

Hennepin County Residential Recycling Funding Policy

January 1, 2017 – December 31, 2020

Board Adopted: November 29, 2016



Public Works
Environment and Energy Department

I. Policy Description

A. Background

The Hennepin County Board of Commissioners has determined that curbside collection of recyclables and organics from Hennepin County residents is an effective strategy to reduce reliance on landfills, prevent pollution, conserve natural resources and energy, improve public health, support the economy, and reduce greenhouse gases. Therefore, the county adopted the goals established in State Statute and by the Minnesota Pollution Control Agency (MPCA) in its Metropolitan Solid Waste Management Policy Plan and developed a Residential Recycling Funding Policy to help reach a 75% recycling rate by 2030.

The county will distribute all Select Committee on Recycling and the Environment (SCORE) funds received from the state to cities for curbside collection of residential recyclables and organics. If cities form a joint powers organization responsible for managing a comprehensive recycling and waste education system for the residents of those cities, the county will distribute recycling and organics grants to that organization. Cities are expected to fulfill the conditions of the policy.

B. Term of the Policy

Hennepin County is committed to implement this policy and continue distributing all SCORE funds received from the state for the purpose of funding curbside residential recycling and organics programs from January 1, 2017 through December 31, 2020. The county may revise this policy if it determines changes are needed to assure compliance with state law and MPCA goals established for metropolitan counties. In the event that SCORE funds are eliminated from the state budget or significantly reduced, the county will consult with municipalities at that time and develop a subsequent recommendation to the board on continuation of this policy and future funding of curbside recycling and organics programs.

C. Grant Agreements

Each municipality seeking funding under the terms of the Residential Recycling Funding Policy must enter into a recycling grant agreement with the county for a term concurrent with the expiration of this policy, December 31, 2020. The grant agreement must be accompanied by a resolution authorizing the city to enter into such an agreement.

D. Fund Distribution

The county will distribute to Hennepin County municipalities 100% of SCORE funds that the county receives from the state. SCORE funds will be dedicated to two different purposes: 1)

curbside recycling and 2) curbside organics recycling. SCORE funds are based on revenue received by the State of Minnesota from the solid waste management (SWM) tax on garbage services. SCORE funds are subject to change based on the SWM tax revenue received by the state and funds allocated by the legislature. Funds distributed to municipalities for the current calendar year will be based on SCORE funds received by the county in the state’s corresponding fiscal year.

II. Recycling

A. Allocation of Funds

The following formula will be utilized to determine a city’s recycling SCORE grant each year.

Percent of SCORE funds allocated to curbside recycling:

2017	80%
2018	70%
2019	60%
2020	50%

City recycling grant calculation:

$$\begin{array}{r}
 \text{Number of households with} \\
 \text{curbside recycling in city} \\
 \hline
 \text{Total number of households} \\
 \text{with curbside recycling in} \\
 \text{county}
 \end{array}
 \times
 \begin{array}{r}
 \text{Total SCORE} \\
 \text{Funds available} \\
 \text{for recycling}
 \end{array}
 =
 \begin{array}{r}
 \text{Recycling grant} \\
 \text{amount available} \\
 \text{to the city}
 \end{array}$$

Eligible residential households are defined as single family through eight-plex residential buildings or other residential buildings where each housing unit sets out its own recycling container for curbside collection. The number of eligible households will be determined by counting the number of eligible households on January 1 of each funding year. The city will report the number in its application for funding.

B. Application for Funding

Each municipality must complete an annual grant application by February 15 to receive funding for that year. The application consists of a web-based report and a planning document provided by the county. The web-based report asks for contract, program, tonnage, and financial

information. The participation rate for the curbside recycling program must also be included in the web-based report. The municipality must calculate its participation rate during the month of October. The methodology for measuring participation must be provided to the county upon request. The planning document asks for a description of activities the city will implement to increase recycling and make progress toward county objectives.

C. Use of Funds

The following requirements apply to the use of recycling funds:

1. All grant funds accepted from the county must be used for waste reduction and recycling capital and operating expenses in the year granted. The county will not reimburse any funds in excess of actual expenses.
2. A municipality or joint powers organization may not charge its residents through property tax, utility fees, or any other method for the portion of its recycling program costs that are funded by county grant funds.
3. Municipalities must establish a separate accounting mechanism, such as a project number, activity number, or fund that will separate recycling revenues and expenditures from other municipal activities, including solid waste and yard waste activities.
4. Recycling and waste reduction activities, revenues, and expenditures are subject to audit.
5. Municipalities that do not contract for curbside recycling services will receive grant funds provided that at least 90% of the grant funds are credited back to residents and the city meets all minimum program requirements. The additional 10% may be used for municipal administrative and promotional expenses.

D. City Requirements

1. Materials Accepted

At a minimum, the following materials must be collected curbside:

- Metal food and beverage cans;
- Glass food and beverage containers;
- Cardboard boxes;
- Newspaper and inserts;
- Mail, office and school papers;

- Cereal, cracker, pasta, cake mix, shoe, gift, and electronics boxes;
- Boxes from toothpaste, medications and other toiletries;
- Magazines and catalogs;
- Aseptic and gable-topped containers; and
- Plastic bottles and containers, #1 – Polyethylene Terephthalate (PET, PETE), #2 High Density Polyethylene (HDPE), #4 – Low Density Polyethylene (LDPE) and #5 – Polypropylene (PP) plastic bottles, except those that previously contained hazardous materials or motor oil.

The county may add materials to this list and require municipalities to begin collection within one year of receiving notification from the county. Municipalities will notify the county if materials not found on this list will be collected.

2. Education and Outreach

The partnership between the county and municipalities has been highly effective in educating residents and motivating behavior change. In order to continue this partnership and increase these efforts, program activities of municipalities must be coordinated with county and regional efforts. Municipalities must adhere to the following requirements:

- a. Use county terminology when describing recycling guidelines, including the description of materials accepted and not accepted, preparation guidelines, and promotional materials;
- b. Use images provided by the county or the Solid Waste Management Coordinating Board (SWMCB) if using images of recyclables;
- c. Provide recycling information on the city's website, including materials accepted and not accepted, a recycling calendar, and links to county resources;
- d. Mail a recycling guide to residents each year using a template developed jointly with the county. The county will design and print the guide. If a municipality does not use the template produced by the county, the municipality may develop its own guide at the municipality's expense, but it must be approved by the county. If the municipality relies on the hauler to provide the recycling guide, this guide requires approval by the county.
- e. Complete two educational activities from a menu of options developed by the county.

Any print material that communicates residential recycling guidelines that were not provided by the county template will require county approval. This does not apply to waste reduction and reuse, articles on recycling that do not include guidelines, or social media posts. The county will respond within five business days to any communication piece submitted.

3. Recycling Performance

On an annual basis, municipal recycling programs must demonstrate that a reasonable effort has been made to maintain and increase the pounds of recyclables per household collected from their residential recycling programs.

If a municipality does not demonstrate measureable progress, a recycling improvement plan must be submitted by the municipality within 90 days of being notified by the county. The recycling improvement plan must be negotiated with the county and specify the efforts that will be undertaken by the municipality to improve its recycling program to yield the results necessary to achieve county objectives.

In cooperation with the county, the municipality may be required to participate in waste and recycling sorts to identify recovery levels of various recyclables in its community. Based on the results of the study, the county and municipality will collaborate to increase the recovery of select recyclable materials being discarded in significant quantities.

E. Grant Payments

The county will make two equal payments to the municipality. One payment will be made after the county receives the application, which consists of the web-based report and the planning document. A second payment will be made after basic program requirements, education and outreach requirements, and recycling performance have been confirmed and approved. If the municipality meets the county requirements, both payments will be made during the same calendar year. Funding will be withheld until the municipality meets the requirements of this policy.

III. Organics Recycling

A. Allocation of Funds

The following formula will be utilized to determine a city's organics recycling SCORE grant each year:

Percent of SCORE funds allocated to curbside organics recycling:

2017	20%
2018	30%
2019	40%
2020	50%

City organics recycling grant calculation:

$$\frac{\text{Number of households with curbside organics in city}}{\text{Total number of households with curbside organics in county}} \times \text{Total SCORE funds available for organics} = \text{Organics grant amount available to the city}$$

If the formula above results in cities receiving grants where the dollar amount per participating household is greater than \$25 per year, then a cap will apply. The funding cap per participating household is \$25 per year. The most the county will grant a city is \$25 per participating household per year. If funds are left over because of the cap, those funds will carry over into the following year's SCORE funds.

Eligible residential households are defined as single family through eight-plex residential buildings or other residential buildings where the household is signed up for organics service and the household sets out its own container with organics for curbside collection. The number of eligible households will be determined by counting the number of eligible households on September 1 of each funding year. The city will report the number in the application for funding.

B. Application for Funds

Each municipality must complete an annual application provided by the county by September 1 to receive funding. As a part of the application, a city must submit the number of households signed up for and receiving curbside organics service.

C. Use of Funds

The grant funds may be used for program expenses, including the following:

- Discount to new customers
- Discount to existing customers
- Referral incentives
- City contract costs

- Education and outreach
- Compostable bags
- Kitchen containers
- Carts

Program administration is not an eligible expense. Yard waste expenses are not eligible. If organics are co-collected with other waste, the organics expenses must be tracked separately. If a city passes funds through to a hauler, 100% of those funds must be credited to residents' bills.

In addition, the following requirements apply:

- All grant funds must be used during the term of the agreement. Funds not spent must be returned to the county.
- Funds must be expended on eligible activities per Minnesota State Statute 115A.557.
- A municipality or joint powers organization may not charge its residents through property tax, utility fees, or any other method for the portion of its organics program costs that are funded by county grant funds.
- Municipalities must account for organics expenditures separately upon request by the county. Expenditures are subject to audit.

D. Education and Outreach Requirements

The partnership between the county and municipalities has been highly effective in educating residents and motivating behavior change. In order to continue this partnership and increase these efforts, program activities of municipalities must be coordinated with county and regional efforts. The following requirements apply:

1. Use county terminology when describing organics recycling guidelines, including the description of materials accepted and not accepted, preparation guidelines, and promotional materials;
2. Use images provided by the county or the SWMCB if using images of organic materials;
3. Provide organics recycling information on the city's website, including material accepted and not accepted, service options, and links to county resources;
4. Work with the county to develop promotional resources to increase participation.

E. Reporting

A report on the city's organics program must be submitted electronically to the county by February 15 following each year. The report must include, but is not limited to, the following:

Basic Program Information

- Hauler(s)
- Collection method
- Where organics were delivered to and processed
- Is service opt-in or opt-out
- Cost of service to residents; contract cost for city
- How the service was billed
- Items included in service, such as curbside collection, cart, compostable bags, etc.

Results

- Tons
- Number of households signed up
- Average pounds per household per year
- Participation (set-out rate on pickup day)
- Program costs
- How funds were used

F. Grant Payment

The county will make one organics grant payment to a municipality each year. The payment will be made after the county receives the application and confirms that the municipality meets the requirements of this policy.