



THE SOUTHEAST MINNESOTA RECYCLERS' EXCHANGE

cooperative marketing * market development * materials exchange

SEMREX JOINT POWERS BOARD (JPB) MEETING

Friday, December 2, 2022

Conference Room B

Dodge County Government Services Building (not the courthouse)

721 Main Street North (on the west side of Highway 57)

Mantorville, MN

9:30 A.M.

AGENDA

- 9:30 Call Meeting to Order – Roll Call and Introductions
- 9:35 Approve June 2022 Minutes
- 9:40 Director's Report– Sharon Schriever, SEMREX
 - Market Update
 - Budget Report
- 9:55 Renew/Approve Professional Services Agreement with Olmsted County
- 10:00 Renew/Approve Fiscal Management Agreement with Olmsted County
- 10:05 Review/Approve 2022 Budget
- 10:10 Update on Extended Producer Responsibility – Tammy Bramer
- 10:25 MPCA and Legislative Update – Ben Crowell
- 10:40 Member Update Report Questions/Discussion - All
- 10:50 Set Next Meeting
- 10:55 Adjourn

Tour of Dodge County Solid Waste Facilities following meeting

**SEMREX Joint Powers Board Meeting
Red Wing Materials Recovery Facility
June 3, 2022 - 12:30 p.m.**

The meeting commenced following a tour of the Red Wing Materials Recovery Facility.

Present: Commissioner Mike Ankeny, Mower County; Commissioner Jim Kollar, Waseca County; City Councilperson Evan Brown, City of Red Wing; Commissioner John Glynn, Steel County; Commissioner Gregory Wright, Olmsted County.

Staff Members: Tammie Bramer, Waseca County; Rita Cole, Dodge County; Jeff Schneider, City of Red Wing, Sharon Schriever, SEMREX.

Call Meeting to Order & Approve Minutes: Mike Ankeny, Chairperson, called the meeting to order at 12:32 p.m. Introductions.

Motion to approve minutes from December 3, 2021 meeting by Mark Piepho, and 2nd by Brian Harguth. Motion carried.

Director's Update:

Markets are solid right now, especially in the Midwest. Volumes coming into SEMREX are down right now due in part to the strength of the market and demand for material. We are also currently experiencing high freight rates.

- PETE is up right now.
- Aluminum continues to be strong
- Steel is down slightly
- OCC is still very strong

Budget:

Sharon noted that 2019, 2020, and 2021 don't show the Marketing Revenue and Disbursements (Line Items: 5378 of the revenues and 6259 & 6300 of the expenses). This was an accounting change made 3 years ago. Because the majority of the revenue from material sale transfers back to the member who sold it, SEMREX doesn't actually accrue the revenue so those accounts balance out to zero at the end of the year. However, it does show up during the current year.

This change keeps us from getting bumped into the category of having over \$250,000 in revenue and being required to have an audit every year. This way, we only need one every 5 years.

Currently, the budget is a net positive of \$15,974. This is better than last year, due in part to the increase in membership dues, strong markets and the change to the marketing fee schedule for cardboard. Overall revenue is up 69% this year, and marketing fee revenue is up by \$4,900 or 45%. Cash reserves are currently at about \$50,000.

A marketing fee change for aluminum and steel was proposed for SEMREX to be more competitive and to drive more tons to be marketed through SEMREX. The current rate is 4% and 6% respectively. This is a big chunk of change when markets are as strong as they are.

Staff recommended changing the marketing fee rate to \$7.50 for steel/ton and \$10.00/ton for aluminum this will be a considerable reduction from the current percentage rates. Scott felt this proposed adjustment will bring the marketing rates in line with other commodities and should be used to adjust marketing fees to be competitive. Motion by Glynn, second by Wright to approve the proposed changes to the fee schedule for steel/tin and aluminum as recommended.

Malory Anderson from Hennepin County presented a menu of legislative elements and options that can be used when developing Extended Producer Responsibility (EPR) bills. This information is being used in the development of a Minnesota EPR bill for packaging and paper products (PPP) through a partnership between Ramsey, Washington & Hennepin Counties. These conversations align with Product Stewardship Initiatives.

The next meeting for SEMREX JPB will be Friday, December 2, 2022.

Minutes submitted by Jeff Schneider