



CITY OF MINNETRISTA

REQUEST FOR CITY COUNCIL ACTION/DISCUSSION

Subject: Item –Recycling Fund Budget Discussion

Prepared By: Brian Grimm, Finance Director

Meeting Date: October 19, 2026

Item: Staff is bringing information for a discussion for the 2027 Recycling Fund and rates. Staff is looking for Council feedback and direction as to the budgets and utility rates for 2027 Recycling Fund activities. Once this direction is received, it can be incorporated and updated into the 2027 fee schedule and final 2027 budget.

In order to fund these recycling activities, analysis is needed as to the current and projected cash balance in this fund. A spreadsheet is provided that shows an option for doing rate adjustments to fund the recycling activities over the next 2 years. The City's contracted rates are locked in with Waste Management through December 2030 per the most recent contract that was approved during 2025. In addition to the spreadsheet referenced above, attached is a draft 2027 Recycling Fund budget as well as a YTD report that covers activity through September 2026. As far as salary allocated to this fund, that is done at year end based on a portion/percentage calculation. So that is why there isn't any YTD activity shown in those line items. The current cash balance in the fund as of September 2026 is \$73,412.

For reference, the recycling rate for 2026 is \$18 a quarter. Some rate adjustment is potentially needed based on the current recycling market and our current recycling contract with Waste Management as mentioned above. Per the information above, adjusting the rate to \$19 a quarter is recommended to cover the costs of the contract as well as other operations costs for providing this activity. The City had been subsidizing the recycling fund through fund balance the last several years and is now more breaking even.

<u>Recommended City Council Action:</u> Staff is looking to have a discussion on the 2027 Recycling Funds for the 2027 budget and setting the utility rates for the fee schedule.

Does Recommended Action meet City Mission Statement? x Yes No

Does Recommended Action meet City Goals/Priorities? x Yes No

Explain: **To provide recycling services for the City's residents and incorporate information into the 2027 City Budget and fee schedule**

Mission Statement:

The City of Minnetrista will deliver quality services in a cost effective and innovative manner and provide opportunities for a high quality of life while protecting natural resources and maintaining a rural character.

Recycling numbers proforma - Option

Contract year Switched to calender year as of 9-1-25	2027	2028
Expenditures		
Cost of contract monthly (gross)	\$ 6.05	\$ 6.32
Cost of contract quartlery(gross)	\$ 18.15	\$ 18.96
Cost of contract annual(gross)	\$ 72.60	\$ 75.84
number of households	3,684	3,722
annual recycling curbside contract estimated cost	\$ 267,458	\$ 282,239
annual organics drop site contract estimated cost	\$ 1,121	\$ 1,149
Admin Costs 15%	\$ 40,287	\$ 42,508
Total Costs	\$ 308,866	\$ 325,896
Revenues		
Hennepin County Grant (Estimated)	\$ 16,000	\$ 16,000
Potential revenue at \$19 & \$20 (\$1 increase per quarter per year; \$4 per year per property for 2027)	\$ 279,984	\$ 297,720
Other Revenue/Recycling Day Revenue	\$ 13,000	\$ 13,390
Total Revenue	\$ 308,984	\$ 327,110
Net income (loss) before Cash Balance factored in	\$ 118	\$ 1,214
Estimated cash balance beginning of year	\$ 65,731	\$ 65,849
Total estimated Ending Cash Balance	\$ 65,849	\$ 67,063

**City of Minnetrista
2027 Draft Recycling Fund Budget**

Revenue	2024 Actuals	2025 Budget	2025 Actuals	2026 Budget	2027 Draft Budget
RECYCLING ENTERPRISE FUND FUND 671					
Revenue	2024 Actuals	2025 Budget	2025 Actuals	2026 Budget	2027 Draft Budget
34711 Recycling Day Services	\$ 10,891	\$ 14,000	\$ 10,379	\$ 11,000	\$ 10,000
33620 COUNTY AID FOR RECYCLING	\$ 20,251	\$ 13,000	\$ 20,569	\$ 14,000	\$ 16,000
34950 SUPPLIES MAT SOLD	\$ 203	\$ -	\$ -	\$ -	\$ -
37410 RECYCLING SERVICE CHARGE	\$ 204,039	\$ 224,064	\$ 239,346	\$ 260,928	\$ 279,984
36210 INTEREST ON INVESTMENT & CI	\$ 4,573	\$ 4,000	\$ 2,802	\$ 4,000	\$ 3,000
Revenue Total	\$ 239,957	\$ 255,064	\$ 273,096	\$ 289,928	\$ 308,984
Expenditures					
101 SALARIES-REGULAR	\$ 10,692	\$ 10,000	\$ 11,586	\$ 11,000	\$ 12,000
102 SALARIES-OVERTIME	\$ 573	\$ 3,000	\$ 1,855	\$ 1,500	\$ 2,000
121 PERA - EMPLOYER CONTR	\$ 845	\$ 1,000	\$ 1,008	\$ 1,000	\$ 1,050
122 FICA - EMPLOYER CONTR	\$ 861	\$ 1,000	\$ 1,023	\$ 1,000	\$ 1,071
131 HEALTH INSURANCE	\$ 110	\$ 300	\$ 142	\$ 225	\$ 300
215 SHOP MATERIALS	\$ -	\$ -	\$ -	\$ -	\$ -
307 PROF SERV	\$ 4,058	\$ 4,000	\$ 5,242	\$ 5,000	\$ 5,000
322 POSTAGE	\$ 568	\$ 400	\$ 619	\$ 700	\$ 1,200
384 REFUSE REMOVAL	\$ 233,798	\$ 244,370	\$ 247,418	\$ 252,917	\$ 268,579
437 MISCELLANEOUS EXPENSE	\$ 453	\$ -	\$ 94	\$ 500	\$ 600
241 Recycling Day expense	\$ 16,727	\$ 17,000	\$ 12,478	\$ 17,000	\$ 17,000
Expenditure Total	\$ 268,685	\$ 281,070	\$ 281,465	\$ 290,842	\$ 308,800
Revenue/Exp Surplus/(Deficit)	\$ (28,728)	\$ (26,006)	\$ (8,369)	\$ (914)	\$ 184
Cash Balance at Beg of Year	\$ 103,742	\$ 75,014	\$ 75,014	\$ 66,645	\$ 65,731
Cash Surplus/(Deficit)	\$ (28,728)	\$ (26,006)	\$ (8,369)	\$ (914)	\$ 184
Cash Balance at Yr End	\$ 75,014	\$ 49,008	\$ 66,645	\$ 65,731	\$ 65,915

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Revenue Guideline updated 2026

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Account Descr	2026 YTD Budget	SEPTEMBER 2026 Amt	2026 YTD Amt	2026 YTD Balance	%YTD Budget	2025 YTD Amt
671 RECYCLING FUND						
R 671-300-33620 COUNTY AID FOR	\$14,000.00	\$0.00	\$10,860.12	\$3,139.88	77.57%	\$10,533.05
R 671-400-34950 SUPPLIES/MATERI	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
R 671-400-36212 INTEREST	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
R 671-400-37410 RECYCLING SERVI	\$260,928.00	\$14,877.63	\$207,661.62	\$53,266.38	79.59%	\$162,040.14
R 671-400-37411 RECYCLING DAY R	\$11,000.00	\$0.00	\$13,994.00	-\$2,994.00	127.22%	\$10,379.00
R 671-610-36210 INTEREST ON INV	\$4,000.00	\$0.00	\$1,322.38	\$2,677.62	33.06%	\$2,093.43
671 RECYCLING FUND	\$289,928.00	\$14,877.63	\$233,838.12	\$56,089.88	80.65%	\$185,045.62
	\$289,928.00	\$14,877.63	\$233,838.12	\$56,089.88	80.65%	\$185,045.62

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Expenditure Guideline by Departments - 2026 upd

Account Descr	2026 YTD Budget	SEPTEMBER 2026 Amt	2026 YTD Amt	2026 YTD Balance	%YTD Budget	2025 YTD Amt
671 RECYCLING FUND						
43230 RECYCLING						
E 671-43230-101 SALARIES-REGULA	\$11,000.00	\$0.00	\$0.00	\$11,000.00	0.00%	\$0.00
E 671-43230-102 SALARIES-OVERTI	\$1,500.00	\$0.00	\$2,734.39	-\$1,234.39	182.29%	\$1,855.32
E 671-43230-121 PERA - EMPLOYER	\$1,000.00	\$0.00	\$205.08	\$794.92	20.51%	\$139.15
E 671-43230-122 FICA - EMPLOYER	\$1,000.00	\$0.00	\$203.39	\$796.61	20.34%	\$136.72
E 671-43230-123 MN PAID LEAVE EX	\$0.00	\$0.00	\$12.02	-\$12.02	0.00%	\$0.00
E 671-43230-125 PENSION EXPENSE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
E 671-43230-131 HEALTH & LIFE IN	\$225.00	\$0.00	\$52.90	\$172.10	23.51%	\$51.47
E 671-43230-201 OFFICE SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
E 671-43230-215 SHOP MATERIALS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
E 671-43230-241 RECYCLING DAY E	\$17,000.00	\$0.00	\$16,301.43	\$698.57	95.89%	\$12,477.70
E 671-43230-307 PROFESSIONAL SE	\$5,000.00	\$1,342.60	\$4,972.83	\$27.17	99.46%	\$3,665.45
E 671-43230-322 POSTAGE	\$700.00	\$75.13	\$573.25	\$126.75	81.89%	\$297.23
E 671-43230-384 REFUSE REMOVAL	\$252,917.00	\$21,120.93	\$190,040.94	\$62,876.06	75.14%	\$184,934.27
E 671-43230-433 DUES & SUBSRIPT	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
E 671-43230-437 MISCELLANEOUS E	\$500.00	\$0.00	\$276.26	\$223.74	55.25%	\$0.00
43230 RECYCLING	\$290,842.00	\$22,538.66	\$215,372.49	\$75,469.51	74.05%	\$203,557.31
671 RECYCLING FUND	\$290,842.00	\$22,538.66	\$215,372.49	\$75,469.51	74.05%	\$203,557.31
	\$290,842.00	\$22,538.66	\$215,372.49	\$75,469.51	74.05%	\$203,557.31