

<b>Materials Recycling Fund</b>	<b>Parks &amp; Land Use</b>	<b>Fund Purpose/ Summary</b>
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**Fund Purpose/Program Description**

The Materials Recycling Fund (MRF) accounts for processing and marketing of recyclables collected from municipalities within the Waukesha County program to comply with Chapter 287 of Wis. Stats., also known as the Solid Waste Reduction, Recovery, and Recycling Law. The Department provides technical and educational assistance to help ensure the proper use of drop-off and at-home recycling programs. Functions include the accumulation of data, production of reports, and long-range planning for managing solid waste in compliance with Wisconsin law and the County Solid Waste Management Plan.

Managed within the program, the MRF operations contract with a private vendor to process and market recyclables at the County-owned MRF. The program includes maintaining buildings and equipment, and collection service to drop-off sites. The administration and management of a Department of Natural Resource recycling grant is included within the program, along with preparing required applications and reports. The program promotes the proper separation of recyclables and participation in curbside recycling programs to the 25 participating communities. Tours of and presentations about the facility and operations are available upon request. The promotion of recycling and waste reduction takes place through brochures and programs.

<b>Financial Summary</b>	2006	2007	2007	2008	Change From 2007	
	Actual	Adopted Budget	Estimate	Budget	Adopted Budget \$	%
<b>Revenues</b>						
General Government	\$1,066,227	\$1,000,000	\$1,000,000	\$1,150,000	\$150,000	15.0%
Charges for Services	\$0	\$0	\$0	\$0	\$0	N/A
Other Revenue	\$1,195,397	\$880,000	\$1,009,350	\$1,000,000	\$120,000	13.6%
Appr. Fund Balance (a)	\$679,456	\$725,000	\$725,000	\$741,000	\$16,000	2.2%
<b>County Tax Levy</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Total Revenue Sources</b>	<b>\$2,941,080</b>	<b>\$2,605,000</b>	<b>\$2,734,350</b>	<b>\$2,891,000</b>	<b>\$286,000</b>	<b>11.0%</b>
<b>Expenditures</b>						
Operating Expenses	\$1,633,433	\$1,926,960	\$1,889,282	\$2,088,179	\$161,219	8.4%
Interdept. Charges (b)	\$164,737	\$191,204	\$191,204	\$210,192	\$18,988	9.9%
Fixed Assets Memo (c)	\$245,602	\$194,000	\$194,000	\$48,500	(\$145,500)	-75.0%
<b>Total Expenditures</b>	<b>\$1,798,170</b>	<b>\$2,118,164</b>	<b>\$2,080,486</b>	<b>\$2,298,371</b>	<b>\$180,207</b>	<b>8.5%</b>
Operating Inc./Loss	\$1,142,910	\$486,836	\$653,864	\$592,629	\$105,793	21.7%

**Position Summary (FTE)**

No Positions are budgeted in this Fund.

- (a) Fund Balance appropriations include \$725,000 in 2007 and \$741,000 in 2008 for dividend payments to participating communities. Fund Balance appropriation consists of prior year State Recycling Grant revenue received above budgeted amounts.
- (b) Positions that support the MRF, are directly billed on an hourly basis and charged to interdepartmental appropriations, (not assigned through the payroll system).
- (c) Total expenditures and net operating income/(loss) exclude capitalized Fixed Asset purchases and debt principal payments to conform to financial accounting standards. Fixed Asset purchases are made from cash generated by operating revenues, and are included in the Department's Fixed Asset request. Operating income is used to fund Fixed Asset capital outlay expenditures of \$48,500 planned for 2008.

**Major Departmental Strategic Outcomes and Objectives for 2008**

**County-Wide Key Strategic Outcome: An environmentally responsible county**

Objective 1: Maintain a cost-effective system for processing recyclables at the County Materials Recycling Facility (MRF) that is competitive with local landfill costs.

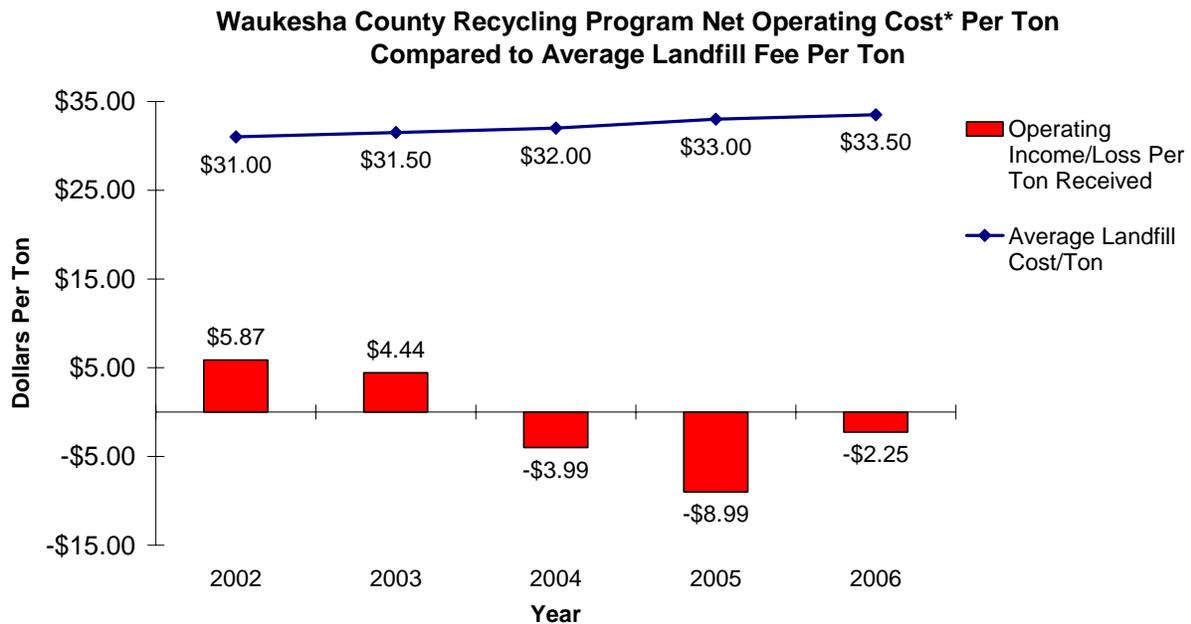
Key Outcome Indicator: Maintain recycling program cost per ton at a rate lower than landfill disposal. Net operating cost of recycling per ton received at the MRF, compared to the average landfill revenue tip fee. Collection costs paid by municipalities or residents are not included in either the recycling or landfill cost.

Performance Measure:

	2006 Actual	2007 Target	2007 Estimate	2008 Target
Revenue as a percentage of total expenses	164%	123%	131%	128%
Net operating cost per ton (a)	-\$2.25	\$18.97	\$14.41	\$15.06

(a) Includes education cost, but does not include State grant funding or dividend/rebate program.

The following chart shows the net operating cost per ton compared to the average landfill revenue tip fee for the past five years. There has been a trend toward a positive net operating cost since 2002, due to very strong markets in recent years. The prevailing landfill disposal charge for solid waste is estimated at \$33.50 per ton. The five year net average operating loss of \$0.98 per ton is approximately \$34.50 per ton less than current estimated landfill costs. The cost to dispose of material in a landfill is greater than the recycling processing costs.



\* Includes education cost, but does not include state grant funding or dividend/rebate program.

Objective 2: Increase recyclable material volume and quality, and decrease the amount of waste going to landfills.

Key Outcome Indicator: Annual percent of non-recyclables shipped from the MRF to the landfill is less than 5% of the total weight received. Under the current operations contract, residue from processing must not exceed 5% of total tons shipped.

Performance Measure:

	2006 Actual	2007 Target	2007 Estimate	2008 Target
Percentage of residue rejected	3%	4%	4%	4%

**County-Wide Key Strategic Outcome: Cost effective services delivered with competence and skill**

Objective 3: Improve understanding and participation in recycling to receive more than 22,000 tons of recyclables at the MRF.

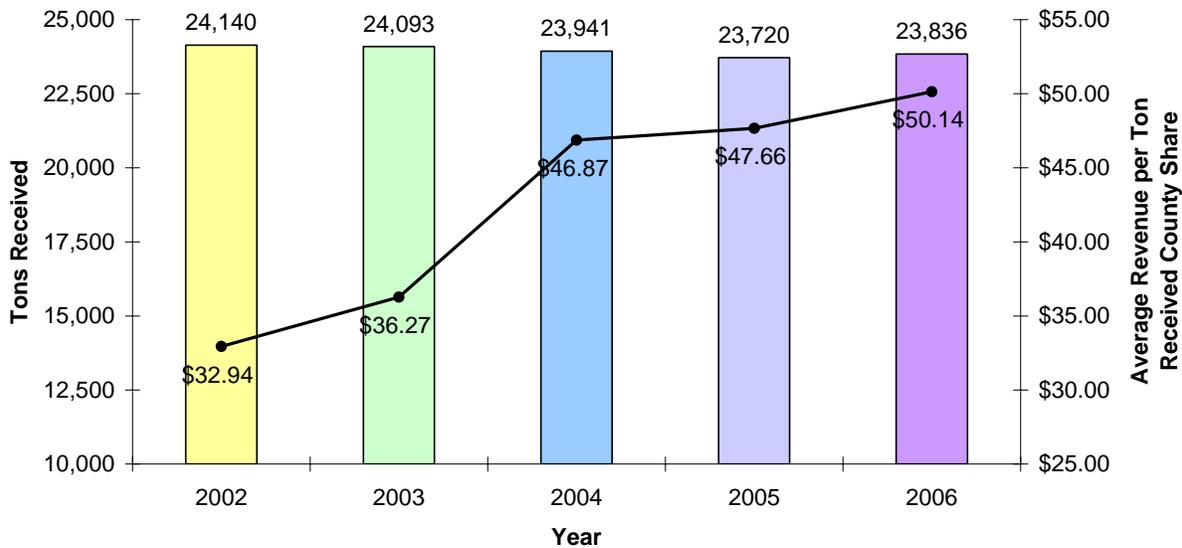
Key Outcome Indicator: Greater than 22,000 annual tons of recyclables received at the County MRF.

Performance Measure:

	2006 Actual	2007 Target	2007 Estimate	2008 Target
Tons of recyclables received	23,836	26,000	24,000	25,000

There was a slight gradual decline in annual tonnage recycled at the MRF from 2003 to 2005. However, because of the rebate incentive program, there is a projected increase for 2007 and 2008. In regards to material market revenues, they have shown an upward trend since 2002, with exceptionally strong market years in 2004 through 2006.

**Waukesha County Materials Recycling Facility Residential Recycling Tonnage and Average Revenue per Ton from 25 Participating Communities**



Objective 4: Increase participation in recycling, waste reduction, and composting to 95% of households and 35% waste diversion from landfills.

Key Outcome Indicators: Maintaining over 95% of household recycling participation rates and over 35% of residential material diverted from landfill from recycling, composting, and waste reduction, calculated annually.

Performance Measure:

	2006 Actual	2007 Target	2007 Estimate	2008 Target
Recycling participation as measured by survey	98%	98%	98%	98%
Percentage of waste stream recycled	40%	37%	40%	40%



**Program Highlights**

The base recycling dividend distributed to participating municipalities will increase by \$150,000, from \$500,000 to \$650,000, in order to help participating municipalities pay for higher tipping fees being charged in the State Budget. The 2007-2009 State Biennium Budget requires increasing tipping fee charges for disposing materials in landfills and will result in the State Recycling Grant increasing by at least \$150,000, which will cover the costs for the additional dividend disbursement.

The basis for the recycling rebate to participating municipalities is on actual tons delivered to the MRF. With a 5% increase in recycling, the rebate will increase by \$16,000 to \$241,000. Total disbursement equals the dividend plus rebate, estimated at \$891,000 (increasing from \$725,000 in 2007).

The “*RECYCLE MORE* Challenge” will continue. The Challenge is a coordinated public education campaign to increase the tons recycled by 5%, and decrease the waste sent to the landfill by residents in the 25 participating municipalities, by using a variety of media and outreach methods. In order to use media more effectively, the County will work with the WI Be SMART Coalition to make the “*RECYCLE MORE* Challenge” a regional theme.

Consultant services increased \$30,000 for Phase 2 of the MRF capacity/recycling system study, to follow up on the recommendations of the study conducted in 2007. The increased costs include an investigation of coordinating a joint contract for collection and/or processing.

Fixed Asset purchases are budgeted at \$48,500 to rebuild the decking on the main paper sort conveyor and the walking floors in the paper storage bins. Major equipment replacements are reduced per the replacement plan.