

MINUTES OF A REGULAR MEETING
OF THE SANTAQUIN CITY COUNCIL
HELD JUNE 17, 1986

* Mayor Pro-Tem Raymond Rowley called the meeting to order at 7:05 o'clock p.m. The following Councilmen were also present: Sherman Jones, Clara Goudy, La Mar Openshaw and ~~Councilman~~ Art Adcock. Councilman Rowley excused Mayor Herb Lloyd. Councilman Rowley stated that the meeting was a regularly called meeting and that notice of the time, place and agenda of the meeting had been provided the Payson Chronicle, the Daily Herald and the Deseret News and to each member of the governing body by mailing copies of the Notice and Agenda at least two days before to each of them. City Recorder/Clerk Sam Sellers recorded the meeting.

Councilman Goudy offered the invocation and Councilman Adcock led the pledge of allegiance.

Pro-Benefit Leasing Inc. Councilman Rowley asked if there were any further discussion on this issue.

Mr. Sellers introduced a letter from the Utah Council on Small Business which endorsed Pro-Benefit's leasing plan; a certificate of insurance, which shows that each employee is covered by a \$2 million liability policy; a cash flow chart of how the moneys are handled by Pro-Benefit; a sheet explaining the companies which Pro-Benefit uses for insurance, etc.; a sheet showing the principles (managers) of Pro-Benefit and their backgrounds; and, an article from the US Chamber of Commerce publication "Nations Business" concerning leasing employees and the problems this alleviates from employers.

Mr. Sellers also showed the Council three possible scenarios which he worked up based on information he had received from members of the governing body on how they would like to see the problems handled. Mr. Sellers explained that, of the three scenarios, the one in which the city switched its payroll functions to Pro-Benefit would be the best for the citizens. He said that the reason for this is because the city would not have to suffer a loss of services and would be the scenario which would require the least tax and/or water rate increase. He indicated that, even if the city fired a police officer, as had been proposed, going with Pro-Benefit and keeping the services the same as present would be cheaper.

Councilman Goudy asked the employees how they feel about Pro-Benefit.

Officer Schmidt said that he has one question involving the Police Department personnel. He said that this has been addressed with Pro-Benefit, who assured them they would give a response. Officer Schmidt said that, personally, he felt this is a very innovative concept and generally sounds good to him. He mentioned that he felt Santaquin needs to become more innovative to encourage new growth. He said that he is willing to try something new and he thinks the program sounds really good. He said that he is concerned whether POST would

recognize them as Status I peace officers if they worked for a private organization. Councilman Adcock asked if the issue of the Public Safety retirement had been resolved. Mr. Sellers said that Pro-Benefit has found a twenty (20) year retirement plan for officers which is a defined benefit package and is guaranteed by the federal government. Officer Kelly said that he doesn't care whether they are with the State or a federally guaranteed program, as it doesn't appear to make any difference.

Councilman Goudy said that, if in a year ^{David} the leasing doesn't work out, it would be difficult to go back ^{President of Pro-Benefit,} as the city was. She asked if they *would be able to go back. Mr. Ashby stated that the law requires the outfits to take the city's employees back. He said that the State retirement has done this before and Councilman Goudy said that they aren't talking about just one individual but a whole city. Mr. Ashby said that this would not be any different.

Councilman Rowley asked if any other city employees had any problems. Councilman Adcock said that there were a lot of concerns made to him personally and asked if they had been addressed and satisfied. Mrs. Rosenlund said that she had had some concerns, but that they had been satisfied in a meeting the employees held with Pro-Benefit prior to the Council meeting. Councilman Adcock said that if anyone had a problem now is the time to air it.

Mrs. Rosenlund asked how much is going to be deducted from the employees' checks with Pro-Benefit. Mr. Sellers said that \$12.50 is deducted from the checks at present to assist in paying for the insurance. He said that he proposed that an additional \$10.00 per check be deducted in order to share, with the city, in the Other benefits, ie, adoption service, legal and tax assistance, etc.

Councilman Goudy asked what the Other benefits would cost the city. She said that it would be nice to get more benefits, but the city may not be able to afford them. Mr. Sellers said that the Other benefits were included in the bid which would save the city about \$27,000 in payroll benefits. He said that this included the employees sharing in the costs of these benefits.

* Councilman Openshaw asked Dennis Barnes ^{Pro-Benefit} if he had changed his mind about this. Mr. Barnes said that ~~they~~ had answered some of the questions he had. Councilman Goudy asked if they answered all his questions and Mr. Barnes said that he didn't know if he knew all the questions which would arise.

Councilman Goudy said that she has looked into leasing with other companies and has been told that there appears to be a lack of productivity because of loss of employee loyalty. She asked the employees if they would still feel loyal to the city if they were leased. Mr. Barnes said that, as far as he is concerned, he would not be workig for Pro-Benefit, but would still be working for the city, so he didn't think this concern would be valid in this circumstance. Mrs. Rosenlund said that Pro-Benefit wouldn't hire or fire the

employees, so they would still be under the control of the governing body.

Mrs. Rosenlund asked if all the employees would have to accept the Other benefits, as she didn't think she would need this. Mr. Sellers * said that there have been times when he has needed an attorney's opinion and could not afford the \$75.00 per hour to get the opinion. He said that, for \$10.00 per check, this would be cheap for him. Councilman Goudy asked how often the employees would use this. The police officers said that they belong to an association which provides this for them. Councilman Goudy said this would duplicate what they have. Mr. Sellers said that this would provide a service to the other employees which the police department alone has now.

Eddie Neff asked about the adoption benefit and Mr. Ashby said that he would receive \$800.00 per child where he doesn't receive anything to help him now. Bill Child said that Pro-Benefit has offered the city * the Other benefits, but they don't care if the city takes or not. He said that the city could not take these benefits and save an additional 1% of salary. Mr. Sellers said that, if the Council does not take these benefits, he feels the employees' deduction ought to be cut back to \$12.50.

Councilman Goudy asked, if this is such a good deal, why the other cities in the State aren't doing it. Mr. Ashby said that he didn't think every city will, but their files are full of cities requesting information concerning this. He said that they have Council meetings scheduled for the next three months.

Mr. Ashby said that he didn't know if the city had a meeting with the Trust insurance plan, but felt there were probably a thousand questions the city never asked them either. He said that he thought Pro-Benefit has gone beyond the call of duty and has met every test put before them. He said that they have met with Earl Andrews, the city's auditor, and his direct quote was that the decision was between a 30% tax increase or to go with Pro-Benefit Staffing. He also stated that they met with Richard Johnson, the city's attorney, who stated that if there are problems, solutions need to be found to overcome them and that Pro-Benefit would certainly favor Santaquin City.

Councilman Jones asked where that information came from and Mr. Sellers said that Pro-Benefit met with the individuals and this was the synopsis of their conversations. The Council asked why they did not get this information and Mr. Sellers said that he could not answer * for them. Mr. Ashby said that this was the gist of their meetings.
the attorney and auditor

Mr. Ashby said that not one person has advised the city or Pro-Benefit not to go to leasing. He said that Mayor Lloyd is being leased in his company and has found it to be very satisfactory and has stated this. Mr. Ashby said that they have not had any employee problems with the other companies they work with. He said that the employees feel better about the program the longer they are on it.

* Mr. Childs said that the only complaints they have heard to date were stated by Councilman Goudy which proved to ^{be} untrue inuendo and non-specific.

* Councilman Goudy asked if ^{the Council has} Pro-Benefit had a performance bond for this. Mr. Ashby said that ~~they have~~ a copy of the bond in their information. Mr. Sellers said that there is a \$25,000 bond on Pro-Benefit.

* Councilman Goudy said that the city is really trusting Pro-Benefit with the retirement moneys. Mr. Ashby said that they are doing this now. Councilman Goudy said that they have been doing this with someone who has a track record. Mr. Ashby said that E.F. Hutton has a fine track record as well. He also asked if they have had the State retirement ~~of~~ the Local Governments Trust into the city for meeting to check them out before they went with them.

* Councilman Jones said that Pro-Benefit puts the money into E.F. Hutton and could take it out. Mr. Childs said that the city is covered by a \$2 million bond on this and that the money is placed ~~in~~ in the name of the employee and not Pro-Benefit.

Mr. Ashby said that Pro-Benefit has done everything they could possibly do to insure the city and protect the employees. He said that they have done this to protect all of their clients.

Councilman Rowley asked for a straw vote of the employees and found that four were in favor, two were opposed and the balance did not vote one way or the other because they felt the Council ought to make the decision.

* Officer Schmidt asked, if the Council drops a police officer this year in order to balance the budget, what will they do next year, drop another one? Mr. Sellers said that he is concerned that it had been proposed to him to balance the budget on the employees. Councilman Adcock said that he didn't feel this was a viable solution and Officer Schmidt said that the law enforcement personnel would only be able to provide a stop gap solution for three years, as there are only three officers.

* ^{No space?} Councilman Goudy moved that the city not go with Pro-Benefit and Councilman Opemshaw seconded. Councilmen Goudy, Opemshaw and Jones voted in favor of the motion and Councilmen Adcock and Rowley voted against. The motion passed.

* EMT requests. Councilman Adcock stated that the EMT's budgeted for some extrication and have an agreement with the State for 50% reimbursement. Mr. Sellers said that this should be in writing, as ~~they were~~ told this before and did not receive the reimbursement. ^{who} ~~the city was~~

* Councilman Adcock also said that there are some EMT's ^{who} need to be reimbursed for their course after one year of service.

Councilman Adcock said that the EMT's would also like the balance of

their funds earmarked for a new vehicle for the next year. Councilman Openshaw said that he needs to discuss this with the Council before they decide on this issue.

Councilman Adcock moved that the EMT's be allowed to purchase the extrication equipment subject to receiving the 50% reimbursement guarantee in writing. Councilman Jones seconded the motion and it passed unanimously.

Councilman Adcock moved that the EMT's who qualify be reimbursed and Councilman Goudy seconded. The motion passed unanimously.

Place Cheryl Russell's name on the city's signature card. Councilman Goudy moved that Cheryl Russell, Ramona Rosenlund and Sam Sellers be placed on the signature card for checks and Councilman Jones seconded. The motion passed unanimously.

Santaquin United Way Chairman. Mr. Sellers said that the Provo City Administrator's office called concerning a chairman for the city. Councilman Adcock said that he would recommend a person to Mayor Lloyd.

Sales Tax Ordinance update. Councilman Goudy moved that Ordinance #86-3 be approved and Councilman Openshaw seconded. The motion passed unanimously.

Small Claims fees. Councilman Openshaw moved that the filing fees for small claims in the city be raised to \$12.50 and Councilman Goudy seconded. The motion passed unanimously.

Resolution approving the Utah Municipal Finance Cooperative. Councilman Goudy moved that this resolution be approved and Mayor Lloyd be placed as the person to sign this. Councilman Openshaw seconded and the motion passed unanimously.

El Fawn Wall. Mr. Wall complained to the Council that the dogs in the city's pound, located near his home, have been disrupting his and his family's sleep. Councilman Adcock said that he would get together with the Police Department and Animal Control and come up with a solution to the problem.

* LaDue Scovill - UVIDA. Mr. Scovill said that he has felt badly that he has been unable to assist in bringing in business. He said that the main objection to coming to Santaquin is the lack of sewer. Mr. Sellers said that he felt Mr. Scovill has done as much as he can and now needs the backing of the City Council. *The Council asked Mr. Scovill if he would continue to serve and he said he would.*

Mr. Scovill said that Utah Power & Light needs a right-of-way across the headhouse property to run a power line. The Council told him to present this to the Council and they will take care of it.

Councilman Goudy. Councilman Goudy explained that the Library has had an air conditioner offered to it and needs the use of the city crew to get it. Councilmen Jones and Openshaw said to go ahead.

Councilman Goudy asked Mr. Sellers to instruct the crew to get the air conditioner.

Councilman Goudy said that the Library is in need of painting. She was told the crew could do this as well.

Councilman Jones. Councilman Jones said that the city might be forced to turn on the well soon.

Councilman Openshaw. Councilman Openshaw said that he has had a phone call from the fire department stating that they were upset about having to have the EMT vehicle put back into the fire station. Councilman Adcock said that he has discussed this with Larry King, the Fire Chief, and they had come to a conclusion. Councilman Openshaw said that it was Chief King who contacted him. Councilman Adcock explained that he would look into this.

Councilman Openshaw also said that he had received a complaint about a lady stepping into a sprinkler hole in the cemetery. Councilman Rowley said that he would look into this.

Councilman Goudy. Councilman Goudy complained about the horseshoe pipe sticking up from the ground by the Bowery. Councilman Rowley said that he would see what could be done about this.

Councilman Rowley. Councilman Rowley said that the city's float had gone to Springville the week before.

Mr. Sellers. Mr. Sellers explained that the city has a Royal copy machine demonstrator on loan and that the information received this night had been copied on it. He said that the base price on the machine is \$2,695.00.

Mr. Sellers asked how the Council will be balancing the budget in light of their not going with Pro-Benefit. Councilmen Jones and Openshaw explained that they are not in favor of a tax increase and a water bill increase. Councilman Jones said that he felt the departments should not be subsidizing each other.

Mr. Sellers said that the city needs an Executive Session after the meeting.

Current bills. The following bills were reviewed by the Council:

AT&T Information Systems.....	\$ 11.50
Chris Radio & Communications.....	346.70
Doug's Auto Supply.....	30.99
Intermountain Farmers Association.....	38.20
Johnson Tractor & Implement.....	185.85
M&R Equipment.....	24.44
Mendenhall's Market.....	6.18
Sunrise Engineering.....	1,893.00
Mountain Bell.....	161.21

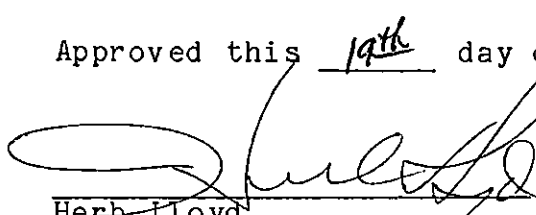
Mountain Fuel.....	219.19
Mountainlands.....	691.77
Payson Tire & Service.....	7.50
Sam Sellers.....	10.35
Andersen's.....	80.05
Utah League of Cities & Towns.....	11.50
Geneva Pipe Co.....	620.00
Central Store.....	178.45
Save A Dollar.....	83.36
Coast to Coast.....	18.78
J-Mart Publishing.....	107.50
Stringham's Hardware.....	158.94
Utah State Retirement.....	876.19
Patti Foster.....	9.90
Ronald Nielson, DVM.....	69.00
U.S. Post Office.....	13.00
Utah State Treasurer.....	96.00
ACME Fence Co., Inc.....	50.50
Stat Medical Supply.....	16.22
Utah Power & Light.....	1,582.01
Radio Shack.....	13.74
Guy Wall.....	350.00
Modern Display.....	437.10
Payson Floral.....	25.00
Clara Goudy.....	11.25
Bill's Glass Service.....	130.59
Ralph Coomes.....	1,286.60
Johnson & Jackman.....	1,092.00
Smith Uniform.....	35.80
High Country Trading Post.....	155.10

* *Totals* \$11,133.46

Councilman Adcock moved that the bills be paid and Councilman Openshaw seconded. The motion passed unanimously.

* Councilman Jones moved that the Council adjourn into an Executive Session to discuss possible property acquisition. Councilman Adcock seconded the motion and it passed unanimously at 9:00 p.m.

Approved this 19th day of August, 19 86.


 Herb Lloyd
 Mayor

ATTEST: 
 Sam Sellers
 City Recorder/Clerk