

A. CALL TO ORDER

A regular meeting of the Palmer City Council was held on August 22, 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:

Jim Wood	Tony Pippel
John Combs	Kathrine Vanover

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 Wood.

D. APPROVAL OF AGENDA

1. Approval of Consent Agenda
 - a. Introduction – Ordinance No. 06-019: Amending Palmer Municipal Code Subsection 3.16.040 N and 3.16.050 N; Specifically to Address the Taxability of Service Fees and Commissions Regarding Travel Agencies (IM 06-048)
 - b. Action Memorandum 06-090: Authorize City Manager to Enter Into an Automated Library System Agreement with the Matanuska-Susitna Borough, the City of Wasilla and the Matanuska-Susitna Borough School District
2. Minutes of Previous Meetings – *the minutes were amended and approved.*
 - a. August 8, 2006, Regular Meeting
 - b. August 15, 2006, Special Meeting

E. COMMUNICATIONS AND APPEARANCE REQUESTS

1. Christina Michels – Salvation Army Program Director
Ms. Michels reported on the following items:
 - Beginning new school year and the importance of a safe and healthy environment;
 - Guitar lessons;
 - Mat-Su College student volunteer time for tutoring;
 - Purchase of Play Stations;
 - Offering charter classes – building character and communication with adults;

- Addition of play area in the backyard;
- Desire to put a skateboard pipe in the yard;
- Arts & crafts, table games, ping pong, basketball;
- Request for financial and moral support;
- Thanked the council for their previous support;
- 1,734 unduplicated kids in the program last year;
- Snack program and contributions.

Clerk's note: Mayor Combs asked that an action memorandum regarding a donation to the Salvation Army be placed on the September 12 agenda.

2. Pat Kilmain – City of Palmer Library Director

Ms. Kilmain reported on the following items:

- Success of the summer reading program – over 700 children were registered in the summer reading program;
- Inventory success;
- Carpet cleaning;
- Installation of computer management system;
- Increase of summer patronage;
- Library funding and public service.

F. AUDIENCE PARTICIPATION

Sara Mayfield identified herself as a homeowner in Crimson View Subdivision and voiced concern regarding the rumor that due to the City's intent to annex the subdivision, the homeowner's would be forced to connect to the City's water system. Ms. Mayfield stated that the subdivision favors their water system and does not desire to connect to the City's system. She spoke of additional taxes and police and fire services paid for by the taxes. She stated that when and if the subdivision is annexed, the indicated police and fire services must become immediately available. Ms. Mayfield spoke of the information circulating regarding the City's lack of desire to annex Equestrian Acres. She questioned the logic of doing so; stating Equestrian Acres would be of greater value to the City. Ms. Mayfield highlighted her conversation with Community Development Coordinator Sara Jansen and asked that the general public be informed of any and all information regarding the annexation.

Mayor Combs spoke of upcoming public hearings and opportunities for public input. City Manager Healy highlighted the annexation process, the economic annexation study and stated that the City had not fully identified the future boundaries. He stated that proposed boundaries would be discussed further during the August 29 special meeting. City Manager Healy spoke of a transition plan which would designate the City's plan for the provision of future services. He highlighted the public notice process and stated that information would be available on the City's website.

G. PUBLIC HEARINGS

Item 1 – Public Hearing – Ordinance No. 06-018-Z-5: Ratifying the Recommendation of the City Planning and Zoning Commission Concerning Requested Amendment to the Zoning Map Instituted by the Commission to Rezone Tract 2, Kopperud Subdivision (1015 E. Moore Road) from R1 (Single Family Residential) to CG (Commercial General) (IM 06-043)

MOVED BY:	Pippel	To adopt ordinance no. 06-018-Z-5
SECONDED BY:	Vanover	

Mayor Combs opened the public hearing for ordinance no. 06-018-Z-5. There being no one who wished to speak, the public hearing was closed and the matter brought back before the council.

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

Item 2 – Public Hearing – Resolution No. 06-026: Accepting and Appropriating a Grant from the Alaska Department of Environmental Conservation for Water System Improvements, Phase III (IM 06-046)

MOVED BY:	Pippel	To adopt resolution no. 06-026
SECONDED BY:	Vanover	

Mayor Combs opened the public hearing for resolution no. 06-026. There being no one who wished to speak, the public hearing was closed and the matter was brought back before the council.

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

Item 3 – Public Hearing – Resolution No. 06-027: Accepting and Appropriating a Grant from the Alaska Department of Environmental Conservation for Wastewater Treatment Plan Expansion, Phase III (IM 06-047)

MOVED BY:	Pippel	To adopt resolution no. 06-027
SECONDED BY:	Vanover	

Mayor Combs opened the public hearing for resolution no. 06-027. There being no one who wished to speak, the public hearing was closed and the matter brought back before the council.

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

H. BIDS

I. ACTION MEMORANDA

Item 1 – Action Memorandum 06-092: Approve a Determination of Just Compensation of \$553,000 for the Purchase of Tract B Arbor Estates Subdivision from the University of Alaska; Authorize the City Manager to Execute Documents Necessary to Complete the Purchase of this Property; Authorize the City Manager to Accept a Grant from the Federal Aviation Administration for \$549,100 for a Portion of the Cost of this Property Purchase; and Direct that a Budget Amendment be Prepared to Appropriate Grant Funds and \$28,900 in City Matching Funds

MOVED BY:	Pippel	To accept the action of action memorandum 06-092
SECONDED BY:	Vanover	

City Manager Healy highlighted the history and location of the subject property. He stated that the City had been unable to reach an agreement with the University regarding the purchase. He spoke of the appraisal amendment, the building's need to be torn down due to hazardous materials and the estimate to do so of \$18,000. City Manager Healy explained the purchase documents and language appropriate for a quit claim agreement. He stated that the agreement required the City to waive all future liability against the University for environmentally hazardous materials. City Manager Healy spoke of the property's environmental assessment and stated that the University would not allow an amendment to the contract language concerning the City's waiver of responsibility for potential hazardous materials. He spoke of the City's continued pursuit of soil samples and an agreement with the University. He stated that the issue was too late to pursue in the current FAA grant cycle and the attempt to transfer the project into the next grant cycle.

Council Member Pippel asked of the identified hazardous materials. City Manager Healy explained the identification of asbestos, sealants, and an old furnace in the building.

Council Member Pippel asked of the potential for diesel fuel on the property. City Manager Healy stated that there had been an underground storage tank which had leaked and was removed in 1995. He explained that well monitoring indicated elevated levels of contaminants.

Attorney Snodgrass explained the leakage into the ground water and the phase II environmental testing which indicated the levels were below DEC/EPA minimums. He highlighted language in the documents which indicated the University's waiver of liability regarding any contaminants and voiced concern regarding the City's future liability.

Council Member Pippel asked of the phase I and phase II soil tests. Attorney Snodgrass indicated that soil testing had not been completed. He spoke of the determination of risks in phase I and sampling in phase II. He spoke of contaminants on the adjoining property.

Council Member Pippel spoke of the cost per foot and the flight protection zone. Attorney Snodgrass highlighted the price and standard provision for the protection zone. Attorney Snodgrass spoke of condemnation of property and the ability to force the University to take liability.

Council Member Vanover asked of the seven parcels which have homes. City Manager Healy stated that the City would not obtain the four houses.

Mayor Combs asked of Tract A. City Manager Healy highlighted the conversation with the University and stated that phase I of the environmental testing was complete was completed and phase II will be completed at a later date.

VOTE ON MOTION: Motion failed by unanimous voice vote.			
Yes:		No:	
	Pippel Combs	Vanover	Wood

Item 2 – Action Memorandum 06-093: Authorize a Sole Source Contract with ProComm Alaska to Provide a Communication Shelter Building and Direct that a Budget Amendment be Prepared to Appropriate \$155,000 for the Palmer Communications Center Upgrade Project

MOVED BY	Vanover	To accept the action of action memorandum 06-093
SECONDED BY:	Wood	

City Manager Healy explained the upgrade to the Palmer Communications Center and the tri-Borough grant. He spoke of the previous grant award and the impending Homeland Security grant award of \$410,000. He stated that construction of the shelter building was included in the original grant request and that neither of the grants would fund the construction of buildings. City Manager Healy described ProComm Alaska as the sole provider of Motorola Equipment in Alaska. He spoke of the timing issues with the Borough’s installation of a CAD system and stated that should the communication equipment not be built, the shelter would be housed in the dispatch center. He spoke of the provisions should the project not be deemed sole source and highlighted his memo placed on the table.

Council Member Vanover voiced her support but voiced concern regarding the different dollar amounts in the memo. City Manager Healy explained the estimate and expenditure.

Council Member Pippel asked if the \$155,000 was the City’s share of the project. City Manager Healy replied that it was the City’s cost. Lt. Remaley explained the Borough’s contribution to the CAD system and overall project.

Discussion ensued regarding monies from the general fund to pay for the project and the Borough’s overall participation in the project.

Attorney Snodgrass voiced his opposition to the sole source purchase. He spoke of the jeopardizing of funding and the alternative to place the Borough CAD system in the police department building and moved at a later date. He asked Lt. Remaley of the cost to be place the system in the building. Lt. Remaley replied that the cost would be \$7,000.

Discussion ensued regarding the warranty of the building and equipment.

Council Member Pippel stated that the price was outrageous for the building and voiced his concern regarding the need to sole source the project.

Mayor Combs asked of timeliness with the Borough grant. City Manager Healy spoke of the design, bid, and building process. He stated that the process would cause a two months delay.

Council Member Wood asked if the original grant request included the equipment and the building. Lt. Remaley stated that it had. Council Member Wood asked when the department was notified of the grant award. Lt. Remaley stated that the Department was notified of the grant award three weeks ago and of the lack of the building’s inclusion at that time as well. Council Member Wood asked Lt. Remaley if there was anyone else that might have the ability to build the building and to warranty the building and all of the items contained in it. Lt. Remaley stated that he was unaware of another source.

Council Member Wood asked Attorney Snodgrass of an alternate source for the building. Attorney Snodgrass suggested Mr. Rick Koch and Mrs. Hanson as an alternate source.

Attorney Snodgrass spoke of the warranty issue and stated that the warranty was a UCC matter and that Motorola would provide a warranty for the equipment whether the building was built by them or not.

Council Member Wood asked City Manager Healy if the project were delayed would the grant be crippled. City Manager Healy spoke of the need to coordinate with the Borough.

Attorney Snodgrass spoke of the need to approve the project by September 1.

Moved by:	Pippel	To postpone to the September 12 meeting
Seconded by:		

Motion died with the lack of a second.

Lt. Remaley spoke of the need to accept the grant and pour a concrete pad with a 360 halo system prior to winter.

Council Member Vanover spoke of the agreement and the City's previous obligation to put the pad in. She asked if the City could put in the pad at this time and bring the issue of the building purchase back at a later date. City Manager Healy explained the need for a grounding system in the overall scope of the project.

Moved by:	Pippel	To postpone to the August 29 meeting
Seconded by:	Vanover	

Vote: Motion carried by unanimous voice vote.

Yes:			No:		
Pippel	Vanover	Wood			
Combs					

VOTE ON MOTION: Motion postponed to the August 29 meeting.

Item 3 – Action Memorandum 06-094: Approve Revisions to the Palmer Community Center Rental Rates

MOVED BY	Pippel	To accept the action of action memorandum 06-094
SECONDED BY:	Vanover	

Council Member Pippel voiced his favor of the rates. He spoke of his conflict of interest due to his wife's position as president of the Palmer Arts Council and the use of the Depot by the Arts Council. He registered his wife's opinion that the Council should have the ability to rent the Depot for a three week period at a discounted rate.

Council Member Wood spoke in favor of the proposed rates and the desire to obtain maximum usage of the facility.

Mayor Combs highlighted the amended rates and voiced the need to keep the rates as affordable as possible for the community. He stated that 40 percent of the overall expenses have been recovered each year.

Council Member Pippel spoke of the increased percentage recovered in 2006 and asked of the reasonable percentage of the cost to be recovered by fees. He spoke of the encouragement of citizens to inhabit Palmer through events at the Depot. He stated that as the price increases, some

non-profit groups may be priced out of the market.

Discussion ensued regarding the percentage of costs recovered and the desire of the council to set the parameters for cost recovery.

City Manager Healy spoke of the percentage of costs recovered and stated that should the council desire to set a number to recover, the rates would have to be continuously be adjusted. He spoke of the evidence which indicated that there has not been reduced usage of the Depot since implementation of the new rates.

Council Member Vanover voiced her support of the amendment and requested a report in 2007 regarding the percentage of recovered costs. Finance Director Dean Baugh spoke of costs which had not been posted to the Community Center line item.

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

J. UNFINISHED BUSINESS

Item 1 – Resolution 06-001: Establishing Adequate Insurance Requirements for Palmer Municipal Airport Leases (IM 06-003)

MOVED BY:	Erbey	To adopt resolution no. 06-001
SECONDED BY:	Vanover	

Attorney Snodgrass explained the Substitute resolution and the insurance requirement guidelines. He stated that the resolution looks forward and does not address current leases.

Primary Amendment #1 to Main Motion		
Moved by:	Pippel	To substitute the pending resolution no. 06-001 by resolution no. 06-001 Substitute in full
Seconded by:	Vanover	
Vote: Motion carried by unanimous voice vote.		

Yes:			No:
Pippel	Vanover	Wood	
Combs			

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

K. NEW BUSINESS

L. CITY MANAGER’S REPORT

City Manager Healy reported on the following items:

- Alaska State Fair letter regarding the racetrack;
- Organizational chart;
- Annexation boundaries;

- Need for zoning plan regarding the Annexation;
- Water/sewer drainage systems.

M. CITY CLERK'S REPORT

N. MAYOR'S REPORT

Mayor Combs reported on the following items:

- Approval of skateboard facility from the Railroad;
- Welcomed 50 new teachers;
- Attendance of service for Army Spec. Shane Woods;
- Meeting with Borough Manager John Duffy;
- Library funding.

O. RECORD OF ITEMS PLACED ON THE TABLE

The following items were placed on the table:

- August 29 special meeting;
- City Manager Healy's letter to the State Fair regarding the racetrack;
- City Manager Healy's memo regarding the Communications Shelter;
- Organizational chart;
- Time line for Annexation Petition.

P. AUDIENCE PARTICIPATION

Q. COUNCIL COMMENTS

Council Member Wood asked of the status of the revision of the City's traffic code. Attorney Snodgrass stated that he would provide an answer at the next meeting.

Council Member Vanover spoke of Library funding and stated that the library will not close. She spoke of the option of charging non-City residents to a fee for usage. She stated that Chugach Street looks good and thanked Council Member Wood for his question regarding the traffic code.

Council Member Pippel voiced his desire for Chugach to be completed correctly. He stated that the grass could use fertilizing and asked that the grass mower deck be set at its highest setting to prevent winter damage.

R. ADJOURNMENT

With no further business before the council, the meeting adjourned at 9:23 p.m.

APPROVED THIS 12th day of September, 2006.

/s/

Janette M. Bower, CMC, City Clerk

/s/

John C. Combs, Mayor