

MINUTES
CREEKSIDE COMPOST FACILITY ADVISORY BOARD
February 16, 2005 – 4:15 p.m.
Hutchinson City Center (Council Chambers)

Call to Order: 4:15 p.m.

Members Present: Casey Stotts, Brandon Fraser, Duane Hoversten, Doug Johnson, Marion Filk, Bill Arndt, Gary Plotz and Steve Madson

Member Absent: Randy DeVries

Others Present: Ken Merrill and Steve Cook

Steve Madson, Creekside General Manager, suggested the Board start thinking about appointing a Chair of the advisory board.

1. Presentation on New JD Edwards Computer Software

Steve Madson explained that over the last year or so the compost site has been researching and implementing a new accounting and inventory software.

Connie Maki, Accounting Specialist, and Becky Kobow, Sales & Marketing Coordinator, gave a demonstration on the new system and covered the processes and procedures used in creating the system and maintaining the system. Benefits include better inventory control, assigning costs to products, pricing on finished bagged items, less manual handwriting on orders. Other benefits include time-savings for invoicing, commissions configured automatically, and easily-accessible support from LOGIS staff.

Overall the new system has saved a tremendous amount of time and manual entry.

The second phase of the project is to include the “manufacturing piece” of it which will automate more processes in the inventory side of the system. This next phase is planned on being implemented in June of 2005.

March 1st a second shift of bagging will occur for this season's product. This system will produce 650,000 bags of product. Reorders then come in after May 15, 2005.

General discussion was held regarding price reductions on purchases and other cost savings.

Bill Arndt asked that staff research bag film manufactured from corn and soybean oils as opposed to petroleum. Mr. Madson stated he will look into it.

Duane Hoversten asked if at the next board meeting, the January financial statement be distributed. Staff answered it will be prepared and distributed.

2. Update on Plastic Issues

Steve Madson stated that the plastic that is in the static piles should be gone by mid-April of this year.

Bill Arndt asked if screen plantings have been put in place on the southeast side of the property. Mr. Madson explained that a berm is in place on the south side that has small evergreens on the top of it. Doug Johnson stated that he has spoken with the City Forester who has informed him that sumac trees can be transplanted and put on top of the berm in addition to the evergreens. Gary Plotz also asked that cedar trees be planted as well to allow for screening.

Mr. Madson also stated that the City's EDA has been having discussions with Cenex who currently has a plant next to the compost facility site. This discussion's result could ultimately allow the compost site to acquire eight acres and allow for inventory storage and/or expansion to the site. Additionally, the site could be reconfigured to allow for better customer service and traffic flow.

Discussion was held regarding debugging product and developing more efficient processes. Other changes being proposed to the site include adding on to facilities to allow for 12-month production.

Brandon Fraser suggested that the compost facility will probably have to go beyond the City's minimum requirements as far as screening goes to improve public perception of the cleanliness of the site. Mr. Madson stated that that is the intention of the facility, however having the Cenex facility next to the compost site precludes some screening due to the inability of a berm being able to be placed. Mr. Fraser further stated that if the Cenex property is acquired, the compost facility will need to go beyond requirements to make sure the activity is openly accepted by the public.

Gary Plotz stated that once the facility is making a profit, that information needs to be marketed to the residents, as well as the environmental benefits of the facility.

3. Chain-of-Command

Casey Stotts asked who is "in charge" of the facility. He is under the impression that Doug Johnson directly supervises the employees, however information that he has received from the employees is that they get pulled between direction from the compost site supervisor and the general manager.

Gary Plotz explained that several years ago a position was advertised as an assistant to the Wastewater Director, however a pot of viable candidates did not come about. After further review of the position, it was determined that someone with a financial background was needed. Based on that, a Request for Proposals was put out for a contractual General Manager, thus Steve Madson being hired as a contract employee.

Mr. Plotz stated that employees are supervised by Doug Johnson, Compost Site Supervisor, then by Gary Plotz. If there are personnel issues, they should not be handled by the contractual General Manager but should come from Doug Johnson and Gary Plotz. Steve Madson stated that he meets with Doug Johnson and then Mr. Johnson executes the activity. He stated he does not give direction to staff. Mr. Johnson stated that he does have city staff that fills in for him when he is not in the office.

Brandon Fraser suggested having back-up leads or back-up supervisors for when Doug Johnson is out of the office. Steve Madson explained that a lead position is being developed.

Casey Stotts asked if a final contract was ever completed with Steve Madson. Gary Plotz stated that the City Attorney is working on it and the same language that is in the Request for Proposals will be incorporated into the contract. Mr. Stotts also stated that since there is only about a year and a half left of the General Manager's contract, he suggested having a job description developed now for when the position is filled again. Duane Hoversten suggested waiting about six months to determine how, if at all, the job description needs to change. Gary Plotz also mentioned that the Compost Site Supervisor job description will continue to be reviewed as well.

Gary Plotz also mentioned that a Chair of the committee needs to be appointed at the next meeting. In addition, the scope and responsibilities of the advisory committee need to be established at the next meeting.

With no further business to discuss, the meeting adjourned at 6:30 p.m.

MINUTES
CREEKSIDE COMPOST FACILITY ADVISORY BOARD
April 20, 2005 – 4:15 p.m.
Hutchinson City Center

Call to Order: 4:15 p.m.

Members Present: Casey Stotts, Brandon Fraser, Duane Hoversten, Doug Johnson, Marion Filk, Bill Arndt, Gary Plotz, Randy DeVries and Steve Madson

Others Present: Ken Merrill and Steve Cook

General discussion was held about an article that was written in the Tuesday edition of the Hutchinson Leader. The article cited complaints that neighbors had of the compost facility's noise, odor, view and plastic debris. Mayor Cook noted that a meeting had been held with the effected neighbors and staff and they are all working towards solutions to take care of these issues. The main issues that need to be resolved are noise and odor reduction.

Some of these solutions include the purchasing of an odor measurement device for \$1500. Other changes include extending the berm on the south side of the facility, with possibly constructing a fence on top of it, to aid in screening. Also, a biofiltration device has been put in place to aid in odor-reduction. The plastic issue should be resolved by the end of May. All of these issues will be taken care of with alterations in processing as well.

A follow-up meeting is being held with the property owners within the next week. Mayor Cook is considering writing a letter to the editor to address some of the issues written in the article. He is also thinking about bringing this issue up at the end of the Council meeting next week for discussion. Brandon Fraser suggested that staff meet with Terry Davis, Hutchinson Leader reporter, and have a "counter" article written from the City's perspective and show the citizens all of the changes the facility is doing to address these issues. He also suggested that a regularly scheduled meeting be held with the neighbors to address ongoing or new issues. Bill Arndt stated that a new development is occurring on Jefferson Street, which is on the west side of the facility. There could be issues that these neighbors have as well.

Other types of screenings were discussed, such as cottonwood and sumac trees. The berm will be completed following Planning Commission approval. Odor management is part of the long-range plans of the facility, thus staff researching different types of measurement devices. The device they have located can be learned more about at the company's website, nasalranger.com.

Staff at the facility is looking into off-site leaf storage and processing. Processing is able to be done off-site due to portable equipment. In addition, there are no MPCA requirements for leaf composting. Only a brief application needs to be submitted.

1. Discussion of storm water issues.

Steve Madson stated that measurements had been taken of the site and have calculated that 3.05 million gallons run into the sanitary sewer. If the site is charged the current rate, the cost is approximately \$10,000.

2. Discussion of capital equipment needs.

Steve Madson explained that there are some equipment needs for the facility. Mr. Madson does not believe that a building needs to be built for the blending line, as originally thought, if the inventory can be built up by the beginning of December. Currently, there is not enough room on campus to expand either with equipment or buildings. The solution is to start building the inventory sooner in the year. Mr. Madson has eliminated the idea of adding on to the bagging building, which will eliminate \$380,000 off the capital improvement plan. In order to start other processes, new equipment will need to be procured. In order to accommodate off site and running short-distance deliveries, three semi-tractor trailers are recommended to be purchased, totaling approximately \$150,000. In addition, two light-bottom trailers are recommending to be purchased, totaling approximately \$100,000. A drop-frame trailer is also being recommended at \$30,000. Lastly, a trommel screener is recommending to be purchased at \$250,000. This screener can also be used as a debagger. Total of all of these equipment needs are \$530,000. By getting new equipment, operation costs will decrease.

A suggestion was made that a date be arranged for the Council and Compost Advisory Board to see a demonstration of the trommel screener, which will be at the facility the week of May 5, 2005.

Discussion was held as to the rate of return on investment with the purchase of the trommel screener. More discussion was held on how the machine operates.

More discussion was held on the use of the semi-tractor trailers and the hauling industry.

Future agenda items include nominating a chair of the committee and further discussion of financial information.

3. Financial information.

Steve Madson explained that the first quarter shows a loss of \$192,000. Mr. Madson feels that there are issues with the cost of sale and inventory adjustments. Mr. Madson was unsure as to why such a large loss has occurred. General discussion was held on various costs associated with operating the facility. Duane Hoversten will assist Mr. Madson with determining where the loss is coming from.

4. Items from floor.

No further business to discuss – meeting adjourned at 6:00 p.m.

MINUTES
CREEKSIDE COMPOST FACILITY ADVISORY BOARD
May 18, 2005 – 4:15 p.m.
Hutchinson City Center

Call to Order: 4:25 p.m.

Members Present: Brandon Fraser, Duane Hoversten, Doug Johnson, Bill Arndt, Gary Plotz, Randy DeVries, Steve Madson and Casey Stotts.

Member Absent: Marion Filk

Others Present: Ken Merrill and Mayor Steve Cook

1. Consideration of Previous Meeting Minutes

Motion by Arndt, second by Hoversten, to approve meeting minutes from April 16, 2005. Motion carried unanimously.

2. Selection of a Chairperson

Motion by Hoversten, second by Fraser nominating Bill Arndt as the Chair of the Compost Advisory Board. Motion carried unanimously.

3. Overview of Financial Picture – 2005 Year-to-Date

Ken Merrill, Finance Director, presented before the group. Mr. Merrill presented a statement of revenues and expenditures through April 2005. Mr. Merrill noted that all expenses may not be portrayed due to year-end bills not coming in until January-February, however all revenues are illustrated. All inventory has been accounted for.

Total revenues year-to-date are at \$932,347.74. Total expenditures year-to-date are reported at \$912,305.74. Net income year-to-date reports in at \$20,042.00.

It was noted that a separate column should be designated for the Minneapolis hauling contract. All of the money generated from the Minneapolis contract pays for the costs associated with the contract.

Duane Hoversten noted that the cost of goods figure needs to be at 20% in order for the facility to make a profit each month.

(a) Outside Accounting Expertise (Kara Colberg)

Gary Plotz noted that staff is struggling with production financial reporting and thus are looking for further expertise in this accounting area.

4. Overview of Product Price Increases for 2006

Gary Plotz stated that staff has met with the City's auditor and a recommendation has been made to increase prices on an average of 7.5%. These price increases are based on 2006 projections. Fuel adjustments will be made on outgoing loads.

5. Updates on Targeted Issues

- a. Odor Measurement – The device has been received, staff has been trained and the equipment has begun to be used.
- b. Noise Measurement – A beeper has been placed on a unit that changes volume based on the rpm of the machine. Mayor Cook noted that the neighbors have the most concern with the noise of the beeper on the skidsteer particularly.
- c. Debugging and Demonstration/Equipment – The facility received the equipment, however the company had some trouble initially getting it to run correctly. This afternoon it was operating it as it should and the company will supply a price quote tomorrow morning for renting it. The company will also propose building a new machine that does exactly what the compost facility needs it to do.
- d. Bio-Filter for Tip-Floor Building – completely operational
- e. Plantings/Berm – a meeting has been held with the neighbors and they have requested that spruce trees be planted in the road ditch instead of the berm being extended
- f. Cenex Property – The EDA has been working with Cenex on the various properties it has in the City. Cenex is considering consolidating its three sites and may have a decision in six weeks. One of the sites is currently next to the compost facility.

6. Miscellaneous

Duane Hoversten noted quality concerns in the mulch. Debris such as two-by-fours and nails were in the finished product. Doug Johnson noted that some product was coming from Saunatec and this product will no longer be accepted. This issue will be resolved with product intake and processing. General discussion was held about processing.

No further business to discuss – meeting adjourned at 5:30 p.m.

CREEK SIDE SOILS ADVISORY COMMITTEE MINUTES

June 15, 2005, 4:15 p.m.

Call to Order: 4:25 p.m.

Members Present: Brandon Fraser, Duane Hoversten, Bill Arndt, Gary Plotz, and Steve Madson

Members Absent: Casey Stotts, Randy DeVries, Doug Johnson

Others Present: Ken Merrill and Mayor Steve Cook

1. Accounting Reports
2. Update on research and interviews for an accounting specialist
3. Update on meetings with neighbors
4. Update on tree plantings
5. Update on noise reduction
6. Update on odor measurement
7. Update on de-bagging
8. Update on Cenex property
9. Miscellaneous

CREEK SIDE SOILS ADVISORY COMMITTEE

MINUTES

July 20, 2005, 4:15 p.m.

Call to Order: 4:15 p.m.

Members Present: Bill Arndt, Gary Plotz, Duane Hoversten, Doug Johnson, Randy DeVries, Casey Stotts and Steve Madson

Members Absent: Marian Filk and Brandon Fraser

Others Present: Ken Merrill and Mayor Steve Cook

A conference call was held with Cameron Rucks, contracted Inventory Accountant for Creekside.

Mr. Rucks updated the committee on his activity thus far at Creekside, which has only consisted of a few days. He has become oriented with the compost facility, becoming familiar with the facility itself, researching historical financial data, etc. He has also had an opportunity to observe the daily operations of the facility, from intake of the product to final sales.

Mr. Rucks noted that the current software limits somewhat the data collection of a job work order, to which labor and overhead need to be applied. Currently raw material and finished goods are inventoried, but the missing piece consists in the Work In Progress. A new manufacturing software is being acquired and put in place in a few weeks which will aid in this missing data collection. Mr. Rucks noted that he feels the inventory on hand as of December 31st was understated due to these missing collection practices.

Mr. Rucks also commented on the bagging operation, of which he feels may have some training issues, as it took approximately 1700 bags to complete a 1300 bag job. He noted that the manufacturer of the machine was able to run through many more bags as compared to what was actually produced on site.

Mr. Rucks stated this plan is to follow an order from intake through final delivery and track what the system needs for inventory. He noted that conversion factors need to be worked on as well as determining if there is any scientific support for the conversion factor of composted material. In addition, freight issues need to be addressed.

The issue of acquiring concrete financial numbers without the new manufacturing software was raised. Mr. Rucks stated that the information can be tracked manually for now, and good estimates may be able to be used for the first half of the year.

The conference call then ended.

Steve Madson commented briefly that the sales volume is somewhat lower than was projected due to the inclement spring. In addition, there are some questions as to whether or not a large contract with United Hardware will be entered into.

The committee then adjourned at 4:35 p.m. and went to the compost facility to see a demonstration of a debagging machine that is intended for use for the Minneapolis contract. This machine is bigger and more efficient than what the facility was previously using.

CREEK SIDE SOILS ADVISORY COMMITTEE MINUTES

September 14, 2005, 4:15 p.m.

Call to Order: 4:20 p.m.

Members Present: Bill Arndt, Gary Plotz, Randy DeVries, Casey Stotts and Doug Johnson

Members Absent: Marion Filk, Steve Madson and Brandon Fraser

Others Present: Ken Merrill and Mayor Steve Cook

1. Review of Financial Statement Through July 31, 2005 – Ken Merrill

Ken Merrill, Finance Director, presented before the Committee. Mr. Merrill shared the financials for the first half of the year for the compost facility. The total net income for the facility, combining the general fund and the Minneapolis contract, is (\$35,654).

It was noted that the fiscal year is on calendar year, but the production cycle of the facility is September 1 to August 31 of each year.

2. Update on Activity of Financial Consultant – Cam Rucks

Cam Rucks, contract accountant, explained how various products are valued at various stages of production and how the cost of product is determined. It was noted on one specific product, 21% profit is being made. He also noted that the manufacturing accounting system is not in place yet.

Source-separated material had much attention spent on it as far as cost. Each bag of potting soil costs approximately \$.10. More discussion was held on how costs are determined.

Gary Plotz reminded the committee that the revenue from the Minneapolis contract will be coming in by December and the revenue will increase dramatically.

It was noted that by mid-November a good picture should be able to be painted of the financials and what profits will be.

3. Update on Renewal of United Hardware Contract – Gary Plotz

Gary Plotz noted that the contract with United Hardware includes a majority of the smaller hardware stores throughout the region. The average price increase on product rose 7.5%. Mr.

Plotz attributed the clinching of the contract to Steve Madson's exceptional negotiation skills even with the price increase. United Hardware accounts for 30% of Creekside's business.

4. Update on Compost Pad at Spruce Ridge – Gary Plotz & Doug Johnson

Gary Plotz noted that Doug Johnson and Marc Seborra attended the McLeod County Planning Commission and approval was granted for the use of a compost pad at Spruce Ridge for storage of material. It was noted that this should reduce operation costs, as this location is much closer than the formerly used transfer facility in Wright County.

5. Discussion of Management Changes at Creekside – Gary Plotz

Gary Plotz informed the Committee that Steve Madson, contract General Manager, will be terminating his contract at the end of September. Staff is considering replacing this position, as it is vital to the facility. An individual with a business background is what is needed. Doug Johnson, Compost Site Supervisor, is not interested in taking this position at this time. Mr. Plotz recommended two options to fill this position. The first is to fill it as a full-time employee of the City. The other option is to put out a Request For Proposals for a contract employee such as Steve Madson is working now. Mr. Plotz suggested doing both.

Casey Stotts suggested only limiting to accepting RFPs and not bring on a city employee.

Discussion was held as to the availability of Cam Rucks. He is currently employed with a manufacturer and Gary Plotz did not think he would be available on a more permanent basis with Creekside. Other discussion was held on the best way to fill the position and the background that the position requires.

Motion by Stotts, second by DeVries, to authorize Gary Plotz to formally request of the City Council to go out for a Request for Proposals to fill the General Manager position. Motion carried unanimously.

6. Resignation/Replacement of Creekside Advisory Board Member

Gary Plotz noted that Duane Hoversten has resigned from the Creekside Advisory Board. Please bring names forward to the Mayor.

7. Update on Odor Complaint and Measurement of Odor Today – Gary Plotz & Doug Johnson

Gary Plotz informed the Committee that an odor complaint came forth from Jerry Zajicek, a neighbor to the facility, following the drenching range on Monday night. The trained odor specialist went to the facility to measure the odor rating. No reading came up on the reading. Gary Plotz went to the facility to investigate the issue and he could smell an odor when he was 300-600 ft. into the facility. This was basically due to the compost being turned and the wind direction. An additional windsock will be placed at that end of the facility to determine the wind direction and an employee will ensure that the wind is not blowing in the direction of the

neighbors when it is time to turn product. Randy DeVries is looking into purchasing a weather system that can be shared with the compost site.

Discussion was held regarding the hauling of “overs” or extra reject material. It has been recommended that the compost facility make this material available to anyone that is interested, with certain guidelines. The proper notice will be put into the newspaper to inform those interested that it is available.

With no further business to discuss, the meeting adjourned at 6:05 p.m.

CREEK SIDE SOILS ADVISORY COMMITTEE MINUTES

October 19, 2005, 4:15 p.m.

Call to Order: 4:20 p.m.

Members Present: Bill Arndt, Gary Plotz, Brandon Fraser and Doug Johnson

Members Absent: Marion Filk, Casey Stotts, Randy DeVries

1. Update on Waste Management Landfill

Gary Plotz and Doug Johnson reported that the site is not yet completed. Product has started to be delivered to this site due to the compost site's Fall production. Staff and a McLeod County Commissioner are working on having this project proceed more timely.

2. Update on Permit Extension at Main Facility

Gary Plotz reported that the compost site has been working under written permit for operation. A formal application needs to be submitted for an extension for a more permanent permit for the facility. A meeting is being held with the MPCA on October 28, 2005, at 3:30 p.m.

3. Update on Bag Production

Doug Johnson reported that bag production is running at four 10-hour shifts and the facility has approximately 5000 bags on the ground. After the Minneapolis contract project, the facility will run at two shifts. Most of the mulch and custom bagging are complete. The United Hardware contract project has begun.

Gary Plotz noted that he has received information from the marketing consultant that Creekside's product is virtually in every small greenhouse/nursery market place. There is not enough profit margin for Creekside to sell in the big box stores.

4. Update on Software Improvements through December 31, 2005

Gary Plotz reported that the compost facility has been researching different softwares for manufacturing purposes. Cam Rucks, the facility's financial consultant, is recommending that the facility acquire PeachTree software, which includes a production module with the manufacturing software. This system includes tracking employee time, turning time, bagging time, etc.

5. Request for Proposals

Gary Plotz reported that the Compost Advisory Board and City Council have directed staff to fill the vacant General Manager position via Request for Proposals. Mr. Plotz distributed the RFP document that will be out for advertisement effective October 20, 2005. This RFP will be advertised in the local newspaper, the Minneapolis Star Tribune, as well as in the western edge of the metro area. The RFPs are due in November 10, 2005. Discussion was held as to the pros and cons of an employee vs. a contractor in this position.

Ken Merrill, Finance Director, noted that a financial report will be presented at the next Board meeting.

Doug Johnson reported on the efficiency improvements made to the production cycle. Mr. Johnson also reported on issues that the neighbors had brought up in the past, such as odor. Other than one complaint, the issue has resolved and the odor levels are minimal.

Bill Arndt mentioned that leaf debris has been found in road ditches outside the city limits. Mr. Arndt recommended advertising more aggressively that the compost facility is open on Saturdays and he suggested being open on Sundays during the daylight for a short-term (three weeks or so). Gary Plotz will speak with Becky Kobow regarding this.

With no further business to discuss, the meeting adjourned at 5:15 p.m.

CREEK SIDE SOILS ADVISORY COMMITTEE MINUTES

December 21, 2005, 4:15 p.m.

CALL TO ORDER – 4:15 P.M.

Members Present: Bill Arndt, Casey Stotts, Doug Johnson, Robert Anderson, Gary Plotz and Randy DeVries

Members Absent: Brandon Fraser and Marion Filk

1. Approval of Minutes from October 19, 2005

Motion by Arndt, second by DeVries, to approve the minutes as presented. Motion carried unanimously.

2. Financials – Ken Merrill

Ken Merrill stated he has been working on the financials, however he feels he needs to review them with staff before they are distributed to the Board. Preliminarily, it appears as if some things need to be capitalized. A quarterly financial report will now be given to the board. Mr. Merrill will email the financial report to the board members.

Ken Merrill did state that each quarter will have peaks and valleys, however it should be consistent from year to year.

Gary Plotz commented that the source-separated operation costs more than the facility charges, based on bag film price increases, Waste Management increases, inflationary increases, etc.

Discussion was briefly held regarding the 2006 budget.

3. 2005 Review – Doug Johnson

Mr. Johnson reported that debugging operations were moved to Spruce Ridge near Biscay. The site on Adams Street currently is stocked with 800,000 bags of product (it was clarified that the October 19, 2005, minutes should read that 500,000 bags were on-site as opposed to 5000). The facility bags approximately 20-24 bags per minute. The facility has stockpiles of compost, peat and manure and is ready to go for the season beginning in March. Several inquiries have been made from other companies regarding Creekside bagging corn product.

Mr. Johnson reported that approximately four of the temporary employees will be laid off next week until the first week in May when operations start up again.

4. Spruce Ridge Operations – Doug Johnson

Doug Johnson, Compost Site Coordinator, stated that debuggging operations should be completed in two weeks. Half the site was completed for their debuggging operations. All of the bags received from Minneapolis have been debuggged. This year's operation for that contract only required eight semi trucks as compared to 15 trucks last year.

Mr. Johnson reported that one neighbor at Spruce Ridge commented on the lights shining during the operation. This was adjusted and no other comments were received. Odor readings were also taken and they were within normal range.

5. Bagging Update – Doug Johnson

Refer to the 2005 Review above.

6. Public Sales

Discussion was held regarding the possibility of having public sales on-site. The current area on the facility's site is being used for storage and Mr. Johnson does not feel that there is ample room for sales on-site. Casey Stotts asked if residents of the City could receive some sort of benefit, such as a coupon, for bringing items to the site. Doug Johnson stated that that could be an option, but it had to be kept in mind that this is a county-wide facility and McLeod County residents are not charged anything for bringing items to the facility.

Doug Johnson suggested that the local landscapers continue to be used for public sales and try to negotiate with them to lower their costs. Bob Anderson stated that he feels if residents are compensated in some way with a coupon or what have you, the neighbors be compensated in some way for the hardships they have had over the past several years.

The Board will continue to brainstorm this item.

7. Neighborhood Meetings – Mayor Cook

Mayor Cook reported that the neighbors and he have been meeting monthly to discuss various items. At the last meeting, the group decided monthly meetings will not be necessary and they will only need to meet on an as-needed basis. The neighbors feel operations have improved. Bob Anderson asked the chain-of-command for issues. Both the mayor and Gary Plotz stated they should be contacted first and they will pass concerns on to staff. Doug Johnson will now be attending any future neighborhood meetings.

8. Consulting for Operations Pertaining to Odors

Mayor Cook stated that he had read an article about a facility near St. Louis that was surrounded by multi-million dollar homes. This facility used an operation that monitors the materials to determine when they needed to be turned, etc. and would forecast if odors would be heightened. Doug Johnson will research this further.

9. Grinding on-site versus off-site – Gary Plotz

Gary Plotz stated this topic was brought up at a neighborhood meeting. Mr. Plotz informed the group that Creekside receives material from other communities in the county that need to be ground. The county had suggested that all of this material be trucked to Creekside to be ground as opposed to the grinder being transported to the other sites. The County Board approved purchase of equipment to be used to transport materials from other communities to Creekside. Mr. Plotz has learned that Glencoe and Winsted would like for Creekside to continue to come to their site for grinding. The plan is to continue to travel to these two sites because of the large volume of material, however the other communities will be bringing their items to Creekside for grinding. Of course, in the case of an emergency, the grinder will be transported to the other sites for grinding.

Doug Johnson stated that for logs that are 6” – 18” in diameter, the site grinds regularly. Logs that are over 18” in diameter are ground every two years.

10. Plans when Minneapolis contract is completed – Casey Stotts

Casey Stotts asked what the plan is when this contract is complete? Do we want to continue when the contract expires, if not, what is the contingency plan? What are the costs that have been put into this operation as to the profit being made?

Doug Johnson stated that equipment that has been leased for this contract could be left with no strings attached. The only equipment that has been purchased are the walking floor trailers. Other communities have verbally informed Creekside that they would like Creekside to take their materials, such as is set up with Minneapolis now. Doug Johnson stated that staff is watching this closely and will be able to make an educated decision before the contract expires. Casey Stotts stated he would like numbers put together to determine how much money has been put into the operation since it started.

(Bill Arndt excused himself at 5:28 p.m.)

11. General Manager Position

Gary Plotz stated that the position was widely-advertised, however no proposals were received. Mr. Plotz suggested running the operation as it is now with him, Doug Johnson and Cam Rucks as a consultant. Cam Rucks is currently contracted for four hours a week. Mr. Johnson stated that this idea is favorable to him. It was noted that labor and equipment costs need to be held steady, or lowered, in order for the facility to be profitable. It was further noted that daily labor and equipment efficiencies will be measured. Gary Plotz mentioned that Steve Madson may be contracted on an as-needed basis for special projects. Casey Stotts

asked that staff check to see what type of city-owned equipment Steve Madson may still have in his possession.

Discussion was held regarding the department manual that Steve Madson is writing for Creekside. This should be completed by the end of March 2006.

Bob Anderson noted that he liked the proposal of waiting to fill the General Manager position and only hiring if it is crucially needed.

12. Miscellaneous

Bob Anderson asked what kind of items the advisory board has actually recommended to the City Council. Examples given were items such as contracting for a financial person, going out for an RFP for the GM position, and leasing equipment. Future discussions to have will be the future operations of the facility.

One of the last piles from the Minneapolis contract is going to be screened and assessed to determine what should be done with it. The plastics may be taken to the landfill or bailed.

Motion by Stotts, second by DeVries to adjourn at 5:55 p.m. Motion carried unanimously.