

MINUTES OF A REGULAR MEETING  
OF THE SANTAQUIN CITY COUNCIL  
HELD MAY 6, 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, LaMar Openshaw and Art Adcock. Mayor Lloyd excused Councilmen Raymond Rowley. 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 Clara Goudy offered the invocation and Mayor Lloyd led the pledge of allegiance.

Utah County Commissioner Robert Warnick. Commissioner Warnick stated that he had just been appointed as a Commissioner two to three months prior to this meeting and that he had been either a City Councilman or City Recorder for the six years previous to that time. He said that he feels he is very close to cities and the issues they are most concerned with.

The Commissioner explained that he feels the County should be more responsive to the people in the south end of the County and that he will attempt to make this a reality.

Commissioner Warnick said that the County Commission is holding a series of open meetings where anyone can come in and discuss areas of concern with them and that they will be contacting the city for arrangements on a meeting in this area.

The Commissioner explained that the County is going to be holding its controversial public hearings in the evenings for more public input.

Mayor Lloyd asked Commissioner Warnick if he knew anything about a bill proposed by Congressman Jim Hansen concerning a wetlands area around Utah Lake. He said that he had received a letter from Congressman Howard Nielson asking for city input. The Commissioner said that he is confused as to why Jim Hansen in proposing this bill, as he doesn't even represent this area, but felt that a reason might be that the bird refuge area in his district is no longer there. The bill covers areas around the Provo Bay, Benjamin Slough and Goshen Bay. He said that the Commissioners have toured the area and have some concerns, especially around Provo Bay, where the airport is and also where more development could occur. He said that they have not received additional information about the other two areas, but would be interested in having this.

\* Councilman Goudy said that <sup>She</sup> understood that this would also include some farmland around the lake owned by private individuals. Clark Carras, whose family owns ground in the area, said that they have not even been contacted concerning this issue.

\* Commissioner Warnick said that this ~~is going to~~ <sup>may</sup> involve purchase of lands and that the Commissioners are opposed to their using imminent domain to acquire this land, but feel the farmers should voluntarily sell <sup>have the option of</sup> their property.

Councilman Goudy asked that her opinion be passed on that she feels Congressman Hansen in overstepping his bounds in, once again, moving out of his district on proposals. She said that she felt it was his responsibility that almost all of Santaquin Canyon is now a wilderness area. Commissioner Warnick said that the Commission has told Congressman Hansen this, but would pass it on again.

City Recorder/Clerk Sam Sellers was asked to write Congressman Nielson a letter expressing some of the concerns mentioned this evening and that the Council is, in principle, opposed to most of the proposal.

Pro-Benefit Staffing, Inc. Bill Childs, Dave Ashby and Terry Harper were on hand to represent Pro-Benefit. Mr. Childs explained the general concept of lease staffing and the economies of it. He said that, with a larger group of employees, the leasing company could acquire benefits cheaper than the city could with its smaller group and could, therefore, hire the city's employees cheaper than the city could.

\* Mr. Childs said that the trend, according to John Nesbitt in the book "Megatrends" and "Re-inventing the Corporation", is to go to leasing of employees. He said that the private sector has begun this and that within the next ten years there will be about ten million leased employees, which will include <sup>some from</sup> the public sector as well.

Mr. Childs explained that, through an initial rough study of the city's employee status, he thought Pro-Benefit could save the city between \$10,000 and \$15,000. He said that he would like to do an in depth study and find the actual savings which the city might have.

Mr. Childs said that, if the Council could lower the costs of its employees and provide the employees with a better benefit package as well, it would be to the entire city's advantage.

Mayor Lloyd asked Mr. Sellers his opinion of the program. Mr. Sellers explained that the program, first of all, would reduce the city's "out-of-pocket" expenses for employees by about 6% or more. He said that Pro-Benefit could do this because it cheaper to provide payroll and benefits for hundreds of people than he could do for thirty. He also said that the city couldn't get as good an insurance package as Pro-Benefit could for what Pro-Benefit is paying, because the city only has twelve people on the plan.

Councilman Goudy asked how long Pro-Benefit has been in business and how many other companies or cities they now have on the plan. Mr. Childs said that Pro-Benefit has been in business about one year. He explained that staff leasing is a new concept, approved by Congress in

1982. Mr. Childs stated that they do not like to give out information on their clients because their records and payroll information is confidential, but they represent Murdock Music and Utah Office Supply, among others, in Utah County. Mr. Childs said that Santaquin is the first city they have approached on this.

Councilman Goudy explained that she would like to have some references before she could feel good about this. She said that it sounded like unionization to her. Mr. Childs said that the only basic thing which changes is the payroll function and the actual employer. The city would still direct the employees and would have an on-site employee supervisor who would handle employee problems, etc. Mr. Sellers said that a union action, under this situation, would not be against Santaquin City because the people are hired by Pro-Benefit.

Mr. Childs said that the city could drop this anytime they wanted, if they wanted to pick up the additional costs for the employees.

Mayor Lloyd explained that the company he works for leases all of their employees and that US Steel is also looking into this. He said that his company is a multi-million dollar company and they lease their employees and their vehicles because they can do this cheaper than hiring or buying.

Mr. Childs said that the employees become Pro-Benefit's employees and they contract them back to the city.

Mr. Sellers said that, even with all the benefits which Pro-Benefit has to offer which is more than the city now offers, Pro-Benefit is still cheaper than the city in doing the payroll. He also said that, by someone else doing the payroll, he would have time freed up to write ordinances, do most of the codification work, research grants, etc.

Margene Olson asked if there additional benefits to the employees. Mr. Sellers said that the insurance plan is better, there will be legal services provided, income tax preparation and adoption services which one-half would be paid by Pro-Benefit, all of which the city does not now provide.

Margene Olson asked if the other employees had been consulted on this. Mr. Childs said that they have a briefing with the employees which gives them a full understanding of what it takes to run the city government.

Mr. Childs also said that the Pro-Benefit plan has a long term disability plan which pays 2/3 of the salary to age 65, where the city has a short term disability plan which pays \$100 per week for 26 weeks.

Councilman Goudy asked who does the hiring and firing. Mr. Childs explained that the city's appointed on site supervisor would call Pro-Benefit and explain the position which the city needs filled, Pro-Benefit will advertise and send the people down to the city for

interviews and a final decision. Councilman Goudy asked who sets the wages and Mr. Childs said that the Council still does this. Councilman Goudy asked who sets the raises and Mr. Childs said that the Council does this as well.

Councilman Goudy asked what the city's cost is to have this done. Mr. Childs said that the city's estimated out of pocket expense is 139%, while Pro-Benefit's will be about 134%. He said that this includes everything and that 3% of the 134% is their load factor or administrative costs.

Mr. Childs said that, in essence, the choice for the city is to continue paying the approximate 139% and tying up the administrator's time or they could pay the approximate 134%, saving money, and freeing up the administrator's time for more productive types of activities.

Councilman Adcock asked what the city's guarantee is that the next year Pro-Benefit would not charge 10% for administrative costs. Mayor Lloyd said that they could quit Pro-Benefit and go someplace else or start doing their own payroll again.

Councilman Adcock asked how Pro-Benefit's having the city records would effect the city's audit. Mr. Sellers said that the city would not have a payroll audit because they would have no payroll.

Mayor Lloyd said that this is the way business is going (leasing). He also said that he didn't think a decision needs to be made tonight, as they should have time to consider this. Councilman Goudy also said that she would like to look into this more to see the efficiency, etc.

Mayor Lloyd asked Mr. Sellers to place this on the next agenda.

Prior minutes. The Council reviewed the minutes of April 1, 1986 and April 15, 1986. Councilman Goudy moved that the minutes be accepted as approved and Councilman Adcock seconded. The motion passed unanimously.

Myron Olson annexation zoning hearing. Councilman Jones moved that this annexed property be zoned T-5 and Councilman Openshaw seconded. The motion passed unanimously.

Resolution on League financing. Councilman Goudy moved that this resolution be approved and Councilman Jones seconded. The motion passed unanimously.

Doni Bufton - use of old school. Mrs. Bufton said that she would like the City Council to maintain its former agreement with her (entered into on 9/3/85) on the use of the old school for repayment of her cleaning it. The Council explained that they do not have the financing to turn the power on in the old school. Mrs. Bufton asked if they would make arrangements for another place for her. Mr. Sellers was asked to call the Senior Citizens and inquire about their building. Mayor Lloyd said that he could only see two alternatives:

use the Senior Citizen's Building or reimburse for the work.

Marilyn Clayson - clean-up report. Mrs. Clayson said that she felt fairly good about the clean-up efforts which were just accomplished. She said that they had a bon fire and hot dog roast after the clean-up.

Current licenses. The following license was reviewed by the Council:

Paul & LaRue Jarvis "Snow Princess" \$15.00

Councilman Jones moved that the license be accepted and Councilman Openshaw seconded. The motion passed unanimously.

Parade Grand Marshall. The Council decided to use the oldest living Mayor for the Grand Marshall, which they determined to be Lynn Crook.

Mayor Lloyd. Mayor Lloyd stated that he is signing a proclamation covering a law enforcement week to honor the law enforcement officers who died in the line of duty. Mayor Lloyd said that Steven Hales printed the proclamation up for him at no charge. The Council felt this was a great idea.

\* Mr. Sellers <sup>concerning the wetlands proposal</sup> was asked to write a letter to Congressman Nielson's office, with the following points outlined: Congressman Hansen stepping out of bounds, non-beneficial to Utah County, taking land away from development, some landowners impacted not contacted, city vehemently opposed as might be taking land away from our farmers.

\* Council on Arts & Humanities. Jerry Cook, Archie Alexander, <sup>to represent</sup> Renee Reid, Linda Brinkerhoff and Alison Hansen appeared ~~in favor of~~ the Santaquin group. Mrs. Cook explained that the group is attempting to get a viable group going in the city and asked what the city could do for the group. The Mayor and Council stated that, at this time, they are trying to get the budget balanced and could not be sure as to any amount they could offer.

Councilman Adcock. Councilman Adcock explained that the Chief is now in the academy and will be out around the first or second week in July.

Councilman Goudy. Councilman Goudy explained that the Council of the Arts & Humanities needs a \$100.00 grubstake fund.

Councilman Goudy explained that this week is the City's Library Week.

\* Councilman Goudy said that she felt the city ought to go ahead and move on the bonding for the school. She said that she was under the impression that this would not require a vote.

Councilman Goudy stated that she and Mr. Sellers would be meeting with the Senior Citizens on the next Monday to go over their budget.

Councilman Jones. Councilman Jones asked that the following points,

brought out during the work session with Genola, be made a part of the minutes of this meeting: Genola is paying \$30.00 for maintenance on a water line which does not exist; Genola has no water right in Santaquin Canyon; and, they turned 60 shares of irrigation water to the city in exchange for 100 gallons of water per minute at their meter at 200 North and 200 West.

Councilman Jones moved that the Council hold an Executive Meeting with the City Attorney the next Friday (May 9, 1986) at 5:00 p.m. *to handle*  
\* Councilman Goudy seconded the motion and it passed unanimously. *litigation strategy.*

Councilman Jones said that the Council needs to keep on the budget until it is completed.

Councilman Openshaw. Councilman Openshaw said that he would like to have the agreement with the Rowleys on the landfill brought up on the next agenda.

Flood Agreement. Mr. Sellers showed the Council the flood agreement which Councilman Rowley had brought in for the Council's review. The \* Council said that when the agreement *comes* back with the blanks filled in, the City Council would consider it more seriously.

Mr. Sellers. Mr. Sellers said that he had made a mistake on Genola's flood bill and that Genola has paid all of their flood bills.

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

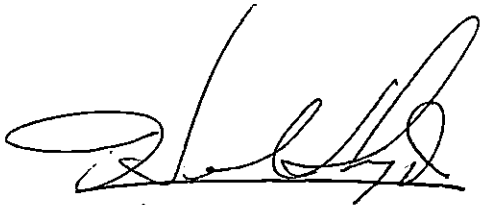
|                                  |          |          |
|----------------------------------|----------|----------|
| Bradshaw Auto Parts.....         | \$       | 7.18AT&T |
| Information.....                 | 11.50    |          |
| Don Eyre, Sr., Oil.....          | 47.50    |          |
| Doug's Auto Supply.....          | 82.66    |          |
| Ramona Rosenlund.....            | 14.91    |          |
| Johnson Tractor & Implement..... | 5.70     |          |
| Mendenhall's Market.....         | 23.93    |          |
| Mountain Bell.....               | 167.42   |          |
| Mountainlands.....               | 698.08   |          |
| Sam Sellers.....                 | 49.95    |          |
| Tischner Ford.....               | 164.57   |          |
| Universal Business Machines..... | 84.00    |          |
| Macey's Sack 'n Save.....        | 130.18   |          |
| Utah Office Supply.....          | 174.95   |          |
| Utah Power & Light.....          | 1,418.97 |          |
| US Steel Corp.....               | 72.00    |          |
| UVIDA.....                       | 337.00   |          |
| Whitmore Oxygen.....             | 41.00    |          |
| Olson's Greenhouse Gardens.....  | 30.00    |          |
| State Department of Health.....  | 15.00    |          |
| Money's Pro-Mart.....            | 11.99    |          |
| Thatcher Chemical Co.....        | 215.00   |          |
| Central Store.....               | 172.82   |          |
| Smith's.....                     | 101.58   |          |
| Stringham's Hardware.....        | 87.87    |          |

|   |             |
|---|-------------|
| Pexton Wholesale.....                   | 130.96      |
| Four-Phase Systems.....                 | 1,048.29    |
| Patti Foster.....                       | 47.48       |
| Wasatch Bank.....                       | 167.30      |
| McNaughton Book.....                    | 105.00      |
| L&J Waste.....                          | 3,257.25    |
| Tel America, Inc.....                   | 22.18       |
| B. Dalton.....                          | 12.31       |
| Maxam Wholesale.....                    | 30.00       |
| Marilyn Clayson.....                    | 75.00       |
| Lyn Distributing.....                   | 130.60      |
| Mountain View Hospital.....             | 180.00      |
| Ken's Farm Service.....                 | 823.85      |
| Fakler Tires.....                       | 99.95       |
| Water & Wastewater.....                 | 653.56      |
| Ralph Coomes.....                       | 125.68      |
| Utah Council-Arts & Humanities.....     | 100.00      |
| Herb Lloyd.....                         | 47.00       |
| Kevin Rosenlund.....                    | 60.00       |
| UDOT.....                               | 10.00       |
| J.R.J. Auto Wrecking.....               | 37.50       |
| State Business License Association..... | 20.00       |
| Johnson & Jackman.....                  | 520.62      |
| Allen Cornwell.....                     | 16.58       |
| Totals.....                             | \$11,886.87 |


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

Councilman Jones moved that the meeting be adjourned and Councilman Goudy seconded. The motion passed unanimously at 9:45 p.m.

Approved this 30<sup>th</sup> day of June, 1986



Herb Lloyd  
Mayor

ATTEST:   
Sam Sellers  
City Recorder/Clerk