

**CITY OF EUREKA SPRINGS  
CITY COUNCIL MEETING MINUTES  
MARCH 4<sup>TH</sup>, 2002**

---

Mayor Satori called the March 4<sup>th</sup>, 2002 meeting to order at 7 p.m. The meeting was held in the Jury Room of the Western District Courthouse.

**PRESENT:**

Mayor Satori and Aldermen DeVito, Dozier, Money, Harrison, and Sumpter.  
Alderman Simon was absent.

**ALSO PRESENT:**

David Cox, Hospital Administrator; Jim Knight of Real Sources, Inc., Wayne Jones, from McClelland Engineering, Pearl Brick, Neil Smith, Bill King, Mary Jean Seel, Bill Ames, Kim Dickens, Sherry Wilson, and Clerk Mary Ann Lee.

**PLEDGE OF ALLEGIANCE:**

Mayor Satori led in the Pledge of Allegiance.

**APPROVAL OF THE MINUTES:**

The motion was made and seconded to approve the minutes of February 2<sup>nd</sup>, 2002. All were in favor, 5/0/0.

**COMMISSION, COMMITTEE, AND AUTHORITY REPORTS AND VACANCIES:**

Mayor Satori said that Jim Vernon was willing to serve another term on the Historic District Commission. Mr. Vernon holds Position No. 7.

The motion was made and seconded to approve Mr. Vernon. All were in favor, 5/0/0.

Mayor Satori said that Debbie Frisbie was willing to serve another term on the Historic District Commission. She holds Position No. 6. The motion was made and seconded to approve Ms. Frisbie. All were in favor, 5/0/0.

**DEPARTMENT HEAD COMMENTS:**

None.

**ADMINISTRATIVE ASSISTANT'S REPORT:**

None.

**UNFINISHED BUSINESS:**

None.

**NEW BUSINESS**

**Discussion regarding the sale of alcohol in the Auditorium for special events:**

Alderman Sumpter made the motion to approve the sale of alcohol in the Auditorium for the

following events, Blues Festival, Tom Paxton Concert, Classical Music Festival, and the Emmy Lou Harris Concert. Alderman Harrison seconded.

Alderman Money asked who would be buying the alcohol. Ms. Brick said the CAPC. Alderman Money said she thought it was illegal for the City (in any form) to buy alcohol. She asked the City Attorney.

City Attorney Wilson said she could find nothing in the books to say that we can legally do so. The Council wanted to know if there is a way it can be done without breaking the law. Ms. Wilson said it might be possible if the CAPC had a special contract with a vendor, or if one of the organizations in town wanted to do it.

Alderman Sumpter withdrew his motion and Alderman Harrison withdrew her second.

Alderman DeVito made the motion to allow the sale by an organization with all of the proper permits. Alderman Sumpter seconded. The vote was 3/2/0, with Aldermen Dozier and Money voting no. Mayor Satori voted yes, so the final vote was 4/2/0.

### **Discussion regarding Ordinance No. 1890, an ordinance purchasing video endoscopy equipment**

The motion was made and seconded to place Ordinance No. 1890 on its first reading in its entirety. All were in favor, 5/0/0.

Mayor Satori read the entire ordinance.

The motion was made and seconded to approve.

Alderman Sumpter asked why we should buy this piece of equipment now, if we intend to have a for-pay hospital. Mr. David Cox, the Hospital Administrator, said we are losing revenue at the rate of \$10,000 to \$15,000 monthly. Alderman Dozier asked if the revenue stream would make the payments, and Mr. Cox said yes. He also said that they had a chance to buy the equipment with a \$25,000 discount and 0% interest. Those kinds of deals don't come by often. He said that Mr. Knight's company would pick up where this hospital leaves off paying at the time they open the new hospital. The vote to approve was 5/0/0.

The motion was made and seconded to suspend the rules and place Ordinance No. 1890 on its second reading by title only. By roll call, the vote was 5/0/0.

Mayor Satori read the ordinance by title only.

The motion was made and seconded to approve. The vote was 5/0/0.

The motion was made and seconded to suspend the rules and place Ordinance No. 1890 on its third and final reading by title only. By roll call, the vote was 5/0/0.

Mayor Satori read the ordinance by title only.

The motion was made and seconded to approve. All were in favor, 5/0/0.

The motion was made and seconded to read the Emergency Clause. The vote was 5/0/0.

Mayor Satori read the emergency clause.

The motion was made and seconded to approve. All were in favor, 5/0/0.

### **Discussion regarding a new hospital facility**

The motion was made and seconded to discuss the proposal of a new hospital facility.

All were in favor, 5/0/0.

Mr. Cox, the Hospital Administrator, said that the hospital was built somewhere between 1929 and 1939. An addition was added in 1967. He said when prospective doctors or employees interview

for a position with us and see this hospital; they lose interest, and don't return.

After discussion, Mayor Satori said the City should get out of the hospital business, and let a for-pay hospital take care of the needs of this community. He said a for-pay hospital will have to work hard to make a profit to protect their investment.

Mr. Cox said they will have a board that will stay in touch with the City's needs. It will not be the same people as are on the commission, however. There will no longer be a need for a commission.

Alderman Sumpter said he had been getting calls, and agreed with the two main concerns. What will care cost? Mr. Knight said the charges would have to be what the community can bear. The second concern was what would happen if the hospital doesn't make it and it leaves the City without a hospital? Mr. Cox said the City would get first refusal.

Alderman Dozier asked what would happen if the City loses the ambulance contract? Mr. Knight said the hospital would not want to be in the ambulance business but if it came to that they would. Mayor Satori said this City intends to buy their own ambulances if the contract is awarded elsewhere.

Alderman Dozier asked if Mr. Knight's Company has been checked out thoroughly. Ms. Dickens said yes, and also that Hospital Commission Chairman Diane McClelland had checked also and had no concerns. She said a letter of engagement will be drawn up by the Friday Law Firm who specializes in hospital law. She said that the firm's attorneys will, as always, be looking out for the City's best interests.

The motion was made and seconded to authorize the Mayor to sign a letter of engagement to be drawn up with Real Sources, Inc., and the City of Eureka Springs, contingent on the attorney's recommendation in favor.

Alderman DeVito asked Mr. Knight if this was the first operational prospect they had been involved with.

Mr. Knight said the company had partnered in larger health care facilities, but not singularly. He said they had put together a team for hospital management, which had direct experience in hospital. One person had been in the administrative area, and one had been a chief financial officer for a hospital, and one had physician experience and would work with recruitment.

Alderman DeVito asked about partnering with larger hospitals.

Mr. Knight said they would sit down with any hospital as long as it would benefit Eureka Springs and not just take something away for itself. He said he structured his proposal with the idea that he needs to receive a letter from HUD okaying the financing. He has already established a track record with HUD. The hospital and its ability to make money enough to support itself will be more important to them.

The vote to approve the motion was 5/0/0.

Mr. Knight thanked the Council and the community. He said he will look forward to partnering in this project. He plans to earn and deserve the trust of this community.

**Discussion regarding Planer Hill Sidewalk Enhancement Bids:**

The motion was made and seconded to discuss the Planer Hill Sidewalk project. All were in favor, 5/0/0.

Kirby Murray read the list of bidders, and the bids:

Greer Excavating	\$625,832.00
Jimmy Jones Construction	493,098.50
Richards Equipment Leasing, Inc.	434,162.40

Wayne Jones from McClelland Engineering said it appears that Richards Equipment Leasing, Inc. has the bid. The next step is concurrence and an award letter from the State Highway Department. The starting date is April 1<sup>st</sup>, or as close to that date as possible. The amount of time to do the job is 6 months. The contractor will have to do some traffic control according to the Highway Department rules. Also, there will have to be some signage, which will fall under that department also.

Alderman Sumpter made the motion to accept the bid subject to the concurrence of the State Highway Department. Alderman Money seconded.

The vote was 4/1/0, with Dozier voting no. He said he felt that the money would be better spent in other areas of need in the City.

**Discussion regarding Olden Days Carriage:**

Mr. Tharp passed out the rules his drivers must follow in order to drive for him. Safety is the main issue, and that means safety for everyone and property. The clerk said she would file this in his file. He was asked why he brought this up.

Alderman Harrison said she had received some phone calls about his carriage holding up traffic. He said he only pulls over if it is safe for everyone in his opinion. There is not always a place to pull over, but when he can safely do so, he does.

**EXECUTIVE SESSION:**

The motion was made and seconded to go into Executive Session to discuss a personnel matter. The session began at 8:45 p.m. and the meeting reconvened at 8:55 p.m. No action was taken.

**CITY COUNCIL COMMENTS:**

None.

**MAYOR'S COMMENTS:**

None.

The motion was made and seconded to adjourn. All were in favor, 5/0/0. The meeting was adjourned at 8:58 p.m.

This is the signature sheet for the March 4<sup>th</sup>, 2002, City Council Minutes.

APPROVED:

ATTEST:

---

Mary Ann Lee, City Clerk-Treasurer

- 
- 
-