

**CITY OF CUSTER CITY
COUNCIL PROCEEDINGS- SPECIAL SESSION
JUNE 21, 2007**

Mayor Harold D. Stickney called to order the special meeting of the Common Council for the month of June, 2007 at 12:20 p.m. Present at roll call were Councilpersons Schleining, Culberson, Starr, Murphey, Pischke, and Boyer. The Pledge of Allegiance was stated.

AGENDA

Councilperson Murphey moved to approve the agenda. Seconded by Councilperson Culberson, the motion unanimously carried.

CUSTER COMMUNITY HEALTH SERVICES BOARD

Introductions were made and present from the Custer Community Health Services Board were Wanda Mitchell, Lonnie Hosman, Dave Thom, Jenny Behlings, Walker Witt, Bill Young, and from Custer Regional Hospital, Jason Petik, Administrator.

The Mayor thanked everyone for coming and discussed the fact that our aims, goals, and expected results are not dissimilar but the object of both groups is to do what is best for the City of Custer.

Walker summarized the mission of providing quality health care for the Community and thanked the City for the ten year sales tax support resolution in 2004. The Board entered into contracts with Rapid City Regional to provide services with the sales tax money. Walker also summarized the history with the Corporation being formed in 1987 with hospital management by an outside firm; then they went with Rapid City Regional. The Board also has a second function which is being an Advisory Board to Jason and Rapid City Regional Network. Jason discussed Regional's Corporate structure, the service area which is from Hill City to Edgemont, and that this facility is the only facility that is leased by Regional. The Board owns the brick and mortar. Councilperson Culberson discussed Regional's property purchase by Spearfish and wondered about facilities that will be closed down. Jason didn't comment but everyone agreed that it's a good possibility. The question arose as to where the sales tax money goes. Jason explained that the clinics are under the Physicians portion of the Network and they are always in a deficit; the sales tax money goes to the Hospital which includes the clinics. Lonnie stated that the money goes to the parent company and then goes back out to provide for a continuum of care. Discussion was held on the other businesses in area and how they differ. Jason stated that they are not licensed by the State. Other discussion was held on the facility changes and the additional parking availability.

Councilperson Murphey shared a list of projects that the City will be working on over the next few years and discussed the need to look at various funding options, possibly a hospital district. For discussion purposes, information was distributed regarding district set up. Discussion was held on the sales tax regulation and that there are no options for additional pennies. Jason discussed "growing the pie" rather than looking at only sharing a small one. Jenny discussed the possibility of raising property taxes with responses stating that becomes double taxation for the City; the revenue source needs to be spread to those utilizing the services.

The Mayor stated "you must realize that health needs are not the only needs in the City. This drain on the second penny of sales tax has meant that the City has had to curtail some services, delay some projects, delay purchase of needed equipment, and put off building plans. Streets and infrastructure have suffered in the process. There is an answer, in my opinion, to make certain that the future of our hospital remains bright, and that is the creation of a hospital district to spread the cost of this subsidy over the area that is using its facilities and services. This is only fair to the people of the City of Custer who have carried the burden of the subsidy alone. No one is more desirous of making the future of the hospital a bright future than the members of the City Council and the staff. So you see, we do all have the same goal. This is making the City of Custer a desirable place to live and work."

Discussion was held on the aged facilities, improvements for those, and that we don't want to give up control over the brick and mortar. Dave discussed that sales tax does come from all over so it isn't just city money going in. Councilperson Starr discussed the need for the City to provide all infrastructures to accommodate all the people whether they are city residents or not; also, may be the other communities need an invitation to join in providing the revenue. Councilperson Pischke questioned how the clinic in Edgemont and Hill City became a part of Custer. Jason stated that there is a need in those communities and that Custer felt they also helped with revenue streams since they are "feeders" for the clinic and Regional. Councilperson Boyer discussed the fact that Custer is Regional's best feeder, the best "network model", and that now we all need to work together to make things happen.

PAVEMENT PROJECT BID AWARDS

Councilperson Murphey moved, with a second from Councilperson Boyer, to award the Pavement Project bid to Bituminous Paving, Inc. Councilperson Culberson mentioned that we are making a large commitment to taking care of streets and he is concerned because there will be additional costs. Councilperson Boyer mentioned that we are taking funds out of other designations to pay for this and therefore, those funds will probably not be returned. Councilperson Murphey also mentioned that we would probably be passing the street maintenance tax in order to fund a portion of that maintenance. The motion unanimously carried.

ADJOURNMENT

With no further business, Mayor Stickney adjourned the meeting at 1:15 p.m.

ATTEST:

CITY OF CUSTER CITY

Christine Redden
Finance Officer

Harold D. Stickney
Mayor