

**Tremonton City Corporation
Special City Council Meeting
April 4, 2008**

Members Present:

David D. Deakin

Lyle N. Holmgren

Jeff Reese

Max Weese, Mayor

Richard E. Woodworth, City Manager

Darlene S. Hess, Recorder

Chris Cox, Work Force Services

Jason Parry, State of Utah Economic Development

SPECIAL CITY COUNCIL MEETING

Mayor Max Weese ordered a special meeting of the Tremonton City Council on April 4, 2008 at 4:00 p.m. to discuss the announcement of the LaZBoy Utah Plant closing. Per Utah Code 10-3-502, notice was served to each Councilmember personally or left at each Councilmembers's usual place of abode by the City Recorder at least three hours prior to the meeting. Notice was also placed on the Tremonton City's Web site and faxed to the local newspaper. The meeting was held in the Tremonton City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Mayor Weese, Councilmembers Deakin, Holmgren and Reese, Manager Woodworth, Police Chief David Nance, Steve Bench of Building and Zoning, Chris Cox of Work Force Services, Jason Parry of the State of Utah Economic Development Office representing Governor Jon Huntsman, and Recorder Hess were in attendance. Councilmembers Wood and Fridal were excused from the meeting.

1. Approval of agenda

Approval of the agenda was done by consensus.

2. LaZBoy Closing

Mayor Weese welcomed everyone to the meeting. He recognized Richard Hawkes, Manager of LaZBoy who was in the audience, and asked him to join those seated at the table. Mayor Weese told those in attendance that he would rather not have called this meeting; however, with the announcement of the closing of LaZBoy, he felt that the Council should see what they could do to help the employees of LaZBoy who are about to be laid off. It was a great shock and very sad to learn of this plant closing. Mayor Weese told the audience that he has watched the company over the many years that they have been operating in Tremonton. He told the audience that it would be very hard to determine the number of chairs that LaZBoy

has manufactured or the number of chairs that they have donated to this valley for fund raisers. They have been a good corporate organization to have in our community and the City is going to miss them. This issue has never happened before in Tremonton. Mayor Weese excused Councilmembers Fridal and Wood as they are out of the valley.

Mayor Weese told those in attendance that Chris Cox of Work Force Services and Jason Parry, representing Governor Jon Huntsman from the State Economic Develop Office, has been asked to come to Tremonton to tell the employees and the Council what may be available to the employees. Mayor Weese turned the time over to Jason Parry.

Mr. Parry thanked the Mayor for inviting them to Tremonton. He told the audience that he, too, is saddened by the announcement of the LaZBoy closing. LaZBoy has been a great part of our economy for a long time. He could not count the number of times he has fallen asleep at his home in one of their products. It is more times than he could count. Mr. Parry told the audience that there are a lot of very great workers within the State who are employed at LaZBoy and our hearts are with them. Mr. Parry told the audience that they have been talking with many of the employees since the announcement about some of their options. Mr. Parry told the group that Governor Huntsman has become directly involved in this project and has been in contact with the CEO of LaZBoy with some very detailed discussions about possibilities and opportunities. These discussions will continue for some days to come.

Mr. Parry told the audience that he would like to talk about some ideas that the State has come up with. In talking with Mayor Weese before this meeting began, I understand that there are things that you are wondering if we might be able to do for you as well. Chris Cox, who is from Work Force Services, will be able to talk to you about options available for training. This is an area that the State will be able to work in as well so there are two groups that will be able to assist the employees. Mr. Parry told the group that there are two companies that will be able to absorb some of the employees who will be displaced. Even with this sad announcement, there is some good news. Now is a good time to find a job in the State of Utah. Through my office, we will be able to place many of the LaZBoy employees. Through two programs and the generosity of the Legislature, there are funds available for training of those who have been displaced and for those companies who create jobs for displaced employees. This is the Rural Fast Track Program where we can actually give money to companies who hire displaced employees. We want to do this as well.

Mr. Parry informed the Council that there are communities surrounding Tremonton who contacted his office yesterday and today wanting to know what employees are available. There may be some instances where the displaced workers may be required to move; however, there are some jobs available within a short driving distance. The offers have been very generous, and there have been several of them. Mr. Parry told the Council that he did not know how the Council was handling the interface with the employees.

Mayor Weese told Mr. Parry that the interface really hasn't happened. Only two people have personally contacted him. That is why this meeting was called. We, as a Council, felt that we would wait a couple of days to see what the employees of LaZBoy want us to do. Tremonton City does not have a lot of resources. Mayor Weese told Mr. Parry that he was very appreciative when his office contacted him yesterday. I am sure the displaced employees will want to know where the jobs are, the type of training they will need, etc.

Chris Cox, Director of Work Force Services, told the Council that Rocky Buland at LaZBoy is working with her department. This will maximize the resources. Work Forces Services will deploy someone to go onsite at LaZBoy - this actually started on Wednesday and is ready to go. Ms. Cox told the Council that there is a program called TAA which assists companies who are relocating their staff out-of-state. This is where companies out-source their employees. The Federal Government has funds available to retrain the employees. This is what they call the Cadillac Training Program because it not only trains the employees but has the option of extending unemployment. We will be working with LaZBoy and our staff to make sure that all of these resources along with the Trade Adjustment Act dollars that assist with child care, some transportation, and things that help supplement the training process are available for the displaced employees.

Mayor Weese asked if that person has been appointed. Ms. Cox told Mayor Weese that Dawn and Rocky Buland of LaZBoy are working with her and Jill Hansen of her organization for job placement. Mayor Weese requested the phone number of Dawn. Ms. Cox will email it or call him tomorrow with that information.

Councilmember Deakin asked if the TAA, Trade Adjustment Act, is a two-year-program. Ms. Cox told him that it can go up to two years. If an employee comes in and wants training in a certain field so he can qualify for a job, they can receive training for the specific job.

Mr. Parry told the Council that with the jobs becoming available in the area such as with Proctor and Gamble, their organizations can target/tailor the specific training for the displaced employees.

Mayor Weese made the statement that training will be provided, but how are we going to keep the displaced employees fed while they are doing the training? Ms. Cox told Mayor Weese that her organization has a one, stop, shop. While they provide the training, we have emergency funds we will offer - not everything - but Medicare and Chip so they don't lose their medical coverage. The drawback is they have to qualify for TAA.

Councilmember Holmgren asked if BATC and Representative Menlove had been contacted? Mr. Parry told the Council that they do know about the issue. BATC is a great source for the training. Mr. Parry told the Council that what needs to happen now is to make sure the employees know what is offered.

Richard Hawkes, Manager of LaZBoy, told the Council that this week, they have been focused on shock. They want to make sure the employees understand the benefits and what is available for them. The ones we are most concerned with are the long timers who are the higher wage earners. Ms. Cox told Mr. Hawkes that her staff will be talking to the employees one-on-one. Mr. Hawkes told the Council that he, too, is one of the group that will be displaced. It comes as a shock to him - just as it does to the other employees. Even with this announcement, employees are continuing to put out the product and work. We have two months of product still to produce.

Mayor Weese asked how many of the 630 employees were from the Bear River Valley? Mr. Hawkes told the Council that approximately 50% were from this valley. There has been some turnover due to the road construction starting up between Cache Valley and Tremonton. Councilmember Reese asked if there was any chance that this decision will be reversed? Mr. Hawkes told him that he did not know if some magic can be brought out of a hat. He is not holding his breath.

Ms. Cox asked what the turnover rate was at LaZBoy. Mr. Hawkes told her that it had been up to 19%. Now it is down around 5%. Mr. Hawkes told the Council that this was a great shock to the LaZBoy employees. With the 2% unemployment rate in Box Elder County, LaZBoy had to make this move. Councilmember Holmgren asked if LaZBoy will have any employment now in the State of Utah. Mr. Hawkes told him that there would not be any employment by LaZBoy in the State of Utah. We have thirteen acres of building under one roof which will need to be sold.

Councilmember Reese told the audience that over the last twenty years, there has not been a time when LaZBoy has not donated. Mr. Hawkes told the Council that LaZBoy donated \$1000 to the Lacrosse Team when it was started. Manager Woodworth reminded the Council that when the Day Care was started to support the valley, LaZBoy was heavily involved. Mr. Hawkes informed the group that even now, he has a check for \$50,000 to go toward the new hospital - that is the LaZBoy legacy.

Mr. Hawkes told the Council that LaZBoy has announced its closing and what we need to do is help the 630 employees who will be displaced. When Councilmember Deakin asked what the reasoning behind the closing of the plant is, Mr. Hawkes told the Council that he is attending the meeting today as the General Manager of LaZBoy who is concerned for our employees. He did not want to give out information that may be misquoted. Manager Woodworth complimented Mr. Hawkes on his comment and told the audience that the Council knows Mr. Hawkes is a good company/employee man.

Chris Cox told Mayor Weese that she will go back tonight and compile a Core Document and get back with him by Monday with names of people who will work with the LaZBoy employees. Councilmembers Reese and Holmgren both expressed their appreciation to Ms. Cox and Mr. Parry for their assistance in helping with this situation.

Mr. Hawkes expressed his concern about some of the employees needing help to achieve their GED as in most companies this is a requirement. Chris Cox asked Mr. Hawkes how many employees fit in this category and would need this training. This training can be provided for those who need it. Councilmember Holmgren asked if there is a concern about those employees who are reaching an age where it is harder to find a job? Ms. Cox told Mr. Holmgren that UJT helps employees over the age of 55 or in this age bracket. Mr. Hawkes asked if there would be help available for employees with special needs? Ms. Cox told Mr. Hawkes that her organization will coordinate with the Health and Human Services and Adult Education.

Mr. Parry again expressed his appreciation to the Council for being invited to come to Tremonton today. He told the Council to feel free to contact his office anytime. Mayor Weese asked Mr. Parry to tell Governor Huntsman how much the Council appreciates his interest in this matter.

Motion by Councilmember Holmgren to adjourn the meeting. Second by Councilmember Deakin. Vote: Councilmember Deakin, Councilmember Reese and Councilmember Fridal. Motion approved.

The undersigned duly acting and appointed recorder for Tremonton City Corporation hereby certifies that the foregoing is a true and correct copy of the minutes of the City Council meeting held on the above referenced date.

Dated this _____ day of _____, 2008.

Darlene S. Hess, RECORDER