS: None

III. Accounting & Finance

A. 2022 Operations Budget Overview & Recommendation

Director Baas discussed the 2022 Operations Budget Overview PowerPoint slides, with an emphasis on the tipping fees at the Waste-to-Energy Facility (WTE) and the Recycling & Educational Facility (REC). Staff is purposing a rate increase to \$80.00 per ton at WTE and to \$90.00 per ton at REC.

**KENT COUNTY DEPARTMENT OF PUBLIC WORKS
2022 OPERATING BUDGET**

Revenues:	2021	2022
Tipping Fees	\$ 30,883,500	\$ 37,922,500
Energy Revenue	8,542,764	8,630,868
MRF Sales	1,300,000	1,300,000
Kent County Waste Surcharge	1,513,000	1,513,000
RECs and Carbon Sales	40,000	90,000
Total Operating Revenue	<u>42,279,264</u>	<u>49,456,368</u>
Interest Earnings	2,000,000	1,379,000
Miscellaneous Income	362,249	465,649
Total Other Income	<u>2,362,249</u>	<u>1,844,649</u>
Total Revenue	<u>44,641,513</u>	<u>51,301,017</u>
Expenses:		
Waste-to-Energy	18,589,564	19,074,847
South Kent Landfill	6,783,972	9,092,170
North Kent Transfer Station	4,448,357	5,143,614
Material Recycling Facility	3,350,756	3,425,956
Kent County Waste Surcharge	36,809	21,800
Closed Landfills	2,660,891	1,280,999
Resource Recovery	711,262	375,307
Household Hazardous Waste	365,918	382,199
Act 451	6,358	2,032
Landfill Gas-to-Energy	168,476	58,843
Total Operating Expenses	<u>37,122,363</u>	<u>38,857,767</u>
Administration Expenses	<u>100,100</u>	<u>40,100</u>
Total Operating and Administration Expenses	<u>37,222,463</u>	<u>38,897,867</u>
Debt Service	836,550	839,150
Capital Reserve Deposits	6,582,500	11,564,000
Total Budgeted Expenses	<u>44,641,513</u>	<u>51,301,017</u>
Excess Revenues (Expenses)	<u>\$ -</u>	<u>\$ -</u>

**KENT COUNTY DEPARTMENT OF PUBLIC WORKS
2022 OPERATING BUDGET**

Revenue Summary	2021 Tons	2021 Rate	2021 Amount	2022 Tons	2022 Rate	2022 Amount
Tipping Fees:						
Waste-to-Energy	270,000	\$55.00	\$ 14,850,000	270,000	\$80.00	\$ 21,600,000
MRF						
Kent	12,000	\$65.00	780,000	18,000	\$90.00	1,620,000
Non Kent	13,000	\$70.00	910,000	10,000	\$95.00	950,000
Transfer	5,000	\$75.00	375,000	2,000	\$100.00	200,000
North Kent Transfer Station	100,000	\$41.60	4,160,000	120,000	\$41.60	4,992,000
South Kent Landfill						
General Refuse	230,000	\$41.60	9,568,000	200,000	\$41.60	8,320,000
MRF Transfer	2,000	\$41.60	83,200 **	1,000	\$41.60	41,600 **
Sludge	13,000	\$18.50	240,500	13,000	\$18.50	240,500
WTE Reject/Transfer	10,000	\$41.60	416,000 **	10,000	\$41.60	416,000 **
WTE Transfer	75,000	\$24.16	1,812,000 **	75,000	\$25.11	1,883,250 **
WTE Ash	42,500	\$11.00	467,500 **	42,000	\$12.00	504,000 **
Gross South Kent Landfill			\$ 12,587,200			\$ 11,405,350
Less:						
MRF/SKL Internal Transfers			(83,200) **			(41,600) **
WTE/SKL Internal Transfers			(2,695,500) **			(2,803,250) **
Net South Kent Landfill			9,808,500			8,560,500
Total Tipping Fee Revenue			\$ 30,883,500			\$ 37,922,500
MRF Commodity Revenue			\$ 1,300,000			\$ 1,300,000
Energy Revenue:						
Waste-to-Energy			8,202,764			8,230,868
Landfill Gas-to-Energy			340,000			400,000
Total Energy Revenue			\$ 8,542,764			\$ 8,630,868
Kent County Ordinance						
Waste Surcharge			1,500,000			1,500,000
License Fee			13,000			13,000
			\$ 1,513,000			\$ 1,513,000
RECs (Renwable Energy Credits):						
Waste-to-Energy - RECs			\$ 40,000			\$ 90,000
Interest Earnings:						
Resource Recovery			(100,000)			(67,000)
Act 451			-			(9,000)
Administration			100,000			40,000
Landfill Gas-to-Energy			100,000			40,000
South Kent Landfill			900,000			590,000
Waste-to-Energy			500,000			500,000
Materials Recycling			(100,000)			(75,000)
North Kent Transfer			400,000			240,000
Kent County Waste Surcharge			200,000			120,000
			\$ 2,000,000			\$ 1,379,000

** Nets out WTE Refuse taken to SKL

**KENT COUNTY DEPARTMENT OF PUBLIC WORKS
2022 OPERATING BUDGET**

Revenue Summary (continued)	2021 Amount	2022 Amount
Miscellaneous Income (net):		
Administration		
Other Fees	\$ 100	\$ 100
Waste-to-Energy		
Scrap	278,900	263,400
Credit Card Service Fees	100	100
North Kent Transfer Station		
Scrap, Over/Short	20,000	85,000
Credit Card Service Fees	15,000	24,000
Materials Recycling Facility		
Other Fees	100	13,000
Credit Card Service Fees	50	50
South Kent Landfill		
Credit Card Service Fees	30,000	30,000
Scrap, Over/Short, Rents	18,000	50,000
Cash Over/Short	(1)	(1)
	<u>\$ 362,249</u>	<u>\$ 465,649</u>
	\$ 44,641,513	\$ 51,301,017

B. Public Comment on the 2022 Operations Budget

Mayor Stephen Kepley, City of Kentwood is not for the \$80.00 per ton tipping fee increase. He discussed different paying options for the crane and control upgrade. Mayor Stephen Kepley explained that a combination of the Fund Balance, ARP and/or Bonds can keep the tipping fee lower than \$80.00 per ton. Also, he explained a conversation he had with a guy in the recycling business. The guy talked about the environmental side effects of trucks hauling recyclables and how damaging they are to the environment than what people are saving with recycling.

James Hurt, City of Grand Rapids discussed how the increase tipping fee would be a 1 million dollar hit for the City of Grand Rapids and strongly urge the Board not to approve the increase tipping fee.

Mayor Rosalynn Bliss, City of Grand Rapids affirmed both Mayor Stephen Kepley and James Hurt's comments. She discussed how haulers make rational decisions to go elsewhere and the cities are in the same position. With the contract expiring soon, it is difficult to justify a contract when the cities are bearing the brunt of the cost. Mayor Rosalynn Bliss also stated that they are aligned with a more environmentally sustainable solution. However, over the past years, the budget recommendations are counter intuitive to that because the landfill is a cheaper option and people will make decisions based on their pocketbook.

C. 2022 Operations Budget Approval – AR

Director Baas reviewed the action request. The 2022 proposed operations budget provides department totals with individual Unit (operational area) detail. Graphs and charts are included to support budget summaries:

- Revenues are provided by revenue type including tipping fees, energy revenue, commodity sales, surcharge fees and interest earnings.
- Expenses are presented in a Unit format by operational area including South Kent Landfill, Waste-to-Energy Facility, North Kent Transfer Station, Material Recycling Facility, Administration, Resource Recovery, Household Hazardous Waste and Closed Landfills.
- Goals, objectives, and measurements for each operational area are also included.
- The approved 2022 Capital Improvement Plan is provided for reference.

The 2022 budget anticipates increased tipping fees at the Waste to Energy Facility for capital improvement projects and the Materials Recycling Facility resulting from decreased commodity pricing.

Commissioner Bulkowski stated that he does not support the fee increases at the Recycling and Education Center and the Waste-to-Energy Facility. He is committed to working with the Waste-to-Energy Advisory Committee and DPW Staff to getting cheaper rates by October when the budget is approved. With that being said, he will be voting for this Action Request.

Commissioner Ponstein affirms Commissioner Bulkowski's statement.

Commissioner Skaggs would like to see a plan from DPW Staff, finding other alternative funding and a collective solution from everyone to move forward. He cannot support Bonding to offset the fee increase if there are no renewal of contracts. He will support this Action Request.

Commissioner Brieve thanked staff and hearing from the different partners.

Motion

It was moved by Commissioner Ponstein and seconded by Commissioner Skaggs to approve the Department of Public Works 2022 budget for submittal to County Administration.

The Action Request was approved by the following vote:

YEAS: Commissioners Brieve, Skaggs, Yonker, Greene, Janes, Bulkowski, Ponstein

ABSENT: None

NAYS: None

IV. Director's Report

Director Baas briefly discussed visiting the two finalists for the Sustainable Business Park Development, Continuous Materials and Urbaser. The Business Development team will return by the end of the week from Iowa and California.

V. Public Comment/Miscellaneous

Mayor Stephen Kepley, City of Kentwood discussed other ways of disposing trash and how the Sustainable Business Park will change the way we do things. He thanked DPW staff and the Board for allowing them to participate.

Mayor Rosalynn Bliss, City of Grand Rapids wanted to echo what Mayor Stephen Kepley stated and in response to what Commissioner Skaggs stated earlier, she thanked him for appreciating the cities and partners over the years for doing the right thing. Her hope is that everyone in the County will work together to do the right thing and pay for it. The Cities are happy to be partners but continue to bear the escalating costs without a vote at the table.

VI. Adjournment

The meeting was adjourned at 10:10 a.m.