

**AGENDA**  
**MAPLEWOOD CITY COUNCIL**  
**MANAGER WORKSHOP**  
5:00 P.M. Monday, July 22, 2013  
Council Chambers, City Hall

**A. CALL TO ORDER**

**B. ROLL CALL**

**C. APPROVAL OF AGENDA**

**D. UNFINISHED BUSINESS**

1. Maplewood Recycling Program – Update on Recycling Carts and Rates
2. Fish Creek Acquisition Project - Funding Plan Update

**E. NEW BUSINESS**

1. Discussion on Budget Overview and Goals

**F. ADJOURNMENT**

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## MEMORANDUM

**TO:** Chuck Ahl, City Manager  
**FROM:** Shann Finwall, AICP, Environmental Planner  
**SUBJECT:** **Maplewood Recycling Program – Update on Recycling Carts and Rates**  
**DATE:** July 17, 2013 for the July 22 City Council Workshop

### BACKGROUND

In May 2013 staff updated the City Council on contract negotiations with Tennis Sanitation, LLC, for our City-wide residential recycling program. Tennis' recycling contract ends December 31, 2013. Under the current contract, Tennis charges the City \$1.75 per unit per month for recycling collection. Staff negotiated three contract extension scenarios including the use of the City's existing recycling bins, contractor-supplied recycling carts, and City-supplied recycling carts:

1. Use of Existing Recycling Bins - Tennis proposed no increase to recycling rates for two years with the continued use of City-supplied recycling bins. The rate would remain at \$1.75 per unit per month for the first two years of a contract extension (2014 and 2015) and \$2.00 per unit per month for two additional extensions (2016 and 2017).
2. Contractor-Supplied Recycling Carts - Tennis proposed to supply recycling carts for Maplewood residential properties with at least a four-year contract. Cost of the contract would be \$2.50 per unit per month for the first two years of the contract (2014 and 2015) and \$2.75 per unit per month for two additional years (2016 and 2017).
3. City-Supplied Recycling Carts - If the City purchases recycling carts, Tennis proposes no increase to recycling rates, remaining at \$1.75 per unit per month for a two-year extension (2014 and 2015) with the possibility of two additional one-year extensions. The City would need to charge an additional fee for carts as discussed in the attached report (Attachment A). Additionally, the City will capture 70 percent of the revenue earned for any increases in tonnage of materials collected with the use of recycling carts over tonnage collected that month in 2012 with the use of recycling bins.

### DISCUSSION

During the May City Council workshop the City Council directed staff to finalize negotiations with Tennis for a two-year, City-wide residential recycling contract extension. However, there was no consensus on which contract scenario staff should finalize - use of existing recycling bins, use of contractor-supplied recycling carts, or use of City-supplied recycling carts. The City Council did request that staff continue to review the City-supplied recycling cart option and bring back additional information for review.

Staff has obtained technical assistance from Ramsey County's Public Entities Technical Assistance Program (TAP). The City and County have retained Foth Infrastructure and Environment, LLC, to provide technical consultant services as a part of the County and City

recycling collection system planning and implementation. To research the City-supplied recycling cart option further, staff requested Susan Young of Foth research the following questions:

1. What will be the estimated additional revenue sharing that may be derived from the single-stream carts as presented in the Tennis proposal?
2. Of the two recycling cart quotes received through the HGAC National Purchasing Cooperative, which is in the City's long term interests?
3. What number of carts should be purchased; what will the total purchase price be?
4. Should Radio Frequency Identification Devices (RFID) tags be installed in recycling carts? Evaluate the future costs/benefits to the City of RFID tags potentially used in the recycling program. As appropriate, incorporate the RFID tag specifications into the cart purchase specifications.
5. Should the City pre-install RFID tags in recycling carts purchased?
6. How will the estimated cart costs and proposed revenue share affect the price that Maplewood charges for recycling services to its residential customers?

Susan Young researched the questions and submitted a response for the City Council's review (Attachment A).

## **RECOMMENDATION**

Review the additional information on recycling carts and rates and offer comment and feedback. In addition, staff recommends that the City Council authorize staff to finalize the two-year recycling contract extension with Tennis Sanitation, LLC, under scenario number 3 (city – supplied recycling carts). Additional information on the process for the procurement of recycling carts will follow.

### Attachments:

- A. Foth Infrastructure & Environment's Maplewood Recycling Cart Issues Memorandum dated July 15, 2013
  1. Excerpts from Tennis Recycling Contract - 2014 Beginning Date
  2. Estimated Revenue Share in 2014 with Recycling Carts
  3. Draft RFID Specifications for Recycling Carts



## Memorandum

Foth Infrastructure & Environment, LLC  
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Lake Elmo, MN 55042  
(651) 288-8550 • Fax: (651) 288-8551  
www.foth.com

July 15, 2013

TO: Shann Finwall, City of Maplewood  
CC: Norm Schiferl, Ramsey County  
FR: Susan Young, Foth Infrastructure & Environment, LLC  
RE: Maplewood Recycling Cart Issues

### Introduction

Ramsey County retained Foth Infrastructure & Environment, LLC (Foth) to provide recycling and solid waste technical assistance to assigned public entities. The City of Maplewood requested County technical assistance under the Ramsey County Public Entities Technical Assistance Program (TAP). The City and County have retained Foth to provide technical consultant services as a part of the recycling collection system planning and implementation.

The City of Maplewood has asked the following questions:

- 1) What will be the estimated additional revenue sharing that may be derived from the single-stream carts as presented in the Tennis proposal?
- 2) Of the two recycling cart quotes received through the HGAC National Purchasing Cooperative, which is in the City's long term interests?
- 3) What number of carts should be purchased; what will the total purchase price be?
- 4) Should Radio Frequency Identification Devices (RFID) tags be installed in recycling carts? Evaluate the future costs/benefits to the City of RFID tags potentially used in the recycling program. As appropriate, incorporate the RFID tag specifications into the cart purchase specifications.
- 5) Should the City pre-install RFID tags in recycling carts purchased?
- 6) How will the estimated cart costs and proposed revenue share affect the price that Maplewood charges for recycling services to its residential customers?

What Will Be The Estimated Additional Revenue Sharing That May Be Derived From The Single-Stream Carts As Presented In The Tennis Proposal?

In the renegotiated contract with Tennis, that begins January 1, 2014, there is a provision for the City of Maplewood to participate in the increased recycling tonnage and revenue that is anticipated with the implementation of the recycling cart program. The increase in tonnage is based on the 2012 data. The revenue share is based on the percentage of each material that is

collected times the published commodity price, less a processing and marketing fee for Tennis, with 70 percent of the resulting proceeds of tonnage over that currently collected with the recycling bins returning to the City (Attachment 1).

Tennis performed a pilot cart recycling project in April 2012 through March 2013. Two hundred and fourteen homes were included in the pilot. Baseline data was collected at these homes in April through September, with the pilot program running October through March. Tennis recorded the number of homes at which recycling containers were “not out” during the study to gauge participation, and the number of tons of recyclables collected. During the baseline phase, of 5,564 total opportunities to recycle, there were 1,952 “not outs.” During the six months of the cart pilot, for 5,564 recycling opportunities, there were 1,467 “not outs,” a 25 percent improvement in participation. Recyclables collected equaled 28.13 tons in the baseline period, and 38.44 tons of recyclables were collected in the pilot period, a 37 percent increase in the tonnage of recyclables collected. The tonnage increase, in particular, is the basis for a predicted revenue share scenario for City-wide cart-based recycling beginning in 2014.

Attachment 2 shows the worksheet for a conservative estimate of revenue share to Maplewood if the cart-based program is operated City-wide. Using the 37 percent increase in tonnage demonstrated in the recycling pilot program, an estimated increase of 856 net tons is predicted. An analysis of the per ton recycling revenue, based on a three-year market history, yields a blended value, less the processing fee for the recyclables, of \$52.36 per ton, of which \$36.65 per ton, or \$31,372 in year 2014 would return to the City.

This is considered to be a *conservative estimate* for the following reasons:

- ◆ The average pounds per household recycled in Maplewood has been increasing from year to year, and in 2012 from the first quarter of the year to the last quarter of the year<sup>1</sup>. Education programs by Tennis, Maplewood, and Ramsey County will continue to build recycling awareness and promote recycling as a community norm. This should produce recycling tonnage increases and increase revenue to the city.
- ◆ The convenience of a single stream recycling cart has, in other cities, provided incentive to recycle more items per household. Education associated with the roll-out of the single stream carts often teaches people that things they did not believe were recyclable, can be recycled in their single stream carts. Education associated with the cart roll-out also focuses household and community interest in the recycling program, increasing “buzz” about recycling and recycling tonnages.
- ◆ Tennis continues to increase the types of recyclables that they collect as they find markets, and find improving markets for existing recyclables. This will potentially enhance the blended value of the recyclables in coming years, increasing the revenue to the City.
- ◆ Maplewood, using the RFID-generated information, can provide targeted education and encouragement to non-recyclers, leading to increased tonnage as they begin to recycle.

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<sup>1</sup> January, 2013, “Maplewood Recycling Report,” Tennis Sanitation

- ◆ National and regional increases in recycling participation and tonnages when a single stream cart and RFID combination are implemented would predict a higher than 37 percent increase in Maplewood recycling tonnages.
- ◆ Maplewood will be upgrading recycling information and education to multifamily properties when the new multifamily carts are delivered. The multiunit property per household recycling tonnage dropped from 2011 to 2012; multiunit recycling is challenging for most cities. Maplewood's efforts, however, combined with efforts by Tennis and Ramsey County to increase recycling participation should result in increased tons from multiunit properties.

### Of The Two Recycling Cart Quotes Received through the HGAC National Purchasing Cooperative, Which is In the City's Long Term Interests?

When the City organized garbage collection in 2012, it purchased carts for garbage collection. This was a cost-effective decision by the City that will protect its interests in future garbage collection bids and negotiations. Similarly, City purchase of recycling carts will protect the City's interests in future recycling contract actions. On February 13, 2012, the City Council authorized the purchase of garbage carts through a cooperative purchasing company which meets the requirements of State statute. The City purchased 20, 32, 65, and 95 gallon garbage carts from Otto Environmental Systems.

The City has recently received two bids for recycling carts. The bids include the cost of 65 and 32 gallon recycling carts, installation of the RFID system, and freight. The initial Otto bid through the cooperative purchasing company for 10,560 - 65 gallon and 1,990 - 32 gallon recycling carts was \$462,284. This is the same cart, at the same price, as the City purchased in 2012. The cart is highly rated by previous and existing municipal and private sector customers. Parts for the Otto recycling cart are the same as parts for the Otto garbage cart, except that the lids for the recycling cart will be a different color. Recycling lids and garbage lids would be interchangeable on the various size carts and parts for recycling carts and garbage carts would be interchangeable. Otto also submitted a bid for cart assembly, distribution, and the initial RFID scanning at \$4.75 per cart.

The Rehrig Pacific bid for the same number and size of carts was \$517, 133. This is the same cart manufacturer that Tennis Sanitation uses in their garbage and recycling operations in other cities. The cart is highly rated by previous and existing municipal and private sector customers. Parts for the Rehrig Pacific carts and the Otto carts are not interchangeable. Rehrig also submitted a bid for cart assembly, distribution, and the initial RFID scanning at \$4.35 per cart.

Tennis, the City's recycling vendor, has indicated that they would take delivery of either Otto or Rehrig carts purchased by the City as part of the renegotiated contract. Tennis has also submitted a bid to assemble, distribute, and do the initial RFID scanning at \$4.15 per cart. The renegotiated recycling contract also requires that Tennis store and maintain the carts throughout the term of the contract, but the carts would remain under City ownership.

It is recommended that Maplewood purchase the Otto carts. Price, parts compatibility, and interchangeability of cart lids if needed are reasons for the recommendation. It is also

recommended that Tennis be contracted to assemble, distribute, and do the initial RFID scan at the one-time price of \$4.15 per cart.

## What Number Of Carts Should Be Purchased; What Will The Total Purchase Price Be?

For purposes of cart numbers calculation, it is assumed that:

- ◆ Each single family home will receive a 65 gallon cart for recycling (9,206 units).
- ◆ Customers with walk-up service or customers using a 20 or 32 gallon garbage cart will receive a 32 gallon cart for recycling (1,412 units).
- ◆ Single family home customers with three or more 95 gallon garbage carts will receive three, 65 gallon carts (20 accounts to date).
- ◆ Half of the customers that receive Every Other Week (EOW) garbage service will request a 65 gallon cart and half will request a 32 gallon cart (138 units total).
- ◆ Due to the convenience of the single stream cart program, small businesses and organizations such as churches will wish to opt into the Maplewood recycling program (estimated at 100 units).
- ◆ There are 9,206 single family homes.
- ◆ There are 2,139 multi-family home that could opt into the Maplewood recycling program, half of which would opt for a 65 gallon recycling cart and half for a 32 gallon recycling cart.
- ◆ There are 4,170 multi-family homes that have 437 – 95 gallon Tennis-supplied single stream recycling carts. The City should replace these carts with city-supplied carts.
- ◆ There should be a 7 percent “overage” in the initial order to provide for growth in the program and in the homes served, to avoid a mid-year additional cart order.

The number of recycling carts to be purchased include 595 – 95 gallon carts; 9,452 – 65 gallon carts; and 2,728 - 32 gallon carts. Estimated price for carts and RFID installation only is \$471,116.30 (no taxes or freight included in estimate). Using the Tennis proposal for distribution and maintenance adds \$53,016.25, for a total cart cost of \$524,132.55 (not including taxes).

## Should RFID Tags be installed in Recycling Carts?

RFID tags or chips are installed in many applications to provide identifying information. RFID tags are now commonly installed in cars, personal electronics, passports, and pets to identify the owner, in shipping containers to improve routing and delivery efficiency, and in garbage and recycling carts to provide for data collection and analysis as part of modern residential trash and recyclables collection systems.

Data on the RFID tag usually include the cart service address, cart size, date of delivery, and manufacturer. In practice, as the recycling vehicle tips the recycling cart, an RFID “reader” on the truck electronically notes the cart information and the collection information, which can later

be downloaded to a city database. Information that can be recorded during cart collection includes the service address, the time that the cart was serviced, whether repairs are needed to the cart, and whether the cart is assigned for collection (to make sure that the residence is paying for service). The RFID can also be used to determine which cart belongs to which residence to return lost or stolen carts. In advanced systems containers that are not out or which have contamination in the recycling containers can be recorded to improve customer education and participation in the recycling program.

Ramsey County has indicated that it will be requiring all cities in the County to step up resident recycling rates to comply with Minnesota Pollution Control Agency requirements for the County and in accordance with the Ramsey County Solid Waste Master Plan. Maplewood, in particular, has been identified by the County as having low residential recycling rates, ranking lowest in the County for pounds of recycling per person, and pounds of recycling per household.

RFID technology has been used by many communities to significantly improve recycling programs. For instance, a positive message could be sent in the form of coupons or “thank you” letters to households that regularly recycle; increased education could alternatively be sent to households that do not regularly recycle. The use of RFID technology to provide targeted education has been highly effective, including a recycling increase of 117 percent in South Carolina<sup>2</sup>, 221 percent in Chesapeake, Virginia in association with new recycling carts<sup>3</sup>, and a 40 percent increase in participation with a 267 percent increase in tonnage in Dayton, Ohio<sup>4</sup>. The use of RFID technology to target educational efforts is simple and cost effective, as compared to sending an employee out in front of the recycling truck to write down participating and non-participating addresses, returning to the office and hand-entering addresses to subsequently send letters. The City of Grand Rapids, Michigan developed a three-phase plan that uses RFID to reduce the amount of trash sent to the county incinerator and landfill, while lowering costs and improving operations. The first phase, implemented in 2010, encouraged residents to recycle by rewarding them with points redeemable for discounts and free merchandise at local businesses. The second phase, deployed in 2012, manages garbage collection and charges households only for what they throw out, decreasing the amount some residents pay. The final phase, currently in development, will be a system to collect food scraps and yard waste for composting, further allowing residents to reduce their garbage generation and costs.<sup>5</sup>

The garbage carts previously purchased by the City and in use have RFID chips installed. Allied, the garbage collection contractor for the City, has been collecting data using the technology on carts that are placed for service to verify customer service and billing. Allied installed RFID readers on the two trucks that were purchased to serve the City’s contract, and on a spare used in the City when one of those trucks is down.

The bids that the City has for purchase of recycling containers include the installation of the RFID chips at no additional cost to the City. The price of ultra-high frequency (UHF) readers

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<sup>2</sup> [www.computerworld.com/s/article/print/9219364/RFID\\_boosts\\_residential\\_recyclinn...](http://www.computerworld.com/s/article/print/9219364/RFID_boosts_residential_recyclinn...)

<sup>3</sup> <http://waste360.com/print/radio-frequency-identification-cutting-back-keeping-track>

<sup>4</sup> <http://www.aliantechnology.com>

<sup>5</sup> <https://www.rfidjournal.com/purchase-access?type=Article&id=10772&r=%2Farticles%2Fview%3F10772>

has been falling as production ramps up with adoption. Most UHF readers cost \$500 to \$2,000, depending on the features in the device. A stand alone reader can be about \$500<sup>6</sup>.

The City's current recycling contractor, Tennis, does not presently use the RFID technology but may use it in the future, and agreed to assist the City in rolling out RFID-tagged carts by renting an RFID reader. The City could order carts without RFID tags. In the future, however, if the City wishes to employ the technology the cost could exceed \$5.00 per cart, which would include the tags at approximately \$1.00 each, the cost of installing the tags, setting up the data base, and initializing the system. If the City anticipates the possible use of RFID technology during the life of the carts (15 years) it is much more cost-effective to have the tags installed and the data base initialized at the time of cart purchase and distribution. Suggested specifications for RFID tags are contained in Attachment 3.

### Should The City Pre-Install RFID Tags In Recycling Carts Purchased?

It is recommended that the City have the RFID tags installed in the Recycling carts at the time of cart manufacture, and that the distribution of the carts include entry of the cart serial number, the RFID identifier and the address of cart delivery into a Maplewood-approved data base.

How will the estimated cart costs and proposed revenue share affect the price that Maplewood charges for recycling services to its residential customers?

The total cart purchase of \$524,132.55, if purchased through a seven-year equipment certificate and solely paid for through increased recycling fees has been estimated by staff to require a recycling rate increase of \$0.75 per unit per month. A recycling revenue share of \$31,372 could reduce this by \$0.20 per unit per month if the revenue share were applied to the cost of the recycling carts, for a \$0.55 recycling increase.

It should be noted that the Tennis recycling contract is not scheduled for rate increases in the next two years, and the potential revenue share to the City should increase over the next two years which will minimize the potential for additional rate increases.

Maplewood enjoys one of the lowest recycling fees in Ramsey County or the metropolitan area. Ramsey County reported that in 2011 the range of recycling fees in the County was \$24.00 to \$76.18 per unit per year. Maplewood's recycling fee, by comparison, was \$26.64.

Unfortunately, as Ramsey County also reported, this low recycling fee was accompanied by a very low recycling participation and diversion rate. The single stream recycling cart program should significantly address this shortcoming.

#### Attachments:

1. Excerpts from Tennis Recycling Contract - 2014 Beginning Date
2. Estimated Revenue Share in 2014 with Recycling Carts
3. Draft RFID Specifications for Recycling Carts

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<sup>6</sup> RFID Journal, June, 2013 <http://www.rfidjournal.com/faq/show?86>

Attachment 1  
Excerpts from Tennis Recycling Contract  
2014 Beginning Date

**Section 1: Definition**

1.29 “Revenue share”

Any increases in tonnage of recyclables with the use of recycling carts over the tonnage of that month in 2012 with the use of recycling bins will result in a seventy (70%) revenue share for the blended value of all commodities collected using the following procedure: Total tonnage for the month shall be apportioned to the individual commodities by use of the most recent composition study conducted by the Contractor and monitored and approved by the City. The value of the commodity for a particular month shall be determined by the price quoted in Recyclingmarkets.net on the fifth business day of that month.

**Section 6: Payment Terms**

6.2 Households

Currently, the City has determined that there are eleven thousand three hundred forty-five six hundred and eighty (11,345) single family units and four thousand one hundred seventy eighty two (4,178) multiple family units in the City of Maplewood. The City will pay the Contractor for all single family units in the City, but will only pay one dollar and seventy-five cents (\$1.75) per unit per month for those multiple family units that the Contractor actually services. ...

6.3 “Revenue Share”

The City and the Contractor intend to implement more effective recycling education programs and the use of carts for single stream recycling for Contract years 2014 and 2015. Any increases in tonnage of all commodities collected with the use of carts over the tonnage of that month in 2012 with the use of bins shall result in a share of recycling revenue to be returned to the City as follows:

- ◆ Each month seventy percent (70%) of the blended value of all commodities, net processing, shall be returned to the City using the following procedure:
- ◆ The current year’s monthly tons minus the 2012 monthly tons for that same month will be calculated. Any increase in tons based on this calculation will trigger the revenue share procedure as follows:
  - ▶ Total tonnage for the month shall be apportioned to the individual commodities by use of the most recent composition study conducted by the Contractor and monitored and approved by the City.
  - ▶ The value of the commodity for a particular month shall be determined by the price quoted in Recyclingmarkets.net on the fifth business day of that month.
  - ▶ Values for each commodity will be divided by the apportioned percent of each commodity from the composition study.

- ▶ Addition of the apportioned commodity values will equal the blended value per ton of all commodities minus the processing fee of eighty dollars (\$80.00) per ton equals the total revenue increase over 2012.
- ▶ Seventy percent (70%) of the total revenue share goes to the City for its revenue share.

Example:

January 2013 Recycling Tons = 4,000  
 January 2012 Recycling Tons = 3,920  
 Current Net Tons = 80  
 Blended Value per Ton \$104.06  
 (Based on January “Recyclingmarkets.net”)  
 Minus Processing Fee - 80.00  
 Equals Increase in Revenue \$24.06  
 Multiplied by 70% Equals City’s Share of Revenue Increase \$16.84  
 Multiplied by Current Net Tons 80.00  
 Equals the City’s January Revenue Share \$1,347.20

The City shall not be penalized for decreases in tonnage. If there is a decrease in tonnage, there is no revenue share due to the City.

**Section 23. Estimating Materials Composition as Collected**

The Contractor shall conduct at least one materials composition analysis of the City’s recyclables during October of each year to estimate the relative amount by weight of each recyclable commodity by grade. The results of this analysis shall include:

- ◆ Percent by weight of each recyclable commodity by grade as collected from the City;
- ◆ Relative change compared to the previous year’s composition;
- ◆ Percent by weight of the Process Residuals collected from the City; and
- ◆ A description of the methodology used to calculate the composition, including number of samples, dates weighed, and City route(s) used for sampling.

The City shall be notified of the composition analysis and be offered the opportunity to view the sorting and weighing of materials. The Contractor shall provide the City with a copy of the analysis for each year of the contract

Attachment 2  
 Estimated Revenue Share in 2014 with Recycling Carts  
 Based on Maplewood Recycling Pilot Report  
 May, 2013  
 Tennis Sanitation

Assumptions:

2012 (base) tonnage	2,313.6 tons
2014 (cart program) tonnage (projected)	3,162.7 tons
<b>NET TONS</b>	<b>856</b>

**Blended Value**

Commodity	2012 % in stream	3-Year Price Ave. <sup>1</sup>	Estimated Revenue per ton
Newspaper	54.9	\$ 93.2/ton	\$ 51.17
Corrugated Cdbd	14.3	\$ 114.9/ton	\$ 16.43
Milk Cartons	0.1	NA	NA
Tin	2.3	\$ 82.9/ton	\$ 1.90
Aluminum	1.2 <sup>2</sup>	\$1,624.0/ton	\$ 19.48
Glass (mixed)	15.1 <sup>2</sup>	\$ 0.70/ton	\$ 0.11
Linens	0.1	NA <sup>3</sup>	NA
Plastic Bags	0.1	NA <sup>3</sup>	NA
Plastics <sup>4</sup>	9.7	<sup>4</sup>	\$ 43.27
<b>Total Blended Value</b>			<b>\$132.36/ton</b>
<b>Blended Value – Processing fee (\$80/ton) =</b>			<b>\$ 52.36/ton</b>
<b>70% of proceeds to City</b>	<b>=</b>		<b>\$ 36.65/ton</b>
<b>Total estimated 2014 revenue share at 856 tons</b>			<b>\$ 31,372.40</b>

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- 6/12/2013. Dan Krivit, "Market Data Trends" Prepared for Ramsey County Environmental Services. March 2010 – March 2013.
  - Below regional average.
  - There are no historic markets for these commodities; revenue is negative or negligible.
  - Tennis reports all plastics as one category. For projection purposes, a regional average of the types of plastics was broken out, with the estimated revenue calculated from the splits.
 

4.9% PET	@ 24.2 cents/lb	\$ 23.72/ton
1.7% HDPE Natural	@ 32.5 cents/lb	\$ 11.05/ton
1.7% HDPE Colored	@ 25.0 cents/lb	\$ 8.50/ton
1.4% 3 -7 (others)	@ NA	NA
Estimated total		\$ 43.27/ton

Attachment 3  
Draft RFID Specifications for Recycling Carts  
City of Maplewood, MN

The RFID tags shall be imbedded in the cart handles at the time of cart manufacture. The tags shall not be visible or removable from the outside without damaging the cart handle.

The specifications for these RFID tags shall include:

1. Must be passive design (no battery required).
2. Must be “Read Only” with no programming required.
3. Must be 100% weatherproof.
4. Must permanently attach to the trash cart.
5. Must be compatible with standard Handheld and Truck Mounted RFID Scanners.
6. Must be uniquely coded at the factory.
7. Must have a service life of 15 to 20 years.
8. Must be impact resistant.
9. Must have a minimum factory warranty of 10 years.
10. Tag specifications:
  - a. 0.007” clear polyester face material, permanent acrylic adhesive
  - b. Inlay Specification: Raflatac Short Dipole Monza3 IC, 860 to 960 MHz, Class 1 Gen2, EPC compliant, 96 bit memory.
  - c. Tag Construction: Both sides of the inlay are laminated with the 0.007” clear polyester, acrylic adhesive material.
  - d. Inlay Placement Specification: The inlay will be centered in the tag, +/- 1/16” in web and cross web direction.
  - e. Tag Dimensions: 4.25” wide x 1” long, with a tear perforation between each tag along the tag’s 4.25” side. There is no spacing between the tags.
  - f. Tag Encoding: 10 digit, non-repeating, sequential, decimal number starting at 4000000027<sup>1</sup> and incrementing by 1 for each tag, data is locked, no password, missing numbers are allowed, all 24 characters can be filled with the 14 digits on the left side of the number set at 0 (zero)
  - g. Finished Rolls: 6” core, maximum 2,500 tags per roll, placed in ESD protective bags.
  - h. Defective Inlays: Marked and left in the rolls

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1. Recycling RFID numbers to begin at 40XXXXXXXX; Garbage cart RFID numbers began at 10XXXXXXXX

## WARRANTY

The Manufacturer shall warrant that the goods sold hereunder will be of merchantable quality, will conform to applicable specifications, drawings, designs, samples and descriptions, will be free from defects in material and workmanship and will be fit for the particular purpose intended by the buyer.

- A) The cart base, lid including latch, handle(s), wheels, axle, RFID tags and all other hardware shall be warranted for a period of ten (10) years against premature failure/wear during normal use. Under this provision, the successful Manufacturer shall assume all costs related to part replacement/repair including applicable freight, labor, and equipment.
- B) The only exception to the above warranty shall be component part failure resulting from City Contractor or owner abuse and vandalism which determination shall be made solely in the judgment of the City. Under this provision the City shall be responsible for all repair costs including freight, labor, and equipment. Snow-related failures shall not constitute owner abuse or vandalism.
- C) Warranty disagreements, if any, will be settled by a third party, mutually chosen by the successful Manufacturer and the City. The Manufacturer and the City shall share all third party expenses equally.

Warranty Statement: All Manufacturers must attach to their proposal a copy of their complete warranty statement, which will not only confirm the requirements stated above but also any other information applicable to their warranty.

## MEMORANDUM

**TO:** Chuck Ahl, City Manager  
**FROM:** DuWayne Konewko, Parks and Recreation Director  
Ginny Gaynor, Natural Resources Coordinator  
**SUBJECT:** **Fish Creek Acquisition Project - Funding Plan Update**  
**DATE:** July 8, 2013 for Council Workshop Discussion on July 22, 2013

### INTRODUCTION

At the August 8, 2011 City Council meeting, Council approved entering into a contract with The Conservation Fund to acquire approximately 70 acres of land (Fish Creek property) in south Maplewood. The Conservation Fund closed on the property in October of 2011. Pursuant to the contract, the City has 24 months from the closing date of October 2011 to purchase the property from The Conservation Fund. The total project cost is estimated to be in the range of \$2,225,000 - \$2,250,000. To date, the City has secured funding totaling \$1,907,000 for this project which results in an unmet need of approximately \$315,000 – \$325,000. At the July 22 Council Workshop Council will discuss acquisition funding.

### BACKGROUND

The Fish Creek Natural Area Greenway stretches from the Mississippi River in St. Paul, through Maplewood, to Carver Park in Woodbury. The heart of the greenway is Fish Creek and the adjoining 142-acre Ramsey County Open Space. The Fish Creek property consists of six contiguous parcels, totaling approximately seventy acres. The site is surrounded on three sides by the county open space and is punctuated by rolling hills, Mississippi River bluff top, a prairie remnant, and oak and aspen woodlands. Acquisition of the site will: 1) increase the buffer along Fish Creek; 2) Preserve woodlands and open rolling grassland in a natural state; 3) Protect Mississippi River bluff lands; 4) Improve access to the creek and county lands; and 5) Provide an access point needed to create the Fish Creek Hiking Trail, a 1-1/2 mile trail from Point Douglas Road to Carver Lake Park.

In February 2011, Council approved a Joint Powers Agreement between the City, Ramsey County, and Ramsey-Washington Metro Watershed District. Through this agreement, once the site is acquired 50 acres will be owned by the city and 20 acres will be owned by the county. Due to requirements of grants received for acquisition, sixty-two acres of the site will have deed restrictions to ensure that these acres remain in conservation use in perpetuity. The remaining eight acres do not have deed restrictions associated with them (see Attachment 1).

The City Council approved the Fish Creek Master Plan in October 2012. Development of the Master Plan was a joint effort between the City of Maplewood and Ramsey County. The plan lays out a vision for restoration and reforestation work on the site. Staff is currently working directly with Ramsey County and representatives from Great River Greening in implementing outcomes of this plan. In addition to the funding received for acquisition, Great River Greening has brought grant monies totaling \$241,500 thus far for restoration/reforestation work on the site. The grants are from the Lessard-Sams Outdoor Heritage Fund. The city's contribution is \$15,000.

The Fish Creek acquisition project cash flow estimates are summarized below.

**FISH CREEK ACQUISITION PROJECT CASH FLOW ESTIMATES  
July 2013**

**EXPENSES**

LAND ACQUISITION	\$1,900,000
MISCELLANEOUS – TAXES – FEES – APPRAISAL – PHASE I	\$ 325,000
ESTIMATED TOTAL PROJECT COSTS	\$2,225,000

**FUNDING**

RAMSEY COUNTY JPA	\$425,000
RWMWD JPA	\$175,000
CITY OF MAPLEWOOD JPA	\$425,000
3M FOUNDATION	\$200,000
DNR NATURAL AND SCENIC AREA GRANTS	\$500,000
LCCMR GRANT	\$162,000
ADDITIONAL FUNDRAISING	\$20,000

**SUMMARY**

ESTIMATED TOTAL PROJECT COSTS	\$2,225,000
TOTAL COMMITTED INCOME TO DATE	\$1,907,000
UNMET NEEDS	\$318,000

Of the \$1,907,000 raised thus far, \$1,025,000 was the result of a Joint Powers Agreement between the City of Maplewood, Ramsey County, and the Ramsey Washington Metro Watershed District (RWMWD). Staff was successful in applying for and receiving the following grants: DNR Natural and Scenic Area Grant Program (\$500k), the 3M Foundation (\$200k), and the Legislative-Citizen Commission on Minnesota Resources (LCCMR - \$162k). An additional \$20k was raised with the assistance of the Friends of the Mississippi River, Friends of Maplewood Nature, and thru private donations.

**DISCUSSION**

Staff is currently working on acquiring the property from The Conservation Fund and we are anticipating closing on the property sometime this September, although a final closing date has not been established. As previously mentioned, the project has a remaining balance of approximately \$318,000. Staff continues to work on bridging this funding gap. To this end, staff has submitted a bonding request to the Minnesota Management and Budget Office for consideration in the 2014 legislative session. The City will not have a definitive answer on the bonding request until May of 2014. If the bonding request is unsuccessful, staff would then reach out to our partners in an attempt to raise additional funding for the project. Our partners have indicated that they would like to see the City continue to work with the legislature on the bonding request.

If we are unsuccessful in raising any additional capital, the City is responsible for the outstanding balance of approximately \$318,000. Monies from the Park Acquisition Fund (PAC) would be used to offset this balance. The Park Acquisition Fund does have monies in the account to pay for the acquisition though this would likely cause other projects to be amended, delayed or eliminated.

Another option on the table is to collaborate with a developer who may have an interest in marketing the remaining eight acres on the site. As previously noted, these eight acres are currently unencumbered with deed restrictions. The City Council could also choose to sell the property outright. The proceeds, if and when this parcel develops or sells, would be applied directly to the outstanding balance. Staff is not supportive of this option. However, it was included as part of a funding plan that was presented to the City Council in August of 2011 when Council authorized the contract with The Conservation Fund to proceed with the purchase of the Fish Creek Property. If council were to direct staff to further explore this option, staff would request an additional twelve months or so from the date the property is acquired from the Conversation Fund to pursue other funding opportunities including the state bonding request so sale and development of land would be unnecessary. Staff would continue to update Council on the progress of these efforts during this period.

Staff would like direction from council on the following:

1. Does council want to preserve all 70 acres at this site?
2. If yes, does council support using Park Acquisition Fund (PAC) to cover unmet funding needs, if Bonding and other fundraising is not successful?
3. Or, does council want staff to explore sale or development of these eight acres?

## **RECOMMENDATION**

Staff is requesting direction from Council regarding the funding approach for Fish Creek. Ultimately, the City is responsible for any remaining funds due on the project.

## **ATTACHMENTS:**

1. Fish Creek Parcels – Illustrating Parcels with and without deed restrictions.

## Fish Creek Parcels

The Fish Creek property consists of six contiguous parcels, totalling approximately 70 acres. After the site is acquired 20 acres will go to Ramsey County. The JPA indicates the county land will include land adjacent to the creek buffer and land in the southwest portion of the site. 62 acres are being paid for in part by state grants and will have deed restrictions to ensure they remain in conservation use. The 8-acre parcel on the north has no deed restrictions.



**AGENDA REPORT**

**TO:** Mayor and City Council  
**FROM:** Charles Ahl, City Manager  
 Gayle Bauman, Finance Director  
**SUBJECT:** Discussion of 2014 Budget Overview and Goals  
**DATE:** July 16, 2013

**INTRODUCTION**

This agenda item is the start of the 2014 Budget process along with information for the City Council. The staff intends to review the process that we propose for the Council to provide input prior to considering settling the maximum levy for 2014 in September 2013, and adopting the final budget in December 2013. Staff has begun the process of estimating the needs and necessary budget reductions to meet the overall budget directions given by the Manager’s office. The expectation is that the City Council will provide input into the process at this time, so that August presentations provide the Council with their desired level of involvement into the budget process prior to the necessary decision dates.

**Background Information**

During the past months, the City Manager’s budget team has established goals, including through the Council – Staff Retreat process, and the Management Team has developed the following assumptions to be shared with the City Council about the 2014 Budget:

1. A levy increase of 0% = \$0.
2. New funding provided through the 2013 Legislature as follows:
  - a. Local Government Aid: \$530,000
  - b. Sale Tax Exemption: \$ 75,000 [estimated savings for General Fund]
3. A stabilization of funding for the MCC Fund. [from the Audit Report]
4. A stabilization of funding for the Ambulance Fund. [from the Audit Report]
5. A stabilization of funding for the Debt Service Fund. [from CIP Report]
6. Continued dedication of funding for Public Safety Facilities.
7. Attempt to increase funding for Park Development.
8. A continued reduction in the street renewal program.
9. Stabilized funding for Economic Development.

The levy for 2013 was distributed as follows:

General Fund	\$12,500,600
Redevelopment Fund	\$ 20,000
EDA Levy	\$ 89,270
Recreation Program Fund	\$ 175,000
Maplewood Community Center Fund	\$ 460,000
Debt Service Fund	\$ 4,313,530
Capital Improvement Projects Fund	\$ 180,000
Fire Truck Replacement Fund	\$ 50,000
Public Safety Expansion Fund	\$ 260,000
Park Development Fund	\$ 30,000
Ambulance Fund	\$ 450,000
Total 2013 Levy	\$18,528,400

2014 BUDGET PROCESS  
PAGE TWO

Each of the Department Heads has prepared budget requests based upon their needs for 2014. In addition, the Capital Improvement Plan is proposed for adoption at tonight's hearing on July 22, 2013, that includes financing assumptions for various projects and improvements.

Following is a summary of the requests and needs for 2014 based upon those requests and the CIP:

**Summary of Initial Budget Requests**

General Fund Operating Expenses increase over 2013: \$ 836,310

Proposed changes to 2014 levy per CIP:

Economic Development Authority Levy change:	\$ 0
New Funding for Maplewood Community Center Capital Projects:	\$ 65,000
Ambulance Fund Change:	\$ 0
Park Development Fund Change:	\$ 0
Decrease funding for Recreation Program Fund:	\$ 0
Increase funding for Debt Service for 2013 Bonding:	\$ 345,070
Decrease Public Safety Fund for Police Department Expansion	(\$ 260,000)
Increase Housing Redevelopment Fund	<u>\$ 20,000</u>

Total \$ 170,070

In order to maintain a 0% levy increase for 2014, the General Fund levy would need to be reduced by \$170,070. With additional department requests of \$836,310 and a levy reduction of \$170,070, staff must solve a \$1,006,380 issue.

**Discussion**

In the report prepared by Finance Director Gayle Bauman, dated May 29, 2013 for the June 10, 2013 Work Session, that is included with the Capital Improvement Plan approval, the analysis of the City debt indicated that a majority of the new revenue from Local Government Aid should be used to hold down the levy increase for 2014 by applying the new LGA Funds to debt service for the next 3-5 years. The City's Budget has become a very complex balancing of revenues, expenditures, dedicated funding of the previous year's unused fund and fund balance. The 2014 Budget is probably going to be a focus on the new revenue provided by the state of Minnesota. A summary of new tax revenue over the past couple of years shows the following:

A 2.0% approved Levy increase in 2012 provided:	+ \$350,069
A 3.8% approved Levy increase in 2013 provided:	+ \$674,877
In 2014, estimated new LGA provides:	+ \$530,000
In 2014, estimated reduction due to sales tax exemption:	<u>+ \$ 75,000</u>
New funding available in 2014:	+ \$605,000

### **Budget Options**

The Council should provide direction and establish goals as the staff prepares to present the proposed budget and the maximum levy is set in September. The following options are open for debate and discussion by the Council:

#### **Option 1: [recommended by City Manager and Finance Director]**

##### **Set Maximum Levy at No increase +0.0%.**

This approach proposes to cut the department expenditures to meet the levels of new revenue and available funds from 2013. The LGA money would be used to offset expenses incurred over the past 5-8 years for bonded debt and offset that planned levy increase. We believe this was the intent of the legislature in providing levy relief. It also requires the operation of the City to live within the means provided previously. Cuts on needed programs will be required, but we do not anticipate staff reductions, and there will be very limited ability to expand any capital programs beyond those programs [Police Department Expansion and new Fire Station construction] that are already underway.

#### **Option 2: reduce levy by a percentage of the LGA funds received**

##### **Levy to be reduced by approximately -2.86%**

This approach would apply 100% of the LGA funds to reduce the 2014 levy and assume no increase in operating expenses. This would require some reductions in operating expenses, including consideration of leaving some positions, even within public safety, vacant. It would also likely mean a reduction in the scope of improvements for the Police Department Expansion and either limit or eliminate the Fire Department construction plan. An extensive evaluation of this option has not been completed, but there have been comments from residents about using the new state money for a full levy reduction.

#### **Option 3: increase levy to meet the department needs**

##### **Levy to be increased by +3.0%**

This approach would apply the LGA money to debt service but also expand programs, as well as increase the levy for new initiatives. New programs for street expansion and park replacement could be funded within this option. The levy would be increased for debt service so that the LGA money could be applied to these programs. A levy limit exists for operating costs of approximately 0.8%, but this does not apply to bonded debt, which has been indicated could be increased over the next 3-5 years.

#### **Option 4: a combination of Options 1,2,3**

##### **Levy increase would be less than +2.0%**

This approach assumes that the Council wishes to explore a program without the extensive program and departmental cuts, but also limits the levy increase issue. Management originally explored a levy increase of 0.5% to 1.0% that would be dedicated entirely to debt service, which would free up approximately \$175,000 for new programs.

**Budget Review Process**

The assumptions and information presented in this report will be reviewed in detail with the City Council during Work Sessions over the next 6 weeks as follows:

1. August 5<sup>th</sup> Work Session
  - a. Police Department
  - b. Fire Department and Ambulance Fund
  - c. Public Works Department
  - d. Citizen Services Department
  - e. Executive and Legislative Departments
  - f. Finance Department
2. August 12<sup>th</sup> Work Session
  - a. Parks/Recreation/MCC Department and Funds
  - b. Community Development Department
  - c. IT/Building Operations Department
3. August 12<sup>th</sup> Work Session
  - a. Discussion / priority on Funding
4. August 26<sup>th</sup>
  - a. Budget in draft format available for public viewing
5. September 9<sup>th</sup> Regular Meeting
  - a. Council sets maximum levy and sets Public Hearing for December 2013
6. October 14/28:
  - a. Refinement of Departmental Budgets
  - b. Review of non-tax levy supported funds
  - c. Review of fees and utility rates

**Recommended Action**

It is recommended that the City Council review the preliminary assumptions for the 2014 Budget and provide input on the process for evaluation.