



Board of County Commissioners Agenda Request

5B
Agenda Item #

Requested Meeting Date: November 26, 2024

Title of Item: Approve McGregor Airport Agreement Amendment

<input checked="" type="checkbox"/> REGULAR AGENDA <input type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	Action Requested: <input checked="" type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft)	<input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing* <small>*provide copy of hearing notice that was published</small>
Submitted by: Jessica Seibert		Department: Administration
Presenter (Name and Title): Jessica Seibert, County Administrator		Estimated Time Needed: 10 Min.
Summary of Issue: <p>Attached is a proposed amendment to the current McGregor Airport Agreement updating Section 3 of the agreement to clarify membership and the process to approve filling vacancies. The current membership list and current agreement have been included for reference.</p> <p>Bill Bedor, McGregor Airport Commission Chairperson will be on hand to answer questions.</p>		
Alternatives, Options, Effects on Others/Comments: 		
Recommended Action/Motion: Approve McGregor Airport Agreement Amendment		
Financial Impact: Is there a cost associated with this request? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No What is the total cost, with tax and shipping? \$ Is this budgeted? <input type="checkbox"/> Yes <input type="checkbox"/> No Please Explain:		

Legally binding agreements must have County Attorney approval prior to submission.

The following text is proposed to replace the entirety of Section 3 in the existing airport agreement, BUT NOT Section 3(A) or 3(B), which shall remain intact:

3. AIRPORT COMMISSION: The Airport Commission shall consist of ten members. One shall be a member of the Aitkin County Board of Commissioners; one a member of the City Council of McGregor; and one the current County Engineer (or his designee) or another individual appointed by the Aitkin County Board of Commissioners. The other seven members (hereinafter "at-large members") shall be interested citizens from the general McGregor area, approved by the Airport Commission, the Aitkin County Board of Commissioners, and the City Council of McGregor. Terms of office for original members began with execution of this agreement of the City and the County, with the original term for each at-large member described below. Subsequent at-large members serve three-year terms that begin on January 1st. No term limits apply.

SEAT

ORIGINAL TERM

City Council Seat	As Appointed by the City Council of McGregor
Aitkin County Commissioner Seat	As Appointed by the Aitkin County Board of Commissioners
Aitkin County Engineer/Other Seat	As Appointed by the Aitkin County Board of Commissioners
At-large Seat 1	(3) years
At-large Seat 2	(3) years
At-large Seat 3	(3) years
At-large Seat 4	(3) years
At-large Seat 5	(3) years
At-large Seat 6	(3) years
At-large Seat 7	(3) years

The Commission shall choose one of its members as Chairperson and one of its members as Vice-Chairperson. In the event the volume of work handled by the Commission shall require it, part-time staff may be employed by the Commission. The Commissioners shall receive no compensation for their services. The Chairperson of the Airport Commission shall recommend at-large members for appointment and reappointment, first to the Commission and subsequently to the Aitkin County Board of Commissioners and McGregor City Council for

approval, as required. Any vacancy occurring for an at-large seat may be filled for the remainder of the term of the vacant seat by majority vote of the Commission.

County Board Chair

Date

County Administrator

Date

City Clerk

Date

Mayor

Date

Terms as of October 2024

William Bedor	December 2024 by Aitkin County
Jerome Carr	July 2027 at large
Tom Steinmeuller	July 2027 at large
Brody Schultz	Annually by City Council
Jeff Budnick	July 2026 at large
Bob Merritt	December 2027 at large
Bret Sample	Annually by Aitkin County
Eric Schulz	December 2025 at large

McGregor Airport
Ken

STATE OF MINNESOTA

COUNTY OF AITKIN

City of McGregor)	
AND)	<u>CONTRACTUAL</u>
County of Aitkin)	<u>AGREEMENT</u>

WHEREAS, the City of McGregor, hereinafter referred to as the City, and the County of Aitkin, hereinafter referred to as the County, have had under discussion, through their legislative bodies, the establishment of a City airport at McGregor,

AND WHEREAS, such joint agreement seems the most desirable plan for furnishing airport services to the City and the surrounding County,

AND WHEREAS, such a plan is authorized by M.S.A. Chapter 360 et seq,

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. IN GENERAL. The City and the County agreed each with the other to participate as hereinafter provided for the acquisition of a tract of land for the purposes of constructing, expanding and operating an airport thereon and to construct, maintain and operate the airport jointly as hereinafter provided.

2. CONTRIBUTION TO CAPITAL COSTS. The City and County, subject to qualifications hereinafter set out, shall contribute 1/3, 2/3 to that portion of the cost of acquisition of the airport site and the capital costs of construction, improvement and development of the airport and not covered by State and Federal contributions thereto. All preliminary expenses incurred hereunder shall be borne by the City and the County on a 1/3 cost to the City and 2/3 cost to the County.

The existing City airport land shall be used to the maximum in establishing the new airport. The County will not contribute any funds for the usage of this property. The land presently controlled by the McGregor Development Corporation (lying directly north of the existing airport land) shall be jointly purchased by the

City, County and State, with the State providing 2/3 of the cost, the City providing 1/3 of the balance and the County providing 2/3 of the balance. Any additional land purchases shall follow this formula of funds source.

3. AIRPORT COMMISSION. The Airport Commission shall consist of ten members. One shall be a member of the County Commissioners; one a member of the City Council of McGregor; one the current County Engineer; and the balance interested citizens from the general McGregor area acceptable to both the County Commissioners and the City Council of McGregor. The Commission is so constituted at present. Terms of office for the existing Commissioners begin with the final agreement of the City and the County. Subsequent Commission members will serve terms that begin on January 1st and will serve for a term of three years.

<u>NAME</u>	<u>TERM</u>
Mr. Dennis Lang	At the pleasure of the City Council of McGregor
Mr. David Rued	At the pleasure of the Atkin County Commissioners
Mr. John Walkup	Terminated only if Mr. Walkup leaves the position of County Engineer
Mr. Mike Kenefick	(1) year, ending 12-31-93
Mr. Ken Geving	(1) year, ending 12-31-93
Mr. Bud Johnson	(2) years, ending 12-31-94
Mr. Walter Schularick	(2) years, ending 12-31-94
Mr. Loren Miller	(3) years, ending 12-31-95
Mr. Jack Hooper	(3) years, ending 12-31-95
Mr. David Johnson	(3) years, ending 12-31-95

The Commission shall choose one of its members as Chairman and one of its members as Vice-chairman. In the event the volume of work handled by the Commission shall require it, part-time clerical help may be employed by the Commission. The Commissioners shall receive no compensation for their services. The Chairman of the Airport Commission shall recommend new members (or reappointment of existing members) as required.

3. (A) STATE PARTICIPATION. The Airport Commission shall negotiate with the Department of Transportation to secure State participation in 2/3 of the first cost of the airport work and 2/3 of the maintenance and operations of the airport. This contract shall be a separate contract directly between the City of McGregor and the State of Minnesota. Failure to obtain this State contract shall cause this contract between the County and City shall be null and void.

3. (B) INSURANCE. The City of McGregor shall provide liability insurance for the Airport in an amount to cover the statutory liability limit set for cities by the State of Minnesota.

4. POWERS OF COMMISSION. The Commission, except as hereinafter provided, shall acquire necessary property to establish, construct, enlarge, improve, maintain, equip, operate and regulate an airport and other air navigation facilities and airport protection privileges to be acquired, controlled and operated under this agreement. The Commission may exercise on behalf of the County and City all the powers of each of such municipalities granted by M.S. Chapter 360 et seq except as otherwise provided in this agreement and in M.S. Chapter 360.042 as amended. Such rules and regulations as provided for by M.S. Chapter 360.042 as amended may be proposed by the Commission but shall be enacted only by the Council and the County Board, pursuant to the provisions of M.S. Chapter 360.042 as amended. No real property and no airport, other air navigation facility, or air protection privilege acquired under this agreement shall be disposed of by the Commission by sale, lease or otherwise except by authority of both the City Council and the County Board of Commissioners; but the Commission may lease space, area or improvements and grant concessions on airports for aeronautical purposes, or purposes. This Commission shall have authority to hire or retain all employees and professional services that may be necessary in accomplishing the purposes for which it was appointed.

5. REAL PROPERTY. The Commission on behalf of the City and County may procure options on real property

suitable for the site of the proposed airport. No real property, airport, restricted landing areas, air protection privileges or personal property shall be acquired and no condemnation proceedings shall be instituted except after authority to do so has been granted in each individual case by the City Council and the County Board. Condemnation proceedings shall be instituted in the names of the City and County jointly. The provisions of Laws 1945, Ch. 303, Sec. 11, Subd. 2 as amended, shall apply to such proceedings. Real property acquired under this agreement shall be held by the City.

6. BUDGET. (a) The Commission shall each year, prior to August 1 prepare a budget for airport finances for the ensuing calendar year. The budget shall be in two parts and shall be substantially balanced. Part I shall allow the following items for the airport improvement fund established by paragraph 7:

- A. Estimated revenues, divided as follows:
 - 1. Federal and State grants.
 - 2. Contribution from City.
 - 3. Contribution from County.
 - 4. Misc. revenues.

- B. Estimated expenditures, divided as follows:
 - 1. Personal services.
 - 2. Services other than personal.
 - 3. Supplies and materials.
 - 4. Equipment.
 - 5. Real estate and improvement.
 - 6. Misc. expenditures.

Part II shall show the following items for the current airport fund created in paragraph 7:

- A. Estimated revenues, divided as follows:
 - 1. Federal and State grants and reimbursements.
 - 2. Contribution from City.
 - 3. Contribution from County.
 - 4. Earnings from concessions, leases and charges made for the use of airport facilities.
 - 5. Misc. revenues.

B. Estimated expenditures, divided as follows:

1. Personal services.
2. Services other than personal.
3. Supplies and materials.
4. Equipment.
5. Real estate and improvement.
6. City bond retirement fund.
7. County bond retirement fund.

(b) Such budgets shall be submitted not later than September 1 to the City Council and the County Board.

Part I of the budget shall be for the information of the City Council and the County Board to assist in their financial planning. Part II of the budget shall be submitted for action by the City Council and County Board. The final decision of the City Council and the County Board as to the requested contributions in Part II shall be reported back to the Commission which shall adjust the budget if necessary. The City shall pay 33 1/3 per cent of the total contributions paid into the current airport fund by the City and County each year. If either the City Council or the County Board fixes its contributions at less than the amount requested by the Commission, the contribution of the other shall be decreased proportionately, unless the latter shall decide to pay a larger portion of the total contribution than is required by this agreement. The expenditure allowance as finally adjusted and approved by the Commission shall control the year's spending program except that excess revenues received may be spent upon the approval of six members of the Commission. The Commission shall not itself levy taxes or borrow money; and it shall not make obligations for expenditure unless there is an unencumbered cash in the appropriate airport fund to the credit of the commission with which to pay the same. Any surplus in revenue over the cost of maintenance in operating expenses of the properties acquired under this agreement may be transferred to the City and County in the same proportion as they are required by this paragraph to contribute for maintenance and operation.

7. **FINANCES.** For the purpose of financing the necessary expenditures in carrying out the provision of this agreement, there are hereby created in the City accounts and treasury two special funds to be called

respectively the airport improvement fund and the current airport fund. Into the airport improvement fund shall be placed the various revenues enumerated in Part I of the budget provided for in paragraph 6 and from it shall be paid claims for various airport expenditures as so enumerated. Into the current airport fund shall be placed the various revenues enumerated in Part II of the budget provided for in paragraph 6 and from it shall be paid claims for various airport expenditures as so enumerated. All receipts belonging to the Commission shall be deposited intact in a bank account to the credit of the airport funds and no disbursement shall be made from this bank account except by check issued by the City Treasurer wherein verified claim for services and commodities actually rendered or delivered has first been submitted to and approved for payment by the Commission as authenticated by signature of the Chairman and Secretary. The County Auditor shall account for the fund, and the custody of the cash and bank checking account shall be in the hands of the City Treasurer. These officers shall make reports to the Commission at reasonable intervals as determined by the Commission. For purposes of budgeting, accounting and reporting the fiscal year of the Commission and the fund shall be December 31. An audit of the funds shall be made annually. Such audit may be made independently of or in conjunction with any audit which may be made of the funds of the City. Any employee of the Commission who handles cash in the process of collection shall furnish a surety bond in such amount as is determined by the Commission.

8. REPORTS. The Commission shall, as soon as possible after the end of each fiscal year prepare and present to the City Council and the County Board a comprehensive annual report of its activities and finances. The Commission shall also prepare and present to Federal and State officials such reports as may be required by law, regulation or contract.

9. TERMINATION. This agreement shall be in full force and effect for the term of five years from the date hereof and thereafter for like periods of five years until terminated by written notice from either party to the other party at least one year prior to the expiration of any such period. Notwithstanding termination, powers of

the Commission under this agreement shall continue to the extent necessary to maintain and operate the airport until disposition under paragraph 10 of the property acquired under this agreement.

10. DISPOSITION OF PROPERTY UPON TERMINATION. As soon as practicable after termination of this agreement the City Council and County Board shall dispose of all property acquired under the agreement, including surplus funds, in any manner they shall then agree upon. If no agreement as to disposition is reached within three months after termination of this agreement, the City Council shall, within 30 days thereafter, appoint some person who may be a City official, as its representative; the County shall similarly appoint a representative; and the Minnesota Commissioner of Aeronautics shall appoint a third person who shall together constitute an advisory board on disposition of the airport property. This board shall as soon as possible prepare and recommend to the City Council and the County Board a complete plan for the disposition of all property acquired under this agreement and such plan shall provide for the continuation of the use of the property as a public airport, if practicable. Upon termination of this agreement each party shall provide for the payment of principal and interest on its outstanding bonds issued as a result of this agreement and in the absence of another arrangement mutually agreed upon each party shall assume the payment of debts and liabilities incurred by the Commission in the same proportion as it is required to contribute to the joint current airport fund under section 6 (b).

11. ENFORCEMENT. Specific performance of the provisions of this agreement may be enforced against either party by the other party.

AMENDMENTS. This agreement may be amended in any particular by following the procedure used for the adoption of the agreement.

IN WITNESS WHEREOF, the City of McGregor has caused this agreement to be signed in its corporate name by its Mayor and Clerk-Treasurer and sealed with the corporate seal of the City and the County of Aitkin has caused this agreement to be signed by its corporate name by the

Chairman of the Board of the County Commisisoners and
the County Auditor and sealed with the official seal of the
County.

Larry Turner

Mayor

10/26/92

Judith M. Cirilli

City Clerk - Treasurer

10/26/92

Darrell & Bonnie Smun

Chairman

10/20/92

Alice Datzler

County Auditor

10/21/92