

A. CALL TO ORDER

A regular meeting of the Palmer City Council was held on March 13, 2007, at 7 p.m. in the council chambers, Palmer, Alaska.

Mayor Combs called the meeting to order at 7 p.m.

B. ROLL CALL

Comprising a quorum of the Council, the following were present:

John Combs	Richard Best	Brad Hanson
Tony Pippel	Jim Wood	Kathrine Vanover

Also in attendance were the following:

Tom Healy, City Manager
Michael Gatti, City Attorney
Janette Bower, City Clerk

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Greater Palmer Chamber of Commerce President John Douglas.

D. APPROVAL OF AGENDA

1. Approval of Consent Agenda
 - a. Action Memorandum 07-020: Authorize Advertisement for Bids for the Alaska Street Sidewalk and Lighting Improvement Project
2. Minutes of Previous Meetings
 - a. February 13, 2007, Regular Meeting
 - b. February 27, 2007, Regular Meeting

E. COMMUNICATIONS AND APPEARANCE REQUESTS

Chief Boatright – Palmer Police Department

Chief Boatright reported on the following items:

- commented on the dispatch center and meeting held regarding consolidation of services;
- announced the receipt of ALMR and Homeland Security grants to complete the upgrades on the dispatch center and expanded on the scope of the upgrade;
- expanded on the “container” in which the dispatch center equipment would be housed;
- discussion ensued regarding the cost inefficiencies of two dispatch centers located within the Matanuska Valley;
- discussion ensued regarding the federal mandates surrounding the ALMR requirements;

- highlighted the Impaired Driving program;
- expanded on police department activities within the community; and
- spoke of the relationship with the police department and community.

F. AUDIENCE PARTICIPATION

Maryann Anderson:

- commented on the criminal activities in the area of Mountain Rose Estates and positive response by the police department;
- expanded on the Mayor's positive response during times of emergencies within the subdivision; and
- asked Mayor Combs to continue with his good work.

Bob Woosling:

- spoke in opposition to ordinance no. 07-004;
- described the part-time mayor situation as a step backwards;
- highlighted the Mayor's current salary and the total savings of \$14,963.53 for the year should the council adopt ordinance no. 07-004;
- commented on the reduction in hours and the impacts on lobbying abilities; and
- stated that the current mayor's efforts brought in 50 times what he was paid in salary and benefits.

Nicholas Means:

- expounded his complaint regarding the Palmer Police Department;
- described the incident and citation regarding a provisional drivers license;
- explained that subsequent to the provision license ticket being voided by the police department, he received a citation for expired plates dated the same date as the original citation; and
- stated that the area teenagers fear the police department.

Thomas Brass:

- described himself as a passenger of Mr. Means and expanded on the incident;
- commented on the second incident involving the police department; and
- asked of the legal proceedings regarding lodging a complaint.

Norman Means:

- spoke in support of his son Nicholas, and the young persons in the community in general;
- stated that the relationship with the younger community members and the police department was not what it should be;
- stressed his son was pulled over because he looked too young;
- noted the officer did not request his registration and proof of insurance;
- highlighted Alaska Statute 28.15.507 and the lack of need for an 18 year old to change the status of a provisional license;
- commented on the confiscation of a laptop by the police department;
- asked the council to exercise its oversight and authority of the police department;
- stated that the young people of the community deserve better; and
- asked the council to amend ordinances which may be viewed as prejudicial.

Scott Hamilton, Vice-President of JD Steel:

- spoke in favor of ordinance no. 07-004;
- expanded on the need for a full-time mayor and community growth;
- voiced the need for the community to define what it desires to be;
- stressed that leadership was the medium which brings balance to a community;
- stated that the balance could not be achieved on a part-time basis;
- expanded on his business philosophy; and
- commented on area growth and encouraged further investment in the leadership of the City.

Mike Madar:

- described the Palmer Police Department as the best police department around;
- voiced his respect for the Mayor and highlighted the Manager's position within City government;
- questioned the abilities of those who may follow in the Mayor's path; and
- advocated returning to a part-time mayoral position.

Stu Graham:

- commented on the Alaska Club's decision to locate within Palmer;
- stated that part of the reason for locating in Palmer was the presence of a full-time mayor;
- commented on the stability of a full-time mayoral position;
- recognized the expense of the position and stated that the unfunded liability could be addressed by economic development; and
- voiced his appreciation of the police department and highlighted discussion's held with his son regarding his behavior within the City.

John Douglas, Greater Palmer Chamber of Commerce President:

- expanded on the Chamber of Commerce's vote in support of a full-time mayoral position;
- commented on the Chamber's position that the City needs a full-time mayor and strong leadership;
- spoke of negative reflection upon the community should the council reduce the mayor's hours at this time and at a later date increase them;
- stated ordinance no. 07-004 should be based solely on the merits of the position rather than the person currently serving in the capacity;
- voiced concern regarding the reduction of hours directly relating to the reduction of City productivity;
- urged the council to continue the investment it begun with a full-time mayor; and
- asked the council to consider an ordinance which would address the issues of stability, pay scale and term of contract.

Dusty Silva:

- voiced her support of a full-time mayor position;
- stressed that it was not the best time to make a change in the mayor's position and stated that the best time to make any change would be during the next election cycle;
- commented on the election and the decision of the voters regarding a mayor;
- stated that the current mayor brought in millions of dollars for the City;
- urged the council to continue to support a full-time for the City of Palmer;

- spoke of the Alaska Public Utilities Trust and suggested that the City look into the future and stated that a fully insured product would be more appropriate; and
- noted the language in action memorandum 07-022 regarding voluntary termination and contingency reserves.

Jo Weller:

- voiced opposition to ordinance 07-004;
- spoke of the positive change regarding the investment in a full-time mayor position;
- mentioned the Frontiersman article which commended the council for their vision and attempt to manage area growth;
- commented on the history of positive change and the investments in the golf course and ice arena;
- spoke of the facilitation of city government through the mayor’s office;
- expanded on Mayor Combs commitment to the City;
- stated that if the council was dissatisfied with the Mayor’s performance, counsel him, set goals, monitor progress, give performance evaluations and guidance; and
- stated the council made a good decision to expand the Mayor’s duties to full-time and asked the council to “stick to it’s guns” and to continue the position full-time.

Don Benson:

- spoke in favor of the full-time mayor position;
- stated that Palmer had missed times of expansion and stated it would take some time to gain back some of the residents confidence;
- commented on Governor Palin;
- spoke of the possibility of revenue sharing; and
- urged the council to continue with the full-time mayor position.

G. PUBLIC HEARINGS

H. BIDS

I. ACTION MEMORANDA

Item 1 – Action Memorandum 07-019: Approve State Fair Appeal Process

MOVED BY:	Hanson	To accept the action of action memorandum 07-019
SECONDED BY:	Vanover	

Attorney Gatti:

- expanded on the appeal process contained in the council packet;
- noted that a copy of the process was forwarded to the Alaska State Fair counsel;
- explained the waiver letter and separate representation of the council and City;
- described the neutral council process and introduced Attorney Cindy Cartledge;
- expanded on the council’s role as a quasi-judicial entity who would fairly decide the case and his role as an advocate for the City; and
- described the council as impartial arbiter of the dispute.

Council Member Pippel:

- inquired of any perceived conflicts regarding Attorney Gatti's role in authoring the appeal process and serving as the City's "adversarial" attorney;
- stressed the need to address the issue in a timely fashion;
- inquired of the language regarding the ability of the council to amend the decision of the Planning and Zoning Commission; and
- asked of the council's ability of pose questions during the hearing.

Council Member Best:

- inquired if the Fair had reviewed the process and questioned their ability to modify the process;
- asked of the involved timeframes; and
- questioned if the council would review any new evidence during the hearing.

Attorney Cindy Cartledge:

- stated the council may put forth the appeal process in an ordinance format which would allow for public comment;
- explained her role as the neutral counsel who would advise the council in procedural matters surrounding the appeal process;
- provided a detailed account of the involved timeframes of the appeal process;
- spoke of the council's role to rule on the items under appeal and the ability of the council to affirm, reverse or modify the Planning and Zoning Commission's decision;
- stated that throughout the process deference would be given to the Planning and Zoning Commission's finding and should the council find substantial evidence contrary to the findings, the council may overturn the Commission's decision;
- explained the council's review of the same materials as originally submitted to the Planning and Zoning Commission, the briefs submitted by the appellee and appellant, oral arguments presented, and the determination regarding the facts supporting the conclusions found by the Commission;
- referred to the language under 001.01.060 regarding the ability to substitute the council's judgment in place of the Commission's should there be substantial evidence of error on behalf of the Commission;
- explained her role in relationship to creating the findings of fact; and
- stated that the council could ask questions of the appellee and appellant during the hearing only and referred to the limitations of ex-parte contact.

Council Member Hanson:

- asked if there were a need for a third attorney;
- inquired of the associated timeline;
- inquired of the findings of fact by the Planning and Zoning Commission and the findings of fact which shall be adopted by the council; and
- asked if the evaluation of material by the council was different under the appeal process or the same as originally presented to the Planning and Zoning Commission.

Council Member Vanover:

- depicted the council's service as a seated number of judges and representation of the judicial matters surrounding the appeal; and

- described Attorney Cartledge’s service as an unbiased advisor who will guide the council through the process.

Council Member Wood:

- described the council as supreme court; and
- referred to the ability of the appellee and appellant to move beyond the evidence presented in the appeal record.

Primary Amendment #1 to Main Motion		
Moved by:	Pippel	To strike “two-thirds” and insert “majority” in subsection 001.01.060 D
Seconded by:	Vanover	

Vote: Motion carried by unanimous voice vote.		
Yes:		No:
Pippel	Vanover	Wood
Best	Hanson	Combs

VOTE ON MOTION: Carried by unanimous voice vote.		
Yes:		No:
Pippel	Vanover	Wood
Best	Hanson	Combs

MOVED BY:	Combs	To accept the representative role of Wohlforth, Johnson, Brecht, Cartledge, and Brooking
SECONDED BY:	Vanover	

VOTE ON MOTION: Carried by unanimous voice vote.		
Yes:		No:
Pippel	Vanover	Wood
Best	Hanson	Combs

Item 2 – Action Memorandum 07-022: Authorize City Manager to Enter into the Alaska Public Utilities Insurance Trust Participation Agreement

MOVED BY:	Hanson	To accept the action of action memorandum 07-022
SECONDED BY:	Vanover	

City Manager Healy:

- explained the City’s involvement in the Trust from the early 1960’s;
- highlighted the procedures and structures to allow for the addition of new members within the Trust;
- spoke of the need to expand the Trust and the previous financial difficulties and current reserves;
- expanded on the agreement which established the structure of reserves;
- stated that all payments remain in the Trust regardless of voluntary termination;
- announced there were \$1.4 million in reserves;
- commented on the four tier rate established within the Trust;
- stated there 285 employees covered by the Trust;
- stressed the inherent risks of a small pool of employees;

- commented on the embezzlement of funds by the previous third party administrator and the usual amount of claims in previous years;
- expanded on the lawsuit regarding the former third party administrator and the recovery of funds; and
- highlighted the performance audit procedures.

Council Member Pippel:

- spoke of the premiums required to establish an IBNR reserve;
- asked of the amount of employees covered by the Trust;
- inquired of improved mechanism to lessen the probability of risk to the City;
- commented on the eliminated risk through a third party administrator such as Blue Cross; and
- asked if any of the “stolen” funds had been recovered.

Council Member Hanson:

- asked of the contingency reserve timeframes;
- inquired of the language regarding voluntary termination;
- asked of the financial health of the Trust; and
- inquired of the relevancy of exhibit A.

Mayor Combs:

- commented on the relevancy of exhibit A.

Council Member Vanover:

- stated that exhibit A explained the tiered process of the insurance Trust; and
- inquired of normal procedure of surrendering the IBNR and contingency reserves.

VOTE ON MOTION: Carried by 5-1 voice vote.				
	Yes:			No:
Vanover	Wood	Best		Pippel
Hanson	Combs			

J. UNFINISHED BUSINESS

K. NEW BUSINESS

Mayor Combs declared a significant conflict of interest and was recused from the discussion. Mayor Pro-Tempore Pippel presided over item K.1.

Item 1 – Introduction – Ordinance No. 07-004: Amending Palmer Municipal Code 2.05.050 to Adjust Mayoral Compensation to \$20,000 Per Year, to Adjust the Mayors Compensated Work Hours to Eight-Hundred Per Year and to Remove Health Benefits from the Mayoral Compensation Package (IM 07-005)

MOVED BY:	Wood	To introduce ordinance no. 07-004 and set for public hearing on March 27
SECONDED BY:	Hanson	

Discussion regarding the introduction process ensued.

VOTE ON MOTION: Failed by 3-2 voice vote.				
Wood	Yes: Hanson	Pippel	Vanover	No: Best

Following item K.1. Mayor Combs rejoined the council and presided over the remainder of the meeting.

Item 2 – Information Memorandum 07-012: City Manager Report on Contracting Options for City Services

Council Member Pippel:

- inquired of the status of the garbage service franchise negotiations;
- commented on the general fund budget and the need to cut the budget; and
- asked administration to address the dispatch service issue.

City Manager Healy:

- explained the garbage service franchise process;
- commented on the ability to be responsive regarding road maintenance;
- spoke of the need to gain further information regarding line striping equipment and scheduling issues regarding line striping;
- commented on the contractual services of water main breaks;
- announced that janitorial services were out for bid at this time;
- highlighted the previous efforts to consolidate dispatch services and current duplication of services; and
- voiced support of establishing a joint powers agreement to consolidate dispatch services; and
- highlighted the original contact with Waste Management regarding the City’s operation of garbage service outside the City’s defined service area.

Council Member Vanover:

- voiced opposition to contracting any type of City service but stated that in fairness to the citizens of Palmer was glad to examine and discuss the issue;
- commented on the investment in the garbage service trucks and voiced the need to control the garbage service rates;
- voiced agreement with Council Member Hanson regarding the need to better indicate and capture capital recovery costs of City equipment; and
- requested that a work session be scheduled to further address the issue.

Mayor Combs:

- commented on the ability to control garbage service rates through a franchise opportunity.

Council Member Hanson:

- commented on the negotiations with Waste Management and the timeframes in which the City may continue to operate outside of the City’s service area;
- questioned the methodology of costs for equipment replacement costs and the consideration of consolidation of road maintenance services;

- stressed the City's budgetary issues and the need for a serious discussion regarding consolidation of City services;
- asked for an agenda item regarding methodology, the City's direction regarding contractual services, cost of services and equipment; and
- commented on the ability to contract snow blower services.

L. CITY MANAGER'S REPORT

City Manager Healy reported on the following items:

- Community Development Coordinator report contained within the packet;
- Sales tax revenue chart;
- Determination of the Lieutenant's position;
- State Transportation Improvement Plan;
- Burger King property;
- Project Status Summary;
- Palmer Urban Revitalization Project;
- Sewer Lagoon Property; and
- Salvation Army Property.

M. CITY CLERK'S REPORT

City Clerk Bower reported on the following items:

- Action Memorandum 05-070;
- March 20, 2007, Joint Special Meeting with the Planning and Zoning Commission regarding ordinance no. 07-001;
- March 27, 2007, Special Meeting regarding the Bogard Road project;
- April 5, 2007, Joint Tri-Cities Special Meeting; and
- Microphones/FTR system.

N. MAYOR'S REPORT

Mayor Combs reported on the following items:

- Report contained within the packet;
- Library funding;
- Bed tax funding; and
- Vacation and subsequent trip to Juneau.

O. RECORD OF ITEMS PLACED ON THE TABLE

- 2007 Palmer Capital Projects Status information;
- Memo from Wohlforth, Johnson, Brecht, Cartledge and Brooking regarding the State Fair appeal process;
- Written comments regarding ordinance no. 07-004.

P. AUDIENCE PARTICIPATION

Mike Madar:

- addressed the council regarding annexation stating that the recently failed annexation was not favorable for the City;
- encouraged the council to annex the corridors of the Palmer-Wasilla Highway and the Glenn Highway;
- commented on the PERS issue and expanded on the solvency of the City;
- voiced the lack of understanding by property owners and the need for improved communication regarding annexation;
- stated the need for further public education regarding annexation; and
- spoke of the rumors regarding the City of Palmer being broke and the need to extinguish the rumors.

Q. COUNCIL COMMENTS

Council Member Wood:

- voiced appreciation of the public members participation;
- referred to the previously failed design manual and asked City staff to bring back to the council the pros and cons of a design manual; and
- stated that a design manual could be used as a mechanism to convey the desires of the City regarding design themes.

Council Member Vanover:

- spoke of the architecture professor who defined the design of Palmer;
- apologized for her absence during the March 6 meeting;
- commented on the Borough's participation of payment in the City's payment of the PERS rates for dispatch employees;
- thanked the police department for their services; and
- thanked the public for their attendance.

The council consented to direct the City staff to explore the feasibility of a design manual and report back to the council for further direction.

Council Member Pippel:

- commented on the PERS indebtedness and the continued underestimated figures of the indebtedness;
- concurred with Mr. Madar regarding the need to annex the Palmer-Wasilla and Glenn Highway corridors;
- stated that it had been over 60 consecutive days since the thermometer had failed to rise over freezing; and
- commented on the perception that the City desires to control the destiny of anyone's property.

Council Member Hanson:

- voiced his agreement with Council Member Pippel regarding the need to annex and stated the need to shift away from the position of control through annexation; and
- announced that Mr. Madar's son would play in the State Championship the following weekend.

R. ADJOURNMENT

With no further business before the council, the meeting adjourned at 11 p.m.

Approved this tenth day of April, 2007.

/s/

John C. Combs, Mayor

/s/

Janette M. Bower, CMC, City Clerk