

**CITY OF CUSTER CITY
COUNCIL PROCEEDINGS- REGULAR SESSION
MARCH 2ND, 2009**

Mayor Harold D. Stickney called to order the first regular meeting of the Common Council for the month of March, 2009 at 5:30 p.m. Present at roll call were Councilpersons Sutton, Reetz, Murphey, Schleining, Pischke, Starr, Christine Redden, Finance Officer, and Chris Beesley, City Attorney. The Pledge of Allegiance was stated.

AGENDA

Councilperson Murphey moved, with a second by Councilperson Pischke, to approve the agenda. The motion carried.

MINUTES

Councilperson Murphey moved, with a second by Councilperson Schleining, to approve the minutes from the February 17th, 2009 regular meeting and the February 21st, 2009 Retreat meeting. Christine requested a correction of the Sander Sanitation bill that was published at \$14,469.49 which the actual bill after Council action was \$8,211.03. Council approved the correction. The motion unanimously carried.

CONFLICTS OF INTEREST

No conflicts were stated.

DEPARTMENT HEAD MEETING

Bob Morrison, Public Works Director, stated his items are coming up later in the agenda.

Rex Harris, Community Development Director, stated the RFQ's are in for TIF #4 and they will be presented to the Committees and then brought forward to negotiate a fee; the Liquor Store Bid Notice went to the Chronicle and the drawings are complete; the Slash Pile project is almost completed with one small pile having to be left due to the location; the downtown sidewalk inventory has been completed for the 54 businesses with 24 requiring improvements; the notices will be sent out.

SECOND READING ORDINANCE #662 – WATER RATE FEES

Councilperson Sutton moved to adopt Ordinance #662. Seconded by Councilperson Starr, the motion unanimously carried with Councilperson Sutton, Pischke, Murphey, Schleining, Starr, and Reetz voting yes.

GF&P REPORTING PROCEDURES

John Kanta introduced Adam Geigal, the new area Warden, and Mike Kinta, all being GFP Representatives. Councilperson Murphey stated that Cherish Baker's husband saw a deer going through his yard with a lion hot on his trail and then heard the deer bleat as it was killed. But then the report was submitted as a dog kill; I've heard of two other reports just the same way. I'm more concerned that there would be dog kills because they could attack the citizens; it's a safety issue. We don't want false data reported when it was witnessed. John stated that there was no indications that there was a lion kill. Our Trapper, Jack Alexander, also investigated the scene and agreed. John said that he and Mike would take lions out if they were in town. John stated that they are aware that Custer has a dog problem and the previous warden had seen dogs attack deer. We didn't see any signs that there has been a lion kill. Councilperson Murphey stated again that having a dog pack problem is worse than the many lions that visit our town. He stated that City Staff will also be monitoring the kills since the data received cannot be relied on. Mike Nielsen questioned how they determine a kill, why they haven't responded to reports, how they get rid of them and how many lions are there. John stated there are several signs for a lion kill; they do respond to reports and verify the information; they euthanized the animals as moving them does not work; and they estimate the lions at 250 plus or minus 30. Councilperson Starr wondered about coming up with a reporting form which John stated the State already has one. Councilperson Murphey wondered how many lions were collared, shot, and shootable. John stated there 86 collared, 5 were shot, and 63 are shootable. Mayor Stickney thanked them for coming to discuss these serious concerns.

CUSTER COMMUNITY HEALTH SYSTEMS UPDATE

Jason Petik, Hospital Administrator, introduced Rick Giesel and Glenn Bryant from Rapid City Regional as well as Dave Thom and Lonnie Hosman from the Custer Community Health Systems Board. Rick presented a DVD presentation to help everyone better understand the challenges faced in the medical field. This will also be showed to various other groups. Rick then presented, for the first seven months of the fiscal year, that admissions are 500 below budget; this is due to a soften market because elective procedures are down. The operating margin is at .1% this year compared to 2.6% last year. Their accounts receivables are not turning around as fast as they should with 72.6 days to realize the income. The outpatient basis is close so they are pushing to keep it on budget. The overall picture for this year for the Regional Network, which includes all outlying hospitals, long term care, and assisted living, is \$312,000; compare this with last year's balance of \$6.5 million. There are three-quarters of the hospitals in the US that are now operating in the red; we fall in the one-quarter that is still operating in the black.

Jason commented that our admissions are up and then reviewed the local Health System information with updates on all the numbers for lab procedures, x-rays, clinic visits, and emergency room. The bad debt and charity figures were \$241,000 and \$172,000 respectively. Salaries and benefits are projected to be \$9,415,806 for 2009. He explained how the RVU (relative value unit) is applied to procedures and patient care from the docs. The Clinic is (\$812,000) even though Edgemont contributes \$21,147 and Hill City \$70,862. He discussed the proposed expansion items which include bringing mammography back, having respiratory care provided, and upgrading the CT Scan to a 16 slice from a 4 slice.

Jason also showed the number of equipment items purchased over the last five years and the financial performance overview for five years.

Dave gave a brief background on the Board's mission to ensure the availability of quality health care and for us to be the first choice for health care in the Southern Hills. He also mentioned the strategic planning review and that the Board is looking at an expansion plan with blue prints previously drawn. But since Regional has halted all major projects due to the economy, the Board is looking at other alternatives.

Rick stated that they have enjoyed the relationship with the City and that the Community has a good voice with Jon Dahlstrom and Dr. Graber on the Network Board; Dr. Joy Faulkenburg and Dr. Lisa Brown are also on the Board of Governors. The Mayor thanked them for taking the time to update the Council. Councilperson Murphey stated this was very informative and the Hospital is great and we all want the medical services. The question is, from a town of under 2000 people, a small town, \$400,000 is a large number. We have discussed that outside of the City, there isn't the contribution. Discussion was held on where the sales tax money comes from; although once the sales tax is collected, it becomes the financing for City projects.

TONYA FLORA – CRUISIN P&L

Tonya Flora once again requested the Council to take action to have the Cruisin Fund show an expense for the wages of several personnel who work on the setup. The Mayor stated that it was agreed that the City provides that service to this event which is no different than other events such as July 4th Celebration, Gold Discovery Days, and so on. Cherish Baker questioned the money coming out but then stated that if wages come out, then the additional sales tax from each business also needs to be added in. Cherish also stated that a previous survey showed that a majority of the businesses want Cruisin to stay as it is. Councilperson Murphey stated that if a petition is brought in from the businesses to show they want changes, the Council will look at that. Christine stated that Cruisin was not formed for a profit making venture; it was formed to help keep visitors in town longer so they had an opportunity to spend more money.

GOLDEN WEST COMPANY – CAMERA COSTS

The Mayor stated that Golden West Company has evaluated the costs involved in providing the cameras in all their communities. They pay \$285 per month for a total of \$3420 per year and that would also be per community. We would like to keep the camera and so we are looking at proposing a cost sharing with the County, the Chamber, the City, and possibly the BID District. Barb Edwards wondered about another provider which cost estimates are cheaper. Rex stated that the Committee wasn't aware of other providers so it would be great to get more information. Dave Ressler, Chamber Director, stated that KOTA might work with us and possibly at a very good rate. Councilperson Starr stated that we really need to check out the cost but do we look at keeping it local or for a small savings do we go out of town? Discussion was held on the local providers for various companies so the dollars could still be here. This item will be sent to General Government Committee for further investigation.

STATE WATER PLAN APPLICATION APPROVAL

Bob discussed the March 13th deadline for the State Water Plan Application which is in conjunction with the Economic Stimulus subsidy. He has discussed getting the preliminary 5th Street study, sewer line extensions, Clay Street sewer, picking up the Golf Course, and the Mt. Rushmore alleyway needs to have the water run under 5th Street. Councilperson Starr wondered if it was better to have a large proposal or to break it down to smaller ones. Bob stated it doesn't really matter and we could break these down later if need be. Bob suggested, due to the time frame, that the Council authorize the Mayor, Rex, and himself to negotiate with FourFront Design to submit the entire plan. He also discussed local funding criteria. Councilperson Murphey stated that it is important to get the plan in by the deadline but a plan is a plan and is subject to changes if needed. Based upon the time constraints imposed by the State Water Plan application deadline of March 13th, Councilperson Murphey moved to authorize the Staff to negotiate with FourFront to update the previous engineering report with a cost of up to \$4,000. Further, the Council will entertain any obligation for funding depending upon the funding package. Seconded by Councilperson Sutton, the motion unanimously carried.

WAY PARK BATHROOM – CONTRACT PROPOSAL

Bob stated that the proposal from Hartman Construction for the Way Park Bathroom project was just received and that he had not had time to review it. Therefore, he would like this item to go to the Public Works Committee for further information. Councilperson Reetz wondered about the plumbing and electrical. Bob stated the plumbing has already been roughed in but the electrical is not included. Someone questioned about this project being included in the TIF which Rex stated the money can be spent and then reimbursed from the TIF funds.

HOSPITAL BOARD MONTHLY REPORT

The Council received and acknowledged the February Hospital Board Report. A short discussion was held on the fact that all Clinics lose money and that since the Nursing Home pays an in lieu of tax, maybe we could invite more facilities to join in.

DISCUSSION ITEMS

Discussion was held on the Council supporting ads for Census compliance since funding can depend upon how the Census numbers come out.

Discussion was held on the April 22nd District 9 meeting which Custer is the Host City. The Council decided to dress in period clothing since the dinner is being held at the 1881 Courthouse Museum.

The Council also decided to set the Equalization Meeting for March 16th at 4 p.m.

Mike Nielsen led the discussion of property within the 3 Mile Limit being controlled by the City but yet the residents don't have a vote or a say as to what happens. Also, the business owners who live outside the City do not have a vote in City elections even though their businesses are affected. Discussion was held on the election process being set by SD Codified Law and that would have to be changed by the Legislators. It was mentioned that the Planning Commission has a representative from outside the City limits so there is a voice for those concerns. Also, anyone is invited to attend the Planning Commission meetings. Mike wondered about the law that states the City cannot hook up residents outside of the City limits which Attorney Beesley stated that the Law was changed due to a court case involving Belle Fourche and that no longer applies. Bob stated the resident does pay for hook up costs and then the water rate outside of City limits is 1 ½ times that of the residential rate.

CLAIMS

Councilperson Schleining moved, with a seconded by Councilperson Murphey, to approve the claims. The motion unanimously carried.

A&B Welding, Repair & Maint., \$8
AFLAC, Insurance, \$471.88
Alltel, Utilities, \$503.46
Beesley Law, Professional Fees, \$3813.25
BH Area Finance Office, Travel & Conference, \$50
BH Mobile, Repair & Maint., \$423.75
BH Power, Utilities, \$1672.47
Border States Electric, Supplies, \$46.45
Butler Machinery, Supplies, \$28.53
Castel Cleaning, Repair & Maint., \$450
Custer City, Petty Cash, \$4944
Custer Chronicle, Publishing, \$313.19
Custer County, Law Enforcement, \$16423.56
Custer Co Highway, Repair & Maint., \$191.90
Custer Do It Best, Supplies, \$1121.84
Dakotacare, Insurance, \$6519.16
Energy Labs, Fees, \$34
Fastenal, Supplies, \$402.45
First Western Bank, TIF Payment, \$959.74
First Western Insurance, Insurance, \$55
Golden West Company, Utilities, \$727.43
Golden West Technologies, Repair & Maint., \$185
HD Supply Waterworks, Repair & Maint., \$1146.50
Jim Dandy Snack, Supplies, \$57
Scott Kellogg, Reimbursement, \$71
Kimball Midwest, Supplies, \$317.58
Lutheran Outdoors, Travel & Conference, \$121.50
Mannatec, Supplies, \$432.04
Okoboji Wines, Supplies, \$119
Quill Corporation, Supplies, \$596.11
Rapid City Telco, Repair & Maint., \$372.01
Rapid City YMCA, Memberships, \$110
Republic National Distributing, \$7800.28
SD Assoc. of Rural Water, \$460
SD State Executive Mgmt, Utilities, \$20.20
SD Tourism, Travel & Conference, \$25
Tatiana's Import Beverages, Supplies, \$156.90
Geney Ziolkowski, Animal Contract, \$689
George Nicholls, Deposit Refund, \$50
Keith/Kim Frank, Deposit Refund, \$50
Carol Doll, Deposit Refund, \$50
Earl Blom, Deposit Refund, \$50
Terry Jorgensen, Deposit Refund, \$50
Andalene Dunston, Deposit Refund, \$50
Alyshia Hogan, Deposit Refund, \$26.35
Total Claims \$52,165.53

ADJOURNMENT

With no further business, Mayor Stickney adjourned the meeting at 8:17 p.m.

ATTEST:

CITY OF CUSTER CITY

Christine Redden
Finance Officer

Harold D. Stickney
Mayor