

CITY COUNCIL MEETING
TUESDAY, JUNE 10, 2003
7:00 PM - CITY COUNCIL CHAMBERS

- A. CALL TO ORDER: at 7:00 p.m. by Mayor Pro-Tem Pippel in Council Chambers.
- B. ROLL CALL, DETERMINATION OF A QUORUM. Present: Mayor Pro-Tem Pippel and Council members Vanover, Fish, Combs, Hanson, and Carrington. Mayor Cooper had an excused absence. Also present: City Manager Tom Healy, Attorney Jack Snodgrass, and Recording Secretary Pam Whitehead. A quorum was established.
- C. APPROVAL OF AGENDA: The agenda was approved as amended. Item M2, PSA with Willis of Alaska, Inc., was removed for the reason that it was not ready and will be before the council at the next meeting. There were no objections.
- D. PLEDGE OF ALLEGIANCE: led by Council member Fish.
- E. MINUTES OF PREVIOUS MEETINGS: The minutes of the regular meeting of May 27, 2003 were approved as presented.
- F. CONSENT AGENDA: None.
- G. COMMUNICATIONS AND APPEARANCE REQUESTS:
 - 1. Chief Russ Boatright – Police Department Report.

Chief Boatright reported that communications has been the biggest challenge affecting the police department over the past few months; spoke to dispatch personnel issues – received two resignations which were expected, two which were not, and there is a possibility of losing one more to the state, but won't know for about two weeks; reported they have changed shifting to 12-hour schedules of 3 hours on/2 hours off in order to maintain adequate coverage until training is complete (8 to 10 weeks) for those that have recently been hired and to assure at least two dispatchers on duty at all times; said he expects to fill the vacant officer position within about three weeks. He also reported that with school being out, they have been rather busy the last couple of weeks primarily with Anchorage teens partying out in the Butte and then coming through Palmer – caught up with a couple speeding down N. Valley in excess of 80 mph this last weekend. Brief questions and discussion followed regarding Palmer's dispatch, consolidated dispatch in terms of E-911, one center backing up the other, bicycles on patrol and bicycle registration.

- H. BOROUGH REPRESENTATIVE'S REPORT: None.
- I. AUDIENCE PARTICIPATION:

Jim Sykes, 3779 N. Lee Circle, Palmer, encouraged the council to be as stringent as possible through zoning to maintain the historical nature of downtown and voiced strong concern against the "Wasilla-fication" of Palmer; wants Palmer to retain its small-town character; encouraged research

into what other historic districts have done; said he is not against commercial interests or larger stores, but thinks the council should make them conform to what the community wants.

Dory McDaniel, lives 3 miles outside of Palmer, testified that she wants to see the city raise the bar in terms of what its requirements are for further development; noted opposition to the clear-cutting of all trees on a lot, mentioned the beautiful stand of birch trees at the entrance to Palmer replaced by meager plantings with the development of the Tesoro and Taco Bell; suggested that it is time for a change to the process to put in checks and stops as development continues, whether that be in design, or landscaping, or size of parking lots, so as to have a positive effect for Palmer; voiced concern for the “big empty box syndrome,” noting the Carr’s Mall has been half empty most of the time – it has happened all over Anchorage and in Kenai and it should be part of the Fred Meyer discussion.

Mayor Pro-Tem Pippel informed the audience that the city is currently working on a “big store” ordinance and encouraged public input and participation in the process.

Paul Tordock, who has lived in the area for 20-plus years, echoed Ms. McDaniel’s comments regarding the trend coming towards Palmer in terms of four-lanes; the interchange, and was glad to hear that the city is working on ordinances; thinks that the future of Palmer will be determined in the next few years and encouraged new ordinances that aggressively plan and manage development for the long term.

Cindy Bettine, Box 870008, Wasilla, Palmer business owner, thanked the city for the meeting at the depot today regarding the current status of Fred Meyer to keep the public informed; thought that the people who spoke had a lot of the same concerns; expressed special thanks for the independent traffic analysis; noted that it appears worse than anyone had thought; spoke to the city’s efforts at convincing DOT to allow access on the Glenn at Dogwood; encouraged getting that done in conjunction with construction or before Fred Meyer opens its doors; hopes there will be another meeting after traffic plans are known to keep the public well-informed; suggested it be after working hours, however, so more people could attend.

J. HEARINGS, ORDINANCES, AND RESOLUTIONS:

1. Ordinance No. 605 – An Ordinance Amending Nearly All of Palmer Municipal Code Chapter 2.20 (Planning Commission), of Title 2 (Administration and Personnel), of the Palmer Municipal Code. (First Reading – Set Public Hearing and Second Reading for June 10, 2003).

MOVED CARRINGTON, SECONDED HANSON, for adoption of Ordinance No. 605.

Mr. Healy noted an error in that Ordinance No. 605 was introduced at the last meeting and the parenthetical should have indicated this meeting to be the public hearing and second reading. He recommended that since it was advertised incorrectly, that adoption be tabled until the next meeting.

Mayor Pro-Tem Pippel opened a public hearing and asked for public comment on Ordinance 605. There being no persons wishing to speak to the issue; the public hearing was closed at 7:30 p.m. and the matter brought back to the council.

MOVED HANSON, SECONDED VANOVER, to table Ordinance No. 605 until the next meeting.
MCU.

2. Resolution No. 1305 – A Resolution Stating a Policy of Equal Employment Opportunity and Affirmative Action.

MOVED COMBS, SECONDED VANOVER, for adoption of Resolution No. 1305.

Mr. Healy gave a brief overview; explained that this Resolution 1305 and the following Resolution No. 1306 are required by the City's participation in the Community Development Block Grant program from which the City obtained a grant for construction of an emergency shelter for the Alaska Family Resource Center.

Mayor Pro-Tem Pippel opened the public hearing and asked for public comment on Resolution 1305; there being no persons wishing to speak to the issue, the public hearing was closed at 7:32 p.m. and the matter brought back to the council.

Question on Motion: MCU.

3. Resolution No. 1306 – A Resolution Stating a Policy Regarding Fair Housing Practices.

MOVED VANOVER, SECONDED FISH, for adoption of Resolution No. 1306.

Mayor Pro-Tem Pippel opened the public hearing and asked for public comment on Resolution 1306; there being no persons wishing to speak to the issue, the public hearing was closed at 7:33 p.m. and the matter brought back to the council.

Question on Motion: MCU.

K. BIDS: None.

L. OLD BUSINESS:

1. Boys & Girls Club Donation Request.

The council tabled this request for a \$5,000 donation at its April 22 and May 27 meetings; details of the request are contained in a letter from the Boys & Girls Club in the packet.

MOVED HANSON, SECONDED CARRINGTON, to bring the motion off the table for discussion. MCU.

[Motion restated: MOVED HANSON, SECONDED COMBS, to approve the request for a \$5,000 donation to the Boys and Girls Club.]

Council member Hanson spoke in support of the donation; stated that he would like the Boys & Girls Club to know that it is the city's desire to have a B&GC or similar facility located in or closer to Palmer; although he supports the donation this year, he may not feel comfortable doing so in the future because he firmly believes in the council's intent to support things that better serve our own community as opposed to contributing to the club in Wasilla. Council member Vanover also spoke in support; talked about the wonderful things the B&GC has done in Palmer schools.

Fran O'Shea, Manager, B&GC, and resident of Palmer, responded that she also would like to see a club in Palmer; noted 700 kids are registered for this summer; 27% of which are from Palmer; informed that although she will be moving out of state, she knows that Anchorage is aware that Palmer wants a club and will be looking into it; emphasized the importance of the community's support in terms of dollars; noted that they appreciate that \$5,000 is a lot of money, but it also indicates that there is community support and that Palmer is serious about wanting a club here.

Council member Combs spoke in support; wants to see a club here where kids can walk or bike to it and where transportation isn't such a large issue; believes it is a good investment in the future of this community and something very much needed. Council member Pippel argued in opposition; said he also thinks the B&GC is a wonderful organization that does terrific work and he would love to have them in Palmer; also thinks the Little League and Boy Scouts do good things for people, however, he is not sure it is the business of the City of Palmer to be supporting and funding these organizations; noted he has a couple of constituents who have told him that they provide services for kids before and after school and why would they want the city to which they pay taxes to give money to those who directly compete for their customers; stated he would be voting against on strictly ethical principles with the proviso that he will not be upset if he loses.

Question on Motion: PASSED [5 in favor; 1 opposed (Pippel)]

2. Review Proposed Airport Lease Standards and Rates.

Manager Healy updated the council as to status; noted that his sense from discussion at the last meeting favored a flat rate approach as opposed to establishing a market value through appraisals. See Mr. Healy's 6/6/03 memo in the packet containing information that follows this direction and presents examples. Staff recommends increasing the lease rate from \$0.05 to \$0.07 per square foot per year which represents a significant 40% increase, particularly for the existing lessees; noted the city's long-standing approach to keep airport lease rates low to encourage development. In terms of revenue, the proposed rate of \$0.07 would raise an additional \$33,000 for the new lease lots and an additional \$43,000 from existing leases, for an approximate \$75,000 over the current rate. He acknowledged that higher rates were discussed by the council; suggested a lower rate increase at this time and reassessing for rate increases every four to five years.

Council member Pippel commented that the airport lease rate started out low and it remains ridiculously low at a third or less of prevailing rates for comparable airports; pointed out that \$0.08 to \$0.12 is usual and customary and he believes the rate should fall into that range; noted the long-

standing approach to keeping airport lease rates low to encourage development was true in the early days when there was more land than there was demand, but that isn't the case anymore; argued strongly against the below-market approach because the airport currently has land that a lot of people want; argued also that the city has significant capital costs in the airport which should be recovered; stated that those who hold existing leases are more aware than anyone of what a good deal they have.

Questions of staff and further discussion ensued regarding how the assessed value is set. Council member Hanson would like to see an initial appraisal of the lease lots before rates are raised in order to have a value justification for the increased flat rate. Council member Combs thinks that an appraisal would produce numbers similar to the information we already have; believes \$1.00 per square foot is a fair and just amount of value to assign; encouraged increasing the flat rate to \$0.10 per square foot as being mid-range between the 8-12% increase; stated the rate should probably have been increased years ago, perhaps in increments, but believes the \$0.10 rate is justified. Discussion continued on what other comparable airports are charging. Mr. Healy informed that if we went by the state's numbers for an airport like Palmer's, we should be charging \$0.14 per square foot.

The attorney discussed elements of what the existing lease says regarding rate increases and what to look out for; recommended distinguishing between existing leases and new leases. Further discussion continued. The attorney also recommended that the city exercise "due process" by sending notices to the existing lessees advising of the rate increase and set a public hearing to invite input on the issue. Council member Vanover recommended dealing with the existing leases separate from the new leases in order to get moving on the matter. Further discussion continued.

The consensus was to 1) direct staff to do what is necessary to change the rate for new leases to an amount higher than \$0.07 per square foot; 2) direct attorney to draft a new lease document for the council's review; and 3) direct the manager to draft a process for adjusting existing lease rates. Following further debate on the rate, the consensus was \$0.10 per square foot.

The meeting recessed for a break at 8:30 p.m.; called back to order at 8:37 p.m.

M. NEW BUSINESS.

1. Review Fred Meyer, Inc., Project Issues and Schedule Special Council Meeting.

Manager Healy reported on the status of issues involving the Fred Meyer project; said it would not be necessary at this point to schedule a special council meeting; informed they are still waiting on a determination of how best to address some of the traffic issues; reported that based on the city's traffic analysis, FM consultants were asked to revise their study; referred to the updated Fred Meyer Project Status Report on the table setting out Code Requirements and Public Comments, City Actions, and FM Actions; pointed out that it summarizes the actions taken by the city to address the concerns raised. The biggest issue remains traffic which is still a big question mark; reported on his recent meeting with DOT concerning the proposed intersection if Dogwood is extended to the Glenn Highway; felt the meeting and presentation went very well. He pointed out that the city had been working to obtain additional access onto the Glenn long before Fred Meyer entered the picture because of the congestion on Evergreen and Arctic Avenues. The proposal is to extend Dogwood

from Cobb, cross the Glenn, install a traffic signal, and extend far enough to allow an access road to go south to tie into and consolidate with the Carrs access, eliminating the on/off ramps. Ultimately, Dogwood would extend west to connect to a future extension of Felton to Arctic Avenue. Regarding Evergreen/Glenn intersection, DOT was asked to change the light sequence to extend the maximum green time, particularly on Evergreen westbound, in an effort to alleviate some of the congestion during peak traffic hours.

Discussion ensued with regard to the traffic issues and the need to expand the traffic study to plan for handling the increased traffic in downtown Palmer. Council member Hanson would like to see an overall traffic plan done as quickly as possible; proposed appropriating money for it immediately, submit the plan to DOT so they can go to the Feds, and we could have the access project ready to go if they buy off on it. Discussion followed with regard to what the traffic plan should include and what DOT would require.

MOVED HANSON, SECONDED COMBS, to add to tonight's agenda, an amendment to the Professional Services Agreement with Hattenburg, Dilley & Linnell to include a traffic analysis for Phase One of the Phase II traffic plan.

Council member Hanson argued that this would be an investment of \$5,000 to \$10,000 which would address the crux of the problem of traffic in downtown Palmer; that it would be shortsighted on the city's part not to evaluate what effect phase II would have on the traffic; that it would be prudent to get a better picture of potential solutions to the traffic issue.

Question on Motion [to amend agenda]: MCU. The proposed amendment was added as New Business Item 1(B).

Mr. Healy confirmed that Phase I would include a study of the intersection and Dogwood extension across the Glenn and its affect on the Evergreen/Glenn/Cobb connection, and that Phase II would be a more comprehensive study of the core area including obtaining rights-of-way for extension to Felton. Council member Hanson emphasized that the study should include all the information that DOT wants in order to move the project along.

Council member Pippel commented on other FM issues following the public forum held just prior to tonight's meeting; believes that significant progress was made on a number of issues concerning fences and buffering, signs, improved building design, and lighting; commented further that he still has concerns about the building orientation and more thought should be put into pedestrian traffic.

1(B). Authorize City Manager to Amend the Professional Services Agreement with Hattenburg, Dilley & Linnell, to include a traffic study on Phase I of the Phase II traffic plan.

MOVED HANSON, SECONDED CARRINGTON, to authorize the City Manager to negotiate an amendment to the Professional Services Agreement with Hattenburg, Dilley & Linnell to include a traffic study on Phase I (Dogwood Extension/Glenn intersection and its affect on the Evergreen/Glenn/Cobb connection) and, if necessary to the requirements of DOT, Phase II (comprehensive traffic study of the core area).

MOVED PIPPEL, SECONDED HANSON, to amend the motion to add in an amount not to exceed \$20,000. MCU.

Question on Motion as Amended: MCU.

2. Agreement with Willis of Alaska, Inc. for Insurance Brokerage Services. [Removed]
3. Authorize City Manager to Negotiate and Enter Into an Agreement with Matanuska Telephone Association, Inc., for Telephone Service.

Council member Fish declared a conflict of interest as he is employed by MTA. It was the ruling that a conflict existed and Council member Fish was recused. Council member Hanson declared a conflict of interest in that his wife is a manager of an MTA subsidiary. It was the ruling that a conflict existed and Council member Hanson was recused. Council member Combs declared a potential conflict because his brother is a member of the board of directors of MTA. It was the ruling that a conflict of interest did not exist because Council member Combs derived no direct financial benefit as a result. Council member Combs remained at the table.

[Council members Fish and Hanson exited council table.]

Manager Healy introduced the item; reported that MTA has proposed a five-year contract for the City's phone service; informed that the advantage is it would save the City about \$4,800 per year over present phone charges; the disadvantage is the agreement must be maintained for five years and if the City were to terminate prior to five years, it would forfeit the discounts and have to reimburse MTA for all accrued discounts.

Following brief discussion, it was determined that because this is a city contract, it would be wise to follow the competitive bid process rules. Council member Combs felt that five years was too long and would be more comfortable with three years.

MOVED VANOVER, SECONDED COMBS, to table the matter until the next meeting pending further information or being let for competitive bids.
MCU.

[Council members Fish and Hanson returned to council table.]

4. Authorize Amendment of 2003 City Budget to Add \$10,000 for Building Improvements.

Manager Healy introduced the item; explained that the addition of the community development coordinator position requires modifications to the office space in City Hall to create and furnish a separate office. If approved, this action will direct the manager to amend the 2003 general fund budget by appropriating a total of \$10,000 to Administration for building renovations and equipment.

MOVED CARRINGTON, SECONDED VANOVER, to authorize amendment to the 2003 City Budget to add \$10,000 for building renovations and improvements.
MCU.

N. CITY MANAGER'S REPORT: Manager Healy reported on:

- *State Budget Cuts* – Governor Murkowski has announced cuts to the entire Safe Communities and Revenue Sharing Programs and cuts to the Municipal Capital Matching Grant Program starting July 1, which means the city will lose about \$277,000 in shared revenue and about \$110,000 in the matching grant program. In exchange for the cuts, the State will provide one-time funding to communities to compensate. The City's share will be about \$95,000.
- *Ice Arena and Trails Projects* – The Borough is preparing a parks and recreation project bond issue to go on this fall's election ballot. Palmer's projects and funding are the new ice arena at \$1.5 million, and Palmer trails at \$225,000. The borough must have an ownership interest in projects in order to provide bond funding. If the bond issue passes, the city would have to enter into an ownership agreement with the borough for any facilities funded under the bond. There was concern that the bond proposal of \$6.5 million was too big and might have to be reduced. The city wrote a letter to the borough supporting an ownership and management agreement if necessary and suggesting that if the amount of the bond had to be reduced to withdraw the trail projects. Council member Hanson informed that the borough did remove the trails portion and agreed to move forward with \$1.5 million on their bond for the City of Palmer. Further discussion ensued.
- *Projects: S. Denali St.* – Pruhs Construction has completed most of the work; *N. Gulkana/E. Eagle/N. Valley Way* – Pruhs Construction has begun work on the project; *Airport Road and E. Evergreen Ave* – The State will open bids on the project June 18 and the project is scheduled for completion by the end of October this year; *Glenn Highway Intersection* – Staff met with DOT this week to request approval of a new intersection on the Glenn Highway at the extension of Dogwood Avenue.
- *Large Retail Development Ordinance* – Staff has reviewed the Anchorage ordinance (copy attached to his report on the table) and will be preparing a draft ordinance for the planning commission and council review.
- *Park Property* – The City received a letter from Mr. Dahl offering to sell a substantial amount of property near N. Valley Way to the City for a city park; advised the City will respond to the effect that it is not interested in purchasing such a large piece of property.
- *Dispatch* – clarified that Palmer's dispatch will not be closing in December 2004 to dispel rumors going around to that effect.
- *Manager's Vacation* – He will be on vacation and out of town from June 21 through 28. The Mayor will be back on June 17th.

O. AUDIENCE PARTICIPATION:

Gerry Keiling, 243 S. Bailey St., Palmer, was not able to attend the presentation by Fred Meyer this afternoon and wanted to know if there would be an opportunity for residents to review what was displayed and review updated plans. She urged the council to hold firm reins on the project; noted that she personally likes shopping at Fred Meyer but would like to see FM become a part of Palmer as opposed to Palmer becoming a part of FM.

Guy ALee, 463 N. Bonanza, stated that he was a new resident to Palmer and wanted the council to know that he was impressed on how it conducts its meetings; noted that he was on the city council when he lived in Idaho; thinks that Palmer is a wonderful place.

P. COUNCIL COMMENTS:

Council member Fish: commented that he felt FM's presentation today went well; noted that although he welcomes FM, he is opposed to Evergreen as a way in and out and wants to discourage that access; further commented in support of the concern raised about continued funding for the Boys & Girls Club; hopes that it will entice them to locate in Palmer. **Council member Hanson:** commented with regard to the consolidated dispatch center encouraging the manager, as frustrating as it is, to continue to move forward towards final resolution; thinks that two dispatch centers in this area is a waste of public resources; that it should be consolidated with joint ownership by all parties, not associated with any one government entity, so that it can function effectively. **Council member Combs:** commented on how good the town looks in preparation for Colony Days and the advent of visitors this weekend; noted he is looking forward to participating. **Council member Pippel:** seconded Mr. Combs comments about how nice the city looks; commented on the number of beautiful and well kept properties in town; reminded everyone about Colony Days this weekend; asked about the status of Council member Fish's name plate; also asked for name tags for all council members to identify them at official events.

Q. ADJOURNMENT: at 9:40 p.m.

For a signed copy – contact the City Clerk.