

Regular Spencer Airport Board Meeting

Monday, June 8, 2026

3:00 PM

Main Conference Room, City Hall

101 W. 5th Street

Spencer, Iowa

Agenda

1. Roll Call

Norris, Veit, Peterson, Steffan, Schoorman

2. Motion Adoption

A. Approve Airport Board Minutes of May 11, 2026

B. Approve Claims

3. New Business

A. Discuss Hangar Rent/New Hangar

B. Approve Dakota Air Spray Lease

C. Approve Completion Date Extension Request for the 8-Plex Nested T-Hangar Project

D. Approve Pay Estimate No. 4 for 2025 8-Plex Nested T-Hanger Contract No. 1 with Graves Construction for \$286,172.65

E. Approve Pay Estimate No. 1 for 2025 8-Plex Nested T-Hangar Contract No. 2 with Graves Construction for \$11,723.00

4. Old Business

5. Public Works Director Report

(no action to be taken)

6. Leading Edge Aviation Report

(no action to be taken)

7. Board Update

8. Items for Future Agendas

9. Adjourn



Spencer, IA

Airport Claims 4-13-2026

By Vendor Name

Payment Dates 5/12/2026 - 6/8/2026

Description (Item)	Account Name	Account Number	Project Account Key	Amount
Vendor: 01117 - Black Hills Energy				
1981 330th st hangar #5 - airp...	UTILITIES - GAS	660-5-280-63711		250.81
1981 330th st s offices - airport	UTILITIES - GAS	660-5-280-63711		115.35
			Vendor 01117 - Black Hills Energy	Total: 366.16
Vendor: 06030 - Farmers Trust & Savings Bank				
PAYROLL TAXES	FEDERAL TAXES PAYABLE	660-2-000-21201		64.92
PAYROLL TAXES	FEDERAL TAXES PAYABLE	660-2-000-21201		15.16
PAYROLL TAXES	FEDERAL TAXES PAYABLE	660-2-000-21201		29.31
			Vendor 06030 - Farmers Trust & Savings Bank	Total: 109.39
Vendor: 09049 - Iowa Public Employees Retirement System				
IPERS	IPERS PAYABLE	660-2-000-21203		111.27
IPERS	IPERS PAYABLE	660-2-000-21203		25.73
			Vendor 09049 - Iowa Public Employees Retirement System	Total: 137.00
Vendor: 39060 - JCL Solutions Spencer Office Supplies				
urinal screens	OPERATING SUPPLIES	660-5-280-65070		53.80
			Vendor 39060 - JCL Solutions Spencer Office Supplies	Total: 53.80
Vendor: 13052 - Menards -Spencer				
corner trim	BUILDING MAINT & REPAIR	660-5-280-63100		32.21
corner trim / screws	BUILDING MAINT & REPAIR	660-5-280-63100		86.36
cleanout and plug	GROUNDS MAINT & REPAIR	660-5-280-63200		8.55
PVC Cleanout Adapter	GROUNDS MAINT & REPAIR	660-5-280-63200		11.99
paint, primer and const. mater..	BUILDING MAINT & REPAIR	660-5-280-63100		277.86
drop ceiling tile	BUILDING MAINT & REPAIR	660-5-280-63100		360.00
ceiling tile - return	BUILDING MAINT & REPAIR	660-5-280-63100		-72.00
			Vendor 13052 - Menards -Spencer	Total: 704.97
Vendor: 19160 - Self Law Office PLLC				
Self Law Office - April 2026	LEGAL EXPENSE	660-5-280-64110		577.50
			Vendor 19160 - Self Law Office PLLC	Total: 577.50
Vendor: 19270 - Spencer Municipal Utilities				
1957 330 st -airport - electric	UTILITIES - ELECTRIC	660-5-280-63710		2,168.01
1963 330th st - airport suite 7...	UTILITIES - ELECTRIC	660-5-280-63710		547.20
1963 330th st -airport suite 9 ...	UTILITIES - ELECTRIC	660-5-280-63710		108.64
1957 330 st -airport - water	UTILITIES - WATER	660-5-280-63740		103.82
1957 330 st -airport - sewer	UTILITES - SEWER	660-5-280-63741		145.74
1957 - 330th st - airport	MISCELLANEOUS EXPENSE	660-5-280-65990		31.17
			Vendor 19270 - Spencer Municipal Utilities	Total: 3,104.58
Vendor: 20059 - State of Iowa Treasurer				
STATE WITHHOLDING	STATE TAXES PAYABLE	660-2-000-21202		16.97
STATE WITHHOLDING	STATE TAXES PAYABLE	660-2-000-21202		13.29
			Vendor 20059 - State of Iowa Treasurer	Total: 30.26
Vendor: 22069 - Visa (Public Works)				
Seal Airport Fuel System	EQUIPMINT MAINT & REPAIRS	660-5-280-63500		66.59
			Vendor 22069 - Visa (Public Works)	Total: 66.59
Vendor: 00117 - Wiley Electric				
Troubleshoot 8-Plex Hangar D...	BUILDING MAINT & REPAIR	660-5-280-63100		160.00
			Vendor 00117 - Wiley Electric	Total: 160.00
Grand Total:				5,310.25

Report Summary

Fund Summary

Fund	Expense Amount	Payment Amount
660 - AIRPORT ENTERPRISE	5,310.25	5,310.25
Grand Total:	5,310.25	5,310.25

Account Summary

Account Number	Account Name	Expense Amount	Payment Amount
660-2-000-21201	FEDERAL TAXES PAYABLE	109.39	109.39
660-2-000-21202	STATE TAXES PAYABLE	30.26	30.26
660-2-000-21203	IPERS PAYABLE	137.00	137.00
660-5-280-63100	BUILDING MAINT & REP...	844.43	844.43
660-5-280-63200	GROUNDS MAINT & REP...	20.54	20.54
660-5-280-63500	EQUIPMINT MAINT & RE...	66.59	66.59
660-5-280-63710	UTILITIES - ELECTRIC	2,823.85	2,823.85
660-5-280-63711	UTILITIES - GAS	366.16	366.16
660-5-280-63740	UTILITIES - WATER	103.82	103.82
660-5-280-63741	UTILITES - SEWER	145.74	145.74
660-5-280-64110	LEGAL EXPENSE	577.50	577.50
660-5-280-65070	OPERATING SUPPLIES	53.80	53.80
660-5-280-65990	MISCELLANEOUS EXPEN...	31.17	31.17
Grand Total:		5,310.25	5,310.25

Project Account Summary

Project Account Key	Expense Amount	Payment Amount
None	5,310.25	5,310.25
Grand Total:	5,310.25	5,310.25



Spencer, IA

Budget Report Account Summary

For Fiscal: 2025-2026 Period Ending: 05/31/2026

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance (Unfavorable)	Percent Remaining
Fund: 660 - AIRPORT ENTERPRISE							
Revenue							
660-4-280-4-4311	RENT INCOME - FARM	45,000.00	90,000.00	0.00	90,000.00	0.00	0.00 %
660-4-280-4-4312	RENT INCOME - HANGARS	45,000.00	45,000.00	0.00	27,379.85	-17,620.15	39.16 %
660-4-280-4-4313	RENT INCOME - FACILITIES	72,000.00	90,437.00	9,367.00	114,338.00	23,901.00	126.43 %
660-4-280-4-4341	FUELING FEES	15,000.00	15,000.00	552.03	16,367.08	1,367.08	109.11 %
660-4-950-4-4300	INTEREST	1,000.00	1,000.00	562.88	3,899.02	2,899.02	389.90 %
660-4-950-4-4799	OTHER REVENUE	0.00	9,000.00	0.00	16,214.71	7,214.71	180.16 %
	Revenue Total:	178,000.00	250,437.00	10,481.91	268,198.66	17,761.66	7.09%
Expense							
660-5-280-60100	SALARIES	15,000.00	15,000.00	870.87	21,458.31	-6,458.31	-43.06 %
660-5-280-60200	PART TIME SALARIES	4,500.00	4,500.00	374.88	4,322.84	177.16	3.94 %
660-5-280-60400	OVERTIME	2,500.00	2,500.00	0.00	1,294.15	1,205.85	48.23 %
660-5-280-61100	FICA - CITY	1,350.00	1,350.00	71.83	1,577.62	-227.62	-16.86 %
660-5-280-61200	MEDICARE - CITY	400.00	400.00	16.79	369.03	30.97	7.74 %
660-5-280-61300	IPERS - CITY	2,100.00	2,100.00	82.22	2,504.97	-404.97	-19.28 %
660-5-280-62400	MEETINGS & CONFERENCES	1,500.00	1,500.00	881.25	881.25	618.75	41.25 %
660-5-280-63100	BUILDING MAINT & REPAIR	25,000.00	25,000.00	883.40	23,536.85	1,463.15	5.85 %
660-5-280-63200	GROUNDS MAINT & REPAIR	10,000.00	10,000.00	8,079.03	19,134.73	-9,134.73	-91.35 %
660-5-280-63310	VEHICLE OPERATIONS - FUEL	1,000.00	1,000.00	0.00	0.00	1,000.00	100.00 %
660-5-280-63320	VEHICLE MAINT & REPAIR	500.00	500.00	0.00	0.00	500.00	100.00 %
660-5-280-63500	EQUIPMENT MAINT & REPAIRS	4,500.00	4,500.00	0.00	4,755.85	-255.85	-5.69 %
660-5-280-63710	UTILITIES - ELECTRIC	31,000.00	31,000.00	2,823.85	32,504.43	-1,504.43	-4.85 %
660-5-280-63711	UTILITIES - GAS	6,000.00	6,000.00	366.16	2,975.71	3,024.29	50.40 %
660-5-280-63740	UTILITIES - WATER	2,000.00	2,000.00	103.82	2,208.46	-208.46	-10.42 %
660-5-280-63741	UTILITIES - SEWER	1,500.00	1,500.00	145.74	1,984.86	-484.86	-32.32 %
660-5-280-64070	ENGINEERING	0.00	0.00	0.00	888.00	-888.00	0.00 %
660-5-280-64080	INSURANCE EXPENSE	10,000.00	10,000.00	0.00	9,261.00	739.00	7.39 %
660-5-280-64110	LEGAL EXPENSE	1,000.00	1,000.00	0.00	690.00	310.00	31.00 %
660-5-280-64182	PROPERTY TAXES	240.00	240.00	0.00	236.00	4.00	1.67 %
660-5-280-64902	ASSOCIATION DUES - CITY	500.00	500.00	0.00	0.00	500.00	100.00 %
660-5-280-64990	OTHER CONTRACTUAL SERVICES	41,445.00	41,445.00	3,581.58	46,560.54	-5,115.54	-12.34 %
660-5-280-65070	OPERATING SUPPLIES	2,500.00	2,500.00	53.80	613.96	1,886.04	75.44 %
660-5-280-65083	POSTAGE / SHIPPING FEES	200.00	200.00	0.00	72.00	128.00	64.00 %
660-5-280-65990	MISCELLANEOUS EXPENSE	5,500.00	5,500.00	31.17	4,264.22	1,235.78	22.47 %
660-5-280-69300	TRANSFERS TO WORK COMP	800.00	800.00	0.00	0.00	800.00	100.00 %
660-5-280-69400	TRANSFERS TO PROPERTY INS	5,780.00	5,780.00	0.00	0.00	5,780.00	100.00 %
	Expense Total:	176,815.00	176,815.00	18,366.39	182,094.78	-5,279.78	-2.99%
	Fund: 660 - AIRPORT ENTERPRISE Surplus (Deficit):	1,185.00	73,622.00	-7,884.48	86,103.88	12,481.88	-16.95%
Fund: 661 - AIRPORT RESERVE							
Revenue							
661-4-950-3-4400	FEDERAL GRANTS	67,500.00	67,500.00	0.00	0.00	-67,500.00	100.00 %
661-4-950-4-4300	INTEREST	12,000.00	12,000.00	1,122.90	16,435.05	4,435.05	136.96 %
	Revenue Total:	79,500.00	79,500.00	1,122.90	16,435.05	-63,064.95	79.33%
Expense							
661-5-280-67270	OTHER CAPITAL EQUIPMENT	25,000.00	25,000.00	0.00	0.00	25,000.00	100.00 %
661-5-280-67990	OTHER CAPITAL OUTLAY	0.00	0.00	0.00	107,381.25	-107,381.25	0.00 %
	Expense Total:	25,000.00	25,000.00	0.00	107,381.25	-82,381.25	-329.53%
	Fund: 661 - AIRPORT RESERVE Surplus (Deficit):	54,500.00	54,500.00	1,122.90	-90,946.20	-145,446.20	266.87%
	Report Surplus (Deficit):	55,685.00	128,122.00	-6,761.58	-4,842.32	-132,964.32	103.78%

Group Summary

Account Typ...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
Fund: 660 - AIRPORT ENTERPRISE						
Revenue	178,000.00	250,437.00	10,481.91	268,198.66	17,761.66	7.09%
Expense	176,815.00	176,815.00	18,366.39	182,094.78	-5,279.78	-2.99%
Fund: 660 - AIRPORT ENTERPRISE Surplus (Deficit):	1,185.00	73,622.00	-7,884.48	86,103.88	12,481.88	-16.95%
Fund: 661 - AIRPORT RESERVE						
Revenue	79,500.00	79,500.00	1,122.90	16,435.05	-63,064.95	79.33%
Expense	25,000.00	25,000.00	0.00	107,381.25	-82,381.25	-329.53%
Fund: 661 - AIRPORT RESERVE Surplus (Deficit):	54,500.00	54,500.00	1,122.90	-90,946.20	-145,446.20	266.87%
Report Surplus (Deficit):	55,685.00	128,122.00	-6,761.58	-4,842.32	-132,964.32	103.78%

Fund Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)
660 - AIRPORT ENTERPRISE	1,185.00	73,622.00	-7,884.48	86,103.88	12,481.88
661 - AIRPORT RESERVE	54,500.00	54,500.00	1,122.90	-90,946.20	-145,446.20
Report Surplus (Deficit):	55,685.00	128,122.00	-6,761.58	-4,842.32	-132,964.32

**NORTHWEST IOWA REGIONAL AIRPORT
FACILITIES LEASE AGREEMENT**

DAKOTA AIR SPRAY, LLC

THIS LEASE AGREEMENT, executed in duplicate, is made this _____ day of June, 2026, between the City of Spencer, acting through its Spencer Municipal Airport Board of Trustees; ("City") and Dakota Air Spray, LLC ("Lessee").

1. **Premises.** The City, in consideration of the rents herein provided and of the Agreements and Conditions herein contained, leases to the Lessee. and the Lessee hereby agrees to lease and rent from the City according to the terms and provisions herein, 4,680 square feet of ground floor hangar space and 985 square feet of hangar office space. all in the West Bay of the Main Maintenance Hangar at the Northwest Iowa Regional Airport as depicted on Exhibit B, attached.

The Lessee shall have sole and absolute control of the leased space and of the accesses, exits, and entries thereto, subject only to the right of the City to enter the premises for purpose of inspection, repair or maintenance of the hangar property or in an emergency or during the shared use portion of the lease .

In addition, the Lessee shall have the joint right, in common with other Lessees of Airport facilities and with the general public, to use ramps, parking areas, driveways and sidewalks adjacent to the leased property.

2. **Term.** The initial term of this Agreement shall be for a period of **three (3) years**, commencing on _____ and expiring on _____, unless terminated earlier in accordance with the provisions herein.

3. **Rent.** Lessee agrees to pay to the City monthly rent based on the following schedule:
- a. *Exclusive Use Rate:* \$1,500.00 per month. This rate applies during any period where the Lessee has exclusive use of the premises (months 1–3 of each year of the Term).
 - b. *Shared Use Rate:* \$750.00 per month. This rate applies during any period where the Lessee shares space with the City of Spencer Public Works Department (months 4–12 of each year of the Term).

Rent is due in advance on the first day of each month. Any initial partial month will be charged at a prorated daily rate of \$50.00.

4. **Automatic Renewal.** Upon the expiration of the initial term, this Agreement shall automatically renew for up to two (2) consecutive terms of three (3) years each (each a "Renewal

Term") unless otherwise terminated as provided herein. For each Renewal Term, the monthly rent (including both the Exclusive Use Rate and Shared Use Rate) shall be an amount equal to the monthly rent of the preceding term increased by five percent (5%).

5. **Utilities.** In addition to the rent, the Lessee shall pay all utility and service fees relating to the leased premises, including, without limitation: electrical power, sewer, water, telephone, cable television, and natural gas.

6. **Possession.** Lessee shall be entitled to possession on the first day of the term of this Lease and shall yield possession to the City on the last day of the Lease term.

7. **Use of Premises.** Lessee agrees during the term of this Lease to use and occupy the leased premises only for airplane equipment and materials storage. No lodging is permitted. Lessee may store agricultural chemicals on the leased premises only in accordance with Iowa and Federal regulatory requirements. The Lessee shall remove all such chemicals at or prior to the termination of the lease.

8. **Quiet Enjoyment.** The City covenants that its estate in this premises in Fee Simple Title and that the Lessee, upon performance of all terms of this Lease, may have, hold and enjoy the lease premises for the term of this Lease, free from eviction or disturbance by the City or any other persons.

9. **Co-Tenancy with City of Spencer Public Works:** In consideration of the rent reduction provided in Paragraph 3, the Lessee agrees to share the premises with the City of Spencer Public Works Department for the final nine months of each year of the lease. Both parties agree to maintain the premises in a manner that allows for the City's operational needs while respecting the Lessee's right to conduct business. The City and the Lessee shall coordinate the use of common areas and storage to ensure mutual accessibility.

10. **Care and Maintenance of the Premises.** The City shall keep the roof, structural part of the floor, walls and other structural parts of the building, electrical service to the premises, and mechanical equipment in good repair. The Lessee shall be responsible for minor, routine maintenance. To that end, the Lessee shall pay up to Three Hundred Dollars (\$300.00) of minor repair and maintenance expense each month, if such maintenance is required. Maintenance or repair costs in excess of Three Hundred Dollars (\$300.00) per month shall be paid by the City, only upon advance approval by the City of the repair or maintenance expense. Lessee shall promptly advise the City when City maintenance is requested and required.

Lessee shall, at its expense, care for and maintain the premises in reasonably safe and serviceable condition, except for structural parts of the building. Lessee, at its expense, will make all interior improvements, but only with the written approval of the City. Lessee will not permit or

allow the premises to be damaged or depreciated in value by any act or negligence of the Lessee, its agents or employees.

At the end of the Lease term, all permanent improvements added to the premises by the Lessee that are substantially affixed to the premises shall become the property of the City. Such improvements shall include the floor covering, walls, and interior ceiling, doors and windows.

Lessee will make no unlawful use of the premises and agrees to comply with all valid regulations of the Board of Health, City Ordinances, or applicable State and Federal laws and regulations, but this provision shall not be construed as creating any duty by the Lessee to members of the general public. The Lessee shall not permit the accumulation of solid wastes on or about the premises. The Lessee is not granted any right of exterior storage of merchandise, supplies, equipment or inventory under the terms of this Lease and shall make no such storage.

Lessee shall maintain sufficient heat in the premises to prevent freezing of plumbing.

11. **Assignment and Subletting.** Any assignment of this Lease or subletting of the premises or any part hereof, without the City's written permission, is prohibited. Such permission shall not be unreasonably withheld.

12. **Taxes.** All real estate taxes and special assessments levied against the property during the term of this Lease shall be paid by the City. All personal property taxes levied against the property of the Lessee shall be paid by the Lessee.

- a. The City and the lessee will each keep their respective property interests in the premises and the personal property on the premises reasonably insured against hazard and casualties; that is, fire and those items usually covered by extended coverage. Such insurance shall be made payable to the parties as their interests may appear.
- b. Lessee will not do or permit the doing of any act that would vitiate any insurance or increase the insurance rates in force upon the real estate improvements on the premises or upon any personal property of the Lessee upon which the City by law or by the terms of this Lease has or shall have a lien.
- c. Lessee further agrees to comply with the recommendations of the Iowa Insurance Service Bureau and to be liable for and to promptly pay, as if current rental, any increase in City insurance rates on said premises and on the building of which said premises is a part, due to increased risks or hazards resulting from Lessee's use of the premises other than is herein contemplated and agreed.

13. **Indemnity and Liability Insurance.** Except as to any negligence of the City arising out of roof and structural parts of the building, Lessee will protect, indemnify and save

harmless the City from and against any and all loss, cost, damages and expenses occasioned or arising out of any accident or other occurrence in, upon or about the leased premises or due directly or indirectly to the tenancy, use or occupancy thereof. The Lessee further covenants and agrees that it will, at its own expense, procure and maintain casualty and liability insurance in a responsible company authorized to do business in the State of Iowa in amounts not less than \$2,000,000 for any one person injured, \$2,000,000 for any one accident, and with limits of \$2,000,000 for property damage. Lessee shall provide proof of the existence of such insurance as required by the City. However, any of the foregoing notwithstanding, it is hereby agreed between the City and the Lessee that each of the parties hereto waives any and all right of recovery against the other for any loss or damage occurring to the leased premises or any part thereof or to any personal property from any insured peril to the extent of all the valid and collectible insurance, whether or not such loss or damage was caused by the negligence of such other party, its agents or employees; and acknowledgment of said waiver of subrogation shall be provided in the insurance policies covering the loss or damage by such insured peril.

14. **Fire and Casualty; Partial Destruction of Premises.** In the event of a partial destruction or damage of the lease premises, which prevents the conducting of normal business operations, and which damage is reasonably repairable within sixty (60) days after its occurrence, this Lease shall not terminate, but the rent for the leased premises shall abate during the time of such business interference. In the event of partial destruction, the City shall repair such damages within sixty (60) days of occurrence, unless prevented from doing so by acts of God, the elements, the public enemy, strikes, riots, insurrection, government regulations, City ordinance, labor, material or transportation shortages or other causes beyond the City's reasonable control.

15. **Total Destruction of Leased Premises.** In the event of a destruction or damage of the leased premises such that Lessee is unable to conduct its business on the premises, which damages cannot be repaired within sixty (60) days, this Lease may be terminated at the option of either the City or the Lessee. Notices of such termination shall be given in writing within twenty (20) days after such damage. Lessee shall surrender possession with thirty (30) days after such notice issues, and each party shall be released from all future obligations under this Lease. Lessee shall pay rent pro rata only to the date of such destruction.

16. **Defaults.** Upon default and payment of rent, or upon any other default by Lessee in accordance with the terms and provisions of this Lease, this Lease may, at the option of the City, be cancelled and forfeited; provided, however, before any such cancellation or forfeiture, except as provided in the following paragraph, the City shall give the Lessee a written notice specifying the default and stating that the Lease will be cancelled and forfeited ten (10) days after the giving of such notice, unless such default is remedied within such period.

In the event Lessee is adjudicated bankrupt or in the event of a judicial sale or other transfer of the Lessee's leasehold interests, by reason of any bankruptcy or insolvency proceedings, or by other operation of law, the City may, at its option, immediately terminate this Lease and re-enter the premises upon giving ten (10) days' written notice, all to the extent permitted by applicable law.

17. **Signs.** The Lessee shall have the right to place signs upon the Northwest Iowa Regional Airport relating to the Lessee's business; however, the place and location, size and other characteristics of such signs shall be subject to the rules, regulations and requirements of the City, the Iowa Department of Transportation and the Federal Aviation Administration; and all such signs shall be placed, located and maintained only in accordance with those rules and regulations.

18. **Mechanical Liens.** Neither the Lessee, nor anyone claiming by, through or under the Lessee, shall have the right to file or place any mechanics lien or other lien of any kind or character whatsoever upon the premises.

19. **Environmental.** Lessee expressly represents and agrees:

- a. During the lease term, Lessee shall be fully liable for all costs and expenses related to the use, storage, removal and disposal of hazardous substances used or kept on the property by Lessee, and Lessee shall give immediate notice to City of any violation or any potential violation of any environmental regulation, rules, statute or ordinance relating to the use, storage or disposal of any hazardous substance.
- b. Lessee, at its sole cost and expense, agrees to remediate, correct or remove from the premises any contamination of the property caused by any hazardous substances which have been used or permitted by Lessee on the premises during any term of this Lease. Remediation, correction or removal shall be in a safe and reasonable manner, and in conformance with all applicable laws, rules and regulations. Lessee reserve all rights allowed by law to seek indemnity or contribution from any person, other than the City, who is or may be liable for any such cost and expense.
- c. Lessee agrees to indemnify and hold the City harmless from and against all claims, causes of action, damages, loss, costs, expense, penalties, fines, lawsuits, liabilities, attorney fees, engineering and consulting fees arising out of or in any manner connected with hazardous substances, which are caused or created by Lessee on or after the date of this Lease and during any term of this Lease, including but not limited to, injury or death to persons or damage to property and including any diminution of the value of any leased premises

which may result from the foregoing. This indemnity shall survive the cessation, termination, abandonment or expiration of this Lease.

20. **Binding Effect.** The agreements herein contained shall extend to and be binding upon the successors and assigns of the parties. This Lease may not be amended except by a written document signed on behalf of each of the parties.

21. **Standard Supplemental Lease Provisions.** Attached hereto, labeled “Exhibit A”, are Standard Supplemental Lease Provisions covering the lease of facilities at the Northwest Iowa Regional Airport, which are hereby incorporated in this Lease by this reference.

**CITY OF SPENCER, IOWA
AIRPORT BOARD OF TRUSTEES**

By: _____
Chairman

By: _____
City Clerk

Dakota Air Spray, LLC

By: _____
_____, Authorized Representative



"An Equal Opportunity Employer"

PHONE 712-262-2403
FAX 712-262-2405

1810 340th Street
P.O. Box 1417

SPENCER, IA 51301

www.gravesconst.com

May 22, 2026

Kruse, Cate & Nelson, P.C.
2303 W 18th
Spencer, IA 51301

RE: Northwest Iowa Regional Airport
8-Plex Nested T-Hangar Project

Dear Mr. Thiesse:

Graves Construction hereby requests an extension of the completion date on the Northwest Iowa Regional Airport 8-Plex Nested T-Hangar project.

Graves received the contract for this project on 8-26-25. At that time the material procurement process could begin which included shop drawing preparation for the hangar building. The hangar manufacturer had a lead time of 33 weeks for delivery of the hangar components following the start of the procurement process.

In conversations with Kruse, Cate & Nelson in the early fall of 2025 it was decided that there was no advantage to performing site work and hangar foundation and floor slab concrete work in the fall of 2025 if the hangar components would not be available until spring of 2026. Doing so would have unreasonably disrupted airport operations, would have resulted in the site sitting through the winter in an exposed state, and would not have saved any time in the construction process in terms of elapsed calendar days of work.

It was mutually agreed that the best course of action was to begin work in the spring of 2026 as soon as weather conditions allowed which would result in a seamless construction process that would, however, not be complete by the contract completion date of 6-15-2026. This decision was arrived at based solely on the lead time for the hangar components.

As such, Graves Construction hereby requests the completion date be extended to July 21st.

If you have any questions or comments, please don't hesitate to contact me.

Sincerely,
Graves Construction Co., Inc.


Jacob Matthies
Project Manager

KRUSE, CATE & NELSON, P.C.

ENGINEERING AND LAND SURVEYING SERVICE
SPENCER, IOWA 51301

JAMES E. THIESSE
BRIAN J. SCHMIDT
ROSS D. McWHIRTER

2303 W. 18TH STREET
PHONE 712-262-3468
FAX 712-262-9468
info@kcn-eng.com

June 2, 2026

City of Spencer Airport Board/City Council
101 W 5th Street
Spencer, Iowa 51301

Re: 2025 8-PLEX NESTED T-HANGAR, NORTHWEST IOWA REGIONAL AIRPORT
CONTRACT NO. 1 - Payment Estimate

Dear Barb & Mark:

We are transmitting herewith on behalf of the Contractor, Graves Construction Co., Inc, 1 copy of Payment Estimate No. 4 (Partial) for Contract No. 1 of subject project in the amount of **\$286,172.65**.

We have reviewed the quantities contained herein and recommend payment in the amount shown.

Very truly yours,

KRUSE, CATE & NELSON, P.C.

By: Ross McWhirter
Ross D. McWhirter, PE

2219PE.doc

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF THREE PAGES

TO OWNER: City of Spencer, Clay Co., Iowa
101 West 5th Street
Spencer, IA 51301

PROJECT: NW IA Regional Airport Hangar
CONTRACT NO. 1

FROM CONTRACTOR: Graves Construction Co Inc
PO Box 1417
Spencer, IA 51301

VIA ARCHITECT: Kruse, Cate & Nelson, P.C.
2303 West 18th Street
Spencer, IA 51301

CONTRACT FOR:

APPLICATION NO: 4

PERIOD TO: 5/31/2026

PROJECT NO: 3-19-0086-031
3-19-0086-032

CONTRACT DATE: June 12, 2025

Distribution to:
 OWNER
 ARCHITECT
 CONTRACTOR

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract, Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM \$ 1,226,840.40
2. Net change by Change Orders \$ 0.00
3. CONTRACT SUM TO DATE (Line 1 ± 2) \$ 1,226,840.40
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 777,157.00
5. RETAINAGE:
 - a. 5 % of Completed Work \$ 38,857.85
(Column D + E on G703)
 - b. 0 % of Stored Material \$ 0
(Column F on G703)
 Total Retainage (Lines 5a + 5b or Total in Column I of G703) \$ 38,857.85
6. TOTAL EARNED, LESS RETAINAGE (Line 4 Less Line 5 Total) \$ 38,857.85
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 738,299.15
8. CURRENT PAYMENT DUE \$ 452,126.50
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) \$ 286,172.65

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$0.00	\$0.00
Total approved this Month	\$0.00	\$0.00
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: Dan Hannegreffe Date: 6/22/26

State of: Iowa County of: Clay
 Subscribed and sworn to before me this 2nd day of June
 Notary Public: Kristin Hannegreffe
 My Commission expires: October 10, 2028



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated. the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ 286,172.65

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT: Ross McWhorter Date: 6/22/26

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVE., N.W., WASHINGTON, DC 20006-5292

AIA DOCUMENT G702 APPLICATION AND CERTIFICATION FOR PAYMENT 1992 EDITION AIA ©1992

Users may obtain validation of this document by requesting a completed AIA Document D401 - Certification of Document's Authenticity from the Licensee.

Schedule of Values

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 4
 APPLICATION DATE: 6/1/26
 PERIOD TO: 5/31/26
 PROJECT NO: 3-19-0086-031
 3-19-0086-032

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D		E WORK COMPLETED THIS PERIOD	F MATERIALS PRESENTLY STORED (NOT IN D O R E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE) 5%
			FROM PREVIOUS APPLICATION (D + E)	% (G ÷ C)					
1	Installation and Removal of Silt Fence	\$3,220.00	\$1,610.00	\$0.00	\$0.00	\$0.00	\$1,610.00	50%	\$80.50
2	Mobilization	\$65,000.00	\$32,500.00	\$26,000.00	\$0.00	\$0.00	\$6,500.00	90%	\$2,925.00
2A	Traffic Control	\$5,300.00	\$5,300.00	\$0.00	\$0.00	\$0.00	\$0.00	100%	\$265.00
3	Unclassified Excavation	\$30,651.00	\$24,500.00	\$0.00	\$0.00	\$0.00	\$6,151.00	80%	\$1,225.00
4	Subbase Course	\$14,660.00	\$13,000.00	\$0.00	\$0.00	\$0.00	\$1,660.00	89%	\$650.00
5	Aggregate Base Course	\$1,272.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,272.00	0%	\$0.00
6	6" Portland Cement Pavement	\$126,060.00	\$0.00	\$0.00	\$0.00	\$0.00	\$126,060.00	0%	\$0.00
7	6" Reinforced PCC Pavement (per plan)	\$42,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$42,700.00	0%	\$0.00
8	P-501-5.1 Mix Design, Correlation Testing & QC	\$19,300.00	\$4,900.00	\$0.00	\$0.00	\$0.00	\$4,900.00	25%	\$245.00
9	Joint Sealing Filler	\$7,511.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,511.00	0%	\$0.00
10	Surface Preparation (For Paint)	\$3,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,600.00	0%	\$0.00
11	Marking (Centerline Paint 6" Wide)	\$2,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,700.00	0%	\$0.00
12	Reflective Media	\$500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$500.00	0%	\$0.00
13	18" Corrugated Metal Pipe	\$2,520.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,520.00	0%	\$0.00
14	Seeding - Permanent Lawn Mixture	\$7,346.40	\$0.00	\$0.00	\$0.00	\$0.00	\$7,346.40	0%	\$0.00
15	Seeding - Alfalfa Seed Mixture	\$6,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,000.00	0%	\$0.00
16	Topsoil (Strip, Stockpile & Place)	\$8,690.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,690.00	0%	\$0.00
17	Mulching	\$6,120.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,120.00	0%	\$0.00
18	8-Plex Nested T-Hanger - Complete	\$855,000.00	\$375,657.00	\$275,000.00	\$0.00	\$0.00	\$650,657.00	76%	\$32,532.85
19	6" Granular Subbase under Hangar Floor	\$18,690.00	\$0.00	\$18,690.00	\$0.00	\$0.00	\$18,690.00	100%	\$934.50
GRAND TOTALS		\$1,226,840.40	\$457,467.00	\$319,690.00	\$0.00	\$0.00	\$777,157.00	63.3%	\$38,857.85

Users may obtain validation of this document by requesting of the license a completed AIA Document D401 - Certification of Document's Authenticity

KRUSE, CATE & NELSON, P.C.

ENGINEERING AND LAND SURVEYING SERVICE
SPENCER, IOWA 51301

JAMES E. THIESSE
BRIAN J. SCHMIDT
ROSS D. MCWHIRTER

2303 W. 18TH STREET
PHONE 712-262-3468
FAX 712-262-9468
info@kcn-eng.com

June 2, 2026

City of Spencer Airport Board/City Council
101 W 5th Street
Spencer, Iowa 51301

Re: 2025 8-PLEX NESTED T-HANGAR, NORTHWEST IOWA REGIONAL AIRPORT
CONTRACT NO. 2 - Payment Estimate

Dear Barb & Mark:

We are transmitting herewith on behalf of the Contractor, Graves Construction Co., Inc, 1 copy of Payment Estimate No. 1 (Partial) for Contract No. 2 of subject project in the amount of **\$11,723.00**.

We have reviewed the quantities contained herein and recommend payment in the amount shown.

Very truly yours,

KRUSE, CATE & NELSON, P.C.

By: 
Ross D. McWhirter, PE

APPLICATION AND CERTIFICATION FOR PAYMENT

PAGE ONE OF THREE PAGES

AIA DOCUMENT G702

TO OWNER:

City of Spencer, Clay Co., Iowa
101 West 5th Street
Spencer, IA 51301

PROJECT:

NW IA Regional Airport Hangar
CONTRACT NO. 2

FROM CONTRACTOR:

Graves Construction Co Inc
PO Box 1417
Spencer, IA 51301
CONTRACT FOR:

VIA ARCHITECT:
Kruse, Cate & Nelson, P.C.
2303 West 18th Street
Spencer, IA 51301

APPLICATION NO:

1

Distribution to:

<input checked="" type="checkbox"/>	OWNER
<input checked="" type="checkbox"/>	ARCHITECT
<input checked="" type="checkbox"/>	CONTRACTOR
<input type="checkbox"/>	
<input type="checkbox"/>	

PERIOD TO: 5/31/2026

PROJECT NO: GAVI - 91260SPW100

CONTRACT DATE: June 12, 2025

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM \$ 167,930.50
2. Net change by Change Orders \$ 0.00
3. CONTRACT SUM TO DATE (Line 1 ± 2) \$ 167,930.50
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 12,340.00
5. RETAINAGE:
 - a. % of Completed Work (Column D + E on G703) \$ 617.00
 - b. % of Stored Material (Column F on G703) \$
 Total Retainage (Lines 5a + 5b or Total in Column I of G703) \$ 617.00
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total) \$ 11,723.00
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 0.00
8. CURRENT PAYMENT DUE \$ 11,723.00
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) \$ 156,207.50

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$0.00	\$0.00
Total approved this Month	\$0.00	\$0.00
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	\$0.00

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: Ida Cruse Date: 6/02/26
 State of: Iowa County of: Clay
 Subscribed and sworn to before me this 2nd day of Jun
 Notary Public: Kristin Hannegreffs
 My Commission expires: October 10, 2028



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ 11,723.00

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

By: Rob McWhorter Date: 6/2/26
 ARCHITECT:

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVE. N.W., WASHINGTON DC 20006-5392

Users may obtain validation of this document by requesting a completed AIA Document D401 - Certification of Document's Authenticity from the Licensee.

Schedule of Values

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 1

APPLICATION DATE: 6/1/26

PERIOD TO: 5/31/26

PROJECT NO: GAV1 - 9I260SPW100

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		E THIS PERIOD	F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE) 5%
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD					
CONTRACT NO. 2									
20	Subbase Course	\$12,340.00	\$0.00	\$12,340.00	\$0.00	\$0.00	\$12,340.00	\$0.00	\$617.00
21	6" Portland Cement Concrete Pavement	\$146,760.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$146,760.00	\$0.00
22	PCC Pavement Nominal Reinforcing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
23	Joint Sealing Filler	\$8,830.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,830.50	\$0.00
CONTRACT NO. 2 GRAND TOTALS		\$167,930.50	\$0.00	\$12,340.00	\$0.00	\$0.00	\$12,340.00	\$155,590.50	\$617.00

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