

**A. CALL TO ORDER**

A special meeting of the Palmer City Council was held on November 29, 2005, at 6 p.m. in the council chambers, Palmer, Alaska.

Mayor Combs called the meeting to order at 6:08 p.m.

**B. ROLL CALL**

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

Tony Pippel	John Combs
Jim Wood	Brad Hanson
Ken Erbey	Larry Hill – arrived at 6:55 p.m.

Also in attendance were the following:

Tom Healy, City Manager  
Janette Bower, City Clerk

**C. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Council Member Pippel.

**D. AUDIENCE PARTICIPATION**

**E. NEW BUSINESS**

**Item 1** – Review and Discussion of the Draft 2006 Fiscal Year Budget (Action may taken following the Committee of the Whole

MOVED BY:	Pippel	To enter into a Committee of the Whole to discuss the FY 06 draft budget
SECONDED BY:	Erbey	

The council entered into a Committee of the Whole at 6:12 p.m. and exited at 8:14.

VOTE ON MAIN MOTION:	<b><u>Yes:</u></b>	<b><u>No:</u></b>
Motion carried by unanimous voice vote.	Erbey Pippel Hanson Wood Hill Combs	None

MOVED BY:	Pippel	To amend the proposed 2006 budget to authorize the addition of an accounting clerk II as opposed to an accounting clerk I
SECONDED BY:	Erbey	

VOTE ON MAIN MOTION: Motion carried by unanimous voice vote.	<b><u>Yes:</u></b> Erbey Hanson Hill	Pippel Wood Combs	<b><u>No:</u></b> None
---	---	-------------------------	---------------------------

MOVED BY:	Pippel	To amend the proposed 2006 budget to appropriate \$75,000 for a fire department tanker/pumper truck
SECONDED BY:	Hanson	

VOTE ON MAIN MOTION: Motion carried by unanimous voice vote.	<b><u>Yes:</u></b> Erbey Hanson Hill	Pippel Wood Combs	<b><u>No:</u></b> None
---	---	-------------------------	---------------------------

MOVED BY:	Pippel	To amend the proposed 2006 budget to authorize a 2% increase in the pay schedule for all City employees
SECONDED BY:	Erbey	

Primary Amendment #1 to Main Motion		
Moved by:	Wood	To utilize the \$20,000 council discretionary fund to offset the total cost of the pay increase
Seconded by:		
Vote on Amendment:		Motion died with the lack of a second.

VOTE ON MAIN MOTION: Motion carried by unanimous voice vote.	<b><u>Yes:</u></b> Erbey Hanson Hill	Pippel Wood Combs	<b><u>No:</u></b> None
---	---	-------------------------	---------------------------

MOVED BY:	Combs	To amend the proposed 2006 budget by removing the \$55,000 equipment fund and adding the bond principal and interest payment for the golf course enterprise fund into the general fund
SECONDED BY:	Wood	

Discussion ensued regarding the transfer of bond payments from the Golf Course and Ice Arena enterprise funds.

Council Member Pippel voiced his opposition to the re-appropriation of Golf Course funds.

City Manager Healy clarified the fund transfers. Mr. Dean Baugh, Finance Director explained the Ice Arena and the Golf Course debt fund.

Council Member Pippel stated the intent of the Golf Course revenues to pay for the bonded indebtedness and operating costs. He stated that when the City spoke of the creation of an Ice Arena, the bonded indebtedness was stated to be paid for by the general fund. City Manager Healy spoke of the structural intention of enterprise funds. He stated the need for consistency within the enterprise funds.

Council Member Hanson stated that there are two assets to manage – the Golf Course and Ice

Arena. He spoke of the Golf Course improvements and stated that the City has “pushed” the Golf Course along to be self-sufficient. He spoke of the current need to subsidize the Ice Arena and the long term vision of the Ice Arena’s self-sufficiency. Council Member Hanson reiterated the need to nurture the Arena to maximize its potential. He expressed the need to instruct the enterprise funds to become self-sufficient and competitive within a competitive environment. He stated the appropriateness of helping the enterprise funds when necessary but to encourage their self-sufficiency. Council Member Hanson voiced the need to manage the assets in the best manner possible.

Council Member Pippel spoke of the need to “incentivize” the management of the enterprise funds. He stated that if there is a need to provide support through the general fund, the support may be given however, the funds need to be self-sufficient.

Council Member Hanson stated that five years ago the general fund paid for the bond and interest payments while the Golf Course funds accumulated. He explained the decision made for the reserves to pay for the bond payment and capital costs.

Council Member Pippel commented on the ability of the council to decide on the capital needs of the Golf Course.

Mayor Combs summarized the history of the Golf Course and his desire to provide consistency within the enterprise funds.

<p>VOTE ON MAIN MOTION: Motion failed by unanimous voice vote.</p>	<p><u>Yes:</u> None</p>	<p><u>No:</u> Erbey Pippel Hanson Wood Hill Combs</p>
--	-----------------------------	---

**F. ADJOURNMENT**

With no further business before the Council, the meeting adjourned at 8:58 p.m.

**APPROVED THIS 13<sup>th</sup> day of November, 2005.**

*/s/*

\_\_\_\_\_  
Anthony J. Pippel, Mayor Pro-Tempore

*/s/*

\_\_\_\_\_  
Janette M. Bower, City Clerk