

Sec. 9. Nothing in this act shall affect or modify any of the provisions of Minnesota Statutes, Sections 424.01 to 424.31, except as herein set forth applicable to the fire department relief association and fire department pension fund of the city of St. Louis Park, and in no way affects said relief association operating in the manner provided in said sections 424.01 to 424.31.

Sec. 10. All pension payments heretofore paid to retired or disabled members of the St. Louis Park fire department association pursuant to Minnesota Statutes, Sections 424.01 to 424.31, are hereby ratified and shall be deemed legal payments.

Sec. 11. No provision of this act shall be construed as reducing the amount or rate of contribution to the association by the municipality or a member of the association from such minimum contributions as are prescribed by the Police and Firemen's Relief Associations Guidelines Act of 1969. Notwithstanding the provisions of this or any other act, the association and the municipality and the officers of each are authorized to do all things required by the Guidelines Act as conditions for the contribution of public funds or the levy of taxes for the support of the association.

Sec. 12. This act is effective upon its approval by the governing body of the city of St. Louis Park and upon compliance with Minnesota Statutes, Section 645.021.

Approved May 22, 1969.

CHAPTER 577—H. F. No. 2373

[Not Coded]

An act relating to the city of Duluth, authorizing the organization of a Duluth airport authority, providing for the appointment of directors thereto, and for the financing of the operations of said authority, and conferring upon said authority the power and duty to administer, promote, control, direct, manage, and operate all airports owned, or which may hereafter be acquired by the city of Duluth.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **Duluth airport authority act of 1969.** It is the purpose of this act to promote the public welfare and to serve the

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public interest, convenience and necessity, promote air navigation and transportation, national, state and local; and to these ends, to develop full potentials of aviation in the city of Duluth as an aviation center; and to provide for the most economical and effective use of aeronautic facilities and services in the city of Duluth; and to this end, the authority shall cooperate with and assist the federal government and the commissioner of aeronautics of this state, and shall seek to coordinate its aeronautic activities with these bodies.

Sec. 2. Subdivision 1. The following words, terms and phrases shall, for the purpose of this act, have the meanings given them.

Subd. 2. "Authority" means the Duluth airport authority created under this act.

Subd. 3. "Director" means a person appointed or otherwise selected as, and after his qualification, acting as a member of the authority created under this act.

Subd. 4. "City council" or "council" means the governing body of the city of Duluth, as established under the home rule charter of said city.

Subd. 5. "Directors" means a quorum of the members of the authority created under this act.

Subd. 6. "Aeronautics" means the transportation by aircraft, the operation, construction, repair or maintenance of aircraft, air equipment, power plants, and accessories; design, establishment, construction, operation, improvement, repair, or maintenance of airports, restricted landing areas, or other air navigation facilities and air construction, and powers incidental thereto.

Subd. 7. "Person" means any individual, firm, copartnership, corporation, company, association, joint stock association, or body politic; and includes any trustee, receiver, assignee, or other similar representative thereof.

Subd. 8. "Airport" means any locality, of land or water, including intermediate landing fields, which is used or intended to be used for the landing and take-off of aircraft, whether or not facilities have been provided for the shelter, servicing, or repair of aircraft, or for receiving or discharging passengers or cargo, and also includes any facility used in, available for use in, or designed for use in, aid of air navigation, including without limitation landing areas, lights, any apparatus or equipment for disseminating weather information, for signaling, for radio-directional finding, or for radio or other elec-

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trical communication, and any other structure or mechanism having a similar purpose for guiding or controlling of flight in the air, or the landing or take-off of aircraft, and also includes, but without limitation, access roads, park areas and such land contiguous or not as may be required for installations necessary for safe and efficient operation, buildings, structures, hangars, shops, and any personal property usually used in connection with the operation of such airports, including specifically, but not exclusively, snow removal or impacting equipment, fire and ambulance equipment, motor vehicles, and equipment for buildings, structures, hangars and shops.

Subd. 9. "City" means the city of Duluth, a city of the first class, in and for which an airport authority is created under this act.

Sec. 2. For the purposes herein provided, there shall be created in and for the city of Duluth, a city of the first class, a "Duluth airport authority" for said city, hereinafter referred to as the "authority".

Sec. 3. *Subdivision 1.* The members of the authority created under this act shall consist of seven directors, who shall be appointed to membership in such authority, and who shall have and exercise the powers, and perform the duties as hereinafter set forth in this act.

Subd. 2. The directors shall serve without compensation, but may be reimbursed for reasonable and authorized out of pocket expenses incurred in the fulfillment of their duties. The original term of three of the directors shall be for one year; the original term of two of the directors shall be for two years; and the original term of two of the directors shall be for three years; and until their respective successors are appointed and qualified. Subsequent terms of directors shall be for three years; and all terms shall expire on June 30 of the appropriate year. Whenever a vacancy shall occur in said authority by means of resignation, death, removal from the city, or removal for failure or neglect to perform the duties of a director, such vacancy shall be filled for the unexpired term.

Subd. 3. All appointments and removals of the directors of the authority shall be made by the mayor, with the approval of the city council, evidenced by resolution. Every appointee who shall fail within ten days after notification of his appointment to file with the city clerk his oath or affirmation to perform faithfully, honestly and impartially the duties of his office, shall be deemed to have refused such appointment, and thereupon another person shall be appointed in the manner prescribed in this section.

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Subd. 4. Within 30 days after the effective date of this act, the directors shall be appointed as provided in subdivision 3. Upon filing of the oath of office required by subdivision 3 hereof, each director shall have all the rights, privileges and powers of a director duly appointed as provided herein.

Subd. 5. Within 20 days after members of the authority shall have qualified for office, the authority shall meet and organize, and adopt and thereafter may amend such rules and regulations for the conduct of the authority as the authority shall deem in the public interest and most likely to advance, enhance, foster, and promote air transportation in the airports of the city of Duluth; and such rules and regulations shall at all times be in harmony with this act. At such meeting, and at all subsequent meetings of the authority to be created under this act, four of all the directors shall constitute a quorum for the transaction of business, and the affirmative vote of the majority of all the directors shall be required for the passage of any measure.

Subd. 6. Such directors shall elect from among their members a president and a vice-president, and shall also elect a secretary, who may or may not be a member of said authority. No two of such offices may be held by one director. The officers shall have the duties and powers usually attendant upon such officers, and such other duties and powers not inconsistent herewith as may be provided by the authority.

Subd. 7. The authority shall, as soon after the organization meeting as possible, appoint an executive director who shall be the executive and operating officer of the authority, who shall serve at the pleasure of the authority, and shall receive such compensation as may be fixed by it. He shall have had experience as an executive, preferably in connection with aviation. Under the supervision of the authority, he shall be responsible for the operation, management, and promotion of all activities with which the authority is charged, together with such other duties as may be prescribed by the authority. He shall have such powers as are necessary and incidental to the performance of his duties, and such others as may be granted by the authority.

Sec. 4. Subdivision 1. The city treasurer of the city of Duluth shall be the treasurer of the authority. The treasurer shall receive and have the custody of all moneys of the authority from whatever source derived, and the same shall be deemed public funds. The treasurer shall disburse such funds only in accordance with the annual budget of the authority as approved by the city council at the

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time the annual city budget is adopted and only upon written orders drawn against such funds, signed by the executive director herein provided for, and approved by the president of the authority, or in his absence, the vice-president of the authority or such employee of the authority as may be authorized or directed so to do; and each order shall state the name of the payee and the nature of the claim for which the same is issued. The treasurer shall keep an account of all moneys coming into his hands, showing the source of all receipts and the nature, purpose and authority of all disbursements; and at least three times each year, and in the form to be determined by the directors, the authority shall file with the city clerk of the city of Duluth a financial statement from the authority, showing all receipts and disbursements, the nature of the same, the moneys on hand, and the purposes for which the same are applicable, credits and assets of the authority, and its outstanding liability.

Subd. 2. Within the total budget approved by the city council as provided in subdivision 1, the authority has the exclusive power to receive, control, and order the expenditure of any and all moneys and funds in the control and management of the city of Duluth airport facilities.

Subd. 3. Notwithstanding anything to the contrary contained in any law, or in the charter of the city of Duluth, or in any ordinance thereof, there is hereby created in the treasury of the city of Duluth a special airport fund, hereinafter referred to as the special fund; and a Duluth airport operating fund, hereinafter referred to as the operating fund. The moneys in the special fund shall be used solely for the improvement of, or the construction of new airport terminal facilities for the city of Duluth, and for the equipping of said facilities. The special fund shall consist of:

(1) All moneys derived from the issuance and sale of bonds by authority of the city council to provide funds for the improvement, construction and equipping of airports;

(2) All moneys appropriated and otherwise made available to the city of Duluth for the purposes enumerated in paragraph (1) hereof;

(3) All moneys received from the United States of America, through the federal aviation administration of the department of transportation, or through any other department or agency thereof, received for the purpose of the improvement of present terminal facilities, or the construction of new airport terminal facilities, and for the equipping of said facilities, and for improvement or construction of any runways or taxiways at Duluth airports now in existence, or

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which may hereafter be acquired by the city of Duluth; and also all moneys received in connection with the planning of any improvements at such airports.

The operating fund shall be used for operation, promotion, maintenance, or betterment of the Duluth airport facilities now in existence, or which may hereafter be acquired by the city, and for the expenses of the authority hereunder. The operating fund shall consist of all moneys of the authority from whatever source derived other than moneys credited to the special fund as hereinabove provided.

Subd. 4. At least once in each year the city auditor, under the direction of the city director of finance, shall make or cause to be made, at the expense of the authority, a complete examination and audit of all books and accounts of the authority; and for such purpose the city auditor shall have the power to inspect and examine such books and accounts at any time during regular business hours and at such intervals as he may determine. One copy of such yearly audit shall be filed by the city auditor with the city clerk as a public document.

Sec. 5. Subdivision 1. Whenever the words "airport" or "airport facilities" are used in this act, such words shall have the meaning ascribed to them as indicated hereinbefore in section 2, subdivision 8, and shall include the present Duluth International Airport and the Duluth Skyharbor Airport, including any land, buildings, or other appurtenances incidental and necessary to the operation of such airports, and any land, buildings, or other appurtenances which may be hereafter acquired for such purposes by the city of Duluth, subject, however, to the right of the city council, in its sole discretion, to change the physical boundaries of any land presently used or which may hereafter be used for airport purposes.

Subd. 2. Notwithstanding anything to the contrary contained in any law, or in the charter of the city of Duluth, or in any ordinance thereof, there is hereby conferred upon such authority the following powers and duties:

- (a) To sue and be sued;
- (b) To enter into and execute agreements, instruments, and other arrangements which are necessary, proper and convenient to the exercise of its powers;
- (c) To acquire by purchase, lease, or gift, any real or personal property, franchises, easements, or other rights which may be

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necessary or proper for the operation of the present Duluth airports, or any airports or airport facilities which may hereafter be acquired; and may acquire real property in such manner for use as airport terminal facilities, maintenance facilities, parking facilities, runway or taxiway facilities, and other facilities used or useful for the operation of an airport; provided, however, that the acquisition of any real property by purchase, lease, or gift shall require the approval of the city council, by resolution;

(d) To acquire, construct, equip, improve, operate, and maintain airports and airport terminal facilities, maintenance facilities, runways and taxiways, parking areas, and other facilities useful for or related to the operation of an airport;

(e) To lease to or contract with any person or any operator for use by such person or operator of any real or personal property under its control, provided, however, that the authority shall have no power to make agreements for the sale of any real estate under its control without the approval of the city council, evidenced by ordinance;

(f) To accept gifts, grants, or loans of money or other property from the United States, the state, or any person or entity; and for such purposes may enter into any agreement required in connection therewith, subject to approval of the city council, evidenced by resolution.

Subd. 3. Notwithstanding any of the provisions of this act, the authority shall have the power, *in lieu of directly operating* the Duluth airports, or any part thereof, to enter into management contracts with any persons, firms or corporations for the management of said airports, or any parts thereof, for such period or periods of time, and for such purposes, and under such compensation and other terms and conditions as shall be deemed advisable and proper by the authority and such persons, firms or corporations, subject to the approval, by resolution, of the city council.

All employees of the city of Duluth who, on the effective date of this act, are employed at any of the Duluth airports shall continue, after the effective date of this act, to be subject to the civil service classifications of the city of Duluth, and shall continue to be subject to the provisions of the public employees retirement act, Minnesota Statutes, Chapter 353, and to the provisions of Minnesota Statutes, Sections 197.45 through 197.47; provided, however, that any executive director appointed by the authority after the effective date of this act shall not be under the civil service system of the city of Duluth,

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but shall be subject to the provisions of the public employees retirement act, Minnesota Statutes, Chapter 353, and to the provisions of Minnesota Statutes, Sections 197.45 through 197.47.

Sec. 6. The authority shall have the power:

(a) To adopt and alter all bylaws and rules and regulations which it shall from time to time deem best for the conduct of the business of the authority, and for the use and operation of the Duluth airports and the facilities of the authority, and for the purposes of carrying out the objects of this act; but such bylaws, rules and regulations shall not be in conflict with the terms of this act;

(b) To appoint and remove an executive director, also consultants, except attorneys; and to prescribe the duties and fix the compensation of such executive director and consultants;

(c) To prescribe or provide for a policy or policies of insurance for the defense and indemnification of the city of Duluth, its officers and employees, and directors, executive director, and other employees against claims arising against them out of the performance of duty, whether such claims be groundless, or otherwise. Premiums for any policies of insurance required by this act shall be paid for out of the funds of the Duluth airport authority;

(d) To utilize the services and facilities of the department of finance and the city treasurer of the city of Duluth in the implementation of this act; and to pay the city for all charges and costs for such services. The city attorney and the purchasing agent shall be the attorney and the purchasing agent, respectively, for the authority; and the authority shall reimburse the city for all charges and costs incurred by the city therefor;

(e) To authorize and direct the city treasurer to invest, in the manner provided by law, any funds held in reserve, or sinking funds, or any funds not required for immediate disbursement;

(f) To fix, alter, change, and collect fees, rentals, and all other charges to be made for all services or facilities furnished by the authority to the public, or to any persons, or public or private agencies leasing any and all facilities at the Duluth airports.

Sec. 7. The executive director of the authority shall be responsible for the custody and control of all moneys received and collected from the daily operations of the Duluth airports until such moneys are delivered to the city treasurer and he shall have obtained a receipt therefor, or until such moneys are deposited in a bank account under the control of the city treasurer.

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The executive director shall give bond in favor of the city of Duluth in such sum as shall be deemed necessary by the authority and in an amount to be determined annually by the authority; such bond to be conditioned upon the faithful discharge of his official duties, and approved as to form, correctness and validity by the city attorney, and filed with the city auditor. Premiums for such bonds shall be paid for out of funds of the Duluth airport authority.

The authority shall, in addition to other insurance provisions of this act, provide for insurance on any of the Duluth airports' property, rights, revenue, workmen's compensation, public liability, or any other risk or hazard arising from its activities; and the premiums for any such insurance shall be paid for out of funds of the Duluth airport authority.

Sec. 8. Notwithstanding any other provisions of law to the contrary, the property, moneys, and other assets of the authority, or revenues or other income of the authority, and all bonds or other obligations issued by the authority, with the approval of the city council, and the interest thereon, shall be exempt from all taxation, licenses, fees, or charges of any kind imposed by the state of Minnesota, or by any county, municipality, political subdivision, taxing district, or other public agency or body of the state.

Sec. 9. Subdivision 1. Notwithstanding any limitations imposed by law or by the charter of the city of Duluth, the authority shall have the power to issue negotiable revenue bonds for any one or more of its purposes. Revenue bonds under this section shall be issued in such amounts, times, and series as the authority shall determine by resolution, upon approval and ratification of the city council of the city of Duluth, evidenced by resolution; and shall mature within 40 years from their date. No election shall be necessary to authorize the issuance of revenue bonds as herein provided for. Except as otherwise provided by this section, the maturities, any right of prior redemption, execution, paying agency, provision for interest, and other terms of the bonds, shall be subject to the provisions of Minnesota Statutes, Sections 475.54 to 475.56.

Subd. 2. Revenue bonds issued under this section shall not constitute a debt of the city of Duluth, and no tax levy may be compelled for their payment, but they shall be payable only from the revenues of the Duluth airports, or parts thereof, pledged by the authority, and confirmed by the city council, to payment of principal thereof and interest thereon; and they shall so recite. At or before the issuance of revenue bonds, the authority, by resolution, and upon

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approval and ratification by the city council, shall pledge and appropriate to the payment of principal and interest the net revenues of the Duluth airports, or some part thereof, after provision for reasonable and necessary expenses of operation and maintenance, as described and defined in the authorizing resolution.

Subd. 3. By the authorizing resolution, the authority may provide covenants for the protection of the bondholders relating to disposition of bond proceeds and revenues; reserves and investment thereof; construction, acquisition, repair, replacement, operation and insurance of the Duluth airport facilities; accounting and reports; issuance of parity or subordinate lien bonds; rates and charges to be established or maintained; and such other covenants as the authority shall find to be usual and reasonably necessary for the protection of airport revenue bondholders.

The authority may also define the event or events of default and other requisites for suit by bondholders or their representatives, conditions of bond registration or replacement, and conditions upon which any covenant may be amended. Any terms, covenants, or conditions of revenue bonds to be provided by resolution of the authority may be set forth in a trust indenture with a corporation having trust powers appointed by the authority, with the approval of the city council, to represent and act for bondholders, and to hold and disburse pledged revenues, and to perform such other duties as may be provided in the trust indenture; but no such trust indenture shall confer or authorize any mortgage lien on the real or operating properties or general funds of the authority.

Subd. 4. *Revenue bonds of the authority shall be deemed and treated as instrumentalities of a public government agency; and as such, together with interest thereon, exempt from taxation.*

Sec. 10. Subdivision 1. In addition to the powers contained in section 9 hereof, the authority shall have the power to issue general obligation bonds to improve or construct, and equip terminal facilities, maintenance and hangar facilities, runway or taxiway facilities, parking areas, or similar facilities used or useful in connection with the operation by the authority of the Duluth airports, or any part thereof.

Subd. 2. General obligation bonds under this section shall be issued in such amounts, but in no event to exceed the sum of \$2,500,000, at such times and in such series as the authority shall determine by resolution, subject to approval and ratification by the

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city council of the city of Duluth, evidenced by ordinance. Except as otherwise provided by this section, the maturities, any right of prior redemption, execution, paying agency, provision for interest, or other terms of the bonds, shall be subject to the provisions of Minnesota Statutes, Sections 475.54 to 475.56.

Subd. 3. General obligation bonds issued under this section shall constitute a debt of the city of Duluth for which the full faith and credit of the city shall be pledged; and a tax levy shall be compelled for their payment; and they shall so recite.

Sec. 11. Subdivision 1. In the event that it shall become necessary for any of the purposes enumerated in this act to exercise the power of eminent domain, such power shall not be exercised by the authority, but the city of Duluth may acquire any of the properties hereinbefore provided for in this act necessary for the conduct and operation of the Duluth airports, or for the purpose of acquiring any land, waters, easements, or other rights or interests therein by the exercise of the power of eminent domain, either as provided for under the home rule charter of the city of Duluth, or under Minnesota Statutes, Chapter 117, and acts amendatory thereof or supplementary thereto. Any such exercise of the power of eminent domain by the city shall be at the request and expense of the authority. The fact that any such property is owned by a public service corporation organized for the purpose specified in Minnesota Statutes, Section 300.03, or is already devoted to a public use, or to use by a corporation, or was acquired therefor by condemnation, shall not prevent its acquisition by the city for the authority by condemnation. The city, on behalf of the authority, may take possession of any property for which condemnation proceedings have been commenced at any time after the filing of the petition describing the property in the proceedings.

Subd. 2. Any state department or other agency of the state government, or any county, municipality, or other public agency, may sell, lease, grant, transfer, or convey to the authority, upon approval of the city council, evidenced by resolution, with or without consideration, any facilities or any part or parts thereof, or any real or personal property or interest therein, which may be useful to the authority for any authorized purpose.

Sec. 12. The authority shall regulate the making of bids and letting of contracts through procedures established by the authority, in which case the authority would be substituted for the city council

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insofar as the conditions as set forth in section 31 of the home rule charter of the city of Duluth are concerned.

Sec. 13. The exercise by the authority and the city council of the powers provided in this act shall not be subject to regulation by or the jurisdiction or control of any other public body or agency, either state, county, or municipal, except as specifically provided in this act; provided, however, that the authority shall be subject to such rules and regulations as may be administered by the state of Minnesota, department of aeronautics, and to such laws of the United States, or rules and regulations of the federal aviation administration of the United States department of transportation, as may be applicable to the operations of the Duluth airports.

Sec. 14. Notwithstanding any provision of law to the contrary contained in the charter or ordinances of the city of Duluth, or statutes applicable to the city, the city of Duluth is authorized to issue an on sale liquor license for the premises known and used as the Duluth International Airport, the municipal airport of the city of Duluth. Such liquor license shall be issued in accordance with the statutes applicable to the issuance of on sale liquor licenses in cities of the first class, and in accordance with the charter and ordinances of the city of Duluth. The fee for such license shall be fixed by the governing body of the city of Duluth. The provisions of this section shall not be construed to authorize the issuance by the city of a license under this section in excess of the number of licenses authorized to be issued by the city on the effective date of this act under Minnesota Statutes, Section 340.11. Subdivision 6.

Sec. 15. The provisions of this act shall be severable; and if any provision thereof, or the application of any such provision under any circumstances, is held invalid, it shall not affect any other provision of this act, or the application in different circumstances.

Sec. 16. This act may be cited as the Duluth airport authority act of 1969.

Sec. 17. This act shall become effective only after its approval by a majority of the city council of the city of Duluth, and upon compliance with the provisions of Minnesota Statutes, Section 645.021.

Approved May 22, 1969.

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