

OPERATING SERVICE AGREEMENT

This Agreement is made between the City of Mankato, the City of North Mankato, the City of Skyline, and the County of Blue Earth (hereinafter jointly referred to as "Owners") and Independent School District 77 (hereinafter referred to as "Operator").

The parties agree that the All Seasons Arena is an asset to the citizens living within the geographical boundaries of the governmental units involved in the Agreement. They further agree that said facility is to be operated in the best interest of the general public. Now, therefore, in order to meet those requirements, it is hereby agreed by the parties hereto as follows:

1.) The Operator shall manage the All Seasons Arena facility through the Community Education and Recreation Advisory Council (CERAC) and Community Education and Recreation Department (CER), an agency of Independent School District 77. CER shall conduct the day-to-day activities and operations at the Arena facility. The Operator shall consult with the Arena Board with reference to operating methods, procedures, programming, and policy. Job descriptions of fulltime employees, salaries, benefits, and individual responsibilities of employees shall be determined by the Arena Board, with input and recommendations for same to be furnished by CERAC/CER. All fulltime employees and personnel will be hired, selected and approved by the Arena Board and shall serve at the discretion of and under such conditions as are established by the Board and employee in any employment agreement which may be established. All fulltime employees shall be reviewed and evaluated on at least an annual basis to determine retention and any adjustments in salary or benefits as may be appropriate..

2.) The Operator shall be responsible for maintaining the financial records and statements of the All Seasons Arena in conformity of Generally Accepted Accounting Principles (GAAP). An audit of the financial statements shall be performed by an independent auditing firm annually. A statement of income and expenses will be prepared by the Operator and presented to the Arena Board on a monthly basis.

3.) The Operator shall limit expenditures to budgeted amount and shall not incur expenses outside budget limitations except with the consent of the Owners.

4.) The Operator shall not be required to advance any funds or pay any portion of the expenses except from income received by the Operator pursuant to the terms of this Agreement.

5.) The term of the Operator's Agreement shall be for a period of three (3) years, expiring June 30, 2019, unless renewed by mutual agreement.

6.) The governmental units designated as Owners shall provide to the Operator the sum of forty thousand dollars (\$40,000) in operating funds per operating year. Proportions are to be based on the formula as outlined in Exhibit A attached hereto and incorporated by reference. Said operating funds are to be requested in writing within fifteen (15) days' notice of desired receipt date. If the census formula changes by 5% or more, adjustment will be made to the formula accordingly. The governmental units will be notified if changes are made.

7.) The Operator does further agree to keep in full force and effect during the terms of this contract, either individually or through Independent School District 77, a general liability insurance policy with coverage for bodily injury liability in the amount of at least two million dollars (\$2,000,000.00) per person, with a limit of one million dollars (\$1,000,000.00) per occurrence. The undersigned individuals state that they have the authority from their respective governmental units and that they execute this Agreement on behalf of said governmental units.

City of Mankato:

BY [Signature] Its City Manager

DATE April 12, 2016

City of North Mankato

BY [Signature] Its City Administrator

DATE 4/18/16

City of Skyline

BY [Signature] Its MAYOR

DATE 4-11-2016

County of Blue Earth

BY [Signature] Its Board Chair

DATE 4-5-16

Independent School District 77:

BY _____ Its _____

DATE _____

Exhibit A:

ALL SEASONS ARENA

OWNERSHIP FORMULA

<u>Unit</u>	<u>Unit Share 4-Owners</u>	<u>Owner Share</u>
Mankato	64.7352 %	\$25,894.00
North Mankato	21.7756 %	\$ 8,710.00
Blue Earth County	12.7801 %	\$ 5,112.00
Skyline	.7091 %	\$ 284.00
		\$40,000.00