

**Adopted Minutes
Spanish Fork City Council Meeting
November 7, 2006**

Elected Officials Present: Mayor Joe L Thomas, Councilmember's Mathew D. Barber, Chris C. Wadsworth, G. Wayne Andersen, Steven M. Leifson, Seth V. Sorensen

Staff Present: Dale Robinson, Parks and Recreation Director; Dave Anderson, City Planner; Richard Heap, Public Works Director; Dee Rosenbaum, Public Safety Director; Jeff Foster, Power Superintendent; Douglas Shorts, Chief Building Official; Marvin Banks, Public Utilities Superintendent; Kimberly Robinson, Deputy Recorder

Citizens Present: Brent Jones, Brent Frost, Jill Thorpe, Tadd Thorpe, Richard Evans, Doug Ford, Phillip Whitehead, Angela Jackson, Russell Durtschi, Bart Morrill, Chris Thompson, Dave Jackson, Janis Nielson, Kip Rasmussen, Steele Rasmussen, Carolyn Burningham, Joyce Webb, Leah Butler, Hannah Felter, Angel Wolfe, Kaye Paulsen, Blaine Poulsen, Ida Mattinson, Dale Mattinson, Sydney Sargeant, Elvera Sargeant, Marie Spencer, Bob Spencer, Bryan Snell, Brianne Mead, Derrick Ralphs, Bernice Woffinden, Melba Jeppsen, Joyce A. Johnson, Kyle Bics, Krysti Gomm, Ryan Shawcroft, Shawn Jorgensen, Jim Horrocks, Mark Miller, Sam Andrus, Travis Anderson, Mike Mendenhall, Greg Jurkatis, Ty Jurkatis, Thomas Brennan, John Shuttleworth, Tiffany Hatfield, Delana Borkman, Natesia Stevens, Samuel Broomhead, Karen Banks, Brody Lambert, Richard Stoneman, Vanessa Penrod, Lindsey Condley, Yeimi Quinonez, Edna Ferron, Marcus Hunt, Steven Mckay, Daylen Westwood, Kelly Peterson, Alan Huff, Paul Taylor

CALL TO ORDER

Mayor Thomas called the meeting to order at 6:08 p.m.

PLEDGE

Councilman Andersen led in the pledge of allegiance.

PUBLIC COMMENTS

Brent Jones

Mr. Jones lives east of the Junior High. In 2005 he poured cement to build a garage. He built a garage this spring and it is not in compliance with the code. He wants the Council to change the ordinance, for setbacks and the requirements for garages. He wants to comply with what the city requires.

Mr. Anderson stated the only solution is to change the cities setback ordinance.

Mayor Thomas asked for the pros and cons of changing the ordinance and to have it on the Council agenda.

COUNCIL COMMENTS

Councilman Barber said he spent a lot of time since the last meeting studying the topic for tonight's discussion.

Councilman Leifson met with parks and recreation and they talked about the possibility of using the school districts grass areas. The school district said it is not an option.

Councilman Sorensen announced that the day after thanksgiving is the parade of lights sponsored by the chamber.

Councilman Wadsworth said he drove the hay wagon at the spook alley and that it was great to hear the feedback. He was impressed with the senior citizens, and appreciates the city staff, he thanked the actual participants as well. He is working on a presentation regarding street signs and is working with them to bring it to the Council. He has also been doing quite a bit of research on the topic tonight. They held the first trails committee meeting and had all the stake holders from the different departments. He also spoke to an individual that has a proposal with regard to economic development.

Mayor Thomas has been involved with the compensation study. He gave an update on Vitacost that they bought the land to come but the state has been slow to work with them and they will not locate here. Another individual is proposing to bring 2,000 jobs and he will have more information on that later.

NEW BUSINESS

Senior Bus

Mayor Thomas explained that the seniors have requested for a while that they get a bus to take their tours, they are asking for permission to buy a bus. The request is to authorize the seniors to move ahead with the purchase if the bus and the seniors are responsible for it.

Joyce Webb

Ms. Webb is the Director of the Spanish Fork Senior Center. The seniors have been taking vacations ever since the senior center started, the city has never paid for those trips. She has the names of 345 seniors that she will be speaking for tonight. The seniors know they can save money if they have their own bus, they know it is a big responsibility, they expect to work hard and do not want anything given to them. There is one senior citizen Evalyn Bills who went on a lot of the trips, she is now too old to go but wants to support getting the tour bus. All they want is to use the name of Spanish Fork City.

Mayor Thomas explained that it will allow for them to be exempt and save them on the insurance costs.

Ms. Webb stated that someday the Council will be seniors and what they do today they hope they can benefit from it tomorrow.

Councilman Sorensen asked how the liability from the insurance worked and who would be responsible.

Mr. Oyler stated that the liability is from URMMA.

Councilman Leifson asked that if something happens is the City on the hook in the lawsuit if someone decided to sue.

Mr. Baker stated that yes the city would be on the hook.

Councilman Andersen is confused that the private citizens are purchasing the bus and the city is paying the insurance and assuming the risk.

Mayor Thomas stated that the city is purchasing the bus with private funds that have been donated.

Councilman Andersen has concerns that this is not exactly as it seems, he does not think that everyone knows the total amount of funds that it will take. He does not mind them trying it but wants what is best for all involved.

Councilman Wadsworth asked if there was a contract.

The Mayor asked that there can be one made.

Councilman Leifson asked if the cost estimates have been figured on how much it would cost to maintain the bus.

Mayor Thomas said he is all for this proposal.

Councilman Leifson is making sure that the city will not pay for the costs of maintenance, and that they will not be responsible.

Mr. Clark stated that the seniors are subsidized with city funds, they do earn their own money but it does not cover the amount to run the program.

Councilman Sorensen asked where the funding will come from for not only the purchase but the maintenance.

Mayor Thomas does not feel this is a good use of tax payer's dollars and the risk is on the private lenders.

Ms. Webb stated that the reason they have not gone on as many long trips is because the cost of the leasing is too expensive.

Councilman Andersen asked if there has been enough homework done by the seniors to know what they are getting into.

Councilman Sorensen said that the school district charters buses for long trips even though they do have a fleet of buses, to save the wear and tear they charter buses. He does not want to see anyone get hurt in this deal he wants everyone to be able to benefit.

Councilman Wadsworth made a **motion** stating that if the city is not on the hook, if they are not paying the funding, if the seniors can cover the cost and meet the operation and maintenance he would support it.

Councilman Wadsworth made a **motion** to endorse this purchase as long as the city is not on the hook, that it is privately funded, and the seniors cover cost of operation and maintenance, and that it cover the cost of trip, they also must find a suitable storage to park it. Councilman Sorensen **seconded** the motion **passed** by a roll call vote all in favor.

CONSENT ITEMS

Councilman Barber made a **motion** to accept the minutes of September 19, 2006, October 3, 2006, and October 17, 2006. Councilman Sorensen **seconded** and the motion **passed** all in favor.

NEW BUSINESS

EDA Architects Presentation on the Police/Court Building

Thomas Brennan

Mr. Brennan explained the square footage change, the concerns expressed last time in being too aggressive to save costs. The areas that would be tight should be changed to accommodate. They met with the public safety director and worked with staff to discuss addressing those areas and there was an increase of 800 feet.

Councilman Sorensen asked Mr. Rosenbaum what he feels about the changes and if it will meet their needs.

Mr. Rosenbaum stated that it will meet their needs, and they have looked at it closely and it has the possibility down the road that they can add onto the building if needed.

Councilman Sorensen feels comfortable having the area meet the needs better.

Councilman Andersen feels a lot more comfortable with this plan. It did not make sense to him to spend the money for something that would not work to begin with.

Councilman Leifson likes the way it is set up now, and feels it is a savings now rather than an expense down the road.

The Council agreed that the project looks good.

PUBLIC HEARING

Councilman Andersen made a **motion** to move to public hearing at 6:56 p.m.
Councilman Sorensen **seconded** and the motion **passed** all in favor.

Adoption of a Salary Schedule and Administration Policy

Mr. Perrins said at the last presentation they requested a lot of the numbers to be able to understand. They created a survey and used every city plus or minus our population by 15,000 they picked the three most expensive benefits that an employer can provide. He did not expect that we would be this close to average.

Mr. Perrins said the retirement average is high and you can't argue that, but the other expenses are low and all combined that makes us average. Even though one component may be high, multiple components put together average it out.

Councilman Wadsworth asked about the private sector companies.

Mr. Perrins explained that 20% of the private employers have a pension and they are difficult to get the information from.

Councilman Wadsworth attested that it is difficult to get information from private sectors. He indicated that in the private sector IHC has a pension, and the LDS church has one as well.

Mr. Perrins explained the private sector is tight lipped when it comes to benefits. Sometimes they do not want to release that information because of their competitive edge.

Councilman Andersen said an individual said to him he did not have a retirement plan and yet when they retire they have millions of dollars worth of stock options so there are many factors.

Councilman Andersen is interested to hear public comment since this is a public hearing.

Rick Evans

Mr. Evans has been asking for this data for two or three Councils now and he has said all along show him why we pay the higher fee and he agrees, and will quit arguing with them.

Mr. Perrins stated that the question is how can they factor in the things that cities do not have as an option to do.

Mr. Oyler explained that there are cities that offer other services.

Mr. Shorts stated that people work for government for the benefits and if they wanted to make the money they would go to the private sector. He hopes the Council moves forward in a positive way with this.

Councilman Wadsworth said there are some transitional jobs, and there are incentives to move to the private sector and to move to the public sector.

Pat Parkinson

Ms. Parkinson echoed what Mr. Evans said, she appreciates the information, and feels it has been very helpful for her personally.

Councilman Wadsworth feels this has been beneficial because of the information they have discovered.

Chad Argyle

Mr. Argyle asked if the purpose of the retirement 401K is so at the end they would have enough to retire on and live.

Mr. Perrins stated that it depends on the employee but that is the intent.

Councilman Wadsworth said where he works the benefits have been diminishing and asked Mr. Argyle what they are getting at his work.

Mr. Argyle said they can do a 6% match and they can put in up to 16% into a 401K.

Angie Jackson

Ms. Jackson is a resident and employee. She has a problem because the bonuses in the private sector are up front and in government or a bank you get a little. They chose to look at the long term and the benefit is what works. She agrees with Mr. Evans and Ms. Parkinson that they wanted data, people are saying again what is this body doing spending more money of the tax payers dollars for the same numbers. She feels if the employees of the City talk they are considered tainted, that their words don't matter and that what they say does not matter. She feels they have been discredited in the eyes of some elected officials and some residents. She asked why things have been said why should we as employees get these benefits, the question is why not. She feels they just need a decision and this just needs to be done. She knows people have put in time, but they feel their word means less. She feels that if the Council can just make their mind up, they are never going to make everybody happy, they just need a decision. She sincerely believes it has been proven, she gets a general feeling from the employees they just want to do their jobs and just want to be fairly compensated. She feels it is apples and oranges as to why they get what they do. We are in a fish bowl, and reminded the City Council they are tax payers too. She feels that a decision needs to be made, people need to see that they are people just like the council.

Councilman Wadsworth appreciates the fire that she has had, he agrees it is an emotional issue. They want to make the right decision and want to analyze things, he wants to make

a decision based on as much information as he can. He thinks that they need to look at this and appreciate what the employees do, he wants it to be just, for the employees and the citizens. He does not feel it is a waste of money looking at these different data sources. They tried to use as much information as they can to make a decision. He noted that not all companies give bonuses, he noted that his bonuses are not that good at all. He said the hard part is the difference between the public and the private sector, the private can generate infinite revenue to cover the costs.

Ms. Jackson feels that the push has come from the Council to be compared to the private sector.

Councilman Wadsworth said he struggles with the principle that the citizens shouldn't be forced to bestow benefits that they do not get themselves. Most citizens don't have that extra 401k.

Ms. Jackson feels tonight the numbers have been shown, she feels they can't look at this as a single thing of retirement and not include the benefits it must be considered as a whole.

Mr. Jackson stated they are fortunate here at the city, they are progressive. The reality is that as he listens to the debate they need to decide where they want to be and what they want to provide. The numbers have been shown before and overall the city does a great job at global compensation. At the end of the day it is the total compensation in the benefits side. This city has been much more progressive taking more strategic chances. Right now globally your compensation is average/below average in cost, the healthier thing to look at is globally. Private sector comparisons are interesting but they should not be a reason to wait. His company can provide the blind data, but he cautions them to say it is interesting but it should not be the heaviest component. They have to compete with other cities.

Mayor Thomas agrees how many times do we have to go through this, he feels the city can do a better job communicating. The research gives the data to defend or make changes. Staff might have the fish bowl aspect, but the private sector has to be competitive.

Mr. Evans added he does not know what data has been presented over and over again. He is aware that the elected officials have made a campaign on this subject. He feels there has been data presented in the last two meetings, he has not seen data as thorough as Mr. Perrins has presented and you couple it with the presentation by the Hay Group, there is a greater public exchange of data then he has seen. He agrees with Ms. Jackson, he would vote to accept it and use the Hay Group information and move on. He has great respect for the public employees and what they have done. To him it is a dead issue.

Ms. Parkinson said the citizens should not be afraid to ask the questions, she feels way better about the whole thing after the information being presented.

Doug Ford

Mr. Ford a citizen and business owner and has been both for over 30 years. He said in listening to the presentation over the last few months he figures there are some out there that want to reduce the benefits for the employees. He does not think it is fair to take something away from the city employees, he assumes this city is fairly financially sound he thinks they can represent the public sector in this city. They have about 370 employees the Council asked in the last meeting there was not enough public information for this study. He feels that the city benefits package would be lower than the private sector. In his opinion he thinks other businesses in this city would share data the average would have actually come down. The other thing that bothered him in the last meeting they talked about healthy turnover. He believes that if a decision is made to take anything away from these employees there will be more than healthy turnover. He feels the longevity of employees staying with his company for long time is valuable. He considers the length of employees an asset to his company he feels he gains the experience in the process, how do you put a dollar figure on something like that. He is not in agreement with some of the numbers thrown out. His point is if the decision is to reduce the compensation package the turnover number will be high. He added it was brought up that the city staff is wearing more than one hat. As the city grows what is the intention of staffing this so they will be able to do their jobs. He gets the impression that the morale of the city employees is low, when you start playing with peoples livelihood that has a affect on things. He is one of the larger tax payers in the community, he feels he pays a lot of taxes and what is important to him is to have a highly motivated city employee so that when the power goes out at his company and he is losing thousands of dollars an hour they hurry to fix it. In closing he thinks that this city has a lot going for it and he thinks one of the best things it has going for it is the city employees, and these are people and over a lot of years they have taken care of us and he thinks it is time they should take care of them.

Standing applause was given from the audience

Councilman Wadsworth asked what Mr. Ford pays his employees for retirement.

Mr. Ford said that it is none of Mr. Wadsworth's business. It is an amount of money given for benefits no matter what it is for, insurance, retirement or something else. They have found that more short term benefits verses long term have been an advantage.

Councilman Andersen said it is still the same dollar amount no matter how it is divided.

Councilman Wadsworth asked if the employees wearing more hats work more hours.

Mr. Perrins said it depends on the job and time of year, some do work more hours and are unable to get done what they are supposed to. He stated that it becomes a cost issue, and they try to keep it in check because of the cost.

Councilman Andersen made a **motion** to close the public hearing and have a short break at 8:15 p.m. Councilman Leifson **seconded** and the motion **passed** all in favor.

Mayor Thomas called meeting back to order at 8:30 p.m.

Councilman Barber asked if the majority of employees are currently paid below or above the midpoint of the ranges.

Mr. Perrins said we are about average on the midpoint, and the majority of our employees have some time under their belt as well.

Councilman Wadsworth observed that when he brought this issue up about the retirement three years ago it seemed that it was a valid issue and that they were ahead of the market from the data he researched and what he has seen. It appears he cannot continue to make that argument and feels the market has caught up to it. He has not agreed with the issues and felt that the money could have been used to help with previous bonding. He feels he cannot make that argument and the market has caught up. He is willing to stand by the data, he would like to see the private data to maintain checks and balances. He recommended they should expand some of the committees, particularly the personnel committee be expanded, he understands there are some issues they cannot be privy to or involved with but he feels it would be a good way to involve them. Salt Lake City has created a citizens compensation committee, and it is his recommendation that they create such a citizens committee.

Councilman Andersen commented he thinks a person has to decide whether an employee is an asset or a liability and how you look at employees is how you treat them. He feels employees are an asset especially ones working at Spanish Fork City at this time. He feels they are concerned about their jobs, they do not want the pay, they want to serve the community and do a good job. He likes the exercise they have been through he feels it has forced them to come to some conclusions, it has forced them to look at things in a different way, they have looked at the job descriptions, they have ranked them and then based on their ranking they can provide a pay scale. He feels the performance based idea is sound, that they will move up based on performance. Generally speaking the information provided by Mr. Perrins and the Hay Group has solidified what he has thought, he hopes this body can embrace it and move forward with it. He is comfortable using the information Mr. Perrins provided and putting it into the Hay Group format.

Mayor Thomas is concerned that in the definitions they have used the term median or market and he feels it is confusing.

Mr. Perrins stated that the market is where the Council defines it, it is important for people to not think that the city is paying 15% above the average.

The Mayor hopes we gather some additional data just to show the public that they have done their homework on this subject. He is impressed with the data and feels there still needs some adjustment with the retirement because the national trend has gone down. He feels this information is important and the money for the studies has been worth it.

Councilman Leifson commented that being here the first year and going through all this has been a learning experience. Staff went through this information with him, he has always thought we have great employees and he agrees with Councilman Andersen that we treat the employees as assets and they should be paid an honest wage for an honest days work. He appreciates the employees being patient going through this, he hopes that by providing all this data that we are open and they can see what is going on and when the bottom line hits they are right where they are supposed to be. He is proud of how this city is being run, we offer great amenities for the citizens and his hat is off to all the employees that make this city run well and he appreciates them.

Councilman Sorensen, feels Spanish Fork has some of the best employees you will find anywhere, Spanish Fork is a home to him and it will be more of a home than he had before because of the employees, he feels for some of the things that the employees have had to go through, as far as he is concerned some of the employees are underpaid and deserving of a lot because of the years they have put in and feels a lot of the successes we enjoy is tied to the longevity of employees we have here. He works for the school district and they have employees leave and it's hard to replace them and especially the longer they are there.

Councilman Barber feels the combined information received from the sheet and the study does a couple of things, the performance base is a benefit to the employees because they work hard, and the citizens will see a benefit overall to have better service provided. He feels this has been three years the employees have had a cloud over them and it has been hard and he feels after tonight that now we have a plan that is completely defendable at this point and he does not foresee it to be an election issue that the employees have to live with. After spending hours and hours with staff he is convinced that staff will implement this to the best of their ability and there is still one element to this that will have to be addressed and that is the affordability issue to implement this.

Mr. Baker stated that as far as the legal document, the Hay Group has a statement that the classification grades will be linked to. He also stated that an ordinance be adopted instead of a resolution.

Councilman Barber made a **motion** to approve ordinance #12_06 amending the personnel policy to adopt an administrative schedule by policy adding section three (3) of the initial benefit analysis as attached hereto. Councilman Sorensen **seconded** and the motion **passed** by a roll call vote all in favor.

ADJOURN TO RDA MEETING

Councilman Leifson made a **motion** to adjourn to RDA meeting 9:10 p.m. Councilman Sorensen **seconded** and the motion **passed** all in favor.

Councilman Sorensen **moved** to adjourn to executive session to discuss land use issues at 9:26 p.m. Councilman Andersen **seconded** and the motion **passed** all in favor.

ADJOURN

Councilman Leifson made a **motion** to adjourn at 10:27 p.m. Councilman Barber **seconded** and the motion **passed** all in favor.

ADOPTED: December 5, 2006

Kimberly Robinson, Deputy Recorder