

## NOTICE AND CALL OF PUBLIC MEETING

GOVERNMENTAL BODY: THE CITY COUNCIL OF CRESCO, IOWA  
DATE OF MEETING: FEBRUARY 7, 2022  
TIME AND PLACE OF MEETING: 5:30 P.M. CITY HALL, 130 N PARK PLACE

PUBLIC NOTICE IS HEREBY GIVEN THAT THE ABOVE MENTIONED GOVERNMENTAL BODY WILL MEET AT THE DATE, TIME AND PLACE SET OUT ABOVE. THE TENTATIVE AGENDA FOR SAID MEETING IS AS FOLLOWS:

ROLL CALL: KRIENER, McCONNELL, FORTUNE, BOUSKA, CARMAN

ACT ON THE CONSENT AGENDA: All items listed under the consent agenda will be enacted by one motion. There will be no separate discussion of these items unless a request is made prior to the time council votes on the motion.

1. Approval of the Agenda
2. Approval of the Claims
3. Approval of Minutes from January 17, 2022
4. Approval of Minutes from January 27, 2022 Worksession
5. Approval of Class C Beer Permit and Class B Wine Permit with Sunday Sales to DOLGENCORP LLC d/b/a Dollar General Store #2400

STAFF REPORTS: There may be action taken on each of the items listed below.

1. Public Works
2. Police
3. Administration
4. Committee Updates

COMMENTS FROM AUDIENCE:

BUSINESS: There may be action taken on each of the items listed below.

1. Public Hearing on the Proposed Property Tax Levy for Fiscal Year July 1, 2022 – June 30, 2023
2. Resolution Approving Maximum Property Tax Dollars for FYE June 30, 2023
3. Public Hearing for Budget Amendment #2 for Fiscal Year Ending June 30, 2022
4. Resolution Amending the Current Budget for Fiscal Year Ending June 30, 2022
5. Review Stump Grinding Quotes and Possible Award of Contract
6. Motion to Declare a Public Purpose for the \$8,000 Payment to Northeast Iowa Regional Housing Trust Fund in Accordance with the 28E Agreement
7. Motion to Pledge \$3,888 to Northeast Iowa Community Action for FY2023 in Accordance with the 28E Agreement
8. Motion to Release the Recorded Real Estate Mortgage and the Promissory Note for the Revolving Loan that was Paid in Full by Bear Creek Archeology
9. Resolution Establishing a Fund within the City's Accounts – Fund #324 Downtown Crosswalk Project Fund

10. Resolution Establishing a Fund within the City's Accounts – Fund #060 EV Charging Station Fund
11. Motion to Grant a Winter Adjustment for a Credit on Water and Sewer Bills for Customers Running Water to Prevent Service Lines from Freezing
12. Discuss Proposed Lease Agreement for the Airport with Midwest Custom Ag Aviation
13. Discuss Issues Regarding COVID-19 Pandemic

**CLOSED SESSION** pursuant to Iowa Code 20.17 (3) Strategy Meeting to Discuss Union Negotiations Matters

**OPEN SESSION**

**ADJOURN:**

**THIS NOTICE IS GIVEN AT THE DIRECTION OF THE MAYOR PURSUANT TO CHAPTER 21, CODE OF IOWA AND THE LOCAL RULES OF SAID GOVERNMENTAL BODY. POSTED FEBRUARY 4, 2022.**

**NOTICE OF PUBLIC HEARING - CITY OF CRESCO - PROPOSED PROPERTY TAX LEVY**  
**Fiscal Year July 1, 2022 - June 30, 2023**

The City Council will conduct a public hearing on the proposed Fiscal Year City property tax levy as follows:

**Meeting Date:** 2/7/2022 **Meeting Time:** 05:30 PM **Meeting Location:** Cresco City Hall, 130 N Park Place, Cresco, IA 52136

At the public hearing any resident or taxpayer may present objections to, or arguments in favor of the proposed tax levy. After adoption of the proposed tax levy, the City Council will publish notice and hold a hearing on the proposed city budget.

City Website (if available)  
[www.cityofcresco.com](http://www.cityofcresco.com)

City Telephone Number  
 (563) 547-3101

	Current Year Certified Property Tax 2021 - 2022	Budget Year Effective Property Tax 2022 - 2023	Budget Year Proposed Maximum Property Tax 2022 - 2023	Annual % CHG
Regular Taxable Valuation	130,545,352	137,313,650	137,313,650	
<b>Tax Levies:</b>				
Regular General	1,057,417	1,057,417	1,112,241	
Contract for Use of Bridge			0	
Opr & Maint Publicly Owned Transit			0	
Rent, Ins. Maint. Of Non-Owned Civ. Ctr.			0	
Opr & Maint of City-Owned Civic Center	17,624	17,624	18,537	
Planning a Sanitary Disposal Project			0	
Liability, Property & Self-Insurance Costs	169,000	169,000	145,600	
Support of Local Emer. Mgmt. Commission	20,300	20,300	22,300	
Emergency	35,247	35,247	37,075	
Police & Fire Retirement			0	
FICA & IPERS	231,000	231,000	246,400	
Other Employee Benefits	289,000	289,000	333,000	
<b>Total Tax Levy</b>	<b>1,819,588</b>	<b>1,819,588</b>	<b>1,915,153</b>	<b>5.25</b>
<b>Tax Rate</b>	<b>13.93836</b>	<b>13.25133</b>	<b>13.94728</b>	

**Explanation of significant increases in the budget:**

FICA & IPERS will increase due to higher wage expenses. Other employee benefits will increase due to rising health insurance premiums. There is an increase in most operating expenses especially with higher wages, utilities, supplies, and contractual services.

If applicable, the above notice also available online at:  
[www.cityofcresco.com](http://www.cityofcresco.com)

\*Total city tax rate will also include voted general fund levy, debt service levy, and capital improvement reserve levy.

\*\*Budget year effective property tax rate is the rate that would be assessed for these levies if the dollars requested is not changed in the coming budget year

**NOTICE OF PUBLIC HEARING - AMENDMENT OF CURRENT BUDGET**  
**CRESCO**

Fiscal Year July 1, 2021 - June 30, 2022

The City of CRESCO will conduct a public hearing for the purpose of amending the current budget for fiscal year ending June 30, 2022

**Meeting Date/Time:** 2/7/2022 05:30 PM

**Contact:** Michelle Elton

**Phone:** (563) 547-3101

**Meeting Location:** Cresco City Hall, 130 N Park Place, Cresco, IA 52136

There will be no increase in taxes. Any residents or taxpayers will be heard for or against the proposed amendment at the time and place specified above. A detailed statement of: additional receipts, cash balances on hand at the close of the preceding fiscal year, and proposed disbursements, both past and anticipated, will be available at the hearing.

REVENUES & OTHER FINANCING SOURCES		Total Budget as Certified or Last Amended	Current Amendment	Total Budget After Current Amendment
Taxes Levied on Property	1	2,085,608	0	2,085,608
Less: Uncollected Delinquent Taxes - Levy Year	2	0	0	0
Net Current Property Tax	3	2,085,608	0	2,085,608
Delinquent Property Tax Revenue	4	0	0	0
TIF Revenues	5	0	0	0
Other City Taxes	6	593,250	167,000	760,250
Licenses & Permits	7	53,900	0	53,900
Use of Money & Property	8	133,633	0	133,633
Intergovernmental	9	1,135,269	68,100	1,203,369
Charges for Service	10	2,729,700	0	2,729,700
Special Assessments	11	34,000	0	34,000
Miscellaneous	12	299,270	36,100	335,370
Other Financing Sources	13	12,400	0	12,400
Transfers In	14	2,293,625	240,800	2,534,425
<b>Total Revenues &amp; Other Sources</b>	<b>15</b>	<b>9,370,655</b>	<b>512,000</b>	<b>9,882,655</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>				
Public Safety	16	998,550	19,200	1,017,750
Public Works	17	1,722,425	208,000	1,930,425
Health and Social Services	18	5,400	0	5,400
Culture and Recreation	19	1,290,800	146,700	1,437,500
Community and Economic Development	20	186,400	6,000	192,400
General Government	21	398,000	39,100	437,100
Debt Service	22	345,200	0	345,200
Capital Projects	23	0	20,000	20,000
<b>Total Government Activities Expenditures</b>	<b>24</b>	<b>4,946,775</b>	<b>439,000</b>	<b>5,385,775</b>
Business Type/Enterprise	25	2,060,300	94,700	2,155,000
<b>Total Gov Activities &amp; Business Expenditures</b>	<b>26</b>	<b>7,007,075</b>	<b>533,700</b>	<b>7,540,775</b>
Transfers Out	27	2,293,625	240,800	2,534,425
<b>Total Expenditures/Transfers Out</b>	<b>28</b>	<b>9,300,700</b>	<b>774,500</b>	<b>10,075,200</b>
<b>Excess Revenues &amp; Other Sources Over (Under) Expenditures/Transfers Out</b>	<b>29</b>	<b>69,955</b>	<b>-262,500</b>	<b>-192,545</b>
Beginning Fund Balance July 1, 2021	30	8,015,510	0	8,015,510
<b>Ending Fund Balance June 30, 2022</b>	<b>31</b>	<b>8,085,465</b>	<b>-262,500</b>	<b>7,822,965</b>

**Explanation of Changes:** LOST revenues were higher than budgeted which will be used for a new street sweeper to be purchased earlier due to maintenance issues. Grants were received by Library, Theatre, and Fire Departments to purchase equipment, truck pointing, and other new projects. Donations were received for Park projects that had not been budgeted. Operating expenses were higher for wages, health insurance, attorney, chemicals, watermain breaks, and maintenance agreements. Well re-casing, valve replacements, and concrete projects were higher than budgeted. Storm drainage projects were not originally budgeted. Transfers were higher mainly due to the extra LOST received as well as transfers for the increased cost of projects and health insurance.

Mayor Brenno called the Cresco City Council meeting to order on January 17, 2022, at 5:30 pm. Council Members Kriener, McConnell, Fortune, Bouska, and Carman were present. No council members were absent.

Bouska made the motion to approve the consent agenda which included approval of the: agenda; claims; minutes from the January 5, 2022 meeting and January 5<sup>th</sup> and 13<sup>th</sup> worksessions; Class C Liquor License with Sunday sales to Cuautila Jalisco II Inc (pending Dram Insurance and background checks); Class E Liquor License, Class C Beer Permit, and Class B Wine Permit with Sunday sales to JAGDAMBE LLC d/b/a Cresco Mart; Street Closing for portions of 2nd Ave East and 2nd Street East for the Notre Dame School Lasagna Supper on January 28, 2022. Carman seconded and it passed all ayes.

Public Works Director Widell reported (a) hydrant was hit Wednesday night and damaged. We repaired it and are working with the police to determine who did it; (b) a watermain break was fixed on Friday; (c) Street Department burned the yardwaste pile; (d) sewer plant is having problems with the 30 hp motor so are currently running on the 100 hp until we get parts to fix it.

City Clerk Elton reported (a) RFPs have been sent out for administering the CDBG Housing Rehab project and are due January 25<sup>th</sup>. A special meeting may be called to review and award a contract; (b) RFP for auditing services was also sent out and is due February 14<sup>th</sup>. Bouska and Brenno volunteered to review and rank the RFP's received; (c) Union Negotiations are February 8<sup>th</sup>.

McConnell reported the Park Board met and discussed options for improvements at the Fitness Center. New fitness equipment options were also discussed.

Mayor Brenno asked for comments from the audience and there were none.

McConnell made a motion to set a public hearing for February 7, 2022 on the proposed fiscal year City Property Tax Levy. Kriener seconded and it passed all ayes.

Bouska made the motion to approve a resolution adopting the Emergency Response Plan in accordance with America's Water Infrastructure Act. Carman seconded and it passed all ayes.

Carman made a motion to approve a resolution authorizing the Mayor and City Clerk to enter into a 28E Agreement with Northeast Iowa Regional Housing Trust Fund. Bouska seconded and it passed all ayes.

Bouska made a motion to set a Public Hearing for February 7, 2022 Budget Amendment #2 for fiscal year ending June 30, 2022. Fortune seconded and it passed all ayes.

Council reviewed a quote for a new sweeper from MacQueen Equipment for \$222,215 with an estimated trade-in value of \$32,000 – 40,000. Due to expensive repairs and maintenance issues, staff recommended trading in the old one and purchasing a new sweeper. This could be paid with extra LOST revenues received as part of the current year budget amendment. McConnell made a motion to approve the quote for the sweeper. Bouska seconded and it passed all ayes.

Jason Passmore reported he has been working with Dan Evans on his renovation project of upstairs apartments above the TPD building. The project is eligible for a downtown improvement grant with IEDA. The minimum award is \$100,000 and targeted for small cities and upper-story housing financed with COVID money. They requested the Council to sign a Letter of Intent showing their support of the grant application and agreeing to be the fiscal agent if the grant is awarded. Bouska made the motion to approve a resolution authorizing the Mayor to sign a Letter of Intent to support an application with the Iowa Economic Development Authority for a Downtown Housing Grant for Evans Publishing Upper Story Housing. Fortune seconded and it passed all ayes.

Jason also reported the Community Catalyst Grant project for the Vernon Springs Brewery is still being worked on. They are working with the SBA and the bank to get updated equipment and supply estimates.

Carman reported 33 positive COVID cases over the weekend. Howard County is averaging over 55 per week since January 1<sup>st</sup>. More deaths have been reported and the hospital continues to struggle with triage and transfers. Nursing homes are in outbreak status. Vaccination process continues at the clinic with Howard County having over 50% vaccinated. 80% of cases are the Omicron variant. People with boosters are experiencing milder symptoms.

Carman moved to adjourn the Council Meeting at 5:48 pm. McConnell seconded and it passed all ayes. The next regular Cresco City Council meeting will be February 7, 2022, at 5:30 pm at Cresco City Hall.

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Mayor David Brenno

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City Clerk Michelle Elton

Following is a list of claims approved for payment:

ALLIANT	Elec	1,330.18	MUNICIPAL MGMT	Srvc	1,000.00
BAKER&TAYLOR	Books	206.48	NUWAY-K&H	LP	136.24
BC/BS	Ins	30,421.75	O'DONNELL INS	Ins	409.00
BORDWELL,SHARON	Rfd	644.40	PAYROLL		74,593.53
BROWN SUPPLY	Supp	1,621.50	PERRY NOVAK ELEC	Srvc	128.00
CAFFREY,MIKE	Sub	75.00	RUPPERT	Supp	213.18
CARDMEMBER SRVC	Supp	641.99	SAM'S	Supp	216.19
CARQUEST	Supp	135.11	SCHUMACHER	Elevator	168.82
CARRICO	Parts	225.88	SIGNS&DESIGNS	Decals	156.00
CITY LAUNDERING	Srvc	65.49	SONY	Movie	250.00
CITY OF CRESCO	Ins	4,069.32	STATE HYGIENIC	Analys	116.50
CITY OF CRESCO	Util	25.53	STOREY KEN	Supp	158.67
CLINTON PUB LIB	Book	35.00	SURVEYING&MAP	Srvc	3,600.00
COAST TO COAST	PR	224.91	TREAS,IA	Taxes	6,230.86
COURTNEY LAWN	Srvc	45.00	TRUCK COUNTRY	Parts	284.00
CR CHAMBER	Dues	125.00	UNIVERSAL	Moive	906.17
CR SHOPPER	Adv	281.00	VERMEER	Rprs	1,598.97
CR TPD	Ads	429.80	VISA	Supp	5,250.01
DALCO	Supp	128.62	WARNER BROS	Movie	125.00
DISNEY	Movie	400.00	WINDRIDGE IMP	Supp	6.71
FENCO	Rprs	304.25	ZIEGLER	Supp	291.02
FORTE PMT	Fees	237.00			
GORDON FLESCH	Copier	381.93	<u>BY FUND:</u>		
HANSON TIRE	Part	60.50	GENERAL		140,139.39
HAWKEYE SAN	Gb/rc	52,683.53	FIRE STATION BLDG		72.04
HOW CO	ShrdLEC	10,440.45	CR COMM FIRE		53.88
HC ENVIRON	Fee	388.00	ROAD USE TAX		17,322.68
IROC	Srvc	100.00	EMPLOYEE BENE		5,172.07
KEYSTONE LAB	Analys	1,114.10	LIBRARY		3,947.39
KWIK TRIP	Gas	4,682.31	WATER		19,555.12
LIBRARY IDEAS	Book	42.95	SEWER OP		26,068.66
LICKTEIG,STEVE	Srvc	200.00	CAP IMPR		11.85
LIONSGATE	Movie	250.00	YARDWASTE		2,552.35
LT MECH	Srvc	2,414.05			
MEDIACOM	Phone	308.07	EXPENDITURES		214,895.43
MID-STATES	Dues	100.00	Revenues 1/6-1/17/22		184,963.41
MIENERGY	Elec	4,217.46			

Mayor Brenno called the special Cresco City Council meeting to order on January 27, 2022, at 5:00 pm. Council Members Kriener, McConnell, Fortune, Bouska, and Carman were present. No council members were absent.

City Clerk Elton reported that RFPs were requested for the CDBG Housing Rehab project for administrative and for technical services. Only one proposal was received from Simmering-Cory for the Administration Services and one for the Technical Services. The Mayor requested approval from Iowa Economic Development Authority to proceed with these single source procurements. IEDA approved the requests on January 26, 2022.

Carman made a motion to approve a resolution awarding Grant Administration Services for a Housing Sustainability Community Development Block Grant Program. Fortune seconded and it passed all ayes.

Carman made a motion to approve a resolution awarding Technical Services for a Housing Sustainability Community Development Block Grant Program. McConnell seconded and it passed all ayes.

Bouska made a motion to go into Closed Session pursuant to Iowa Code 20.17 (3) strategy meeting to discuss Union negotiation matters at 5:03 pm. Carman seconded and it passed all ayes.

McConnell made a motion to go back into Open Session at 7:17 pm. Bouska seconded and it passed all ayes. No formal action was taken during the closed session.

Carman moved to adjourn the Council Meeting at 7:18 pm. Fortune seconded and it passed all ayes. The next regular Cresco City Council meeting will be February 7, 2022, at 5:30 pm at Cresco City Hall.

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Mayor David Brenno

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City Clerk Michelle Elton



Social <https://directory.iowa.gov/social/index?ia\_slv=1643923793938>

<https://www.iowa.gov/search/google?ia\_slv=1643923793938>

### Applicant

**Name of Legal Entity :** DOLGENCORP, LLC

**Name of Business(DBA) :** Dollar General Store # 2400

**Address of Premises :** 419 2nd Ave SE

**City :** Cresco

**County :** Howard

**Zip :** 52136

**Business :** (563) 547-2113

**Mailing Address:** 100 Mission Ridge

**City :** Goodlettsville

**State :** Tennessee

**Zip :** 37072

### Contact Person

**Name :** Christina Walden

**Phone :** (615) 855-4000

**Email :** tax-beerandwinlicense@dollargeneral.com

**City :** Nashville

**State :** Tennessee

**Zip :** 37212

**Position :** Owner

**% of ownership :**

**U.S. Citizen :** Yes

Steven Deckard

**City :** Mount Juliet

**State :** Tennessee

**Zip :** 37122

**Position :** Owner

**% of ownership :**

**U.S. Citizen :** Yes

Lawrence Gatta

**City :** Brentwood

**State :** Tennessee

**Zip :** 37027

**Position :** Owner

**% of ownership :**

**U.S. Citizen :** Yes

Dollar General Corporation

### License Information

**License Number :** BC0029888

**License/Permit Type :** Class C Beer Permit

**Term :** 12 Month

**Status :** Submitted to Local Authority

**Effective Date :** 2022-03-01

**Expiration Date :** 2023-02-28

**Sub-Permits :** Class C Beer Permit, Class B Wine Permit

**Privileges :** Sunday Sales

**Last Day of Business :**

### Status of Business

**Business Type :** Limited Liability Company

### Ownership

Jason Reiser

**City :** Goodlettsville

**State :** Tennessee

**Zip :** 37072

**Position :** Owner

**% of ownership :** 100

**U.S. Citizen :** Yes

Christina Walden

**City :**

**State :**

**Zip :**

**Position :** Application Manager

**% of ownership :**

**U.S. Citizen :**

### Insurance Company Information

**CITY OF CRESCO  
CASH & INVESTMENT BY FUND  
AS OF JANUARY 31, 2022**

	CASH BALANCE	MONEY MKT BALANCE	CD BALANCE	OTHER BANK BALANCE	FUND BALANCE	
001	General Fund	1,659.11	798,400.00	700,000.00	-	1,500,059.11
001	General Fund - Theatre	-	-	-	4,950.50	4,950.50
001	General Fund - Credit Card Processing	-	-	-	3,500.00	3,500.00
001	General Fund - RAGBRAI	-	-	8,985.11	-	8,985.11
002	General Fund-Hotel/Motel	208.34	22,000.00	10,000.00	-	32,208.34
022	Local Option Tax Project	216.98	992,000.00	723,000.00	-	1,715,216.98
065	Nuisance House Fund	288.43	3,000.00	-	-	3,288.43
078	Fire Station Building	819.64	9,000.00	-	-	9,819.64
087	Equipment Replace	539.86	13,000.00	20,000.00	-	33,539.86
090	Office/Computer Equip.	65.78	9,000.00	20,000.00	-	29,065.78
091	Street Equipment Trust	154.38	77,000.00	30,000.00	-	107,154.38
092	Theatre Trust	103.34	23,000.00	20,000.00	-	43,103.34
094	Airport Trust	547.85	66,000.00	-	-	66,547.85
098	Cresco Community Fire	386.46	75,000.00	35,000.00	-	110,386.46
110	Road Use Tax Fund	126.18	387,000.00	300,000.00	-	687,126.18
112	Employee Benefits Trust	1,075.50	434,000.00	350,000.00	-	785,075.50
119	Emergency Fund	30.85	19,000.00	-	-	19,030.85
160	CIDC/CityRevol.Loan-bus.	783.88	67,000.00	-	-	67,783.88
177	Police Forfeiture Fund	240.13	-	-	-	240.13
182	Rehab Housing	930.66	60,000.00	-	-	60,930.66
183	Equip.Repair-Fitness Ctr	101.68	53,000.00	-	-	53,101.68
184	City Park Trust	946.41	2,000.00	-	-	2,946.41
185	Recreation Supply	408.17	12,000.00	-	-	12,408.17
186	Park Tree Trust	623.85	4,000.00	-	-	4,623.85
188	Fire Equipment Trust	571.16	15,000.00	30,000.00	-	45,571.16
189	Library Trust	721.59	34,000.00	20,000.00	-	54,721.59
200	Debt Service Fund	791.17	203,000.00	35,000.00	-	238,791.17
322	Scene Shop Project Fund	651.87	13,000.00	-	-	13,651.87
323	ARPA Grant Project	866.10	279,000.00	-	-	279,866.10
600	Water Utility Fund	793.73	238,000.00	150,000.00	-	388,793.73
601	Water Deposit Trust	268.00	18,000.00	15,000.00	-	33,268.00
602	Water Utility Replacement	170.10	374,000.00	200,000.00	-	574,170.10
610	MSSU Revenue	145.87	368,000.00	220,000.00	-	588,145.87
612	MSSU Operation/Maint	530.83	-	-	-	530.83
613	MSSU Replacement	969.61	814,000.00	400,000.00	-	1,214,969.61
614	MSSU Rev.Bond Int	66.59	35,000.00	27,000.00	-	62,066.59
620	Cap Imp Water, Sewer, Storm	135.74	71,000.00	50,000.00	-	121,135.74
670	Yard Waste Fund	318.70	40,000.00	45,000.00	-	85,318.70
820	Health Ins Partial Self Fund	-	-	70,000.00	61,000.75	131,000.75
<b>Totals</b>		<b>17,258.54</b>	<b>5,627,400.00</b>	<b>3,478,985.11</b>	<b>69,451.25</b>	<b>9,193,094.90</b>
		0%	61%	38%	1%	<u>9,193,094.90</u>

Checking - Cresco Bank & Trust (operating)	0.05%	17,258.54
Checking - CB&T (credit cards)	0.00%	3,500.00
Theatre Checking (CB&T)	0.00%	4,950.50
Money Market - Cresco Bank & Trust	0.25%	5,627,400.00
MMKT Hlth Ins Partial Self Funded	0.15%	61,000.75
CD RAGBRAI - 3 yr - matures 9/14/23 (CUSB)	0.65%	8,985.11
CD Safe-T-Fund -1 yr - matures 11/17/22	0.30%	70,000.00
CD - 1 year - matures 8/16/22 (CUSB)	0.35%	<u>3,400,000.00</u>

Eligible for Exchange Rate - 1 time higher interest rate

**\$ 9,193,094.90**

CITY OF CRESCO  
 REVENUE REPORT  
 CALENDAR 1/2022, FISCAL 7/2022

ACCOUNT NUMBER	ACCOUNT TITLE	MTD BALANCE	YTD BALANCE	BUDGET	% RECEIVED
	GENERAL TOTAL	181,964.45	1,847,177.10	3,215,988.00	57.44
	HOTEL/MOTEL TAX TOTAL	.00	12,703.75	20,000.00	63.52
	LOST PROJECT TOTAL	47,287.35	404,641.10	485,500.00	83.35
	NUISANCE HOUSE TOTAL	.62	3.84	17,400.00	.02
	FIRE STATION BUILDING TOTAL	3,476.87	73,713.56	73,900.00	99.75
	EQUIPMENT REPLACEMENT TOTAL	2.71	3,023.56	4,300.00	70.32
	OFFICE EQUIPMENT TOTAL	1.87	20.51	100.00	20.51
	STREET TRUST TOTAL	96.65	87,542.74	53,500.00	163.63
	THEATRE TRUST FUND TOTAL	4.79	1,431.12	7,000.00	20.44
	AIRPORT TRUST FUND TOTAL	13.75	107.67	116,675.00	.09
	CRESCO COMMUNITY FIRE TOTAL	18,174.15	81,599.31	89,000.00	91.68
	ROAD USE TAX TOTAL	44,068.65	321,231.96	520,000.00	61.78
	EMPLOYEE BENEFITS TOTAL	5,624.34	310,996.06	598,867.00	51.93
	EMERGENCY FUND TOTAL	151.01	19,030.85	35,600.00	53.46
	LOCAL OPTION SALES TAX TOTAL	52,311.91	447,789.96	525,000.00	85.29
	REVOLVING LOAN TOTAL	13,791.49	33,488.86	50,500.00	66.31
	REHAB HOUSE TOTAL	12.50	18,949.63	75,000.00	25.27
	FITNESS CENTER TRUST TOTAL	411.00	47,792.95	43,700.00	109.37
	PARK TRUST TOTAL	.42	17,567.41	22,100.00	79.49
	RECREATION SUPPLY TOTAL	2.50	2,445.38	10,000.00	24.45
	PARK TREE TRUST TOTAL	.83	1,245.21	1,800.00	69.18
	FIRE EQUIPMENT TOTAL	3.12	4,258.96	9,000.00	47.32
	LIBRARY TOTAL	1,386.60	31,251.84	28,300.00	110.43
	DEBT SERVICE TOTAL	6,460.55	207,455.22	355,025.00	58.43
	SCENE SHOP PROJECT TOTAL	2.71	19.67	.00	.00
	ARPA GRANT PROJECT FUND TOTAL	58.11	279,866.10	278,600.00	100.45
	WATER TOTAL	55,407.30	368,260.08	609,500.00	60.42
	WATER DEPOSIT TOTAL	660.00	7,126.56	13,000.00	54.82
	WATER EQUIPMENT REPLACE TOTAL	81.65	100,598.55	178,300.00	56.42
	SEWER TOTAL	72,932.13	513,119.02	853,900.00	60.09
	SEWER OPERATIONS TOTAL	44,000.00	369,000.00	770,000.00	47.92
	SEWER REPLACEMENT PROJ TOTAL	169.55	151,328.50	156,000.00	97.01
	SEWER SINKING TOTAL	7.29	31,529.10	31,800.00	99.15
	PROPRIETARY CAP IMPROVE TOTAL	7,228.68	47,231.71	81,700.00	57.81
	YARDWASTE TOTAL	5,900.36	25,650.51	39,600.00	64.77
	SELF INSURANCE TOTAL	5,194.17	40,104.66	.00	.00
	TOTAL REVENUE BY FUND	566,890.08	5,909,303.01	9,370,655.00	63.06

CITY OF CRESCO  
 BUDGET REPORT - Expenses  
 CALENDAR 1/2022, FISCAL 7/2022

ACCOUNT NUMBER	ACCOUNT TITLE	MDT BALANCE	YTD BALANCE	BUDGET	% SPENT
	GENERAL TOTAL	215,681.40	1,716,168.39	3,118,850.00	55.03
	HOTEL/MOTEL TAX TOTAL	.00	14,850.00	20,000.00	74.25
	LOST PROJECT TOTAL	.00	175,250.04	294,000.00	59.61
	NUISANCE HOUSE TOTAL	.00	613.55	12,400.00	4.95
	FIRE STATION BUILDING TOTAL	440.62	68,461.68	73,900.00	92.64
	EQUIPMENT REPLACEMENT TOTAL	.00	.00	1,000.00	.00
	OFFICE EQUIPMENT TOTAL	.00	.00	3,500.00	.00
	STRBET TRUST TOTAL	.00	16,144.13	14,000.00	115.32
	THEATRE TRUST FUND TOTAL	.00	.00	2,000.00	.00
	AIRPORT TRUST FUND TOTAL	4,350.00	4,350.00	130,000.00	3.35
	CRESCO COMMUNITY FIRE TOTAL	607.39	38,143.47	94,000.00	40.58
	ROAD USE TAX TOTAL	30,615.76	282,849.39	561,000.00	50.42
	EMPLOYEE BENEFITS TOTAL	40,832.10	310,317.73	599,150.00	51.79
	EMERGENCY FUND TOTAL	.00	.00	35,600.00	.00
	LOCAL OPTION SALES TAX TOTAL	52,311.91	447,789.96	525,000.00	85.29
	REVOLVING LOAN TOTAL	.00	50,500.00	50,000.00	101.00
	REHAB HOUSE TOTAL	.00	71.37	129,500.00	.06
	FITNESS CENTER TRUST TOTAL	.00	62,350.92	75,000.00	83.13
	PARK TRUST TOTAL	145.60	22,432.03	26,000.00	86.28
	RECREATION SUPPLY TOTAL	.00	2,740.00	10,000.00	27.40
	PARK TREE TRUST TOTAL	.00	2,156.25	1,800.00	119.79
	FIRE EQUIPMENT TOTAL	.00	.00	3,000.00	.00
	LIBRARY TOTAL	3,947.39	4,752.66	2,000.00	237.63
	DEBT SERVICE TOTAL	.00	32,475.00	345,200.00	9.41
	WATER TOTAL	30,308.86	395,530.97	609,300.00	64.92
	WATER DEPOSIT TOTAL	517.62	7,424.76	13,000.00	57.11
	WATER EQUIPMENT REPLACE TOTAL	.00	45,971.83	302,100.00	15.22
	SEWER TOTAL	44,000.00	551,500.00	952,500.00	57.90
	SEWER OPERATIONS TOTAL	43,757.21	369,190.33	766,600.00	48.16
	SEWER REPLACEMENT PROJ TOTAL	.00	111,573.05	372,000.00	29.99
	SEWER SINKING TOTAL	.00	2,345.00	31,800.00	7.37
	PROPRIETARY CAP IMPROVE TOTAL	56.87	16,707.96	34,900.00	47.87
	YARDWASTE TOTAL	2,900.50	69,356.77	91,600.00	75.72
	SELF INSURANCE TOTAL	901.67	25,234.16	.00	.00
	TOTAL EXPENSES BY FUND	471,374.90	4,847,251.40	9,300,700.00	52.12

Resolution No. \_\_\_\_\_

**RESOLUTION APPROVING MAXIMUM PROPERTY TAX DOLLARS FOR FYE JUNE 30, 2023**

Council Member \_\_\_\_\_ introduced the following proposed Resolution and moved that the same be adopted. Council Member \_\_\_\_\_ seconded the motion to adopt. The roll was called:

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

Whereupon, the Mayor declared the Resolution duly adopted as follows:

**RESOLUTION APPROVING MAXIMUM PROPERTY TAX DOLLARS FOR FYE JUNE 30, 2023**

WHEREAS, the City Council of the City of Cresco has considered the proposed FY2023 City Maximum Property Tax Dollars for the affected levy total; and

WHEREAS, a notice concerning the proposed City Maximum Property Tax Dollars was published as required and posted on the city web site and social media accounts; and

WHEREAS, a public hearing concerning the proposed City Maximum Property Tax Dollars was held on February 7, 2022.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Cresco that the Maximum Property Tax Dollars for the affected tax levies for FY2023 shall not exceed the following total:

Total maximum levy for affected property tax levies - \$1,915,153

The Maximum Property Tax dollars requested in the total maximum levy for affected property tax levies for FY2023 represents an increase of greater than 102% from the Maximum Property Tax dollars requested for FY2022.

PASSED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Mayor David J. Brenno

ATTEST: \_\_\_\_\_  
City Clerk Michelle Elton

Proposed Budget Amendment #2 Descriptions For Fiscal Year 2021/2022

REVENUE BY SOURCE:

<u>Reason</u>	<u>Fund Description</u>	<u>Revenue</u>	<u>By Source</u>
Tourism Grants - Higher than budgeted	Hotel/Motel Tax	6,000	
LOST higher than budgeted	LOST Revenue Fund	161,000	167,000 Other city tax
ARPA Grant for MacBookAirs & iPad Pro	Library Trust	5,000	
SBA Grant for Lost Revenue/windows/tuckpointing	Gen - Theatre	60,000	
Upgrade Handheld Radios (13) (DNR Grant)	Fire Trust	3,100	68,100 Intergovt
Adjust Donation Revenue (in Trust instead)	Gen - Library	(5,500)	
HAWC/CommFnd/Tech Grants and Book Sales	Library Trust	10,600	
Upgrade Handheld Radios (13) (HCCF Grant)	Fire Trust	4,000	
HCCF Grant for Lavalier Microphones	Theatre Trust	2,000	
Donations-Dugouts, Bleachers, McCarv Park	Park Trust	12,000	
EMC Reimburse Street WC Ins (Error)	Gen - Street	10,800	
Street Light Damaged / Reimbursed	Street Trust	2,200	36,100 Misc
TR Employee Benefits - Health Ins	Gen - Library	14,100	
TR LOST for Library Concrete Project	Gen - Library	4,700	
TR Trust if Operating Budget Shortfall	Library Trust	5,500	
TR LOST for East Park Bleachers	Park Trust	2,500	
TR LOST revenue to Debt Service Fund 10%	Debt Service Fund	16,100	
TR LOST revenue to LOST Project Fund 90%	LOST Project Fund	144,900	
TR Street Assessmts to Downtown Crosswalk Proj	Downtn Crosswk Proj	20,000	
TR Sewer Revenue to Operating Sewer	Sewer Revenue Fund	33,000	240,800 Transfers
<b>TOTAL REVENUE</b>		<b>512,000</b>	<b>512,000</b>

EXPENSES BY FUNCTION:

<u>Reason</u>	<u>Fund Description</u>	<u>Expense</u>	<u>By Function</u>
Insurance Premium - higher than budgeted	Gen - Police & Fire	3,900	
Upgrade Handheld Radios (13) (DNR Grant)	Fire Trust	15,300	19,200 Public Safety
EMC Reimburse Street WC Ins (Error)	Gen - Street	10,800	
Street Light Damaged / Reimbursed	Street Trust	2,200	
Health Insurance Premium Increase	Employee Benefit - Street	5,000	
Street Sweeper	LOST - Street	185,000	
Office Maint/Support Agreements	Gen - Garbage	5,000	208,000 Pub Works
Health Ins / Wages	Gen - Library	17,900	
Library concrete project (added sidewalk)	Gen - Library	4,700	
Book Sales for Programming	Library Trust	1,200	
Grants for Storywalk/Makerspace/Telescopes/MacBooks/Ipads	Library Trust	14,400	
SBA Grant for Lost Revenue/windows/tuckpointing	Gen - Theatre	60,000	
HCCF Grant for Lavalier Microphones	Theatre Trust	2,000	
Dugouts, Bleachers, McCarville Mem Park	Park Trust	14,500	
FC - Air Conditioners (2) Fitness Room	FC Trust	32,000	146,700 Culture & Rec
Tourism Grants - Higher than budgeted	Hotel/Motel Tax	6,000	6,000 Comm&Econ
Wages, Microphones, Attorney, Insurance	Gen - Admin	28,100	
CIP - Capital Improvement Plan	LOST - Admin	8,000	
City Hall concrete project (more than original)	LOST - City Hall	3,000	39,100 Gen Govt
Office Maint/Support Agreements	Water,Sewer,Cap Imp, YW	9,000	
Water-Valves Replaced; Trailer; Generator; Jackhammer	Water - Operating Fund	32,000	
Contractual & Chemicals increased cost	Water - Operating Fund	11,000	
Water-Recase Well #3 extras (smaller pipe/fishing tailpipe out)	Water - Project Fund	35,000	
Water - Remove Building Addition (postponed)	Water - Project Fund	(28,000)	
Hlth Ins-Coverage Changes; WC Ins; new Sampler	Sewer - Operating Fund	29,700	
Storm Drainage Projects - not budgeted	Capital Improvements Fund	6,000	94,700 Business
TR Employee Benefits - Health Ins	Employee Benefit - Lib	14,100	
TR LOST for Library Concrete Project	LOST - Library	4,700	
TR LOST for East Park Bleachers	LOST - Park	2,500	
TR Trust if Operating Budget Shortfall	Library Trust	5,500	
TR to #324 Downtown Crosswalks-Engineering	Street Trust Fund	20,000	
TR Sewer Revenue to Operating Sewer	Sewer Operating Fund	33,000	
TR LOST revenue to LOST Project Fund 90%	LOST Revenue Fund	144,900	
TR LOST revenue to Debt Service Fund 10%	LOST Revenue Fund	16,100	240,800 Transfers
Engineering - Downtown Crosswalks	Downtown Crosswalk Proj	20,000	20,000 Cap Project
<b>TOTAL EXPENSES:</b>		<b>774,500</b>	<b>774,500</b>





**Northeast Iowa Community Action Corporation**  
**Helping People - Changing Lives**

305 Montgomery St., PO Box 487, Decorah, IA 52101  
Administrative Offices: 563-382-8436 – Fax: 563-382-9854  
Transit: 1-866-382-4259 – Fax: 563-382-4681  
[www.neicac.org](http://www.neicac.org)

January 20, 2022

Mayor & City Council Members  
City of Cresco  
130 N. Park Place  
Cresco, IA 52136

Dear Mayor & City Council Members:

Northeast Iowa Community Action Corporation (NEICAC) appreciates your partnership with assisting the residents of Cresco. America was built on the promise that every family should have opportunity for success. Whether our neighbors are experiencing a temporary setback or face a continuous challenge to meet their basic needs – too many struggle to achieve a good quality of life.

Any financial support provided by the city of Cresco would be utilized for various agency needs, including non-federal match requirements for programs such as Family Development & Self Sufficiency and Community Adolescent & Pregnancy Prevention Program. These programs benefit clients within our entire service area, including those who live in Cresco. In addition, we rely on our local funds to assist with shortages in our staffing and administrative costs. We are very fortunate to receive sufficient funds often to provide direct client assistance, but each year we continue to fall short with our federal funding for administrative costs. This includes costs to maintain staff working in both our Outreach/Family Services offices and our Food Pantries.

As noted in our recently signed 28E agreement, NEICAC can provide reports of expenditures, program and/or services at the City's request to document the public purpose requirements are met. In addition, NEICAC participates in an annual audit that each year indicate all agency disbursements fall under the definition of public purpose.

With this letter, we are requesting \$3,888 for your Fiscal Year 2023 (July 1, 2022-June 30, 2023). This amount is based upon \$1 per individual in Cresco. We have attached a response form for you to complete and return to us in the enclosed self-addressed envelope.

We would also gladly accept an invitation to meet with you and the Council at a planning session or Council Meeting.

If you have any questions, please do not hesitate to call me at 563-382-8436, Ext. 103.

Sincerely,

Trisha S. Wilkins, CCAP, NCRI, PHR  
Executive Director



NEICAC is an Equal Opportunity Employer.  
Auxiliary aids and services are available upon request to individuals with disabilities.







# NEICAC FUNDING REQUEST FOR FISCAL YEAR 2023

- The City of Cresco will support NEICAC's mission in the amount requested of \$3,888
- Check enclosed
  - We will send payment after this date: \_\_\_\_\_
  - Please submit an invoice to us after this date: \_\_\_\_\_

- The City of Cresco will support NEICAC's mission in the amount of \$ \_\_\_\_\_
- Check enclosed
  - We will send payment after this date: \_\_\_\_\_
  - Please submit an invoice to us after this date: \_\_\_\_\_

- The City of Cresco will not be supporting NEICAC's mission.

\_\_\_\_\_  
**Signature of Authorized Official**

\_\_\_\_\_  
**Date**

### City Clerk/Manager Contact Information

Name \_\_\_\_\_

Phone \_\_\_\_\_

Email \_\_\_\_\_

**Mission:** Through dynamic partnerships, quality family services, advocacy and education, NEICAC advances community development and improves social and economic conditions for individuals and families with limited resources.

**Vision:** Create inclusive communities with equitable access to resources and opportunities where all individuals and families thrive.

Please return this form to  
NEICAC, PO Box 487, Decorah, IA 52101

**RESOLUTION NUMBER \_\_\_\_\_**

**RESOLUTION ESTABLISHING A FUND WITHIN THE CITY'S ACCOUNTS  
FUND 324 – DOWNTOWN CROSSWALK PROJECT FUND**

WHEREAS, the City of Cresco will be removing and reconstructing crosswalks, alley aprons, storm sewer intakes, curb and gutters on North Elm Street from 1<sup>st</sup> Avenue to 3<sup>rd</sup> Avenue; and

WHEREAS, the City of Cresco will be replacing pedestrian ramps to comply with ADA requirements; and

WHEREAS, the City of Cresco will be replacing curb and gutters and assessing the applicable cost to property owners; and

WHEREAS, the City of Cresco will be replacing some sidewalks for commercial property owners and billing the related cost to the respective property owner; and

WHEREAS, the City of Cresco, Iowa now needs to establish a fund to better track expenses and revenue for the reconstruction project.

BE IT RESOLVED, by the City Council of the City of Cresco, Iowa, that the following fund be established:

**FUND 324 Downtown Crosswalks Project Fund**

BE IT FURTHER RESOLVED, by the City Council of the City of Cresco, Iowa, that the City Clerk be directed by the Mayor and the City Council to establish said fund and correct the books accordingly.

PASSED AND APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2022.

\_\_\_\_\_  
Mayor David Brenno

ATTEST: \_\_\_\_\_  
City Clerk Michelle Elton

**RESOLUTION NUMBER \_\_\_\_\_**

**RESOLUTION ESTABLISHING A FUND WITHIN THE CITY'S ACCOUNTS  
FUND #060 – EV CHARGING STATION FUND**

WHEREAS, the Iowa Department of Transportation has awarded the City of Cresco a grant for \$15,000 through the Iowa Volkswagon Settlement Environmental Mitigation Trust (“VWSEMT”) program to purchase and install a Level 2 Community Charging Station; and

WHEREAS, the City of Cresco will be receiving income and incurring expenses for the use of the station; and

WHEREAS, the grant requires ongoing reporting of revenues and expenditures from the operation of the station; and

WHEREAS, the City of Cresco, Iowa now needs to establish a fund to track the project revenues and expenditures for reporting purposes and to determine the sustainability of the stations.

BE IT RESOLVED, by the City Council of the City of Cresco, Iowa, that the following fund be established.

**FUND #060 EV Charging Station Fund**

PASSED AND APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2022.

\_\_\_\_\_  
Mayor David J. Brenno

ATTEST: \_\_\_\_\_  
City Clerk Michelle Elton

# Freezing Water Lines

**Water lines may start freezing up.**

Please check your water temp. If it's below 38 degrees F the City is recommending that you let your water run the size of a pencil to keep your service line from freezing.

Please call City Hall at (563) 547-3101 and the City will allow a *partial* credit on your water bill.

**If you do not call City Hall, your bill WILL NOT be adjusted. Thank you.**

# ELWOOD, O'DONOHUE, BRAUN & WHITE, LLP

Attorneys At Law

Christopher F. O'Donohue, P.C. \*  
Judith M. O'Donohue  
Joseph P. Braun  
Jeremiah W. White\*\*

Of Counsel  
Henry L. Elwood  
Jon W. Antes

Lee Elwood (1907-1951)  
Dale Elwood (1922-1971)  
James E. O'Donohue (1948-1998)  
Frank D. Elwood (1939-2001)  
Lewis M. Churbuck (1997-2003)  
James D. O'Connor (1959-2013)

website) [www.elwoodlawfirm.com](http://www.elwoodlawfirm.com)  
(email) [cresco@elwoodlawfirm.com](mailto:cresco@elwoodlawfirm.com)

\* Attorney and Mediator  
\*\* Also Admitted in Minnesota

January 17, 2022

Michelle Elton  
Via email: [cityclerk@cityofcresco.com](mailto:cityclerk@cityofcresco.com)

Dear Michelle:

In follow up to your email regarding the airport lease with Midwest Custom Ag Aviation, I have a couple of questions and things to point out.

First, I think the City may want to be more specific on the description of the land rather than just saying approximately 3 acres of vacant land. You may want to make some reference to an ariel photograph or some other more specific description that is attached to the Lease Agreement.

Also, I see that the lease term is 10 years and Iowa Code provides that any leases of agricultural ground in excess of 5 years must be recorded with the county recorder. I don't know if this area would qualify as agricultural land or not, as I know some parts of the Cresco airport are rented out for farming and the definition of "agricultural land" under the pertinent provisions of the Iowa Code is pretty broad. It defines agricultural land as any land suitable for use in farming. So, I just want you to be aware that if this part of the airport could qualify as "agricultural land" then a lease of that length would need to be recorded.

Also, the Council should pay close attention to Paragraph 5 of the lease as I don't know whether this tenant would be constructing any sort of a hanger or not, but if so, then Paragraph 5 provides that the hanger would be his at the end of the lease and he would have the right to remove it. Again, I don't know if that is a concern or not. Also, the Council should pay close attention to Paragraph 6 which provides that the tenant would have the right to construct access roads for trucks.

Paragraph 13 may need to be removed if in fact this is agricultural ground which requires the lease to be recorded.

\* 217 North Elm St.  
PO Box 377  
Cresco, IA 52136  
(563)547-3321  
Fax (563)547-3189

101 North Locust Avenue  
P.O. Box 310  
New Hampton, Iowa 50659  
(641) 394-5943  
Fax (641) 394-5945

116 North Main Street  
PO Box 307  
Charles City, IA 50616  
(641)228-8054  
Fax (641)228-8057

125 North Vine Street  
P.O. Box 475  
West Union, IA 52175  
(563) 422-5631  
Fax (563) 422-5632

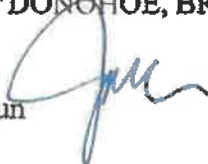
This Lease Agreement appears to me to be a pretty general business premises lease and really does not specify what the tenant can use the premises for. Theoretically, he could do anything he wants to on that 3 acres under this lease. You may want to consider having some language put in there that specifies exactly what he is leasing the premises for and any restrictions on use, improvements, facilities, etc.

I would also suggest that a paragraph be put in the lease providing that the City assumes no liability for the tenant's personal property located on the leased premises and that the tenant releases the City from any liability for damage to tenant's personal property, vehicles, equipment, etc. Thanks.

Yours truly,

ELWOOD, O'DONOGHUE, BRAUN & WHITE, LLP

Joseph P. Braun  
JPB/msm



600' x 100'  
Pad

Gravel Lane

Garment

Airport Rd

Airport Rd

Ellen Church Field CAJ

Fence Products



Draft Copy

**LEASE AGREEMENT**

**THIS LEASE AGREEMENT** ("Lease") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2022, by and between the **CITY OF CRESCO, IOWA** ("Lessor"), a municipality with its principal office being located at 130 N. Park Place, Cresco, IA 52136, and **MIDWEST CUSTOM AG AVIATION, INC.** ("Lessee"), a Delaware corporation with its principal office being located at 310 N. Hwy 61, P.O. Box 572, Imperial, NE 69033.

**WITNESSETH:**

In consideration of the rents, covenants and agreements contained herein, Lessor does hereby demise and lease to Lessee certain real property, consisting of approximately three (3) acres of vacant land within the Cresco Municipal – Ellen Church Field Airport, hereinafter referred to as the "Leased Premises", located off Airport Road in Cresco, Howard County, IA 52136.

1. **Term.** The term of this Lease shall be ten (10) years, commencing on January 1, 2022, and terminating on December 31, 2031.
2. **Rent.** Lessee shall pay to Lessor, at the address set forth above, the sum of One Hundred Twenty Five and 00/100 Dollars (\$125.00) per month on the first (1<sup>st</sup>) day of each month throughout the term of this Lease (the "Rent").
3. **Taxes and Utilities.**
  - (a) Lessor shall pay before same become delinquent all general and special taxes of every kind and nature whatsoever levied upon or assessed against the Leased Premises during and for the term of this Lease.
  - (b) Lessee will not have access to and shall not be responsible for any utility services at the Leased Premises.
4. **Repairs, Maintenance and Alterations.**
  - (a) Lessor shall make all repairs which may be necessary to make the Airport facility, of which the Leased Premises is a part, comply with applicable laws, ordinances, orders or regulations of any federal, state, county or municipal authority in effect during the term of this Lease.
  - (b) Lessee shall not make or permit to be made any substantial alterations, improvements, or additions to the Leased Premises or any part thereof without the written consent of Lessor, which shall not be unreasonably withheld.



Draft

**5. Removal of Fixtures and Personal Property.** All improvements constructed and installed by Lessee on the Leased Premises, together with Lessee's trade fixtures and equipment, shall be and remain the property of Lessee, and shall not become fixtures nor shall they become the property of Lessor. Lessee may remove any such improvements and trade fixtures upon the termination of this Lease.

**6. Use.** Lessee may use the Leased Premises for any lawful purpose, including the construction of a loading pad and access road for trucks as may be connected with Lessee's use of the Airport facilities.

**7. Lessor's Covenants.**

(a) **Environmental Matters.** Lessor hereby covenants, warrants, and represents to Lessee that, there are no and have been no violations of the Relevant Environmental Laws (as defined herein) at the Leased Premises and no consent orders have been entered with respect thereto; there are no and have been no Hazardous Substances or Asbestos either at, upon, under or within, or discharged or emitted at or from, the Leased Premises, including, but not limited to, the air, soil, surface and ground water; no Hazardous Substances or Asbestos have been removed from the Leased Premises; and Lessor is not aware of any claims or litigation, and has not received any communication from any person, concerning the presence or possible presence of Hazardous Substances or Asbestos at the Leased Premises or concerning any violation or alleged violation of the relevant Environmental Laws respecting the Leased Premises. For purposes of this Section 7, the following definitions shall apply:

(i) "Asbestos" shall have the meanings provided under the Relevant Environmental Laws (as hereinafter defined), and shall include, but not be limited to, asbestos fibers and friable asbestos, as such terms are defined under the Relevant Environmental Laws.

(ii) "Hazardous Substances" shall mean any of the following as defined by the Relevant Environmental Laws: solid wastes, toxic or hazardous substances, wastes, or contaminants (including, without limitation, polychlorinated biphenyls ("PCBs"), paint containing lead, and urea formaldehyde foam insulation); and discharges of sewage or effluent.

(iii) The "Relevant Environmental Laws" shall mean all applicable federal, state and local laws, rules, regulations, orders, judicial determinations, and decisions or determinations by any judicial, legislative, or executive body of any governmental or quasi-governmental entity, whether in the past, the present, or the future, with respect to: (a) the installation, existence, or removal of, or exposure to, Asbestos at the Leased Premises; (b) the existence on, discharge from, or removal from the Leased Premises of solid wastes; toxic or hazardous substances, wastes, or contaminants (including, without limitation, PCBs, paint containing lead and urea formaldehyde foam insulation); and discharges of

sewage or effluent; (c) the effects on the environment of the Leased Premises or of any activity now, previously, or hereafter conducted on the Leased Premises; and (d) underground storage tanks. These laws shall include, but not be limited to, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response Compensation and Liability Act, as amended, the Toxic Substances Control Act, the Safe Drinking Water Act, the Federal Water Pollution Control Act (Clean Water Act), the Clean Air Act, the National Environmental Policy Act (Environmental Impact Statement) and antipollution, waste control and disposal and environmental "clean-up" provisions of similar statutes of any federal, state or local governmental authorities, and all regulations and standards enacted pursuant thereto and any permits and authorizations issued in connection therewith.

In the event that Lessor breaches any of its representations and warranties as set forth in this Section 7(a), this Lease shall, at Lessee's option, terminate effective upon notice to Lessor.

(b) Quiet Possession. Lessor hereby covenants that if Lessee shall substantially perform all of the covenants of this Lease on the part of Lessee to be performed, Lessor will guarantee to Lessee the quiet, peaceful, and uninterrupted possession of the Leased Premises.

(c) Ingress and Egress. With respect to the Leased Premises, there exists good, uninterrupted, and unencumbered access to, and ingress and egress from, public rights of way. In the event that it is determined that a public right of way either does not exist or that a private road provides access to the Leased Premises in addition to a public right of way, then Lessor shall grant, or cause to be granted, to Lessee on the date of execution hereof an easement in form and content reasonably acceptable to Lessee for the nonexclusive use of such private road; with such use to include but not be limited to vehicular and pedestrian traffic.

(d) Land Ownership. Lessor represents that all of the land constituting the Leased Premises is owned by Lessor. Lessor owns and has good and marketable title to, and has the right and authority to lease to Lessee the land constituting the Leased Premises.

(e) Condition of Leased Premises. Lessor hereby represents and warrants that, on the date of this Lease, the Leased Premises are in compliance with applicable laws and regulations.

8. Liability Insurance. Lessee shall, during the term of this Lease, at its expense, maintain in effect Commercial General Liability insurance and Environmental Impairment Liability Insurance. Each policy shall be in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence and One Million Dollars (\$1,000,000.00) general aggregate for bodily injury and property damage. Lessor shall, upon separate written request, be included on Lessee's Commercial General Liability policy as an

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additional insured and furnished a Certificate of Insurance evidencing such coverage.

9. **Property Insurance.** Lessor shall, during the term of this Lease, at its expense, maintain in effect Commercial Property insurance covering Lessor's buildings, fixtures, equipment, and tenant improvements and betterments. Lessee shall procure and maintain Commercial Property insurance to cover its personal property. Lessor and Lessee hereby mutually waive any rights of recovery against each other and the rights of subrogation of their respective insurers for any loss or damage to any building, tenant improvements and betterments, fixtures, equipment, inventory, and personal property.

10. **Indemnification.**

(a) Lessee covenants and agrees to indemnify and save harmless Lessor against and from any breach of this Lease by Lessee, and all claims, demands, suits, judgments, costs or executions by or on behalf of any person, firm, corporation or other entity arising out of any accident or other occurrence in or about the Leased Premises resulting from the negligent acts, errors or omissions of Lessee, its agents, servants, and employees, including, without limitation, any negligent acts, errors or omissions of Lessee that result in the Leased Premises being contaminated by chemicals or other substances, except to the extent arising out of any negligent act or omission by Lessor or its agents.

(b) Lessor covenants and agrees to indemnify and save harmless Lessee against and from any breach of this Lease by Lessor, and all claims, demands, suits, judgments, costs or executions by or on behalf of any persons, firm, corporation or other entity arising out of any accident or other occurrence in or about the Leased Premises resulting from the negligent acts, errors or omissions of Lessor, its agents, servants, and employees, including, without limitation, any negligent acts, errors or omissions of Lessor that result in the Leased Premises being contaminated by chemicals or other substances, except to the extent arising out of any negligent act or omission by the Lessee or its agents. Lessor further agrees to indemnify and save harmless Lessee against any and all demands, claims, actions, liabilities, damages, losses and/or expenses, including but not limited to fines, penalties, assessments, costs and fees of attorneys and consultants, asserted against or imposed upon Lessee by reason of, arising out of or related to the Relevant Environmental Laws and/or the Leased Premises being contaminated by chemicals or other substances whether or not as a result of acts, errors or omissions of Lessor, or any prior owner or occupant of the Leased Premises, which occurred prior to Lessee's occupancy under this Lease.

The provisions of this Section 10 shall survive termination of this Agreement.

11. **Event of Default.** It shall constitute an event of default hereunder if (i) Lessee fails to pay any installment of Rent, if such default continues for ten (10) days after receipt by Lessee of written notice from Lessor of such default, or (ii) Lessee fails to perform any other obligation hereunder, if such failure continues for thirty (30) days after receipt by Lessee of written notice from Lessor specifying such default, or if there

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is a default which cannot with due diligence be cured within such 30-day period if Lessee does not commence the cure of such default within such 30-day period and thereafter diligently prosecutes the same to completion. If Lessor defaults in observing or performing any of its obligations hereunder, Lessee may remedy the default after giving thirty (30) days written notice to Lessor, and in connection therewith may pay expenses and employ legal counsel, except that Lessee may remedy Lessor's default without notice in case of an emergency. Lessor shall reimburse Lessee on demand for all costs or obligations incurred by Lessee in connection with such default. If Lessor fails to do so, Lessee, in addition to its other rights and remedies, may deduct such amount from the Rent.

**12. Assignment and Subleasing.** Lessee shall not assign, mortgage, or hypothecate this Lease in whole or in part, or sublet all or any portion of the Leased Premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld; provided, however, that neither the sale of the stock of Lessee, nor the merger, consolidation or other combination by Lessee shall constitute an assignment hereunder.

**13. Memorandum of Lease.** This Lease shall not be recorded. The parties shall, if Lessee requires, execute and deliver a memorandum of this Lease in proper form for the purpose of recording. However, the memorandum shall not in any circumstances modify or change any provision of this Lease. The Lease provisions shall in all instances prevail.

**14. Non-Waiver.** No delay or failure by either party to exercise any right under this Lease and no partial or single exercise of that right shall constitute a waiver of that or any other right.

**15. Applicable Law.** This Lease shall be governed and construed in accordance with the laws of the state in which the premises are located.

**16. Successors Bound.** This Lease, and the covenants and agreements contained herein, shall inure to the benefit of and be binding on Lessor and Lessee, their legal representatives, successors and assigns.

**17. Notice.** Any notice or other communication required or permitted by the terms of this Lease shall be in writing and shall be effectively delivered for all purposes hereunder when personally delivered, sent by Federal Express or similar carrier, or sent by certified or registered mail, facsimile, delivery, or postage charges prepaid, addressed to the address first above, or to such other address as the party to receive notice hereafter designates by such written notice.

**18. Counterparts/Facsimile.** This Lease may be executed in any number of separate counterparts which together shall be deemed an original document. Execution and delivery of this Lease by delivery of a facsimile or portable document format ("PDF") copy bearing the facsimile or PDF signature of any party hereto shall

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constitute a valid and binding execution and delivery of this Lease by such party. Such facsimile and PDF copies shall constitute enforceable original documents.

**IN WITNESS WHEREOF**, the parties hereto have caused this Lease to be executed effective as of the date first written above.

**LESSOR:**

**CITY OF CRESCO, IOWA**

**By:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**LESSEE:**

**MIDWEST CUSTOM AG AVIATION, INC.**

**By:** AMU

**Title:** President

**Date:** 1-13-2022