

MINUTES OF A REGULAR MEETING
OF THE SANTAQUIN CITY COUNCIL
HELD JUNE 3, 1986

Mayor Herb Lloyd called the meeting to order at 7:10 o'clock p.m. The following Councilmen were also present: Sherman Jones, Clara Goudy, and Raymond Rowley. Mayor Lloyd excused Councilmen Art Adcock and Lamar Openshaw. The Mayor 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 and/or delivering copies of the Notice and Agenda at least two days before to each of them. City Recorder/Clerk Sam Sellers recorded the meeting.

X Councilman Rowley offered the invocation and Councilman Jones led the pledge of allegiance.

Prior minutes. The Council reviewed the minutes of May 6, 1986 and May 20, 1986. Councilman Goudy moved that the minutes be approved as corrected and Councilman Jones seconded. The motion passed unanimously.

Update for Utah State Code. Mr. Sellers said that he has never found where the Utah Code had been accepted by the city. He said that he will prepare this.

Lion's Club fountain. Mr. Sellers said that the Lion's Club has asked to put a fountain at Squashhead Park. Councilman Rowley was asked to check with the Club about placing either a flagpole or playground equipment at the Bowery instead, as the Council felt this was more important.

Pro-Benefit Staffing, Inc. - update. Mayor Lloyd said that the feedback he has been getting is to go for this contract.

Mr. Sellers said that the report from the city's auditor is to either go with Pro-Benefit or go with a 30% tax increase. He said that the attorney had a couple of questions dealing with governmental immunity, which he covered with Pro-Benefit, and found that each employee will be covered by a \$2,000,000 liability policy.

Councilman Goudy said that there is an insurance salesman in American Fork who discouraged her from going with Pro-Benefit. She said that he had checked with someone else who had worked with a lease company in California and had had a bad experience. She said that the company in California took off with the money for the payroll. Mr. Sellers said that Pro-Benefit doesn't ask for up-front payroll money, but asks for reimbursement for a payroll already paid, which gives the city a hedge against theft. Councilman Goudy said that this insurance man's advise is to not do this at this time and she feels as if the city ought to follow his advice.

Mayor Lloyd said that the Council asked the auditor and the attorney

to look into this and feels good about their recommendations.

Councilman Goudy said that she felt the city ought to wait one year before they get into Pro-Benefit and not get in on the bottom floor. She said that she is totally against this proposed contract.

1985-1986 fiscal year budget to be updated. Councilman Goudy moved that this year end closing budget be accepted and Councilman Jones seconded. The motion passed unanimously and the resolution was accepted.

1986-1987 fiscal year preliminary budget authorization. Mayor Lloyd feels that between the federal and State governments taking the cities' moneys away from them, the governing body has done a commendable job in the budgeting process. Mr. Sellers explained that, in order to make this budget balanced so the city could present a balanced budget, he had to increase the property taxes by \$14,054, or 15%, and the water use fees by \$15,928, or 16%.

Mr. Sellers said that, except for wages, the budgets had been cut 10% over the previous year and then the Council had cut some line items by an even greater percentage. Mayor Lloyd said that he has been opposed to salary cuts because he doesn't think the employees are paid enough as it is. He also said that, by not giving any cost of living increase, the governing body has automatically given a pay decrease.

Councilman Rowley asked if this budget included going with Pro-Benefit and Mr. Sellers said that it does not include this. Mayor Lloyd said that he has been trying to get a decision on Pro-Benefit because this would have a very definite effect on the city's budget. Mr. Sellers said that the increases of property taxes and water bills were required to cover an approximate \$30,000 deficit. By incorporating Pro-Benefit, the city would only need to cover an approximate \$3,000 deficit.

Mrs. Rosenlund asked if the employees could get a copy of the benefits from Pro-Benefit. Mr. Sellers said that he had given the supervisors this already and was sure that Mrs. Rosenlund had seen this. She said that she couldn't remember seeing this. Mayor Lloyd said that, if Pro-Benefit thought the Council was favorable towards this, they would share this with the employees. The Council asked that the employees be scheduled to meet with Pro-Benefit to review these benefits.

Mr. Sellers said that Pro-Benefit wanted the City Council to make the decision rather than have the city employees make the decision for them. He said that he has confidence that the Council would not make a decision which would be detrimental to the employees.

Mayor Lloyd said that leasing is a new concept, but that the company he works for, which is a large national corporation, leases all of its employees because it is cheaper to them. He said that their automobiles are even leased.

Mr. Sellers said that the city's auditor looked at both insurance policies and said that Pro-Benefit's is much better than the city's.

Dennis Barnes asked how Pro-Benefit could do the payroll cheaper. Mayor Lloyd said that any commodity, when purchased in bulk, is cheaper. He said that the same is true with payroll. The more employees a company has on an insurance policy, the cheaper the insurance.

Mayor Lloyd said that Pro-Benefit could save the city 11% of its payroll costs because they can purchase benefits cheaper. Councilman Jones said that he couldn't believe this and that he would have to be shown. Mr. Sellers said that he had sent the Council a copy of a ledger sheet showing the costs and savings between the city and Pro-Benefit. Councilman Goudy said that it would cost more for the Council and Senior Citizens on Pro-Benefit. Mr. Sellers said that *this might be true, but that the total overall savings would equal the 11%.

Councilman Jones asked what Mr. Sellers would not have to do in order to save the 11%. Mr. Sellers said that this has nothing to do with his time, but only reflects the savings in insurance, pension and other benefits which the city spends dollars on. Councilman Jones asked if Mr. Sellers will have to keep payroll records and Mr. Sellers said that there would be some file records, but that all the payroll records would be kept by Pro-Benefit. He said that the employees would still have to maintain their time card records.

Councilman Jones said that the reason the city purchased the IV-Phase computer was to save time in doing the payroll. He said that now the Council is being told they can save 11% by not having the computer. He said that, if this is true, the Council had better take another look at the computer. Mr. Sellers said that the computer does more than payroll and most of what it does is maintain an accurate audit file on the utilities.

Mr. Sellers said that the 11% they are talking about does not even cover the cost of the computer. He explained again that it costs the city 48% of payroll (\$48.00 for every \$100.00) to maintain the present level of benefits on the city employees. In contrast, it would only cost the city 37% of payroll (\$37.00 for every \$100.00) to contract the same service out to Pro-Benefit. He said that this is direct payroll costs and does not reflect his time or the computer time or anything else. Councilman Jones said that they couldn't count computer time and Mr. Sellers said that he doesn't know why it was even brought up because it had no bearing on the savings.

Councilman Jones said that they got the computer so the payroll could be performed more quickly and now the Council is being told it is inefficient. Mayor Lloyd said that they are not even discussing the computer or its efficiency, but rather the cost of production to run the city.

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Mayor Lloyd said that the reason the budget was proposed as it was, with the increases in taxes and water bills, due to the fact that it was apparent the Council was having a hard time coming to grips with the concept and value of staff leasing. He said that he knows Councilman Goudy is opposed and that Councilman Jones seems to be opposed to it. Councilman Jones said that he is not actually opposed to the idea, but is in the dark. He also said that he has had a lot of insurance companies come to his business and claim to be able to cover his employees cheaper than the former company. Councilman Jones then said that the company increases its rates right back up to where they were paying with the former company. He said that he feels this is what Pro-Benefit is doing to get the payroll cheaper than the city can do it. Mr. Sellers said that if Pro-Benefit gets more expensive than the city can do it, the city can go back to doing the payroll themselves. Mayor Lloyd said that the city isn't locking in to anything, because they can drop Pro-Benefit at the end of the year.

Councilman Goudy said that, if the city does go back to where they were, they will then be creating a problem with pre-existing conditions.

Mayor Lloyd said that he feels the city ought to be concerned about the costs of payroll and satisfying the employees. He said that he feels the Council is concerned, as they do not want to anything which would be non-beneficial to the employees.

Mayor Lloyd said that they need to focus back on the budget. He explained to the Council that, because they have not been ready to make a decision with Pro-Benefit, the budget has been proposed as it has with the increases in property taxes and water rates. He said that the city cannot wait any longer and so the budget has to be approved the way it stands at the present time.

Councilman Goudy asked who insures the employees at the present time and Mr. Sellers said that it was the Utah Local Governments Trust. Councilman Goudy asked if other companies have given the city bids for their insurance. Mr. Sellers said that he has been to several companies and have asked for quotes but that they could not touch the Trust. He and Mayor Lloyd explained that they could not do so because the city is such a small group. Mr. Barnes asked if the other cities had gone with the Trust and Mr. Sellers said that it is not as prevalent as it might seem. He said that larger cities, with more employees, can get cheaper insurance through the private companies.

Mayor Lloyd explained that using Pro-Benefit is like, in Councilman Jones' profession, running a mile of ditch as opposed to running a 100 feet of ditch. The per unit cost of running a mile of ditch is cheaper than the 100 feet. He said that the only reason the city approached Pro-Benefit is because it would save the city money and give the employees better benefits, otherwise they would not have proposed it to the Council. Mayor Lloyd also said that he felt the governing body owed it to the public to try and save additional dollars and the employees to provide them better benefits.

Mr. Sellers said that going with Pro-Benefit would also free up time for him to go and do things which he has been asked to do and which he has not been able to do, ie, getting grants, loans, revenue bonds for a viable industrial and commercial district and more which he has not had time to do.

Mayor Lloyd asked Mr. Sellers to get the information to the employees and Mr. Sellers said that he would set up an orientation meeting between Pro-Benefit and the city employees.

Mayor Lloyd again called the Council's attention to the 1986-1987 fiscal budget. He said that he doesn't feel that there is any fat in the budget. Councilman Jones said that he thinks the Council needs to address the amount in the Water Fund which is proposed for wages and benefits, but that they could go over this at a later date.

Mayor Lloyd said that he feels the Council is opposed to an increase, and stated that the public might be as well, and asked what services the Council and people are willing to give up. Mr. Sellers said that he didn't see how the Water crew could be cut because they are the ones who maintain the meters which bring in the revenues for operation. Mayor Lloyd said that this is a positive thing for the city. Councilman Jones said that he feels that once a tax increase goes in it will never come back off. Mr. Sellers said that the Council will be looking for another \$72,000 the next year.

Mr. Sellers said that the budget could also be adjusted during the final budget hearing on the 1st of July, if some more revenues come in or if they decide to go with Pro-Benefit. He said the city might have money to put into next year's budget if the Council goes with Pro-Benefit and a 15% tax increase. *

Councilman Rowley moved that the proposed 1986-1987 fiscal budget be accepted by the Council and Councilman Jones seconded. The motion passed unanimously and the resolution passed.

Public Hearing on an ammendment to the Annexation Ordinance. Mr. Sellers said that this hearing is to obtain public comment on this ordinance. Since there was no adverse comment on this ordinance, the Council asked that it be placed on a future agenda for approval.

Mayor Lloyd. Mayor Lloyd said that the Division of Wildlife is having a series of public hearings, one of which is going to be in Goshen June 24 at 7:30 p.m., concerning the wetlands bill for Utah Lake.

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

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| Don Eyre, Sr. Oil..... | \$ 910.40 |
| Tischner Ford..... | 29.25 |
| Macey's Sack and Save..... | 80.59 |
| City/Soft Company..... | 786.48 |

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| Carpenter Seed..... | 149.95 |
| 84 Lumber..... | 470.84 |
| Save A Dollar..... | 15.92 |
| Coast to Coast..... | 24.85 |
| Smith's..... | 34.40 |
| Four-Phase Systems..... | 1,048.29 |
| Wasatch Bank..... | 11.40 |
| L&J Waste..... | 3,173.25 |
| Standard Office Supply..... | 17.19 |
| Modern Display..... | 437.10 |
| Builders Hardware Co..... | 14.00 |
| Water & Wastewater..... | 65.00 |
| Lynn McClain or Santaquin City..... | 50.00 |
| Animal Resources Distribution..... | 106.00 |
| Totals..... | \$7,424.91 |

Councilman Jones moved that the bills be approved and Councilman Goudy seconded. The motion passed unanimously.

Councilman Jones. Councilman Jones said that a man who approved wheel chair ramps with the State of Utah is coming within the next couple of days to review the proposal for the ramp to the Library.

Councilman Jones aslo said that the Department of the Interior is going to sponsor a tour of the Central Utah Water project. He said that if anyone was interested in the tour they can contact him.

Councilman Goudy. Councilman Goudy complained that the windows which were broken into at the old school were left open over the weekend. Joe Ray Davis said that they were closed this day. She said that she felt that this was too long to leave these open.

Councilman Rowley. Councilman Rowley said that someone wanted to put in a bid for one of the bike racks at the old school. Mr. Sellers suggested that the person put in a sealed bid for the racks.

Mayor Lloyd. Mayor Lloyd said that he received a call at 6:30 a.m. on Sunday morning, which he did not appreciate, because of dogs at the pound barking. He said that he doesn't know any solution for the problem and expressed appreciation to Mrs. Davis for her good work in Animal Control.

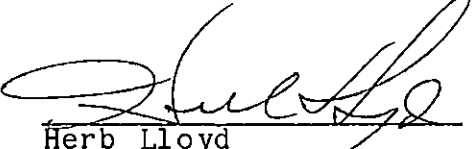
Mr. Sellers. Mr. Sellers explained that the crew asked for a Blue Stake marking and were not able to return to the job site for about three weeks. He said when they did get to the site to excavate, the phone company had marked that their cable was across the road and not on the site for excavation. He said that, becasue the excavation was not commenced within two weeks of the Blue Stake marking, the phone company said that the city was somehow responsible and are billing the city for the repairs. The Council asked Mr. Sellers to send a letter denying this bill. They felt that if the excavation had been started the day after the marking, the crew still would have cut the cable. The Council felt that the city's crew acted responsibly, but that Blue

Stake's had not.

Mr. Sellers said that he wanted to file a protest against the Police Department as a private citizen. He explained that this last Friday some neighbor children were shooting BB guns at his son and friends and hit them. He said a member of the Department came and took a report and was told at the time the parents wanted to file charges in Juvenile Court. He said that the officer has not returned with a complaint for them to sign nor has he updated the parents on what is going on. Mayor Lloyd said he would take care of this.

Councilman Rowley moved that the meeting stand adjourned and Councilman Goudy seconded. The motion passed unanimously at 8:55 p.m.

Approved this 19th day of August, 1981.


Herb Lloyd
Mayor of Santaquin

ATTEST:


Sam Sellers
City Recorder/Clerk