



KENT COUNTY BOARD OF PUBLIC WORKS

September 3, 2015

8:30 AM

**Earl G. Woodworth Building
Meeting Room Chambers
1500 Scribner Avenue NW
Grand Rapids, Michigan 49504**

MEMBERS PRESENT: Commissioners Vonk, VanderMolen Shroll, Bulkowski, Morgan, Groenleer

OTHERS PRESENT: Darwin Baas, Director; Elissa Soto, Office Manager; Kimberly Williams, Finance Division Director; Chris Robinson, WTE Operations Manager; Dan Rose, Solid Waste Operations Manager; Cal Brinks, Purchasing Division; Kristen Wieland, Community Relations Coordinator; Nicholas VanderVinne, Resource Recovery/Recycling Manager; Kimberly Alexander, Tracey Croskery; Gene Fowler; Linda Howell, KC Corporate Counsel; Harvey Gershman, GBB; Bill Stough, Sustainable Research Group (SRG);

I. Call to Order

The meeting was called to order at 8:30 a.m.

II. Public Comment

None

III. Consent Agenda

- A. Review and Approval of Minutes
- B. Approval of Monetary Outlays

MOTION:

It was moved by Commissioner VanderMolen and seconded by Commissioner Groenleer to approve the Consent Agenda.

Motion carried unanimously.

IV. Administration

- A. Zero Waste to Landfill Study Presentation with GBB
Harvey Gershman, Gershman, Brickner & Bratton, Inc. (GBB) and Bill Stough, Sustainable Research Group (SRG), were asked to research opportunities for the

DPW to work with industries to increase Zero Waste to Landfill (ZWTL) options in the region; they were present to brief the Board on their findings.

Some highlights of their presentation were:

- The consultants were asked to communicate with major regional industries interested in ZWL.
- They were asked to determine feedstock available for processing
- They evaluated approaches and technologies.
- Data was collected through meetings with major manufacturers and through independent research.
- These industries were highly motivated for ZWL
- Industries find high value in having the County for a partner in reuse/recycle
- There is a significant fuel supply
- It was recommended that the County develop a conceptual site plan for SKL environmental industrial park

Commissioner VanderMolen stated that although a lot of information was presented, all should take the time to process the information. He suggested that the Board and staff visit some of the recommendations in the future. He added that that if the industry is involved that the Department can be as well but cannot do this without industry support.

V. Resource Recovery and Recycling Operations

A. Loader Purchase

Review and approval for the purchase of a new rubber tire loader for the Recycling & Education Center was requested. In March 2015, staff recommended and the Board approved the low bid (price of machine, guaranteed maintenance and guaranteed buyback amount) submitted by Alta Equipment Company from Byron Center for a 2015 Volvo L45GS in the amount of \$252,770.

The loader was delivered in late April and has significant, ongoing mechanical, hydraulic and electrical problems. As a result the purchase order has been cancelled for cause.

In August the Board approved the purchase of a new loader for the North Kent Transfer Station and staff is recommending the purchase of the same CAT Loader Model 924K submitted by Michigan CAT of Grand Rapids, MI in the amount of \$197,083. A guaranteed buyback amount of \$52,000 is provided and Guaranteed Maximum Cost of Repairs of \$99,000. Michigan CAT of Grand Rapids has agreed to provide a second loader with immediate delivery with the same pricing structure.

Purchasing and Corporate Counsel have reviewed and approved this request.

MOTION:

It was moved by Commissioner Byl and supported by Commissioner Shroll to award the purchase of the Rubber Tired Loader at the Recycling & Education Center to Michigan Cat of Grand Rapids Michigan in the amount of \$197,083 and authorize the Director to execute the contract for Guaranteed Maintenance for \$99,000.

Motion carried unanimously.

B. RRT Phase II Proposal

Staff presented a request for the review and approval for RRT to complete Phase 2 detailed analysis of the Kent County's Material Recycling Facility. The recycling and education center has been in operation since 2010. In July 2015 RRT completed a five year review (phase 1) to assess facility operations. Due to changes in material composition and other factors the facility is currently operating at 14 tons per hour throughput. The facility was designed at 18 tons per hour.

The purpose of Phase 2 is to complete a detailed analysis of the factors related to limitations in throughput, baling capacity, materials recovery, glass handling and any others identified in Phase 1. RRT will rebalance, train staff and test the system. A report will be issued providing analysis and recommended changes to operating procedures, capital improvements, preliminary drawings, costs estimates, projected staffing requirements, projected changes to operating rates and projected production rates. The cost of Phase 2 engineering is \$45k.

MOTION:

It was moved by Commissioner Byl and seconded by Commissioner VanderMolen to approve RRT to complete the Phase 2 detailed analysis of the Kent County Material Recycling Facility at a cost not to exceed \$45,000.

Motion carried unanimously.

VI. Accounting & Finance

A. 2015 Budget Adjustment

Director Baas presented a request for the approval to Amend the 2015 Department of Public Works Annual Budget. The 2015 Department Budget is being amended to account for increased tonnage and additional expenditures.

The budget amendment is attached for your review.

Item 1: (Lines 1-5) This is an adjustment for an additional 15,000 tons at South Kent Landfill. We are adjusting expenses associated with the increased tonnage (Cell Inventory and Landfill Cell Closure) in addition to increasing expense line items related to the maintenance of the haul road and equipment repair and maintenance.

Item 2: (Lines 7-18) This adjustment is for an additional 16,000 tons at North Kent Transfer Station. Income from the Solid Waste division covers expenses for several departments within Public Works. We are adjusting the contract labor expense at the Materials Recycling Facility. The 2015 contract with Goodwill was signed after the 2015 budget was completed. Expenses at the Kentwood Landfill mandated by the EPA during their Five Year Review have also been included in this adjustment.

Item 3: (Lines 21-23) This is an adjustment for an additional 25,000 tons at the Waste-to-Energy Facility. Included are the expenses associated with this revenue, i.e., transfer costs to South Kent Landfill and related disposal costs.

MOTION:

It was moved by Commissioner VanderMolen and supported by Commissioner Shroll to approve the 2015 Budget Amendment and recommend approval to the Board of Commissioners.

Motion carried unanimously.

B. Letter of Credit

Staff requested the review and approval of Amendment No. 2 for Financial Assurance Letter of Credit. On December 03, 2009 a Letter of Credit was issued by Fifth Third Bank for \$1,024,000. The Letter of Credit provides Financial Assurance to the State of Michigan for the cost of closure, post-closure maintenance and monitoring for the solid waste disposal facility known as South Kent Landfill as required by the State of Michigan. The Michigan Department of Environmental Quality is named as beneficiary on this Letter of Credit.

As new cells are constructed at the landfill, the additional financial assurance is required when new cells are certified with the State of Michigan. On December 13, 2012, the Letter of Credit was amended and increased to the current amount of \$1,150,000 for Cell 35.

Cell 37 is currently under construction at South Kent Landfill and will be certified with the State later this year. The additional 6 acres of the newly constructed cell will increase the financial assurance requirement approximately \$250,000 and staff is requesting the line of credit be increased to \$1,400,000 to cover and will cost \$10,500 annually for this increased amount.

MOTION:

It was moved by Commissioner Shroll and seconded by Commissioner Groenleer to amend the Letter of Credit with Fifth Third Bank for Financial Assurance to \$1,400,000.

Motion carried unanimously.

C. 2016 DPW Accrual Basis Budget Adoption

Adoption of the DPW 2016 Accrual Budget, as submitted to the County Administration. Each year the Department prepares a Rate Study for its operations. This rate study is a cash basis income statement. Its primary use is to set the disposal rate that will be charged to cover cash expenditures that include: wages, benefits, all operating expenses, capital improvements and debt payments.

The Budget submitted to the Controller's Office is a full accrual basis budget. Our audited financial statements are filed on this basis. Therefore, the rate study has adjustments for the following items: capital improvement plan expenditures, principle payments, depreciation and amortization expense, cell construction reserve and internal fund contributions.

We are requesting this approval as we have discovered that, if the Board of Public Works (BPW) approves this for 2016 and succeeding years, the subsequent budget adjustment can be handled at the BPW level and need not go further. This approach for enterprise fund budgeting was recommended by the County Budget Director.

MOTION:

It was moved by Commissioner VanderMolen and supported by Commissioner Shroll to adopt the 2016 Accrual Budget for the Department of Public Works showing revenues of \$40,131,610 and expenses of \$40,131,610.

Motion carried unanimously.

VII. Director's Report

A. Customer Appreciation Day

The Department will be hosting a Customer Appreciation Day at all of its sites on Thursday, September 24 from 11 – 2 p.m.

B. Battery Collection Program

Call2Recycle (formerly the Rechargeable Battery Recycling Corporation) provides 30 battery recycling drop off sites in Kent County for rechargeable batteries containing heavy metals. DPW and its partners are eliminating the longstanding battery collection program put in place 25 years ago to keep batteries with heavy metals out of the WTE. Alkaline batteries no longer contain mercury and can safely be placed in the trash. This program change will save \$42,000 annually.

C. Illegal Dumping at Recycle Stations

The DPW drop off centers continue to experience illegal dumping. Corporate counsel will be looking at statute to recommend to Director how best to incorporate a civil fine for illegal dumping for the BPW to consider.

VIII. Miscellaneous

None

IX. Adjournment

The meeting was adjourned at 9:55 a.m.