

A. CALL TO ORDER

A regular meeting of the Palmer City Council was held on December 28, 2004, at 7:30 p.m. in the council chambers, Palmer, Alaska.

Mayor Combs called the meeting to order at 7:30 p.m.

B. ROLL CALL, DETERMINATION OF A QUORUM

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

Brad Hanson	Kathrine Vanover
Tony Pippel	John Combs
Ken Erbey	
Jim Wood	

Also in attendance were the following:

Tom Healy, City Manager
Janette Persinger, City Clerk

C. APPROVAL OF AGENDA

The agenda was amended as follows:

- Item J.1. was postponed to the January 25 meeting.

D. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Hanson.

E. APPROVAL OF MINUTES

Item 1 – December 14, 2004, Regular Meeting – were approved as presented.

F. CONSENT AGENDA

1. Introduction – Ordinance No. 649-Z-77: Rezoning Tax Parcel Palmer West, Lots 1–8 and 10–25, Block 1, Lots 1–11, Block 2, Lots 1–5, Block 3 From R-1, Single Family Residential District to R-1E, Single Family Residential Estate District (IM 04-023)
2. Introduction – Ordinance No. 650-Z-78: Rezoning Tax Parcel T17N, R2E, S4, C-9 (518 E. Cope Industrial Way) From R-2, Single Family Residential District to BP, Business Park (IM 04-024)
3. Introduction – Ordinance No. 651-Z-79: Rezoning Tax Parcel T17N, R2E, S-4, D-24, (NHN N. Thuma St.) From R-1, Single Family Residential District to R-2, Medium Residential District (IM 04-025)
4. Introduction – Ordinance No. 652-Z-80: Rezoning Tax Parcel T17N, R2E, S4, D-26 (NHN N. Thuma St.) From R-1, Single Family Residential District to C-G, General Commercial

5. Introduction – Ordinance No. 653-Z-81: Rezoning Tax Parcel Palmer Municipal Airport, Lot 7, Block 1 From P, Public District to A-I, Airport Industrial District
6. Introduction – Ordinance No. 654-Z-82: Rezoning Palmer Municipal Airport, Lots 9–14, 19–21, 23–25 and 33, Block 3 From P, Public District to A-C, Airport Commercial District
7. Introduction – Ordinance No. 655-Z-83: Rezoning Tax Parcel E.J. LeDuc Subdivision, Lots 6–10, Block 13 From C-L, Limited Commercial District to R-2, Medium Density Residential District

G. COMMUNICATIONS AND APPEARANCE REQUESTS

1. Rick Koch – City of Palmer Public Works Director

Mr. Koch reported on the following items:

- Snow removal operations have been maintained in a timely fashion;
- Colony Christmas – the Chamber of Commerce did an outstanding job of taking care of the Depot during the festivities;
- Voluntary OSHA Compliance reviews – explained the review process, several small items were discovered which will be rectified, another review will be completed next year;
- Emergency Response Plan - due on December 31;
- Ice Arena – January 3 the Arena will be open for operations, the first weekend of February the arena will be complete and a grand opening will be held;
- Water and Sewer Extension – design documents are 90% complete and will be advertised for bid at the end January, negotiations continue with DEC regarding the pipe separation issue, discussion ensued regarding the regulations regarding pipe separation and pipe design;
- Water line replacements scheduled for 2005;
- Discussion ensued regarding the work scheduled for Chugach St.;
- Airport – safety zone improvements and additional property acquisition on the runway protection zone;
- Felton St. – there are property acquisition issues which may preclude it from being a viable project for the coming year;
- Discussion ensued regarding the drop dead date for road project completion, the process for property acquisitions and the possibility that Felton St. may be a viable project for the coming year; and
- Discussion ensued regarding alternative routes for the Felton St. project and utility extensions in the area.

H. BOROUGH REPRESENTATIVE’S REPORT

I. AUDIENCE PARTICIPATION

J. HEARINGS, ORDINANCES AND RESOLUTIONS

Item 1 – Public Hearing – Ordinance No. 648: Amending Chapter 2.04 (City Council) and 2.44 (Records Retention), Adopting Chapters 2.04 (Mayor), 2.06 (Council Rules), 2.07 (Legislation), 2.08 (Council Meetings), 2.10 (City Manager), 2.11 (City Clerk), 2.12 (City Attorney), Repealing Chapters 2.08 (Council Meetings) and 2.12 (Legislation) of Title 2 (Administration and Personnel) of the Palmer Municipal Code (IM 04-018)

Clerk's Note: Ordinance 648 was postponed under the approval of the agenda to January 25, 2005

Item 2 - Resolution No. 1326 (I): Amending the City of Palmer Fiscal Year 2004 Budget (IM 04-030)

MOVED BY:	Pippel	To adopt resolution no. 1326 (I)
SECONDED BY:	Hanson	

Mayor Combs opened the public hearing for resolution no. 1326 (I). There no persons who wished to offer testimony.

City Manager Healy reported that the adoption of the resolution will provide the ability to add to the scope of work for Helen Drive and stated that further in the agenda the agreement will be amended to include the work.

Primary Amendment to Main Motion		
Moved by:	Hanson	To amend the resolution amount to read \$81,409 and the bottom line amount of \$2,505,239
Seconded by:	Wood	

Vote on amendment:	Motion carried by unanimous voice vote.
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VOTE ON MAIN MOTION:	Motion carried by unanimous voice vote.
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Item 3 – Resolution No. 1370: Designating Authorized Signatures for Check Signing Affecting Any and All Disbursements of City Monies (IM 04-030)

MOVED BY:	Pippel	To adopt resolution no. 1370
SECONDED BY:	Erbey	

Mayor Combs opened the public hearing for resolution no. 1370. There no persons who wished to offer testimony.

Primary Amendment to Main Motion		
Moved by:	Pippel	To amend the resolution to include Council Member Pippel's initial of "J"
Seconded by:	Hanson	

Vote on amendment:	Motion carried by unanimous voice vote.
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VOTE ON MAIN MOTION:	Motion carried by unanimous voice vote.
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K. BIDS

L. UNFINISHED BUSINESS

Item 1 – Resolution No. 1366: Authorizing the Vacation of a Public Alleyway (Right of Way), Cope Subdivision, Lots 1A and 2A, Block 3 (IM 04-017)

MOVED BY:	Hanson	To adopt resolution no. 1366
SECONDED BY:	Carrington	

Clerk's note: Resolution No. 1366 was moved for adoption on December 14. A public hearing was held at that time.

City Manager Healy explained that the administration does not express an objection to the vacation, providing that the utility line is retained.

Discussion ensued regarding the original lot configuration and the previously Borough approved vacation.

City Manager Healy explained the Borough's process of vacating rights-of-ways within the City of Palmer.

Council Member Hanson asked for further clarification regarding the signing of the development agreement and the ability of the City to negotiate the re-alignment of the driveway with Commercial Drive. City Manager Healy stated that the driveway from lot 2A onto the public street was granted by the Department of Transportation. He explained that during the period of discussions with the developer, the access did not enter into the issue because of the permission granted by DOT. Council Member Pippel suggested that the driveway access issue be addressed in the future.

Mr. Koch explained that the constructed buildings do not sit in the alley and are considered a non-conforming use because of their proximity to the property line. He stated that he has spoken with the developer and engineer on numerous occasions and has suggested to them that if and when Commercial Drive is built that it would be of small cost to construct a driveway into the property's parking lot. He stated that he would not make the driveway issue an issue in the resolution.

Discussion ensued regarding the process used by DOT to notify the City of permits issued.

VOTE ON MOTION:	Motion passed by unanimous voice vote.
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Item 2 – Review Airport Lease Conditions (IM 04-019)

Council Member Pippel requested that a copy of the noise ordinance be included in the lease packet.

City Manager Healy explained that the leases will be approved on an individual basis and stated that the intent of the agenda item was for review and comment of the lease packet. He explained that a draft rate sheet was included in the packet and stated that the rate document is the proposal for rating leases.

City Manager Healy stated that there are 13 available lease lots and thus far there are 30-40 interested applicants. He explained that the intent of the rating process is to recognize investment, jobs and the lease rate. City Manager Healy stated that the minimum lease rate is \$.10 per square foot per year and points will be received for the proposal of a higher lease rate. He explained that personnel and site improvements will receive points as well. He explained that language will be included which gives the City the ability to reserve the right to assign lease space based on proposal rankings, compatibility of uses, area available for lease, economic benefits and the most efficient and effective use of airport property.

Council Member Vanover questioned the agreement's ability to prohibit subleasing and assignments. City Manager Healy stated that those issues are addressed in the lease agreement. He stated that site plans will be approved by the council.

Discussion ensued regarding the recent taxation issue at Merrill Field and the interest created by the subject.

Council Member Hanson stated that he would have liked to see a statement regarding the City’s mission and goal regarding leasing the lots. He stated that the lease packet can be viewed as prejudicial and provided proposal examples of employment versus price and the maximum amount of points received. Council Member Hanson stated that employment needs to be a bigger factor when rating a proposed lease and that currently, the price is the main driver. He stated that the airport income is already a break even deal and asked how his proposal including employment would be received. City Manager Healy explained that employment is a softer element than the size of a building and lease rate. He stated that the specified number of jobs is based on a lot of factors and could be a hindrance, however, if a building is built the City would retain the building should something happen to the lease. Council member Hanson stated that the packet is skewed toward t-hangars and operational costs versus those offering employment.

Council Member Wood voiced his agreement with Council Member Hanson and stated that he doesn’t believe that it would hurt if the employee points were raised.

Council Member Pippel stated at \$.10 per foot, money would not be lost at the airport and that a higher amount of employees would increase sales taxes within the City.

City Manager Healy stated that he would revise the lease packet and stated that a preference could be given for activities that encourage employment over t-hangar operations. He stated that the market and demand for airport services would determine the need at the airport.

Council Member Hanson stated that all of the lots will not be developed at the same time and encouraged an inventory of available lots. Discussion ensued regarding the availability and size of the lots.

Council Member Wood suggested that the problem with a lessee stating that they are going to hire six employees but hire only two could be addressed in the lease agreement language. He stated that if the lessee does not fulfill the agreement, the lease can be revoked.

Council Member Pippel stated the importance of viewing the airport as an asset that enhances employment within the City.

Council Member Erbey suggested factoring in the lessee’s projection of revenue in the rating criteria. He explained that a business which sells parts, generating money, would be of benefit to the City because of the additional revenue from the sales tax.

M. NEW BUSINESS

Item 1 – Authorize City Manager to Enter Into a Professional Services Agreement with Jeff Barnhart d/b/a North Course Management (AM 04-034)

MOVED BY:	Hanson	To authorize the city manager to enter into a professional services agreement with Jeff Barnhart d/b/a North Course Management (AM 04-034)
SECONDED BY:	Vanover	

Council Member Hanson encouraged the manager to install a method which requires the golf course manager have a system to monitor the operations and successes at the course. He stated that if the golf course employees require additional training, the golf course manager should provide the training and costs associated. He asked that the next time that the contract is negotiated; the compensation aspect be addressed for a margin of improvement, i.e. an increase in the manager’s income percentage for new revenues gained by the golf course.

Council Member Wood stated that the golf course is reaching its limit in what it can produce in its

present condition and stated that improvements are required at the course. He stated that he doesn't see how Mr. Barnhart can increase golf course business and thus increase his percentage. He suggested that a paving project be conducted to increase revenues.

Council Member Pippel stated that most golfers golf for the golf experience. He stated that there are significant improvements that could be made but with better course maintenance, an increase could be had. He stated that he would like to see that capital improvements be made through funds gained by the course.

Council Member Wood voiced his agreement that the course makes money because people want to play golf. He stated that half of the show is on the course and the other half in the clubhouse. He suggested that improvements in the clubhouse would net more income.

Mayor Combs asked how many times the current operator has exceeded the projected income. He voiced his concerns over cash handling and inventory and stated that under item F in the agreement, reports must be submitted to the City. He stated that the reporting guidelines must be enforced.

City Manager Healy stated an amended payment plan was suggested by Mr. Barnhart but that the plan was not a dollar for dollar equation and was not approved by Mr. Healy. City Manager Healy stated that he would speak to Mr. Barnhart regarding other incentive ideas. He stated that the idea of paving the cart paths was a good idea and that the pay back for completing the project would be several years. He stated his desire to have a contract in place by January 1 to prevent contractual gaps.

VOTE ON MOTION:	Motion carried by unanimous voice vote.
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Item 2 - Authorize City Manager to Amend the Professional Services Agreement with Hattenburg, Dilley and Linnell for Design Services – Helen Drive Water Main Project (AM 04-042)

MOVED BY:	Pippel	To authorize the city manager to amend the professional services agreement with Hattenburg, Dilley and Linnell for design services
SECONDED BY:	Hanson	

VOTE ON MOTION:	Motion carried by unanimous voice vote.
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Item 3 – Authorize the City Manager to Enter Into a Joint Purchase Agreement with the State of Alaska for the Purchase of Police Department Vehicles (AM 04-036)

MOVED BY:	Pippel	To authorize the city manager to enter into a joint purchase agreement with the State of Alaska for the purchase of police department vehicles
SECONDED BY:	Hanson	

Council Member Hanson asked about the purchase of three vehicles and the standard of purchasing sport utility vehicles. City Manager Healy explained that the purchase of sport utility vehicles will not become the standard; however the police department had expressed the need for four-wheel drive vehicles.

VOTE ON MOTION:	Motion carried by unanimous voice vote.
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Item 4 – Approve Conditions for Ice Arena Advertising Permits (AM 04-037)

MOVED BY:	Hanson	To approve the conditions for ice arena advertising permits
SECONDED BY:	Vanover	

Council Member Hanson clarified the fact that the approval of ice advertising permits will be addressed at the manager’s level, not the council. This was confirmed by the manager.

Discussion ensued regarding the fees and credits allowed for stencil creation.

VOTE ON MOTION:	Motion carried by unanimous voice vote.
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Item 5 – Authorize Agreement with Clarence Furbush Regarding Property Appraisal (AM 04-039)

MOVED BY:	Pippel	To authorize the agreement with Clarence Furbush regarding property appraisal
SECONDED BY:	Erbey	

City Manager Healy explained that the agreement as a component of the Felton St. project and explained the aspects of the agreement.

VOTE ON MOTION:	Motion carried by unanimous voice vote.
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Item 6 – Direct the City Manager to Prepare a Survey and Report on a Potential Special Assessment District – Lobelia St. and Denali Ave. (AM 04-039)

MOVED BY:	Erbey	To direct the city manager to prepare a survey and report on a potential special assessment district – Lobelia St. and Denali Ave.
SECONDED BY:	Wood	

City Manager Healy explained that the agreement arose out of the development agreement with Clarion Industries. He stated that the item is an official recommendation by staff to the council. He stated that if it is not approved; the property owners may petition the council for an LID or the developer may pay the costs to complete the project.

Discussion ensued regarding the costs associated with the LID and the scope of the improvement.

Council Member Wood stated that this recommendation fulfills the obligation of the administration to recommend the LID to the council. He stated that the LID does not benefit taxpayers and voiced his opposition to the LID.

Council Member Hanson voiced his opposition to the council’s pursuit of an LID and stated that completing the proposed project would hinder the City’s ability to complete previously identified projects. He stated that he questions the validity of financing developer’s projects.

VOTE ON MOTION:	Motion failed by unanimous voice vote.
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Item 7 – Authorize City Manager to Enter Into an Agreement with Allan Ossakow for Financial Services (04-043)

MOVED BY:	Erbey	To authorize the city manager to enter into an agreement with Allan Ossakow for financial services
SECONDED BY:	Vanover	

Discussion ensued required the timeframes involved in closing out the 2004 “books”.

VOTE ON MOTION:	Motion carried by unanimous voice vote.
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N. CITY MANAGER'S REPORT

City Manager Healy reported on the following items:

- Alignment of water main from Moore Rd. S. to the Springer – explained the decision made by engineers because of perceived resistance to move the line to the east, will be re-evaluating the west option, explained the potential for development in the area;
- Finance Director – has made an offer to a prospective employee and is awaiting an answer;
- Utility Easement for the Extension – highlighted the memo written by Attorney Snodgrass requesting that a letter be drafted addressing the legislation regarding the lack of the septic language in State statute;
- Dispatch Services – highlighted the letter written by him summarizing the dispatch situation and costs associated with the services;
- Discussion ensued regarding the Borough assuming dispatch services and the joint powers agreement;
- Discussion ensued regarding the Borough building a Charter School in the area of Palmer West, the property and the City's receipt of a deed.

O. CITY CLERK'S REPORT

P. AUDIENCE PARTICIPATION

Q. COUNCIL COMMENTS

Council Member Wood recommended that the council use a format similar to the Colony Christmas brochure to disseminate information to the public. He reminded the members of information placed in the previous packet regarding the upcoming zoning text amendments.

Council Member Pippel wished everyone a Merry Christmas and Happy Holidays.

Mayor Combs thanked Chief Contini and members of the Planning and Zoning Commission meeting for their attendance. He commented on the letter written to Dennis Brodigan regarding dispatch services and stated the adequacy of a 75% - 25% split.

R. ADJOURNMENT

With no further business before the Council, the meeting adjourned at 10:12 p.m.

APPROVED THIS 11th day of January, 2005.

_____/s/_____
John C. Combs, Mayor

_____/s/_____
Janette M. Persinger, City Clerk