



Board of County Commissioners Agenda Request

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Agenda Item #

Requested Meeting Date: August 13, 2019

Title of Item: Amend recycling Agreement

<input type="checkbox"/> REGULAR AGENDA <input checked="" type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	Action Requested: <input checked="" type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft)	<input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing* <small>*provide copy of hearing notice that was published</small>
Submitted by: Terry Neff, Environmental Services Director		Department: Environmental Services
Presenter (Name and Title): Terry Neff, Environmental Services Director		Estimated Time Needed: N/A
Summary of Issue: See attached memorandum.		
Alternatives, Options, Effects on Others/Comments: Continue discussions on how to reduce costs, such as eliminating certain recyclable materials, reducing days and/or hours the recycling center is open, etc. Solicit Request for Proposal which would take several months (this can be pursued at a later date).		
Recommended Action/Motion: Approve the proposed amendments as detailed in the memorandum.		
Financial Impact: Is there a cost associated with this request? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No What is the total cost, with tax and shipping? \$ estimated around \$50,000.00 per year. Is this budgeted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>Please Explain:</i> \$50,000.00 increase has been proposed in the 2020 budget. The solid waste budget will be exceeded this year and the solid waste reserves can be used to offset the increase.		

Legally binding agreements must have County Attorney approval prior to submission.

Aitkin County Environmental Services Planning and Zoning
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MEMORANDUM

DATE: July 24, 2019
TO: Aitkin County Board of Commissioners
FROM: Terry Neff, Environmental Services Director 
RE: Recycling Agreement

I received a letter from Garrison Disposal informing me the cost to provide the recycling services is continuing to increase and this trend will likely continue. They have asked for an increase in the processing fee to offset the processing and marketing costs.

I did some research and the cost to tip (drop off the recyclable materials for market and further processing) has increased this year and the cost to market the materials has increased from a positive revenue of \$1146.12 in May 2017 to a negative revenue of \$2189.53 in May 2019. The cost is likely to rise and not get better in the near future.

The biggest source of revenue in past years has been cardboard. In August of 2017 cardboard had a revenue of \$170.00 per ton. In May of 2019 cardboard was at \$55.00 per ton and is now at \$35.00 per ton. The average price of cardboard over the past decade was about \$75.00 to \$85.00 per ton according to the facility that buys the cardboard. A breakeven point in processing cardboard is probably around \$75.00 to \$80.00 per ton.

I met with Paul Fischer and Dave MacArther of Garrison Disposal, Commissioner Laurie Westerlund and Commissioner Bill Pratt to discuss proposed changes to the Recycling Agreement effective August 1, 2019. We are proposing an increase to the Processing Fee from the present \$83.64 per ton to \$105.00 per ton, no out of Aitkin County recyclable materials are allowed to be brought to the Aitkin County Recycling Center, eliminate the revenue share from materials that make a profit (excluding aluminum), and we pay the Dem-Con facility (facility that takes the recyclable materials) invoice for tipping and further marketing the materials. When the market recovers to the point there is revenue generated and/or cardboard exceeds \$80.00 per ton we will revisit the agreement.

If you have any questions, please feel free to contact me at 218-927-7342 or by e-mail at tneff@co.aitkin.mn.us.

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