

NOTICE AND CALL OF PUBLIC MEETING

GOVERNMENTAL BODY: THE CITY COUNCIL OF CRESCO, IOWA
DATE OF MEETING: FEBRUARY 21, 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 February 7, 2022
4. Approval of Class E Liquor License, Class C Beer Permit, and Class B Wine Permit with Sunday Service to Wemark22, LLC d/b/a The Ox & Wren Spirits and Gifts
5. Approval of Class C Liquor License with Outdoor Service and Sunday Sales to The Broken Road Grill and Bar LLC
6. Pay Request #1 (Final) for Re-Casing Well #3 for \$197,977.50 to The Northway Corporation
7. Approval of Application for Tax Abatement under the Urban Revitalization Plan for:
 - a. J&P Limited / Phil Henry
 - b. Randy Reinhart

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. Park & Rec Director Brandon Kerian to Present Proposed Pickleball Court Project
2. Park Board President Kris Riley to Discuss HVAC Upgrade and/or Fitness Center Remodeling Project
3. Set Public Hearing on the Proposed Budget for Fiscal Year July 1, 2022 – June 30, 2023
4. Resolution Authorizing the Mayor to Enter into an Agreement to Perform Auditing Services with Gardiner + Company

5. Resolution Authorizing the Mayor to Enter into a Lease Agreement with Midwest Custom Ag Aviation Inc
6. Schedule a Presentation by Pat Callahan of the Capital Improvement Plan
7. Discuss Issues Regarding COVID-19 Pandemic

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 18, 2022.

Council Meeting Notes – February 21, 2022

Well Re-Casing – the Quote of \$152,738.30 for this project was approved and the contract signed on 7/1/2018. Additional costs resulted in additional work due to difficulty trying to fish out the tailpipe in the bottom of the well. It was finally approved by the DNR that we could leave it there after several unsuccessful attempts. Due to disturbing the sand, it was not feasible to bale the sand out so a more expensive airlifting system was required.

Pickleball – Brandon will discuss the progress the committee has made that is proposing pickleball courts be updated. They have several pledges and need to know if Council will approve moving forward with the fundraising and project. The donations and grants will all be put into the Park Trust and the expenditures will come out of the Trust. Reminder that Council has budgeted \$30,000 from LOST to be put towards the project if there is a shortfall in the fundraising. This does not mean we have officially committed that yet. At this meeting, the Council has the opportunity to make a motion to proceed with the proposed project contingent on a certain amount or percentage is raised prior to doing the project. Council can also commit a certain amount of dollars to the project. Reminder that there are always incidental costs upon completion that the City may be required to pay for.

Fitness Center HVAC and/or New Building – Kris Riley will be asking Council's approval to form a committee to research the feasibility of tearing down the old building and rebuilding vs replacing the HVAC system. The Mayor and 2 Council Members should be assigned to this committee.

Audit Proposals for Service – four Requests for Proposals were mailed out in addition to the publication. Two declined due to full schedules already and one proposal was received. The proposal was reviewed by Amy and Michelle and discussed with Mayor Brenno. Gardiner + Company has been the current Auditor since FY2016. The committee recommends accepting the quote for auditing services for the next three fiscal years as proposed. Note: the cost increase is about 3% per year.

Airport Lease – Midwest Custom Ag agreed to all of the proposed changes that Attorney Braun and the Council requested. Please see attached revised proposed lease.

Capital Improvement Plan – Pat Callahan has sent me a draft copy of the CIP. I hope to get it reviewed and make some minor changes in the next week. Council will then receive a copy to review. The final draft will hopefully be done the first of March. He would like to schedule a time to come and present it to Council. He has every Monday in March available so we tentatively scheduled a worksession on March 14, 2022 at 5 pm. This could also be done at a regular council meeting if you'd prefer a different day or time. Please make a motion to schedule a worksession or to put on one of the March regular meeting agendas.

Michelle

Mayor Brenno called the Cresco City Council meeting to order on February 7, 2022, at 5:30 pm. Council Members Kriener, McConnell, Fortune, Bouska, and Carman were present. No council members were absent.

Carman made the motion to approve the consent agenda which included approval of the: agenda; claims; minutes from the January 17th and January 27, 2022 meetings; Class C Beer Permit and Class B Wine Permit with Sunday Sales to DOLGENCORP LLC d/b/a Dollar General Store #2400. Fortune seconded and it passed all ayes.

Public Works Director Widell reported (a) Well #3 recasing project has been completed and is back online; (b) the broken private service line in the Webster addition should be fixed this week; (c) Street Department has been trimming trees and cleaning up snow piles in the boulevards; (d) the sweeper has been ordered and should arrive in May.

Police Chief Ruroden presented his January report showing higher accident calls and traffic stops. The new officer will hopefully be attending the Academy in March. The two new reserves are working on their training online and have completed one of six modules.

City Clerk Elton reported (a) Service Line Warranty will be increasing their rates by \$1 per month upon renewals; (b) microphones have been ordered and will hopefully be installed for the next council meeting; (c) working with Pat Callahan on the Capital Improvement Plan. Draft copies will be ready soon for Council to review; (d) Union Negotiations are scheduled for tomorrow at the Library; (e) Nate and I are going to Decorah on Friday to meet with Attorney John Anderson to discuss the Hagen easement and subdivision rules as well as some nuisance abatements (f) finishing up with the new budget and current budget amendment.

Mayor Brenno asked for comments from the audience. Angela Bries followed up on her complaint of a nuisance house that she had brought to the Council in October. The nuisance still exists. Widell informed her that we were finally able to locate the owner in January to give him all of the notices that had been returned undeliverable. These are some of the nuisances that will be discussed with the attorney on Friday.

Mayor Brenno opened the public hearing on the proposed City Property Tax Levy for fiscal year July 1, 2022 – June 30, 2023. There were no written or oral comments and the public hearing was closed. Bouska made the motion to approve the Resolution Approving Maximum Property Tax Dollars for FYE June 30, 2023. Fortune seconded and it passed all ayes.

Mayor Brenno opened the public hearing on the proposed Budget Amendment #2 for fiscal year ending June 30, 2022. There were no written or oral comments and the public hearing was closed. Carman made the motion to approve the Resolution Amending the Current Budget for FYE June 30, 2022. McConnell seconded and it passed all ayes.

Widell reported two quotes for stump grinding were received: Wilson Custom Tree \$.90 per inch; Walton Tree Service \$.90 per inch. The quotes were exactly the same. Wilson has the current contract. Widell reported working with both companies in the past and both have done a good job. Kriener questioned if stump grinding goes deep enough to grind the roots to make sure they are not just skimmed off. The annual cost average about \$2,500 per year which is about .4% of the street budget. It does not appear that it needs to be a quoted service every year. Bouska made a motion to alternate the work so awarding the contract to Walton Tree Service. McConnell seconded and it passed all ayes.

Carman made the motion to declare a public purpose for housing rehabilitation for the Northeast Iowa Regional Housing Trust Fund in accordance with the 28E Agreement and approve the payment of \$8,000. Bouska seconded and it passed all ayes.

Bouska made the motion to declare a public purpose for family development & self-sufficiency and community adolescent & pregnancy prevention program in accordance with the

28E Agreement and approve the pledge of \$3,888 to Northeast Iowa Community Action for fiscal year 2023. Carman seconded and it passed all ayes.

Carman made a motion to release the Real Estate Mortgage and the Promissory Note for the revolving loan that was paid off early by Bear Creek Archeology. Kriener seconded and it passed all ayes.

Fortune made a motion to approve a resolution establishing a fund within the City's Accounts – Fund #324 Downtown Crosswalk Project Fund. Bouska seconded and it passed all ayes.

Carman made a motion to approve a resolution establishing a fund within the City's Accounts – Fund #060 EV Charging Station Fund. Bouska seconded and it passed all ayes.

Carman made a motion to approve winter adjustment for a credit on water and sewer bills for customers running water to prevent service lines from freezing from January 21, 2022 through February 21, 2022. Customers must contact City Hall and report the temperature of water to claim the credit. McConnell seconded and it passed all ayes.

Council reviewed a proposed lease agreement for the Airport with Midwest Custom Ag Aviation. Attorney Joe Braun had a few suggestions for additional clarification and the Council also suggested some additional provisions. The proposed agreement is for ten years and would allow a cement pad with tie downs and a collection pit. Council suggested a 3% increase in the annual rent. The suggested changes will be sent to Midwest and a revised lease agreement will be considered again at a future council meeting.

Carman reported RHS continues offering COVID vaccination clinics. Governor Reynold's Proclamation of Disaster Emergency Response to the COVID-19 pandemic will expire February 15, 2022. Therefore, after that the State of Iowa will no longer be under a state of emergency.

Carman made a motion to go into Closed Session pursuant to Iowa Code 20.17 (3) strategy meeting to discuss Union negotiation matters at 6:18 pm. Bouska seconded and it passed all ayes.

Bouska made a motion to go back into Open Session at 6:51 pm. Kriener seconded and it passed all ayes. No formal action was taken during the closed session.

Bouska moved to adjourn the Council Meeting at 6:51 pm. Carman seconded and it passed all ayes. The next regular Cresco City Council meeting will be February 21, 2022, at 5:30 pm at Cresco City Hall.

Mayor David J. Brenno

City Clerk Michelle Elton

Following is a list of claims approved for payment:

AHLERS&COONEY	Legal	508.00	NE IA REG HSG	LclMlch	8,000.00
ALLIANT	Elect	14,030.46	NC LAB	Supp	421.23
BACA,JAMES	DpAp	80.00	NE IA MOTORS	Srvc	52.00
BLACK HILLS	Gas	14,583.88	O'HENRY'S	Unif	186.86
BOB'S ELEC	Srvc	586.35	PAYROLL		138,890.46
BODENSTEINER	Parts	198.89	PB ELEC	Parts	820.00
BOHR,ANGIE	DpAp	3.34	PERRY NOVAK ELEC	Srvc	93.00
BROWN SUPPLY	Supp	1,271.54	POSTMASTER	Postage	635.36
CAMPSITE	LP	29.67	PRINCIPAL	Ins	99.60
CARQUEST	Parts	152.94	RIEDEL,ANDREW	DpAp	80.00
CARRICO	Chems	575.00	ROSENDAHL,JODI	DpAp	20.07
CITY LAUNDERING	Srvc	841.42	RUPPERT	Supp	309.42
CITY OF CRESCO	Ufit	1,605.01	SAMEC,NANCY	DpAp	21.75
CLAPSADDLE-GARBER	Engr	2,900.00	SANDRY FIRE	Supp	667.95
CPU	Supp	35.99	SKYLINE CONST	Srvc	2,014.03
COURTNEY LAWN	Srvc	170.00	SOLAR PRO	Solar	898.69
CR CHAMBER	Tourism	1,000.00	SONY	Movie	716.60
CR SHOPPER	Notices	545.23	SPEEDTECH LIGHTS	Parts	1,218.78
CR TPD	Notices	767.59	SQUARE	Ccfees	38.24
CULLIGAN	Srvc	131.63	STARNET TECH	Srvc	240.00
DALCO	Supp	439.82	STEINER,KYLEE	Ref	125.00
DC COMM	Phone	33.08	STEW HANSEN DODGE	Car	28,102.00
DELUXE ECHOSTAR	Movie	80.00	TELEDYNE ISCO	Supp	1,153.00
ELWOOD,...	Attny	600.00	THOMAS,BERNADINE	DpAp	80.00
EMPL BEN SYS	Fees	224.00	TREAS,IA	Taxes	6,571.01
FAREWAY	Supp	517.03	TRUCK COUNTRY	Parts	711.17
FENCO	Rprs	989.15	UNIVERSAL	Movie	400.00
FORTE PMT	Fees	233.75	VERIZON	Wireless	383.72
GALLS	Unif	1,626.27	WHKS	Engr	1,710.00
GERLEMAN,ELIZABETH	DpAp	29.24	WILSON THEATER	Movie	150.00
GILLETTE PEPSI	Conces	678.05	WINDRIDGE IMP	Rprs	2,902.49
GOSCH'S	Furnaces	4,734.39	WINDSTREAM	Phone	598.26
H&S MOTORS	Srvc	547.12	ZIEGLER	Parts	486.16
HANSON TIRE	Srvc	569.77			
HAWKINS	Chems	1,872.92	<u>BY FUND:</u>		
HEMANN,MATT	DpAp	23.27	GENERAL		172,101.47
HEWETT	Conces	357.00	HOTEL/MOTEL TAX		1,000.00
HOMETOWN ACTG	1099s	75.00	LOST PROJ		3,846.40
HOVDEN OIL	Oil	824.45	NUISANCE		40.00
HOW CO	ShrdLEC	7,854.49	FIRE STATION BLDG		780.71
HC ENGINEER	Supp	1,428.57	EQUIP		352.08
IHP PROP	DpAp	24.45	AIRPORT TRUST		2,900.00
IA MUNICIPAL	Dues	1,285.73	CR COMM FIRE		2,092.17
IA DOL	Fees	80.00	ROAD USE TAX		33,448.62
IA LAW ACAD	Trng	500.00	EMPL BENE		68.75
IA ONE CALL	OneCalls	20.70	REHAB HOUSE		266.08
JD FIN	Supp	2,448.68	WATER		29,260.19
LICKTEIG LAWN	Srvc	384.96	WATER DEP		551.36
LT MECH	Srvc	150.00	SEWER OP		21,936.51
LUDEKING,SALLY	DpAp	29.24	SEWER PROJ		1,710.00
MAGIC,BAILIE	DpAp	80.00	CAP IMPR		2,489.04
MARCO	Copier	1,608.52	YARDWASTE		116.58
MARTINEZ,JORDAN	DpAp	80.00			
MEHMERT TILING	Srvc	2,552.35	EXPENDITURES		272,959.96
METERING&TECH	Supp	1,164.17	Revenues 1/18-2/7/22		274,317.68



State of Iowa
Alcoholic Beverages Division



State of Iowa
Alcoholic Beverages Division

Applicant

NAME OF LEGAL ENTITY: WEMARK22, LLC
 NAME OF BUSINESS(DBA): The Ox & Wren Spirits and Gifts
 BUSINESS: (563) 547-3900
 ADDRESS OF PREMISES: 708 2nd Avenue SE
 CITY: Cresco
 COUNTY: Howard
 ZIP: 52136
 MAILING ADDRESS: 708 2nd Ave. S. E.
 CITY: Cresco
 STATE: Iowa
 ZIP: 52136

Contact Person

NAME: Caitia Moser
 PHONE: (563) 547-3900
 EMAIL: [REDACTED]

License Information

LICENSE NUMBER: LE0002709
 LICENSE/PERMIT TYPE: Class E Liquor License
 TERM: 12 Month
 STATUS: Submitted to Local Authority
 EFFECTIVE DATE: Apr 1, 2022
 EXPIRATION DATE: Mar 31, 2023
 LAST DAY OF BUSINESS

SUB-PERMITS

Class E Liquor License, Class C Beer Permit, Class B Wine Permit

PRIVILEGES

Sunday Service

Status of Business

BUSINESS TYPE: Limited Liability Company

Ownership

• Individual Owners

NAME	CITY	STATE	ZIP	POSITION	% OF OWNERSHIP	U.S. CITIZEN
Aaron Wemark	Cresco	Iowa	52136	OWNER	100.00	Yes

Insurance Company Information

INSURANCE COMPANY: [REDACTED]
 POLICY EFFECTIVE DATE: [REDACTED]
 POLICY EXPIRATION DATE: [REDACTED]
 DRAM CANCEL DATE: [REDACTED]
 OUTDOOR SERVICE EFFECTIVE DATE: [REDACTED]
 OUTDOOR SERVICE EXPIRATION DATE: [REDACTED]
 BOND EFFECTIVE DATE: [REDACTED]
 TEMP TRANSFER EFFECTIVE DATE: [REDACTED]
 TEMP TRANSFER EXPIRATION DATE: [REDACTED]



Applicant

NAME OF LEGAL ENTITY NAME OF BUSINESS(DBA) BUSINESS
THE BROKEN ROAD GRILL AND BAR LLC The Broken Road Grill and Bar (563) 547-4242

ADDRESS OF PREMISES CITY COUNTY ZIP
107 2nd Ave SE Cresco Cresco 52136

MAILING ADDRESS CITY STATE ZIP
107 2nd Avenue Southeast Cresco Iowa 52136

Contact Person

NAME PHONE EMAIL
Kevin and Carol Lundt (563) 419-3094 thebrokenroadgrillandbar@gmail.com

License Information

LICENSE NUMBER LICENSE/PERMIT TYPE TERM STATUS
Class C Liquor License 12 Month Submitted to Local Authority

EFFECTIVE DATE EXPIRATION DATE LAST DAY OF BUSINESS

SUB-PERMITS
Class C Liquor License

PRIVILEGES
Outdoor Service, Sunday Service

Status of Business

BUSINESS TYPE
Limited Liability Company

Ownership

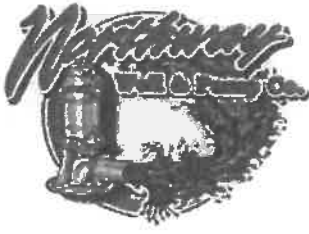
No Ownership information found

Insurance Company Information

INSURANCE COMPANY POLICY EFFECTIVE DATE POLICY EXPIRATION DATE
Illinois Casualty Co July 27, 2021 July 27, 2022

DRAM CANCEL DATE OUTDOOR SERVICE EFFECTIVE DATE OUTDOOR SERVICE EXPIRATION DATE

BOND EFFECTIVE DATE TEMP TRANSFER EFFECTIVE DATE TEMP TRANSFER EXPIRATION DATE



The Northway Corporation

4895 8th Avenue
 Marion, IA 52302
 319-377-6339

Invoice

Date	Invoice #
1/31/2022	16453

City Water Works
 130 North Park Place
 Cresco, IA 52136

P.O. No.	Terms	Due Date	Account #	Project
	Due on receipt	1/31/2022		Well #3 Re-casi...

Description	Qty	U/M	Rate	Amount
Re-Casing Well #3				
Mobilization		hr	48,300.00	48,300.00
Furnish and install 711 feet of 10" casing	711		72.50	51,547.50
Well bailing - 20 cubic yards	20	hr	950.00	19,000.00
Remove existing unattached tail pipe	8	hr	200.00	1,600.00
Pump testing	14	hr	130.00	1,820.00
Televise Well Pre - Re-Casing installation			1,000.00	1,000.00
Televise Well Post - Re-Casing			1,000.00	1,000.00
Plumb and alignment test	2	hr	1,480.00	2,960.00
Grout set up and removal		hr	14,250.00	14,250.00
Cement grout 200 sacks	200		36.00	7,200.00
Brush existing casing	12	hr	195.00	2,340.00
Disinfect Well			900.00	900.00

< 820 >

Subtotal	\$151917.50
Sales Tax (0.0%)	\$0.00
Balance Due	\$151917.50

Everything else matches quote
 except pipe credit \$820.80

Quote = 152,738.30 - 820.80 = 151,917.50
 12" to 10" casing



The Northway Corporation

4895 8th Avenue
 Marion, IA 52302
 319-377-6339

Invoice

Date	Invoice #
1/31/2022	16454

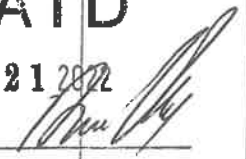
City Water Works
 130 North Park Place
 Cresco, IA 52136

P.O. No.	Terms	Due Date	Account #	Project
	Due on receipt	1/31/2022		Well #3 - Januar...

Description	Qty	U/M	Rate	Amount
Well #3				
Airlift set up and removal, air lifting sand from Well to 1066 feet		hr	19,800.00	19,800.00
Additional 75 bags of cement	75		36.00	2,700.00
Additional cost to purchase 460 feet of 10 3/4" domestic steel casing due to Well not allowing the installation of 12 3/4" OD casing	460		16.00	7,360.00
Airlifting with 750CFM/350PSI compressor	14	hr	600.00	8,400.00
Additional Televising	3		1,000.00	3,000.00
Additional Fishing Hours	24	hr	200.00	4,800.00

PAID

FEB 21 2022

Approved: 
 Attest: _____

Subtotal	\$46,060.00
Sales Tax (0.0%)	\$0.00
Balance Due	\$46,060.00

1092-810-6799

APPLICATION FOR TAX ABATEMENT UNDER THE
URBAN REVITALIZATION PLAN FOR

CRESCO, IOWA

Date 2-7-22

Prior Approval for
Intended Improvements

Approval of Improvements
Completed

Address of Property: 117 N. Elm Cresco Ia 52136

Legal Description:

Title Holder or Contract Buyer: JTP Limited Phil Henry

Address of Owner (if different than above): 212 W. Elm

Phone Number (to be reached during the day)

Property Use: Residential Multi-Residential Commercial

Nature of Improvements: New Construction Rehab/Addition General Improvements

Specify: New Roof over Driveway + Deck

Estimated or Actual Cost of Improvement

Estimated or Actual Date of Completion: 12-27-21

If applicable, the name(s) of the tenants (if different than the owner) that occupied the property on
November 3, 2008: CPV unlimited

Signed: Phil Henry

Tax Exemption Schedule:

Residential: 100% exemption on the first \$75,000 of actual value added for 3 years.

Multi-Residential/Commercial: 100% exemption of actual value added for 3 years.

APPLICATION FOR TAX ABATEMENT UNDER THE
URBAN REVITALIZATION PLAN FOR

CRESKO, IOWA

Date 2-7-22

Prior Approval for
Intended Improvements

Approval of Improvements
Completed

Address of Property: 123 3rd Ave SW Cresco Ia

Legal Description: Lots 2 and 3 Block 37

Original Plat of Cresco

Title Holder or Contract Buyer: Randy Reinhart

Address of Owner (if different than above): _____

Phone Number (to be reached during the day): _____

Property Use: Residential Multi-Residential Commercial

Nature of Improvements: New Construction Rehab/Addition General Improvements

Specify: New Garage in Back yard 24'x36'

Estimated or Actual Cost of Improvements: _____

Estimated or Actual Date of Completion: July 2021

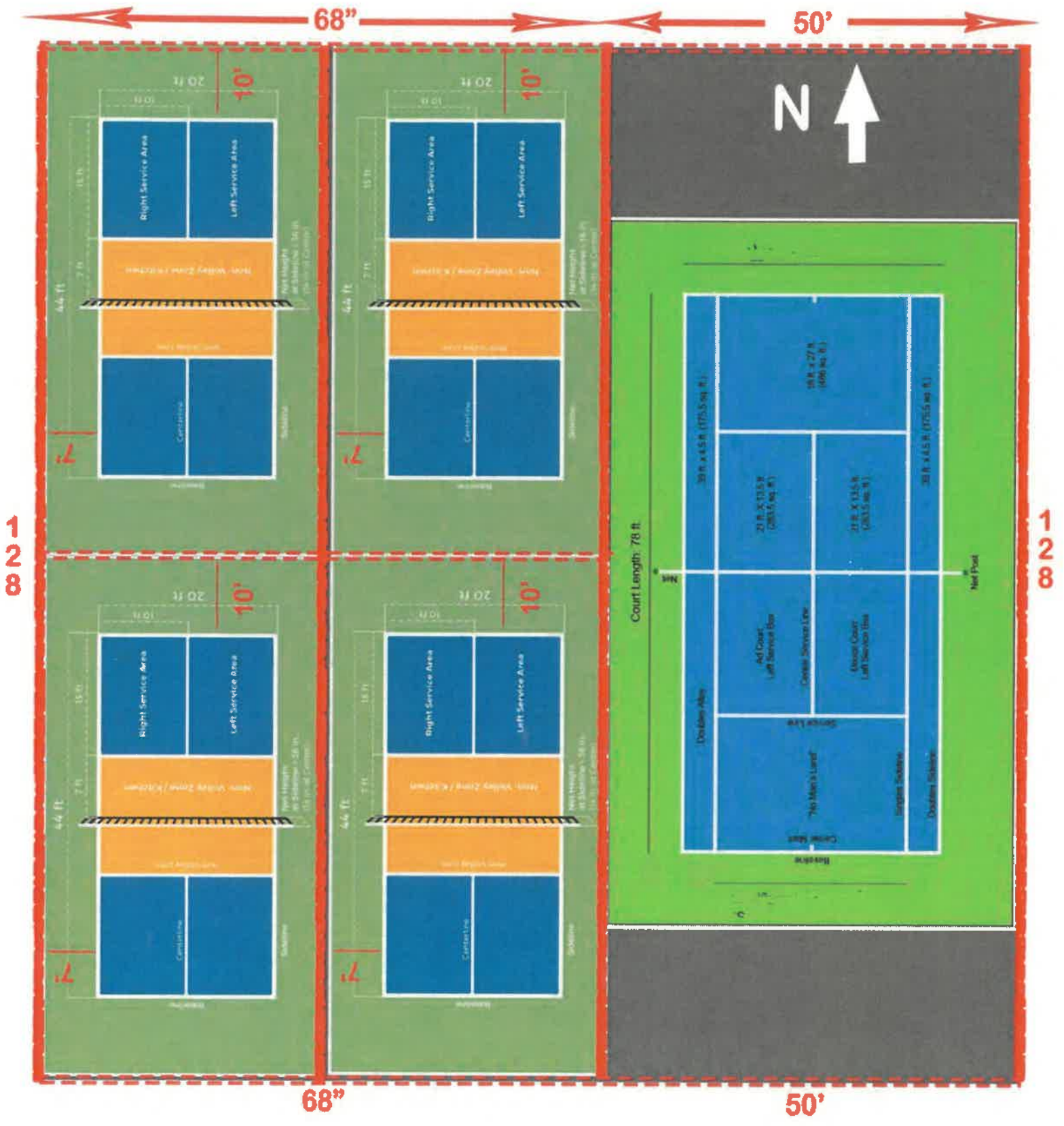
If applicable, the name(s) of the tenants (if different than the owner) that occupied the property on
November 3, 2008: _____

Signed: Randy Reinhart

Tax Exemption Schedule:

Residential: 100% exemption on the first \$75,000 of actual value added for 3 years.

Multi-Residential/Commercial: 100% exemption of actual value added for 3 years.



128

128



68"

50'

68"

50'

RESOLUTION NUMBER _____

RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT TO PERFORM AUDITING SERVICES WITH GARDINER + COMPANY, PC

WHEREAS, the City of Cresco is required to perform annual audits in accordance with Section 11.6, Code of Iowa; and

WHEREAS, the City of Cresco sent out Request for Proposals to audit fiscal years ending June 30, 2022, 2023 and 2024; and

WHEREAS, Gardiner + Company, PC was selected to perform the audits for the three fiscal years for a fee of \$15,850, \$16,350 and \$16,850 per year respectively.

NOW, THEREFORE, BE IT RESOLVED THAT the Mayor is authorized and directed to sign the Agreement with Gardiner + Company, PC of Charles City, Iowa.

Council Person _____ moved the adoption of the foregoing Resolution and Council Person _____ seconded said Motion. Following discussion, a roll call vote was requested by Mayor and said roll call resulted as follows:

Ayes: _____

Nays: _____

Absent: _____

Thereupon, the Mayor declared said Resolution duly passed and announced that the Agreement between the City of Cresco and Gardiner + Company, PC is approved and that the Mayor is authorized to execute the contract on behalf of the City of Cresco.

PASSED AND APPROVED THIS 21ST DAY OF FEBRUARY, 2022.

BY: _____
Mayor David J. Brenno

ATTEST: _____
City Clerk Michelle Elton

**Agreement Between
The City of Cresco
and
Gardiner + Company
Charles City, Iowa**

THIS AGREEMENT made and entered into this 21st day of February, 2022, by and between the City of Cresco, hereinafter called the City, and Gardiner + Company, hereinafter called *CPA*.

WHEREAS, the City wishes to obtain the services of the CPA to perform the annual audit of the City for the years ending June 30, 2022, 2023 and 2024.

WHEREAS, the CPA is equipped and staffed to assist in the above audit; and

WHEREAS, this agreement is in the best interest of the public in fulfilling the requirements of Chapter 11 of the Code of Iowa.

NOW, THEREFORE, be it understood and agreed:

1. That the CPA will:
 - A. Provide auditors of various classifications and for the estimated hours as detailed in 2.A of this agreement.
 - B. Begin work on the audit engagement as specifically agreed upon with the City.
 - C. Perform all work in accordance with generally accepted auditing standards, Chapter 11 of the Code of Iowa, the basis of cash receipts and disbursements, a comprehensive basis of accounting other than U.S. generally accepted accounting principles and applicable federal requirements.
 - D. Immediately inform the City, the Auditor of State and the City's Attorney if the audit discloses any irregularity of the collection or disbursement of public funds.
 - E. Provide access to the working papers to any appropriate Federal agencies for the period of time specified in relevant agreements entered into by the City.
 - F. Provide access to the workpapers to the Auditor of State in accordance with Chapter 11 of the Code of Iowa.

2. Conditions of Payment

- A. It is understood that the fees for the services set forth above shall be reimbursed at the following hourly rates:

Partner	\$160
Manager	\$125
Staff	\$105

- B. The CPA shall present an invoice for services in the following manner: partial billing on completion of audit field work, balance on delivery of finished audit report.
- C. Payment shall be made within ten days of receipt of invoice.
- D. The total audit fee and reimbursement of out-of-pocket expenses (excluding state filing fees) shall not exceed:

Fee	Fiscal year-ending June 30,
\$15,850	2022
\$16,350	2023
\$16,850	2024

Note: Additional fees will apply if a single audit is required.

Additional procedures may be necessary during the term of this agreement to conduct and report the audit in accordance with the appropriate auditing and reporting standards that are not currently required or anticipated to be required at this agreement date. In this case, an estimate of the anticipated personnel, hours and fees associated with the additional procedures would be provided to the City as a proposed agreement modification.

Any other special work specifically agreed upon by the City and the CPA will be at normal hourly rates as quoted above.

3. Termination of Agreement:

- A. The City may terminate this contract without notice if the CPA fails to perform the covenants or agreements contained herein.
- B. The CPA shall be paid for all work satisfactorily performed to the date of termination.

IN WITNESS THEREOF, the City and CPA have executed this Agreement as of the date indicated below:

CPA

The City of Cresco

Elizabeth A. Inyer

By _____

By _____

Title Partner

Title _____

Date _____

Date _____

RESOLUTION NUMBER _____

RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A LEASE AGREEMENT WITH MIDWEST CUSTOM AG AVIATION, INC.

Council member _____ moved the adoption of the foregoing Resolution Authorizing the Mayor and City Clerk to enter into a LEASE AGREEMENT for rental of land located at the Cresco Airport. Council member _____ seconded said motion. A roll call vote was requested by the Mayor and said roll call vote resulted as follows:

Ayes: _____

Nays: _____

Absent: _____

Thereupon, the Mayor declared said Resolution duly passed and announced that the agreement dated _____, 2022 between the City of Cresco and Midwest Custom Ag Aviation, Inc. is approved and that the Mayor is authorized to execute the agreement on behalf of the City of Cresco.

PASSED AND APPROVED THIS _____ DAY OF _____, 2022.

BY: _____
Mayor David J. Brenno

ATTEST: _____
City Clerk Michelle Elton

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, and more particularly identified and depicted on Exhibit A attached hereto and made a part hereof.

1. **Term.** The term of this Lease shall be ten (10) years, commencing on March 1, 2022, and terminating on February 28, 2032.

2. **Rent.** Lessee shall pay to Lessor, at the address set forth above, the sum of One Thousand Five Hundred and 00/100 Dollars (\$1,500.00) for the first lease year of this Lease (the "Rent"). Rent shall increase 3% on each anniversary of the commencement date, as set forth in the Rent schedule attached hereto as Exhibit B. Rent shall be payable on March 1st of each year throughout the term of this Lease.

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 prior written consent of Lessor, which shall not be unreasonably withheld.

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 the construction and utilization 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 byphenyls ("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 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. Lessee further agrees to indemnify and save harmless Lessor 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 Lessor 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 as a result of acts, errors or omissions of Lessee.

(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. Non-Liability of Lessor. Lessee assumes all risk of damage to its personal property, equipment, and vehicles occurring in or about the Leased Premises, whatever the cause of such damage or casualty. Lessor shall not be liable to Lessee, and Lessee expressly releases Lessor from any liability, for any such damage resulting or arising from any cause or happening whatsoever.

12. 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 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.

13. 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.

14. Memorandum of Lease. This Lease shall not be recorded. The parties shall execute and deliver a memorandum of this Lease in proper form for the purpose of recording, pursuant to Iowa Code, Section 558.44; provided however, the memorandum shall not in any circumstances modify or change any provision of this Lease. The Lease provisions shall in all instances prevail.

15. 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.

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

17. 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.

18. 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.

19. 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 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
INC.**

By: _____

Title: _____

Date: _____

LESSEE:

MIDWEST CUSTOM AG AVIATION,

By: _____

Title: _____

Date: _____



Airport Lease with Midwest Custom Ag Aviation

Approximately 3 acres beginning March 1, 2022

Airport Land Rent

001-280-4310

Year	Annual Rent	Date of Payment (Due March 1st)
2022	\$1,500.00	
2023	\$1,545.00	
2024	\$1,591.35	
2025	\$1,639.09	
2026	\$1,688.26	
2027	\$1,738.91	
2028	\$1,791.08	
2029	\$1,844.81	
2030	\$1,900.16	
2031	\$1,957.16	