

City Council Meeting - Amended Agenda

May 20, 2025 at 5:30 PM

St. James City Hall – Council Chambers

1. CALL TO ORDER

2. ROLL CALL: Mayor Christopher Whitehead, Councilpersons: Susan Craig, Kathleen Hanson, Paul Harris, Stephen Lindee, Hannah Rushing

3. DETERMINATION OF QUORUM

4. APPROVAL OF MINUTES

A. Consideration to Approve Minutes – 05.06.2025 Council Meeting

5. CONSENT ITEMS

A. Payment of Claims and ACH Payments

6. SCHEDULED BID LETTING

7. SCHEDULED PUBLIC HEARINGS

8. ADMINISTRATIVE APPEALS

9. FINANCIAL REPORTS

10. LICENSES AND PERMITS

11. OLD BUSINESS

A. Consideration to Approve Second Reading of Proposed Ordinance 028, 4th Series - Cannabis Regulations

B. Consideration to Approve Second Reading of Proposed Ordinance 029, 4th Series - Naming Street

12. NEW BUSINESS

A. Consideration to Approve Resolution 05.25.11 - Approving Ordinance 028, 4th Series Adding Chapter §124 to the St. James City Code and Authorizing the Title and Summary for Publication

B. Consideration to Approve Resolution 05.25.12 - Approving Ordinance 029, 4th Series Renaming a Street and Authorizing the Title and Summary for Publication

C. Consideration to Approve Resolution 05.25.13 - Amending the 2025 Fee Schedule

D. Consideration to Approve Resolution 05.25.14 - Accepting Bid for Project No. 24X.135115 7th Street South, 13th Avenue, and Moulton & Parsons Improvement Project

E. Consideration to Approve Resolution 05.25.15 - Accepting Bid for 2025 Street Seal Coating

F. Consideration to Approve Resolution 05.25.16 - Establishing the Position of Police Sergeant within the Police Department of the City of St. James

- G. Consideration to Approve Resolution 05.25.17 - Accepting Terms of Grant Agreement to State Transportation Fund Local Road Improvements Program Grant Terms and Conditions for SAP 083-594-004
- H. Consideration to Approve Resolution 05.25.18 - Accepting Financial Gift from the Eagles #3420
- I. Consideration to Approve Resolution 05.25.19 - Accepting Financial Gift from the Ellingsburg Zettle VFW Post #1914
- J. Consideration to Approve Resolution 05.25.20 - Accepting Financial Gift from the Ellingsburg Zettle VFW Post #1914

13. REPORT OF BOARDS, COMMISSIONS AND DEPARTMENT HEADS

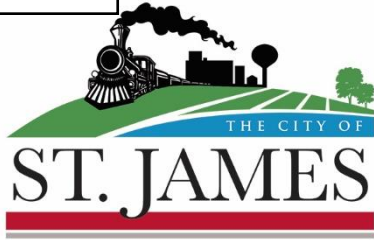
14. ADJOURNMENT

May 20, 2025

ITEM: Approval of Minutes – 05.06.2025 Council Minutes

BACKGROUND: The Minutes from May 6, 2025, City Council Meeting are attached for review and approval.

STAFF RECOMMENDATION: Approve/Deny Minutes.



City Council Meeting Minutes

May 06, 2025 at 5:30 PM

St. James City Hall – Council Chambers

1. CALL TO ORDER

Meeting called to order at 5:30 p.m.

2. ROLL CALL: Mayor Christopher Whitehead, Councilpersons: Susan Craig, Kathleen Hanson, Paul Harris, Stephen Lindee, Hannah Rushing

PRESENT: Mayor Christopher Whitehead, Councilpersons Sue Craig, Kathleen Hanson, Paul Harris, Stephen Lindee, Hannah Rushing

STAFF PRESENT: City Manager Amanda Knoll, City Clerk-Treasurer Kris Hurley, City Attorney Mike Kircher

3. DETERMINATION OF QUORUM

4. APPROVAL OF MINUTES

A. Consideration to Approve Minutes – 04.15.2025 Council Meeting

Motion made by Rushing, Seconded by Hanson.

Voting Yea: Craig, Hanson, Harris, Lindee, Rushing

Upon voice vote, it was unanimously approved.

B. Consideration to Approve Minutes - 04.29.2025 LBAE Meeting

Motion made by Craig, Seconded by Lindee.

Voting Yea: Craig, Hanson, Harris, Lindee, Rushing

Upon voice vote, it was unanimously approved.

5. CONSENT ITEMS

A. Payment of Claims and ACH Payments

Payment of Claims and ACH Payments totaling \$607,138.09 is as follows: \$241,913.20 Check No. 703981 - 704076 and \$365,224.89 ACH No. 1919 - 1939 as listed in the check register.

Motion made by Harris, Seconded by Rushing.

Voting Yea: Craig, Hanson, Harris, Lindee, Rushing

Upon voice vote, it was unanimously approved.

6. SCHEDULED BID LETTING

7. SCHEDULED PUBLIC HEARINGS

8. ADMINISTRATIVE APPEALS

9. FINANCIAL REPORTS

10. LICENSES AND PERMITS

11. OLD BUSINESS

- A. Consideration to Approve Second Reading of Proposed Ordinance 027, 4th Series - Impervious Surface

Ordinance 027, 4th Series amends Chapter §156.074 and §156.094 of the St. James City Code pertaining to lot area, width, and minimum setback standards.

Motion made by Rushing, Seconded by Harris Ordinance 027, 4th Series received its second reading. Upon hand vote the following voted:

Voting Yea: Hanson, Harris, Lindee, Rushing

Voting Nay: Craig

Whereupon Mayor Christopher Whitehead declared Ordinance 027, 4th Series to have received its second reading.

12. NEW BUSINESS

- A. Consideration to Approve Resolution 05.25.01 - Approving Ordinance 027, 4th Series and Authorizing the Title and Summary for Publication

Resolution 05.25.01 authorizes the Title and Summary for Publication of Ordinance 027, 4th Series Amending Chapter §156.074 and §156.094 of the St. James City Code pertaining to lot area, width, and minimum setback standards.

Motion made by Harris, Seconded by Rushing. Upon hand vote the following voted:

Voting Yea: Hanson, Harris, Lindee, Rushing

Voting Nay: Craig

Whereupon Mayor Christopher Whitehead declared Resolution 05.25.01 duly passed 4-1.

- B. Consideration to Approve Resolution 05.25.02 - Establishing a Board of Director for Meadowlark Prairies

Resolution 05.25.02 establishes a board of directors to ensure coordinated decision making, transparency, and alignment with the mission and vision of the nature area.

Motion made by Rushing, Seconded by Lindee. Upon hand vote the following voted:

Voting Yea: Lindee, Rushing

Voting Nay: Craig, Hanson, Harris

Whereupon Mayor Christopher Whitehead declared Resolution 05.25.02 denied 2-3.

- C. Consideration to Approve Resolution 05.25.03 - Waiving Special Assessment for Sewer Hook-Up Charge for Improvements Relating to Parcel No. 20-024-2700

Resolution 05.25.03 waives the deferred special assessment on property that the Economic Development Authority is purchasing for future development.

Motion made by Craig, Seconded by Hanson. Upon hand vote the following voted:

Voting Yea: Craig, Hanson, Harris, Lindee, Rushing

Whereupon Mayor Christopher Whitehead declared Resolution 05.25.03 duly passed 5-0.

- D. Consideration to Approve Resolution 05.25.04 - Waiving Special Assessment for Sewer Hook-Up Charge for Improvements Relating to Parcel No. 20-024-2700

Resolution 05.25.04 waives the deferred special assessment on property that the Economic Development Authority is purchasing for future development.

Motion made by Craig, Seconded by Lindee. Upon hand vote the following voted:

Voting Yea: Craig, Hanson, Harris, Lindee, Rushing

Whereupon Mayor Christopher Whitehead declared Resolution 05.25.04 duly passed 5-0.

- E. Consideration to Approve Resolution 05.25.05 - Approving Limited Use Permit Amendment with the State of Minnesota.

Resolution 05.25.05 approves extending the term of the current limited use permit with the State of Minnesota. The permit would renew for a period of 10 years. The amended agreement also deletes paragraphs pertaining to applicable laws, civil rights, and indemnification and release.

Motion made by Rushing, Seconded by Hanson. Upon hand vote the following voted:

Voting Yea: Craig, Hanson, Harris, Lindee, Rushing

Whereupon Mayor Christopher Whitehead declared Resolution 05.25.05 duly passed 5-0.

- F. Consideration to Approve Resolution 05.25.06 - Approving Agreement to Transfer Federal Airport Entitlement Funding to the City of Blue Earth.

Resolution 05.25.06 approves an agreement between the City of Blue Earth and the City of St. James. The agreement authorizes the City of St. James to transfer \$150,000.00 of received federal funding to the City of Blue Earth. The City of Blue Earth must repay the amount by no later than May 1, 2026.

Motion made by Craig, Seconded by Harris. Upon hand vote the following voted:

Voting Yea: Craig, Hanson, Harris, Lindee, Rushing

Whereupon Mayor Christopher Whitehead declared Resolution 05.25.06 duly passed 5-0.

- G. Consideration to Approve Resolution 05.25.07 - Approving County Project Within Municipal Corporate Limits

Resolution 05.25.07 approves Project No. SAP 083-656-009 for improvements of County State-Aid Highway No. 56 within the city limits.

Motion made by Hanson, Seconded by Lindee. Upon hand vote the following voted:

Voting Yea: Craig, Hanson, Harris, Lindee, Rushing

Whereupon Mayor Christopher Whitehead declared Resolution 05.25.07 duly passed 5-0.

- H. Consideration to Approve Resolution 05.25.08 - Granting Signage Approval Relating to 606 1st Avenue South

Motion made by Harris, Seconded by Hanson. Upon hand vote the following voted:

Voting Yea: Craig, Hanson, Harris, Lindee, Rushing

Whereupon Mayor Christopher Whitehead declared Resolution 05.25.08 duly passed 5-0.

- I. Consideration to Approve Resolution 05.25.09 - Granting Signage Approval Relating to 117 7th Street South
- Motion made by Rushing, Seconded by Craig. Upon hand vote the following voted:
Voting Yea: Craig, Hanson, Harris, Lindee, Rushing
- Whereupon Mayor Christopher Whitehead declared Resolution 05.25.09 duly passed 5-0.
- J. Consideration to Approve Resolution 05.25.10 - Authorizing Transfer of Certificate of Deposit Funds to Savings Account to Maximize Interest Yield
- Motion made by Craig, Seconded by Harris. Upon hand vote, the following voted:
Voting Yea: Craig, Hanson, Harris, Lindee, Rushing
- Whereupon Mayor Christopher Whitehead declared Resolution 05.25.10 duly passed 5-0.
- K. Consideration to Approve Proposal for Geotechnical Servies - American Engineering Testing
- The proposal for geotechnical services is to explore the surface conditions at Mayberry Industrial Park, 7th Street South. The Economic Development Authority is purchasing the property for future development. The cost for the geotechnical services is \$11,900.00.
- Motion made by Lindee, Seconded by Craig.
Voting Yea: Craig, Hanson, Harris, Lindee, Rushing
- Upon voice vote, it was unanimously approved.
- L. Consideration to Accept Retirement - Roxanne Fischer
- Roxanne Fischer has given her intent to retire from the City of St. James effective April 30, 2025. Roxanne has been employed with the St. James Liquor Store for 30 years. Congratulations to Roxanne on her retirement.
- Motion made by Rushing, Seconded by Harris to approve Roxanne Fischer's retirement.
Voting Yea: Craig, Hanson, Harris, Lindee, Rushing
- Upon voice vote, it was unanimously approved.
- M. Consideration to Approve First Reading of Proposed Ordinance 028, 4th Series - Cannabis Regulations
- Ordinance 028, 4th Series Adding Chapter 124 to the St. James City Code Pertaining to Regulation of Cannabis Businesses
- Motion made by Rushing, Seconded by Craig. Ordinance 028, 4th Series received its first reading. Upon hand vote, the following voted:
Voting Yea: Craig, Harris, Lindee, Rushing
Voting Nay: Hanson
- Whereupon Mayor Christopher Whitehead declared Ordinance 028, 4th Series to have received its first reading.

N. Consideration to Approve First Reading of Proposed Ordinance 029, 4th Series - Naming Street

Ordinance 029, 4th Series Renaming a Street in the City of St. James, Watonwan County, Minnesota

Motion made by Harris, Seconded by Craig. Ordinance 029, 4th Series received its first reading. Upon hand vote, the following voted:

Voting Yea: Craig, Hanson, Harris, Lindee, Rushing

Whereupon Mayor Christopher Whitehead declared Ordinance 029, 4th Series to have received its first reading.

13. REPORT OF BOARDS, COMMISSIONS AND DEPARTMENT HEADS

14. ADJOURNMENT

Motion made by Rushing, Seconded by Lindee.

Voting Yea: Craig, Hanson, Harris, Lindee, Rushing

All Yea - motion carried. The meeting adjourned at 5:47 p.m.

Kristin Hurley, City Clerk-Treasurer

May 20, 2025

ITEM: Old Business – Proposed Ordinance No. 028, 4th Series: Adding Chapter §124 to the St. James City Code Pertaining to Regulation of Cannabis Businesses

BACKGROUND: The attached proposed ordinance adds Chapter §124 to the St. James City Code pertaining to cannabis regulation. Minnesota State law allows cities to regulate the zoning requirements and retail registration on cannabis businesses.

~~**First Reading:** May 6, 2025~~

~~**Notice of Proposed Ordinance:** May 9, 2025~~

Second Reading and Final Vote: May 20, 2025

Approval of Publication of Title and Summary of Ordinance by the Council: May 20, 2025

Publication of Title and Summary of Ordinance: May 29, 2025

Publication of Entire Text of Ordinance at Watonwan County Library:

Recorded in the Ordinance Book and Available on Website:

Effective Date of Ordinance:

ACTION REQUESTED: Approve/Deny the 2nd Reading of the Proposed Ordinance.

ORDINANCE 028, 4TH SERIES

**ORDINANCE ADDING CHAPTER 124 TO THE ST. JAMES CITY CODE
PERTAINING TO REGULATION OF CANNABIS BUSINESSES**

The City of St. James does ordain:

Section 1. Title XI of the City Code is amended by adding Chapter 124 to read as follows:

Chapter 124. CANNABIS.

§124.01 PURPOSE AND INTENT.

The City of St. James makes the following legislative findings:

(A) The purpose of this ordinance is to implement the provisions of Minnesota Statutes, Chapter 342, which authorizes the City of St. James to protect the public health, safety, welfare of the St. James residents by regulating cannabis and hemp businesses within the City.

(B) The City of St. James finds and concludes that the proposed provisions are appropriate and lawful land use regulations for St. James, that the proposed amendments will promote the community's interest in reasonable stability in zoning for now and in the future, and that the proposed provisions are in the public interest and for the public good.

§ 124.02 DEFINITIONS.

Except as may otherwise be provided or clearly implied by context, all terms shall be given their commonly accepted definitions. The following words, terms, and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Applicant. An applicant means an entity with a license issued by the OCM that is applying for an initial registration or for registration renewal.

The Act. The Act means Minnesota Statute, Chapter 342, as it may be amended from time to time.

Cannabis Business. A cannabis business has the same meaning as defined in Minnesota Statute §342.01.

Cannabis Cultivation Business. A cannabis business licensed to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant, harvest cannabis flower from mature plant, package and label immature plant and seedlings and cannabis flower for sale to other cannabis businesses, transport cannabis flower to a cannabis manufacturer located on the same premises, and perform other actions approved by the State of Minnesota Office of Cannabis Management.

Cannabis Delivery Business. A cannabis delivery business means a business with a cannabis delivery service license or delivery service endorsement from the State of Minnesota Office of Cannabis Management.

Cannabis Manufacturing Business. A cannabis manufacturing business means a business with a cannabis manufacturer license, or manufacturing endorsement from the State of Minnesota

Office of Cannabis Management.

Cannabis Retail Business. A retail location and the retail location(s) of a mezzo businesses with a retail operations endorsement, microbusinesses with a retail operations endorsement, medical combination businesses operating a retail location, lower-potency hemp edible retailers.

Cannabis Retailer. Any person, partnership, firm, corporation, or association, foreign or domestic, selling cannabis product to a consumer and not for the purpose of resale in any form.

Cannabis Testing Business. A cannabis testing business means a business with a cannabis testing facility license or testing endorsement from the State of Minnesota Office of Cannabis Management.

Cannabis Transportation Business. A cannabis transportation business means a business with a cannabis transporter license or transportation endorsement from the State of Minnesota Office of Cannabis Management.

Cannabis Wholesaling Business. A cannabis wholesaling business means a business with a cannabis wholesaler license or wholesaling endorsement from the State of Minnesota Office of Cannabis Management.

Daycare. A location licensed with the Minnesota Department of Human Services to provide the care of a child in a residence outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

Lower-Potency Hemp Edible. As defined under Minnesota Statute §342.01, subd. 50.

Office of Cannabis Management. Minnesota Office of Cannabis Management, referred to as "OCM" in this ordinance.

Place of Public Accommodation. A business, accommodation, refreshment, entertainment, recreation, or transportation facility of any kind, whether licensed or not, whose goods, services, facilities, privileges, advantages or accommodations are extended, offered, sold, or otherwise made available to the public.

Preliminary License Approval. OCM pre-approval for a cannabis business license for applicants who qualify under Minnesota Statute §342.17.

Potential License. Potential license means an applicant that has not received a license from the OCM.

Public Place. A public park or trail, public street or sidewalk; any enclosed, indoor area used by the general public, including, but not limited to, restaurants; bars; any other food or liquor establishment; hospitals; nursing homes; auditoriums; arenas; gyms; meeting rooms; common areas of rental apartment buildings, and other places of public accommodation.

Residential Treatment Facility. As defined under Minnesota Statute §245.462, Subd. 23.

Temporary Cannabis Event. A secured event, or a secured portion of a larger separately licensed event, devoted to cannabis activities as permitted by state law and local regulations.

School. Any public or private elementary, vocational, or secondary school, or a public or private college or university.

State License. An approved license issued by the State of Minnesota's Office of Cannabis Management to a cannabis retail business.

§ 124.03. REGISTRATION OF CANNABIS BUSINESSES.

(A) *Cannabis Business Initial Zoning Certification.*

(1) Pursuant to Minnesota Statute §342, within 30 days of receiving a copy of a state license application from OCM, the City of St. James shall certify on a form provided by OCM whether a potential licensee complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.

(2) Successful approval of a site for zoning compliance does not guarantee that the potential licensee will receive retail registration. A complete application for retail registration must still be applied for and obtained by a retailer before any retail sale to a customer.

(B) *Retailer Registration.*

(1) Before making retail sales to customers or patients, a retailer must register with the city. Making retail sales to customers without an active registration is prohibited.

(2) Subject to Minnesota Statute §342.22, Subd. 5(e), the city may impose a civil penalty, as specified in the City's Fee Schedule, for making a sale to a customer or patient without valid registration from the City and a valid license from OCM.

(C) *Compliance Checks Prior to Retail Registration.* Prior to issuance of a cannabis retail business registration, the City of St. James shall conduct a preliminary compliance check to ensure compliance with local ordinances.

(D) *Registration and Application Procedure.*

(1) *Fees.*

(a) A registration fee, as established in the City of St. James' fee schedule, shall be charged to applicants depending on the type of retail business license applied for.

(b) Initial registration fees and renewal registration fees are nonrefundable.

(2) *Application Submittal.* The City of St. James shall issue a local retail registration to a retailer that adheres to the requirements of Minnesota Statute §342.22, and which qualifies for a registration under the provisions of Chapter 124.

(a) An applicant for initial registration or renewal shall fill out an application form, as provided by the City of St. James. Information required on the form shall include, but is not limited to:

(i) Full name of the property owner and applicant;

- (ii) Address, email address, and telephone number of the applicant;
 - (iii) The address and parcel ID for the property which the retail registration is sought;
 - (iv) Certification that the applicant complies with the requirements of local ordinances established pursuant to Minnesota Statute §342.13.
 - (v) Proof of taxes, assessments, utility charges or other financial claims of the city or the state are current.
 - (b) The applicant shall include with the registration form:
 - (i) The required local registration fee as required in §124.03 D(1);
 - (ii) A copy of a valid state license or written notice of OCM license preapproval;
 - (iii) A narrative describing the proposed business;
 - (iv) A site plan showing the building to house the business, available parking;
 - (v) Floorplans for the proposed business which show compliance to all MN Building Code requirements.
 - (c) Once an application is considered complete, the City of St. James shall process the required fee and forward the application to the Zoning Administrator if any changes need to be reviewed. City Council shall approve all retail registrations.
- (3) *Application Approval.*
- (a) Applications will be processed on a first-come, first-served basis based on the city receiving a complete application and payment of all fees.
 - (b) The date a certification under §124.03(A) is issued will have no impact on the applicant's registration processing.
 - (c) Complete applications shall be approved by the City Council unless one of the following reasons for denial applies:
 - (i) The cannabis retail business would exceed the maximum number of registered cannabis retail businesses permitted in the City under §124.03(G).
 - (ii) The applicant is unable to meet the requirements of City Code Chapter 124 or applicable zoning regulations for the proposed business location.
 - (d) Registration shall not be transferable to a new owner.
- (4) *Annual Compliance Checks.*

(a) The City of St. James shall complete at minimum one compliance check per calendar year of every cannabis business to assess if the business meets age verification requirements, as required under Minnesota Statute §342.22 Subd. 4(b) and Minnesota Statute §342.24 and Chapter 124 of this Municipal Code.

(b) The City of St. James shall conduct at minimum one unannounced age verification compliance check at least once per calendar year.

(c) Age verification compliance checks shall involve persons at least 17 years of age but under the age of 21 who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the City of St. James.

(d) Any failures under this section must be reported to the Office of Cannabis Management.

(5) *Location Change.* A state-licensed cannabis retail business shall be required to submit a new application for registration under §124.05(C)2 if it seeks to move to a new location still within the legal boundaries of the City of St. James.

(E) *Renewal of Registration.*

(1) Each year, a state-licensed cannabis retail business shall apply to renew local registration on a form established by the City of St. James.

(a) *Renewal Fees.* A renewal fee for local registration shall be required starting at the second renewal, as established in the City of St. James' fee schedule.

(b) *Renewal Application.* The application for renewal of a local retail registration shall include, but is not limited to, all items required under §124.03(D)(2).

(2) The City of St. James shall renew the local registration of a state-licensed cannabis retail business concurrent with and subject to OCM renewal of the State license for the business.

(F) *Suspension of Registration.*

(1) *When Suspension is Warranted.* The City of St. James may suspend a cannabis retail business' registration if it violates the ordinance of St. James or poses an immediate threat to the health or safety of the public. The City shall immediately notify the cannabis retail business in writing the grounds for the suspension.

(2) *Notification to OCM.* The City of St. James shall immediately notify the OCM in writing the grounds for the suspension. OCM will provide the City and cannabis business retailer a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days.

(3) *Length of Suspension.* The suspension of a cannabis retail business registration

may be for up to 30 calendar days, unless OCM suspends the license for a longer period. The business may not make sales to customers if their registration is suspended.

The City of St. James may reinstate a registration if it determines that the violations have been resolved.

The City of St. James shall reinstate a registration if OCM determines that the violation(s) have been resolved.

(4) *Civil Penalties.* Subject to Minnesota Statute §342.22, Subd. 5(e), the City of St. James may impose a civil penalty, as specified in the City's fee schedule, for registration violations, not to exceed \$2,000.

(G) *Limiting of Registrations.* The City of St. James shall limit the number of cannabis retail business to two.

§124.04. REQUIREMENTS FOR CANNABIS BUSINESSES.

(A) *Minimum Buffer Requirements.*

(1) The City of St. James prohibits local registration of a new cannabis business where retail sales would physically occur within 350 feet of the property line of any schools, daycares, residential treatment facility, or parks that include attractions that are regularly used by minors.

(2) Pursuant to Minnesota Statute §462.357 Subd. 1(e), nothing in §124.04(A) shall prohibit an active cannabis business or a cannabis business seeking registration from continuing operation at the same site if a school, daycare, residential treatment facility, attraction within a public park that is regularly used by minors, moves within the minimum buffer zone. Except public parks include St. James Downtown Park, Helping Hands, and Plaza de Saint James.

(B) *Zoning and Land Use.*

(1) *Cultivation.* Cannabis businesses licensed or endorsed for cultivation are permitted as an agricultural use in the following zoning districts:

- (a) Planned Industrial District (I-1)
- (b) General Industrial District (I-2)

(2) *Cannabis Manufacturer.* Cannabis businesses licensed or endorsed for cannabis manufacturer are permitted as an industrial use in the following zoning districts:

- (a) Planned Industrial District (I-1)
- (b) General Industrial District (I-2)

(3) *Hemp Manufacturer.* Cannabis businesses licensed or endorsed for hemp manufacturer are permitted as an industrial use in the following zoning districts:

- (a) Planned Industrial District (I-1)
- (b) General Industrial District (I-2)

(4) *Wholesale.* Cannabis businesses licensed or endorsed for wholesale are permitted

as an industrial use in the following zoning districts:

- (a) Planned Industrial District (I-1)
- (b) General Industrial District (I-2)
- (c) Special Use Permit: Service Business District (B-2), General Business District (B-3), Highway Commercial Business District (B-4)

(5) *Cannabis Retail.* Cannabis businesses licensed or endorsed for cannabis retail are permitted as a commercial use in the following zoning districts:

- (a) Service Business District (B-2)
- (b) General Business District (B-3)
- (c) Highway Commercial Business District (B-4)
- (d) Special Use Permit: Planned Industrial District (I-1), General Industrial District (I-2)

(6) *Cannabis Transportation.* Cannabis businesses licensed or endorsed for transportation are permitted as an industrial use in the following zoning districts:

- (a) Planned Industrial District (I-1)
- (b) General Industrial District (I-2)

(7) *Cannabis Delivery.* Cannabis businesses licensed or endorsed for delivery are permitted as an industrial use in the following zoning districts:

- (a) Planned Industrial District (I-1)
- (b) General Industrial District (I-2)

(C) *Hours of Operation.* Cannabis businesses are limited to retail sale of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between the hours of 8:00 AM and 10:00 PM, seven days per week.

(D) *Advertising.* Cannabis businesses are permitted to erect signs in accordance to St. James City Code §156.033.

§124.05. TEMPORARY CANNABIS EVENTS.

(A) *License Required for Temporary Cannabis Events.*

(1) *License Required.* A special event permit is required to be issued and approved by the City of St. James prior to holding a Temporary Cannabis Event. Permit review and issuance shall follow the procedures for Special Events under Chapter 123 of the City Code.

§ 124.06. LOWER-POTENCY HEMP EDIBLES.

(A) *Sale of Low-Potency Hemp Edibles.* The sale of Low-Potency Edibles is permitted, subject to the conditions within this ordinance.

(B) *Zoning Districts.*

(1) *Cultivation.* Cannabis businesses licensed or endorsed for cultivation are permitted

as a retail or cultivation use in the following zoning districts:

- (a) Commercial Use - Low-Potency Hemp Edibles Retail: Service Business District (B-2), General Business District (B-3), Highway Commercial Business District (B-4)
- (b) Commercial Use: Special Use Permit: Planned Industrial District (I-1), General Industrial District (I-2)
- (c) Cultivation: Planned Industrial District (I-1), General Industrial District (I-2)
- (d) Cultivation: Special Use Permit: Service Business District (B-2), General Business District (B-3), Highway Commercial Business District (B-4)

(B) *Additional Standards.*

- (1) *Sales within Municipal Liquor Store.* The sale of Low-Potency Edibles and Beverages are permitted in a Municipal Liquor Store.
- (2) *Age Requirements.* The sale of Low-Potency Edibles is permitted only in places that admit those 21 years of age or older.
- (3) *Beverages.* The sale of Low-Potency Hemp Beverages is permitted in places that met requirements in this Ordinance.
- (4) *Storage of Product.* Low-Potency Edibles shall be sold behind a counter and stored in a locked case.

§ 124.07. LOCAL GOVERNMENT AS A CANNABIS RETAILER.

The City of St. James may establish, own, and operate one municipal cannabis retail business subject to the restrictions in this ordinance.

The City of St. James shall be subject to all same retail license requirements and procedures applicable to all other applicants.

§ 124.08. USE IN PUBLIC PLACES.

No person shall use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place or place of public accommodation unless the premises is an establishment, or an event licensed to permit on-site consumption of adult-use.

§ 124.09. PENALTY ADMINISTRATION AND ENFORCEMENT.

Any violation of the provisions of the Chapter or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law. Each day each violation continues or exists, constitutes a separate offense. Violations of this Ordinance can occur regardless of whether or not a permit is required for a regulated activity listed in this ordinance. Violation of this Chapter shall be grounds for enforcement against any business license issued by the City of St. James.

Section 2. Effective Date. This ordinance shall be effective upon passage and publication.

First Reading:	<u>May 6, 2025</u>
Second/Final Reading:	<u>May 20, 2025</u>
Date of Publication:	<u>May 29, 2025</u>
Date Ordinance Takes Effect:	<u>May 29, 2025</u>

Christopher Whitehead, Mayor

ATTEST:

Kristin K. Hurley, City Clerk

ST. JAMES PLANNING COMMISSION

TO: Planning Commission Members

FROM: Brianna Sanders, Zoning Administrator

DATE: March 31, 2025

RE: Zoning Regulations For Cannabis Businesses

Request

With the passing new legislature, cities have the opportunity to set zoning regulations for cannabis businesses. There are five key issues to consider: number of registrations, hours of operation for cannabis businesses, zoning districts to allow the operation of cannabis businesses, the buffer distance from parks, schools, daycares, etc., and cost of registration. The Planning Commission can make a recommendation on the first four issues.

Proposal

City staff have reviewed a draft ordinance put together by the Office of Cannabis Management (enclosed). The draft ordinance includes the following proposed items:

Number of Registrations:

The draft ordinance includes the maximum of **2** cannabis retail businesses within the city limits of St. James.

MN State Statute requires that at least one Cannabis Retail Business Registration per every 12,500 residents, which would be a minimum of (1) one within the city limits of St. James. If the County chooses to establish their own cannabis ordinance, the City of St. James may have one cannabis retail business and there may be one within the county boundaries.

If a local government chooses to limit the number of retail registrations within its locality, options for selecting applicants could include a lottery, a first-come/first-served model, rolling approvals, and other options.

Hours of Operation for Cannabis Businesses:

8:00 AM and 10:00 PM, seven days per week

Beer/Liquor licenses allow for the sale of beer/liquor during the hours of 8:00am to 1:00am Monday through Saturday and from 12:00pm to 1:00am on Sundays.

Zoning Districts:

	B-2 Service Business	B-3 General Business	B-4 Highway Commercial Business	I-1 Planned Industrial	I-2 General Industrial
Cultivation				Permitted	Permitted
Cannabis Manufacturer				Permitted	Permitted
Hemp				Permitted	Permitted

Wholesale	Special Use	Special Use	Special Use	Permitted	Permitted
Cannabis Retail	Permitted	Permitted	Permitted	Special Use	Special Use
Cannabis Transportation				Permitted	Permitted
Cannabis Delivery				Permitted	Permitted
Low Potency Hemp Edibles Retail	Permitted	Permitted	Permitted	Special Use	Special Use
Cultivation	Special Use	Special Use	Special Use	Permitted	Permitted

Buffer Requirements:

The draft ordinance includes a buffer for retail cannabis businesses to be 500 feet from the property line of any schools, daycares, residential treatment facility, or parks that include attractions that are regularly used by minors.

It is being proposed that St. James Downtown Park, Helping Hands Park, and La Plaza de St. James are all excluded from the buffer requirements.

MN State Statute allows for the following maximum buffers: 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including playgrounds and athletic fields.

	Maximum Allowable Buffer	Proposed Buffer
Schools	1000	350
Daycares	500	350
Residential Treatment Facility	500	350
Parks	500	350

Recommendations

Staff recommendation is approval of the draft ordinance.

May 20, 2025

ITEM: New Business – Proposed Ordinance No. 029, 4th Series: Renaming a Street in the City of St. James, Watonwan County, Minnesota

BACKGROUND: The attached proposed ordinance authorizes the renaming of 6th Avenue Court South to Lake Lane. At previous work sessions of the city council, it was determined that the current street name of 6th Avenue Court South is clumsy and confusing. The Economic Development Authority made another recommendation to the City Council of naming the street Lake Lane.

~~**First Reading:** May 6, 2025~~

~~**Notice of Proposed Ordinance:** May 9, 2025~~

Second Reading and Final Vote: May 20, 2025

Approval of Publication of Title and Summary of Ordinance by the Council: May 20, 2025

Publication of Title and Summary of Ordinance: May 29, 2025

Publication of Entire Text of Ordinance at Watonwan County Library:

Recorded in the Ordinance Book and Available on Website:

Effective Date of Ordinance:

ACTION REQUESTED: Approve/Deny the 2nd Reading of the Proposed Ordinance.

State of Minnesota
County of Watonwan

ORDINANCE 029, 4TH SERIES

**AN ORDINANCE RENAMING A STREET IN THE CITY OF ST. JAMES,
WATONWAN COUNTY, MINNESOTA**

The City of St. James does ordain as follows:

Section 1. Renaming Street. “6TH AVENUE COURT SOUTH” lying and being as follows:

6TH AVENUE COURT SOUTH OF SCHWINGLER’S SUBDIVISION, CITY OF ST. JAMES,
WATONWAN COUNTY, MINNESOTA

Is hereby renamed “LAKE LANE”.

Section 2. Severability. Should any section, subdivision, clause or other provision of this Ordinance be held to be invalid by any court of competent jurisdiction, such decisions shall not affect the validity of the Ordinance as a whole or any part thereof, other than the part held to be invalid.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF ST. JAMES, MINNESOTA,** as follows:

1. “6th AVENUE COURT SOUTH” shall hereby be renamed to LAKE LANE.

Section 3. Effective Date. The effective date of this ordinance shall be effective upon passage and publication.

First Reading: May 6, 2025

Second Reading: May 20, 2025

Date of Publication: May 29, 2025

Date Ordinance Takes Effect: May 29, 2025

Adopted by the City Council this _____ day of May, 2025.

Christopher Whitehead, Mayor

ATTEST:

Kristin K. Hurley, City Clerk-Treasurer

May 20, 2025

ITEM: New Business – Resolution 05.25.11: Approving Ordinance 028, 4th Series Adding Chapter §124 to the St. James City Code Pertaining to Regulation of Cannabis Businesses and Authorizing the Title and Summary for Publication

BACKGROUND: The attached resolution approves the ordinance pertaining to the regulation of cannabis businesses and authorizes the title and summary for publication.

STAFF RECOMMENDATION: Approve/Deny Resolution.

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 05.25.11

**RESOLUTION APPROVING ORDINANCE 028, 4TH SERIES ADDING
CHAPTER §124 TO THE ST. JAMES CITY CODE PERTAINING TO
REGULATION OF CANNABIS BUSINESS AND AUTHORIZING THE TITLE
AND SUMMARY FOR PUBLICATION**

WHEREAS, the City of St. James introduced the proposed Ordinance 028, 4th Series adding Chapter §124 the City Code pertaining to the regulation of cannabis businesses; and

WHEREAS, the City of St. James City Council reviewed this item during their May 6, 2025, city council meeting, agreed with the recommendation and approved the first reading of the proposed Ordinance 028, 4th Series; and

WHEREAS, the City of St. James City Council held a second reading of the proposed Ordinance 028, 4th Series during their May 20, 2025, meeting; and

WHEREAS, Minnesota Statutes, Section 412.91, Subd. 4, allows publication by title and summary in the case of lengthy ordinances; and

WHEREAS, the City of St. James City Council finds that the following title and summary would clearly inform the public of the intent and effect of the Ordinance 028, 4th Series, and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ST. JAMES, MINNESOTA, that the City of St. James City Council hereby approved the second and final reading of the proposed Ordinance 028, 4th Series adding Chapter §124 to the St. James City Code pertaining to the regulation of cannabis businesses.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City Manager shall cause the following summary of the proposed Ordinance to be published in the official newspaper in lieu of the entire ordinance:

PUBLIC NOTICE

**ORDINANCE 028, 4TH SERIES ADDING CHAPTER §124 TO THE ST. JAMES CITY
CODE PERTAINING TO REGULATION OF CANNABIS BUSINESS**

The City Council of St. James has adopted Ordinance 028, 4th Series, amending Title XI – Business Regulation of the City Code. Specifically, the ordinance adds Chapter §124 relating to the regulations of cannabis businesses within the city limits of St. James.

Regulations include registration requirements, zoning restrictions, use restrictions and inspections and enforcement. The effective date of the ordinance is May 29, 2025.

This summary of Ordinance 028, 4th Series has been approved by the City Council on May 20, 2025. A printed copy of the full text of the ordinance is available for public inspection in the office of the city clerk.

Adopted by the City Council this 20th day of May 2025.

Christopher Whitehead, Mayor

ATTEST:

Kristin K. Hurley, City Clerk-Treasurer

Published: May 29, 2025

Filed: _____

Effective Date: May 29, 2025

May 20, 2025

ITEM: New Business – Resolution 05.25.12: Approving Ordinance 029, 4th Series
Renaming a Street in the City of St. James, Watonwan County, Minnesota and Authorizing
the Title and Summary for Publication

BACKGROUND: The attached resolution approves the ordinance pertaining to the
renaming of a street and authorizes the title and summary for publication.

STAFF RECOMMENDATION: Approve/Deny Resolution.

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 05.25.12

**RESOLUTION APPROVING ORDINANCE 029, 4TH SERIES RENAMING A
STREET AND AUTHORIZING THE TITLE AND SUMMARY FOR
PUBLICATION**

WHEREAS, the City of St. James introduced the proposed Ordinance 029, 4th Series renaming a street within the city limits of St. James; and

WHEREAS, the City of St. James City Council reviewed this item during their May 6, 2025, city council meeting, agreed with the recommendation and approved the first reading of the proposed Ordinance 029, 4th Series; and

WHEREAS, the City of St. James City Council held a second reading of the proposed Ordinance 029, 4th Series during their May 20, 2025, meeting; and

WHEREAS, Minnesota Statutes, Section 412.91, Subd. 4, allows publication by title and summary in the case of lengthy ordinances; and

WHEREAS, the City of St. James City Council finds that the following title and summary would clearly inform the public of the intent and effect of the Ordinance 029, 4th Series, and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ST. JAMES, MINNESOTA, that the City of St. James City Council hereby approved the second and final reading of the proposed Ordinance 029, 4th Series renaming a street within the city limits of St. James.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City Manager shall cause the following summary of the proposed Ordinance to be published in the official newspaper in lieu of the entire ordinance:

PUBLIC NOTICE

ORDINANCE 029, 4TH SERIES RENAMING A STREET

Ordinance 029, 4th Series renames “6th Avenue Court South” to “Lake Lane”. The effective date of the ordinance is May 29, 2025.

This summary of Ordinance 029, 4th Series has been approved by the City Council on May 20, 2025. A printed copy of the full text of the ordinance is available for public inspection in the office of the city clerk.

Adopted by the City Council this 20th day of May 2025.

Christopher Whitehead, Mayor

ATTEST:

Kristin K. Hurley, City Clerk-Treasurer

Published: May 29, 2025

Filed: _____

Effective Date: May 29, 2025

May 20, 2025

ITEM: New Business – Resolution 05.25.13: Amending 2025 Fee Schedule

BACKGROUND: The attached resolution amends the 2025 Fee Schedule to include cannabis retail registration and renewal application according to state law.

STAFF RECOMMENDATION: Approve/Deny Resolution.

State of Minnesota
County of Watonwan

RESOLUTION NO. 05.25.13

RESOLUTION AMENDING THE 2025 FEE SCHEUDLE

WHEREAS, fees and charges are assessed for various services for the City of St. James; and

WHEREAS, the St. James City Council approved Resolution 01.25.06 adopting a schedule of fees and charges for various services, licenses and permits for the City of St. James; and

WHEREAS, the City Council of the City of St. James, Minnesota resolves to amend the following scheduled of fees and charges for the calendar year 2025.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ST. JAMES, MINNESOTA, that the City of St. James City Council hereby approves the following amendment to the schedule of fees and charges for various services, licenses, and permits listed in Appendix A.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that whenever a provision of this Resolution is in conflict with the St. James City Code, it is the intent of the City Council that the Code shall prevail.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that this Resolution shall supersede any previous measures of the City Council that sets, establishes, or fixes a specific amount for such fees, charges, and utility rates.

Adopted by the City Council this 20th day of May 2025.

Christopher Whitehead, Mayor

ATTEST:

Kristin K. Hurley, City Clerk

Published: _____

Filed: _____

Effective Date: May 20, 2025

APPENDIX A:**2025 FEE SCHEDULE**

	2025	2025 Amended
OTHER LICENSES		
Cigarette	\$25.00	\$25.00
THC License	\$1,000.00	\$1,000.00
THC License Investigation Fee	\$500.00	\$500.00
Cannabis Retail Registration	N/A	\$500 or up to half the amount of the applicable initial license fee, whichever is less
Cannabis Retail Registration – Renewal	N/A	\$1,000 or up to half the amount of the applicable renewal license fee, whichever is less
Special Sewer/ water	\$55.00	\$55.00
Plumbing	\$55.00	\$55.00
Garbage/ Refuse- per truck	\$55.00	\$55.00
Vending	\$100.00	\$100.00
Peddler- Day	\$15.00	\$15.00
Week	\$65.00	\$65.00
Month	\$120.00	\$120.00
6 months	\$230.00	\$230.00
Rental License fee- Annual	\$60.00	\$60.00
Per Unit Dwelling over 4 Units	\$5.00	\$5.00
Fines: Reschedule Inspection (30-days)	\$25.00	\$25.00
No Show	\$50.00	\$50.00
Compliance Re-Inspection	\$25.00	\$25.00
Inspections not completed by Dec 31	\$50.00	\$50.00
Rental License fee -B&B- Annual	\$150.00	\$150.00
Dog Permit - Lifetime	\$25.00	\$25.00

May 20, 2025

ITEM: New Business – Resolution 05.25.14: Accepting Bid for Project No. 24X.135115 7th Street South, 13th Avenue, and Moulton & Parsons Improvement Project

BACKGROUND: The attached resolution accepts the lowest responsible bidder, Dirt Merchant, Inc of Mankato, MN.

STAFF RECOMMENDATION: Approve/Deny Resolution.

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 05.25.14

**RESOLUTION ACCEPTING BID
PROJECT NO. 24X.135115
7TH STREET SOUTH, 13TH AVENUE, AND MOULTON & PARSONS
IMPROVEMENT PROJECT**

WHEREAS, pursuant to an advertisement for bids for Project No. 24X.135115, 7th Street S, 13th Avenue S, and Ring Road Improvement project, bids were received, opened, and tabulated according to the law; and

WHEREAS, the following bids were received complying with the advertisement:

BIDDER	BID AMOUNT
Dirt Merchant, Inc.	\$1,845,944.00
W.W. Blacktopping, Inc.	\$2,028,111.02
GM Contracting, Inc.	\$2,054,737.19
ICON, LLC	\$2,213,918.10
OMG Midwest, Inc. (MN Paving & Materials)	\$2,232,485.63
M.R. Paving & Excavating, Inc.	\$2,276,110.34
Duininck, Inc.	\$2,454,028.10
R & R Excavating, Inc.	\$2,711,652.92

WHEREAS, it appears that Dirt Merchant, Inc. of Mankato, Minnesota is the lowest responsible bidder.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ST. JAMES, MINNESOTA, as follows:

Section 1. The Mayor and City Manager are hereby authorized and directed to enter into a construction contract with Dirt Merchant, Inc. of Mankato, Minnesota in the name of the City of St. James, Minnesota for the Project No. 24X.135115, 7th Street S, 13th Avenue S, and Ring Road Improvement project, according to the plans and specifications therefor approved by the city council and on file in the office of the city clerk.

Section 2. The City Clerk is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

Adopted by the City Council this 20th day of May 2025.

Christopher Whitehead, Mayor

ATTEST:

Kristin K. Hurley, City Clerk

Published: _____

Filed: _____

Effective Date: May 20, 2025

May 20, 2025

ITEM: New Business – Resolution 05.25.15: Accepting Bid for 2025 Street Seal Coating

BACKGROUND: The attached resolution accepts the lowest responsible bidder, Peason Bros, Inc of Hanover, MN.

STAFF RECOMMENDATION: Approve/Deny Resolution.

State of Minnesota
County of Watonwan

RESOLUTION NO. 05.25.15

**RESOLUTION ACCEPTING BID
2025 STREET SEAL COATING**

WHEREAS, pursuant to an advertisement for bids for 2025 Street Seal Coating, bids were received, opened, and tabulated according to the law; and

WHEREAS, the following bids were received complying with the advertisement:

BIDDER	BID AMOUNT
Pearson Bros, Inc.	\$227,602.10
Allied Blacktop Company	\$254,343.40

WHEREAS, it appears that Pearson Bros, Inc. of Hanover, Minnesota is the lowest responsible bidder.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ST. JAMES, MINNESOTA, as follows:

Section 1. The Mayor and City Manager are hereby authorized and directed to enter into a construction contract with Pearson Bros., Inc of Hanover, Minnesota in the name of the City of St. James, Minnesota for the 2025 Street Seal Coating, according to the plans and specifications therefor approved by the city council and on file in the office of the city clerk.

Section 2. The City Clerk is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

Adopted by the City Council this 20th day of May 2025.

Christopher Whitehead, Mayor

ATTEST:

Kristin K. Hurley, City Clerk

Published: _____

Filed: _____

Effective Date: May 20, 2025

May 20, 2025

ITEM: New Business – Resolution 05.25.16: Establishing the Position of Police Sergeant within the Police Department of the City of St. James

BACKGROUND: The attached resolution establishes the position of Police Sergeant within the St. James Police Department.

The creation of this position is recommended by the Personnel Committee following a review of the department's current structure and staffing needs. Research into similar sized communities shows that it is standard practice to include a sergeant-level role rather than appointing an Assistant Police Chief. This structure better aligns with operational demands and budgetary considerations.

Position Overview:

- **Leadership:** Enhances day-to-day leadership within the department and supports officer development and accountability.
- **Continuity of Operations:** Provides an experienced point of leadership in the absence of the Police Chief.
- **Union Status:** This position will remain within the Law Enforcement Labor Services (LELS) union and will continue on the rotating patrol officer schedule.
- **Compensation:** The designated Sergeant will receive an additional \$2.50 per hour.

In addition a Police Sergeant will strengthen operational effectiveness, improve accountability, and support the professional growth of our officers, contributing to a safer and more resilient community.

STAFF RECOMMENDATION: Approve/Deny Resolution.

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 05.25.16

**RESOLUTION ESTABLISHING THE POSITION OF POLICE SERGEANT
WITHIN THE POLICE DEPARTMENT OF THE CITY OF ST. JAMES**

WHEREAS, the City of St. James is committed to maintaining a professional, responsive, and effective police force that serves the safety and wellbeing of its residents; and

WHEREAS, on May 6, 2025, the Personnel Committee met to review the current structure of the City of St. James Police Department; and

WHEREAS, the Personnel Committee recommends the establishment of a Sergeant position; and

WHEREAS, the structure of the current police department does not include a formal supervisory position between patrol officers and the Police Chief; and

WHEREAS, the creation of a Police Sergeant position will provide essential leadership support, enhance supervisory capacity, improve officer accountability and development, and ensure continuity of operations in the absence of the Police Chief; and

WHEREAS, the City Council has determined that the addition of this position is both operationally necessary and fiscally sustainable.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ST. JAMES, MINNESOTA, that the position titled Police Sergeant is hereby established within the St. James Police Department, effective immediately upon adoption of this resolution.

Adopted by the City Council this 20th day of May 2025.

Christopher Whitehead, Mayor

ATTEST:

Kristin K. Hurley, City Clerk

Published: _____

Filed: _____

Effective Date: May 20, 2025

May 20, 2025

ITEM: New Business – Resolution 05.25.17: Accepting Terms of Grant Agreement to State Transportation Fund Local Road Improvements Program Grant Terms and Conditions for SAP 083-594-004 (7th Street South Improvements)

BACKGROUND: The attached resolution accepts the grant terms and conditions for the Local Road Improvements Program (LRIP) for the upcoming improvement project.

STAFF RECOMMENDATION: Approve/Deny Resolution.

State of Minnesota
County of Watonwan

RESOLUTION NO. 05.25.17

**RESOLUTION ACCEPTING TERMS OF GRANT AGREEMENT TO STATE
TRANSPORTATION FUND LOCAL ROAD IMPROVEMENTS PROGRAM
GRANT TERMS AND CONDITIONS SAP 083-594-004
(7TH STREET SOUTH IMPROVEMENTS)**

WHEREAS, the City of St. James has applied to the Commissioner of Transportation for a grant from the Local Road Improvement Fund; and

WHEREAS, the Commissioner of Transportation has given notice that funding for this project is available; and

WHEREAS, the amount of the grant has been determined to be \$1,408,174.50 by reason of the lowest responsible bid.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ST. JAMES, MINNESOTA, does hereby agree to the terms and conditions of the grant consistent with Minnesota Statutes, section 174.52, and will pay any additional amount by which the cost exceeds the estimate, and will return to the Local Road Improvement Fund any amount appropriated for the project but not required. The Mayor and City Manager are authorized to execute a grant agreement and any amendments thereto with the Commissioner of Transportation concerning the above-referenced grant.

Adopted by the City Council this 20th day of May 2025.

Christopher Whitehead, Mayor

ATTEST:

Kristin K. Hurley, City Clerk

Published: _____

Filed: _____

Effective Date: May 20, 2025

GENERAL TERMS AND CONDITIONS FOR LOCAL ROAD IMPROVEMENT PROGRAM (LRIP) GRANTS

Article I DEFINITIONS

Section 1.01 **Defined Terms.** The following terms shall have the meanings set out respectively after each such term (the meanings to be equally applicable to both the singular and plural forms of the terms defined) unless the context specifically indicates otherwise:

“Advance(s)” - means an advance made or to be made by MnDOT to the Public Entity and disbursed in accordance with the provisions contained in Article VI hereof.

“Agreement” - means the Local Road Improvement Program Grant Agreement between the Public Entity and the Minnesota Department of Transportation to which this Exhibit is attached.

“Certification” - means the certification, in the form attached as **Exhibit C**, in which the Public Entity acknowledges that its interest in the Real Property is bond financed property within the meaning of Minn. Stat. Sec. 16A.695 and is subject to certain restrictions imposed thereby.

“Code” - means the Internal Revenue Code of 1986, as amended, and all treasury regulations, revenue procedures and revenue rulings issued pursuant thereto.

“Commissioner” - means the Commissioner of Minnesota Management & Budget.

“Commissioner’s Order” - means the “Fourth Order Amending Order of the Commissioner of Minnesota Management & Budget Relating to Use and Sale of State Bond Financed Property” dated July 30, 2012, as it may be amended or supplemented.

“Completion Date” - means the projected date for completion of the Project as indicated in the Agreement.

“Construction Contract Documents” - means the document or documents, in form and substance acceptable to MnDOT, including but not limited to any construction plans and specifications and any exhibits, amendments, change orders, modifications thereof or supplements thereto, which collectively form the contract between the Public Entity and the Contractor(s) for the completion of the Construction Items on or before the Completion Date for either a fixed price or a guaranteed maximum price.

“Construction Items” - means the work to be performed under the Construction Contract Documents.

“Contractor” - means any person engaged to work on or to furnish materials and supplies for the Construction Items including, if applicable, a general contractor.

“Draw Requisition” - means a draw requisition that the Public Entity, or its designee, submits to MnDOT when an Advance is requested, as referred to in Section 4.02.

“G.O. Bonds” - means the state general obligation bonds issued under the authority granted in Article XI, Sec. 5(a) of the Minnesota Constitution, the proceeds of which are used to fund the LRIP Grant, and any bonds issued to refund or replace such bonds.

“Grant Application” - means the grant application that the Public Entity submitted to MnDOT which is attached as **Exhibit D**.

“LRIP Grant” - means a grant from MnDOT to the Public Entity under the LRIP in the amount specified in the Agreement, as such amount may be modified under the provisions hereof.

“LRIP” - means the Local Road Improvement Program pursuant to Minn. Stat. Sec. 174.52 and rules relating thereto.

“MnDOT” - means the Minnesota Department of Transportation.

“Outstanding Balance of the LRIP Grant” - means the portion of the LRIP Grant that has been disbursed to the Public Entity minus any amounts returned to the Commissioner.

“Project” - means the Project identified in the Agreement to be totally or partially funded with a LRIP grant.

“Public Entity” - means the grantee of the LRIP Grant and identified as the Public Entity in the Agreement.

“Real Property” - means the real property identified in the Agreement on which the Project is located.

Article II GRANT

Section 2.01 Grant of Monies. MnDOT shall make the LRIP Grant to the Public Entity, and disburse the proceeds in accordance with the terms and conditions herein.

Section 2.02 Public Ownership, The Public Entity acknowledges and agrees that the LRIP Grant is being funded with the proceeds of G.O. Bonds, and as a result all of the Real Property must be owned by one or more public entities. The Public Entity represents and warrants to MnDOT that it has one or more of the following ownership interests in the Real Property: (i) fee simple ownership, (ii) an easement that is for a term that extends beyond

the date that is 37.5 years from the Agreement effective date, or such shorter term as authorized by statute, and which cannot be modified or terminated early without the prior written consent of MnDOT and the Commissioner; and/or (iii) a prescriptive easement for a term that extends beyond the date that is 37.5 years from the Agreement effective date.

Section 2.03 Use of Grant Proceeds. The Public Entity shall use the LRIP Grant solely to reimburse itself for expenditures it has already made, or will make, to pay the costs of one of the following applicable activities: (i) preliminary, final construction and engineering and administration (ii) constructing or reconstructing city streets, county highways, or town roads with statewide or regional significance that have not been fully funded through other state, federal, or local funding sources; or (iii) capital improvement projects on county state-aid highways that are intended primarily to reduce traffic crashes, deaths, injuries, and property damage. The Public Entity shall not use the LRIP Grant for any other purpose, including but not limited to, any work to be done on a state trunk highway or within a trunk highway easement.

Section 2.04 Operation of the Real Property. The Real Property must be used by the Public Entity in conjunction with or for the operation of a county highway, county state-aid highway, town road, or city street and for other uses customarily associated therewith, such as trails and utility corridors, and for no other purposes or uses. The Public Entity shall have no intention on the effective date of the Agreement to use the Real Property as a trunk highway or any part of a trunk highway. The Public Entity must annually determine that the Real Property is being used for the purposes specified in this Section and, upon written request by either MnDOT or the Commissioner, shall supply a notarized statement to that effect.

Section 2.05 Sale or Lease of Real Property. The Public Entity shall not (i) sell or transfer any part of its ownership interest in the Real Property, or (ii) lease out or enter into any contract that would allow another entity to use or operate the Real Property without the written consent of both MnDOT and the Commissioner. The sale or transfer of any part of the Public Entity's ownership interest in the Real Property, or any lease or contract that would allow another entity to use or operate the Real Property, must comply with the requirements imposed by Minn. Stat. Sec. 16A.695 and the Commissioner's Order regarding such sale or lease.

Section 2.06 Public Entity's Representations and Warranties. The Public Entity represents and warrants to MnDOT that:

- A. It has legal authority to execute, deliver and perform the Agreement and all documents referred to therein, and it has taken all actions necessary to its execution and delivery of such documents.
- B. It has the ability and a plan to fund the operation of the Real Property for the purposes specified in Section 2.04, and will include in its annual budget all funds necessary for the operation of the Real Property for such purposes.

- C. The Agreement and all other documents referred to therein are the legal, valid and binding obligations of the Public Entity enforceable against the Public Entity in accordance with their respective terms.
- D. It will comply with all of the provisions of Minn. Stat. Sec. 16A.695, the Commissioner's Order and the LRIP. It has legal authority to use the G.O. Grant for the purpose or purposes described in this Agreement.
- E. All of the information it has submitted or will submit to MnDOT or the Commissioner relating to the LRIP Grant or the disbursement of the LRIP Grant is and will be true and correct.
- F. It is not in violation of any provisions of its charter or of the laws of the State of Minnesota, and there are no actions or proceedings pending, or to its knowledge threatened, before any judicial body or governmental authority against or affecting it relating to the Real Property, or its ownership interest therein, and it is not in default with respect to any order, writ, injunction, decree, or demand of any court or any governmental authority which would impair its ability to enter into the Agreement or any document referred to herein, or to perform any of the acts required of it in such documents.
- G. Neither the execution and delivery of the Agreement or any document referred to herein nor compliance with any of the provisions or requirements of any of such documents is prevented by, is a breach of, or will result in a breach of, any provision of any agreement or document to which it is now a party or by which it is bound.
- H. The contemplated use of the Real Property will not violate any applicable zoning or use statute, ordinance, building code, rule or regulation, or any covenant or agreement of record relating thereto.
- I. The Project will be completed and the Real Property will be operated in full compliance with all applicable laws, rules, ordinances, and regulations of any federal, state, or local political subdivision having jurisdiction over the Project and the Real Property.
- J. All applicable licenses, permits and bonds required for the performance and completion of the Project and for the operation of the Real Property as specified in Section 2.04 have been, or will be, obtained.
- K. It reasonably expects to possess its ownership interest in the Real Property described in Section 2.02 for at least 37.5 years, and it does not expect to sell such ownership interest.

- L. It does not expect to lease out or enter into any contract that would allow another entity to use or operate the Real Property.
- M. It will supply whatever funds are needed in addition to the LRIP Grant to complete and fully pay for the Project.
- N. The Construction Items will be completed substantially in accordance with the Construction Contract Documents by the Completion Date and all such items will be situated entirely on the Real Property.
- O. It will require the Contractor or Contractors to comply with all rules, regulations, ordinances, and laws bearing on its performance under the Construction Contract Documents.
- P. It shall furnish such satisfactory evidence regarding the representations and warranties described herein as may be required and requested by either MnDOT or the Commissioner.
- Q. It has made no material false statement or misstatement of fact in connection with its receipt of the G.O. Grant, and all the information it has submitted or will submit to the State Entity or Commissioner of MMB relating to the G.O. Grant or the disbursement of any of the G.O. Grant is and will be true and correct.

Section 2.07 **Event(s) of Default.** The following events shall, unless waived in writing by MnDOT and the Commissioner, constitute an Event of Default under the Agreement upon either MnDOT or the Commissioner giving the Public Entity 30 days' written notice of such event and the Public Entity's failure to cure such event during such 30-day time period for those Events of Default that can be cured within 30 days or within whatever time period is needed to cure those Events of Default that cannot be cured within 30 days as long as the Public Entity is using its best efforts to cure and is making reasonable progress in curing such Events of Default; however, in no event shall the time period to cure any Event of Default exceed six (6) months unless otherwise consented to, in writing, by MnDOT and the Commissioner.

- A. If any representation, covenant, or warranty made by the Public Entity herein or in any other document furnished pursuant to the Agreement, or to induce MnDOT to disburse the LRIP Grant, shall prove to have been untrue or incorrect in any material respect or materially misleading as of the time such representation, covenant, or warranty was made.
- B. If the Public Entity fails to fully comply with any provision, covenant, or warranty contained herein.

- C. If the Public Entity fails to fully comply with any provision, covenant or warranty contained in Minn. Stat. Sec. 16A.695, the Commissioner's Order, or Minn. Stat. Sec. 174.52 and all rules related thereto.
- D. If the Public Entity fails to use the proceeds of the LRIP Grant for the purposes set forth in Section 2.03, the Grant Application, and in accordance with the LRIP.
- E. If the Public Entity fails to operate the Real Property for the purposes specified in Section 2.04.
- F. If the Public Entity fails to complete the Project by the Completion Date.
- G. If the Public Entity sells or transfers any portion of its ownership interest in the Real Property without first obtaining the written consent of both MnDOT and the Commissioner.
- H. If the Public Entity fails to provide any additional funds needed to fully pay for the Project.
- I. If the Public Entity fails to supply the funds needed to operate the Real Property in the manner specified in Section 2.04.

Notwithstanding the foregoing, any of the above events that cannot be cured shall, unless waived in writing by MnDOT and the Commissioner, constitute an Event of Default under the Agreement immediately upon either MnDOT or the Commissioner giving the Public Entity written notice of such event.

Section 2.08 **Remedies.** Upon the occurrence of an Event of Default and at any time thereafter until such Event of Default is cured to the satisfaction of MnDOT, MnDOT or the Commissioner may enforce any or all of the following remedies.

- A. MnDOT may refrain from disbursing the LRIP Grant; provided, however, MnDOT may make such disbursements after the occurrence of an Event of Default without waiving its rights and remedies hereunder.
- B. If the Event of Default involves a sale of the Public Entity's interest in the Real Property in violation of Minn. Stat. Sec. 16A.695 or the Commissioner's Order, the Commissioner, as a third party beneficiary of the Agreement, may require that the Public Entity pay the amounts that would have been paid if there had been compliance with such provisions. For other Events of Default, the Commissioner may require that the Outstanding Balance of the LRIP Grant be returned to it.

- C. Either MnDOT or the Commissioner, as a third party beneficiary of the Agreement, may enforce any additional remedies it may have in law or equity.

The rights and remedies specified herein are cumulative and not exclusive of any rights or remedies that MnDOT or the Commissioner would otherwise possess.

If the Public Entity does not repay the amounts required to be paid under this Section or under any other provision contained herein within 30 days of demand by the Commissioner, or any amount ordered by a court of competent jurisdiction within 30 days of entry of judgment against the Public Entity and in favor of MnDOT and/or the Commissioner, then such amount may, unless precluded by law, be offset against any aids or other monies that the Public Entity is entitled to receive from the State of Minnesota.

Section 2.09 Notification of Event of Default. The Public Entity shall furnish to MnDOT and the Commissioner, as soon as possible and in any event within seven (7) days after it has obtained knowledge of the occurrence of each Event of Default, a statement setting forth details of each Event of Default and the action which the Public Entity proposes to take with respect thereto.

Section 2.10 Effect of Event of Default. The Agreement shall survive Events of Default and remain in full force and effect, even upon full disbursement of the LRIP Grant, and shall only be terminated under the circumstances set forth in Section 2.11.

Section 2.11 Termination of Agreement and Modification of LRIP Grant.

A. If the Project is not started within five (5) years after the effective date of the Agreement or the LRIP Grant has not been disbursed within four (4) years after the date the Project was started, MnDOT's obligation to fund the LRIP Grant shall terminate. In such event, (i) if none of the LRIP Grant has been disbursed by such date, MnDOT shall have no obligation to fund the LRIP Grant and the Agreement will terminate, and (ii) if some but not all of the LRIP Grant has been disbursed by such date, MnDOT shall have no further obligation to provide any additional funding for the LRIP Grant and the Agreement shall remain in force but shall be modified to reflect the amount of the LRIP Grant that was actually disbursed and the Public Entity is still obligated to complete the Project by the Completion Date.

B. The Agreement shall terminate upon the Public Entity's sale of its interest in the Real Property and transmittal of the required portion of the proceeds of the sale to the Commissioner in compliance with Minn. Stat. Sec. 16A.695 and the Commissioner's Order, or upon the termination of the Public Entity's ownership interest in the Real Property if such ownership interest is an easement.

Section 2.12 Excess Funds. If the full amount of the G.O. Grant and any matching funds referred to in Section 5.13 are not needed to complete the Project, then, unless

language in the G.O. Bonding Legislation indicates otherwise, the G.O. Grant shall be reduced by the amount not needed.

Article III
COMPLIANCE WITH MINNESOTA STATUTE, SEC. 16A.695
AND THE COMMISSIONER’S ORDER

Section 3.01 **State Bond Financed Property.** The Public Entity acknowledges that its interest in the Real Property is, or when acquired by it will be, “state bond financed property”, as such term is used in Minn. Stat. Sec. 16A.695 and the Commissioner’s Order and, therefore, the provisions contained in such statute and order apply, or will apply, to its interest in the Real Property, even if the LRIP Grant will only pay for a portion of the Project.

Section 3.02 **Preservation of Tax Exempt Status.** In order to preserve the tax-exempt status of the G.O. Bonds, the Public Entity agrees as follows:

- A. It will not use the Real Property or use or invest the LRIP Grant or any other sums treated as “bond proceeds” under Section 148 of the Code (including “investment proceeds,” “invested sinking funds” and “replacement proceeds”) in such a manner as to cause the G.O. Bonds to be classified as “arbitrage bonds” under Code Section 148.
- B. It will deposit and hold the LRIP Grant in a segregated non-interest-bearing account until such funds are used for payments for the Project.
- C. It will, upon written request, provide the Commissioner all information required to satisfy the informational requirements set forth in the Code, including Sections 103 and 148, with respect to the G.O. Bonds.
- D. It will, upon the occurrence of any act or omission by the Public Entity that could cause the interest on the G.O. Bonds to no longer be tax exempt and upon direction from the Commissioner, take such actions and furnish such documents as the Commissioner determines to be necessary to ensure that the interest to be paid on the G.O. Bonds is exempt from federal taxation, which such action may include: (i) compliance with proceedings intended to classify the G.O. Bonds as a “qualified bond” within the meaning of Code Section 141(e), or (ii) changing the nature of the use of the Real Property so that none of the net proceeds of the G.O. Bonds will be deemed to be used, directly or indirectly, in an “unrelated trade or business” or for any “private business use” within the meaning of Code Sections 141(b) and 145(a).
- E. It will not otherwise use any of the LRIP Grant or take, permit or cause to be taken, or omit to take, any action that would adversely affect the exemption from federal income taxation of the interest on the G.O. Bonds, and if it should

take, permit or cause to be taken, or omit to take, as appropriate, any such action, it shall take all lawful actions necessary to correct such actions or omissions promptly upon obtaining knowledge thereof.

Section 3.03 Changes to G.O. Compliance Legislation or the Commissioner's Order. If Minn. Stat. Sec. 16A.695 or the Commissioner's Order is amended in a manner that reduces any requirement imposed against the Public Entity, or if the Public Entity's interest in the Real Property becomes exempted from Minn. Stat. Sec. 16A.695 and the Commissioner's Order, then upon written request by the Public Entity, MnDOT shall execute an amendment to the Agreement to implement such amendment or exempt the Public Entity's interest in the Real Property from Minn. Stat. Sec. 16A.695 and the Commissioner's Order.

Article IV DISBURSEMENT OF GRANT PROCEEDS

Section 4.01 The Advances. MnDOT agrees, on the terms and subject to the conditions set forth herein, to make Advances of the LRIP Grant to the Public Entity from time to time in an aggregate total amount not to exceed the amount of the LRIP Grant. If the amount of LRIP Grant that MnDOT cumulatively disburses hereunder to the Public Entity is less than the amount of the LRIP Grant delineated in Section 1.01, then MnDOT and the Public Entity shall enter into and execute whatever documents MnDOT may request in order to amend or modify this Agreement to reduce the amount of the LRIP Grant to the amount actually disbursed. Provided, however, in accordance with the provisions contained in Section 2.11, MnDOT's obligation to make Advances shall terminate as of the dates specified in Section 2.11 even if the entire LRIP Grant has not been disbursed by such dates.

Advances shall only be for expenses that (i) are for those items of a capital nature delineated in Source and Use of Funds that is attached as **Exhibit A**, (ii) accrued no earlier than the effective date of the legislation that appropriated the funds that are used to fund the LRIP Grant, or (iii) have otherwise been consented to, in writing, by the Commissioner.

It is the intent of the parties hereto that the rate of disbursement of the Advances shall not exceed the rate of completion of the Project or the rate of disbursement of the matching funds required, if any, under Section 5.13. Therefore, the cumulative amount of all Advances disbursed by the State Entity at any point in time shall not exceed the portion of the Project that has been completed and the percentage of the matching funds required, if any, under Section 5.13 that have been disbursed as of such point in time. This requirement is expressed by way of the following two formulas:

Formula #1:

Cumulative Advances \leq (Program Grant) \times (percentage of matching funds, if any, required under Section 5.13 that have been disbursed)

Formula #2:

Cumulative Advances \leq (Program Grant) \times (percentage of Project completed)

Section 4.02 **Draw Requisitions.** Whenever the Public Entity desires a disbursement of a portion of the LRIP Grant the Public Entity shall submit to MnDOT a Draw Requisition duly executed on behalf of the Public Entity or its designee. Each Draw Requisition with respect to construction items shall be limited to amounts equal to: (i) the total value of the classes of the work by percentage of completion as approved by the Public Entity and MnDOT, plus (ii) the value of materials and equipment not incorporated in the Project but delivered and suitably stored on or off the Real Property in a manner acceptable to MnDOT, less (iii) any applicable retainage, and less (iv) all prior Advances.

Notwithstanding anything herein to the contrary, no Advances for materials stored on or off the Real Property will be made by MnDOT unless the Public Entity shall advise MnDOT, in writing, of its intention to so store materials prior to their delivery and MnDOT has not objected thereto.

At the time of submission of each Draw Requisition, other than the final Draw Requisition, the Public Entity shall submit to MnDOT such supporting evidence as may be requested by MnDOT to substantiate all payments which are to be made out of the relevant Draw Requisition or to substantiate all payments then made with respect to the Project.

The final Draw Requisition shall not be submitted before completion of the Project, including any correction of material defects in workmanship or materials (other than the completion of punch list items). At the time of submission of the final Draw Requisition the Public Entity shall submit to MnDOT: (I) such supporting evidence as may be requested by MnDOT to substantiate all payments which are to be made out of the final Draw Requisition or to substantiate all payments then made with respect to the Project, and (ii) satisfactory evidence that all work requiring inspection by municipal or other governmental authorities having jurisdiction has been duly inspected and approved by such authorities and that all requisite certificates and other approvals have been issued.

If on the date an Advance is desired the Public Entity has complied with all requirements of this Agreement and MnDOT approves the relevant Draw Requisition, then MnDOT shall disburse the amount of the requested Advance to the Public Entity.

Section 4.03 **Additional Funds.** If MnDOT shall at any time in good faith determine that the sum of the undisbursed amount of the LRIP Grant plus the amount of all other funds committed to the Project is less than the amount required to pay all costs and expenses of any kind which reasonably may be anticipated in connection with the Project, then MnDOT may send written notice thereof to the Public Entity specifying the amount which must be supplied in order to provide sufficient funds to complete the Project. The Public Entity agrees that it will, within 10 calendar days of receipt of any such notice, supply or have some other entity supply the amount of funds specified in MnDOT's notice.

Section 4.04 **Condition Precedent to Any Advance.** The obligation of MnDOT to make any Advance hereunder (including the initial Advance) shall be subject to the following conditions precedent:

- A. MnDOT shall have received a Draw Requisition for such Advance specifying the amount of funds being requested, which such amount when added to all prior requests for an Advance shall not exceed the amount of the LRIP Grant set forth in Section 1.01.
- B. No Event of Default under this Agreement or event which would constitute an Event of Default but for the requirement that notice be given or that a period of grace or time elapse shall have occurred and be continuing.
- C. No determination shall have been made by MnDOT that the amount of funds committed to the Project is less than the amount required to pay all costs and expenses of any kind that may reasonably be anticipated in connection with the Project, or if such a determination has been made and notice thereof sent to the Public Entity under Section 4.03, then the Public Entity has supplied, or has caused some other entity to supply, the necessary funds in accordance with such section or has provided evidence acceptable to MnDOT that sufficient funds are available.
- D. The State Entity shall have received evidence, in form and substance acceptable to the State Entity, that the Public Entity has sufficient funds to fully and completely pay for the Project and all other expenses that may occur in conjunction therewith.
- E. The Public Entity has supplied to the State Entity all other items that the State Entity may reasonably require

Section 4.05 **Processing and Disbursement of Advances.** The Public Entity acknowledges and agrees as follows:

- A. Advances are not made prior to completion of work performed on the Project.
- B. All Advances are processed on a reimbursement basis.
- C. The Public Entity must first document expenditures to obtain an Advance.
- D. Reimbursement requests are made on a partial payment basis or when the Project is completed.
- E. All payments are made following the “Delegated Contract Process or State Aid Payment Request” as requested and approved by the appropriate district state aid engineer.

Section 4.06 **Construction Inspections.** The Public Entity shall be responsible for making its own inspections and observations regarding the completion of the Project, and shall determine to its own satisfaction that all work done or materials supplied have been properly done or supplied in accordance with all contracts that the Public Entity has entered into regarding the completion of the Project.

Article V MISCELLANEOUS

Section 5.01 **Insurance.** If the Public Entity elects to maintain general comprehensive liability insurance regarding the Real Property, then the Public Entity shall have MnDOT named as an additional named insured therein.

Section 5.02 **Condemnation.** If, after the Public Entity has acquired the ownership interest set forth in Section 2.02, all or any portion of the Real Property is condemned to an extent that the Public Entity can no longer comply with Section 2.04, then the Public Entity shall, at its sole option, either: (i) use the condemnation proceeds to acquire an interest in additional real property needed for the Public Entity to continue to comply with Section 2.04 and to provide whatever additional funds that may be needed for such purposes, or (ii) submit a request to MnDOT and the Commissioner to allow it to sell the remaining portion of its interest in the Real Property. Any condemnation proceeds which are not used to acquire an interest in additional real property shall be applied in accordance with Minn. Stat. Sec. 16A.695 and the Commissioner's Order as if the Public Entity's interest in the Real Property had been sold. If the Public Entity elects to sell its interest in the portion of the Real Property that remains after the condemnation, such sale must occur within a reasonable time period after the date the condemnation occurred and the cumulative sum of the condemnation and sale proceeds applied in accordance with Minn. Stat. Sec. 16A.695 and the Commissioner's Order.

If MnDOT receives any condemnation proceeds referred to herein, MnDOT agrees to or pay over to the Public Entity all of such condemnation proceeds so that the Public Entity can comply with the requirements of this Section.

Section 5.03 **Use, Maintenance, Repair and Alterations.** The Public Entity shall not, without the written consent of MnDOT and the Commissioner, (i) permit or allow the use of any of the Real Property for any purpose other than the purposes specified in Section 2.04, (ii) substantially alter any of the Real Property except such alterations as may be required by laws, ordinances or regulations, or such other alterations as may improve the Real Property by increasing its value or which improve its ability to be used for the purposes set forth in Section 2.04, (iii) take any action which would unduly impair or depreciate the value of the Real Property, (iv) abandon the Real Property, or (v) commit or permit any act to be done in or on the Real Property in violation of any law, ordinance or regulation.

If the Public Entity fails to maintain the Real Property in accordance with this Section, MnDOT may perform whatever acts and expend whatever funds necessary to so maintain the Real Property, and the Public Entity irrevocably authorizes MnDOT to enter upon the Real Property to perform such acts as may be necessary to so maintain the Real Property. Any actions taken or funds expended by MnDOT shall be at its sole discretion, and nothing contained herein shall require MnDOT to take any action or incur any expense and MnDOT shall not be responsible, or liable to the Public Entity or any other entity, for any such acts that are performed in good faith and not in a negligent manner. Any funds expended by MnDOT pursuant to this Section shall be due and payable on demand by MnDOT and will bear interest from the date of payment by MnDOT at a rate equal to the lesser of the maximum interest rate allowed by law or 18% per year based upon a 365-day year.

Section 5.04 Recordkeeping and Reporting. The Public Entity shall maintain books and records pertaining to Project costs and expenses needed to comply with the requirements contained herein, Minn. Stat. Sec. 16A.695, the Commissioner's Order, and Minn. Stat. Sec. 174.52 and all rules related thereto, and upon request shall allow MnDOT, its auditors, the Legislative Auditor for the State of Minnesota, or the State Auditor for the State of Minnesota, to inspect, audit, copy, or abstract all of such items. The Public Entity shall use generally accepted accounting principles in the maintenance of such items, and shall retain all of such books and records for a period of six years after the date that the Project is fully completed and placed into operation.

Section 5.05 Inspections by MnDOT. The Public Entity shall allow MnDOT to inspect the Real Property upon reasonable request by MnDOT and without interfering with the normal use of the Real Property.

Section 5.06 Liability. The Public Entity and MnDOT agree that each will be responsible for its own acts and the results thereof to the extent authorized by law, and neither shall be responsible for the acts of the other party and the results thereof. The liability of MnDOT and the Commissioner is governed by the provisions of Minn. Stat. Sec. 3.736. If the Public Entity is a "municipality" as that term is used in Minn. Stat. Chapter 466, then the liability of the Public Entity is governed by the provisions of Chapter 466. The Public Entity's liability hereunder shall not be limited to the extent of insurance carried by or provided by the Public Entity, or subject to any exclusion from coverage in any insurance policy.

Section 5.07 Relationship of the Parties. Nothing contained in the Agreement is to be construed as establishing a relationship of co-partners or joint venture among the Public Entity, MnDOT, or the Commissioner, nor shall the Public Entity be considered to be an agent, representative, or employee of MnDOT, the Commissioner, or the State of Minnesota in the performance of the Agreement or the Project.

No employee of the Public Entity or other person engaging in the performance of the Agreement or the Project shall be deemed have any contractual relationship with MnDOT, the Commissioner, or the State of Minnesota and shall not be considered an employee of

any of those entities. Any claims that may arise on behalf of said employees or other persons out of employment or alleged employment, including claims under the Workers' Compensation Act of the State of Minnesota, claims of discrimination against the Public Entity or its officers, agents, contractors, or employees shall in no way be the responsibility of MnDOT, the Commissioner, or the State of Minnesota. Such employees or other persons shall not require nor be entitled to any compensation, rights or benefits of any kind whatsoever from MnDOT, the Commissioner, or the State of Minnesota, including tenure rights, medical and hospital care, sick and vacation leave, disability benefits, severance pay and retirement benefits.

Section 5.08 Notices. In addition to any notice required under applicable law to be given in another manner, any notices required hereunder must be in writing and personally served or sent by prepaid, registered, or certified mail (return receipt requested), to the address of the party specified below or to such different address as may in the future be specified by a party by written notice to the others:

To the Public Entity: At the address indicated on the first page of the Agreement.

To MnDOT at: Minnesota Department of Transportation
Office of State Aid
395 John Ireland Blvd., MS 500
Saint Paul, MN 55155
Attention: Marc Briese, State Aid Programs Engineer

To the Commissioner at: Minnesota Management & Budget
400 Centennial Office Bldg.
658 Cedar St.
St. Paul, MN 55155
Attention: Commissioner

Section 5.09 Assignment or Modification. Neither the Public Entity nor MnDOT may assign any of its rights or obligations under the Agreement without the prior written consent of the other party.

Section 5.10 Waiver. Neither the failure by the Public Entity, MnDOT, or the Commissioner, as a third party beneficiary of the Agreement, in one or more instances to insist upon the complete observance or performance of any provision hereof, nor the failure of the Public Entity, MnDOT, or the Commissioner to exercise any right or remedy conferred hereunder or afforded by law shall be construed as waiving any breach of such provision or the right to exercise such right or remedy thereafter. In addition, no delay by any of the Public Entity, MnDOT, or the Commissioner in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude other or further exercise thereof or the exercise of any other right or remedy.

Section 5.11 **Choice of Law and Venue.** All matters relating to the validity, interpretation, performance, or enforcement of the Agreement shall be determined in accordance with the laws of the State of Minnesota. All legal actions arising from any provision of the Agreement shall be initiated and venued in the State of Minnesota District Court located in St. Paul, Minnesota.

Section 5.12 **Severability.** If any provision of the Agreement is finally judged by any court to be invalid, then the remaining provisions shall remain in full force and effect and they shall be interpreted, performed, and enforced as if the invalid provision did not appear herein.

Section 5.13 **Matching Funds.** Any matching funds as shown on Page 1 of the Grant Agreement that are required to be obtained and supplied by the Public Entity must either be in the form of (i) cash monies, (ii) legally binding commitments for money, or (iii) equivalent funds or contributions, including equity, which have been or will be used to pay for the Project. The Public Entity shall supply to MnDOT whatever documentation MnDOT may request to substantiate the availability and source of any matching funds.

Section 5.14 **Sources and Uses of Funds.** The Public Entity represents to MnDOT and the Commissioner that the Sources and Uses of Funds Schedule attached as **Exhibit A** accurately shows the total cost of the Project and all of the funds that are available for the completion of the Project. The Public Entity will supply any other information and documentation that MnDOT or the Commissioner may request to support or explain any of the information contained in the Sources and Uses of Funds Schedule. If any of the funds shown in the Sources and Uses of Funds Schedule have conditions precedent to the release of such funds, the Public Entity must provide to MnDOT a detailed description of such conditions and what is being done to satisfy such conditions.

Section 5.15 **Project Completion Schedule.** The Public Entity represents to MnDOT and the Commissioner that the Project Completion Schedule attached as **Exhibit B** correctly and accurately sets forth the projected schedule for the completion of the Project.

Section 5.16 **Third-Party Beneficiary.** The Governmental Program will benefit the State of Minnesota and the provisions and requirements contained herein are for the benefit of both the State Entity and the State of Minnesota. Therefore, the State of Minnesota, by and through its Commissioner of MMB, is and shall be a third-party beneficiary of this Agreement.

Section 5.17 **Public Entity Tasks.** Any tasks that the Agreement imposes upon the Public Entity may be performed by such other entity as the Public Entity may select or designate, provided that the failure of such other entity to perform said tasks shall be deemed to be a failure to perform by the Public Entity.

Section 5.18 **Data Practices.** The Public Entity agrees with respect to any data that it possesses regarding the G.O. Grant or the Project to comply with all of the provisions and restrictions contained in the Minnesota Government Data Practices Act contained in Minnesota Statutes Chapter 13, as such may subsequently be amended or replaced from time to time.

Section 5.19 **Non-Discrimination.** The Public Entity agrees to not engage in discriminatory employment practices regarding the Project and it shall fully comply with all of the provisions contained in Minnesota Statutes Chapters 363A and 181, as such may subsequently be amended or replaced from time to time.

Section 5.20 **Worker's Compensation.** The Public Entity agrees to comply with all of the provisions relating to worker's compensation contained in Minn. Stat. Secs. 176.181 subd. 2 and 176.182, as they may be amended or replaced from time to time with respect to the Project.

Section 5.21 **Antitrust Claims.** The Public Entity hereby assigns to MnDOT and the Commissioner of MMB all claims it may have for over charges as to goods or services provided with respect to the Project that arise under the antitrust laws of the State of Minnesota or of the United States of America.

Section 5.22 **Prevailing Wages.** The Public Entity agrees to comply with all of the applicable provisions contained in Minnesota Statutes Chapter 177, and specifically those provisions contained in Minn. Stat. §. 177.41 through 177.435 as they may be amended or replaced from time to time with respect to the Project. By agreeing to this provision, the Public Entity is not acknowledging or agreeing that the cited provisions apply to the Project.

Section 5.23 **Entire Agreement.** The Agreement and all of the exhibits attached thereto embody the entire agreement between the Public Entity and MnDOT, and there are no other agreements, either oral or written, between the Public Entity and MnDOT on the subject matter hereof.

Section 5.24 **E-Verification.** The Public Entity agrees and acknowledges that it is aware of Minn.Stat. § 16C.075 regarding e-verification of employment of all newly hired employees to confirm that such employees are legally entitled to work in the United States, and that it will, if and when applicable, fully comply with such order.

Section 5.25 **Telecommunications Certification.** If federal funds are included in **Exhibit A**, by signing this agreement, Contractor certifies that, consistent with Section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. 115-232 (Aug. 13, 2018), and 2 CFR 200.216, Contractor will not use funding covered by this agreement to procure or obtain, or to extend, renew, or enter into any contract to procure or obtain, any equipment, system, or service that uses "covered telecommunications equipment or services" (as that term is defined in Section 889 of the Act) as a substantial or essential component of any system or as critical technology as part of any system. Contractor will include this certification as a flow down clause in any contract related to this agreement.

Section 5.26 **Title VI/Non-discrimination Assurances.** Public Entity agrees to comply with all applicable US DOT Standard Title VI/Non-Discrimination Assurances contained in DOT Order No. 1050.2A, and in particular Appendices A and E, which can be found at: https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=11149035. If federal funds

are included in **Exhibit A**, Public Entity will ensure the appendices and solicitation language within the assurances are inserted into contracts as required. MnDOT may conduct a review of the Public Entity's compliance with this provision. The Public Entity must cooperate with MnDOT throughout the review process by supplying all requested information and documentation to MnDOT, making Public Entity staff and officials available for meetings as requested, and correcting any areas of non-compliance as determined by MnDOT.

Section 5.27 **Electronic Records and Signatures.** The parties agree to contract by electronic means. This includes using electronic signatures and converting original documents to electronic records.

Section 5.28 **Certification.** By signing this Agreement, the Grantee certifies that it is not suspended or debarred from receiving federal or state awards.

May 20, 2025

ITEM: New Business – Resolution 05.25.18: Accepting Financial Gift from the Eagles #3420

BACKGROUND: The attached resolution accepts a donation in the amount of \$500.00 from the Eagles #3420 for the Railroad Depot Museum sign project.

STAFF RECOMMENDATION: Approve/Deny Resolution.

RESOLUTION NO.: 05.25.18

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 05.25.18

**RESOLUTION ACCEPTING FINANCIAL GIFT FROM THE
EAGLES #3420**

WHEREAS, the Eagles #3420 has offered financial support for the Railroad Depot Museum sign project and to the citizens of St. James.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF ST. JAMES, WATONWAN COUNTY, MINNESOTA that the City hereby accepts the financial gift of \$500.00 from the Eagles #3420 for the expressed purpose of contributing to the Railroad Depot Museum sign project and for residents of the City of St. James.

Adopted by the City Council this 20th day of May 2025.

Christopher Whitehead, Mayor

ATTEST:

Kristin K. Hurley, City Clerk

Filed: _____

Published: _____

Effective Date: May 20, 2025

May 20, 2025

ITEM: New Business – Resolution 05.25.19: Accepting Financial Gift from the Ellingsburg Zettle VFW Post #1914

BACKGROUND: The attached resolution accepts a donation in the amount of \$1,500.00 from the Ellingsburg Zettle VFW Post #1914 for the Archery Range project.

STAFF RECOMMENDATION: Approve/Deny Resolution.

RESOLUTION NO.: 05.25.19

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 05.25.19

**RESOLUTION ACCEPTING FINANCIAL GIFT FROM THE
ELLINGSBURG ZETTLE VFW POST #1914**

WHEREAS, the Ellingsburg Zettle VFW Post #1914 has offered financial support for the Archery Range project and to the citizens of St. James.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF ST. JAMES, WATONWAN COUNTY, MINNESOTA that the City hereby accepts the financial gift of \$1,500.00 from the Ellingsburg Zettle VFW Post #1914 for the expressed purpose of contributing to the Archery Range project and for residents of the City of St. James.

Adopted by the City Council this 20th day of May 2025.

Christopher Whitehead, Mayor

ATTEST:

Kristin K. Hurley, City Clerk

Filed: _____

Published: _____

Effective Date: May 20, 2025

May 20, 2025

ITEM: New Business – Resolution 05.25.20: Accepting Financial Gift from the Ellingsburg Zettle VFW Post #1914

BACKGROUND: The attached resolution accepts a donation in the amount of \$500.00 from the Ellingsburg Zettle VFW Post #1914 for the Fire Department.

STAFF RECOMMENDATION: Approve/Deny Resolution.

RESOLUTION NO.: 05.25.20

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 05.25.20

**RESOLUTION ACCEPTING FINANCIAL GIFT FROM THE
ELLINGSBURG ZETTLE VFW POST #1914**

WHEREAS, the Ellensburg Zettle VFW Post #1914 has offered financial support for the Fire Department and to the citizens of St. James.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF ST. JAMES, WATONWAN COUNTY, MINNESOTA that the City hereby accepts the financial gift of \$500.00 from the Ellensburg Zettle VFW Post #1914 for the expressed purpose of contributing to the Fire Department and for residents of the City of St. James.

Adopted by the City Council this 20th day of May 2025.

Christopher Whitehead, Mayor

ATTEST:

Kristin K. Hurley, City Clerk

Filed: _____

Published: _____

Effective Date: May 20, 2025