

**CITY OF SAINT PETER, MINNESOTA  
AGENDA AND NOTICE OF MEETING**

Regular Workshop Session of Monday, September 18, 2017  
Community Center - St. Peter Room – 5:30 p.m.  
600 South Fifth Avenue

**III. CALL TO ORDER**

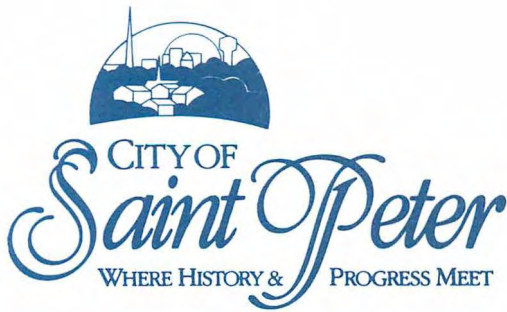
**II. DISCUSSION**

- A. Hospital Expansion Project Budget Modification
- B. Drug Task Force Joint Powers Agreement
- C. Police Computer Consortium Agreement Update

**III. ADJOURNMENT**

Office of the City Administrator  
Todd Prafke

TP/bal



## Memorandum

**TO:** Honorable Mayor Zieman  
Members of the City Council

**DATE:** 9/14/2017

**FROM:** Todd Prafke  
City Administrator

**RE:** Hospital Expansion Budget Modification

### **ACTION/RECOMMENDATION**

None needed. For your information and further discussion.

### **BACKGROUND**

My goal for your meeting is to provide you with a review of the financial aspects of the Hospital expansion project and an update of some the more critical aspects of the work going on now. My hope is that the information provided puts you in a position to take action related to the recommended budget modification on September 25<sup>th</sup>.

As you may know the Commission has taken action and is recommending a change in the overall budget parameters on this project. Since the project is owned by the City and you previously set the budget, additional action on you part is needed to allow the recommended modification.

Please find attached your resolution setting the budget. That budget includes use of cash from Hospital reserves and placement of debt with the United States Department of Agriculture (USDA).

The amount of your budget was set as follows:

\$31,250,000 Debt with USDA  
\$ 2,596,000 Hospital Reserves (cash contribution)

The recommendation from the Commission is:

\$31,250,000 Debt with USDA  
\$ 5,146,000 Hospital Reserves (cash contribution)

Hospital CEO George Rohrich will be at your meeting and plans to review the following:

- Basis for change in budget through a review of the constructability
- Cash flow analysis
- Professional Service Agreement that is being negotiated with Orthopedic and Fracture Clinic.

George will also provide a few miscellaneous updates related to current financials and some service changes that are ongoing in Urgent Care and others.

Please feel free to contact me if you have any questions or concerns about this agenda item.

TP/bal

## CITY OF SAINT PETER, MINNESOTA

## RESOLUTION NO. 2017 - 46

STATE OF MINNESOTA)  
 COUNTY OF NICOLLET)  
 CITY OF SAINT PETER)

**RESOLUTION DIRECTING STAFF ACTION RELATED TO 2017 RIVER'S EDGE HOSPITAL  
 AND CLINIC EXPANSION PROJECT**

WHEREAS, the City Council has been exploring options for expansion of River's Edge Hospital and Clinic (REHC); and

WHEREAS, funding for the project may be available through the USDA; and

WHEREAS, USDA requirements call for establishment of a maximum project amount before submission of a loan application.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAINT PETER, NICOLLET COUNTY, MINNESOTA, THAT: Staff is directed to provide for the following actions related to the 2017 River's Edge Hospital and Clinic Expansion Project:

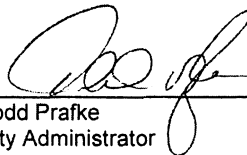
1. Establish a maximum project cost of \$31,250,000 of which the USDA loan application is planned to be \$28,645,000 and funding from REHC reserves is planned to be \$2,596,000.
2. Prepare and submit a loan application in the amount of \$28,645,000 to the USDA Rural Development loan program.
3. Direct the Project Architect to proceed with development of project schematics.
4. Councilmembers Pfeifer and Grams shall be appointed to a Construction Manager Selection Subcommittee along with two members of the Hospital Committee.

Adopted by the City Council of the City of Saint Peter, Nicollet County, Minnesota, this 27th day of March, 2017.



Charles Zieman  
 Mayor

ATTEST:

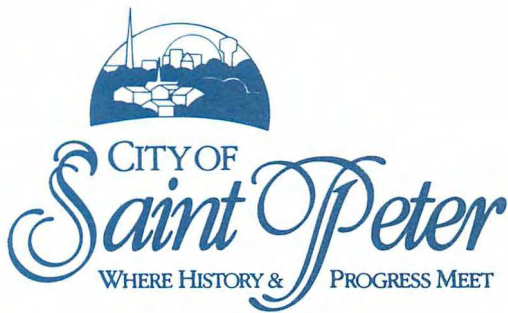


Todd Prafke  
 City Administrator

**River's Edge Hospital & Clinic**  
**Project Projected Cash Flow**

	2017 Projected Totals	Year 1 2018 Estimate Totals	Year 2 2019 Estimate Totals	Year 3 2020 Estimate Totals	RECH Cash Contribution
Beginning Projected Cash	\$ 9,981,000	\$ 11,880,000	\$ 8,580,956	\$ 10,823,144	
Excess Revenue over Expenses	1,957,000	1,724,000	2,149,000	2,500,000	
Adjustments to reconcile Cash:					
Operating: Add back Depreciation and Amortization	1,600,000	1,766,250	2,154,200	2,542,150	
Cost Report Impact of Project Depreciation	0	59,850	199,512	339,174	
Cost Report Impact of Interest on new debt	0	387,856	380,477	372,820	
Investing: Purchase of Equipment	(450,000)	(400,000)	(400,000)	(400,000)	
Project Costs	(550,000)	(9,975,000)	(13,300,000)	(9,975,000)	(33,800,000)
Financing: Payment of Long-term Debt	(525,000)	(525,000)	(525,000)	(525,000)	
Payment on Equipment Certificates	(133,000)	(133,000)	(133,000)	(133,000)	
Debt Service @ 3.7%		(1,583,000)	(1,583,000)	(1,583,000)	
Loan Proceeds		5,379,000	13,300,000	9,975,000	28,654,000
Net Cash Inflow/(Outflow)	1,899,000	(3,299,044)	2,242,189	3,113,144	(5,146,000)
Ending Projected Cash	\$ 11,880,000	\$ 8,580,956	\$ 10,823,144	\$ 13,936,288	\$ (5,146,000)

Year 1 Impact - \$9,975,000 placed in service @ 30 years SL, half-year convention	\$ 166,250
Year 2 Impact - \$9,975,000/30 years * 1 year	\$ 332,500
\$13,300,000/30 years SL, half-year convention	\$ 221,700
Year 3 Impact - \$9,975,000/30 years * 1 year	\$ 332,500
\$13,300,000/30 years SL, *1 year	\$ 443,400
\$9,975,000 placed in service @ 30 years SL, half-year convention	\$ 166,250



## Memorandum

**TO:** Todd Prafke  
City Administrator

**DATE:** 09/14/17

**FROM:** Matt Peters  
Chief of Police

**RE:** DTF Joint Powers Resolution Update

### **ACTION/RECOMMENDATION**

None needed. For City Council information and discussion only.

### **BACKGROUND**

The Saint Peter Police Department has been an active participant in the Minnesota River Valley Drug Task Force (DTF) since 1999. The best practice mechanism for participation in the DTF is with a Joint Powers Agreement (JPA) which is established to:

- Accomplish joint activities which one government unit would not have been able to accomplish alone;
- Cooperate in providing a very technical and specific service;
- "Achieve a greater good";
- Jointly fund a service;
- Provide that one entity is not liable for another; and
- Allow the DTF to procure additional insurance coverage.

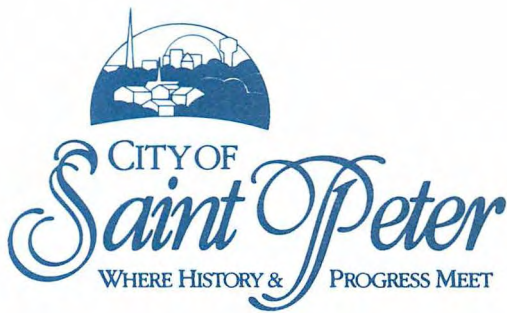
There is only one change to the JPA from prior years. The City of Fairmont has now joined the DTF which requires a change to the agreement

Membership for the City of Saint Peter is currently \$20,416 annually.

It is my hope to have the City Council take action on this agreement at its meeting on September 25<sup>th</sup>.

Please feel free to contact me should you have any questions or concerns about this agenda item.

MP/



## Memorandum

**TO:** Todd Prafke  
City Administrator

**DATE:** 09/14/17

**FROM:** Matt Peters  
Chief of Police

**RE:** Computer Consortium Joint Powers Resolution Update

### **ACTION/RECOMMENDATION**

Authorize renewal of the City's participation in the Joint Powers Agreement South Central MN Computer Consortium.

### **BACKGROUND**

Information systems are the essential circuitry of modern organizations, often determining how problems are defined and how progress is evaluated. They frequently help determine how work is done, often who does it, and sometimes what is done.

Organizational strategy no longer can be separated from information technology strategy, for the organizational effects of information systems no longer are limited to efficiency gains. In information-intensive businesses (for example, the provision of medical services or insurance), information systems can make or break an executive's strategy and thus help or hinder the process of change.

Without doubt, policing is an information-intensive business. The kinds of data stored or not stored within police information systems help determine to what a police department pays attention. The way that data are arranged within data files helps determine the types of analysis that can be performed and the uses to which they can be put. The manner in which information flows around a department largely determines which matters are nominated for attention at different levels and who makes which decisions, and may have profound effects upon the relative status of different categories of employees. The content and form of information released to the public help determine the framework within which the department is held accountable to the community, and plays a significant role in fashioning public expectations.

Properly managed, information systems can serve as a powerful tool in the hands of progressive police executives. They can improve resource allocation, increase efficiency and effectiveness of existing operations. They also can help redefine the work, emphasize new values, and facilitate the development of new partnerships.

If badly managed, however, they can frustrate managerial purposes, enshrine old values, emphasize outdated and inappropriate performance measures, give power to the wrong people, perpetuate old ways of doing business, create false or misleading public expectations, destroy

partnerships, and impose crippling restrictions on new styles of operation—apart from their propensity to consume tax dollars.

Advances in technology do not inevitably advance the performance of police departments. Police departments must manage technology rather than allow them to be managed by it.

The creation of the Multi-Jurisdictional Records Management Consortium is the best approach available for us to manage technology. It has allowed the Saint Peter Police Department to move from a simple automated record keeping system to implementing a dynamic, relational database of records and department information.

This consortium system has improved agency-operating conditions, enhance efficiencies and encourage vital information sharing with other agencies. The system allows agencies to use the information for more advanced crime analysis and management.

Automated records management systems results in benefits such as reducing data entry and error rates, increasing efficiency and saving time—thus money. The following were also created or enhanced:

- Software that is Y2K compliant (remember Y2K!)
- Software modules that are fully integrated
- Enhancing in-vehicle computing and in 2018 moving to in-vehicle reporting
- Planning for disaster response and recovery for communications centers
- Sharing information on persons and incidents throughout the area
- Software meeting present legislative mandates and flexible enough to meet future needs
- Interconnection of records systems to Minnesota BCA
- Software that insures compliance with FBI and NCIC demands
- Finding ways to manage the costs of these expensive systems
- A system that enhances the philosophy of problem-solving policing

We are not local anymore. That is the reality. In order for our citizens to be safe, I think it is important to keep such infrastructure up-to-date. As our society becomes even more mobile, or because we are so mobile, I think, we need to keep constructing systems like this one, which help us work and communicate with our neighbors.

The cost of membership for the City of Saint Peter is currently \$8,427 annually.

If you determine that leaving this cooperative effort is best, we will need to look towards purchasing our own system that serves this purpose. I have not priced out a stand-alone system, but it is difficult for me to imagine that we can find cost saving in a similar system being used by only one jurisdiction.

It is my hope to bring consideration of this agreement to the Council for action on September 25<sup>th</sup>.

Please feel free to contact me should you have any questions or concerns on this agenda item.

MP/