

**A. CALL TO ORDER**

A regular meeting of the Palmer City Council was held on April 25, 2006, 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:

Brad Hanson	Jim Wood
Ken Erbey	Tony Pippel – <i>arrived at 7:06 p.m.</i>
John Combs	Kathrine Vanover
Larry Hill	

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 Vanover.

**D. SPECIAL ORDER OF BUSINESS**

**Item 1** – Proclamation of the City of Palmer, Proclaiming the Week of April 30 through May 6, 2006, as Municipal Clerk's Week

**E. APPROVAL OF AGENDA**

*The agenda was approved as presented.*

1. Approval of Consent Agenda
  - a. Introduction – Ordinance No. 06-008: Amending Chapter 2.07 (Legislation) to Include Language Regarding Council Initiated Legislation Requests (IM 06-020)
  - b. Introduction – Ordinance No. 06-010: Amending Palmer Municipal Code Title 15 (Buildings and Construction) to Provide for Housekeeping Amendments (IM 06-019)
  - c. Action Memorandum 06-049: Authorize City Manager to Enter Into a Grant Agreement with the Matanuska-Susitna Borough for Exterior Improvements at the Palmer Visitor Center (*moved to New Business*)
2. Minutes of Previous Meetings – *the minutes were approved as presented*
  - a. April 11, 2006, Regular Meeting
  - b. April 18, 2006, Special Meeting

## **F. COMMUNICATIONS AND APPEARANCE REQUESTS**

### 1. Scott Hattenburg, Hattenburg, Dilley and Linnell: Report on Southwest Utility Extension Project

Mr. Hattenburg reported on the following items:

- Highlighted the water/sewer project map;
- Milestone dates;
- Program budget;
- Contingency fund;
- Pressure Reducing Station at Hospital;
- Compensation for Temporary Easement;
- Railroad Permit and Gates at Kepler Crossing;
- MEA Power Line Extensions;
- Eagle Utilities;
- Phases for future development;
- Pressure testing.

### 2. Dean Baugh – City of Palmer Finance Director

Mr. Baugh reported on the following items:

- Introduced himself and explained his style of writing and reports;
- Budget and audit process;
- Hired the accounting clerk II position and highlighted the duties of the position;
- Direct deposit;
- Accounting software;
- Rewriting the contractor section of the sales tax code;
- Updating office procedures;
- Rate and annexation study;
- State Fair sales tax issues;
- Utility and sales tax collections;
- Administration of additional duties;
- Budget projections;
- Fund balance percentages.

## **G. AUDIENCE PARTICIPATION**

Heidi Tokar-Haggart spoke to action memorandum 06-050 and the proposed Borough subdivision, with road access on City property. She spoke of future annexation and the section line easement for future development. She explained her ownership of lot C-21 which is affected by the proposed vacation. Ms. Togar-Haggart described the only subdivision access point as through the City road and the future construction of 80 to 100 homes. She described her property as agricultural and the additional traffic for the ten properties who had previously desired to be agriculture. She stated that a variance is not the answer to the situation and spoke of the purchase of D-19 to address the access issue. Ms. Tokar-Haggart stated that the subdivision will have financial gain and the access will make the property considerably more valuable. She questioned the necessity of code language for streets if it is not mandatory.

Dick Rice, VFW Commander provided the council with additional information regarding the previous request for City of Palmer land. He explained the proposed building for the land and

spoke of the necessity to acquire two acres. He asked for an answer regarding the donation of the land.

Jerry Tokar spoke to action memorandum 06-050 and asked why the persons affected were not notified as a matter of public process.

Harry Bates, Alaska Rim Engineer stated his representation for the variance request. He spoke of discussions with the former public works director regarding property access and stated the company's position to compromise for access to the property.

## H. PUBLIC HEARINGS

**Item 1** – Resolution No. 06-011: Accepting and Appropriating \$1,867,159 from the U.S. Department of Transportation, Federal Aviation Administration, for the “Rehabilitate Taxiway B and Replace Airport Lighting and Nav aids” Project for the Palmer Municipal Airport (IM 06-021)

MOVED BY:	Pippel	To adopt resolution no. 06-011
SECONDED BY:	Hanson	

Mayor Combs opened the public hearing for resolution no. 06-011. There being no persons who wished to testify, the public hearing was closed and the matter was brought back before the council.

Primary Amendment #1 to Main Motion		
Moved by:	Pippel	To amend the title amount to read: \$1,867,159
Seconded by:	Wood	

Vote: Motion carried by unanimous voice vote.

Yes:			No:
Pippel	Erbey	Vanover	
Wood	Hill	Hanson	
Combs			

Primary Amendment #2 to Main Motion		
Moved by:	Pippel	To add the following language to Part II – Section C 4.Land: None, except as shown on the certification of plat as amended.
Seconded by:	Wood	

Vote: Motion carried by unanimous voice vote.

Yes:			No:
Pippel	Erbey	Vanover	
Wood	Hill	Hanson	
Combs			

VOTE ON MAIN MOTION: Motion carried by unanimous voice vote.

Yes:			No:
Pippel	Erbey	Vanover	
Wood	Hill	Hanson	
Combs			

**Item 2 – Resolution No. 06-012: Authorizing a Second Safety Deposit Box for Use by the Palmer Police Department (IM 06-022)**

MOVED BY:	Pippel	To adopt resolution no. 06-012
SECONDED BY:	Erbey	

Mayor Combs opened the public hearing for resolution no. 06-012. There being no persons who wished to testify, the public hearing was closed and the matter was brought back before the council.

Council Member Pippel asked of the necessity for an additional box. City Manager Healy explained the need for separation of the police department items. Discussion ensued regarding the cost of the box and routine practice of backup tape storage.

VOTE ON MAIN MOTION: Motion carried by unanimous voice vote.			
Yes:			No:
Pippel	Erbey	Vanover	
Wood	Hill	Hanson	
Combs			

**Item 3 – Public Hearing – Ordinance No. 06-006-Z-1: Ratifying the Recommendation of the City Planning and Zoning Commission Concerning Requested Amendment to the Zoning Map Instituted by the Commission to Rezone Tax Parcel 1165000L010 (220 S. Cobb Street) from R-4 (High Density Residential) to P (Public District) (IM 06-016)**

MOVED BY:	Pippel	To adopt ordinance no. 06-006-Z-1
SECONDED BY:	Hanson	

Mayor Combs opened the public hearing for ordinance no. 06-006-Z-1. There being no persons who wished to testify, the public hearing was closed and the matter was brought back before the council.

VOTE ON MAIN MOTION: Motion carried by unanimous voice vote.			
Yes:			No:
Pippel	Erbey	Vanover	
Wood	Hill	Hanson	
Combs			

**Item 4 – Public Hearing – Ordinance No. 06-007-Z-2: Ratifying the Recommendation of the City Planning and Zoning Commission Concerning Requested Amendment to the Zoning Map Instituted by the Commission to Rezone Tax Parcel 1165000T00B (401 W. Evergreen Avenue) from R-4 (High Density Residential) to C-G (Commercial General District) (IM 06-017)**

MOVED BY:	Pippel	To adopt ordinance no. 06-007-Z-2
SECONDED BY:	Hill	

Mayor Combs opened the public hearing for ordinance no. 06-007-Z-2. There being no persons who wished to testify, the public hearing was closed and the matter was brought back before the council.

VOTE ON MAIN MOTION: Motion carried by unanimous voice vote.			
	Yes:		No:
Pippel	Erbey	Vanover	
Wood	Hill	Hanson	
Combs			

**I. BIDS**

**J. ACTION MEMORANDUMS**

**Item 1** – Action Memorandum 06-043: Authorize City Manager to Enter Into a Sole Source Purchase Agreement with Badger Meter, Inc., in the Amount of \$27,285.30 for Purchase of Water Meter Equipment and Supplies

MOVED BY:	Pippel	To authorize the city manager to enter into a sole source purchase agreement with Badger Meter, Inc., in the amount of \$27,285.30 for purchase of water meter equipment and supplies
SECONDED BY:	Wood	

Council Member Hanson asked of the hand held reading equipment. Greg Wickham, Public Works Superintendent explained the hands free ability and battery life of the equipment. He explained the need to monitor the current system and the increased transmitting safety standards with the new system.

Council Member Wood asked of the sole source necessity. Mr. Wickham explained the existing Badger equipment and the enhancement of the new equipment.

Council Member Hanson asked of the ability for a fixed area network. Mr. Wickham explained the capability for a fixed area network.

VOTE ON MAIN MOTION: Motion carried by unanimous voice vote.			
	Yes:		No:
Pippel	Erbey	Vanover	
Wood	Hill	Hanson	
Combs			

**Item 2** – Action Memorandum 06-044: Authorize City Manager to Assign Palmer Airport Lease 00-2 from Colville, Inc. to Colville Logistics, LLC

MOVED BY:	Pippel	To authorize the city manager to assign Palmer Airport Lease 00-2 from Colville, Inc. to Colville Logistics, LLC
SECONDED BY:	Hill	

Primary Amendment #1 to Main Motion		
Moved by:	Pippel	To amend the main motion to read “to authorize the city manager to consent to the assignment of...”
Seconded by:	Wood	

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

VOTE ON MAIN MOTION: Motion carried by unanimous voice vote.			
Yes:			No:
Pippel	Erbey	Vanover	
Wood	Hill	Hanson	
Combs			

**Item 3 – Action Memorandum 06-045: Approve the Vacation of a Portion of S. Gulkana St. and an Unnamed Right-of-Way Within the University of Alaska Palmer Airport Subdivision**

MOVED BY:	Pippel	To approve the vacation of a portion of S. Gulkana St. and an unnamed right-of-way within the University of Alaska Palmer Airport Subdivision
SECONDED BY:	Vanover	

Council Member Wood asked of the right-of-way area and the effect of the roadway vacation. Council Member Pippel explained the location of the right-of-way.

Council Member Pippel asked of the reason for the Borough not choosing to vacate S. Eklutna St. City Manager Healy stated that the street provides alternate access for emergency vehicles.

Attorney Snodgrass spoke of the following items: the suggestion by DOT regarding the half mile street grid, Gulkana as the only area which does not provide north/south access east of the Glenn Highway, other than Chugach, and the Comprehensive Plan which indicates that Gulkana St. will go through the Springer. He stated that the key was Gulkana’s inability to be adjacent to the airport due to clearance. He stated the properness of the vacation and emphasized that the City was not undoing the recommendations of the Comp plan or the half mile grid.

Council Member Hanson spoke of connectivity for bike paths and the ability to access bike paths in the downtown core area. He stated that the road should be retained as an access for pedestrians. Attorney Snodgrass suggested that further problems would be resolved with “letting this process go”. Council Member Pippel spoke of the City’s retention of the property and the ability of the City to create a bike path.

VOTE ON MAIN MOTION: Motion passed by unanimous voice vote.			
Yes:			No:
Pippel	Erbey	Vanover	
Wood	Hill	Hanson	
Combs			

**Item 4 – Action Memorandum 06-046: Approve Revisions to the Palmer Community Center Rental Rates**

MOVED BY:	Hanson	To approve revisions to the Palmer Community Center rental rates
SECONDED BY:	Erbey	

Primary Amendment #1 to Main Motion		
Moved by:	Pippel	To amend the rates as follows:  Daily:           \$150 Monday – Thursday \$175 Friday – Sunday With a minimum of five consecutive day rental, daily rates are reduced to \$125 Monday – Thursday \$150 Friday – Sunday Intermittent Use: \$80 per day Minimum 10 day, booked all in advance Cleaning Deposit \$150 Daily and intermittent use Cleaning Deposit \$300 Five consecutive day use
Seconded by:	Erbey	

Council Member Hanson asked of the rationale for eliminating a weekly rental rate. Mr. Dean Baugh spoke of the unclear definition of a week. He explained the rates as being equal for five consecutive days.

Council Member Pippel asked of a maximum rental period. Mr. Baugh stated that there was not a maximum rental period and described the issue as a matter of scheduling.

City Manager Healy spoke of the cleaning requirements and the various levels of cleanliness following events. He explained the inspection and cleaning by the janitorial staff. City Manager Healy described the janitorial service inspections and subsequent cleaning. Council Member Pippel spoke of the cleaning of public restrooms and stated that as a matter of policy, expecting the public to clean the restrooms was out of line.

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

Primary Amendment #2 to Main Motion		
Moved by:	Pippel	To move that the rates effective July 1, 2006
Seconded by:	Hanson	

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

Council Member Hanson asked of intermittent use. Mr. Baugh explained the use by the various community groups.

Council Member Pippel asked of the Community Center usage. City Manager Healy stated that the Center is booked on a regular basis.

Council Member Hanson asked why the intermittent use users were given a discount. Mr. Baugh explained the structure as being modeled after the current rates.

Primary Amendment #3 to Main Motion		
Moved by:	Pippel	To amend the intermittent rate from \$80 to \$120 per day
Seconded by:	Hanson	

Council Member Wood asked of the reason for two different rates and voiced his concern regarding the intermittent timeframes.

Mayor Combs explained the intent to spread the use throughout the community.

Council Member Wood stated his belief that the plan needs to be further developed for the rate change.

Council Member Pippel spoke of the previous rates and non-profit groups who used the facility. He stated that the reason for a discounted rate has passed.

Attorney Snodgrass suggested that the rates not be effective for previously rented and booked time.

Council Member Hanson spoke of the need to increase the rates and described the relationship with existing non-profit groups. He described the Community Center as the location where non-profit organizations conduct their activities.

Secondary Amendment		
Moved by:	Hanson	To amend the intermittent day from \$120 per day to \$100 per day
Seconded by:	Vanover	

Vote: Motion carried by 5-2 voice vote.

Yes:			No:	
Erbey	Vanover	Hill	Pippel	Wood
Hanson	Combs			

Vote: Motion carried by 5-2 voice vote.

Yes:			No:	
Erbey	Vanover	Hill	Wood	Pippel
Hanson	Combs			

Primary Amendment #4 to Main Motion		
Moved by:	Pippel	To move that the rates become effective upon passage with the exception of those who have previously booked or paid
Seconded by:	Vanover	

Vote: Motion carried by unanimous voice vote.

Yes:			No:	
Pippel	Erbey	Vanover		
Wood	Hill	Hanson		
Combs				

VOTE ON MAIN MOTION: Motion passed by 6-1 voice vote.					
Yes:			No:		
Pippel	Erbey	Vanover	Wood		
Combs	Hill	Hanson			

**Item 5** – Action Memorandum 06-047: Authorize City Manager to Enter Into a Contract for Brokerage Services with Raymond James and Piper Jaffray

MOVED BY:	Pippel	To authorize the city manager to enter into a contract for brokerage services with Raymond James and Piper Jaffray
SECONDED BY:	Erbey	

Mr. Dean Baugh explained the background of the Alaska Permanent Capital Management services. He spoke of his investment qualifications and highlighted the proposed brokerage services.

Council Member Pippel spoke of the City’s guidelines for investment and asked of investment authority. Mr. Baugh explained the code authority and the finance director’s authority. He spoke of cash flow and the investment process.

Primary Amendment #1 to Main Motion		
Moved by:	Pippel	To amend the motion to read: authorize the City Manager to enter into a professional services agreement for brokerage services with Raymond James and Piper Jaffray
Seconded by:	Erbey	

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

Council Member Hanson asked the amount of funds held with Alaska Permanent Capital Management and the rate of return. Mr. Baugh explained the rate of return and future investment opportunities. Discussion ensued regarding the investments which are locked in and the brokerage fees.

Council Member Pippel asked of the audit process for investments. Mr. Baugh stated that the auditors audit all of the investments.

VOTE ON MAIN MOTION: Motion passed by unanimous voice vote.					
Yes:			No:		
Pippel	Erbey	Vanover			
Wood	Hill	Hanson			
Combs					

**Item 6** – Action Memorandum 06-050: Authorize a Variance from the Provisions of PMC 12.12.030, 12.12.035 and 12.12.060 for Construction of an Access Road to a Proposed Subdivision Development on Parcels 17N02E07A015 and 17N02E07A016

MOVED BY:	Pippel	To authorize a variance from the provisions of PMC 12.12.030, 12.12.035 and 12.12.060 for construction of an access road to a proposed subdivision development on parcel 17N02E07A015 and 17N02E07A016
SECONDED BY:	Hanson	

Council Member Pippel spoke of the proposed lane width and the area of the vacation. He described the lane width as being “huge”. He spoke of the topography issue and the agreement of the developer to purchase additional acreage. Council Member Pippel voiced his concern regarding pedestrian safety and the inadequacy of the plan to address the issue. He spoke of reduction of lane width to enable a bike path and suggested that the road top be striped for pedestrians and bicycles.

Council Member Hanson asked of the language “minor arterial road” and the required width for such road. City Manager Healy explained the required width. Council Member Hanson asked of the Hemmer extension. City Manager Healy explained a funding request to extend the road. He spoke of restricted access and three lane configuration.

Attorney Snodgrass suggested that if the variance were to be granted that all of the representations in the documents be built into the variance and covenants be placed on the land.

*Clerk’s note: the council consented to suspend the rules to allow Mr. Harry Bates, of Alaska Rim Engineering to address the council.*

Mr. Bates spoke of the road opening up additional land which would allow increased development and traffic. He questioned the limitation of the developer and described the proposed road as being wider than the required standards. Mr. Bates provided examples and proposals for pedestrian traffic.

Primary Amendment #1 to Main Motion		
Moved by:	Pippel	To postpone the item to the special meeting on May 2, 2006
Seconded by:	Erbey	

Vote: Motion carried by 6-1 voice vote.			
Yes:			No:
Pippel	Erbey	Vanover	Hanson
Wood	Hill	Combs	

VOTE ON MAIN MOTION: Motion postponed to May 2.

**Item 7 – Action Memorandum 06-051: Authorize the City Manager to Execute Amendment Number One to the Professional Services Agreement with Hattenburg Dilley and Linnell Engineering Consultants in an Amount Not To Exceed \$237,681 for Construction Administration Services for Palmer Municipal Airport Improvements**

MOVED BY:	Pippel	To authorize the city manager to execute amendment number one to the professional services agreement with Hattenburg, Dilley and Linnell Engineering Consultants in an amount not to exceed \$237,681 for construction administration service for Palmer Municipal Airport improvements
SECONDED BY:	Erbey	

Primary Amendment #1 to Main Motion		
Moved by:	Pippel	To amend the not to exceed amount to \$219,929
Seconded by:	Erbey	

Vote: Motion carried by 6-1 voice vote.			
Yes:			No:
Pippel	Erbey	Vanover	Hanson
Wood	Hill	Combs	

VOTE ON MAIN MOTION: Motion passed by unanimous voice vote.			
Yes:			No:
Pippel	Erbey	Vanover	
Wood	Hill	Hanson	
Combs			

**K. UNFINISHED BUSINESS**

**L. NEW BUSINESS**

**Item 1** – Action Memorandum 06-049: Authorize City Manager to Enter Into a Grant Agreement with the Matanuska-Susitna Borough for Exterior Improvements at the Palmer Visitor Center

*Clerk's note: action memorandum 06-049 was removed from the consent agenda and placed under new business.*

MOVED BY:	Pippel	To authorize the city manager to enter into a grant agreement with the Matanuska-Susitna Borough for exterior improvements at the Palmer Visitor Center
SECONDED BY:	Erbey	

Primary Amendment #1 to Main Motion		
Moved by:	Pippel	To add the language “as may be applicable” to the first sentence in section 7.
Seconded by:	Hanson	

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

Council Member Pippel spoke of his membership on the Mat-Su Borough Parks and Recreation Advisory Board and commented on the distribution of the Borough Bed Tax grant funding is distributed. He voiced the Borough’s reluctance to allocate funds to the City of Palmer due to the City’s lack of reporting and spending.

VOTE ON MAIN MOTION: Motion passed by unanimous voice vote.			
Yes:			No:
Pippel	Erbey	Vanover	
Wood	Hill	Hanson	
Combs			

**M. CITY MANAGER’S REPORT**

City Manager Healy reported on the following items:

- Letter sent to State Fair regarding the race track issue;
- Appraisal is proceeding with the Salvation Army property;
- Appraisal regarding the Central Paving Products property exchange has been received;
- Public Works Director position – interviews will begin within the week;
- Attended the meeting regarding Mat-Su Borough core comprehensive plan;
- Annexation economic study will be received by the end of the month.

**N. CITY CLERK’S REPORT**

**O. MAYOR’S REPORT**

Mayor Combs commented on his itinerary while in Juneau.

**P. RECORD OF ITEMS PLACED ON THE TABLE**

The following items were placed on the table:

- Information from Scott Hattenburg from HDL regarding the Southwest Utility Extension Project;
- Recommended amendment regarding action memorandum 06-046;
- Letter from Alaska Agriculture in the Classroom.

**Q. AUDIENCE PARTICIPATION**

**R. COUNCIL COMMENTS**

**Council Member Wood** commented on the State Fair and stated that race track issue must be addressed. He asked that the administration report in depth on the intent of the City should the Fair not choose to obtain the conditional use permit.

**Council Member Erbey** stated that he will out of state during the May 9 meeting.

**Council Member Hill** stated that he will be absent for the May 2 meeting. He echoed Council Member Wood’s comments regarding the State Fair.

**Council Member Pippel** thanked the audience for their participation and attendance. He stated that the parking ordinance has been brought to his attention by several constituents who have stated that the ordinance does not address all of the parking issues.

Moved by:	Pippel	To direct administration to re-examine the parking and zoning code in an effort to make it less restrictive and more conducive to the development of property, with emphasis on the downtown core and to direct administration to obtain the services of a professional parking engineer or person/expert.
Seconded by:	Vanover	

Attorney Snodgrass spoke of the two-pronged approach to address the parking and zoning code.

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

**Council Member Hanson** stated the need for a broader policy regarding the Community Center. He asked administration to keep an eye on the investments and rates of return.

**S. ADJOURNMENT**

With no further business before the Council, the meeting adjourned at 10:29 p.m.

**APPROVED THIS 9<sup>th</sup> day of May, 2006.**

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John C. Combs, Mayor

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Janette M. Bower, City Clerk