

**BY-LAWS AND RULES OF PROCEDURE OF
PORT AUTHORITY COMMISSION OF THE
CITY OF NORTH MANKATO**

ARTICLE I.

THE COMMISSION

Section 1. Name of Commission. The name of the Commission shall be the North Mankato Port Authority Commission.

Section 2. Seal of Commission. The official seal of the Commission shall be in the form affixed hereto.

Section 3. Office of Commission: Place of Meetings. The office of the Commission shall be at the Municipal Building in North Mankato, Minnesota. Regular and special meetings of the Commission shall be open to the public and shall be held at the office of the Commission; provided, however, that upon five days written notice to the commissioners of the place of such meeting, any regular or special meeting may be held at such other place as the notice shall designate.

ARTICLE II.

OFFICERS

Section 1. Officers. The officers of the Commission shall be a president, a vice president, a treasurer, a secretary, and an assistant treasurer, and such other officers as from time-to-time are provided by official action of the Commission. The president, vice president and treasurer shall be elected from among the commissioners. A commissioner may not serve as president and vice president at the same time. The other offices may be held by one commissioner. The offices of secretary and assistant treasurer need not be held by a commissioner.

Section 2. President. The president shall have the duties and powers usually attendant upon the office of president, and such other duties and powers as may be prescribed by statute and as may be provided from time-to-time by the Commission. He/she shall preside at all meetings of the Commission if he/she is present. At each meeting he/she shall make such reports to the Commission as he/she may deem necessary or as may be required of him/her and perform such other duties as are incident to his office or as are required of him/her by the Commission.

Section 3. Vice President. The vice president shall perform the duties of the president in his/her absence or incapacity and/or because of death or resignation of the president, until a new president is elected.

Section 4. Secretary. The secretary shall perform the duties of the office of secretary of the Commission and shall preside at all meetings of the Commission in the absence of the president and vice president.

Section 5. Treasurer and Assistant Treasurer. The treasurer shall receive and be responsible for all moneys of the Commission. He/she shall also be responsible for the acts of the assistant treasurer. The Finance Director of the City of North Mankato shall serve as the assistant treasurer. All checks are to be signed by the assistant treasurer. Each check shall state the name of the payee and the nature of the claim for which the same is issued. The assistant treasurer shall generate a detailed trial balance and make it available to the commissioners at times to be determined by the Commission but not less than once a year. The annual report of the Commission shall be part of the City's General Purpose Financial Statements (GPFS). All financial statements shall be prepared in conformance with Generally Accepted Accounting Principles (GAAP). The assistant treasurer shall present the Port Authority section of the city's budget for commissioner's approval. The assistant treasurer shall have the powers and perform

the duties of the treasurer as directed by the Commission. The City of North Mankato shall be designated the fiscal agent for the Commission.

Section 6. Execution of Instruments. All deeds, contracts, promissory notes, warrants and other instruments, excepting bonds issued by the Commission and excepting checks authorized by the Commission shall be signed by the president or vice president and secretary of the Commission, or in the event the action approving execution of the instrument shall so provide, the same may be signed by other officers duly authorized thereto by such action. Checks may be signed by the assistant treasurer or by one other officer named by the Commission in a resolution. Except where otherwise provided by law, the Bonds of the Commission shall be signed by the person or persons designated in the resolution authorizing the issuance of said Bonds.

ARTICLE III.

TERMS OF OFFICERS

All officers of the Commission shall be elected at each annual meeting of the Commission and shall serve in whatever capacity they are chosen, for a term of one year and until their successors are elected and qualify. In the event the annual meeting is continued and the election held at such continued meeting, all officers elected shall serve until the next annual meeting and until their successors are elected and qualify.

ARTICLE IV.

VACANCIES

Should the office of the president, vice president, secretary or treasurer become vacant, the Commission shall elect a successor at a regular meeting or a special meeting called for such purpose, and such election shall be for the unexpired term of said office.

ARTICLE V.

EXECUTIVE DIRECTOR AND ADDITIONAL PERSONNEL

An executive director shall be appointed by the Commission who shall have the title of executive vice president, at such compensation, for such term and with duties as the Authority shall determine by resolution. The Commission may from time-to-time employ such additional personnel, as it deems necessary to exercise its power, duties and functions as prescribed by Chapter 458 of the Law of Minnesota and all other laws applicable thereto. The compensation of such personnel shall be determined by the Commission upon recommendation of the executive vice president.

ARTICLE VI.

ANNUAL MEETING

The annual meeting of the Authority shall be held on the second Monday of July of each year at 7:00 p.m.; provided, however, that the date of the annual meeting may be postponed to a date on or before July 31st of each year upon the vote of a majority of the commissioners in office at any time taken at any regular or special meeting of the Commission.

ARTICLE VII.

REGULAR MEETINGS

The commissioners of the Commission shall meet at 7:30 a.m. on the second Tuesday of January, March and September of each year, unless the same shall be a legal holiday in which event the meeting shall be held on the next succeeding day. If in the opinion of the President of the Commission there are no substantive agenda items he/she may cancel or reschedule a quarterly meeting by giving written notice to all Commission members at least five (5) days prior to the Regular Meeting date. All meetings shall be held at the principal office of the

Commission unless a different location of said meeting is specified in the notice as provided in Section 3 of Article I.

ARTICLE VIII.

SPECIAL MEETINGS

Special meetings of the commissioners may be called by the president, the executive vice president, or any two commissioners by a writing filed with the executive vice president or secretary who shall then mail or personally deliver to all members notice of the time and place of such meeting at least one day before the meeting. The notice shall state the time, place and purpose of the meeting and no other business shall be considered than shall have been specified in the notice. Upon unanimous consent of all members present, any of the provisions of this Article may be waived.

ARTICLE IX.

REPORTS TO COUNCIL

City Council members of the Commission shall make regular monthly reports to the City Council concerning activities of the Commission. The executive vice president and assistant treasurer will submit a written annual report no later than April 15 of each year.

ARTICLE X.

ADJOURNED MEETING

Any meeting of the Commission may be adjourned from time-to-time to a specific time and place without additional notice published or otherwise.

ARTICLE XI.

QUORUM

The powers of the Commission shall be vested in the commissioners thereof in office at any one time; a majority of who shall constitute a quorum for all purposes, but a lesser number

may adjourn a meeting from time-to-time until a quorum is obtained. When a quorum is in attendance, action may be taken by the Authority upon a vote of a majority of the commissioners present, except as otherwise provided for by law or in these by-laws.

ARTICLE XII.

ORDER OF BUSINESS

At the regular meetings of the Commission the following shall be the order of business:

- 1) Roll Call
- 2) Approval of the Minutes of the previous meeting
- 3) Financial report
- 4) Old business
- 5) New business
- 6) Open meeting to the public
- 7) Adjournment

ARTICLE XIII.

MANNER OF VOTING

The voting on all questions coming before the Commission shall be by the president calling for a roll call vote on the question and the result shall be entered upon the minutes of each meeting. The president and all members of the Commission at every meeting of the Commission shall be entitled to vote. Real property owned by the Commission must not be sold, be exchanged, or have its title transferred without approval of two-thirds of Commission members voting following notice to all members. The resolution authorizing the real estate transaction is not effective unless a quorum is present. A commissioner need not vote on all questions, but may abstain from voting on

a question. An abstention shall be considered neither an affirmative or negative vote on the matter.

ARTICLE XIV.

COMMITTEES

The president of the Commission shall appoint such committees and subcommittees as he/she determines are necessary. These committees shall report all recommendations to the Commission for further action.

ARTICLE XV.

AMENDMENTS

The By-Laws and Rules of Procedure of the Commission shall be amended by vote of a five-sevenths majority of the Commissioners only when said proposed amendment has been submitted in writing to the Commissioners a reasonable period of time prior to the meeting at which said amendment is to be considered.

ARTICLE XVI.

ANNUAL AUDIT

The Commission shall provide for an annual audit of the financial affairs of the Port Authority to be performed by a Certified Public Accountant.

ARTICLE XVII.

FISCAL YEAR

The fiscal year of the North Mankato Port Authority Commission shall be from January 1 through December 31.

APPROVED

Date: _____

By: _____

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Date: 7/12/2004

APPROVED

By: Wade R. Hensel