

A. CALL TO ORDER

A regular meeting of the Palmer City Council was held on January 9, 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:

Jim Wood	Ken Erbey
John Combs	Tony Pippel
Kathrine Vanover	Richard Best – <i>arrived at 7:10 p.m.</i>
Brad Hanson	

Also in attendance were the following:

Tom Healy, City Manager
Jack Snodgrass, City Attorney
Janette Bower, City Clerk

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Erbey.

D. APPROVAL OF AGENDA

1. Approval of Consent Agenda – *item D.1.c. was moved to item L.1.*
 - a. Introduction – Ordinance No. 07-002: Enacting Palmer Municipal Code Chapter 2.46, Access to City Records, to Provide for Public Access to City Records (IM 07-002)
 - b. Introduction – Ordinance No. 07-003-Z-1-SL: Rezoning Lot 3, Block 1, Arbor Estates Subdivision, 536 E. Fireweed Avenue from the R1, Single Family Residential District to the CL, Commercial Limited District (IM 07-003)
 - c. Action Memorandum 07-001: Authorize City Manager to Sign Updated Plan Documents with AFLAC, to Amend the City’s Plan by Implementing a 125 Plan in Accordance with IRS Regulation
2. Minutes of Previous Meetings
 - a. December 28, 2006, Regular Meeting

E. SPECIAL ORDER OF BUSINESS

1. Mayor’s Proclamation - Proclaiming January 10, 2007, as Jack Snodgrass Day throughout the City of Palmer

Mayor Combs presented a proclamation to Attorney Snodgrass and thanked him for his exemplarily service.

Council Member Pippel presented Attorney Snodgrass with a gift from current and previous council members.

F. COMMUNICATIONS AND APPEARANCE REQUESTS

Gabe Layman – Palmer Senior Center

Mr. Layman reported on the following items:

- provided an update on the Palmer Senior Housing Project;
- thanked the council for extending funding through the upcoming year;
- highlighted the process for securing funding for the project and the available funding;
- stated that the facility is examining business and strategic planning to ensure a sustainable facility;
- stated that 90 percent of the income comes from renewable sources with only 10 percent reliance on grants;
- explained the issued requests for proposals;
- voiced the reliance on designated State funds to begin the project; and
- highlighted the GOAL program available through Alaska Housing Finance.

Chief George R. Boatright – Palmer Police Department

Chief Boatright reported on the following items:

- announced advertising has begun for the part-time clerk position;
- stated that the computer aided dispatch system will be operational by January 17, 2007; and
- explained the intricacies of the computer aided dispatch system.

G. AUDIENCE PARTICIPATION

Jess Hall:

- spoke of the proposed rural residential district;
- commented on the minimum lot size of two and half acres; and
- voiced concern regarding affordability of larger lots.

H. PUBLIC HEARINGS

Item 1 – Public Hearing – Ordinance No. 06-028: Amending Palmer Municipal Code Section 3.16.030, “Tax Levied – Rate,” And Section 3.16.050, “Exceptions;” and Repealing Section 3.16.110 “Tax Rate”; Specifically to Increase the Maximum Amount Subject to Tax From \$500 TO \$1,000 (IM 06-068)

MOVED BY:	Pippel	To adopt ordinance no. 06-028
SECONDED BY:	Vanover	

Mayor Combs opened the public hearing for ordinance no. 06-028. There being no one who wished to speak, the public hearing was closed and the matter was brought back before the council.

Council Member Hanson:

- asked of the language regarding 12 separate transactions.

Attorney Snodgrass:

- expanded on the language regarding 12 separate transactions.

VOTE ON MOTION: Carried by 6-1 voice vote.			
	Yes:		No:
Pippel	Erbey	Vanover	Hanson
Wood	Best	Combs	

Item 2 – Public Hearing – Resolution No. 05-042 (E): Amending the City of Palmer Fiscal Year 2006 Budget (IM 07-004)

MOVED BY:	Pippel	To adopt resolution no. 05-042 E
SECONDED BY:	Vanover	

Mayor Combs opened the public hearing for resolution no. 05-042 E. There being no one who wished to speak, the public hearing was closed and the matter was brought back before the council.

Council Member Hanson:

- asked of the \$63,329 list for additional building improvements.

Finance Director Baugh:

- explained the designation of the funds for the Library line item.

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

I. BIDS

Item 1 – Action Memorandum 07-005: Authorize City Manager to Award and Enter into a Contract with Tyler Technologies for the Purchase of Incode Financial Software in the Amount of \$90,000

MOVED BY:	Vanover	To accept the action of action memorandum 07-005
SECONDED BY:	Best	

Council Member Vanover:

- asked of the staff's opinion of the finance software;
- inquired of the ability to obtain information from the new software;
- asked if there were any other entities in Alaska using the using.

Council Member Pippel:

- asked of the ongoing costs of the new software.

Finance Director Baugh:

- explained the staff's eagerness to learn the new system;

- explained the manipulation of information and reports;
- highlighted the yearly maintenance costs and inclusive nature of the contract; and
- stated that the City of Palmer would be the sole entity in the State to use the software.

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

Item 2 – Action Memorandum 07-006: Authorize City Manager to Award and Execute a Contract for the Alaska Street Decorative Street Lighting Project to Graybar Electric Inc. in the Amount of \$64,201.76

MOVED BY:	Pippel	To accept the action of action memorandum 07-006
SECONDED BY:	Erbey	

City Manager Healy:

- explained the scope of the project; and
- noted the bids received.

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

J. ACTION MEMORANDA

Item 1 – Action Memorandum 07-002: Authorize City Manager to Consent to Palmer Hangars Owners Association Proprietary Lease with Francois Vecchio for Unit No. 7 of the Palmer Hangars Cooperative

MOVED BY:	Pippel	To accept the action of action memorandum 07-002
SECONDED BY:	Vanover	

City Manager Healy explained the sublease/proprietary lease of the lot.

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

Item 2 – Action Memorandum 07-003: Authorize City Manager to Consent to Palmer Hangars Owners Association Proprietary Lease for Units No. 1, 3, 4, 5, 6, 8, 9 Upon Their Sale

MOVED BY:	Vanover	To accept the action of action memorandum 07-003
SECONDED BY:	Erbey	

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

Item 3 – Action Memorandum 07-007: Authorize a Payment of \$45,189 from the Water and Sewer Utility Fund to Selway Corporation for Water Main Oversizing Costs in Mountain Ranch Subdivision, Phase I, and Direct the City Manager to Prepare an Amendment to the 2007 City Budget for that Purpose

MOVED BY:	Pippel	To accept the action of action memorandum 07-007
SECONDED BY:	Vanover	

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

Item 4 – Action Memorandum 07-008: Authorize a \$2,000 Donation to the Governor’s Inaugural Ball

MOVED BY:	Vanover	To accept the action of action memorandum 07-008
SECONDED BY:	Erbey	

Council Member Pippel:

- voiced opposition to the action, stating that tax payer monies should not be used to fund the event.

Council Member Wood:

- voiced opposition to the action; and
- stated that the tax dollars belong to all citizens, not just those who voted for Governor Palin.

Council Member Vanover:

- echoed the sentiments of Council Member Wood regarding tax dollars belonging to all citizens.

Council Member Best:

- voiced opposition to the action; and
- commented on the City’s recent budget process.

Mayor Combs:

- stated the action was brought forward because of the need to raise funds and the positive overture to the Governor; and
- commented on the location of the Inaugural Ball.

VOTE ON MOTION: Failed by 6-1 vote.

Yes: Combs	No: Pippel Erbey Vanover Wood Best Hanson
-------------------	---

K. UNFINISHED BUSINESS

Item 1 – Ordinance No. 06-027: Regarding the City Sales Tax: Adding the Definition of “Calendar Year,” Amending Examples of Taxed Transactions (3.16.040) and Exceptions (3.16.050), Adding 3.16.055 (Certificate of Exemption), and Repealing Section 3.16.060 (Special Collection for Building Construction) (IM 06-067)

MOVED BY:	Vanover	To accept the action of action memorandum 06-096
SECONDED BY:	Pippel	

Primary Amendment #1 to Main Motion		
Moved by:	Pippel	To amend sections 3.16.050 S. 1 and 2, and section 3.16.055 G: <i>Original language:</i> Section 3.16.050 S. Construction materials. 1. Subject to subsection 3.16.055A, sales of tangible personal property which is to be physically incorporated into and to become a part of the original construction of a particular improvement to real property. Among other things, this section does not include tangible personal property used for repairs or non-original construction (and thus materials for repairs or non-original construction may be subject to tax). 2. Subject to subsection 3.16.055A, sales of tangible personal property to a person currently and duly licensed as a contractor under Chapter 8.18 of the Alaska Statutes, which property is to be used in the construction of to improvements to real property and is to be physically incorporated into and to become a part of the real property. Section 3.16.055 G. A buyer who proposes to undertake the original construction of private building or buildings within the city may, at the time of
Secoded by:	Best	

applying and receiving the building permit, apply for a certificate of exemption and pay the sales tax in the amount of \$30 for the calendar year in which the building permit is issued. The buyer may renew the certificate for only one additional calendar year for an additional \$30, and after that year purchases for the original construction shall not be exempt.

Amended language:

Section 3.16.050

S. Construction materials.

1. Subject to subsection 3.16.055A, sales of tangible personal property which property is to be used in the construction of/or renovations to improvements to real property and is to be physically incorporated into and to become a part of the real property. Among other things, this section does not include tangible personal property used for repairs or maintenance (and thus materials for repairs or maintenance shall be subject to tax, unless otherwise exempted).
2. Subject to subsection 3.16.055A, sales of tangible personal property to a person currently and duly licensed as a contractor under Chapter 8.18 of the Alaska Statutes, which property is to be used in the construction of/or renovations to improvements to real property and is to be physically incorporated into and to become a part of the real property.

Section 3.16.055

- G. A buyer who proposes to undertake the construction of/or renovations to improvements to real property within the city may, at the time of applying and receiving the building permit, apply for a certificate of exemption and pay the sales tax in the amount of \$30 for the calendar year in which the building permit is issued. The buyer

		may renew the certificate for only one additional calendar year for an additional \$30, and after that year purchases for the original construction shall not be exempt.
--	--	--

Vote: Motion carried by unanimous voice vote.

Yes:			No:		
Pippel	Erbey	Vanover			
Wood	Best	Hanson			
Combs					

VOTE ON MOTION: Carried by unanimous voice vote.

Yes:			No:		
Pippel	Erbey	Vanover			
Wood	Best	Hanson			
Combs					

L. NEW BUSINESS

Item 1 – Action Memorandum 07-001: Authorize City Manager to Sign Updated Plan Documents with AFLAC, to Amend the City’s Plan by Implementing a 125 Plan in Accordance with IRS Regulation

MOVED BY:	Pippel	To accept the action of action memorandum 07-001
SECONDED BY:	Vanover	

VOTE ON MOTION: Carried by unanimous voice vote.

Yes:			No:		
Pippel	Erbey	Vanover			
Wood	Best	Hanson			
Combs					

M. CITY MANAGER’S REPORT

City Manager Healy reported on the following items:

- Annexation draft petition and petition process;
- January 17, special meeting;
- Meeting with Alaska Waste regarding transfer of refuse service;
- Attorney Snodgrass’ service to the City;
- Vacation the week of January 22, 2007;
- Snow removal on North Bailey Street;
- Salvation Army property purchase.

N. CITY CLERK’S REPORT

City Clerk Bower reported on the following items:

- Action memorandum process;
- AFLAC insurance;
- Vacation dates of Feb 15 – 23, 2007;
- Thanked Attorney Snodgrass for his service.

O. MAYOR'S REPORT

Mayor Combs reported on the following items:

- Week of December 23, 2006;
- Joint meeting Wasilla and Palmer Chamber of Commerce;
- Legislative funding;
- Chamber of Commerce Community Forum;
- Library funding;
- Palmer Hangars, LLC;
- Death of Charles Logsdon.

P. RECORD OF ITEMS PLACED ON THE TABLE

Q. AUDIENCE PARTICIPATION

R. COUNCIL COMMENTS

Council Member Vanover:

- thanked Attorney Snodgrass for his service;
- spoke of the Borough's process for sharing correspondence with other council members; and
- announced that she would be out of State during the month of February.

Council Member Wood:

- thanked Attorney Snodgrass for his outstanding service; and
- announced that he would be gone January 9 through January 20, 2007.

Council Member Erbey:

- thanked Attorney Snodgrass for his service; and
- asked if the flags could be flown half mast in honor of Chuck Logsdon.

Council Member Best:

- thanked Attorney Snodgrass for his service.

Council Member Hanson:

- thanked Attorney Snodgrass for his service and voiced his desire for him to run for a City council seat; and
- commented on the concerns raised by Jess Hall.

Council Member Pippel:

- spoke of the correspondence process;
- spoke of the humbleness of Attorney Snodgrass;
- commented on Attorney Snodgrass' service as his personal attorney;
- voiced his agreement with Council Member Hanson regarding Attorney Snodgrass' campaign as a council member.

S. EXECUTIVE SESSION

Item 1 – Subjects That Tend to Prejudice the Reputation and Character of Any Person – Mayor’s Performance Review

MOVED BY:	Vanover	To discuss subjects that tend to prejudice the reputation and character of any person – Mayor’s Performance Review
SECONDED BY:	Erbey	

The council entered into the executive session at 8:45 p.m. and exited at 10:10 p.m.

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

Council Member’s Wood and Pippel requested administration draft an ordinance to reduce required mayoral hours to 800 hours per year and mayoral salary to \$20,000 per year and to eliminate health benefits.

MOVED BY:	Vanover	To negate the request made by Council Member’s Wood and Pippel
SECONDED BY:	Best	

Mayor Combs recused himself from the discussion. Mayor Pro-Tempore Pippel presided over the discussion and vote.

Council Member Best:

- stated that the one year timeframe in which the Mayor had served was not enough time to discover the merits of reducing the hours and benefits.

Council Member Vanover:

- voiced her concurrence with Council Member Best; and
- stated the Mayor did not have defined job duties during the first year.

Council Member Wood:

- asked if a learning process would be needed every year;
- stated that sufficient time had elapsed for the position to be productive; and
- suggested that a lobbyist be hired with the money.

Council Member Hanson:

- spoke of his previous support of a full-time mayoral position;
- voiced agreement with Council Member Best regarding the one year timeframe; and
- spoke of the appropriateness of “seeing the position through” until November and re-evaluate the issue at that time.

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

Council Member's Vanover and Pippel requested administration draft an ordinance to reduce mayoral hours to 1,000 hours per year and the salary to \$25,000 per year without health benefits.

T. ADJOURNMENT

With no further business before the council, the meeting adjourned at 10:32 p.m.

Approved this twenty-third day of January, 2007.

/s/

John C. Combs, Mayor

/s/

Janette M. Bower, CMC, City Clerk