

**A. CALL TO ORDER**

A regular meeting of the Palmer City Council was held on March 23, 2004, at 7:00 p.m. in the council chambers, Palmer, Alaska.

Mayor Cooper called the meeting to order at 7:00 p.m.

**B. ROLL CALL, DETERMINATION OF A QUORUM**

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

Ken Erbey	Steve Carrington
Tony Pippel	
John Combs	Kathrine Vanover
Jim Cooper	

Also in attendance were the following:

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

**C. APPROVAL OF AGENDA**

**D. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Council Member Pippel.

**E. MINUTES OF PREVIOUS MEETINGS**

Unanimous consent – to approve the minutes of the 3-9-04 regular meeting.

**F. CONSENT AGENDA**

1. Introduction – Ordinance No. 615: Amending Section 17.72.080 (Appeal to Hearing Examiner) of Chapter 17.72 (Conditional Use Permits) of Title 17 (Zoning) of the Palmer Municipal Code
2. Introduction – Ordinance No. 616: Amending Section 12.16.010 (Skateboards, Prohibition and Regulation) of Title 12 (Streets, Sidewalk and Public Places) of the Palmer Municipal Code
3. Authorize Advertisement for Bids – 2004 Road Crack Sealing
4. Set Special City Council Meeting for 5:00 p.m., March 30, 2004, for Award for Bid for Ice Arena Construction Project

**G. COMMUNICATIONS AND APPEARANCE REQUESTS**

1. Pat Kilmain – Director, City of Palmer Library  
Ms. Kilmain reported on the following items:

- Stated the library continues to see high volumes of over 250 – 300 patrons per day, circulation has increased by 15% over the same period last year;
- An average of 40 persons use the public computers on a daily basis;
- Thanked the council for the new janitor;
- Story times have been busy, the library has added an additional story time on Tuesday afternoons;
- The library hosts a once per month pajama family story time;
- Attended the Public Library Association Conference in February;
- Ms. Kilmain will attend the Alaska Library Association Conference in Fairbanks on March 24, 2004;
- The new automation system has been installed and should be operational by August;
- Explained that spring break does not generally increase the Library’s usage;
- Stated that due to the Salvation Army’s After-School Program there has been a noticeable decrease in the amount of middle school students loitering in the area; and
- Discussion ensued regarding donations accepted by the Library.

## H. BOROUGH REPRESENTATIVE’S REPORT

### I. AUDIENCE PARTICIPATION

1. Verda Lewis – Verda’s Cakes & Things  
Ms. Lewis stated the need for the City of Palmer to provide tax exempt numbers and cards to businesses who desire to shop at area businesses.
2. Denise Statz – Non-Essentials  
Ms. Statz asked if a system has been established in the community for further beautification. Ms. Statz suggested planters and resting benches be integrated into the community.

### J. HEARINGS, ORDINANCES AND RESOLUTIONS

**Item 1 – Public Hearing – Ordinance No. 614:** Adding Section 17.08.421 (Definition of Special Limitation) and Amending Chapter 17.80 (Amendments), of Title 17 (Zoning), of the Palmer Municipal Code

MOVED BY:	Pippel	To adopt ordinance no. 614
SECONDED BY:	Vanover	

Mayor Cooper opened for public testimony ordinance no. 614.

There were no persons to be heard.

Mayor Cooper closed the public hearing.

**M/M** by Pippel to amend section 17.80.036 A. to read as follows: “Before any proposed Title 17 zoning text amendments are acted upon by the council the commission shall make a written report to the council of its decision with forty-five calendar days from the first commission meeting at which the proposed action is placed on the agenda;

**Seconded** by Combs. Motion carried by unanimous voice vote.

**M/M** by Pippel to amend section 17.80.030 A. to read as follows: “Before the commission may act on a proposal for amendment to the zoning map of Title 17 zoning code, the clerk or designee shall give notice of the public hearing in the following manner:”

**Seconded** by Carrington. Motion carried by unanimous voice vote.

**M/M** by Pippel to amend section 17.80.021 A. to read as follows: “Upon receipt of a request for a text amendment under 17.80.010, the clerk shall cause an ordinance to be prepared setting forth the details of the proposed amendments. The clerk shall cause the ordinance to be placed on the next commission agenda under New Business in the normal course. The commission shall hold discussion and recommend changes.”

**Seconded** by Carrington. Motion carried by unanimous voice vote.

**M/M** by Pippel to amend section 17.80.030 A. and the previous amendment to read as follows: “Before the commission may act on a proposal for amendment to the zoning map, the clerk or designee shall give notice of the public hearing in the following manner:”

**Seconded** by Vanover. Motion carried by unanimous voice vote.

**M/M** by Pippel to amend section 17.80.015 B. to read as follows: “A zoning map amendment may include special limitations which are reasonably related to one or more of the following purposes:”

**Seconded** by Carrington. Motion carried by unanimous voice vote.

Council consensus was to remove the colons in sections 17.80.036 A & B and replaces them with periods.

VOTE ON MAIN MOTION:	Motion carried by unanimous voice vote.
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**Item 2 – Resolution No. 1337: Amending the City of Palmer Fiscal Year 2003 Budget**

MOVED BY:	Pippel	To adopt resolution no. 1337
SECONDED BY:	Vanover	

Allan Ossakow, Finance Director explained the narcotic grants.

VOTE ON MOTION:	Motion carried by unanimous voice vote.
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**K. BIDS**

**Item 1 – Authorize Joint Purchase Agreement Under Mat-Su Borough Bid Award for Library Carpet Replacement**

MOVED BY:	Pippel	To authorize the City Manager to enter into a joint purchase agreement under the Mat-Su Borough bid award for Library carpet replacement with Northwest Carpet Company in an amount not to exceed \$39,971.75
SECONDED BY:	Erbey	

City Manager Healy explained the agreement. Discussion ensued regarding the costs of replacing the existing carpet.

VOTE ON MOTION:	Motion carried by unanimous voice vote.
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**L. OLD BUSINESS**

**M. NEW BUSINESS**

**Item 1 – Authorize City Manager to Award Lease Agreement for Visitor Information Center Building and Visitor Information Services**

City Manager Healy explained the two Request For Proposals (RFP) submitted by the Palmer Chamber of Commerce and Valley Independent Productions International, Inc. (VIPI).

Discussion ensued regarding previous subsidies and in-kind monies that have supported the Visitor Information Center in the past. Previously, \$35 – 50,000 has been appropriated.

Discussion ensued regarding the costs associated with tourism promotion and the establishment of a bed tax as a source of revenue, in an effort to off-set the increased costs for visitor information services.

Council suspended the rules to allow Audience Participation at this time.

1. Verda Lewis – Verda’s Cakes & Things  
Ms. Lewis expressed her frustration with the Chamber of Commerce’s previous operation of a gift shop and stated that the gift shop was a source of competition with local business. Ms. Lewis asked on behalf of the Palmer Merchant’s Association that the City not allow a gift shop to be operated out of the Visitor Information Center (VIC).
2. Lisa Upperman – Palmer Photo  
Ms. Upperman voiced her opposition of gift shop operations in the VIC. She stated that every dollar referred and spent within the City, gives back to the community. Ms. Upperman stated that it is her desire to have the museum actively promoted and expressed her business’s willingness to donate staff time to help the VIC.
3. Marilyn Sellick – Colony Junction Antiques  
Ms. Sellick stated that she was a council member when the council entered into a lease with the Chamber and stressed the importance of visitor information distribution by the VIC. Ms. Sellick stated that if she had had prior knowledge of an RFP promoting for a gift shop, she would have organized with the Downtown Merchants to “man” the center.
4. Denise Statz – Non-Essentials  
Ms. Statz voiced her appreciation of the earlier comment which stated that the increased sales tax revenue from visitors is beneficial to the City and expressed her concern over the possibility that because Palmer is contemplating the introduction of a new tax that Palmer could price itself out of the tourism market. Ms. Statz stated that Palmer has become a huge draw and delight to those who visit the community. She further stated that Chamber representatives have not approached her business for Chamber membership and believes that Palmer is not promoted as well as it can be. Ms. Statz stated that she has become enamored with the area and believes that tourism is a low impact way to bring money to the community. She requested that the City bind the \$53,000 as a greater effort to create larger visibility for the community.
5. Teresa Hawksworth – VIP International  
Ms. Hawksworth stated that VIPI incorporated in an effort to fill a need in the community and further stated that grant funds have not been effectively utilized within the community. Ms. Hawksworth stated that the VIC has been operated well but believes that it can be operated even better. She asked, “If it wasn’t working before, what have we changed by giving them back to them?” and stated that sometimes new blood is good and expressed the necessity to take the effort down to the working level.
6. Mary Ann Cockle – Alaska’s Finest  
Ms. Cockle stated that in the past downtown merchant’s have felt a conflict of interest with the Chamber and their operation of a gift shop. She stated that when the gift shop closed, she became a member of the Chamber. If a gift shop operated by the Chamber opens again, she stated that she will not renew her membership. Ms. Cockle suggested historical tours be provided for a fee and donation cans be placed within the community for those who arrive by tour buses.
7. Stu Graham – Immediate Past President, Chamber of Commerce  
Mr. Graham explained the Chamber’s response to the RFP and the elimination of gift shop operations. Mr. Graham stated that gift shop operations are not in the best interest of the Chamber. He explained that the Chamber has operated the Center for many years with a truly exceptional staff. The Chamber proposes to operate the Center with a two year lease

in an effort to provide the City and Chamber flexibility in the determination of the best manner in which to operate the center. Mr. Graham explained that because the Chamber's scope is considerably more limited than VIPI, the Chamber's proposed operating budget is significantly less than VIPI. He further explained that the Chamber does not propose to accomplish the same activities as VIPI because the activities are not within the Chamber's scope. Mr. Graham stated that it is not the job of the City to be in the business of tourism but it is the job of the City to attract visitors to the area, this can be accomplished through the VIC. He explained that the Chamber does their best to attract businesses to the area.

MOVED BY:	Combs	To authorize the City Manager to negotiate and enter into a lease agreement with the Greater Palmer Chamber of Commerce for the Visitor Information Center and visitor information services for a term of ten years, with a minimum requirement of two years, after which either party may terminate the agreement by giving notice no later than December 31 for the following year, with the payments to the lessee by the City, subject to appropriation after the first two years of the agreement and to introduce a resolution amending the 2004 budget by the addition of \$53,000 for visitor center service expenses
SECONDED BY:	Vanover	

Discussion followed regarding the assets the Chamber would bring with them into the agreement. Discussion regarding subsidies, the use of the subsidies, office spaces and municipal funding of tourism ensued. Discussion regarding an aggressive presentation to the Borough and the promotion of a bed tax within the City of Palmer followed.

**M/M** by Carrington to amend to the lease dates to 12/31/05 with four two-year agreement options, agreeable to both parties.

**Seconded** by Pippel. Motion was withdrawn by the body because of the conflict with the Charter and Code.

**M/M** by Pippel to enter into an agreement with an end date of 12/31/05, with a one two-year option to which both parties must agree.

**Seconded** by Carrington. Motion carried by unanimous voice vote.

VOTE ON MAIN MOTION:	Motion carried by unanimous voice vote.
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**Item 2 – Authorize City Manager to Enter Into An Agreement with American Family Life Insurance Co. (AFLAC) for Employee Supplemental Insurance**

MOVED BY:	Combs	To authorize the City Manager to enter into an agreement with American Family Life Insurance Co. (AFLAC) for Employee Supplemental Insurance at the individual employee cost
SECONDED BY:	Pippel	

City Manager Healy explained the agreement. Ben Simpson, AFLAC representative explained the open enrollment period, cafeteria plans, voluntary plans and the total amount of employees required to begin the program.

VOTE ON MOTION:	Motion carried by unanimous voice vote.
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**Item 3 – Authorize City Manager to Enter Into An Agreement to Assign the City of Palmer's Rights in the Deed of Trust and Deed of Trust Note Regarding Heritage Properties, LLC to the State of Alaska**

MOVED BY:	Pippel	To authorize the City Manager to enter into an agreement to assign the City of Palmer's rights in the deed of trust and deed of trust note regarding Heritage Properties, LLC to the State of Alaska
SECONDED BY:	Carrington	

City Manager Healy explained the draft letter from the State and the City's interest in the property. Discussion ensued regarding the potential uses of the property.

VOTE ON MOTION:	Motion carried by unanimous voice vote.
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**Item 4 – Discussion of March 16, 2004, Work Session on Annexation Zoning**

Council Member Pippel stated that he asked the City Clerk to place the transitional zoning ordinance on the next agenda. Council Member Hanson also sponsored the request by phone earlier in the day.

Council Member Pippel explained the need to adopt the transitional zoning ordinance and raised the question of standards and their application to current zoning actions. He stated that during the previous work session, discussion regarding pre-planning based on the updated comprehensive plan was held and stated that because the pre-planning did not occur during the current annexation, a question as to the standard applied on certain properties has been raised. Council Member Pippel raised the concern of adverse actions for property owners. He stated that zoning designations for the majority of properties has been based on current use and further stated that there is a need to achieve reasonable concurrence with property owners on needed zoning actions. Council Member Pippel commented that he believes that there is not enough due process for property owner.

City Manager Healy explained that all property owners are given due process and adequate notification with the current system.

Council Member Combs stated that he is a proponent of a transitional zone and further stated that the zone can be viewed as another tool for annexations.

Council Member Vanover suggested that quarterly work sessions be scheduled with the Planning and Zoning Commission to resolve annexation issues. She also stated that she is neither in support of or not supportive of the ordinance and stated that further discussion is needed on the topic.

Mayor Cooper stated that the previous discussion was of a pre-zone plan and that the transitional zoning ordinance may be in conflict with the pre-plan concept.

Mayor Cooper summarized by stating that before any changes can take place with the current system and before another annexation can occur, the following actions must be accomplished:

- An extensive comprehensive plan update;
- The hiring of an consultant to up-date the zoning codes; and
- The completion of the University Washington's study.

**Item 5 – Establish 2005 Federal Funding Priorities**

City Manager Healy explained each priority. Discussion ensued on area road improvements.

Priority No. 1 – Glenn Highway and Dogwood Avenue Intersection

Priority No. 2 – Palmer Urban Revitalization Project

Priority No. 3 – Palmer Municipal Airport Improvements

Priority No. 4 – Palmer Area State Highway Improvements

Informational Item – Downtown Palmer Glenn Highway Upgrade

Information Item – Palmer Ice Rink Construction

City Manager Healy highlighted his memo stating that the following are a priority:

Glenn Highway and Inner Springer Loop Rd

Moore Road Intersection

Dogwood Extension to Felton and the Palmer-Wasilla Highway

Water Main Extension to Palmer West Subdivision

Utility Extensions along West Arctic and Hemmer Road

## **N. CITY MANAGER'S REPORT**

City Manager Healy reported on the following items:

- Highlighted a letter written by City Manager Healy to Jack Sherman addressing the First Baptist Church utility issue;
- Explained the standby costs incurred by the Church;
- Highlighted the Sister City Committee meetings;
- Stated that the auditor's are working with the Finance Department, a report is in the process of being prepared and will be presented to the council in the near future;
- The Regulatory Commission of Alaska (RCA) will hold a meeting on March 30, 2004 at the Borough building, the purpose of the meeting is to receive public testimony regarding hospital utilities;
- The Assistant to the City Manager position has been advertised;
- The Borough provided a copy of the joint powers agreement regarding dispatch services; and
- Stated that he will be on vacation on April 14 – April 26, 2004.

## **O. CITY CLERK'S REPORT**

## **P. AUDIENCE PARTICIPATION**

## **Q. COUNCIL COMMENTS**

**Council Member Vanover** stated that she is married to the garbage man and voiced her concerns over the wind and the effect on the new garbage cans. Council Member Vanover requested a report from the Salvation Army on the progress of the after school program. She requested a quarterly work session with the council and Chamber and further suggested an open, on-going dialogue with the Chamber continue.

**Council Member Erbey** stated that the City should investigate the possible of redirecting the Blueberry railroad crossing and have Dogwood cross the railroad tracks and tie into South Valley Way as an effort to ease traffic problems. Council Member Erbey suggested that this could ease traffic for the Trooper Facility and Borough building.

**Council Member Pippel** stated that when the city approaches the borough regarding Borough bed tax money, the chamber and its members attend the meeting as well. He inquired as to when

the street signs are going to be activated. Council Member Pippel encouraged the administration to move forward to address the issues of multiple uses in commercial buildings.

**Council Member Combs** asked Mr. Graham to relay a message to the Chamber Board of Directors voicing the council's genuine interest in meeting and developing a plan to accomplish the goals of the Visitor Information Center. Council Member Combs stated that the Salvation Army program has approximately 30 kids, three days a week. The program is doing well with the available resources.

**Mayor Cooper** highlighted the Frontiersman editorial regarding about Palmer and the effectiveness of its citizens. He stated that on March 29, an informational meeting will be held regarding Homeland Security. Mayor Cooper recently had an opportunity to testify on the municipal dividend program. The proposed dividend will provide \$250 per city member. Mayor Cooper stated that he will testify on SB 336 on March 24, 2004 and explained the bill and its creation of a 4% sales tax and ramifications for the City of Palmer.

## **S. ADJOURNMENT**

With no further business before the Council, the meeting adjourned at 10:46 p.m.

**APPROVED THIS 13<sup>th</sup> day of April, 2004.**

*Please contact the City Clerk for a signed copy.*