

**A. CALL TO ORDER**

A regular meeting of the Palmer City Council was held on December 12, 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	Ken Erbey
John Combs	Tony Pippel
Brad Hanson	Richard Best
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 Erbey.

**D. APPROVAL OF AGENDA**

1. Approval of Consent Agenda
  - a. Action Memorandum 06-123: Non-Objection Statement to the Renewal Liquor License #4064 – Palmer Municipal Golf Course
  - b. Action Memorandum 06-125: Non-Objection Statement to the Renewal Liquor License #39 – Alaska State Fair
  - c. Action Memorandum 06-132: Authorize an Extension of Temporary Building Status for Colony Cup Espresso
  - d. Action Memorandum 06-135: Authorize City Manager to Amend the Purchase Agreement with Motorola Alaska Previously Approved Under Action Memorandum 06-130
  - e. Introduction – 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)
2. Minutes of Previous Meetings – *postponed to the December 12, 2006 meeting.*
  - a. November 21, 2006, Special Meeting
  - b. November 21, 2006, Regular Meeting

- c. November 28, 2006, Special Meeting
- d. November 28, 2006, Regular Meeting
- e. November 29, 2006, Special Meeting

## **E. COMMUNICATIONS AND APPEARANCE REQUESTS**

1. Paul Morley – Sister City Program  
Mr. Morley and students from Palmer High School reported on the following items:
  - Exchange program in effect since 1980;
  - Program funding;
  - Respect of the Japanese citizens;
  - Ceremonial customs;
  - Friendship formed;
  - Differences and similarities in the school system;
  - Linguistics and cultural differences.
2. Chief George R. Boatright – Palmer Police Department  
Chief Boatright reported on the following items:
  - DUI Education Program;
  - DUI and controlled substance statistics.

## **F. AUDIENCE PARTICIPATION**

Cindy Larson, City of Palmer Finance Department:

- voiced concern regarding hardships placed on employees due to the out of pocket expense for the City's health insurance premium;
- spoke of the lack of COLA for 2007;
- commented on decreased employee morale caused by the proposed changes in benefits; and
- requested the proposed out of pocket contribution be decreased.

Kelly Turney, Palmer Police Department

- addressed the council regarding the City's health insurance plan;
- spoke of the Plan reduction from the current coverage of 90/10 to 80/20;
- stated that the proposed \$80 per month out of pocket expense would negate one-half to two-thirds of a step increase for employees for one year;
- spoke of morale and asked the council to find another method to address the issue;
- spoke of the Council's increased interest in privatizing City services;
- voiced concern regarding PERS liability for prior city council members and suggested city council members be exempted from PERS;
- requested the council to lead by example;
- commented on the effective manner in which money is spent by the City; and
- stated that Palmer was not in the financial position whereby it must hurt its employees to balance the budget.

Greg Wickham, City of Palmer Public Works Department

- commented on the 17 employees of the Department;
- voiced concerns regarding the added costs of living incurred by the employees;
- voiced gratefulness for what the employees have received; and

- spoke of the impacts on families and morale.

Collette Thibodaux, Palmer Police Department

- explained her former position as an Alaska State Trooper dispatcher and her current position as a dispatcher within the police department;
- spoke of the problems within Mat-COM;
- commented on morale issues within the Palmer Dispatch Center due to the Center's uncertain future; and
- spoke of the shift work and sacrifices made by employees.

Peter Steen, Palmer Police Department

- commented on employee out of pocket expense for health insurance;
- asked that once an 80/20 plan is in effect, payroll deductions no longer be considered; and
- asked that the council provide an assurance to the employees that there will be a cap on payroll deductions for the out of pocket expense.

Vicki Snow, City of Palmer Finance Department

- addressed the council regarding the City's janitorial service; and
- spoke of the buildings age and of the current care of the facilities by the janitors.

Joan Patterson, City of Palmer Building Department

- addressed the council regarding the out of pocket expense for health insurance;
- stated that due to her longevity with the City, she was no longer a recipient of step increases and that any out of pocket expense would cause a decrease in her pay;
- commented on the difficulty of making ends meet without the added costs for health insurance; and
- reiterated comments regarding the care of the buildings by the current janitorial staff.

Chief Boatright, Palmer Police Department

- commented on the City's overall budget;
- stated that City employees enjoy working for the City;
- spoke of the Department's goal to provide the citizens of Palmer with a superior product;
- stated that the employees often work for less pay because they enjoy working for the City;
- spoke of the marketability of the police officers; and
- spoke of the officers and dispatchers who continuously work to save lives and improve the quality of life in Palmer.

## G. PUBLIC HEARINGS

**Item 1 – Public Hearing** – Ordinance No. 06-025-Z-9: Rezoning Lot 1, Willow Pointe Subdivision (Willow Pointe Apartments) From the CL, Commercial Limited District to the R4, High Density Residential District (IM 06-063)

MOVED BY:	Pippel	To adopt ordinance no. 06-025-Z-9
SECONDED BY:	Vanover	

Mayor Combs opened the public hearing for ordinance no. 06-025-Z-9. 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: Carried by unanimous voice vote.			
	Yes:		No:
Pippel	Erbey	Vanover	
Wood	Best	Hanson	
Combs			

**Item 2 – Public Hearing** – Ordinance No. 06-026-Z-10: Rezoning Lot A, Dahlia Subdivision (Northridge Apartments) from the CL, Commercial Limited District to the R4, High Density Residential District (IM 06-062)

MOVED BY:	Pippel	To adopt ordinance no. 06-026-Z-10
SECONDED BY:	Vanover	

Mayor Combs opened the public hearing for ordinance no. 06-026-Z-10. 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: Carried by unanimous voice vote.			
	Yes:		No:
Pippel	Erbey	Vanover	
Wood	Best	Hanson	
Combs			

**Item 3 – Public Hearing** – Resolution No. 06-034: Adopting a Budget for the City of Palmer, Alaska for the Fiscal Year Beginning January 1, 2007 and Ending December 31, 2007 and Appropriating Monies

MOVED BY:	Vanover	To adopt resolution no. 06-034
SECONDED BY:	Hanson	

Mayor Combs opened the public hearing for resolution no. 06-034. The following persons addressed the council:

Sara Jansen, City of Palmer Community Development Coordinator

- spoke of her service as a Borough Assembly Member and the challenges of balancing a municipal budget;
- recognized the job of the council to balance the budget;
- stated that City employees enjoying working for the City;
- spoke of lower wages throughout the municipality;
- requested the council consider providing the employees with assurance that once necessary changes are made in the insurance plan, that further cuts would not take place; and
- commented on the morale of the employees and the good faith of the council.

First Lt. Brad Kraus, United States Army, son of a Palmer Police Department officer

- described the Palmer Police Department as his family;
- spoke of the integrity of the Department and the manner in which it is being questioned;

- asked that a better resolution for balancing the budget be considered;
- commented on the dangers of low manning the police department and Officer Rowland's tragic death;
- spoke of the proposed outsourcing of the dispatchers and added stress to officers;
- stated that should the outsourcing occur, he would endure added stress due to his concern for his father; and
- described the Palmer Dispatchers as his father's lifeline.

Chief Dan Contini, Palmer Fire Department

- commented on the budget process;
- spoke of the morale of employees; and
- asked that the Department heads address individual budgets.

Dean Baugh, City of Palmer Finance Director

- spoke of the Manager's memo and the fear of the employees;
- commented on the acceptance of lower salaries in exchange of the benefit package;
- voiced concern regarding employee morale.

*Clerk's note: The council addressed the three pending motions from the December 5 meeting prior to addressing the motion to adopt resolution no. 06-034*

MOVED BY:	Pippel	To delete the full time police clerk from the budget
SECONDED BY:	Best	

Chief Boatright explained the option of hiring a permanent part-time person. He stated that the department continues to take more serious cases on a regular basis and highlighted the process for clearing reporting documents.

Finance Director Dean Baugh stated that the cost for the permanent part-time position was \$23,204.

Council Member Vanover

- suggested the need for a full-time position within the Department;
- voiced support of the inclusion of a full-time permanent position.

Council Member Wood:

- expanded on the duties of the Evidence Custodian;
- spoke of the critical need for a full-time permanent position;
- voiced support of the inclusion of a full-time permanent position; and
- spoke of the drop in the efficiency should the position not be funded.

Council Member Hanson

- spoke in support a permanent part-time position.

Council Member Pippel

- spoke of the current budget crisis and the long term best interest of the employees;
- voiced opposition of the position; and
- spoke of costs of public safety.

Council Member Best

- spoke of the current workload of employees City wide.

Council Member Erbey

- spoke in favor a permanent part-time position;
- highlighted the comments of the public who state that the City has more than enough public safety; and
- stated that should the PERS issue be resolved, the part-time position could be increased to a full-time.

Mayor Combs

- spoke of the PERS debt and State Legislature funding for the issue.

VOTE ON MOTION: Motion carried by 5-2 voice vote.					
Yes:			No:		
Erbey	Hanson	Best	Vanover	Wood	
Pippel	Combs				

MOVED BY:	Best	To add a permanent part-time clerk position
SECONDED BY:	Hanson	

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

MOVED BY:	Combs	To delete the second patrol vehicle from the budget
SECONDED BY:	Best	

Chief Boatright explained the rotation cycle of vehicles. He stated that the department could do without a vehicle in the 2007 budget cycle but stated that the rotation must be met in the 2008 fiscal year.

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

MOVED BY:	Hanson	To remove \$15,000 from the police department line items – 6024 and 6026
SECONDED BY:	Pippel	

Chief Boatright

- explained the proposal to send one of the senior Sergeants to the Advanced Command School;
- expanded on the academics of the school and the merits of a trained sergeant within the department; and
- spoke of a contract with the employee should the employee choose to leave the department following the training.

VOTE ON MOTION: Motion carried by unanimous voice vote.
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<p style="text-align: center;">Yes:</p> <p>Pippel</p>	<p style="text-align: center;">No:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">Erbey</td> <td style="width: 33%; text-align: center;">Vanover</td> <td style="width: 33%; text-align: center;">Wood</td> </tr> <tr> <td style="text-align: center;">Best</td> <td style="text-align: center;">Combs</td> <td></td> </tr> </table>	Erbey	Vanover	Wood	Best	Combs	
Erbey	Vanover	Wood					
Best	Combs						

City Manager Healy reported on the 80/20 insurance split and stated that even though the Trust had received a quote regarding the plan, the plan could not be in effect until May. He suggested the City continue with the 90/10 plan and evaluate the 80/20 plan when it becomes available. He proposed an \$80 per month deduction to begin when the payroll contribution pre-tax benefits become available.

**Council Member Pippel**

- stated that the City would eventually see the need to increase employee contributions and switch to the 80/20 plan;
- spoke of the 80/20 plan and stated that overall the coverage would be more palatable than the out of pocket costs;
- stated that sooner or later that the health insurance issue would need to be addressed and stated that the solution does not lie with the City of Palmer tax payers; and
- spoke of the ten million dollar PERS debt.

**Council Member Best**

- asked of the deductibles under the 90/10 plan and the option of higher deductibles;
- highlighted his insurance plan; and
- spoke against out of pocket costs for employees.

**Council Member Wood**

- stated that he was unconvinced that changing the employee plan was absolutely necessary; and
- spoke of the appropriateness of waiting until the 80/20 plan was established by the Trust before addressing the issue.

**Council Member Vanover**

- spoke of the need for evaluation of the Plan and employee impacts;
- commented on the appropriateness of employee contribution for health insurance of approximately \$20-30 per month; and
- highlighted the School District's process of informing employees of ways to cut health care costs.

**Council Member Hanson**

- agreed to adopt the 80/20 plan when available;
- highlighted the increased operating costs of 13 percent and the revenue increase of three percent;
- commented on the balanced budget and the need to further examine the finances of the City to ensure that the residents will not have to pay absorbent costs for services;
- voiced understanding of employee concerns;
- asked that the employees recognize the financial status of the City;
- spoke of the need to attract new retail establish and annex;
- stated that he was not in favor of charging the employees ten percent for health care benefits; and

- encouraged the Manager to convey to the insurance trust board the need to examine all aspects of insurance plans.

Mayor Combs

- spoke against the out of pocket expense;
- highlighted his previous insurance;
- questioned the sustainability of an 90/10 plan; and
- requested the Trust example co-pay options.

Primary Amendment #1 to Main Motion		
Moved by:	Pippel	To delete from the budget \$57,600 of projected employee contributions for medical insurance
Seconded by:	Vanover	

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

Council Member Pippel

- suggested the manner to increase the budget was through revenues produced by a bed tax ordinance, sales tax ordinance, increased fees and taxes;
- spoke of his previous suggestion to increase the sales tax to three and half percent and to dedicate the half percent to the PERS debt.

Council Member Wood

- spoke of the full salaried mayor position;
- asked that the position be examined from a cost benefit stance;
- requested the support of another council member to support him in the request for an executive session to be held on January 9, 2007 to discuss the cost benefit analysis of the position and a review of Mayor Combs' performance. *Clerk's note: Mayor Combs voiced his support.*

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

**Item 4 – Public Hearing** – Resolution No. 06-035: Amending the City of Palmer Employee Pay Plan (IM 06-069)

MOVED BY:	Wood	To adopt resolution no. 06-035
SECONDED BY:	Vanover	

Mayor Combs opened the public hearing for resolution no. 06-035. 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: Carried by unanimous voice vote.			
	Yes:		No:
Pippel	Erbey	Vanover	
Wood	Best	Hanson	
Combs			

**H. BIDS**

**I. ACTION MEMORANDA**

**Item 1** – Action Memorandum 06-133: Authorize City Manager to Purchase a Dump-Bed Truck with Snow Plow under a Joint Purchase Arrangement Using the State of Alaska Contract with Cal Worthington Ford in an Amount not to Exceed \$50,000 and Direct the City Manager to Prepare an Amendment to the 2006 Fiscal Year Utility Fund Budget to Appropriate Funds for this Purpose

MOVED BY:	Pippel	To accept the action of action memorandum 06-133
SECONDED BY:	Vanover	

Public Works Director Roscoe Barrett explained the need for the vehicle and its primary purpose to address the lift stations on the Southwest Utility Extension.

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

**Item 2** – Action Memorandum 06-134: Authorize City Manager to Enter Into a Professional Services Agreement with Hattenburg, Dilley and Linnell Engineers for Engineering and Design Services for the Reservoir No. 1 Water Transmission Line Project for \$36,144

MOVED BY:	Pippel	To accept the action of action memorandum 06-134
SECONDED BY:	Best	

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

**J. UNFINISHED BUSINESS**

**K. NEW BUSINESS**

**L. CITY MANAGER’S REPORT**

City Manager Healy reported on the following items:

- FAA projects;
- Urban Revitalization;
- Personnel regulations.

MOVED BY:	Hanson	To continue the meeting past 11 p.m.
SECONDED BY:	Pippel	

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

**M. CITY CLERK’S REPORT**

**N. MAYOR’S REPORT**

Mayor Combs reported on the following items:

- Meeting with Gabe Layman of the Palmer Senior Center;
- Meeting with Mayor Curt Menard;
- Bed tax;
- Library funding;
- Colony Christmas;
- Documentary on Skateboard Park;
- Homebuilders Association meeting regarding Rural Residential Zone.

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

The following items were placed on the table:

- Memos from the City Manager;
- Letters from employees regarding the 2007 Budget
- Draft of December 5 minutes.

**P. AUDIENCE PARTICIPATION**

Kelly Turney, Palmer Police Department

- thanked the council for listening to the employees;
- encouraged the council and City Manager Healy to distribute the 80/20 insurance information in a timely manner;
- spoke of the possibility of having to pay for insurance benefits.

Collette Thibodaux, Palmer Police Department

- spoke in favor of personnel manuals;
- responded to the comment regarding too much police department staffing.

**Q. COUNCIL COMMENTS**

Council Member Wood

- commented on the City snowplows tearing up citizens lawns.

Council Member Best

- voiced appreciation of the city employees who came to testify and encouraged them to be the biggest advocates of annexation.

Council Member Pippel

- commented on the response of Borough Assembly members regarding Library funding.

**R. EXECUTIVE SESSION**

**Item 1** – Subjects That Tend to Prejudice the Reputation and Character of Any Person – Interview Selections of City Attorney Applicants (Note: Action may be taken following the executive session)

*Clerk’s note: the council consented to discuss the issue in the public.*

MOVED BY:	Hanson	To interview on December 18 the firms: Wohlforth, Johnson, Brecht, Cartledge and Brooking Perkins Coie Walker and Levesque
SECONDED BY:	Best	

VOTE ON MOTION: Carried by unanimous voice vote.

Yes:			No:
Pippel	Erbey	Vanover	
Wood	Best	Hanson	
Combs			

**S. ADJOURNMENT**

With no further business before the council, the meeting adjourned at 11:29 p.m.

**Approved this twenty-eighth day of December, 2006.**

*/s/*

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John C. Combs, Mayor

*/s/*

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Janette M. Bower, CMC, City Clerk