

City of Mora, MN
AIRPORT BOARD
Meeting Minutes

February 9, 2021

Present: Jody Anderson, Karla Kastenbauer, Ryan Martens, Stefan Salmonson and Nick Stafford
Absent: None
Staff Present: Joe Kohlgraf and Beth Thorp

1. Call to Order. Stafford called the meeting to order at 5:00 pm.
2. Roll Call.
 - Anderson – Present
 - Kastenbauer – Present
 - Martens – Present
 - Salmonson – Present
 - Stafford – Present
3. Adopt Agenda. Motion by Martens, second by Kastenbauer to adopt the February 9, 2021 meeting agenda as presented. All present voted aye, motion carried.
4. Minutes. Motion by Kastenbauer, second by Anderson to approve the January 12, 2021 meeting minutes as presented. All present voted aye, motion carried.
5. Hangar Land Lease Agreement. The board continued its review, which began at the January 12, 2021 meeting, of the Hangar Land Lease Agreement approved by the City Council in August 2020.
 - Section 7. Construction of Private Buildings on Premises.
 - No concerns or discussion on items g., h., or j.
 - Section 8. Maintenance of Leased Property.
 - Stafford commented that there was a concern with Section 8.b. Martens questioned who determined what was “properly maintained”; Kohlgraf responded that the Building Code would apply in this section. Anderson added that the city did not want to see any garbage or waste accumulate on airport property. Salmonson suggested that tall grass may be a concern; Kohlgraf stated that the city attempted to maintain greater amounts of grassy areas each year. Salmonson asked if the City Code addressed unlicensed vehicles; Thorp confirmed that it did. There were no suggested changes to this section.
 - In reviewing Section 8.c., Stafford asked Kohlgraf if the city intended to stop removing snow from in front of the hangars; Kohlgraf responded that the city’s recently adopted snow removal policy covers all snow removal issues. There were no suggested changes to this section.
 - Section 9. Hazardous Materials.
 - No concerns or discussion.
 - Section 10. Taxes, Assessments and Other Charges.
 - No concerns or discussion.

- Section 11. Default.
 - Salmonson asked if there was a history of default; staff was not aware of any past problems. Stafford shared that Dustin Paulson had expressed a concern with Section 11.a.(3) in regard to inspections being required with only a 10-day notice, adding that it could be difficult for hangar owners who travel south in winter months to accommodate this requirement. Stafford continued that hangar owners would likely not be comfortable allowing city staff to enter their hangars without them present. Thorp suggested that the Agreement was not requiring the inspection to occur within 10 days of notice, but rather the reference to “10 days” applied to the continuation of a default witnessed during the inspection. Salmonson expressed concern with the need for an inspection, asking what might trigger an inspection and stating that there must be probable cause; Anderson suggested that an inspection may be required if there was a large amount of debris outside the hangar or for confirmation that the majority of the hangar was being used for aviation related items. Kohlgraf commented that he may need entry to verify tail numbers. Salmonson again cautioned that probable cause is necessary to gain entry. Martens suggested moving on with the review and returning to Section 11 after other related sections had been reviewed.
- Section 12. Termination Provisions.
 - In reference to Section 12.b., Stafford asked what amount of time constitutes “deserted, abandoned or vacated”. Salmonson asked if there were any other city contracts or language that might provide a time frame to use as a basis for this agreement; board members generally agreed that hangars should not be considered deserted, abandoned or vacated if the hangar owner continued to make lease payments and pay taxes. Salmonson suggested that the City Attorney provide the legal definition of abandonment as it related to property and land, and include that in the agreement. Board members and staff again discussed the amount of time needed to declare a hangar deserted, abandoned or vacated, with Martens wondering if traveling south during winter months constituted desertion, abandonment, or vacation. Anderson suggested that the city would attempt to contact hangar owners prior to declaring a hangar deserted, abandoned or vacated, and this would likely clarify the hangar owner’s intent. The consensus of the board was for staff to define the amount of time which constituted “deserted, abandoned or vacated” and include that in the agreement. Martens suggested that this language may be intended for city owned hangars rather than privately owned hangars; Kastenbauer and Salmonson both responded that it applied to privately owned hangars being that they were located on city property. Stafford commented that his concern was ensuring that hangar owners made their annual lease payment and perhaps the agreement should include language discussing what happens if lease payments were not made within a certain time frame such as six months; Martens commented that this was addressed in Section 11.a. Events of Default. Anderson added that the agreement specified that lease payments were due annually by January 31st.
 - Martens inquired about language included in Section 12.a. allowing hangar owners to remove all buildings and property from the premises upon termination of the lease; Salmonson responded that it had been done in the past but it most likely was not cost effective for the hangar owner.
- Section 13. Surrender of Premises.

- No concerns or discussion.
- Section 14. Liability and Indemnification.
 - Stafford questioned holding the city harmless as discussed in Section 14.a. and sought clarification; Salmonson responded that the city should not be let off the hook for damage to private property and suggested that the language included in this section was not enforceable. Board members discussed different scenarios of damage to private property. Anderson commented that this section also included language that seemed to contradict the beginning of the section; the consensus of the board was that the “first part” and “second part” (beginning with “Nothing in this lease...”) of the section contradicted each other and discussed options for resolving the contradiction. The consensus of the board was that this section needed to be further reviewed and amended, but no specific recommendations were provided.
- Section 15. Insurance.
 - The board discussed Section 15.a.(2) which required that hangar owners insure all personal property located on the leased premises, questioning the city’s interest in this requirement and the requirement that items be insured at 100% of their fair market value. Anderson suggested that the city may just want to make sure that all hangar contents are insured; Salmonson and Kastenbauer responded, if that was the case, that hangar owners could simply provide proof of insurance to the city. Stafford stated his hangar insurance covers up to a certain value of personal belongings, adding that all building policies generally cover personal belongings contained inside the building. Board members and Kohlgraf discussed the differences between Sections 15.a.(2) and 15.a.(3), with the consensus that a.(2) applied to all privately owned hangars and a.(3) applied specifically to hangars used for commercial purposes. Kohlgraf suggested and the consensus of the board was to delete “for an aggregate amount equal to one hundred percent (100%) of the fair market value of the personal property or the insurable value, whichever is greater. The policies shall be in a form satisfactory to City, and copies of the insurance policies or certificates thereof evidencing such coverage and that such insurance is payable to Tenant.”, and to add “Tenant shall provide City with insurance carrier and policy number.” Stafford, expressing concerns, asked if the city would require proof of insurance on each item kept within the hangar; Kohlgraf suggested that the city would only need proof that personal property was insured (one policy). Stafford explained that he believed all hangars should have liability insurance and that the city should be listed on those policies, further explaining that the city shouldn’t be responsible for dealing with damaged hangars. Anderson commented that the issue of insurance related to Section 14. Liability and Indemnification and questioned what would happen if, for instance, an individual slipped and fell inside a privately owned hangar; fellow board members suggested that the injured party would first take action with the hangar owner, and Salmonson suggested that the city be co-insured to provide protection in that type of scenario.
 - Board members, understanding that commercial uses were not allowed within privately owned hangars and believing that all of Section 15.a.(3) pertained to commercial uses, suggested that the section be removed if not applicable. Board members also discussed the fact that the insurance limits included in this section (\$1,500,000) were not standard limits and should be adjusted to \$1,000,000 if this

section was kept in the agreement. Kohlgraf stated that he would review this section further.

- Section 16. Transferring, Subletting, Selling.
 - Martens suggested that Section 16 made sense for city owned hangars but should be deleted entirely from the agreement pertaining to privately owned hangars. Salmonson questioned how the city would have any say in approving the transfer of a privately owned hangar; Stafford commented that the city should be involved in transfers and sales because they involved assumption of leases with the city. Board members discussed the meaning of “subletting” and whether it applied to the entire hangar or even just a portion thereof; Kohlgraf speculated that “subletting” in this instance referred to the entire hangar. Board members expressed concern with the city controlling subletting, suggesting that up to eight current aircraft owners would be impacted. Board members discussed at length why the city would need to be involved in approving the transfer of a lease agreement upon the transfer or sale of a privately owned hangar, with Salmonson suggesting that it could be an administrative task; Thorp stated that the lease agreement was between the city and a tenant and staff did not have authority to amend a contract on behalf of the City Council. Board members continued to debate the intended meaning of “subletting” and Kastenbauer questioned how much control the city wished to have over the use of privately owned hangars as opposed to city owned hangars. Thorp suggested and the consensus of the board was to remove all references to “subletting” from this section, including the statement that “The Tenant is strictly prohibited from subletting the Premise.”
- Section 17. Right of Entry.
 - Board members questioned why the city would need to enter a privately owned hangar. Kohlgraf suggested deleting “at any time” from the first sentence, commenting that he would never need immediate access and if there was probable cause he would contact law enforcement. Board members discussed options for rewording this section. Salmonson commented that one of the main concerns about the entire agreement was the “heavy handed” language and deleting “at any time” may help alleviate that. The consensus of the board was to delete “at any time” from the first sentence.
- Section 18. Discrimination Provision.
 - No concerns or discussion.
- Section 19. Civil Rights.
 - No concerns or discussion.
- Section 20. Laws, Rules and Regulations.
 - No concerns or discussion.
- Section 21. Commercial Use.
 - Anderson commented that there was too much gray area in this section. Salmonson suggested that because the section pertained to commercial uses it may not be applicable to this agreement. Stafford stated that Dustin Paulson had expressed concerns with the meaning of commercial uses and questioned if certain activities would be prohibited, such as an aircraft owner making repairs to his / her own aircraft or hiring a mechanic to perform work within the privately owned hangar. The consensus of the board was that these scenarios did not constitute commercial activity. Anderson questioned if a hangar owner taking in another individual’s

aircraft to repair or restore it would constitute commercial activity; Stafford responded that it could be considered commercial if it was being done as a job. Salmonson suggested that intent was the deciding factor – was the activity being performed for profit or as a friendly activity between aircraft owners. The consensus of the board was that “commercial use” needed to be defined in order to understand the intent.

- Section 22. Verification.
 - Stafford questioned which licensure requirements were being referred to in this section. Board members suspected that this language again pertained to commercial uses. Kohlgraf stated that his primary concern was verification of tail numbers.
- Section 23. Subordination.
 - No concerns or discussion.
- Section 24. General Provisions.
 - The board discussed Section 24.f. questioning why the city would require that the choice of law and venue be state or federal courts of Minnesota rather than local courts. Salmonson suggested that the venue may be determined by the dispute, controversy or claim, regardless of the wording used in the agreement. There was no suggested change to this section.

Salmonson asked Kohlgraf about the possibility of installing lighting adjacent to hangars for security purposes. Kohlgraf responded that it would either need to be included in the CIP or hangar owners could install their own lighting. Kohlgraf and board members discussed placement of poles.

- Section 11. Default.
 - The board returned to Section 11.a.(4) with a consensus to delete “subleases” from the first sentence.

6. Reports.

- a. 2021 Taxilane and Windcone Project. Kohlgraf shared that this project would be presented to the City Council on February 16th for consideration. Kohlgraf explained that the project involved the widening of the taxilane and the installation of a supplemental windcone near the crosswind runway.
- b. Staff Report. Kohlgraf reported the following:
 - Crack Filling. Kohlgraf shared that the most recent crack filling project was completed in 2020 but the contractor would return in spring 2021 to repair the crack filler that came out as a result of snowplowing.
 - Snow Removal. Kohlgraf shared that snow removal was occurring as needed.
 - Card Reader Project. Kohlgraf shared that the city was working on a card reader project and was waiting for software for the fuel system to arrive.
 - Fuel Line Repair. Kohlgraf shared that he was anticipating a fuel line repair project in the future but was hoping to align the project with the completion of the fuel remediation project so that all necessary paving could be completed at one time.
- c. Courtesy Car. Salmonson inquired if the courtesy car would be returning to the airport soon. Kohlgraf stated that the city is still following CDC recommendations and therefore the car was parked at the city garage. Kohlgraf added that he’s been receiving more and more requests for the car and was hoping to return it to the airport as soon as possible. Board members discussed cleaning between uses and the possibility of developing a policy requiring users to be responsible for cleaning. Martens and Stafford shared that other municipal airports were

allowing the use of courtesy cars with signs posted that the vehicles were not being routinely cleaned (“use at your own risk”).

7. Adjournment. Motion by Kastenbauer, second by Martens to adjourn the meeting. All present voted aye and the meeting adjourned at 6:10 pm.



Nick Stafford, Chair



Beth Thorp, Secretary