



THE SOUTHEAST MINNESOTA RECYCLERS' EXCHANGE

*Cooperative marketing * market development * materials exchange*

SEMREX JOINT POWERS BOARD (JPB) MEETING

Friday, December 6, 2013

*Dodge County Courthouse - Conference Room B - Lower Level
Mantorville, MN*

AGENDA

9:00 Coffee and Rolls

9:30 Call Meeting to Order – Roll Call & Introductions

9:35 Approve June 7, 2013 Minutes

9:40 Conflict of Interest forms

9:45 Director's Update –Schriever

10:00 Budget - Schriever

- Report
- 2014 Budget Approval

10:15 Fiscal Management Agreement for Approval - Schriever

10:25 Legislative Update:

- Beverage Container Recycling Refund Program –Garth Hickle - MPCA
- Extended Producer Responsibility (EPR) – Paul Gardner, Recycling Reinvented

11:15 MPCA Updates

11:30 Member Updates Questions/Discussion - All

11:55 Set Next Meeting

12:00 Adjourn

If you cannot attend or cannot get an alternate, please notify Sharon Schriever at (507) 328-7022 or by e-mail at schriever.sharon@co.olmsted.mn.us.

SEMREX Joint Powers Meeting June 7, 2013

Joint Powers Board Members Present: Dodge County, Steven Gray; Freeborn County, Mike Lee; City of Red Wing, Peggy Rehder; Mower County, Mike Ankeny; Rice County, Jake Gillien; Steele County, Doug Johnson.

Tech Committee Members Present: Blue Earth County, Jean Lundquist; City of Red Wing, Jeff Schneider; Dodge County, Terry Selthun; Freeborn County, Randy Tuchtenhagen; Mower County, Jeff Weaver; Rice County, Paul Piper; and Waseca County, Georgette Hanson.

Others Present: SEMREX, Executive Director Sharon Schriever; MPCA, Garth Hickle.

The Joint Powers meeting was called to order by Chairman Doug Johnson at 9:32; we had enough board members for a quorum. All present introduced themselves. Sharon Schriever handed out conflict-of-interest forms to members who did not fill one out in December's JPB meeting.

Directors Report: All markets are down except for natural high density plastic. The market downtrend is from China's new "Green Fence" model which is an effort to clean up recycling material imports. China has a 1.5% contamination standard. SEMREX member counties have maintained good market prices due to the quality of material we ship. Sharon is working on scrap metal, finding vendors and how to ship the scrap metal. Sharon is trying to go more paperless and hopes to use the SEMREX Website or emails to get information out to members.

Revenues: Revenue through May was down \$2458.00 compared to 2012. There were 93 more tons marketed in 2013 than in 2012. Total revenue through May 2013 is \$258,758.00. This is down \$59,455.00 from last year. Rice County will be shipping all of their old corrugated cardboard (OCC) through SEMREX starting in July 2013. SEMREX Technical Committee recommends keeping a fund balance equivalent to two operating years to help us through a downtrend in prices for the recyclable material we market. SEMREX currently has about \$100,000.00 in the reserve fund. Someone asked how much can be kept in the reserve fund according to State Statutes. Sharon will look into this and find out how much we are allowed to have in the reserve fund. There was discussion on what to do with the reserves if we have too much. Suggestions included: Dedicating some to a project, pay rebates or dividends to SEMREX members that market material through SEMREX. The consensus of the JPB was to have the SEMREX Technical Committee look at a business plan to help maintain the reserve fund, look at projects that we could dedicate some of the reserve funds too, and/or promote services to private industries that SEMREX can help market their recyclable material.

Legislature: the legislature passed a new tax bill saying the Government is subject to the same taxes that private industries pay, we do not know the full content of this bill and how it will affect SEMREX. Sharon will update us on this new bill when she gets more information.

Sharon is trying to go paperless, Sharon hopes to use the SEMREX Website or members emails to get the information out to them. A comment was made that most of government information is available to the public will this affect what information can be sent by email or put on our website, one example was who we market our materials through and what we get paid for that material, how much we market, will business use this information to start marketing material themselves and use us as a reference. The Director will research what can go on the website and in emails for information.

Fiscal Management: Olmsted County is going through a “LEAN” process, looking at making changes in its fiscal management. Some of the changes will be to further automate deposits and payments. SEMREX accounting will be on a “cash” basis rather than an “accrual” basis. Olmsted wants to save time and become more efficient in the way they do business. Sharon said the time involved with preparing the SCORE Report for the State of Minnesota has improved because of the electronic process that was implemented.

MPCA Garth Hickle: MPCA has prioritized four areas. They are: 1) mercury containing lamps, 2) paint, 3) carpet, and 4) mattresses recycling. He provided a handout on the paint stewardship legislation passed this year, and talked a little about e-waste collection and disposal. The Legislature directed the MPCA to do a study on a beverage container program, which will be due in December 2013. Randy Tuchtenhagen asked Garth why no progress was made on the bottle bill in 2013. Randy said a lot work was done on the bottle bill for 2012 and was close to getting adopted; the 2012 bottle bill had a lot of different organizations backing the bill Garth had no reply. Garth also talked a little about burn barrels and Ag bag disposal. Arlene Vee was not present but sent a report on MPCA Solid Waste Updates for Counties.

County Updates:

Waseca: will be getting two new packer boxes to replace the old ones that no longer are useable, they just have one packer box that is useable. Georgette wrote up three new job descriptions. Waseca Co. has approved the hiring of more help. Their HHW has been very busy.

Freeborn: An electronic collection was held on May 24. It was very busy and they were very happy with the company that did the collection. Randy also visited their plant and was impressed with how they handled the e-waste that was collected. They also recycle Styrofoam turning large quantities into small blocks of condensed Styrofoam. The mobile HHW collections have been very busy so far this year. Waste Management signed a 7 year recycling contract

with Freeborn County. Waste Management will be furnishing 64-gallon carts for the single stream they are to collect recycling in all incorporated cities, plus 200 new residents in outlying communities. Freeborn County will also get an 80% rebate on the recycling that is collected. There will be a processing fee charged to Freeborn County.

City of Red Wing: A shredder was purchased to grind MSW down to 8" minus for Xcel Energy, they also applied for a 2-million dollar grant so they can purchase a larger shredder to process MSW and help in the collection of recyclables. Jeff introduced Peggy Rehder, JPB member from the City of Red Wing. Peggy used to be a lobbyist at the State Capital. If SEMREX, as a group, has an issue or a project that they would like to take to the Capital, Peggy would help lobby local Legislatures for their support at the Capital.

Steele County: Steele County does not know if they will replace Mary Overlee Olson's, Recycling Coordinator position. She retired last December. Mary was full time and they do not know if a full time person is needed to fill that position now. They are looking at part time or having other staff take over Mary's duties.

All other counties sent in their updates and they had no other news to report. Next meeting is December 6, 2013 in Dodge County gathering at 9 A.M. with the meeting to start at 9:30 A.M.

A motion to adjourn was made by Jake Gillen the motion was seconded by Mike Lee motion carried.

Terry Selthun

SEMREX Budget								
As of 10/31/13		Adopted 2013	(Cash Basis) Actual 2013 to date	Budget Variance	Budget Var %	Proposed Budget Changes	PROPOSED 2014	
REVENUE								
	Blue Earth	\$ 1,700	\$ 1,700	\$ -	0%		\$ 1,700	
	City of Red Wing	900	900	-	0%		900	
	Dodge	900	900	-	0%		900	
	Freeborn	1,300	1,300	-	0%		1,300	
	Mower	1,300	1,300	-	0%		1,300	
	Olmsted	1,700	1,700	-	0%		1,700	
	Rice	1,700	1,700	-	0%		1,700	
	Steele	1,300	1,300	-	0%		1,300	
	Waseca	900	\$ 900	-	0%		900	
5390	County Membership Fees	11,700	11,700	\$ -	0%		11,700	
Subtotal	Membership Revenue	\$ 11,700	\$ 11,700	\$ -	0%		\$ 11,700	
5550	Interest Income	\$ -	\$ -	\$ -	0%		\$ -	
5999	MCIT Dividend	1,775	1,399	(376)	-21%		1,200	
Subtotal	Miscellaneous Revenue	\$ 1,775	\$ 1,399	\$ (376)	-21%		\$ 1,200	
5336	SEMREX Shipping Pass-Through	\$ -	\$ 2,611	\$ 2,611	100%		\$ -	
5376	Marketing Fees	33,175	35,081	1,906	6%	10,000	37,086	
5378	Pass-Through to Members	673,545	647,963	(25,582)	-4%	140,000	691,890	
Subtotal	Marketed Material Revenue	\$ 706,720	\$ 685,654	\$ (21,066)	-3%	\$ 150,000	\$ 728,975	
Total Revenue		\$ 720,195	\$ 698,753	\$ (21,442)	100%		\$ 741,875	
Use of Reserves		\$ 7,000	\$ -	\$ -	-100%		\$ 7,000	
EXPENSES		Adopted 2013	Actual 2013 to date	Budget Variance	Budget Var %		PROPOSED 2014	
6206	Staff Development (Education)	\$ 200	\$ 120	\$ 80	40%		\$ 200	
6211	Telephone	400	226	174	44%		400	
6212	Postage & Freight	20	5	15	75%		20	
6232	Membership/Registration	150	-	150	100%		150	
6252	Audit/Legal Fees	3,500	2,714	786	22%		3,500	
6272	Mileage	500	126	375	75%		500	
6284	Office Rental/Fiscal Agent	2,750	2,750	-	0%		2,750	
6291	MCIT Insurance	2,400	2,392	8	0%		2,820	
6298	Contract	43,000	35,833	7,167	17%		45,000	

6410/6992	Office/Computer Supplies	550	426	124	23%		650
6441	Books & Periodicals	60	-	60	100%		60
Subtotal	Administrative Expense	\$ 53,530	\$ 44,592	\$ 8,938	17%		\$ 56,050
6259	CM disbursements to govt	\$ 532,735	\$ 497,753	\$ 34,982	7%	\$ 80,000	\$ 534,239
6300	CM disbursements to others	140,930	150,210	(9,280)	-7%	\$ 60,000	158,586
6336	SEMREX Shipping Pass-Through	-	5,703	(5,703)	-100%		-
Subtotal	Marketed Material Expense	\$ 673,665	\$ 653,666	\$ 19,999	3%		\$ 692,825
Total Expenses		\$ 727,195	\$ 698,258	\$ 28,937	4%		\$ 748,875
Net Income		\$ -	\$ 495	\$ 495			\$ -

Notes: 1) Line Item No. 6298 includes: Salary, Health Insurance, PERA, FICA, Medicare & photocopying

2) Current Cash estimated at \$82,000 as of November 1, 2013

Source: Report IC ABAAE1) - AB03 Rev 10/31/13