

TENTATIVE AGENDA

DELTA COUNTY BOARD OF COMMISSIONERS

SPECIAL MEETING

May 9, 2016

10:00 a.m.

- I. CALL TO ORDER
- II. PRAYER
- III. PLEDGE OF ALLEGIANCE
- IV. ROLL CALL

SPECIAL ORDERS OF BUSINESS:

- V. APPROVAL OF MINUTES OF PREVIOUS MEETINGS
 - County Board minutes:
 - Committee of the Whole:
- VI. APPROVAL OF AGENDA
- VII. PRESENTATION OF WRITTEN COMMUNICATIONS
 - A. COMMUNICATIONS RECEIVED
 - B. COMMUNICATIONS FORWARDED
- VIII. REPORTS OF STANDING, STATUTORY, SPECIAL COMMITTEES AND OTHERS
- IX. **PUBLIC COMMENT ON AGENDA ITEMS** (Sign In)
- X. **COMMITTEE REPORTS**
- XI. GENERAL ORDERS OF BUSINESS
 - A. UNFINISHED BUSINESS
 - B. NEW BUSINESS
 - 1. Landfill and Recycling Discussion

XII. GENERAL PUBLIC COMMENT

XIII. COMMISSIONER'S COMMENTS

XIV. MEETING SCHEDULE

- A. Building and Grounds Meeting on 5-11-16 at 1:00 p.m. in the Courthouse room 222.
- B. Board of Commissioners Meeting on 5-17-16 at 5:15 p.m. in the Service Center Boardroom.
- C. Board of Commissioners Meeting on 6-7-16 at 5:15 p.m. in the Service Center Boardroom.
- D. Board of Commissioners Meeting on 6-21-16 at 5:15 p.m. in the Service Center Boardroom.

XV. NOTICES

30 day notice of Appointments

XVI. ADJOURNMENT

*****DUE TO THE TIME CONSTRAINTS, THE DELTA COUNTY BOARD OF COMMISSIONERS HAS ADOPTED A POLICY THAT ANY INDIVIDUAL WISHING TO ADDRESS THE BOARD WILL BE ALLOCATED THREE (3) MINUTES. THE THREE MINUTES USED BY THE INDIVIDUAL ARE TO MAKE STATEMENTS. THERE WILL BE NO QUESTION AND ANSWER SESSION FORMAT. THIS WILL STRICTLY BE A STATEMENT TYPE FORMAT. IF YOU WISH TO ADDRESS THE BOARD, PLEASE SIGN YOUR NAME ON THE SIGN UP LIST AVAILABLE FROM THE COUNTY CLERK. SPEAKERS WILL BE CALLED IN ORDER OF SIGN UP.*****

THE COUNTY OF DELTA WILL PROVIDE REASONABLE AUXILIARY AIDS AND SERVICES FOR THE HEARING IMPAIRED AND TO INDIVIDUALS WITH DISABILITIES AT THE MEETING/HEARING UPON REASONABLE NOTICE TO THE COUNTY OF DELTA. INDIVIDUALS WITH DISABILITIES REQUIRING SERVICES SHOULD CONTACT THE COUNTY OF DELTA ADA COORDINATOR BY WRITING OR CALLING THE FOLLOWING:

Daniel Menacher, DELTA COUNTY ADA COORDINATOR
310 LUDINGTON STREET
ESCANABA, MI 49829
TELEPHONE (906) 789-5189

The Honorable Members of the Delta
County Board of Commissioners

Dear Commissioners:

A special meeting of the Delta County Board of Commissioners is scheduled for Monday, May 9, 2016 at 10:00 a.m. in the Boardroom in the Delta County Service Center.

Sincerely yours,

Nancy J. Kolich
Delta County Clerk

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Delta Solid Waste Management Authority's financial performance provides an overview of the Authority's financial activities for the fiscal year ended December 31, 2013. Please read it in conjunction with the financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

Business-Type Activities – The Delta Solid Waste Management Authority was incorporated in 1984 for the purpose of providing landfill services to the citizens and local units of government in Delta County. In 1993 the Authority started recycling operations and in 1997 began the Household Hazardous Waste collection program.

- **Net Assets** – The net assets of the Authority decreased \$378,808 during the fiscal year due to operating loss of \$131,320 less net non-operating revenues and expenses of \$247,488.
- **Operating Income** - The Authority has a \$378,808 net loss for the fiscal year compared to a net income of \$719,896 for 2012.
 - The Authority had operating revenues of \$1,829,545, composed of charges for municipal solid waste (48%), construction demolition (10%), ash (6%), sludge (12%), recycling income (12%), general refuse (9%), residential mixed (2%) and miscellaneous charges (1%) and represented a 10% decrease from the 2012 level of \$2,013,594. All revenue types for fiscal year 2013 were materially consistent with those from 2012.
 - Operating expenses amounted to \$1,960,865 during 2013, representing an 87% increase from the 2012 level of \$1,053,477. It should be noted that the increase is due in large part to a prior period adjustment done in the previous year relating to a change in estimate for closure cost and air space calculation. Landfill closure and post closure expenses showed a debit balance of \$346,682, which is an increase of \$721,571 from the previous year credit balance of \$374,889. Other expense categories were fairly consistent with the prior year.
- **Cash Flow** - Converting the operating income to a cash basis requires adjustments for non-cash transactions (principally depreciation and closure and post-closure care costs) which reveal that current year operations produced a decrease in cash of \$1,303,812, which is mostly due to costs associated with partial closure of the landfill.
- **GASB Statement 65** – In the current year the Authority implemented GASB Statement 65 which resulted in a restatement of beginning net position of \$81,350 due to the elimination of bond issuance costs and there was also a reclassification of prior years loss on the defeasance of bonds which is now shown as a deferred outflow of resources.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements that present the financial position and results of operations for Delta Solid Waste Management Authority on a stand-alone basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Delta Solid Waste Management Authority's financial performance provides an overview of the Authority's financial activities for the fiscal year ended December 31, 2014. Please read it in conjunction with the financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

Business-Type Activities – The Delta Solid Waste Management Authority was incorporated in 1984 for the purpose of providing landfill services to the citizens and local units of government in Delta County. In 1993 the Authority started recycling operations and in 1997 began the Household Hazardous Waste collection program.

- **Net Position** – The net position of the Authority decreased \$272,202 during the fiscal year due to operating revenues of \$92,566 less net non-operating revenues and expenses of \$364,768.
- **Operating Income** - The Authority has a \$272,202 net loss for the fiscal year compared to a net loss of \$378,808 for 2013.
 - The Authority had operating revenues of \$1,747,324, composed of charges for municipal solid waste (53%), construction demolition (12%), ash (2%), sludge (8%), recycling income (12%), general refuse (9%), residential mixed (1%) and miscellaneous income and charges (3%) and represented a 5% decrease from the 2013 level of \$1,829,545. Volumes of material types for 2014 varied. Ash is down significantly as the City of Escanaba begins to shut down their coal fired electric plant. That is scheduled to happen May 2015. Paper mill Sludge is also down as the paper mill is sending more material to land applications rather than land filling. MSW has however seen an increase as well as Construction/Demolition Materials. The Authority will need to be proactive in seeking ways to replace revenue lost from some of these larger volume wastes.
 - Operating expenses amounted to \$1,654,758 during 2014, representing a 16% decrease from the 2013 level of \$1,960,865. Landfill closure and post closure expenses were \$346,682 in 2013 while only \$139,368 in the current year. Other expense categories were fairly consistent with the prior year.
- **Long Term Debt** – The Authority issued 2014 General Obligation Limited Tax Refunding bonds to refund the 2010 General Obligation bonds to achieve a better interest rate while still being able to finance the cost of acquiring, constructing and equipping landfill improvements.
- **Cash Flow** - Converting the operating income to a cash basis requires adjustments for non-cash transactions (principally depreciation and closure and post-closure care costs) which reveal that current year operations produced a decrease in cash of \$1,549,436, which is mostly due to the refunding of the 2010 General Obligation Bonds.

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DELTA SOLID WASTE MANAGEMENT AUTHORITY
Statement of Revenues, Expenses and Retained Earnings
Month and Twelve Months Ended December 31, 2015

2015

	<u>Current Month</u>	<u>Year-to-Date</u>
Landfill Operating Revenues		
ASH	\$ 0	\$ 16,928
CONSTRUCTION DEMOLITION	17,647	233,150
SOILS	11,413	441,715
GENERAL REFUSE	57,076	254,171
MUNICIPAL SOLID WASTE	64,092	918,409
SLUDGE	8,572	119,015
MISCELLANEOUS WASTE	24,442	132,969
LATE CHARGES	2,943	11,836
MATTRESSES	1,655	22,437
	187,840	2,150,630
Total Landfill Operating Revenues		
Recycling Operating Revenues		
OLD CARDBOARD	28,366	109,430
PLASTIC	0	37,728
SCRAP METAL	1,220	26,441
RESIDENTIAL MIXED	6,577	15,953
	36,163	189,552
Total Recycling Operating Revenues		
	224,003	2,340,182
Total Operating Revenues		
Total Operating Expenses		
	249,859	1,714,261
Operating Income (Loss)		
	(25,856)	625,921
Other Income (Expenses)		
INTEREST ON UNRESTRICTED FUNDS	54	686
MISCELLANEOUS INCOME-LANDFILL	0	2,407
DIVIDEND INCOME	0	173
INTEREST ON BOND FUNDS	322	4,180
REIMBURSED EXPENSE	0	191
LANDFILL CLOSURE/POSTCLOSURE (SOUTH SIDE)	0	(75,169)
LANDFILL CLOSURE/POST CLOSURE (NORTH SIDE)	(17,137)	(137,096)
REMOVAL OF DISPOSED ASSET	(12,500)	(12,500)
BOND INTEREST EXPENSE	(29,322)	(176,922)
BOND 2014 - PREMIUM AMORTIZED	1,356	16,268
BOND 2010 - DISCOUNT AMORTIZED	(1,368)	(16,421)
	(58,595)	(394,203)
Total Other Income (Expenses)		

DRAFT

one-time dredging project

DELTA SOLID WASTE MANAGEMENT AUTHORITY
Statement of Revenues, Expenses and Retained Earnings
Month and Twelve Months Ended December 31, 2015

	<u>Current Month</u>	<u>Year-to-Date</u>
Increase (Decrease) in Retained Earnings	\$ <u>(84,451)</u>	231,718
Beginning Retained Earnings		<u>284,126</u>
Ending Retained Earnings		\$ <u>515,844</u>

DRAFT

FUNDING OPTIONS FOR MICHIGAN RECYCLING PROGRAMS

UPDATED SEPTEMBER 2010

ACTION BY COUNTY BOARD

General Fund Appropriation: Some Michigan counties allocate general fund dollars to cover their county-wide recycling programs. No action is needed by local units or voters. Ingham, Calhoun, Eaton, Oakland, and Missaukee Counties use general fund monies to fund portions of their programs.

Landfill Surcharge: Michigan counties that have a landfill within their jurisdiction can enact an ordinance that establishes solid waste and recycling programs and imposes a tipping fee Surcharge (e.g., \$3 per ton) on all solid waste coming into the landfill. The operator must collect the surcharge and pay it to the county for use in the established solid waste and recycling programs. No action is needed by local units or voters. Berrien, Eaton, Calhoun, St. Clair, Wexford, Monroe, and Clare Counties use a landfill surcharge to fund recycling programs.

Disposal Facility Surcharge: Michigan counties that have their own solid waste disposal facilities can establish rates for using those facilities that include the costs of running a recycling program. No action is needed by local units unless local unit support is needed to commit waste to the facility. Emmett County Transfer Facility and Wexford, Kent, Jackson, Alpena, Montmorency, Oscoda, and St Clair Counties.

ACTION BY COUNTY BOARD AND LOCAL UNITS OF GOVERNMENT

Act 185 Public Works Assessment: Michigan counties can create a board and Department of Public Works (DPW) and then work with some or all of the local units to establish a solid waste and recycling project. The engineers estimate for the project is then used to establish an assessment roll for parcels within the jurisdiction of the local units that have approved an agreement with the county. The county then collects the assessment as a program availability user fee and manages the solid waste and recycling program. Action is needed by the county and the local unit but no action is needed by voters. Property owners can appeal the assessment. Washtenaw County and Western Washtenaw County Authority,

Public Act (PA) 69 of 2005: PA 69 of 2005 allows counties to work with some or all of their local units to establish a recycling, composting, and/or household hazardous waste project. The county can collect up to \$25 per year from households in the local units that have approved an agreement with the county. Further, subject to the approval of local voters, the county may collect up to \$4 per month or \$50 per year. Commercial businesses could be subject to the surcharge, with voter approval. To hold an election on the increased surcharge, the county board of commissioners must pass a resolution with specific information. The initial authorization for the additional surcharge is for a period of five years. Subsequent authorizations are for at least 10 years. The surcharge approved by voters would not apply to vacant land, land owned by a public-utility, rights-of-way, and easements that do not generate solid waste. Benzie, Leelanau, Allegan, and Cheboygan Counties use this funding mechanism.

ACTION BY COUNTY BOARD AND/OR LOCAL UNITS OF GOVERNMENT

Intergovernmental Agreement and Independent Cost Sharing: Counties and local units and/or local units working together on their own can act in unison through intergovernmental agreements to run recycling programs. Each local unit can be obligated for their fair share and then come up with their own methods of paying for that share. No action by voters is required. Mid-Michigan Waste Authority, Southeastern Oakland County Resource Recovery Authority (SOCRRA), Resource Recovery and Recycling Authority of Southwest Oakland County (RRRASOC) use this funding mechanism.

Intergovernmental Agreement and Hauler Licensing: Counties and local units and/or local units working together on their own can act in unison through intergovernmental agreements and a uniform ordinance that requires private waste haulers to meet certain recycling requirements in order to do business and to include the costs for those programs in their overall solid waste service fees. No action by voters is required. Grand Traverse County Curbside Recycling, Eaton and Kalamazoo Counties use this funding mechanism.

Dedicated Millage: Incorporated Cities and Charter Townships in Michigan can charge an additional millage for solid waste and recycling services up to limits specified by statute. No action by voters is required. Royal Oak, Ann Arbor, Troy, Birmingham, Southfield, and Pontiac Counties use this funding mechanism.

Organized Collection: Any local unit of government can use contracting and ordinances to select a single hauler to provide solid waste and recycling services to all households, all businesses, or both and establish a fee collection mechanism to cover the cost for the same. Through intergovernmental agreement a third party (BPW, authority, etc.) can be assigned this responsibility by the local unit. No action by voters is required. Shelby Township hauler does the fee collection, Superior Township (rate is established by bid, hauler does billing).

Operating Revenues: A program operated with public agency involvement can charge additional fees for various services that will help offset the public sector's costs for the program. An example would be a multi-township recycling and solid waste drop-off facility that collected a per bag charge for the solid waste dropped off by citizen's and used that revenue to help offset operating costs such as staffing, building improvements, etc. The City of Ann Arbor/Washtenaw County drop-off program uses this funding mechanism.

Material Sales Revenues: A program operated with public agency involvement can use the revenue from sale of recycled materials to help offset the public sector's costs for the program. An example would be a regional recycling facility owned by a multi-county authority and operated under contract by a private firm, with the public agencies offsetting some of their costs with a share of the revenue from sale of recyclables. RRRASOC, Emmet and Newaygo Counties use this funding mechanism.

VOTER APPROVED MEASURES

Voter Approved Millage: Any local unit of government and/or a county can put a vote to the people for a temporary or permanent millage to fund a solid waste or recycling program. Examples include Royal Oak, Chippewa, Charlevoix, and Tuscola Counties.

Fee

If approved by voters, a city may collect a per household fee to fund a recycling program. The fee is collected with the property taxes. City of Lansing uses this funding mechanism.

For more information contact:

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Recycling and Composting Coordinator
Michigan Department of Natural Resources and Environment
Environmental Resource Management Division
Constitution Hall, Atrium North
Lansing, Michigan 48933
Phone: (517) 373-8422
Fax: (517) 373-4797
E-mail: flechterm@michigan.gov

DELTA SOLID WASTE MANAGEMENT AUTHORITY

P.O. Box 198

ESCANABA, MI 49829

Phone 906-786-9056 Fax 906-786-0825

don@dswma.org

www.dswma.org

April 29, 2016

Delta County Board of Commissioners:

The Delta Solid Waste Management Authority has asked the County Board to consider the following Bond Proposal:

Bond Proposal Language

Shall Delta County, as provided for by _____, levy a new millage of up to 0.3 mil (\$.30 on each \$1,000.00 of State Taxable Value) on all property for a period of ten (10) years 2016-2025 inclusive, for the purpose of the Delta County Solid Waste Authority to continue its Recycling, Composting, and Household Hazardous Waste disposal programs at the Delta County Landfill.

The estimated Revenue generated from the .30 mils that will be collected in the first year that the millage is authorized and levied will be \$335,084.70.

Thank you

Don Pyle
Manager