

Hastings Area Public Schools - ISD 200 School Board Meeting Agenda

Monday, April 21, 2025
Special Meeting of the Hastings School Board
City Hall

- I. **Call Meeting to Order**
 - a. Attendance
- II. **Pledge of Allegiance**
- III. **Motion to approve the agenda/table file**
- IV. **Items for Discussion**
 - a. Review of Joint Powers History and Agreements
 - Historical Background - Dan Wietecha, City Administrator
 - Addendums A & B - Kari Gorr, Director of Community Education
 - Addendums C & D - Chris Jenkins, City Director of Parks & Rec
 - b. Financial Situations of the City of Hastings and Hastings Public School District
 - School District, Board Chair Carrie Tate
 - City, Mayor Mary Fasbender
 - c. Informal and Formal Partnerships
 - Dan Wietecha, City Administrator and Dr. Tammy Champa, Superintendent
 - d. Partnership Discussion and Facilitated Conversation
 - Carrie Tate, School District Board Chair
 - DawnMarie Vihrachoff, City Council Member
 - e. Tilden Community Center
 - Kari Gorr and Dr. Tammy Champa
 - f. Ice Arena
 - Chris Jenkins and Dan Wietecha
 - g. Closing Comments and Next Steps
- V. **Adjournment**

**INDEPENDENT SCHOOL DISTRICT 200 AND CITY OF HASTINGS
JOINT POWERS AGREEMENT**

This Joint Powers Agreement ("Agreement") is made and entered into between Independent School District No. 200, 1000 West 11th Street, Hastings, Minnesota 55033 hereinafter called the ("SCHOOL DISTRICT"), and the City of Hastings, 101 4th Street East, Hastings, Minnesota 55033 hereinafter called the ("CITY"), collectively referred to as the "Parties." ~~pursuant to the authority granted in Minnesota Joint Powers Act (Minnesota Statutes 471.59).~~

WHEREAS, Minnesota Statutes, section 471.59, provides that two or more governmental units may by Agreement jointly exercise any power common to the contracting parties; and

WHEREAS, the SCHOOL DISTRICT and CITY have joined together in order to collaborate in the pursuit of Joint Powers Programs that maximize and expand the human resources of the community.

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein and subject to the provisions of Minnesota Statutes, section 471.59, and all other applicable statutes, rules, and regulations, the undersigned parties, in the joint and mutual exercise of their powers, agree as follows:

ARTICLE 1: PURPOSE

The purpose of this ~~a~~Agreement is to jointly explore opportunities for collaboration in Joint Powers Programs pursuant to Minnesota Statutes, section 124D.18 et. seq. in order to make maximum use of resources between the SCHOOL DISTRICT and the CITY.

ARTICLE 2: JOINT POWERS STEERING COMMITTEE

There is hereby created a Joint Powers Steering Committee, hereinafter referred to as the STEERING COMMITTEE, which shall consist of the following representatives:

1. SCHOOL DISTRICT Superintendent, of Schools;
2. Three ~~(3) School~~SCHOOL DISTRICT Board Members.;
3. CITY Administrator.;
4. Three ~~(3) CITY~~CITY Council Members.

Additional advisory members may be appointed in accordance with the work of the STEERING COMMITTEE.

The SCHOOL DISTRICT'S Directors of Community Education and the CITY'S Director of Parks and Recreation shall serve as ex-officio members of the STEERING COMMITTEE. All members shall serve without compensation. The term of office of the STEERING COMMITTEE MEMBER shall be established by ~~each entity~~ the SCHOOL DISTRICT and the CITY. Members shall continue in office until their successor has been duly named and qualified. The STEERING COMMITTEE shall elect officers as it deems necessary, the SCHOOL DISTRICT'S Director of

Community Education and the Director of Parks and Recreation will serve as the chairperson and the ~~district~~ SCHOOL DISTRICT'S office executive assistant shall serve as the secretary. The STEERING COMMITTEE may adopt such rules of procedure as it deems necessary.

ARTICLE 3: DUTIES

It shall be the function of the STEERING COMMITTEE to:

- A. Recommend to their respective governing bodies, operating procedures and policies consistent with the purpose of the ~~ise program Agreement~~.
- B. ~~Establish an annual operating budget, and recommend to their respective governing bodies expenditures of funds necessary to carry out functions of all established Joint Power Programs.~~ Annual operating budgets and cost-sharing agreements are specifically outlined in each respective addendum.

The following programs and respective agreements represent the current joint initiatives between the SCHOOL DISTRICT and CITY:

- a. Hastings Senior Center
 - i. Joint Powers Agreement Hastings Senior Center Cost Sharing for Programming (established 2018). ADDENDUM A
 - ii. Joint Powers Agreement Hastings Senior Center Cost Sharing for Facilities (established 2019). ADDENDUM B
- b. Maintenance Facility
 - i. Joint Park Maintenance Facility: Operations and Maintenance Agreement (established 2002) ADDENDUM C
 - ii. Joint Park Maintenance Facility: Lease Agreement (established 2001) ADDENDUM D
- C. ~~All additional joint agreements will be added as additional addendums at the time of the agreement. Any agreement executed pursuant to the purpose of this Agreement shall be added as an addendum after final execution of the agreement.~~
- D. The STEERING COMMITTEE will ~~generally~~ meet two (2) times per year, or more frequently as needed. The regular meeting schedule will include one (1) meeting in the spring of each year, and one (1) meeting in the fall each year. Specific dates and times will be set by the STEERING COMMITTEE.

~~Each sponsor governing body Both the SCHOOL DISTRICT and the CITY shall endeavor to make an application for all State and Federal grants and funding programs and private and foundation resources that may be available to fund any items of expense of the Joint Powers Programs, including salaries; but only if the SCHOOL DISTRICT and the CITY find the terms and conditions acceptable upon which the funding is received. provided that in such sponsor's governing body's opinion, the requirements of conditions necessary to obtain grants and program are acceptable to it.~~

ARTICLE 4: CITIZEN INVOLVEMENT ~~ENGAGEMENT~~

The STEERING COMMITTEE shall ~~direct~~ encourage the SCHOOL DISTRICT's ~~d~~irectors of Community Education and the CITY's Director of Parks and Recreation to work with appropriate community groups, community organizations, community agencies and advisory committees,

~~including, but not limited to, the (e.g. Senior Citizens Advisory Committee, Special Services Advisory Committee, Athletics Advisory Committees, etc.)~~ to accomplish the purposes of the Joint Powers Programs.

ARTICLE 5: PROGRAM FUNDS

All ~~public program~~ funds for the joint administration of the Joint Powers Programs shall be paid into and disbursed by the SCHOOL DISTRICT either the SCHOOL DISTRICT or the CITY as identified the responsible governing body as written in the associated addendums and in a manner provided by law. ~~Contracts let and purchases made under the agreement shall conform to the requirements applicable to contracts and purchases of the SCHOOL DISTRICT. Strict accountability of all funds and reports of all receipts and disbursements shall be provided for by the SCHOOL DISTRICT~~ the party identified in the addendum as being responsible for the funds. governing body. Shared financial responsibility for each Joint Powers Program will be determined by the STEERING COMMITTEE and is shall be included in each respective agreement. -see Addendums A-D.

~~Unless specifically outlined differently within each separate agreement (Addendums A-D), within 30 days after the conclusion of the CITY'S fiscal year (January 1st), the SCHOOL DISTRICT shall submit an annual billing for expenditures incurred for the operations of the approved Joint Powers sponsored Programs. The annual billing will include supplemental financial documents which support annual expenditures and revenues.~~

ARTICLE 6: CAPITAL IMPROVEMENT PROJECTS AND JOINT POWERS PROGRAM CONSIDERATION

The SCHOOL DISTRICT and CITY agree to consider joint ventures in the development of recreational/athletic facilities that serve, and are mutually beneficial to both the SCHOOL DISTRICT and CITY. Capital Improvement Projects ~~and or shared~~ Joint Powers Programs will be cooperatively developed by the SCHOOL DISTRICT's dDirectors of Community Education, and Athletics, and the CITY's Director of Parks and Recreation, for approval by the STEERING COMMITTEE. ~~This plan~~ Potential Capital Improvement pProjects and Joint Powers pPrograms will be reviewed at least annually by the STEERING COMMITTEE. Final consideration and approval of any Capital Improvement Project or Joint Powers Program will be subject to made by the SCHOOL DISTRICT's and CITY's each respective governing body.

ARTICLE 7: FUNDING AND ON-GOING MAINTENANCE OF CAPITAL IMPROVEMENT PROJECTS AND JOINT POWERS PROGRAMS

Cost sharing of approved Capital Improvement Projects ~~and or~~ Joint Powers Programs will be negotiated individually ~~and each project will require a unique agreement~~ and finalized in a written agreement signed by the SCHOOL DISTRICT's and CITY's governing bodies, with the details of each shared project/program specifically addressed in the respective signed agreement incorporated into this Agreement as an addendum. ~~Shares may include cash and in-kind contributions. Land purchases or ownership of property is not considered part of the cost.~~

~~Project cost overestimate/underestimate; cost increase/ reductions will be shared on the same basis as the original cost.~~

The governmental unit that owns the land upon which the capital improvement projects are developed shall ~~serve as the fiscal host as outlined in each respective addendum. be~~ responsible for payment of the project and ~~billing for the cost sharing of the project.~~

ON-GOING MAINTENANCE: Upon completion of ~~the a e~~ Capital Improvement pProject, on-going maintenance shall be completed as agreed upon by the appropriate parties with a maintenance plan finalized in a written agreement, which will be incorporated into this Agreement as an per agreement each respective addendum. The governmental unit that owns the land upon which the facility is located shall be responsible for maintaining long-term facilities maintenance plans for 10 years. They party responsible for the on-going maintenance responsibilities shall, regularly (at least annually,) communicate all plans for maintenance or capital projects in which the partner governmental unit is requested to share the cost. This ensures both parties are able to appropriately budget taxpayer funds.

All current (2025) existing agreements are included as ADDENDUMS A-D.

ARTICLE 8: JOINT POWERS PROGRAMS

~~See attached agreement(s) for programs currently administered by the SCHOOL DISTRICT and CITY pursuant to this AGREEMENT:~~

- ~~1. Hastings Senior Center Program Agreement
 - ~~a. Joint Powers Agreement Hastings Senior Center Cost Sharing for Programming (established 2018). ADDENDUM A~~
 - ~~b. Joint Powers Agreement Hastings Senior Center Cost Sharing for Facilities (established 2019). ADDENDUM B~~~~
- ~~2. Maintenance Facility
 - ~~a. Joint Park Maintenance Facility: Operations and Maintenance Agreement (established 2002) ADDENDUM C~~
 - ~~b. Joint Park Maintenance Facility: Lease Agreement ADDENDUM D~~~~

ARTICLE 9-8: REVIEW, RENEWAL AND TERMINATION

~~This Agreement~~GREEMENT shall remain in full force and effect until it is terminated in a manner provided herein and continue in perpetuity and will be reviewed biannually on odd years.

This Agreement shall terminate when necessitated by operation of law or as a result of a decision by a court of competent jurisdiction or when a majority of the STEERING COMMITTEE agree to terminate this Agreement upon a date certain. Termination shall not discharge any liability incurred by the STEERING COMMITTEE or the Parties during the term of this Agreement. Any financial obligation incurred by the STEERING COMMITTEE, SCHOOL DISTRICT, or CITY pursuant to this Agreement shall continue until discharged by law, this Agreement, or any subsequent agreement of the Parties.

The terms for each approved ~~shared-Capital Improvement pProject/~~ or ~~Joint Powers pProgram~~ are outlined in each respective addendum and ~~This AGREEMENT~~ shall continue in full force and effect until terminated by either party by written notice to the other party at least one year prior to the date of desired termination.

ARTICLE 10 9: DISTRIBUTION OF PROPERTY

Any property acquired as the result of ~~this AGREEMENT~~ a shared Capital Improvement pProject or Joint Powers pProgram shall be distributed in proportion to the contribution of the pParties hereto in the event of termination of ~~this any-existing-this~~ Agreement or included as a part of any Addendum.

ARTICLE 104: LIABILITY AND INDEMNIFICATION

- A. Hold Harmless. Each party to this Agreement shall be liable for its own acts to the extent provided by law and hereby agrees to defend, indemnify and hold harmless the other party, and its officers, employees and agents, against any and all liability, loss, costs, damages, expenses, claims or actions, including reasonable attorneys' fees, which the other party may hereafter sustain, incur or be required to pay, arising out of or by reason of any act or omission of the indemnifying party, and its officers, employees or agents, in the execution or performance or failure to adequately perform ~~its~~ obligations pursuant to this Agreement. Nothing in this Agreement shall require a party to defend, indemnify or hold harmless the other party for the other party's own acts or omissions.
- B. Liability Limits. It is understood and agreed that the liability of the SCHOOL DISTRICT and CITY shall be limited by the provisions of Minnesota Statutes, ~~e~~Chapter 466, and/or other applicable law(s). The hold harmless provision of this Agreement does not constitute a waiver by either party of any limitations on liability provided under Minnesota Statutes, section 466.04, as amended. To the fullest extent permitted by law, actions by the ~~the~~ SCHOOL DISTRICT and CITY pursuant to this Agreement are intended to be and shall be construed as a "cooperative activity" and it is the intent of the SCHOOL DISTRICT and CITY that they shall be deemed a "single governmental unit" for the purposes of liability, all as set forth in Minnesota Statutes, section 471.59, subdivision 1a(a), as amended. Each party to this Agreement expressly declines responsibility for the acts or omissions of the other party. Each party agrees to promptly notify the other party if it knows or becomes aware of any facts or allegations reasonably giving rise to actual or potential liability, claims, causes of action, judgments, damages, losses, costs or expenses, involving or reasonably likely to involve the other party, and arising out of acts or omissions related to this Agreement.

ARTICLE 11: NOTICES

Any notification required to be provided pursuant to this Agreement shall be communicated to the named persons, in the positions stated below, or their successors in title, at the following addresses, unless stated otherwise in this Agreement or in a subsequent modification to this Agreement:

Independent School District No. 200
Attention: Superintendent
1000 West 11th Street
Hastings, MN 55033

City of Hastings
Attention: City Administrator
101 4th Street East
Hastings, MN 55033

ARTICLE 12: GENERAL PROVISIONS

- A. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
- B. Amendment. Any amendment to this Agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original Agreement, or their successors in office. Rules and regulations may be amendment at a meeting of the STEERING COMMITTEE, provided that at least ten (10) days prior notice of the meeting has been furnished to each party.
- C. Non-Discrimination. During the performance of this Agreement, the parties shall not discriminate against any individual necessary to perform any services under this Agreement because of race, color, creed, religion, national origin, sex marital status, status with regard to public assistance, disability, sexual orientation or age.
- D. Severability. Should a court of competent jurisdiction rule any portion, section or subsection of this Agreement invalid or nullified, that fact shall not affect or invalidate any other portion, section or subsection, and all remaining portions, sections or subsections shall remain in full force and effect.
- E. Assignment. The parties may neither assign nor transfer any rights or obligations under this Agreement without the written agreement of all parties.
- F. Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior communications, understandings and agreements relating to the subject matter hereof, whether oral or written.
- G. Governing Law. This Agreement shall be interpreted and construed according to the laws of the State of Minnesota.

- H. Venue. The venue for all proceedings out of this Agreement must be in the appropriate court of competent jurisdiction in Dakota County, Minnesota.
- I. Data Practices Compliance. The parties must comply with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as it applies to all data created, collected, received, stored, used, maintained, or disseminated for any purpose in connection with this Agreement.
- J. Waiver. A waiver by any party of any breach of this Agreement shall be in writing. Such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

[The remainder of this page is intentionally left blank]

EFFECTIVE DATE OF REVISION

This revised AGREEMENT shall be in full force and effect from and after _____.

(Date)

This revised AGREEMENT was adopted by Resolution of Independent School District 200 on _____, and by Resolution by the City of Hastings City Council on _____.
(Date) _____ (Date)

Signatures

IN WITNESS WHEREOF, the undersigned parties, by action of their governing bodies, have caused this Agreement to be executed in accordance with the authority of Minnesota Statutes § 471.59 on the date shown below.

CITY OF HASTINGS

Mary Fasbender, Mayor

Kelly Murtaugh, City Clerk

Date

DRAFT Jan. 2025

INDEPENDENT SCHOOL DISTRICT NO. 200

Dr. Tammy Champa, Superintendent

Date

DRAFT Jan. 2025

Joint Powers Agreement Hastings Senior Center Program

The City of Hastings ("City") and Hastings Independent School District 200 ("School District"), under the authority of the Independent School District 200 and City Of Hastings Joint Powers Agreement dated **January 1, 2018**, agree to jointly support the Hastings Senior Center Program, located in Tilden Community Center, 310 River Street, Hastings, Minnesota. It is the intention of both parties to share responsibly in the operational and maintenance costs of the Hastings Senior Center Program as outlined in this Agreement.

1. **Duration:** Two years with renewal commencing **January 1, 2018**, subject to termination or amendment upon twelve (12) month (preferred (24) month) written notice ~~based on fiscal year.~~

2. **School District Responsibilities:-**

- Provide, operate, maintain, and care for the area currently occupied by the Hastings Senior Center Program at Tilden Community Center.
- Employ a Coordinator for the Hastings Senior Center Program, pay all costs and assume all responsibility relating to employment, including: compensation; insurance benefits; retirement; workers compensation and liability insurance.
- Maintain all financial records and pay all bills relating to this joint endeavor.
- Provide a financial accounting of operational costs to the Joint Powers Committee at least twice a year.
- Provide annual budget estimates for Senior Center operation to City prior to July 1st annually for inclusion in City budget process.
- Submit an invoice for payment of ~~the~~ City's portion of operational costs no later than January 1st of each year. These costs will be final, audited expenses for the prior Fiscal Year.
- Expenses covered in their entirety by District are as follows:
 - Community Education Director's salary (including benefits)
 - Administrative Assistant's salary (including benefits)
 - Electricity
 - Garbage
 - Water/Sewage
 - Natural Gas
 - Lawn Care
 - Snow Removal
 - Insurance
- Expenses shared with City are as follows:
 - Senior Center Coordinator (salary and benefits)
 - Custodian (salary and benefits)
 - Phone
 - Postage
 - Copiers
 - Staff Travel
 - Contracted printing
 - General Supplies

- Non-Instructional Tech devices
- Dues/Membership/License/Fees
- ARUX fees (credit card fees)
- If additional expenses are incurred, they will be considered on a case-by-case basis as to which party (or both parties) shall pay for the expense.

3. City Responsibilities:

- City agrees to be a responsible financial partner, ensuring the success of the Senior Center Program.
- With City Council approval, ~~the~~ City shall contribute 50% of actual operating costs annually.
- Operating costs include Coordinator salary and benefits, custodial costs, and seasonal brochure printing costs.
- City will review costs estimates annually and will include them as part of ~~the~~ City's annual budget.
- Remit payment to School District no later than April 1st each year.
- Expenses shared with School District are as follows:
 - Senior Center Coordinator (salary and benefits)
 - Custodian (salary and benefits)
 - Phone
 - Postage
 - Copiers
 - Staff Travel
 - Contracted printing
 - General Supplies
 - Non-Instructional Tech devices
 - Dues/Membership/License/Fees
 - ARUX fees (credit card fees)

4. Fiscal Year Explanation:

- School District operates on a July 1st – June 30th Fiscal Year.
- ~~City of Hastings~~ operates on a January 1st – December 31st Fiscal Year.
- School District invoice provided by January 1st annually is for the prior Fiscal Year.
 - **Example:** School district FY 2024-25 ~~15-16~~ invoice submitted to City by **January 1st 2026**.

Add Signature Block

COST SHARING AGREEMENT

This agreement is entered into on the ___ day of _____, 2019, between the City of Hastings, a Minnesota Municipal Corporation, with a principal place of business at 101 East 4th Street, Hastings, MN 55033, referred to herein as “City”, and Independent School District No. 200, with its principal place of business at 1000 West 11th Street, Hastings, MN 55033, referred to herein as “School District”. This agreement is sometimes referred to herein as “this Agreement”.

RECITALS

WHEREAS, the City and School District entered into a joint powers agreement (hereinafter referred to as “the Joint Powers Agreement”) dated as of May 2, 2001 pursuant to program within the City of Hastings pursuant to Minnesota Statute Section 121.85;

~~**WHEREAS**, the City is the owner of improved real property located generally at 213 Ramsey Street, Hastings, MN 55033 and legally described on the attached Exhibit A (hereinafter referred to as “the Ramsey Street Property”);~~

WHEREAS, the City and School District currently operate a senior center community education program in the Tilden Center Property pursuant to the Joint Powers Agreement;

WHEREAS, the School District is the owner of improved real property located generally at 310 River Street~~855 4th Street West~~, Hastings, MN 55033 and legally described on the attached Exhibit ~~AB~~ (hereinafter referred to as “the Tilden Center”);

~~**WHEREAS**, the City and School District have relocated the senior center operations from the Ramsey Street Property to the Tilden Center.¶~~

WHEREAS, to make the Tilden Center and associated improvements suitable for operation of the senior center, the School District is willing to undertake certain improvements, repairs, and maintenance of the Tilden Center with an estimated cost of \$1.2 million on the condition that the City agrees to contribute \$30,000 each year, for a period of 7 years, totaling \$210,000, to the School District to partially offset the School District’s costs of improving, maintaining and repairing the Tilden Center;

~~**WHEREAS**, the City and School District wish to reduce to writing their agreements regarding relocation of the senior center to the Tilden Center.¶~~

NOW, THEREFORE, the City and School District hereby agree as follows:

1. **Cost Sharing Agreement.** The City shall contribute \$30,000 each year, in monthly installments, for a period of 7 years, totaling \$210,000, to the School District to partially offset the School District’s costs of improving, maintaining and repairing the Tilden Center currently estimated to be \$1.2 million. The City shall make eighty-four (84) monthly payments to the School District in

the amount of \$2,500.00 each month beginning on the first day of September, 2019 and continuing on the first day of each month thereafter through August 1, 2026 when the entire contribution of \$210,000.00 by the City shall have been paid in full. ~~The City and School District agree to work cooperatively to facilitate the relocation of the senior center facility and operations to the Tilden Center.~~ This Agreement shall not modify the Joint Powers Agreement and except as provided for herein, operation of the senior center at the Tilden Center shall continue in the same manner and to the same extent as undertaken by the parties in the past with- cost sharing controlled by the terms of the Joint Powers Agreement.

2. **Notices.** All notices, consents, demand and requests which may be or are required to be given by either party to the other, shall be in writing, and shall be deemed given or served when deposited in the United States mail by registered or certified mail, postage prepaid, addressed as follows:

If to City: City of Hastings
 Attn: City Administrator
 101 Fourth Street East
 Hastings, N 55033

If to School District: Independent School District No. 200
 Attn: District Superintendent
 1000 West 11th Street
 Hastings, MN 55033

Such addresses may be changed from time to time by either party by serving notices as above provided.

3. **All Agreements Included.** Except as identified herein, this Agreement and the Joint Powers Agreement embody all the agreements between the parties ~~hereto respecting the relocation of the senior center to the Tilden Center.~~ All subsequent changes and modifications to be valid shall be embodied within a written instrument duly executed by the parties hereto.
4. **Dispute Resolution.** In the event of a dispute between the parties to this Agreement, before either party may initiate any lawsuit or other court action, the parties agree to undertake reasonable efforts in good faith to resolve the dispute through negotiation or another form of non-binding alternative dispute resolution mutually agreed to by the parties.
5. ~~**Paragraph Headings.** The headings of the several paragraphs contained herein are for convenience only and do not define, limit, or construe the contents, construction or meaning of the provisions of this Agreement.~~
6. **Laws of Minnesota.** The laws of the State of Minnesota shall govern the validity, performance and enforcement of this Agreement.

The foregoing instrument was acknowledged before me this ____ day of _____,
2025~~19~~ by Tammy Champain Collins, Superintendent for Hastings Public Schools.

Notary Public

~~Exhibit A~~

~~Legal Description Ramsey Street Property~~

~~¶~~

~~Lot 6 except the South 70 feet thereof and an undivided ½ interest in Lot 5, except the South 100 feet thereof, all in Block 15, Town of Hastings, according to the recorded plat thereof, Dakota County, Minnesota (Abstract Property); and~~

~~¶~~

~~An undivided ½ interest in the South 100 feet of Lot 5, Block 15, Town of Hastings, according to the recorded plat thereof, Dakota County, Minnesota, (Torrens Property).~~

Exhibit AB
Legal Description-Tilden Center

Lots 1, 2, 3, 4, 5, 6, and 7, Block 18;

Lots 14 and 15, Block 18;

All of Lots 16 and 17, Block 18;

The West 20 feet of Lot 18, Block 18;

The East 20 feet of Lot 18, Block 18; and

All of Lots 19 and 20, Block 18;

All of the foregoing being part of Addition No. 13 to the City of Hastings, Dakota County, Minnesota.

,

**OPERATION AND MAINTENANCE AGREEMENT
JOINT PARK MAINTENANCE FACILITY**

THIS AGREEMENT is made this 23rd day of January, 2002, by and between the City of Hastings, a Minnesota Municipal Corporation (City) and Independent School District 200, Hastings, Minnesota (School)

BACKGROUND

The parties to this agreement have previously entered into a Lease Agreement regarding a joint park maintenance facility (Facility) which is being constructed by the City of Hastings.

The parties wish to put in writing their agreement regarding the daily operation and maintenance of the Facility.

1. **Term of Agreement.** This agreement shall remain in effect for as long as the Lease Agreement dated June 18, 2001 is in effect.

2. **Utilities.** The cost for all utilities, including but not limited to sewer, water, gas, electric and phone, for the Facility will be shared equally by the parties. The utility bills will go to the City. The City will pay the utility and then invoice the School for its share. The School agrees to reimburse the City within 30 days after receiving the invoice from the City. If the School would like a break down of the utility costs, it will contact the City.

3. **Insurance on Building.** The City shall make sure that the Facility structure is properly insured. The cost to insure the Facility shall be paid 55% by the City and 45% by the School.

4. **Insurance on Building Contents.** Each party shall be responsible to obtain and pay for insurance on their respective contents in the Facility. The parties shall share equally the cost to insure contents which are jointly owned by the parties.

5. **Employees.** Each party shall be responsible for their own employees working in or

operating out of the Facility. It is understood that at times the employees of one party may help out employees of the other party. While so helping out, each party shall remain responsible for the actions of their own employees.

6. **Computer Equipment.** Each party shall be responsible to supply and install their own computer equipment in the Facility. The two computer systems shall not be networked together so as to allow one party access to the other parties computer system.

7. **Equipment.** Each party shall be responsible to provide their own equipment for use in the Facility. If the parties wish to purchase major capital equipment to be used by both parties, the parties shall meet and determine if the equipment will be purchased and how the costs will be shared.

8. **Office Furniture and Equipment.** The parties shall share equally the cost of acquiring office furniture and office equipment for the Facility. It is expected that initially both parties will supply office furniture and equipment from their existing facilities. The cost of any computers will remain the separate costs of the parties.

9. **Office Supplies.** The cost of routine office supplies shall be shared equally.

10. **Cleaning Supplies.** The cost of all routine cleaning supplies will be paid equally by the parties.

11. **Cleaning Service.** The Facility will be cleaned at least two times per week by the school's custodians. The City agrees to pay School an amount equal to one-half of the School's cost, not to exceed \$235.00 per month.

12. **Small Tools.** The parties agree to share equally the cost of purchasing small tools for use at the Facility. Small tools are defined as those which cost less than \$500.00.

13. **Outdoor Storage.** The parties will mutually agree on the location of any outdoor

storage by either party. All outdoor storage must be in compliance with city ordinances.

14. **Snow Removal and Grass Trimming.** The parties shall share equally the costs and duties of removing snow from the Facility parking and storage areas as well as maintaining the grass and other vegetation. It is anticipated the parties may use their own forces to remove the snow and maintain the grounds of the Facility.

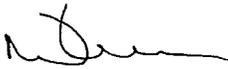
15. **Dispute Resolution.** In the event there is any dispute about the interpretation or application of this Agreement, the parties agree that the City Administrator and the School Superintendent shall meet and try to resolve the differences.

16. **Amendments to Agreement.** This Agreement may be modified only by written agreement signed by both parties.

17. **Termination of Agreement.** This Agreement may be terminated only in accordance with Section 5.11 of the June 18, 2001 Lease Agreement between the parties. Upon termination of this Agreement, any tools or equipment that were purchased jointly shall be divided equally.

Dated this 18th day of March, 2002.

**CITY OF HASTINGS, A MINNESOTA
MUNICIPAL CORPORATION**

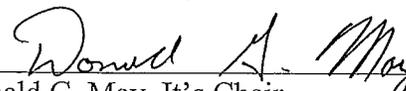
By: 
Michael D. Werner, Mayor

(SEAL)

By: 
Melanie Mesko Lee, Administrative
Assistant/City Clerk

Dated this 23rd day of January, 2002.

**INDEPENDENT SCHOOL DISTRICT
#200, HASTINGS, MINNESOTA**

By: 
Donald G. May, It's Chair

By: 
Ann Skoglund, It's Clerk

LEASE AGREEMENT
Joint Park Maintenance Facility

THIS AGREEMENT is by and between the City of Hastings, a Minnesota Municipal Corporation (the "City") and Independent School District No. 200, Hastings, Minnesota (the "School").

NOW, THEREFORE, in consideration of the promises of the parties to this Agreement, the parties recite and agree as follows:

ARTICLE I

RECITALS

Section 1.01. Recitals. As a basis for the obligations undertaken by the parties to this Agreement, the parties recite and agree as follows:

- (1) The parties desire to provide for the planning, design and construction of a joint park maintenance facility, all of which is referred to in this Agreement as the "Project".
- (2) The purpose of this Agreement is (a) to establish the obligations of each of the parties with respect to the Project, including but not limited to, the payment of the capital cost of the Project and operation and maintenance costs of the facility; (b) to establish procedures governing the planning, design, construction and reconstruction of the Project; and (c) to establish a time schedule for the Project and the various elements thereof.
- (3) Each of the parties has authority to enter into this Agreement pursuant to Minn. Stat. §471.59 and has duly authorized its execution and delivery; and, upon due authorization, execution and delivery by the other parties hereto, represents and warrants that this Agreement will be a valid and binding obligation of such party.
- (4) The Project will be constructed on land belonging to the City and currently utilized as its park maintenance facility on property legally described on attached *Exhibit "A"*. The School will be permitted access to the facility at all times (24 hours per day, 365 days per year) for the purpose of using the park maintenance facility.

ARTICLE II

THE IMPROVEMENTS

Section 2.01. Lead Agency. The City shall be responsible for the detailed planning, design, construction and reconstruction of the Project, subject to the terms and conditions of this Agreement and applicable State law.

Section 2.02. Compliance With State Law, Etc. The Work shall be performed by the City in accordance with all applicable federal, State and local laws, rules, regulations and ordinances.

Section 2.03. Consulting Engineer. The City shall employ a Consulting Engineer to plan, design, prepare Construction Plans for, evaluate construction bids for, and supervise the construction of the Project, subject to the terms and conditions of this Agreement.

Section 2.04. Subsequent Approvals. The City, through its Consulting Engineer, shall keep the School advised as to the progress of the Work. The School shall give requests by the City for approvals under this Agreement its immediate attention and shall act upon such requests within not more than 30 days or such other mutually agreed upon period to enable the City to comply with this Agreement.

Section 2.05. Supplemental Agreements and Change Orders. Each party shall appoint a member of its staff who will be authorized to give consent to Change Orders of up to \$500.00.

ARTICLE III

PROJECT FUNDING

Section 3.01. Project Cost. It is anticipated that the Project will not exceed \$2,535,000.00.

Section 3.02. Funding. City agrees to issued its Series 2001A twenty year General Obligation Improvement Bonds in the approximate amount of \$2,535,000.00 to be used for the construction of the Project.

Section 3.03. School Lease Costs. During the term of this Agreement, School's annual lease payment shall be equal to 45 percent of the annual bond payments for the Series 2001A Bonds or any successor bonds. School shall make its payment to the City in a timely fashion so that the School's payment is available to the City to be used to make the annual bond payment.

Section 3.04. City Costs. The remaining 55 percent of the annual bond payment for Series 2001A Bonds shall be paid by the City. Attached to this Agreement as "*Exhibit B*" is a proposed bond payment schedule for the Series 2001A Bonds.

Section 3.05. Refinancing and Prepayment of Bonds. City shall not cause the Series 2001A bonds to be refinanced or prepaid without the prior consent of School, which consent shall not be unreasonably withheld.

ARTICLE IV

CLAIMS

Section 4.01. Independent Contractor. In entering into this Agreement, the City is acting on its own behalf, and neither the City nor any officer, employee, consultant, agent or contractor of the City are or shall be deemed to be an agent or employee of the School. All claims that arise under the Worker's Compensation Act of the State on behalf of the employees of the City or its consultants, agents or contractors while engaged in doing Work under this Agreement and all claims made by any third parties as a consequence of any act or omission on the part of the employees of the City or its consultant, agents or contractors while so engaged shall in no way be the obligation or responsibility of the School.

Section 4.02. Contamination. Each party shall be responsible for the clean up costs of any contamination that is caused by that party. In the event that contamination is discovered and it cannot be determined which party is responsible for the contamination, the cost of clean up shall be shared equally by the parties.

Section 4.03. Other Liability.

(1) Each party to this Contract shall be liable for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of the other parties, their officers, employees or agents.

(2) Liability of the City or School shall be governed by the provisions of the Municipal Tort Claims Act, Minn. Stat. Ch. 466, and other applicable laws.

ARTICLE V

ADMINISTRATIVE PROVISIONS

Section 5.01. Books and Records. The City shall keep full, accurate and complete books and records relating to the planning, design, construction and reconstruction of the Project and the receipt, investment and expenditure all City and School moneys with respect to the Project, in accordance with generally accepted accounting principles. Such books and records and all related documents and accounting procedures are subject to review and examination by the School.

Section 5.02. Conflicts of Interest. No member of the governing body or other official of any party shall have any financial interest, direct or indirect, in this Agreement or any contract, agreement or other transaction contemplated to occur or be undertaken hereunder, nor shall any such member of the governing body or other official participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

Section 5.03. Insurance. City shall cause the Project to be properly insured. The cost of insuring the Project shall be paid 55% by City and 45% by School.

Section 5.04. Damage or Loss. In the event there is damage to the Project, which damage is covered by insurance, insurance proceeds shall be used to repair or replace the damaged property. If the insurance proceeds are insufficient to fully cover the cost of repair or replacement, and the parties both agree to repair or replace the property, the parties shall make up the difference in the percentages of 55% City; 45% School.

If the Project is totally destroyed and the parties agree not to rebuild the Project, all insurance proceeds received shall be applied first to any bonds outstanding which were used to construct or improve the Project and which bonds have not been repaid. After insurance proceeds have been set aside to repay any such bonds, any excess insurance proceeds shall be divided City 55%; School 45%.

Section 5.05. Law Governing. This Agreement shall be governed and construed in accordance with the laws of the State of Minnesota.

Section 5.06. Benefit of this Agreement. This Agreement and the provisions hereof shall inure to the benefit only of the City and the School and shall not be construed to confer any rights or benefits upon any other persons as third party beneficiaries or otherwise.

Section 5.07. Severability; Interpretation.

(1) If any provision of this Agreement shall be held to be unenforceable to contrary to law by any court or competent jurisdiction, or shall be mutually determined to be unenforceable by the parties upon the advice of their legal counsel, the remaining provisions hereof shall remain in full force and effect.

(2) This Agreement shall be construed to give the fullest effect to the intentions of the parties as expressed herein.

Section 5.08. Entire Agreement. This Agreement supersedes any prior written memorandum or oral understanding among the parties relating to the Project. Amendments to Agreement must be in writing.

Section 5.09. Unavoidable Delay. The date specified in this Agreement for the performance of any action by any party shall be extended by a period equal to the period of any Unavoidable Delay relating thereto; provided that an Unavoidable Delay with respect to one performance date shall not automatically extend the time of performance by a subsequent date of any other action required of either party.

Section 5.10. Effective Date. This Agreement shall become effective upon execution and delivery by all of the parties and shall remain in effect for a term of 21 years thereafter, unless terminated by any of the parties as set forth in Section 5.12.

Section 5.11. Termination. This Agreement may not be terminated by either party until any and all bonds issued for the construction of the building have been paid in full. When such bonds have been paid in full, this Agreement may be terminated by either party upon at least twelve months written notice to the other party.

Section 5.12. Completion of Bond Payments. Once the Series 2001A Bonds, or their successors, have been paid in full, School shall not be required to make any annual payment as required under Section 3.03. School shall pay only those other costs called for by this Agreement and any subsequent Agreement that may be made between the parties.

Section 5.13. Option to Buy 45% Interest. At any time after the Series 2001A Bonds, or their successors, are paid in full, School can elect to become the owner of an undivided 45% interest in the Project, excluding the real estate. School can exercise this option by delivering written notice to the City and tendering payment of \$1.00. Upon the exercise of this option to buy, the terms of this Agreement will remain in effect, including the provisions regarding termination of the Agreement.

Section 5.14. Effect of Termination. If School exercises its option to buy a 45% interest in the Project, upon termination of this Agreement by either party after the bonds have been paid, the parties shall agree on the value of only the building as of the last date of this Agreement, i.e., the last day after the twelve month notice. No land value will be included in this value. It is agreed the land value will not be included since the City owned the land prior to this Project. The School's share shall be 45 percent of the value of only the building determined as of the last date of this Agreement. The School's 45 percent shall be paid within ninety days after such time that the City sells the property to a third party. The School's 45 percent share shall not accrue interest from the last date of the Agreement until such time as it is paid pursuant to this Agreement. It is the intent of both parties that upon the termination of this Agreement, the City shall not be required to pay the School District for its share until such time the City sells to a third party the property on which this Project is located.

Section 5.15. Amendment of Agreement. This Agreement cannot be amended except by written agreement of both parties.

Section 5.16. Capital Improvements and Repairs. During the term of this Agreement, if any capital improvements or structural repairs are needed to preserve or protect the integrity of the Project, the costs thereof shall be paid 55 percent by the City and 45 percent by the School. No capital improvements or structural repairs shall occur unless both parties agree. Both parties agree that they will not unreasonably withhold their consent to any reasonable request for capital improvements or structural repairs.

Section 5.17. Operating Agreement. The parties may, by separate agreement, provide for the daily routine maintenance of the Project and providing for the day to day operation of the Project.

Section 5.18. Assignment and Subletting Prohibition. This Agreement may not be assigned or sublet by School District to any third party without the prior written consent of City. City will have no obligation to consent to any such request from School.

Section 5.19. Titles of Articles and Sections. Any titles of the several articles and sections of this Agreement are inserted for convenience or reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 5.20. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if an when it is dispatched by certified mail, postage prepaid, return receipt requested, or delivered personally, and

(1) in the case of the City, is addressed to or delivered personally to the following individuals:

*City of Hastings
101 East 4th Street
Hastings, Minnesota 55033
Attn: Director of Parks and Recreation*

With a copy to:

*City Attorney
Fluegel & Moynihan P.A.
1303 South Frontage Road, Suite 5
Hastings, Minnesota 55033*

(2) in the case of the School, is addressed to or delivered personally to the School at:

*Independent School District No. 200
9th and Vermillion Streets
Hastings, MN 55033
Attn: Superintendent*

With a copy to:

Exhibit "A"

That part of the Northeast quarter of the Southwest quarter of Section 28, Township 115, Range 17, commencing at the Northwest corner of Lot 4, Block 15, William Allison's Addition to the Town of Hastings; thence North 225 feet to the Northwest corner of Lot 1, Block 15 of said William Allison's Addition to the Town of Hastings; thence West 207.82 feet; thence South 225 feet to a point 207.82 feet West of the Northwest corner of said Lot 4, Block 15, William Allison's Addition to the Town of Hastings; thence East 207.82 feet to the point of beginning in Dakota County, Minnesota.