

# CITY OF SAINT PETER HOT SHEET



All the City news you need to know and a little bit more!  
City Info Line 507-934-0675 TDD #711  
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The following information is a publication of the City of Saint Peter, City Administrator's Office, 934-0663, 227 South Front Street. Please contact us at [barbaral@saintpetermn.gov](mailto:barbaral@saintpetermn.gov). [www.facebook.com/cityofsaintpeter](http://www.facebook.com/cityofsaintpeter)



1/22/2014

**CHAMBER MEDALLION HUNT CAUTION** – The Chamber of Commerce's Winterfest medallion hunt will begin this Saturday. The City would like to extend a few words of caution to all you hunters.....

- The medallion will never be within a restricted area. You don't have to hop fences or go through locked gates.
- The medallion will always be above ground. No digging is required.
- Be respectful of public property and be careful not to damage any facilities or structures as you search for the medallion.

The medallion search is a fun event for everyone so please be careful as you search.



**CITY OFFICE CLOSURES** – All non-emergency City offices will be closed until 1:30 p.m. on Tuesday, February 4<sup>th</sup> while City staff undergo training. Regular office hours will resume at 1:30 p.m.

**SIDEWALK SHOVELING REMINDER** – It seems as if the "nuisance" snowfalls are coming back to back for the last couple of weeks, but the City would like to remind residents of the need to keep sidewalks clear of snow and ice. Some residents, (adults and children alike), have no choice but to make their way around town or to church, school and work on foot. For these folks and others, it is important to keep sidewalks clear.



City regulations require sidewalks to be cleared the entire width within 24 hours after a snowfall. Once City crews are done cleaning the City owned sidewalks, they will turn to cleaning private sidewalks that are in violation of the regulations.

Cost to the property owner if the City has to clean your sidewalk? \$75 per hour with a one hour minimum!

So, lets' get those shovels out and keep those sidewalks clear Saint Peter!



**MAKES ME WONDER (BY CITY ADMINISTRATOR TODD PRAFKE** – *Balloon... what about Balloons?...*In 2003 the Economic Development Authority (EDA) began a process to update its' loan

policies. One issue that had sparked conversation among EDA members was the term length of loans being provided to businesses.

Bankers on the EDA voiced concerns that the EDA, by granting applicants loans with terms of 10, 15 or 20 years, was essentially locking the bank out of a chance to loan to these businesses as the businesses established credit history over time and became more bankable.

Councilmembers on the EDA voiced concerns that the EDA was making loans with terms of 10, 15 or 20 years to businesses and individuals that were established enough and successful enough that they did not really need the subsidy provided by the EDA. The loans were very safe and very secure and very likely to be repaid, but the loans were not really serving the purpose of the EDA which is to promote economic growth in the community by taking loan risks that banks would not be comfortable taking.

The EDA created a committee of a banker, an attorney and a Councilmember to make suggestions for policy changes. On this issue, the committee suggested and the EDA and City Council adopt a change to the requirements of loans. They added balloon payments to the loan requirements. The timing of the balloon payment

would depend on the length of the loan, with loans of shorter terms having the balloon payment coming sooner than loans with longer terms.

The requirement was that the business would have to return to its primary lender and ask if the bank would now be in a position to take over the EDA portion of the loan.

Balloon payments had become popular in the commercial banking industry as a result of the rapidly fluctuating interest rates of the 1980's. Banks were being caught with long term loans at low rates when their sources of funds were becoming hugely more expensive. The solution was to require balloon payments on commercial loans to give the bank an opportunity to reset the interest rate on the loan to current interest rates. (It is true that the past five years have also seen instances of banks using the balloon payment requirement to attempt to force their customer to move their business elsewhere, but that has sometimes been as much a reflection on the stability of the bank as it has been a reflection on the stability of the customer.)

The justification for the EDA was slightly different. The EDA felt that a balloon payment requirement would give the banks an opportunity to obtain more business and would also allow the EDA to be paid back on low-risk loans so it could put its money back into the community in new loans. As a secondary benefit, it would allow the EDA to review the loan by touching base with the business on a more formal basis in order to see how things were going and maybe offer additional help if appropriate.

It was expected that if the primary lender declined to take on the EDA debt, the loan would be renewed for a period of time so the business could later again approach their lender. It was never suggested, and never intended, that the balloon requirement be used to force businesses to leave the EDA, because the EDA recognized the tremendous importance to businesses of stability in their access to financing.

For the same reason, it was never suggested and never intended that the balloon requirement be used to automatically raise the interest rate to the business if the balloon payments were not made. It was also not suggested that the businesses obtain letters of decline from more than their primary lender because of the tremendous amount of work that would create for the business and because it would create additional opportunity for the business to explore non-local sources of funding.

And that is how it has worked. With the recent economy and with the recent changes in banking requirements, most of the current EDA loans

coming to their balloon payment dates have not yet qualified to move to their bank. So the EDA has extended the loans.

The EDA could have chosen to extend the loans for another five years, but instead chose a two year extension as a reasonable length of time during which it was hoped the economy would continue to improve, banks would become more comfortable with their customers, the economy and the new banking regulatory environment; and it would lessen the amount of time spent by the businesses, banks and EDA staff in reviewing these loans than if a one-year extension had been chosen.

The EDA and the City Council have recently adjusted the wording of EDA policies to make this clearer. If you want to know more, please give either myself (934-0663) or Community Development Director Wille (934-0661) a ring and we will be happy to talk about it more.

Will you want to learn more? It makes me wonder.....



#### **NEW COUNCILMEMBERS –**

Councilmember-elects Stephen Grams and Roger Parras took the oath of office at the beginning of the January 9<sup>th</sup> City Council meeting. The meeting was recessed for a short period to allow the new Councilmembers to take photos with their families. After the oath of office was administered by City Administrator Prafke, Mayor Strand welcomed each of the new Councilmembers.

**CITY COUNCIL ACTIONS –** Action taken by the City Council at the regular meeting of January 9, 2014 included approval for a revolving loan to JAEL Properties, LLC (River Valley Birth Center); acceptance of a quote from Cummins for a five year maintenance contract on the City's emergency generators; designating certain trails and sidewalks as "no winter maintenance"; approving a request for use of Hallett's Pond for the Special Olympics Polar Bear Plunge; approval for out of state travel by Councilmember Kvamme and Mayor Strand to attend the American Public Power Association legislative rally in Washington, D.C.; authorization for the City to act as purchasing agent for the River Valley Tactical Team for purchase of an armored vehicle and robot; and approval of a taxi license application for Kato Cab.

The next regular meeting of the City Council will be Monday, January 27<sup>th</sup> at 7:00 p.m. in the

Governors' Room of the Community Center. For more information on City Council meetings, please contact the City Administrator's office at 934-0663. Copies of the Council packet are also available on the City's website at [www.saintpetermn.gov/city](http://www.saintpetermn.gov/city).



**DEER FEEDING** - Numerous residents have reported seeing deer in the City limits, mostly on the south end of town. While it is really exciting to see these beautiful animals up close, feeding deer can have detrimental effects and cause more harm to the animals than if they were left alone and

allowed to draw on their natural survival instincts. The following information is provided by the Minnesota Department of Natural Resources.

Supplemental feeding creates problems in three major ways.

- **Behavior changes:**
  - Supplemental feeding can make wild animals less fearful of humans, delay winter migration and even result in starvation if animals have not migrated to wintering areas and feeding ceases.

- Supplemental feeding can result in enterotoxaemia – a fatal disease commonly called grain overload.
- **Animal concentration:**
  - Tight concentrations of deer feeding in the same area dramatically increases the odds of disease spreading through a herd by nose-to-nose contact or eating feed contaminated by another animal's disease-carrying saliva.
  - Unnaturally concentrating deer can also attract their predators in larger numbers.
  - Deer that congregate in unnaturally high numbers can retard forest regeneration and change plant species composition through over-browsing, and cause garden and crop damage.
- **Human conflict** - Drawing animals into closer contact with people and homes can increase rates of collision with vehicles, and cause conflict between neighbors when gardens and ornamental plants are destroyed by habituated deer.

Please help us protect the public and prevent property damage by limiting the food sources for these deer. When their in-town food sources dry up, they will naturally wander back to the forest, find other food to eat and be safe.

### CITY MEETING CALENDAR

This calendar is subject to change. Should you have a question on a meeting date/time, please contact the City Administrator's Office at 934-0663 or visit the City's website at [www.saintpetermn.gov](http://www.saintpetermn.gov).

Thursday	January 23	12:00 noon	Economic Development Authority
Friday	January 24	8:00 a.m.	Tourism and Visitors Bureau
Monday	January 27	7:00 p.m.	City Council Meeting
Tuesday	January 28	5:30 p.m.	Heritage Preservation Commission
Wednesday	January 29	12:00 noon	Hospital Commission
Monday	February 3	3:30 p.m.	Housing and Redevelopment Authority
Monday	February 3	5:30 p.m.	City Council Workshop Session
Tuesday	February 4	5:30 p.m.	Planning and Zoning Commission
Monday	February 10	5:00 p.m.	Human Rights Commission
Monday	February 10	7:00 p.m.	City Council Meeting
Monday	February 17		LEGAL HOLIDAY – PRESIDENT'S DAY

City Offices Closed

Tuesday	February 18	5:30 p.m.	City Council Workshop
Tuesday	February 18	7:00 p.m.	Parks and Recreation Advisory Board
Monday	February 24	7:00 p.m.	City Council Meeting
Tuesday	February 25	5:30 p.m.	Heritage Preservation Commission
Wednesday	February 26	12:00 noon	Hospital Commission
Thursday	February 27	12:00 noon	Economic Development Authority
Friday	February 28	8:00 a.m.	Tourism and Visitors Bureau