

City Council Meeting Agenda

April 01, 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 – 03.18.2025 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

12. NEW BUSINESS

A. Consideration to Approve Resolution 04.25.01 - Designating Specific 2024 Excess Funds to be Transferred to Specific 2025 Budget Funds

B. Consideration to Approve Resolution 04.25.02 - Approving Customer Support Agreement

C. Consideration to Approve Resolution 04.25.03 - Calling A Public Hearing

13. REPORT OF BOARDS, COMMISSIONS AND DEPARTMENT HEADS

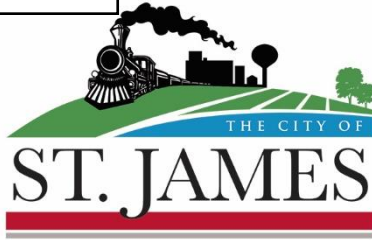
14. ADJOURNMENT

April 1, 2025

ITEM: Approval of Minutes – 03.18.2025 Council Minutes

BACKGROUND: The Minutes from March 18, 2025, City Council Meeting are attached for review and approval.

STAFF RECOMMENDATION: Approve/Deny Minutes.



City Council Meeting Minutes

March 18, 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 Attorney Mike Kircher

3. DETERMINATION OF QUORUM

4. APPROVAL OF MINUTES

A. Consideration to Approve Minutes – 03.04.2025 Council Meeting

Motion made by Craig, Seconded by Hanson.

Voting Yea: Craig, Hanson, Lindee, Rushing

Voting Abstaining: Harris

Upon voice vote, it was unanimously approved.

5. CONSENT ITEMS

A. Payment of Claims and ACH Payments

Payment of Claims and ACH Payments totaling \$459,778.84 is as follows: \$459,748.85 Check No. 703714 - 703719, 703726 - 703800 and \$29.99 ACH No. 1881 as listed in the check register.

Motion made by Rushing, Seconded by Craig.

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

A. Consideration to Approve Liquor and/or Tobacco Application - LB3 d/b/a Band Box

LB3 d/b/a Band Box applied for On-Sale Wine, On-Sale 3.2 and Consumption and Display licenses to sell wine, hard beer, 3.2 beer and allow consumption and display at 612 1st Ave South. All documentation has been received, background check completed and fees paid.

Motion made by Craig, Seconded by Harris.

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

Upon voice vote, it was unanimously approved.

11. OLD BUSINESS

12. NEW BUSINESS

A. Consideration to Approve New Hire - Nick Kielas

Nick Kielas has completed the hiring process for the police department for the position of part-time police officer. His start date with the department was Tuesday, March 4, 2025. His rate of pay is set at \$35.00 per hour.

Motion made by Lindee, Seconded by Harris.

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

Upon voice vote, it was unanimously approved

B. Consideration to Approve New Hire - Eric Gratz

Eric Gratz has completed the hiring process for the police department for the position of part-time police officer. His start date with the department was Tuesday, March 4, 2025. His rate of pay is set at \$35.00 per hour.

Motion made by Rushing, Seconded by Lindee.

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

Upon voice vote, it was unanimously approved.

C. Consideration to Approve Resolution 03.25.10 - Approving Independent Fee Evaluation for Airport 6 Unit T-Hangar Improvement Project

Resolution 03.25.10 approves Sambatek, LLC to complete the independent fee evaluation required by the Federal Aviation Administration (FFA) for the upcoming T-Hangar project. The T-Hangar project will have a cost that exceeds \$100,000.00. The cost for the evaluation is \$3,500.00.

Motion made by Hanson, Seconded by Harris.

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

Whereupon Mayor Christopher Whitehead declared resolution 03.25.10 duly passed.

D. Consideration to Approve Resolution 03.25.11 - Requiring Parallel Parking Only

Resolution 03.25.11 requires parallel parking only for the SAP #083-594-004 improvement project of 7th Street S from 10th Ave S to 13th Ave S; 13th Ave S from 7th St S east 302 feet; and Ring Road from 13th Ave S 810 feet. The city is required to define parking within the State-Aid submittal. The requirement of parallel parking only is standard within the city.

Motion made by Craig, Seconded by Rushing.

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

Whereupon Mayor Christopher Whitehead declared resolution 03.25.11 duly passed.

E. Consideration to Approve Resolution 03.25.12 - Accepting Donation

Resolution 03.25.12 accepts a donation in the amount of \$1,500.00 from the American Legion Post #33 for the purpose of implementing an archery range.

Motion made by Rushing, Seconded by Harris.

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

Whereupon Mayor Christopher Whitehead declared resolution 03.25.12 duly passed.

F. Consideration to Approve Resolution 03.25.13 - Authorizing Participation for Future Qualifying Part-Time Police Officers in the Public Employees Retirement Association

Resolution 03.25.13 authorizes part-time police officers to participate in the Police and Fire Public Employees Retirement Association plan.

Motion made by Hanson, Seconded by Lindee.

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

Whereupon Mayor Christopher Whitehead declared resolution 03.25.13 duly passed.

G. Consideration to Approve Resolution 03.25.14 - Approving Funding Request for the Demolition of 403 Tiell Drive

Resolution 03.25.14 approves the funding request of \$10,000.00 for the purpose of the removing of the structure located at 403 Tiell Drive. This structure is unsafe and poses a risk to public health and safety. Funds for this project will be sourced from the General Fund. The funding must be expended directly to the contractor once work has been completed.

Motion made by Craig, Seconded by Harris.

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

Whereupon Mayor Christopher Whitehead declared resolution 03.25.14 duly passed.

H. Consideration to Approve Resolution 03.25.15 - Authorizing Safe Routes to School (SRTS) Boost Grant

Resolution 03.25.15 is the first step in obtaining the awarded Safe Routes to School (SRTS) Boost Grant in the amount of \$13,173.00 for the 2025 - 2026 school year. Once the grant has been received, the City Council will approve the grant terms for execution.

Motion made by Rushing, Seconded by Lindee.

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

Whereupon Mayor Christopher Whitehead declared resolution 03.25.15 duly passed.

I. Consideration to Approve Resolution 03.25.16 - Recognizing the Life Save Event and Honoring Those Involved

Resolution 03.25.16 recognizes the life save event of Steven Jeppson and honors those involved. Following the approval of the resolution, South Central Minnesota EMS Regional System presentation of awards.

Motion made by Harris, Seconded by Rushing.

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

Whereupon Mayor Christopher Whitehead declared resolution 03.25.16 duly passed.

J. Presentation of Life Save Event Awards

Mark Griffith, South Central Minnesota EMS Regional System presented life save event awards to the following:

Amanda Brandts, Beth Henderson, Brad Nestegard, Lindsey Wooten, Randee Nelson, Holly Wallace, Bill Whitehead, Kim Hall and Tamara Colon

13. REPORT OF BOARDS, COMMISSIONS AND DEPARTMENT HEADS

14. ADJOURNMENT

Motion made by Rushing, Seconded by Harris.

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

All Yea - motion carried. The meeting adjourned at 5:48 p.m.

Kristin Hurley, City Clerk-Treasurer

April 1, 2025

ITEM: New Business – Resolution No. 04.25.01: Designating Specific 2024 Excess Funds to be Transferred to Specific 2025 Budget Funds

BACKGROUND: The attached resolution designates funds that were not spent in 2024 due to the inability to execute projects or purchases and will be completed in 2024.

The Street Department budgeted for a sidewalk program and the purchase of a dump truck in 2024, which will be completed in 2025.

The Parks Department has funds remaining in the 2024 budget that were designated for the splash pad, which will be completed in 2025.

The Railroad Museum had unspent funds for the depot and caboose in the 2024 budget, which is an on-going project.

The Trail needs repairs that were budgeted for in 2024 and will be completed in 2025.

Lake Shore Restoration is needed and was budgeted for in 2024, which will be completed in 2025.

The Water Department needs new radios for the wells, along with concrete work completed at the wells. There was funding budgeted for 2024, which will be completed in 2025.

The Wastewater Department budgeted for a flush truck in 2024, and the truck will be purchased in 2025.

STAFF RECOMMENDATION: Approve/Deny Resolution.

**State of Minnesota
County of Watonwan**

RESOLUTION NO. 04.25.01

**RESOLUTION DESIGNATING SPECIFIC 2024 EXCESS FUNDS TO BE
TRANSFERRED TO SPECIFIC 2025 BUDGET FUNDS**

WHEREAS, various funds had allocated budgeted amounts which were not spent and were delayed due to the inability to execute projects in 2024 and will be completed in 2025; and

WHEREAS, the following is a list by department of the designated funds:

Department	Account # (From)	Transfer Item	Account # (To)	Amount
Street	101-43121-2290	Sidewalk Program	101-43121-2290	\$5,500.00
Street	101-43121-5500	Dump Truck/Snow Equipment	101-43121-5500	\$300,000.00
Parks	101-45202-5300	Splash Pad	101-45202-5300	\$40,000.00
Railroad Museum	101-45172-2230	Depot/Caboose	101-45172-2230	\$38,000.00
Trail	101-45205-2190	Trail Repairs	101-45205-2190	\$5,000.00
Lake Restoration	101-46105-2290	Lake Shore Repair	101-46105-2290	\$35,000.00
Water	601-49410-5310	Utility Improvements	601-49410-5310	\$3,200.00
Water	601-49420-3093	Utility Improvements	601-49410-5310	\$3,500.00
Water	601-49420-4070	Utility Improvements	601-49410-5310	\$4,000.00
Wastewater	602-43250-5700	Flush Truck	602-43250-5700	\$350,000.00

WHEREAS, the City Clerk/Treasurer is directed to adjust the 2025 Budget for amended budget adjustments.

**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 authorizes said transfer of funds from the 2024 budget to the 2025 budget.

Adopted by the City Council this 1st day of April 2025.

Christopher Whitehead, Mayor

ATTEST:

Kristin K. Hurley, City Clerk

Published: _____

Filed: _____

Effective Date: _____

April 1, 2025

ITEM: New Business – Resolution No. 04.25.02: Authorizing the City Manager to Enter into the Customer Support Agreement for Engines with Ziegler Power Systems

BACKGROUND: The attached resolution approves the customer support agreement that expired February 28, 2025, with Ziegler Power Systems for the electrical engines.

STAFF RECOMMENDATION: Approve/Deny Resolution.

State of Minnesota
County of Watonwan

RESOLUTION NO. 04.25.02

**RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO THE
CUSTIMER SUPPORT AGREEMENT FOR ENGINES WITH ZIEGLER
POWER SYSTEMS**

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

Section 1: The City Manager is hereby authorized and directed to sign the
Customer Support Agreement with Ziegler Power Systems.

Adopted by the City Council this 1st day of April 2025.

Christopher Whitehead, Mayor

ATTEST:

Kristin K. Hurley, City Clerk

Published: _____

Filed: _____

Effective Date: March 4, 2025

ZIEGLER
Power Systems



1/22/2025

8050 COUNTY ROAD 101 EAST
SHAKOPEE, MN 55379
WWW.ZIEGLERCAT.COM/POWER

To:
MATT RUNGE
CITY OF ST JAMES
PO BOX 70
SAINT JAMES, MN 56081-0070

Dear Matt,

Enclosed is a 3 year Customer Support Agreement (CSA) for the following Engines :
Model(s): 3516 PKGG | 3516 PKGG | 3516 PKGG | 3516 PKGG | 3516 PKGG | 3516 PKGG |
Serial Number(s): FDN00676 | FDN00682 | FDN00677 | FDN00675 | FDN00674 | FDN00681 |

The payment price will not increase during the agreement period. If this agreement is acceptable, please sign, date, run copy for your file and return to me in the enclosed self-addressed envelope, fax to (952) 233-4676, or email to Benjamin.Millard@zieglercat.com.

Please call me at 952-233-4619 with any questions you may have.

We appreciate your business and thank you.

Sincerely,

Ben Millard

Benjamin Millard
Customer Support Representative

CUSTOMER SUPPORT AGREEMENT

Date: 1/22/2025



Proposal No. 8842

8050 County Road 101 East
Shakopee, MN 55379
952-445-4292 / 888-320-4292

To:
MATT RUNGE
CITY OF ST JAMES
PO BOX 70
SAINT JAMES, MN 56081-0070

Re:
3 year Customer Support Agreement (CSA) for
MODEL: 3516 PKGG | 3516 PKGG | 3516 PKGG | 3516 PKGG | 3516 PKGG |
3516 PKGG |
SERIAL: FDN00676 | FDN00682 | FDN00677 | FDN00675 | FDN00674 |
FDN00681 |

WE PROPOSE TO FURNISH IN ACCORDANCE WITH THE FOLLOWING SPECIFICATIONS, TERMS AND CONDITIONS

Enclosed is a 3 year Customer Support Agreement (CSA) for the following Engines :
Model(s): 3516 PKGG | 3516 PKGG | 3516 PKGG | 3516 PKGG | 3516 PKGG | 3516 PKGG |
Serial Number(s): FDN00676 | FDN00682 | FDN00677 | FDN00675 | FDN00674 | FDN00681 |

AGREEMENT START DATE: 3/1/2025

AGREEMENT END DATE: 2/29/2028

INVOICE FREQUENCY: ☐ Annually
INVOICE AMOUNT: \$36,792.13

15% discount applied for continued business.

IMPORTANT NOTES

- CUSTOMER SUPPORT AGREEMENT PRICING WILL NOT INCREASE DURING THE TERM OF THIS AGREEMENT.
- PRICE INCLUDES PARTS, LABOR, TRAVEL AND DISPOSAL OF ALL FLUIDS PER E.P.A. STANDARDS.
- TRAINED AND CERTIFIED ENGINE/GENERATOR TECHNICIANS WILL PERFORM ALL SERVICES.

TERMS AND CONDITIONS

- Agreement pricing is based upon generator run time between 0 and 250 hours per year (standby applications).
- Invoices will be sent on the first day of each invoicing period (i.e. monthly, quarterly, semi-annually or annually).
- Either party may cancel this agreement with a (60) sixty day written notice.
- This proposal is valid for (30) thirty days.
- Prices assume all services to be performed during normal business hours (7:30am - 4:00pm, M-F) unless otherwise specified.
- Pricing does not include local and/or state taxes. Taxes will be applied to invoices where applicable.
- Additional Terms and Conditions below.

ACCEPTED BY:

Please Sign Name: _____

Please Print Name: _____

Date: _____

Respectfully submitted,
Ziegler Power Systems

Ben Millard
By: Benjamin Millard

Customer Support Representative

Watchguard Level 1 (64 Point Inspection)

Includes inspection of the following systems:

- Cooling
- Lube Oil
- Air Intake
- Fuel
- Exhaust (inside building only)
- Starting
- Engine
- Generator
- Transfer Switch
- Coolant and Oil Analysis
- Provide written report

MODEL: 3516 PKGG | SERIAL: FDN00676

Level 1

Mar/2025 , Mar/2026 , Mar/2027

MODEL: 3516 PKGG | SERIAL: FDN00682

Level 1

Mar/2025 , Mar/2026 , Mar/2027

MODEL: 3516 PKGG | SERIAL: FDN00677

Level 1

Mar/2025 , Mar/2026 , Mar/2027

MODEL: 3516 PKGG | SERIAL: FDN00675

Level 1

Mar/2025 , Mar/2026 , Mar/2027

MODEL: 3516 PKGG | SERIAL: FDN00674

Level 1

Mar/2025 , Mar/2026 , Mar/2027

MODEL: 3516 PKGG | SERIAL: FDN00681

Level 1

Mar/2025 , Mar/2026 , Mar/2027

WatchGuard Level 2 (67-Point Inspection with Oil and Filter Change)

Includes the following:

- Level 1 Inspection
- Change engine oil
- Change engine oil filter(s)
- Change engine fuel filter(s)
- Inspect air filter(s)
- Disposal of old fluids per EPA standards
- Provide written report

MODEL: 3516 PKGG | SERIAL: FDN00676

Level 2

Sep/2025 , Sep/2026 , Sep/2027

MODEL: 3516 PKGG | SERIAL: FDN00682

Level 2

Sep/2025 , Sep/2026 , Sep/2027

MODEL: 3516 PKGG | SERIAL: FDN00677

Level 2

Sep/2025 , Sep/2026 , Sep/2027

MODEL: 3516 PKGG | SERIAL: FDN00675

Level 2

Mar/2025 , Mar/2026 , Mar/2027

MODEL: 3516 PKGG | SERIAL: FDN00674

Level 2

Sep/2025 , Sep/2026 , Sep/2027

MODEL: 3516 PKGG | SERIAL: FDN00681

Level 2

Sep/2025 , Sep/2026 , Sep/2027

Watchguard Level 9 (Battery Replacement Program)

Includes the following services

- Complete electrical system check
- Battery charger adjustment
- Test engine starter amperage
- Removal and disposal of old lead acid batteries per EPA standards
- Installation of new, low antimony batteries specifically designed for standby applications
- Provide written report

MODEL: 3516 PKGG | SERIAL: FDN00676

Level 9

Mar/2027

MODEL: 3516 PKGG | SERIAL: FDN00682

Level 9

Mar/2027

MODEL: 3516 PKGG | SERIAL: FDN00677

Level 9

Mar/2027

MODEL: 3516 PKGG | SERIAL: FDN00675

Level 9

Mar/2027

MODEL: 3516 PKGG | SERIAL: FDN00674

Level 9

Mar/2027

Level 9

Mar/2027

Customer Requirements

It is the customer's responsibility to...

- Perform weekly and monthly inspections of the engine/generator
- Maintain written or computerized records of the weekly and monthly inspections.
- Contact Ziegler Power Systems with any problems or concerns noted during the weekly and monthly inspections.

Ziegler Power Systems Exclusion of Responsibility:

Ziegler Inc. is not responsible for...

- Providing a portable generator during repairs
- Fuel consumed by generator set during operation
- Building wiring
- System modifications
- Acts of nature, terrorism or war
- Uses of generator beyond rated capacity
- Main fuel tank or piping problems
- Emissions permitting
- Regulation changes
- State and local taxes
- Customer abuse/neglect

CUSTOMER VALUE AGREEMENT – TERMS AND CONDITIONS

- Customer agrees to the terms and conditions set forth on the preceding Customer Value Agreement Proposal (the "Proposal") and the following terms and conditions, including the websites referred to herein (together with the Proposal, the "Agreement"). Ziegler Inc. ("Ziegler") rejects all different or additional terms submitted by Customer, and any such terms shall be void.
- 1.Term. The Agreement shall begin on the Start Date and end on the End Date identified on page 1, unless earlier terminated as set forth herein.
- 2.Services. Ziegler will perform preventative maintenance services on the Engine(s) identified on page 1 in accordance with the Level Definitions set forth in the Proposal (collectively, the "Services"). All Services are subject to the exclusions and limitations set forth herein. Services include all parts, labor, travel and disposal of all fluids per U.S. Environmental Protection Agency standards. Except as otherwise agreed upon by Customer and Ziegler as noted on page 1, Services shall be performed during Ziegler's normal business hours (7:30 a.m. to 4:00 p.m., Monday through Friday). Services performed outside of Ziegler's normal business hours will be subject to additional charges. In the event Customer cancels scheduled Services on the day Services are to be performed, Customer shall pay a cancellation fee in the amount of travel time and mileage and will cooperate with Ziegler to re-schedule the cancelled Services. This Agreement is based upon equipment run time between 0 and 250 hours per year (standby applications); run time exceeding 250 hours per year may be subject to additional costs. Repairs classified outside the scope of the applicable service level will result in additional costs to Customer. Customer will have ten (10) days to reject the Services provided. If Customer rejects the services, it will do so by providing a written notice specifically identifying the manner in which the Services fail to materially comply with manufacturer's applicable specifications. Ziegler will be entitled to rely on all decisions and approvals of Customer in connection with the Services.
- 3.Payment. Customer will pay the Invoice Amount identified on page 1, plus any Additional Charges (as defined in Section 4 below), at the frequency set forth on page 1. The Invoice Amount will not increase during the term of the Agreement. Customer agrees to make payment to Ziegler Net 10th of the following month from the date of invoice. Late payments, which are not under any dispute, will result in default and a late fee of 1.5% per month (18% annual), which will be assessed on all past due amounts until paid in full. Any payments made will first be applied toward the late fee, then toward the past amount due. Ziegler reserves the right to suspend or discontinue all Services, or terminate this Agreement, at Ziegler's sole discretion upon Customer's failure to pay or comply with the payment requirements of this Agreement. All amounts due under this Agreement shall be paid in full without any setoff, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).
- 4.Taxes, Licenses, Permits, and Additional Charges. Customer is responsible for all local and/or state sales and use taxes in connection with this Agreement. Taxes will be applied to invoices, where applicable, as required by law. Customer will obtain, at its sole cost and expense, all applicable licenses and permits (including emissions permitting) necessary for performance of the Services. Customer is responsible for

- arges and environmental charges incurred in performing the Services (collectively, "Additional Charges") as communicated in advance by Ziegler.
- 5. Additional Services. Repairs or other work classified outside standard preventative maintenance services will result in additional costs to Customer and will be invoiced separately on a time and materials basis. Such services include, but are not limited to, any service that is considered electrical work pursuant to Minnesota Statutes, Section 326B.31, subdivision 17 or Iowa Code Title III, Section 103 (2022). A verbal commitment or authorization by Customer to perform such additional services will be binding on Customer and will entitle Ziegler to such additional compensation. Any repairs or other work performed outside of the original scope at the direction of Customer will be deemed to be included as Services hereunder.
 - 6. Customer Obligations. Customer agrees to maintain the Engine(s) in accordance with the obligations below. Customer's failure to perform any of the following obligations will be considered a breach of this Agreement:
 - a. Operation and Regular Maintenance. Customer agrees to operate the Engine(s) only within its rated capacity. Customer agrees to perform weekly and monthly maintenance and inspections in accordance with manufacturer guidelines, as provided by Ziegler, and provide to Ziegler, upon reasonable request, written or computerized maintenance and inspection records. Customer further agrees to promptly contact Ziegler with any problems or concerns noted during the weekly and monthly inspections and Ziegler and Customer will work together to address such problems or concerns.
 - b. Equipment Access. Customer agrees to furnish safe, free, and full access to the Engine(s) to enable Ziegler employees to perform the Services. Customer will take all reasonably necessary steps to provide for the safety of all Ziegler employees performing the Services. Customer shall promptly notify Ziegler if, during the term of this Agreement, Customer observes or otherwise learns of any condition(s) which pose a threat to the safety of persons or property, adversely affects the Engine(s), or is in violation of any applicable federal, state, or local laws, rules or regulations.
 - c. Halt Operation. Customer agrees to shut an Engine down, if after inspection by Ziegler, it is determined that further operation of the Engine will result in imminent mechanical damage to the components covered in this Agreement.
 - 7. Exclusions. Ziegler is not responsible for: (1) Customer's abuse or failure to maintain or operate equipment in accordance with the respective equipment manufacturer's operations and maintenance manual as provided by Ziegler in advance, (2) provision of rental equipment during repair, (3) fuel consumed by equipment during operation and performance of maintenance services, (4) building wiring, system modifications, main fuel tank or piping problems, (5) repairs or maintenance to building or enclosure, transformers, radiators, fuel tanks, or other components outside the scope of the Services, unless otherwise agreed to in writing by both parties, (6) unauthorized repairs or adjustments, or repairs or adjustments made by unauthorized person(s), (7) performance complaints, including but not limited to, any adjustments to fuel settings or programming of any electronic controls, (8) downtime or downtime -related expenses or economic loss, (9) extermination of any creature taking up residence in the generator enclosure or building, or (10) any Force Majeure Events (as defined in Section 17 below).
 - 8. Indemnification. Subject to the limitations set forth in this Agreement, Ziegler shall indemnify Customer and its respective officers, directors, employees, agents, assigns and successors, against any losses, liabilities, damages, costs or expenses (including reasonable attorneys' fees) (collectively, "Losses") for death, personal injury, or damage to property to the proportionate extent the same have been proximately caused by the negligence or willful misconduct of, or breach of this Agreement by, Ziegler or Ziegler's officers, directors, employees, or agents in the performance and furnishing of the Services. Customer shall indemnify Ziegler, its affiliates, subsidiaries, and its and their respective officers, directors, employees, agents, assigns and successors, against any Losses for death, personal injury, or damage to property to the proportionate extent the same have been proximately caused by the negligence or willful misconduct of, or breach of this Agreement by, Customer or Customer's officers, directors, employees, or agents.
 - 9. Insurance. Ziegler will maintain in full force and effect throughout the term of this Agreement the following forms of insurance: (a) worker's compensation and occupational disease insurance within statutory limits; (b) commercial general liability insurance, including products and completed operations, contractual liability, and personal injury, written on an occurrence basis, with limits not less than a combined single limit per occurrence of \$1,000,000, \$2,000,000 general aggregate for bodily injury and property damage; \$1,000,000 aggregate for products/completed operations; and \$1,000,000 per person for personal injury/advertising injury; (c) automobile liability insurance for vehicles owned or operated by Ziegler, its employees or agents, with combined bodily injury and property damage limits of liability of no less than \$1,000,000 per occurrence; and (d) excess liability insurance over that required in clauses (a), (b), and (c) above, under the umbrella form, with a limit of liability of no less than \$1,000,000 each occurrence. Upon request, Ziegler will provide to Customer a Certificate of Insurance evidencing Ziegler's compliance with such insurance requirements.
 - 10. Damages; Maximum Liability. IN NO EVENT WILL ZIEGLER, ITS EMPLOYEES, AGENTS, OFFICERS AND DIRECTORS BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, ENHANCED, INDIRECT, OR PUNITIVE DAMAGES, LOST PROFITS OR REVENUES, DIMINUTION OF VALUE, LOSS OF USE, DOWNTIME OR INTERRUPTION OF BUSINESS, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE SERVICES, REGARDLESS OF: (A) WHETHER THE DAMAGES WERE FORESEEABLE; (B) WHETHER OR NOT ZIEGLER WAS ADVISED OF THE POSSIBILITY OF DAMAGES; AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT, OR OTHERWISE) ON WHICH THE CLAIM IS BASED. IN NO EVENT SHALL ZIEGLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE SERVICES, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT, OR OTHERWISE, EXCEED THE TOTAL AMOUNT ACTUALLY PAID BY CUSTOMER TO ZIEGLER HEREUNDER IN THE SIX MONTHS IMMEDIATELY PRECEDING THE CLAIM.
 - 11. Service Warranty. Ziegler warrants the Services will be performed in a professional, workmanlike manner, by qualified personnel consistent with industry standards, free from defects in workmanship for a period of 12 months from the date of completion of the Services, subject to the terms of the then-current Ziegler Power Systems Service Department Labor Warranty, a copy of which is available upon

Warranty claims must be brought within the warranty period. Customer must provide prompt notice to Ziegler after discovery and before expiration of the warranty period. As Customer's sole and exclusive remedy, Ziegler, at Ziegler's sole discretion, will either re-perform the Service during Ziegler's normal business hours or refund all or part of the monies paid by Customer for the Service performed. Replacement parts shall be covered under the applicable warranty provided by the manufacturer. Non-Ziegler provided components are not covered by this warranty.

- 12.Disclaimer of Warranties. WITH THE EXCEPTION OF THE SERVICE WARRANTY PROVIDED IN SECTION 11, THE SERVICES ARE PROVIDED ON AN "AS IS" BASIS. ZIEGLER EXPRESSLY DISCLAIMS ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- 13.Termination; Suspension.
 - a.Either party may terminate this Agreement upon sixty (60) days' prior written notice to the other party. In the event of early termination by Customer, Customer shall pay for all approved Services performed prior to the termination date.
 - b.If either party breaches any provision hereof, or becomes insolvent, enters bankruptcy, receivership or other like proceedings, or makes an assignment for the benefit of creditors, the non-breaching party shall have the right to immediately terminate this Agreement by giving the breaching party written notice. In the event Customer breaches any provision hereof, and upon receipt of notice, Customer shall immediately pay Ziegler any monies due and owing up to the time of termination for Services performed. Notwithstanding the foregoing, if Customer fails to comply with the provision for Equipment Access in Section 6.b, Ziegler reserves the right to suspend or discontinue all Services, or terminate this Agreement, at Ziegler's sole discretion.
- 14.Data and Privacy. Ziegler and its partners, affiliates, subsidiaries, and third parties, including but not limited to suppliers, manufacturers, dealers, and service providers (collectively, "Ziegler Parties"), collect and share information relating to products, services, and customers as detailed in Ziegler's Privacy Policy and applicable manufacturers' statements located at www.zieglercat.com/privacy, which are hereby incorporated into this Agreement by this reference. Manufacturers' statements may be updated at any time without notice. Products equipped with telematics or other tools, applications, or devices to collect, process, and assess information, such as equipment locations, operating hours, health of equipment, and basic utilization (collectively, "Telematics"), whether manufactured by Caterpillar or by other companies, collect and transmit information to Ziegler Parties with a legitimate business reason to access the information, including, but not limited to, providing services and support, developing new products and services, personalizing user experiences, improving products, or compliance with legal obligations. Customer understands that Telematics or other tools, as applicable, may have been activated on machines by Ziegler or the manufacturer, and may be subject to or required by specific manufacturer user agreements available to Customer upon request. Customer consents to the collection, use, storage, processing, sharing, and disclosure of such information by Ziegler Parties in accordance with this Agreement, Ziegler's Privacy Policy, and applicable manufacturers' statements.
- 15.Notices. All notices, requests, demands and other communications, including any notice of change of address, shall be sent by certified or registered mail with postage prepaid to the last designated address to the other party.
- 16.Compliance with Laws, Rules and Regulations. Each party agrees to comply with applicable federal, state, and local laws, rules, and regulations applicable to the Services in effect at the time of performance of the Services. Upon completion of the Services, Customer shall be responsible for complying with any changes in federal, state, and local laws, rules, and regulations.
- 17.Force Majeure. Ziegler will not be liable to Customer, and will not be deemed to have breached this Agreement, for any failure or delay in performing any term of this Agreement, to the extent the failure or delay is caused by or results from acts beyond Ziegler's control, including acts of God, flood, fire, earthquake, explosion, war, invasion, hostilities, terrorist threats or acts, cyber-attacks, riot or other civil unrest, requirements of law, embargoes or blockades, actions by any governmental authority, national or regional emergencies, epidemics or pandemics, labor stoppages or slowdowns or other industrial disturbances, concealed or unknown conditions at the site, delays in manufacture, supply shortages, or shortages of adequate power or transportation facilities (collectively, "Force Majeure Events"). Any Force Majeure Event that has an adverse effect on Ziegler's ability to perform will absolve Ziegler from any liability to Customer.
- 18.Entire Agreement; Amendment. This Agreement constitutes the entire agreement between Ziegler and Customer. Customer acknowledges and agrees that there are no oral or written contracts, agreements or warranties other than are set forth in this Agreement. No amendment or modification of this Agreement will be valid unless it is set forth in writing, signed by authorized representatives of both parties.
- 19.Waiver. No course of dealing, course of performance, or failure of either party strictly to enforce any term, right or condition of this Agreement shall be construed as a waiver of any other term, right or condition. No waiver or breach of any provision of this Agreement, in whole or in part, shall be construed to be a waiver of any subsequent breach of the same or any other provision.
- 20.Severability. Each portion of this Agreement is intended to be severable. If any term or provision hereof is held illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.
- 21.Survival. Any term or provision of this Agreement of an ongoing nature and/or which, by its nature and context, should reasonably be expected to survive the expiration or earlier termination of this Agreement, shall so survive such expiration or termination thereof.
- 22.Disputes; Governing Law. This Agreement is governed by and to be construed in accordance with the laws of the State of Minnesota, without regard to its principles of conflicts of law. If legal action is brought to enforce this Agreement, the Federal District Court of Minnesota (4th Division) or Hennepin County District Court (4th Judicial District) will be the exclusive jurisdiction and venue for said action unless Ziegler, in its sole discretion, commences proceedings in a different jurisdiction or venue.
- 23.Counterparts; Electronic Signatures. This Agreement may be separately signed by Ziegler and Customer in any number of counterparts, each of which, when signed and delivered, will be deemed to be an original, and all of which will constitute the same Agreement. Customer agrees that the Electronic Signatures (whether digital or encrypted) included in this Agreement are intended to authenticate this writing and have the same effect as manual signatures. "Electronic Signature" means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a person with the intent to sign the record, including facsimile or email electronic

Section 12, Item B.

in accordance with the Uniform Electronic Transactions Act, Minnesota Statutes 325L.01–325L.19, as amended from time to time. A signed copy of this Agreement delivered by facsimile, email, or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

April 1, 2025

ITEM: New Business – Resolution No. 04.25.03: Calling a Public Hearing

BACKGROUND: The attached resolution calls for a public hearing on the establishment of Tax Increment Financing District No. 1-8.

STAFF RECOMMENDATION: Approve/Deny Resolution.

**EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE CITY OF
ST. JAMES, MINNESOTA**

HELD: April 1, 2025

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of St. James, Watonwan County, Minnesota, was duly held at the City Hall on Tuesday, the 1st day of April, 2025, at 5:30 o'clock p.m. for the purpose, in part, of calling a public hearing on the proposed establishment of Tax Increment Financing District No. 1-8 within Municipal Development District No. 1, and the Tax Increment Financing Plan relating thereto.

The following Councilmembers were present:

and the following were absent:

Councilmember _____ introduced the following resolution and moved its adoption;

RESOLUTION 04.25.03

**CALLING PUBLIC HEARING ON THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT
NO. 1-8 WITHIN MUNICIPAL DEVELOPMENT DISTRICT NO. 1
AND THE ADOPTION OF A TAX INCREMENT FINANCING PLAN RELATING THERETO**

BE IT RESOLVED by the City Council (the "Council") of the City of St. James, Minnesota (the "City"), as follows:

1. Public Hearing. This Council shall meet on Tuesday, June 3, 2025, at approximately 5:30 o'clock p.m. to hold a public hearing on the following matters; (a) the proposed establishment of Tax Increment Financing District No. 1-8 within Municipal Development District No. 1, and (b) the adoption of the Tax Increment Financing Plan relating thereto, pursuant to and in accordance with Minnesota Statutes, Section 469.174 to 469.1794, inclusive, as amended (the "Act").

2. Notice of Hearing. Filing of Program and Plan. The City Clerk is hereby authorized to cause a notice of the hearing, substantially in the form attached hereto as Exhibit A, to be published as required by the Act and to place a copy of the proposed Tax Increment Financing Plan on file in City Manager's Office at City Hall and to make such copies available for inspection by the public.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember _____, and upon vote being taken thereon, the following voted in favor:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
CITY OF ST. JAMES) SS.
COUNTY OF WATONWAN)

I, the undersigned, being the duly qualified and acting Clerk of the City of St. James, Minnesota, DO
HEREBY CERTIFY that the attached resolution is a true and correct copy of an extract of minutes of a
meeting of the City Council of the City of St. James, Minnesota duly called and held, as such minutes relate
to the calling of a public hearing on the City's tax increment financing district.

City Clerk

EXHIBIT A

**CITY OF ST. JAMES
COUNTY OF WATONWAN
STATE OF MINNESOTA**

**NOTICE OF PUBLIC HEARING
ON THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 1-8
WITHIN MUNICIPAL DEVELOPMENT DISTRICT NO. 1**

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of St. James, Watonwan County, Minnesota, will hold a public hearing on Monday, June 3, 2025, at approximately 5:30 o'clock p.m., at the St. James Community Center in the City of St. James, Minnesota, relating to the (a) the proposed establishment of Tax Increment Financing District No.1-8 within Municipal Development District No. 1, and (b) the adoption of the Tax Increment Financing Plan relating thereto, all pursuant to and in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, inclusive, as amended (the "Act"). Copies of the Tax Increment Financing Plan as proposed to be adopted will be on file and available for public inspection at the office of the City Manager at City Hall.

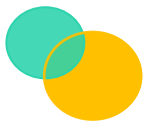
The property included in Tax Increment Financing District No. 1-8 is described in the Tax Increment Financing Plan on file in the office of the City Manager. A map of the proposed Tax Increment Financing District is set forth below:

(INSERT MAP of Tax Increment Financing District)

All interested persons may appear at the hearing and present their view orally or in writing.

BY ORDER OF THE CITY COUNCIL

/s/ Kris Hurley,
City Clerk



DDA

David Drown Associates, Inc.
Public Finance Advisors

Cologne Office:
10555 Orchard Road
Cologne, MN 55322
Phone: (952) 356-2992
shannon@daviddrown.com

March 26, 2025

City of St. James
Attn: Amanda Knoll, City Manager
Attn: Brianna Sanders, EDA Director
P.O. Box 70
St. James, MN 56081

RE: Proposed Tax Increment Financing District No. 1-8

Honorable Mayor, City Council Members, Administrator Knoll, and Director Sanders:

Bramer and Michelle Powers dba Crystal Clear Car Wash, LLC (the "Developer") has expressed an interest in constructing a new car wash/laundromat/pet wash on vacant property located near the hospital. The Developer has indicated that the provision of tax increment financing assistance will be necessary to implement the project as proposed.

Tax Increment Financing or TIF is a tool that captures new property taxes (city, county, school district) that are generated as a result of new development that occurs within the boundaries of a designated TIF District. For the proposed project, the City could create an economic development tax increment district which can capture tax increments for up to 9-years. Typically, economic development TIF Districts can only include manufacturing, warehousing, and distribution businesses, but there is a small-city exemption which indicates that communities below 5,000 population can include commercial projects of up to 15,000 sq ft if they are located more than 5-miles from a city of 10,000 population or greater.

The Developer has requested the reimbursement of 90% of the available tax increments (new property taxes) from the project for a term of 9-years. Based on an estimate of market value from the county assessor, the requested assistance would total approximately \$107,114, or nine consecutive years of reimbursement, whichever occurs first. The reimbursement would be made for actual eligible costs incurred for the project, so if for any reason the project does not proceed, the City would not be required to provide project funding.

For tax increment financing to be available for a project, the city must undertake a process defined by Minnesota Statutes to create a tax increment district. A public hearing is required as part of this process. The TIF District would be created by the City Council if determined to be appropriate to proceed. Copies of the tax increment plan are distributed to the County and the School District in advance of the public hearing so that they have an opportunity to comment.

Following the public hearing the City Council would be asked to consider a resolution adopting a tax increment plan and authorizing the execution of a development agreement. Due to the notifications to the County and School District which are requirements of this process, it generally takes approximately 60-days to complete.

A tentative schedule should the City Council determine that it is appropriate to proceed would include the following:

EDA makes recommendation to the City Council	March 25, 2025
City Council Calls Public Hearing	April 1, 2025
Notification to Commissioner	by April 18, 2025
Impact letters to County and School District	by May 2, 2025
Deadline for hearing notice to Official Newspaper	Friday, May 16
Hearing Notice published in Official Newspaper	Thursday, May 22
Public Hearing - Council	Tuesday, June 3
Council resolution approving District & Authorizing Execution of Agreement	Tuesday, June 3
Request for Certification sent to County and State	before 6/30/2025

At its March 25, 2025, meeting, the Economic Development Authority voted to recommend that the City Council initiate the process to create a TIF District to provide tax increment assistance consistent with the request made by the Developer. One commissioner voted against the recommendation.

If the Council determines that it is appropriate to proceed, I have recommended to staff that the new TIF District include all of the parcels in the business park/commercial area proposed for development which is immediately adjacent to the proposed car wash location. If any additional development is implemented in a timely manner, the tax increments captured could be beneficial for funding infrastructure improvements in that area.

If determined to be appropriate to proceed, I would recommend that the City Council approve the attached resolution calling for a public hearing on the creation of Tax Increment Financing District No. 1-8 to be held at the June 3, 2025, City Council meeting.

Please feel free to contact me if I can be of any assistance in answering questions regarding the information provided. Thank you for your time and consideration.

Sincerely,



Shannon Sweeney, Associate
David Drown Associates, Inc.