



**STMA ARENA BOARD AGENDA
MONDAY, AUGUST 14, 2017
ALBERTVILLE CITY HALL
6:00 PM**

- 1. CALL TO ORDER – ROLL CALL**
- 2. ADOPT AGENDA**
- 3. APPROVAL OF THE MINUTES OF JULY 10, 2017 (pg. 1)**
- 4. FINANCE REPORTS**
 - a) Approve the July list of claims as presented in the amount of \$17,368.69 and July report (pgs. 2-5)
- 5. ARENA MANAGER**
 - a) Monthly report (pg. 6)
- 6. OLD BUSINESS**
 - a) 2nd Sheet Design - Update
 - b) Arena Management Agreement (draft) – Continued Discussions (pgs. 7-25)
 - a. Zamboni Purchase
 - b. High School Rental Hours
- 7. NEW BUSINESS**
- 8. YOUTH HOCKEY ASSOCIATION**
- 9. ADJOURN**

ST. MICHAEL-ALBERTVILLE ICE ARENA BOARD MINUTES

JULY 10, 2017

6:00 p.m.

Present: Chairman Walter Hudson and members John Vetsch, Kari Dwinnell, Jeff Lindquist, Keith Wettschreck and Kevin Kasel. Also present: City Administrator Adam Nafstad, City Finance Director Tina Lannes, STMA Arena Manager Grant Fitch, Doug Birk, Albertville City Attorney Mike Couri, and Dr. Ann- Marie Foucault. The meeting was called to order at 6:04 p.m. by Acting Chairman Jeff Lindquist.

Set Agenda

Members Kasel/Wettschreck **moved** to set the agenda as presented. All voted aye.

Approval of Minutes

Members Dwinnell/Kasel **moved** to approve the minutes of the May 8, 2017 Board Meeting as presented. All voted aye.

Finance Reports

Members Kasel/Wettschreck **moved** to approve the May/June list of claims totaling \$63,702.63 and the June Financial Report as presented. All voted aye.

Arena Manager's Report

Fitch updated the board on the rental hours for June and the maintenance projects. Three condenser fans had to be replaced but were covered under our blanket agreement with SCR. Fitch talked about bringing back learn to skate program. There was discussion on how to bring that program back to Albertville.

New Business

Doug Birk presented a power point on the Joint Powers Agreement including the second sheet of ice. In the presentation he went over the history of the agreement between the three entities, the rationale for changes to the agreement for the new sheet of ice, process and timeline for the addition, an overview of the changes in the board and equipment shared. In addition Mr. Birk went over the management and administration of the existing arena and new addition which included how the capital funds will be separate agency funds for each sheet. Also, presented was the need to replace the current Zamboni, ice time, and summary of the new agreement.

Member Kari Dwinnell excused herself from the meeting at 6:55 p.m.

Lannes presented the pro-forma budget for two sheets of ice to the board which was an updated version based on the 2013 Ballard King Report. Nafstad reported that the pro-forma budget is an estimate and staffing needs to be evaluated as we move forward to two sheets in operation and pointed out depreciation is not in the pro-forma budget.

Nafstad presented two capital purchases for the existing rink. The first item was the purchase of a new Zamboni. The current Zamboni is 15 years old but the intent is to keep it as a backup. Once this Zamboni is purchased, for an estimated \$150,000, future replacements will be split under the new agreement 1/6, 1/6, 2/3. Staff and the board discussed the possible purchase of a new Zamboni.

The second capital purchase item was the refrigeration connection option. This option would cost approximately \$261,000 if we connect the existing area to the new arena additions refrigeration system at the time of the project. If this connection is not completed as part of the project it could cost approximately \$800,000 to connect. This expense would be split between the three entities under the existing agreement 1/3, 1/3, 1/3. The current system is 20 years old and the refrigerant is being phased out along with systems components have already exceeded their expected life. Staff and the board discussed several options in regards to the refrigeration replacement for the existing arena.

Members Kasel/Vetsch **moved** to recommend the upgrade of the refrigeration connection for the ice plant to the respective boards and councils. All voted aye.

Adjourn

Members Lindquist/Kasel **moved** to adjourn at approximately 8:03 p.m. All voted aye.

Attest:

Tina L. Lannes, City Finance Director



STMA Ice Arena Preliminary Budget to Actual July 2017 (Cash Basis)

	2017 Annual Budget	July 2017 Actual	2017 Actual YTD 07/31/17	2017 YTD % of Budget
Income				
Ice Rental	\$277,100.00	\$32,356.25	\$169,282.50	61.09%
Concessions	\$35,000.00	\$73.00	\$17,769.75	50.77%
Other Revenues (Advertising/LMC/Ins Claims)	\$12,100.00	\$0.00	\$3,062.00	25.31%
Vending	\$1,000.00	\$0.00	\$650.10	65.01%
Open Skate/Hockey, etc.	\$5,000.00	\$576.00	\$2,079.00	41.58%
Interest	\$1,000.00	\$0.00	\$0.00	0.00%
Misc. Revenue	\$1,600.00	\$24.00	\$298.50	
Total Income	\$332,800.00	\$33,029.25	\$193,141.85	58.04%
Expenses				
Salaries, Wages, Taxes & Benefits	\$126,327.50	\$7,856.83	\$70,312.84	55.66%
Supplies (Office, Misc.)	\$1,850.00	\$375.00	\$971.65	52.52%
Supplies (Concession)	\$15,000.00	\$0.00	\$4,057.71	27.05%
Fuel, Misc.	\$1,800.00	\$0.00	\$504.62	28.03%
Professional Services	\$15,000.00	\$3,879.34	\$19,972.04	133.15%
Sales Tax	\$4,000.00	\$0.00	\$1,712.00	42.80%
Telephone	\$1,000.00	\$105.52	\$847.44	84.74%
Electric	\$60,000.00	\$27.95	\$17,232.44	28.72%
Gas	\$15,000.00	\$395.53	\$7,876.01	52.51%
Water	\$20,000.00	\$220.57	\$13,613.56	68.07%
Refuse	\$2,400.00	\$0.00	\$693.90	28.91%
Insurance	\$9,000.00	\$0.00	\$7,557.00	83.97%
Administration	\$12,646.50	\$1,053.38	\$7,373.66	58.31%
Misc.	\$2,285.00	\$153.11	\$1,793.11	78.47%
Repair Maintenance – Machinery	\$10,000.00	\$2,036.30	\$6,635.43	66.35%
Repair Maintenance – Building	\$27,500.00	\$5,771.36	\$14,320.02	52.07%
Total Operating Expenses	\$323,809.00	\$21,874.89	\$175,473.43	54.19%
 Net Income/Loss	 \$8,991.00	 \$11,154.36	 \$17,668.42	

STMA ICE ARENA CASH BALANCES AND RECEIVABLES
July 31, 2017

Cash Balance Operations

Cash Balance Operations 1/1/17	\$114,448
Add Revenues (collected in 2017)	\$193,142
Less Expenses	\$175,473
Cash Balance Operations 7/31/17	\$132,116

Accounts Receivable (invoiced)

Operations July 31, 2017 - \$0

Cash Balance Dedicated Capital Improvement Fund

Arena Owner Dedicated Cap. Imp. Fund	
Beginning Balance 1/1/17	\$165,024
Bleachers	-\$14,006
Kraft Money to School	-\$40,000
Balance 7/31/17	\$111,018

STMA Ice Arena Vendor Check Detail Register

July 2017

Check Amt Invoice Comment

10100 Premier Bank

Paid Chk# 005515E	7/3/2017	ABDO, EICK & MEYERS LLP			
E 810-00000-301	Auditing and Acctg Services		\$84.15	385904	Professional Audit/Acctg Services
Paid Chk# 005520E	7/3/2017	COURI & RUPPE, P.L.L.P.			
E 810-00000-300	Professional Svcs (GENERAL)		\$930.00		STMA Ice Arena
Paid Chk# 005531E	7/14/2017	WRIGHT-HENNEPIN COOP ELECTRIC			
E 810-00000-381	Electric Utilities		\$27.95	ARENA AUG	STMA Arena Fire Panel Monitor Aug 2017
Paid Chk# 036780	7/3/2017	CHARTER COMMUNICATIONS			
E 810-00000-321	Telephone		\$31.65	ARENA	STMA Arena Cable TV
Paid Chk# 036781	7/3/2017	CJ S LINEN SERVICE			
E 810-00000-399	Miscellaneous		\$5.00	32887	STMA Arena Rug Washed
Paid Chk# 036782	7/3/2017	CONTINENTAL SAFETY EQUIPMENT			
E 810-00000-300	Professional Svcs (GENERAL)		\$277.00	445595	STMA Arena 10PPM NO2 Arena Cal Gas
Paid Chk# 036786	7/3/2017	HAWK PERFORMANCE SPECIALISTS			
E 810-00000-300	Professional Svcs (GENERAL)		\$2,360.00	4270	STMA Arena Ice Painting, Logos, Etc.
Paid Chk# 036788	7/3/2017	JORSON & CARLSON INC			
E 810-00000-300	Professional Svcs (GENERAL)		\$61.19	487781	Ice Scraper Knives Cleaned & Sharpened
Paid Chk# 036795	7/3/2017	METLIFE-GROUP BENEFITS			
E 810-00000-130	Employer Paid Ins (GENERAL)		\$185.73	JULY 2017	Emp Life, Dental, Stdis, Vision
Paid Chk# 036799	7/3/2017	NITRO GREEN			
E 810-00000-399	Miscellaneous		\$80.00	272670623	STMA Arena Round-up Treatment
Paid Chk# 036802	7/3/2017	RINK SYSTEMS, INC.			
E 810-00000-404	Repair/Maint - Machinery/Equip		\$425.00	1106077	STMA Arena Repair Equip Gate
E 810-00000-404	Repair/Maint - Machinery/Equip		\$720.00	1106078	STMA Arena Repair Welds on Equip Gate
Paid Chk# 036804	7/3/2017	SCR, INC - ST. CLOUD			
E 810-00000-405	Repair/Maint - Buildings		\$690.00	C001106	STMA Arena Refrigeration Equip Maint
Paid Chk# 036809	7/3/2017	SUNRISE PLUMBING			
E 810-00000-405	Repair/Maint - Buildings		\$368.00	12381	STMA Arena Repair Leaking Pipe at Rink
Paid Chk# 036812	7/3/2017	TWIN PINES IMPRINTING			
E 810-00000-300	Professional Svcs (GENERAL)		\$2,500.00	1122	STMA Arena Circle K Banner
Paid Chk# 036815	7/12/2017	BCBS OF MINNESOTA			
E 810-00000-130	Employer Paid Ins (GENERAL)		\$1,074.00	170630376151	Emp Health Ins
Paid Chk# 036816	7/12/2017	CHARTER COMMUNICATIONS			
E 810-00000-321	Telephone		\$73.87	ARENA JULY	STMA Arena Telephone

STMA Ice Arena Vendor Check Detail Register

July 2017

			Check Amt	Invoice	Comment
Paid Chk# 036817	7/12/2017	CULLIGAN			
E 810-00000-405	Repair/Maint - Buildings		\$58.00	101X30280609	STMA Arena Deionization & Di Carbon Rental
Paid Chk# 036824	7/17/2017	BANYON DATA SYSTEMS			
E 810-00000-300	Professional Svcs (GENERAL)		\$27.00	156076	Vault Backup
Paid Chk# 036830	7/17/2017	CENTERPOINT ENERGY			
E 810-00000-383	Gas Utilities		\$395.53	ARENA JUNE	STMA Arena 5898 Lachman Ave #5390131-0
Paid Chk# 036835	7/17/2017	DJS TOTAL HOME CARE CTR-ARENA			
E 810-00000-405	Repair/Maint - Buildings		\$20.56	97391	STMA Arena Hex & Drill, Flat Wood
E 810-00000-405	Repair/Maint - Buildings		\$4.98	97429	STMA Arena Joint Tape
E 810-00000-405	Repair/Maint - Buildings		\$9.99	97519	STMA Arena Nozzle Twist Brass
E 810-00000-405	Repair/Maint - Buildings		\$3.99	97571	STMA Arena Hose Shutoff Coupler
E 810-00000-405	Repair/Maint - Buildings		\$10.36	97621	STMA Arena Sprayer, Mr. Clean
E 810-00000-405	Repair/Maint - Buildings		\$2.36	97674	STMA Arena Fasteners
E 810-00000-405	Repair/Maint - Buildings		\$3.99	97777	STMA Arena Mr. Clean
Paid Chk# 036848	7/17/2017	NITRO GREEN			
E 810-00000-399	Miscellaneous		\$68.11	27670629	STMA Arena Roundup Touch up
Paid Chk# 036867	7/20/2017	MAXIMUM SOLUTIONS, INC			
E 810-00000-200	Office Supplies (GENERAL)		\$375.00	20067	STMA Arena MaxEnterprise Software Annual
Paid Chk# 036871	7/27/2017	METLIFE-GROUP BENEFITS			
E 810-00000-130	Employer Paid Ins (GENERAL)		\$185.73	AUG 2017	Emp Life, Dental, Stdis, Vision
Paid Chk# 036874	7/27/2017	XCEL ENERGY			
E 810-00000-381	Electric Utilities		\$6,309.55	ARENA JUNE	STMA Arena 5898 Lachman Ave

810 STMA ARENA

\$17,368.69



MANAGER' GENERAL UPDATE

Date: August 14th, 2017
To: STMA Arena Board
From: Grant Fitch, STMA Arena Manager

ARENA RENTAL HOURS - JUNE / JULY

<u>Name</u>	<u>Prime-time</u>	<u>Off-peak</u>
Youth Hockey	0 hours	
Adult Hockey	0 hours	
High School Boys/Girls	109 hours	
Public Skating/OH	53.25 hours	
Private rentals	4 hours	
Learn to Skate	0 hours	
<hr/>		
Total hours	166.25	

Staffing: We are looking to hire a full-time seasonal Shift Supervisor for 40 hrs/week and 2 to3 PT Shift Supervisors for 15-20 hrs/week. Finding reliable help has been very challenging over the last few years. Without additional help, current staffing levels will not be able to keep up.

With the fall Hockey season fast approaching, I am very concerned about staffing. Currently, we have ads placed with The League of MN Cities (LMC), M.I.A.M.A (Minnesota Ice Arena Managers Association). Also with the building of the second sheet starting late September adding a full time assistant in the near future will help with daily operations, scheduling and staff training.

Operations: No major repairs at this time.

Mn Dept of Health Indoor Ice Arena Inspection: No violations, inspection August 2017

Building Maintenance: We had the pine tree removed on the northwest end of the arena. Tree was over grown and encroaching on the building.

WH Security Fire protection: Line #2 trouble test failure. Had system checked and needed to upgrade communication board for approximately \$350

Knight to Remember - 2018: K2R will be scheduled at another location for the March 2018 youth hockey fundraising event.



MEMORANDUM

Date: August 10, 2017
To: STMA Arena Board
From: Adam Nafstad, City of Albertville
Re: **Arena Management Agreement**

Attached is the most current draft of the Arena Joint Powers Agreement. This draft (draft #8) incorporates all the comments received to date by each entities attorney and staff.

Following the initial presentation at the previous meeting, the Board began discussion of several items related to the agreement, but most specifically the purchase of a Zamboni and the School's rental hours. The respective agreement is as follows:

Article V, Paragraph E: Prior to the commencement of operations of the Arena Addition, the Arena Board shall purchase a new Zamboni machine to be used as the primary Zamboni machine for the Combined Arena. This Zamboni machine shall be paid for with Arena Board capital funds to the extent such funds are available. In the event available Arena Board capital funds are not sufficient to cover the full purchase price of the new Zamboni machine, the remaining funds shall be provided by the Cities and School District as follows: 1/6th of such funds to be provided by the City of Albertville, 1/6th of such funds to be provided by the City of St. Michael, and 4/6th of such funds to be provided by the School District. Once purchased, such Zamboni machine shall be considered an operational asset of the Arena Board and shall be owned and maintained by the Arena Board. Any future Zamboni machine purchases shall be paid for in the same manner as set forth in this paragraph.

Article IX, Paragraph E.1.a: As the School District's girls hockey program migrates back to the Combined Arena, the School District will add an additional 176 hours of practice time. The School District shall not be charged for these 176 hours of practice time, provided the School District has first paid the rental charges on 222 practice hours in the same fiscal year in which the additional 176 hours are used, and provided that all School District practice hours shall occur before 6 p.m. Monday through Friday. If the School District does not use a portion of such additional 176 practice hours in any given year, the Arena Board may lease such hours to another entity for that year.

DRAFT—7-25-17

**ICE ARENA MANAGEMENT AGREEMENT
BETWEEN
INDEPENDENT SCHOOL DISTRICT NO. 885,
(ST. MICHAEL-ALBERTVILLE)
CITY OF ALBERTVILLE,
CITY OF ST. MICHAEL**

THIS AGREEMENT, is made and entered into this _____ day of _____, 2017, by and between the City of Albertville (“Albertville”), a municipal corporation organized under the laws of the State of Minnesota, the City of St. Michael (“St. Michael”), a municipal corporation organized under the laws of the State of Minnesota, and Independent School District No. 885, (St. Michael-Albertville), Minnesota (“School District”). Albertville and St. Michael may collectively be referred to as “Cities.” The Cities and School District may individually be referred to as a “Party” and collectively as the “Parties”.

WHEREAS, the School District, Albertville and City of St. Michael (“St. Michael”) are parties to a certain Joint Powers Agreement dated September 15, 1997 (“Joint Powers Agreement”) regarding the construction and operation of the St. Michael-Albertville Ice Arena (“STMA Ice Arena” or “Arena”) located at 5898 Lachman Ave NE, Albertville, MN 55301; and

WHEREAS, the Joint Powers Agreement created the St. Michael-Albertville Ice Arena Joint Powers Board (“Joint Powers Board” or “Arena Board”) which is charged with managing the Arena; and

WHEREAS, pursuant to the Joint Powers Agreement, each City and the School District have a one-third interest in the STMA Ice Arena; and

WHEREAS, the Joint Powers Board entered into a contract with Albertville on or about March 4, 2010 to supervise and manage the STMA Ice Arena (“Management Agreement”); and

WHEREAS, the School District has passed a bond referendum that will fund the construction of an addition to the STMA Ice Arena consisting of an ice rink, bleacher seating, locker rooms and concession stand (“Arena Addition”); and

WHEREAS, the School District intends to use the Arena Addition primarily for its boys and girls varsity and junior varsity hockey programs; and

WHEREAS, the School District intends to retain significant ice time in the Arena Addition for school purposes but does not desire to perform the day to day duties associated with the administration and management of the Arena Addition; and

WHEREAS, Albertville is willing to perform the administrative and management duties related to the Arena and the Arena Addition (collectively, "Combined Arena"); and

WHEREAS, the School District will provide all of the funding for the administration and management of the Arena Addition and the parties intend that this arrangement shall have a net revenue/expense neutral effect on Albertville, such that Albertville realizes neither a loss nor a profit from administering and managing the Arena Addition; and

WHEREAS, the Parties desire to operate the Arena Addition and provide the Arena Addition for use by the School District, the local St. Michael-Albertville Youth Hockey Association and third party use from time to time; and

WHEREAS, the Parties intend to locate a portion of the Arena Addition adjacent to and south of the existing STMA Ice Arena building on property owned by the School District and the Cities which is currently used for parking for the STMA Ice Arena; and

WHEREAS, the School District currently owns the vacant lot immediately to the south of the STMA Ice Arena lot ("Vacant Lot") and desires to own all of the ground upon which the Arena Addition will be constructed; and

WHEREAS, the Cities desire to have a perpetual ingress, egress and parking easement over the Vacant Lot and in favor of the property upon which the STMA Ice Arena is located to replace the parking that will be lost when the Arena Addition is constructed on the existing parking lot.

WHEREAS, it is the Cities' and School District's intention to maximize the rental hours of the Combined Arena given the School District's priority needs for ice time;

NOW, THEREFORE, IT IS HEREBY AND HEREIN MUTUALLY AGREED, in consideration of each party's promises and consideration set forth herein as follows:

I. SUCCESSION OF PRIOR JOINT POWERS AGREEMENTS.

- A. The Joint Powers Agreement and the Management Agreement are hereby succeeded by this Agreement. It is the intention of the parties that this Agreement replace the Joint Powers Agreement and the Management Agreement, and that the obligations and rights provided under those agreements cease.

II. CONTINUATION OF JOINT POWERS BOARD.

- A. The Joint Powers Board established in the Joint Powers Agreement shall continue to operate under the authority of this Agreement and shall have the authority to exercise all powers which are common to St. Michael, Albertville and the School District and which are necessary and appropriate for the operation, use, maintenance and repair of the Arena and the Arena Addition to the extent the School District has delegated its authority over the Arena Addition to the Arena Board. The Arena Board shall have the authority to determine what uses the facility will be put to, when ice will be installed or removed, to whom the facility shall be leased to and upon what rental terms, and with whom to contract for various services. The Arena Board may from time to time enter into contracts for the management of the Arena.
- B. The Arena Board's composition shall have two members appointed by the City of Albertville, two members appointed by the City of St. Michael, and three members appointed by the School District Board. The Arena Board may exercise its powers by resolutions adopted by the affirmative vote of a majority of the Board members at a public meeting duly called. Meetings of the Arena Board shall take place at such times and locations as the Arena Board determines and the Arena Board's function shall be in accordance with such bylaws as it adopts from time to time. Arena Board meetings shall be open to the public except when the issue or issues under consideration would authorize a city or a school district board to close a city council or school district board meeting to the public. Notice of the Arena Board's meetings shall be given in the same manner as notice of the city council and school district board meetings.

III. CONVEYANCE OF PROPERTY AND GRANTING OF EASEMENT.

- A. Albertville and St. Michael shall convey via quitclaim deed the property identified in the attached Exhibit A to the School District.
- B. Upon delivery of the quitclaim deed identified in paragraph III.A. above, the School District shall provide Albertville and St. Michael with a perpetual ingress, egress and parking easement over that portion of the Vacant Lot shown on the attached Exhibit B.

IV. CONSTRUCTION OF ARENA ADDITION.

- A.** The School District shall construct the Arena Addition as an addition to the existing Arena building. The Arena Addition shall be located entirely on the Vacant Lot and the property deeded to the School District as identified on Exhibit A (hereafter the "Arena Addition Property"). The Arena Addition shall contain all necessary equipment to operate a regulation size hockey rink.
- B.** The School District shall construct a paved parking lot upon the Arena Addition Property containing approximately ____ parking spaces for use of the patrons of the Combined Arena.
- C.** The School District shall pay all costs associated with the design and construction, and equipping of the Arena Addition and the parking lot and related improvements upon the Arena Addition Property.

V. OWNERSHIP.

- A.** The Arena Addition shall be wholly owned by the School District.
- B.** The ownership of the Arena shall remain in equal parts with the Albertville, St. Michael and the School District.
- C.** All common heating, ventilation and air conditioning equipment that is used by both the Arena and the Arena Addition shall be considered one-sixth owned by Albertville, one-sixth owned by St. Michael, and four-sixths owned by the School District. All common refrigeration equipment that is used by both the Arena and the Arena Addition shall be considered one-sixth owned by Albertville, one-sixth owned by St. Michael, and four-sixths owned by the School District.
- D.** All equipment purchased solely with Arena Board funds shall be the property of the Arena Board (i.e. ice edger, concession equipment that are not fixtures attached to the realty).
- E.** Prior to the commencement of operations of the Arena Addition, the Arena Board shall purchase a new Zamboni machine to be used as the primary Zamboni machine for the Combined Arena. This Zamboni machine shall be paid for with Arena Board capital funds to the extent such funds are available. In the event available Arena Board capital funds are not sufficient to cover the full purchase price of the new Zamboni machine, the remaining funds shall be provided by the Cities and School District as follows: 1/6th of such funds to be

provided by the City of Albertville, 1/6th of such funds to be provided by the City of St. Michael, and 4/6th of such funds to be provided by the School District. Once purchased, such Zamboni machine shall be considered an operational asset of the Arena Board and shall be owned and maintained by the Arena Board. Any future Zamboni machine purchases shall be paid for in the same manner as set forth in this paragraph.

VI. MANAGEMENT AND ADMINISTRATION.

- A.** Albertville will undertake sole responsibility for the management and administration of the Arena Addition and the STMA Ice Arena.
- B.** All personnel actively engaged in Arena activities located on site shall be employees of the City of Albertville. The City of Albertville's personnel policy will apply to all Arena employees.
- C.** The position of Arena manager will be expanded to include the current duties and management of the Arena Addition. The person holding that position shall remain a department head level employee of the City of Albertville under the supervision of the Albertville City Administrator and the Albertville City Council.
- D.** The City of Albertville will be responsible for all administrative functions required in the running of the Arena and the Arena Addition, including maintaining all required records. Albertville staff shall be the administrative staff for the Arena Board. The Albertville City Administrator, or from time to time other Albertville employees as directed by the Albertville City Administrator, shall provide the management services in furtherance of the Combined Arena operations. The Albertville City Administrator shall report to the Arena Board on a regular basis, the frequency of which shall be determined by the Arena Board from time to time. In order to facilitate the Arena Board's understanding of the ongoing operations of the Combined Arena, the Arena Board shall have the right to access the personnel files of any Albertville employees that devote a majority of their work time to Arena-related duties. Such access by the Arena Board to an Albertville employee's personnel file shall be limited to that portion of the file that relates to Arena-related duties and Arena-related performance.
- E.** Albertville shall select and employ, at reasonable wages, supervise, direct and discharge any employees necessary to cause the Arena Addition to be maintained and operated consistent with the STMA Ice Arena.

1. Albertville shall be responsible for payroll and benefits administration for said employees.
2. Albertville shall require a criminal history background check for all employees employed by Albertville to perform services at the Arena or the Arena Addition, and will discharge or replace any such employees who violate rules of conduct and/or regulations of Albertville or the School District. The School District may advise Albertville on preferred policies for background checks.

VII. FINANCE

- A. The City of Albertville will establish the Arena operation as an agency fund ("Agency Operation Fund") and such fund shall be deemed to be the property of the Arena Board. Upon commencement of the operation of the Arena Addition, the Agency Operation Fund shall be used for operations of the Combined Arena.
- B. All revenues generated by the Combined Arena operations shall be credited to the Agency Operation Fund and all expenses related to the Combined Arena operations shall be paid from the Agency Operation Fund, except as set forth otherwise herein.
- C. In the event the Agency Operation Fund has a negative balance that arises after the commencement of operations of the Arena Addition and that negative balance is projected to last more than 90 days, Albertville shall notice the Arena Board of the additional amount necessary to properly operate the Agency Operation Fund and the Arena Board shall forward such additional amount within 60 days of receipt of such notice. If the Arena Board is in need of additional funding from the Cities and the School District to cover a negative balance, the Cities shall each contribute one-sixth of the funds needed to cover such shortfall and the School District shall contribute four-sixths of the funds needed to cover such shortfall. All such funds shall be provided within 30 days of request by the Arena Board.
- D. In the event the Agency Operation Fund has a negative balance that arises before the commencement of operations of the Arena Addition and that negative balance is projected to last more than 90 days, the City shall notice the Arena Board of the additional amount necessary to properly operate the Agency Operation Fund and the Arena Board shall forward such additional amount within 60 days of receipt of such

notice. If the Arena Board is in need of additional funding from the Cities and the School District to cover a negative balance, each party to this Agreement shall contribute one-third of the funds needed to cover such shortfall. All such funds shall be provided within 30 days of request by the Arena Board.

- E.** The existing Agency capital fund held by Albertville (“Agency Capital Fund”) shall remain the capital fund for the Arena even after the commencement of operations of the Arena Addition and shall thereafter be used only for capital improvements on the Arena or common heating, ventilation and air conditioning equipment that is used by both the Arena and the Arena Addition.
- F.** The School District shall establish an Arena Addition capital fund (“Arena Addition Capital Fund”) and shall be used only for capital improvements on the Arena Addition or common heating, ventilation and air conditioning equipment that is used by both the Arena and the Arena Addition.
- G.** Albertville shall endeavor to keep the Agency Operation Fund balance at the end of the fiscal year at 35% of the estimated annual expenditures of the Agency Operation Fund. In the event the Agency Operation Fund has excess accumulated profits not needed for future operations (as reasonably determined by the Arena Board), such excess profits shall first be split evenly with one-half transferred to the Agency Capital Fund and one half transferred to the Arena Addition Capital Fund until such capital funds are fully funded, including all depreciation. In the event the capital funds are both fully funded, any excess accumulated profits shall be distributed 4/6ths to the School District, 1/6th to Albertville and 1/6th to St. Michael.
- H.** Excess funds within the Agency Operating Fund and the Agency Capital Fund will be invested and managed with other City of Albertville funds but will at all times be accounted for separately within part of a combined agency fund for accounting purposes.
- I.** In the event the Arena Board determines that capital expenditures are required for the Arena that are not fully funded from the Arena capital account and which require a contribution from the parties to this Agreement in order to finance such capital expenditures, each party to this Agreement shall contribute one-third of the contribution needed to fully fund such capital expenditures.

- J.** In the event the Arena Board and the School District both determine that capital expenditures are required for the Arena Addition that are not fully funded from the Arena Addition capital account and which require a contribution from a party to this Agreement in order to finance such capital expenditures, the School District shall contribute 100% of the contribution needed to fully fund such capital expenditures.
- K.** All liabilities for the administration or management of the Arena, including but not limited to taxes, bills, or other fiscal obligations, are the ultimate responsibility of the Arena Board.
- L.** Albertville shall not be responsible for any costs related to the Combined Arena management or administration. All expenses will be drawn from the Agency Operation Fund, or if there are not sufficient funds will be charged back to the Arena Board.
- M.** The Albertville shall cause the operations of the Combined Arena to be audited annually.
- N.** The Albertville City Council has authority to approve all budgeted bills related to the Arena and any unbudgeted bills not to exceed \$5,000. The bills, once approved, will be paid from the Agency Operation Fund.
- O.** Any unbudgeted and unplanned operating expenditures related to the Combined Arena exceeding \$5,000 must be approved by the Arena Board prior to payment by the Albertville, except in case of an operational emergency, in which case Albertville may approve such bills without the consent of the Arena Board.
- P.** Any unbudgeted and unplanned capital expenditures related to the Arena exceeding \$5,000 must be approved by the Arena Board prior to payment by Albertville, except in case of an operational emergency, in which case Albertville may approve such bills without the consent of the Arena Board.
- Q.** Any unbudgeted and unplanned capital expenditures related to the Arena Addition exceeding \$5,000 must be approved by the Arena Board and the School District prior to payment by Albertville, except in case of an emergency, in which case Albertville may approve such bills without the consent of the Arena Board or the School District.

- R. The City of Albertville shall be responsible for all fiscal management and financial reporting requested by the Arena Board.
- S. The Albertville City Administrator shall forward a draft Arena Board budget for the Combined Arena to the Arena Board by February 28th of each year for its consideration. The Arena Board shall approve a budget for the fiscal year by the May 1st each year.
- T. The Arena Board budget submitted by the Albertville City Administrator shall have separate capital budgets for the Arena and the Arena Addition. The Arena Board shall be responsible for approving and funding the Arena capital budget and the School District shall be responsible for funding the Arena Addition capital budget. The Arena Addition capital budget must be approved by both the Arena Board and the School District.
- U. The Arena Board shall compensate Albertville in the amount of \$_____ per month for all services provided by Albertville under this Agreement.
- V. The fiscal year for the Arena Board shall be from January 1 to December 31 unless a different fiscal year is set by the Arena Board.

VIII. INSURANCE

- A. Property casualty and liability Insurance for the Arena Addition buildings and equipment and liability insurance on Arena Addition operations and grounds will be maintained in full force by the School District at all times. The general liability insurance shall be in the minimum coverage amount of \$500,000 per person and \$1,500,000 per occurrence or the maximum municipal tort liability limits contained in Minnesota Statutes Chapter 466, whichever is greater. The School District shall include Albertville, St. Michael and the Arena Board as an additional insured on any policies of liability insurance carried by the School District relating to any use by the School District of the Arena Addition. The School District shall insure the building and improvements for full replacement cost with all risk fire and extended coverage insurance.
- B. Albertville shall be responsible for obtaining property casualty and general liability coverage in the name of the Arena Board while operations are under its direction and control. The general liability insurance shall be in the minimum coverage amount of \$500,000 per

person and \$1,500,000 per occurrence or the maximum municipal tort liability limits contained in Minnesota Statutes Chapter 466, whichever is greater, and shall name the Arena Board as the named insured and the City of Albertville, the City of St. Michael and the School District as additional insureds. Albertville will provide certificates of insurance to the School District and St. Michael evidencing all insurance coverage required pursuant to this agreement on an annual basis.

- C. Albertville shall be responsible for procuring and maintaining worker's compensation insurance for all Combined Arena employees who are employed by Albertville.
- D. The premium cost of all insurance policies required under this Agreement shall be considered expenses of the Arena Board and shall be paid from operating revenues. Any such insurance premiums paid by Albertville or the School District shall be reimbursed from the Agency Operation Fund.

IX. OPERATIONS.

- A. Rental Rates. The Arena Board shall set the rental rates for both the Arena and the Arena Addition at least once annually.
- B. Rental Collections. Albertville shall collect rents from all parties, including the School District, using the Combined Arena and shall keep records of rents from such users.
- C. Maintenance, Repair and Replacement.
 - 1. Albertville shall be responsible for housekeeping, cleaning, maintenance, repair, ice preparation and resurfacing, utilities, waste removal, and snow removal as needed for the Combined Arena and site, in a manner consistent with the operations of ice arenas throughout the Metropolitan Minneapolis area, including maintenance of the parking lot and the outside grounds. All costs incurred by Albertville in providing these services or products shall be expenses of the Agency Operation Fund.
 - 2. Maintenance and repair shall include the cost to have equipment repaired, to have consumables replaced (such as Zamboni blades, cleaning supplies, etc.), and to replace minor equipment items (items that cost less than \$5,000, such as, but not limited to, motors, pumps, faucets, valves, tiles, filters, hardware, etc.).

3. Albertville shall cause to be replaced or reconstructed all equipment that fails, malfunctions or otherwise needs to be replaced. The purchase and replacement or reconstruction of items that cost more than \$5,000 must first be approved by the Arena Board if such item is located in the Arena and must first be approved by the School District if the item is located in the Arena Addition. Replacement or reconstruction of equipment costing more than \$5,000 in the Arena shall be charged to the Agency Capital Fund as a capital cost. Replacement or reconstruction of equipment costing more than \$5,000 in the Arena Addition shall be charged to the School District as a capital cost.
4. Costs related to the purchase and replacement or reconstruction of equipment that cost more than \$5,000 and which are heating, ventilation, air conditioning refrigeration or concessions equipment that are used by both the Arena and the Arena Addition shall be considered operational expenses that will be paid one-half from the Agency Capital Fund and one-half by the School District.

D. Community Space. Certain areas of the Combined Arena that are not capable of supporting ice may be used as community space or private rental spaces from time to time. The Parties anticipate that these areas may be rented out to various community groups, organizations or families for special events. All rental revenues and operating expenses associated with these community spaces shall be deemed Combined Arena operating revenues and expenses.

E. Scheduling.

1. School District Use.

- a. As the School District's girls hockey program migrates back to the Combined Arena, the School District will add an additional 176 hours of practice time. The School District shall not be charged for these 176 hours of practice time, provided the School District has first paid the rental charges on 222 practice hours in the same fiscal year in which the additional 176 hours are used, and provided that all School District practice hours shall occur before 6 p.m. Monday through Friday. If the School District does not use a portion of such additional 176 practice hours in any given year, the Arena Board may lease such hours to another entity for that year.
- b. The School District shall have priority use of the Combined Arena during the high school boys and girls hockey seasons for boys and girls varsity and junior varsity games and practices.

- c. The School District shall have the ability to use the non-ice community and private rental spaces referred to in paragraph IX.D. above at no charge during such times as these spaces are not otherwise rented out.
- d. The School District and Albertville will meet prior to June 1 of each year during the term of this agreement to establish the schedule for the next school year. The primary consideration for such scheduling will be to accommodate the School District's needs in scheduling games and practices for the boys and girls' varsity and junior varsity programs. The Parties recognize that the schedule is in large part dictated by Conference and Minnesota State High School League ("MSHSL") rules and dictates.
- e. During the hockey season established by the MSHSL, the School District will schedule home games for the boys and girls hockey programs in blocks of 4.25 hours each. The School District shall pay for the ice time for these home games at regular rental rates.
- f. All home post-season games will receive priority in scheduling and be in addition to the hours provided above.
- g. The School District can adjust the amount of ice time it rents in the Combined Arena on a year-to-year basis to reflect varsity and junior varsity hockey needs and requirements.
- h. The Arena Addition shall have locker rooms dedicated for use exclusively by the School District as shown on Exhibit _____, as well as well as a coach's room accessible only to the School District.
- i. In the event of game cancellation for any reason, the School District shall make its best effort to accommodate rescheduling of the game in such a manner to meet the needs of Albertville, the Conference and MSHSL. However, if necessary, the Arena Board shall permit the rescheduled game to occur in the Arena Addition during hours originally contracted to another group. In such event, the rescheduled game shall supersede any other scheduled ice time and the Arena Board shall cancel the ice time of the previously scheduled group in favor of the School District's rescheduled game. All contracts for ice time that Albertville executes with any organization other than the School District shall contain a provision that allows Albertville or the Arena Board to cancel an organization's ice time in favor of a rescheduled School District game.

- j. The School District shall have the option of charging admission to the general public for any or all non-tournament MSHSL hockey games. All admission proceeds from such games shall belong solely to the School District.
- k. The School District, at its own expense, will provide the following support for its games and events, and these support personnel shall not be considered employees of the City of Albertville:
 - (i) ticket personnel, operation of the ticket table and receipt of all ticket sales revenue;
 - (ii) game control staff/law enforcement presence; and
 - (iii) event announcer, referees and any necessary off-ice officials.
- 2. Albertville will create and maintain a schedule for all hours of ice time not used by the School District. Albertville will sell available ice at the rate established by the Arena Board.
- 3. For all ice time used by the School District in the Combined Arena other than the 176 additional hours referred to in paragraph IX.E.1.a. above, the School District shall pay to the Arena Board the regular hourly rate charged by the Arena Board for such ice time.
- F. Concessions. Albertville shall be responsible for operating the concession stand in compliance with all applicable rules, laws and ordinances. Albertville may contract with third parties to run the concession stand. All revenue and expenses related to the concessions shall be credited or debited to the Agency Operation Fund.
- G. Service Contracts. Albertville shall enter into such contracts as Albertville shall deem necessary for the purposes of furnishing electricity, gas, fuel, water, telephones, cleaning, snow and ice removal, trash or rubbish hauling and any other services that Albertville deems reasonably necessary or required in order to maintain and operate the Combined Arena.
- H. Operating Hours for the Combined Arena. The normal operating hours for the Combined Arena shall be set by the Arena Board from time to time.
- I. Advertising in the Arena Addition. All advertising displayed in the Arena Addition must first be approved by the School District.

X. DISPUTE RESOLUTION.

- A. Any dispute arising under this Agreement between the Parties or any Party and the Arena Board shall first be referred jointly to the city councils of the City of Albertville and the City of St. Michael, and the ISD 885 School Board. If these entities are not jointly able to resolve the dispute, the Parties shall submit the issue to mediation by a mediator acceptable to the Parties. If the Parties are not able to agree upon a mediator, the Parties shall request that the Office of Administrative Hearings, Minnesota Department of Administration, appoint one of its personnel or any other qualified person of its choosing as mediator. All costs of mediation shall be split equally between the City of St. Michael, the City of Albertville and the School District.
- B. If the dispute is not resolved after mediation, any Party may initiate an action in Wright County District Court seeking any remedy available under law or equity.
- C. This Agreement has been executed in the State of Minnesota and shall be governed by the laws of Minnesota. Any court action shall be venued in Wright County, Minnesota.
- D. The Parties hereby irrevocably waive any and all right to maintain a partition action as to each Party's interest in the Arena.

XI. SALE AND ENCUMBRANCE.

- A. A Party may not voluntarily sell, transfer, lease, mortgage, encumber or otherwise dispose of any interest in the Arena without the prior written consent of each other Party. The Parties may mutually agree to sell or encumber the entire Arena or any portion thereof at any time provided the terms and conditions of such sale or encumbrance are set forth in a written agreement which all Parties execute. If the Parties agree to sell the Arena or use the Arena as security for a loan or other advance money, the proceeds of the sale of the Arena or the proceeds of the loan shall be used and applied in a manner set forth in the agreement among and between the Parties.
- B. In the event the Arena is proposed to be sold to an entity other than the School District, the Parties shall not execute a purchase agreement to sell the Arena unless the proposed purchaser first agrees, via a separate writing with the School District, to an arrangement whereby the proposed purchaser agrees to pay at least one-half of the utilities used by the common heating, ventilation and air conditioning equipment that is used by both the Arena and

the Arena Addition, and agrees to pay at least one-half of all maintenance and replacement costs of such equipment. Any such agreement shall give the School District the sole authority to maintain said equipment and to decide when such equipment shall be replaced or repaired.

XII. TERMINATION.

- A. This Agreement shall be in full force from _____, until June 30, 2019, provided that it shall thereafter automatically renew for successive one-year periods beginning each July 1, until terminated by one of the Parties to the Agreement. Termination may only be accomplished by written notice delivered from one Party to all other Parties on or before August 1st in any calendar year. Once timely delivered, such notice shall terminate this Agreement at the end of the day on June 30th of the next calendar year after the notice was given, provided, however, that Sections I, II, V, X and XI. of this Agreement shall continue after termination pursuant to this paragraph and shall remain in effect until the Arena is no longer jointly owned by the Parties (“Final Termination”).
- B. Upon Final Termination of this Agreement, all equipment money and property owned by the Arena Board shall revert to joint ownership by the Parties in the following proportions: one-sixth interest for Albertville, one-sixth interest for St. Michael and four-sixth’s interest for the School District. Any outstanding debt of the Arena Board upon Final Termination and which is not retired from the proceeds of the sale of Arena Board assets shall be satisfied by contributions from the Parties in the following proportions: one-sixth interest for Albertville, one-sixth interest for St. Michael and four-sixth’s interest for the School District.

XIII. NOTICE.

- A. Any notice, requests, consent or approval, required or permitted to be given hereunder, shall be in writing and shall be deemed effective (a) on the date delivered, if hand delivered, (b) on the date mailed by registered or certified U.S. Mail, return receipt requested, with adequate postage affixed, (c) on the date when sent, charges pre-paid by commercial overnight delivery service or U.S. Express Mail, as evidenced by service receipt or Express Mail postmark.
- B. Notices shall be addressed to the addresses stated below or to such other address or addressee as may from time to time be designated by any Party by notice similarly given.

(i) To Albertville: City of Albertville
c/o City Administrator
5959 Main Avenue NE
PO Box 9
Albertville, MN 55301

(ii) To St. Michael: City of St. Michael
c/o City Administrator
11800 Town Center Drive NE
Suite 300
St. Michael, MN 55376

(iii) To the School District: Independent School District No. 885
c/o Superintendent
11343 50th Street NE
Albertville, MN 55301

XIV. **DATA PRACTICES ACT.** All of the data created, collected, received, stored, used, maintained or disseminated by the Cities, the Arena Board or the School District in the performance of this Agreement is subject to the requirements of the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13.

XV. **ENTIRE AGREEMENT.**

- A. This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understanding, negotiations and discussions, whether oral or written, of the Parties. There are no warranties, representations or agreements among the Parties in connection with the subject matter hereof, except as set forth or referred to herein.
- B. This Agreement supersedes and replaces that Joint Powers Agreement between the City of Albertville, the City of St. Michael and the School District dated September 15, 1997.
- C. This Agreement supersedes and replaces that Agreement Between the City of Albertville and the St. Michael-Albertville Ice Arena Joint Powers Board Regarding Management of the Arena dated March 4, 2010.

- XVI. **AMENDMENT.** No amendments or modification of this Agreement shall be deemed effective unless made in writing and signed by all Parties to this Agreement.
- XVII. **WAIVER.** No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provision, nor shall such waiver constitute a continuing wavier unless otherwise expressly provided in writing.
- XVIII. **ASSIGNMENT.** Except as otherwise provided for herein, no Party may assign this Agreement without the written consent of the other Parties. All of the terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective transferees, successors and permitted assigns.
- XIX. **SEVERABILITY.** In the event any provision of this Agreement is found invalid or unenforceable by a court of competent jurisdiction, such provision will be deemed stricken. The remaining provisions of this Agreement will continue to be valid and binding and the Agreement will be reformed to replace the stricken provision with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.
- XX. **CAPTIONS AND HEADINGS.** The captions and paragraph headings used in this Agreement are for convenience and reference only, and shall not affect the construction or interpretation of this Agreement or any of the provisions thereof.
- XXI. **COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
- XXII. **EFFECTIVE DATE.** This Agreement shall be effective upon the latter of: 1) Approval of each Party to this Agreement and subsequent signature on this Agreement by each Party; and 2) January 1, 2018.

**INDEPENDENT SCHOOL DISTRICT NO. 885 CITY OF ALBERTVILLE
(ST. MICHAEL-ALBERTVILLE)**

By: _____
Its: Chair

By: _____
Its:

By: _____

By: _____

Its: Clerk

Its:

Dated: _____

Dated: _____

CITY OF ST. MICHAEL

By: _____

Its:

By: _____

Its:

Dated: _____