



**KENT COUNTY BOARD OF PUBLIC WORKS**

**June 4, 2020**

**8:30 A.M.**

**Earl G. Woodworth Building  
Meeting Room Chambers  
1500 Scribner Avenue NW  
Grand Rapids, Michigan 49504**

**MEMBERS PRESENT:** Commissioner Brieve, Janes, Skaggs, Yonker, Bulkowski, Vonk, Antor

**MEMBERS ABSENT:**

**OTHERS PRESENT:** Darwin Baas, Director; Kimberly Williams, Finance Division Director; Alisha Barber, Office Manager; Paul Smith, WTE Operations Manager; Nic VanderVinne, Resource Recovery and Recycling Manager; Becky Dyer, Division Financial Supervisor; Molly Sherwood, Environmental Compliance Manager; Kristen Wieland, Marketing & Communications Manager; Lauren Westerman, Resource Recovery Specialist; Katelynn Nettler, Resource Recovery Specialist; Craig Paull, Assistant Corporate Counsel II; Lori Latham, Communications and Public Relations Director; Purchasing Staff from Kent County Purchasing; John Van Tholen, Van Tholen & Associates; Steve Faber, Byrum & Fisk; Ryan Much, Fishbeck, Thompson, Carr & Huber, Inc.; Jennifer Porter, Gershman, Brickner & Bratton; Steve Simmons, Gershman, Brickner & Bratton; Rick Chapla, RC Consulting; Russ Boersma, Arrowwaste; Tim Mroz, The Right Place; Bill Stough, Sustainable Research Group; Joshua Lunger, Grand Rapids Area Chamber of Commerce; Mark Rambo, City of Kentwood; James Hurt, City of Grand Rapids; Pat Greve, Waste Management; Diane Druckenmiller, Arrowwaste; Charles Hauser, Granger Waste Services; Tom Mahoney, Republic Services; David McConnell, Georgia Pacific

**I. Call to Order**

Meeting called to order at 8:33 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 Vonk and seconded by Commissioner Bulkowski to approve the Consent Agenda.

The Consent Agenda was approved by the following vote:

**YEAS:** Commissioners Brieve, Janes, Skaggs, Yonker, Bulkowski, Vonk, Antor

**ABSENT:** None

**NAYS:** None

## III. Administration

- A. Sustainable Business Park – Business/Infrastructure Development Update

Tim Mroz from The Right Place presented an update on the Sustainable Business Park – Business. Kent County is preparing a space for premier solid waste management technologies from around the world to change the waste landfilled by residents and businesses each year into basic building blocks for new products and processes: plastic flake, compost, aggregate, energy and more.

Part of the innovated public-private partnerships taking shape at the Sustainable Business Park require infrastructure improvements to enable tenants to chart a timeline for their investment in West Michigan’s new approach to disposal. Initial support from Michigan Economic Development Corporation enabled Kent County to bring the 250-acre property closer to “shovel-ready” status by evaluating its unique assets, development potential and proximity to existing utilities. Infrastructure investments still necessary to prepare the site for development include water, sewer, electric, gas, stormwater and roads.

The request for proposals (RFP) for an anchor tenant is a key step in identifying a company with the proven technology to convert a significant portion of the 2.1 million cubic yards of waste landfilled by residents and business each year into raw material for new products and kicks off the economic development process to attract additional tenants.

Rick Chapla from RC Consulting gave a brief update on the infrastructure needs and the site analysis. The site will be addressed in a phased approach for development. The site is currently zoned for agricultural uses and we will be requesting a rezoning for the property to be used for industrial purposes.

#### IV. Waste to Energy Facility Operations

##### A. Transfer Trailer – AR

Director Baas reviewed the action request. The four (4) open-top transfer trailers in service at the WTE are ten years old (2009/10) with increasing maintenance costs due to their age. Staff recommends replacement of one (1) trailer annually over the next four years. Kent County Purchasing solicited proposals (RFP 4029) for the replacement of one (1) open top live floor transfer trailer in 2020. Five proposals were received:

- Spector Manufacturing \$99,308 (steel)
- MAC Trailer Manufacturing \$105,802 (steel)
- Wilkens Industries \$122,584 (steel)
- Warren Equipment \$125,000 (steel)
- Warren Equipment \$150,000 (aluminum)

Staff recommends awarding the bid to Spector Manufacturing, the low, responsive bidder. DPW has a number of Spector Manufacturing trailers in the fleet with good service records. DPW has an approved Capital Improvement Plan budget for the purchase of the equipment.

Pursuant to Kent County Purchasing policy the retired trailer will be sold through public auction.

#### **Motion**

It was moved by Commissioner Janes and seconded by Commissioner Bulkowski to award the purchase of a new open top live floor transfer Trailer to Spector Manufacturing in the amount of \$99,308 and authorize the Director to execute the associated contracts.

The Action Request was approved by the following vote:

**YEAS:** Commissioners Brieve, Janes, Skaggs, Yonker, Bulkowski, Vonk, Antor

**ABSENT:** None

**NAYS:** None

##### V. Accounting & Finance

##### A. 2021 Operations Budget – AR

Director Baas reviewed the 2021 Operations Budget. The 2021 proposed operations budget provides department totals with individual Unit (operational area) detail.

- 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 2021 budget anticipates increased tipping fees at the Materials Recycling Facility resulting from decreased commodity pricing and an increase in tipping fees at the South Kent Landfill for CPI adjustment.

**KENT COUNTY DEPARTMENT OF PUBLIC WORKS  
2021 OPERATING BUDGET**

<b>Revenues:</b>	<b>2020</b>	<b>2021</b>
Tipping Fees	\$ 28,229,200	\$ 31,783,500
Energy Revenue	8,613,000	8,542,764
MRF Sales	1,800,000	1,300,000
Kent County Waste Surcharge	1,507,000	1,513,000
RECs and Carbon Sales	20,000	40,000
Administration Fees (KCRC & Drain)	*	-
Total Operating Revenue	<u>40,223,281</u>	<u>43,179,264</u>
Interest Earnings	1,595,000	2,000,000
Miscellaneous Income	362,150	362,249
Total Other Income	<u>1,957,150</u>	<u>2,362,249</u>
Total Revenue	<u>42,180,431</u>	<u>45,541,513</u>
<b>Expenses:</b>		
Waste-to-Energy	18,305,086	18,577,957
South Kent Landfill	5,903,859	7,720,787
North Kent Transfer Station	4,353,225	4,459,146
Material Recycling Facility	3,707,633	3,390,222
Kent County Waste Surcharge	24,300	37,900
Closed Landfills	1,913,941	2,670,901
Resource Recovery	663,012	720,016
Household Hazardous Waste Act 451	354,874	373,081
	4,200	7,040
Landfill Gas-to-Energy	218,470	65,313
Total Operating Expenses	<u>35,448,600</u>	<u>38,022,363</u>
Administration Expenses	109,081	100,100
Total Operating and Administration Expenses	<u>35,557,681</u>	<u>38,122,463</u>
Debt Service	832,750	836,550
Capital Reserve Deposits	5,790,000	6,582,500
Total Budgeted Expenses	<u>42,180,431</u>	<u>45,541,513</u>
<b>Excess Revenues (Expenses)</b>	<u>\$ -</u>	<u>\$ -</u>

**KENT COUNTY DEPARTMENT OF PUBLIC WORKS  
2021 OPERATING BUDGET**

Revenue Summary	2020 Tons	2020 Rate	2020 Amount	2021 Tons	2021 Rate	2021 Amount
<b>Tipping Fees:</b>						
Waste-to-Energy	270,000	\$55.00	\$ 14,850,000	270,000	\$55.00	\$ 14,850,000
MRF						
Kent	14,000	\$65.00	910,000	12,000	\$95.00	1,140,000
Non Kent	15,000	\$70.00	1,050,000	13,000	\$100.00	1,300,000
Transfer	6,000	\$75.00	450,000	5,000	\$105.00	525,000
North Kent Transfer Station	100,000	\$41.60	4,160,000	100,000	\$41.60	4,160,000
<b>South Kent Landfill</b>						
General Refuse	182,000	\$36.60	6,661,200	230,000	\$41.60	9,568,000
MRF Transfer	3,000	\$36.60	109,800 **	2,000	\$41.60	83,200 **
Sludge	8,000	\$18.50	148,000	13,000	\$18.50	240,500
WTE Reject/Transfer	7,000	\$36.60	256,200 **	10,000	\$41.60	416,000 **
WTE Transfer	78,000	\$23.24	1,812,720 **	75,000	\$24.16	1,812,000 **
WTE Ash	42,500	\$10.88	462,400 **	42,500	\$11.00	467,500 **
Gross South Kent Landfill			\$ 9,450,320			\$ 12,587,200
<b>Less:</b>						
MRF/SKL Internal Transfers			(109,800)			(83,200) **
WTE/SKL Internal Transfers			(2,531,320) **			(2,695,500) **
Net South Kent Landfill			6,809,200			9,808,500
Total Tipping Fee Revenue			<u>\$ 28,229,200</u>			<u>\$ 31,783,500</u>
MRF Commodity Revenue			<u>\$ 1,800,000</u>			<u>\$ 1,300,000</u>
<b>Energy Revenue:</b>						
Waste-to-Energy			8,273,000			8,202,764
Landfill Gas-to-Energy			340,000			340,000
Total Energy Revenue			<u>\$ 8,613,000</u>			<u>\$ 8,542,764</u>
<b>Kent County Ordinance</b>						
Waste Surcharge			1,500,000			1,500,000
License Fee			7,000			13,000
			<u>\$ 1,507,000</u>			<u>\$ 1,513,000</u>
<b>RECs (Renwable Energy Credits):</b>						
Waste-to-Energy - RECs			<u>\$ 20,000</u>			<u>\$ 40,000</u>

\*\* Nets out WTE Refuse taken to SKL

**Motion**

It was moved by Commissioner Younker and seconded by Commissioner Skaggs to keep the current rates at the Recycling Center and continue with the \$5.00 increase at the South Kent Landfill.

The Action Request was approved by the following vote:

**YEAS:** Commissioners Brieve, Janes, Skaggs, Younker, Bulkowski, Vonk, Antor

**ABSENT:** None

**NAYS:** None

VI. Director's Report

None.

VII. Public Comment/Miscellaneous

James Hurt from the City of Grand Rapids stated:

Good morning Madame Chair and Kent County Board of Public Works members,

I am here to lodge our strongest opposition to the proposed 46% rate increase in recycling tipping fees that are part of your Fiscal Year '21 budget. The impact and timing of this increase is ill-timed and ill-conceived for a variety of reasons. I have the following. Our region is in the throes of a global recession due to the covid-19 pandemic. Residents have been out of work and businesses have been closed. The city of grand rapids has demonstrated significant rate restraints on our fees and our charges. The city's fiscal year begins July 1<sup>st</sup>, 2020. We just recently adopted our fiscal year '21 budget three weeks ago and we set our tax rates then. Due to the timing of your actions, we have no time to adjust or to even react to this increase. We are one of your largest customers by volume, and the proposed increase would cost us approximately \$250,000 annually. At \$65 a ton, the economics of recycling were inverted given the \$55 a ton rate at the waste of energy and the \$41 per ton rate at the landfill. At \$95 per ton, the economics recycling become disastrous. This rate increase is mistaken, and we implore you to pause now. It is time to seek an alternate path with you partners, such as a blended systemwide rate. We are here to assist you with that work. And madame chair, the city manager will be sending an email correspondence to the board. You should get that some time today.

Thank you.

Rich Herrington emailed Chair Brieve during the meeting at 8:51 am and below is the email:

Emily,

We have some concerns regarding the potential price increase. The last increase caused numerous of our customers to cancel their recycling service with us due to us passing along the increase. That increase caused us to lose revenue and also the expense of picking up our carts that customers no longer needed. The general public still think that the recycling is being sold for profit and can't justify paying for it. We know not all of the customers that canceled their recycling service with us quit recycling. Many of them started taking it to the free drop off location at the transfer station. The drop off locations allow the public to throw away non-recyclables in there as well which is an increase cost to the county. The potential increase will cause haulers to lose recycling customers and cause the recycling center to lose paid tonnage into the facility. It could also mean the county would have to invest into more containers to keep up with increase of free recycling getting dropped off. Thank you for taking your time and reading this.

Rich Herrington  
Herrington's Waste Services

VIII. Adjournment

The meeting was adjourned at 10:04 a.m.