

ENROLLED ORDINANCE 177-60

ESTABLISH DIVIDENDS TO PARTICIPATING MUNICIPALITIES UNDER WAUKESHA COUNTY RECYCLING PROGRAM

WHEREAS, in May 1990, the Waukesha County Board of Supervisors passed Enrolled Resolution #145-7 "Designation of Waukesha County as Responsible Unit for Recycling" as defined in Section 287.09 Wisconsin Statutes with the intent to develop and implement a recycling program for participating municipalities; and

WHEREAS, 26 municipalities authorized the County as Responsible Unit and directed their state recycling grant funds to the County for recycling on their behalf; and

WHEREAS, since 1991 the County has operated Material Recycling Facilities (MRFs) to process and market recyclables from participating municipalities and has served participating municipalities since that time at no charge; and

WHEREAS, the County has continued to provide an "effective recycling program," as defined in Section 287.11(2) Wisconsin Statutes, including education and enforcement; and

WHEREAS, through Enrolled Ordinance 155-53 "Establish Dividends To Participating Municipalities Under Waukesha County Recycling Program," the County has provided participating communities over \$19 million in tax relief through the annual budget process to defray the cost of the collection of recyclables based upon a percentage of past municipal state grant contributions; and

WHEREAS, Enrolled Ordinance 155-53 is repealed where dividend payments were based on a percentage of past municipal state grant contributions and replaced with dividend payments based on net program revenues and the MRF Fund working capital balance; and

WHEREAS, a segregated MRF Fund is maintained by Waukesha County; and

WHEREAS, dividend payments to communities will be based on municipal program costs, household numbers, services provided and education collaboration and fund balance, including a base level for program financial contingencies and stability. Tip fees may be charged to participating municipalities to maintain an appropriate MRF Fund working capital balance.

THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY OF WAUKESHA ORDAINS that the County provide dividends to participating municipalities as appropriate based on net program revenue levels and approved through the annual budget process taking into consideration program costs, household numbers, services provided and education collaboration and Fund balance including a base level for program financial contingencies and stability. Tip fees may be charged to participating municipalities to maintain an appropriate MRF Fund working capital balance.

FISCAL NOTE

ESTABLISH DIVIDENDS TO PARTICIPATING MUNICIPALITIES UNDER WAUKESHA
COUNTY RECYCLING PROGRAM

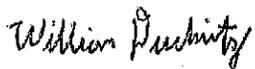
This ordinance authorizes the Department of Parks and Land Use to resume dividend payments to municipalities participating in the county's recycling program with an updated distribution methodology. Dividends were initially authorized through enrolled ordinance 155-53 (beginning in the 2001 budget) to help defray the cost for collection of recyclables. These dividend payments were discontinued starting in 2019 when Material Recycling Facility (MRF) fund balance could no longer support these payments, largely due to declining recyclable material sales revenue. Since then, the market for recyclable materials and MRF Fund balance has improved, and department management is recommending resuming dividend payments to municipalities, beginning in the 2023 budget.

The original dividends, approved in 155-53, were distributed based on the proportion of each municipality's previous state recycling grant allocation, which was directed to the county to operate the recycling program. Under this ordinance, the dividends would be distributed according to a new methodology, outlined in an intergovernmental agreement with municipalities. The new payments would be distributed according to each municipality's proportion of cumulative recycling program costs (50%); proportion of eligible households, factoring in distance to the MRF (35%); additional recycling services provided to residents (7.5%); and recycling education and outreach partnerships with the county (7.5%).

The intergovernmental agreement sets both a "cap" and a "floor," for MRF Fund "working capital." Working capital is defined as current assets minus current liabilities, excluding funds specifically reserved for equipment repairs or upgrades and certain grant funds. When working capital is (1) above the \$3.5 million cap for the most recent completed fiscal year, and (2) the recycling program's audited financial statements show a positive cash flow during that year, the county will distribute dividends to participating municipalities for the following budget year. When working capital decreases below the floor of \$3.1 million, participating municipalities will contribute "tipping fees" to the county to replenish MRF Fund balance.

The fund's working capital was \$3,808,725 at the end of 2021, and the 2023 proposed budget includes dividend payments to municipalities of \$308,725. The county retains the right to adjust the cap and floor levels in future years in response to changing market conditions or programmatic needs, upon providing written notice to municipalities twelve months in advance.

There is no direct tax levy impact resulting from this ordinance.



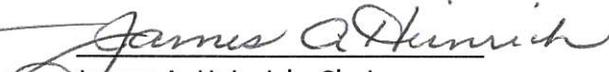
William Duckwitz
Budget Manager
10/4/2022

ESTABLISH DIVIDENDS TO PARTICIPATING MUNICIPALITIES UNDER WAUKESHA COUNTY
RECYCLING PROGRAM

Presented by: Land Use, Parks and
Environment Committee

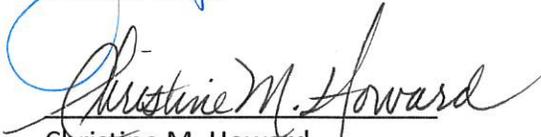
Approved by:
Finance Committee

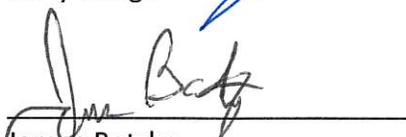

Thomas A. Michalski, Chair

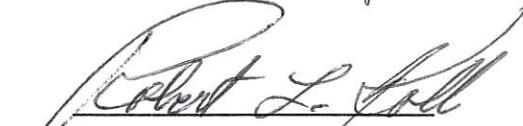

James A. Heinrich, Chair

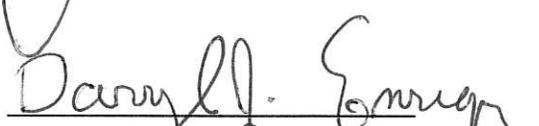

Jennifer Grant

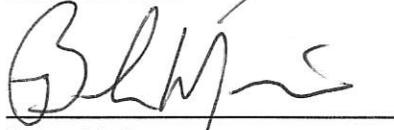

Larry Bangs

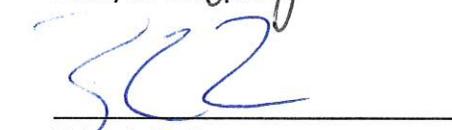

Christine M. Howard


James Batzko


Robert L. Kolb


Darryl J. Enriquez

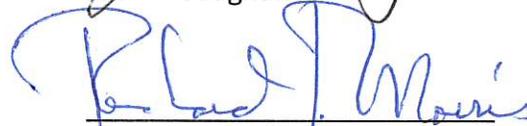

Brian Meier


Tyler J. Foti

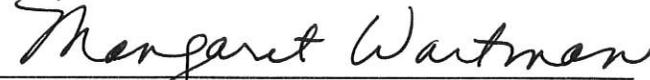

Chris Mommaerts


Joel R. Gaughan

Vacant


Richard Morris

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County,
Wisconsin, was presented to the County Executive on:

Date: 10/28/2022, 
Margaret Wartman, County Clerk

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County,
Wisconsin, is hereby:

Approved: X

Vetoed: _____

Date: 10/31/2022, 
Paul Farrow, County Executive

VOTE RESULTS

24 YES

0 NO

0 ABSTAIN

1

ABSEN

Ordinance 177-O-066

Ordinance 177-O-066: Establish Dividends to Participating Municipalities Under Waukesha County Recycling



Passed By Majority Vote

D1 - Foti	AYE	D10 - Thieme	AYE	D19 - Enriquez	AYE
D2 - Weil	AYE	D11 - Howard	AYE	D20 - Schellinger	AYE
D3 - Morris	AYE	D12 - Wolff	AYE	D21 - Gaughan	AYE
D4 - Batzko	AYE	D13 - Decker	AYE	D22 - Vacant	ABSEN
D5 - Grant	AYE	D14 - Mommaerts	AYE	D23 - Hammitt	AYE
D6 - Walz	AYE	D15 - Kolb	AYE	D24 - Bangs	AYE
D7 - LaFontain	AYE	D16 - Crowley	AYE	D25 - Johnson	AYE
D8 - Michalski	AYE	D17 - Meier	AYE		
D9 - Heinrich	AYE	D18 - Nelson	AYE		

October 25 2022 - October 25 2022 07:09:38 PM



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