

MINUTES OF A REGULAR MEETING  
OF THE SANTAQUIN CITY COUNCIL  
HELD MAY 20, 1986

Mayor Herb Lloyd called the meeting to order at 7:00 o'clock p.m. The following Councilmen were also present: Sherman Jones, Clara Goudy, Raymond Rowley, LaMar Openshaw and Art Adcock. 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 copies of the Notice and Agenda at least two days before to each of them. City Recorder/Clerk Sam Sellers recorded the meeting.

\*→ Councilman Rowley offered the invocation and Councilman Openshaw led the pledge of allegiance.

Pro-Benefit Staffing, Inc. - Proposed leasing of city employees. David Ashby and Bill Childs were in attendance for this meeting. Mr. Ashby said that, since they were here two weeks ago, Pro-Benefit has received calls from several cities wanting more information on staff leasing. Mr. Ashby said that they have been doing some extensive work since they were in attendance two weeks ago to make sure all the loopholes were covered and everything would be done properly.

Mr. Ashby said that, by including the entire package from Pro-Benefit, they are at 136.69%, while the city is currently at about 140.20%. This would be a savings of about 3.51% of out-of-pocket expense. Mr. Ashby said that if the city would give them 3% for non-productive costs by taking over the payroll functions, the savings would total to 6.51% or about \$23,000 per year.

Councilman Goudy stated that she has visited with an employee of a company Pro-Benefit is doing business with and the employee stated they are unhappy about the fact that they have lost maternity benefits because of a pre-existing clause. Mr. Ashby said that they would not have because Pro-Benefits makes sure that these types of things are covered and they take care of pre-existing conditions.

Mr. Ashby said that it is obvious that the company has not checked with Pro-Benefit because pre-existing conditions are taken care of. He also said that Pro-Benefit does not have an unhappy client.

Councilman Goudy said that the reason she knows of this is because she filed the employee's taxes for him and there were problems with the totals on the W-2 forms being different from the totals on the year to date statement on their last check. She said that the employee had not had the time to go to Pro-Benefit's office and have this straightened out. Mr. Ashby said that if there was a change in the middle of the year, Pro-Benefit's checks would only reflect the totals since the lease took effect.

Councilman Goudy said that the employee needed money immediately and asked for it from the credit union and it took one week to get it

there. Mr. Ashby said that Pro-Benefit does not have a credit union but provides the service to the employees' credit union, so this isn't Pro-Benefit's problem. Mr. Sellers said that it usually takes that long for the credit union which the city deals with to send money as well, but that the employee can usually get the money right away if they go in in person.

Councilman Goudy stated that she wouldn't name the company because she said that this would probably be detrimental to them, but that the company is considering cancelling their business with Pro-Benefit. She said that she doesn't feel good about considering doing business with a company which another company is considering dropping.

Mr. Ashby asked if Councilman Goudy is talking with the client or an employee of the client. Councilman Goudy said that the employee talked to the boss and that this is what the boss told him.

Councilman Goudy said that the employees will be able to get their money back from the State Retirement Fund which would create a tax liability problem for them. Mr. Ashby stated that this money could be rolled over into the pension fund.

Councilman Goudy said that if the Council decided to go with Pro-Benefit and then decided to quit them, then the employees would lose their pre-existing benefits, etc.

Mr. Ashby again said that they cover pre-existing and Councilman Goudy asked how they could afford to do this. Mr. Ashby said that their program is written this way and that it would be foolish for them to have people come into the program and lose their coverage.

Councilman Goudy said that it would not be fair to the employees to fire them and have them lose their retirement, insurance, etc., and Mr. Ashby said that they would not be in attendance at this meeting if this were the case.

Mr. Ashby said that if the Council is talking about trying this and then going back to doing it themselves, they might have problems, but that it could be done.

Councilman Goudy said that the biggest thing which bothers her is that Pro-Benefit has a dissatisfied customer. Mr. Ashby said that they might and might not. Councilman Goudy said that if she could reassurance on this she would feel better about it. Councilman Goudy said that the other client's feeling is that they did not get the package they were sold and that the boss of the company said this.

Mr. Ashby said, referring to the pre-existing condition problem; that they enrolled a company on the 12 of April, the secretary had a baby on the 7th of April, Pro-Benefit covered the client effective April 1 and the insurance company paid \$2,286.00 for the delivery. He said that this company did not have a problem with this at all.

Mr. Ashby said that the pre-existing clause may not cover every condition, but that Pro-Benefit would meet with the special problems and take care of these. He said that they would not be in business if they didn't make sure every condition was covered.

people with

Mr. Ashby and Mr. Childs said that they have never had a complaint from an employee. Mr. Childs said that, if they have a problem, they can handle it, but only if they know of the problem.

Mayor Lloyd asked Mr. Sellers if he has talked with the employees and he said that some have asked him about it and feel like they would like to have more explanations. Mayor Lloyd said that he is very impressed with the savings which the city might have, even with the 3%.

Councilman Goudy said that they need to determine if the employees are going to lose anything. Mayor Lloyd said that he felt the employees would gain a great deal.

Councilman Goudy asked if Mr. Sellers has contacted Earl Andrews, the city's independent auditor, about this and he said that he has not.

Councilmen Goudy and Jones said that this was why the computer was purchased. Mr. Sellers said that, previous to having the computer, it would take him a day and a half to make out payroll, where it takes 2 1/2 to 3 hours now. He also said that the other payroll functions add to this time.

Councilman Adcock asked about the Public Safety Retirement and Mr. Ashby suggested either staying with the State or rolling this over to a private fund with E.F. Hutton. Mr. Ashby said that all the moneys are vested in the employee's name.

\* Councilman Rowley said that the program sounds good to him. Mr. Sellers said that he has checked Pro-Benefit over very carefully and brought up questions to them that ~~they were~~ <sup>he was</sup> not sure of. He said that they would get back with him and say they have checked with so and so on the question and he said this and he would call the so and so and get the straight answer from the person and found that Pro-Benefit has been honest with him.

\* The questioned was asked if this would cost the employees any more money and Mr. Sellers said that, if the whole package was taken, an additional \$10.00 per paycheck would be shared by the employees. Councilman Goudy asked how this would be saving money then and Councilman Rowley said that they would be getting more benefits. Mr. Sellers said that this would be for the whole range of benefits.

Councilman Openshaw said that the city might be able to lay off some office help and Councilman Goudy said either that or get rid of the computer. Mr. Sellers said that the payroll is only one function of the computer and if this was not performed on it then the data base for utilities, general ledger and word processing would be expanded to allow additional room.

Councilman Jones said that he feels like he would like to hear from the employees, the city auditor (Earl Andrews) and the city attorney (Richard Johnson). Mr. Sellers said that this should have been suggested two weeks ago. Mayor Lloyd said that the budget is coming right up and this should be part of it.

Councilman Goudy said that she felt the employees ought to have voice in this as well.

Mr. Ashby said that they meet with the employees all the time, but that they feel the Council ought to have a decision before they meet with the employees. He said that if the Council asked the employees to come and run the city they would be glad to do so. He stated that the Council needs to say, "Look what we are doing for you. If you don't like it, voice your opinion right now." He explained that his experience tells him that the employees will all like it.

Mr. Childs said that he would like to find out about the problem the one company had which Councilman Goudy discussed and she said that she would like them to find out on their own. Mayor Lloyd said that if she has a problem she should spell it out and give the source so it could be checked on. He said that she is talking third source rather than directly to the people in charge. Councilman Goudy said that she is going to talk directly with the people. Mr. Childs said that it is unfair to use this as an objection and not give them a chance to check it out. He also said that they have a meeting with a client in the morning at 9:00 a.m. and it might be the same employer or might not, but they would like to know.

Agreement with Rowley's Cherry Hill Orchards on landfill.  
Councilman Rowley said that the Rowleys are not going to accept the agreement because they do not want to indemnify the city in its use. Councilman Openshaw said that the city is going to pull out of this part of the landfill.

Frank Okelberry - request to purchase old school. Mr. Okelberry said that he would like to purchase the old school for a youth drug and alcohol rehabilitation center. He said that he is planning a 30 bed facility. He said that he didn't have any figures as to a purchase price yet, but is approaching the Council to see if he had some backing on this. He stated that he didn't want to go to a lot of work if the Council is against the project.

This would employ about 30 to 50 people and would place the property on the tax rolls. Councilman Rowley asked if these people would be on the streets and Mr. Okelberry said that they already are on the street. Mr. Okelberry said that the ones allowed outside the building \* would have to be trustees.

Councilman Goudy moved that the Council back Mr. Okelberry in principle and Councilman Adcock seconded. The motion passed unanimously.

First reading of proposed annexation ordinance. The Council reviewed the ordinance and asked that it be placed on the next agenda for a public hearing.

\* Mayor Lloyd. Mayor Lloyd said that the Santaquin <sup>JC's</sup> Jaysee BB gun shoot group of youth have earned the right to represent the State of Utah in Kentucky at the national shoot. He said that KSL will be in ~~town~~ <sup>town</sup> on the 3rd of June to televise a special on this.

Consider updating evaluation per square feet figure used in figuring building permits. Mr. Sellers said that the Building Code of 1982 was approved for use by the Council and it states that this figure should be proposed by the Building Official. He said that it appears the fees should be recommended by the Building Inspector, as the list now in use was proposed by the Building Inspector in 1979. Councilman Jones said that this had better be reevaluated. Mr. Sellers suggested getting hold of a few other cities and see how they set these evaluations.

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

Bradshaw Auto Parts.....	\$ 25.40
AT&T Information.....	11.50
Dennis Barnes.....	40.00
Chris Radio & Communications.....	162.00
Utah Chiefs of Police.....	30.00
Intermountain Farmers.....	4.10
M & R Equipment.....	272.94
Sunrise Engineering.....	2,633.00
Mountain Bell.....	162.09
Mountain Fuel.....	447.50
Pro-Arms, Inc.....	36.00
Macey's Sack 'n Save.....	90.34
Utah Power & Light.....	1,601.19
Olson's Greenhouse.....	48.65
Smith's.....	89.86
J-Mart Publishing.....	50.00
Stan Bonham Co.....	42.70
Pexton Wholesale.....	42.91
Utah State Treasurer.....	102.00
World Book Encyclopedia.....	20.95
Doug Schmidt.....	5.00
Guy Wall.....	350.00
Payson Floral.....	11.00
Penny Seat Covers.....	73.00
Henderson.....	75.67
The Read Rite Co.....	44.58
Totals.....	\$6,472.38

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

Councilman Openshaw. Councilman Goudy moved that a letter be written to Utah Power & Light concerning swapping the lights out for the more efficient lights (street lights), that a light be placed in the back of Squashhed Park and a light be placed behind the city offices. Councilman Openshaw seconded the motion and it passed unanimously.

Councilman Jones. Councilman Jones said that he has been receiving some complaints about the EMT vehicle being used for private use. He said that the city is paying for the gas and it should not be used for private purposes.

Councilman Jones asked if Genola had been served yet. Mr. Sellers said that he sent this to their attorney first to see if this could be speeded up.

Councilman Jones said that he has checked with Dan Olson about the ramp for the Library, but felt if the city sells the school they should tear down the old Library. He said they shouldn't put money into it if it is going to be torn down.

Councilman Jones said that he is very much in favor of selling the old school if they can.

Councilman Goudy. Councilman Goudy shared with the Council a letter from Diane Christensen concerning the trailer court at 160 West 100 North.

Councilman Goudy also shared a letter from June Larson about the Video Hut allowing minors to check out R rated movies. Mr. Sellers said that Officer Schmidt was contacting the attorney on this and suggested an ordinance covering this situation.

Councilman Goudy asked if the city should have people working off fines in the city and the Council said that this should not occur. Mr. Sellers said that the insurance would cover people sent from the city's court, but not from others.

Councilman Goudy said that the Library can get a \$2,000 grant from the State, but the city needs to match this with \$2,000.

Councilman Goudy complained that the people have to pay to rent the bowery, but that the ball club and rodeo club, both private, do not have to pay to rent their facilities. She said that she didn't think this was fair.

Councilman Goudy asked who would pay for the lights which will be used at the Rodeo Grounds and Mr. Sellers said they are hooked into the Shop. Councilman Jones said that the Shop should not have to pay for this.

Mr. Sellers said that there might be some problems with liabilities at the ball fields, rodeo grounds and the city celebration. He was asked

to check with the attorney on these.

Councilman Adcock. Councilman Adcock said that the ACO hours will be cut to 15 per week as of the 1st of July.

Councilman Adcock asked about the status on the cable franchises.

Councilman Adcock asked what the Council is going to do about the budget. Mayor Lloyd said that he doesn't see any way around a tax increase. Councilmen Jones and Openshaw both said they would not back a tax increase.

Councilman Rowley. Councilman Rowley said that Greg Fowkes and the parents of the queen and attendants are going to be building the float.

Councilman Rowley said that, after the trouble Genola caused on the flooding, they refused to sign the Highline agreement. He said that Santaquin and Summitt Creek will take care of the problems this year. Mr. Sellers said that it sounds like Genola will be getting another freebee at, predominantly, Santaquin's expense.

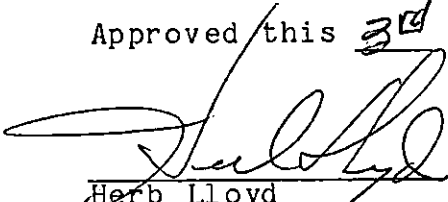
Councilman Rowley asked if the city could charge \$10 for money making booths at the celebration and the Council felt this was OK.

Councilman Rowley asked about the possibility of giving Genola 60 shares of water to get them out of the city's system. Councilman Jones said that this is always a possibility.

Councilman Rowley said that he felt Commissioner Warnick had done the city a disservice by discussing the bird refuge when the city did not have all the facts. The Council explained to Councilman Rowley that they feel the federal government is getting too much of Utah under their control as it is.

Councilman Adcock moved that the meeting be adjourned and Councilman Rowley seconded. The motion passed unanimously at 9:35 p.m.

Approved this 30 day of June, 1986.

  
Herb Lloyd  
Mayor of Santaquin

ATTEST:

  
Sam Sellers  
City Recorder/Clerk