

**KENAI CITY COUNCIL WORK SESSION
FY2022 BUDGET
APRIL 24, 2021 – 9:00 A.M.
KENAI CITY COUNCIL CHAMBERS
210 FIDALGO AVE., KENAI, AK 99611
MAYOR GABRIEL, PRESIDING**

NOTES

Council present: B. Gabriel, H. Knackstedt, B. Molloy, T. Winger J. Glendening, G. Pettey, V. Askin

Others present: City Manager P. Ostrander, Finance Director T. Eubank, City Attorney S. Bloom, City Clerk J. Heinz, Planning Director R. Foster, Public Works Director S. Curtin, Airport Director M. Bondurant, Parks & Recreation Director B. Frates, Senior Center Director K. Romain, Library Director K. Wolfe, Fire Chief T. Prior, Police Chief D. Ross

A. Call to Order

Mayor Gabriel called the work session to order at 9:00 a.m.

B. Budget Introduction – Paul Ostrander, City Manager

City Manager Ostrander provided an introduction on the FY2022 Budget process noting downward pressure on operations to focus on Capital Improvement Projects.

C. Department Presentations

1. Airport Fund

a. General and Revenue Overview

Director Eubank presented an overview of the Airport Fund, including revenue sources, the Airport Permanent Fund, and special and capital projects.

b. Airport Departments

Director Bondurant provided an overview of the five Airport Department proposed budgets, a review of the FY21 Goals, FY22 Goals, and future considerations from the draft budget noting the future runway pavement project. Bondurant also discussed future plans for Fire Training Facility management.

2. General Fund General & Revenue Overview Presentation

Finance Director Eubank provided a general overview including general fund revenues, health care expenses, and Capital Projects Funding included in the budget. He also reviewed Fund Balance Policy compliance.

3. City Manager

City Manager Ostrander provided an overview of the City Manager and Visitor Center proposed budgets noting FY21 Goals and FY22 Goals noting the desire to partner with the Chamber of Commerce to drive economic growth and also for marketing the City. Appreciation was expressed for the addition of cultural learning opportunities.

4. Human Resources

City Manager Ostrander provided an overview of the Human Resources proposed budget noting the tremendous amount of time spent on COVID-19 issues, decrease in workplace accidents, and monitoring of regrettable employee losses.

5. Planning & Zoning

Planning Director Foster provided an overview of the Planning and Zoning proposed budget, FY21 Goals, FY22 Goals, and future considerations from the draft budget noting bringing forth electronic applications, reviews, and filing for the future. He also reviewed the Lands Administration budget.

6. Finance

Finance Director Eubank provided an overview of the Finance Department's proposed budget noting the department's supportive roll within the City and the addition of a part time IT Technician. He reviewed FY21 Goals, FY22 Goals, and special projects from the draft budget noting the increase of electronic processes as a result of COVID and network switching.

Non-Departmental - an overview of the Non-Departmental proposed budget was provided noting a special project to analyze the tower on the Public Safety Building and develop a project to add or replace the tower to grow with the communications of the City.

7. Legal

City Attorney Bloom highlighted the Legal Department's proposed budget, FY21 Goals and FY22 Goals from the draft budget noting no big changes to the budget.

8. Police

Chief Ross provided an overview of the Police Department's proposed budget, FY21 Goals, FY22 Goals, and future considerations from the draft budget noting the department was at full staff and also noted statistics. Chief Ross further noted the desire to get back to citizen engagement and training after the pandemic.

Communications – an overview of the Communication Department's proposed budget, FY21 Goals, FY22 Goals, and future considerations from the draft budget noting updates to computer aided dispatching in partnership with the borough and the updated radio system.

Animal Control - an overview of the Animal Control Department's proposed budget, FY21 Goals, FY22 Goals, and future considerations from the draft budget noting the great collaboration with Soldotna Animal Control; continuously trying to increase patrols and responsible ownership trainings.

9. Fire

Fire Chief Prior provided an overview of the Fire Department's proposed budget, FY21 Goals, FY22 Goals, and future considerations from the draft budget noting the need for resuming training, business registrations, and continuation of the paramedic program. He also noted the upcoming work on the Emergency Operations Plan.

10. Public Works

Public Works Director Curtin provided an overview of the Public Works Administration's proposed budget, staffing changes, FY21 Goals, FY22 Goals, and future considerations from the draft budget noting the implementation of the Capital Improvement Plan and future needs for training.

Safety – an overview of the Safety Department's proposed budget, FY21 Goals, FY22 Goals, and future considerations from the draft budget noting drug testing came from this department's budget; also noted ongoing recruitment for a Building Inspector due to the resignation of the former inspector.

Shop - an overview of the Shop Department's proposed budget, FY21 Goals, FY22 Goals, and future considerations from the draft budget was provided noting training and Airport Rescue and Fire Fighting vehicles being delivered soon; being inspected by staff before they ship.

Streets – an overview of the Streets Department's proposed budget, staffing changes, FY21 Goals, FY22 Goals, and future considerations from the draft budget was provided noting the intent to purchase a grader instead of a previous intent to lease two graders and attending to drains during breakup. Also discussed taking over maintenance of Beaver Loop Road and other staffing options in the event more manhours needed.

Buildings – an overview of the Buildings Department's proposed budget, FY21 Goals, FY22 Goals, and future considerations from the draft budget was provided noting the need to fill the vacant position and adopting the 2018 International Building Code. Appreciation was expressed for a building maintenance manual.

Street Lighting - an overview of the Street Lighting Department's proposed budget, FY21 Goals, FY22 Goals, and future considerations from the draft budget was provided noting upgrades to LED when possible and the development of a lighting map.

Boating Facility – an overview of the Boating Facility Department's proposed budget, FY21 Goals, FY22 Goals, and future considerations from the draft budget was provided noting dock repairs were still underway and cathodic protection was complete. Added that the widening of the road will help with ingress and egress of the facility.

11. Library

Director Wolfe provided an overview of the Library Department's mission, FY21 Goals, FY22 Goals, and future considerations from the draft budget noting the desire to bring patronage back up to pre-pandemic numbers.

12. Parks, Recreation & Beautification

Director Frates provided an overview of the Parks, Recreation, & Beautification Department's staffing changes, FY21 Goals, FY22 Goals, and future considerations from the draft budget noting some of the planned changes taking on management of the Recreation Center and future programming.

13. City Clerk

City Clerk Heinz provided an overview of the City Clerk Department's proposed budget, FY21 Goals, FY22 Goals, and future considerations from the draft budget noting the desire to continue to utilize the Laserfiche software to its fullest extent.

Legislative – an overview of the Legislative Department's proposed budget, FY21 Goals, FY22 Goals, and future considerations from the draft budget and the desire to add funds to replace chairs for the dais and the conference room where executive sessions are held.

14. Personal Use Fishery Fund

a. General, Revenue, and Department Overview

Director Eubank noted revenue projections for the Personal Use Fishery Fund for FY22. Capital Improvements, efficiencies, and modifications to operations were discussed.

15. Water & Sewer Fund

a. General and Revenue Overview

Director Eubank advised 97% of water & sewer fund revenues were usage fees and fees were not being proposed to be changed; added that a rate study will likely be conducted soon for future years.

b. Water & Sewer Departments

Public Works Director Curtin provided an overview of goals.

c. Sewer Treatment Plant

An overview of future goals was provided.

d. Wastewater Plant

Director Curtin reviewed the proposed budget, performance measures, and goals noting the permitting had recently been renewed and there were not severe restrictions associated; also discussed Capital Improvement Projects associated with the plant.

16. Senior Citizen Fund

a. General and Revenue Overview

Director Eubank provided an overview of revenue sources noting most funding came from state and other grants and fund balance supplements; also reviewed Capital and Special Projects.

b. Senior Citizen Fund Departments

Director Romain provided an overview of the Senior Citizen Fund Department's proposed budget, staffing changes, FY21 Goals, FY22 Goals, and future considerations from the draft budget noting the incredible increases in home meal delivery due to COVID, a new 15-passenger van being purchased through the fleet replacement program, and becoming certified to serve gluten free and diabetic menus. Romain also explained the sliding door project.

17. Congregate Housing

a. General and Revenue Overview

Director Eubank provided an overview of revenue sources, market rental rates, and capital projects related to the congregate housing fund; also noted that revenues don't account for depreciation.

b. Congregate Housing Fund Departments

Director Romain provided an overview of the Senior Citizen Fund Departments proposed budget, FY21 Goals, FY22 Goals, and Capital Improvement Projects from the draft budget noting occupancy and turnover which impacted maintenance costs; also noted development of an internal move policy and discussed the waiting list maintenance they have conducted. Romain also discussed a future virtual tour of the facility.

18. Employee Health Care Fund

a. General, Revenue, and Department Overview

Director Eubank provided an overview of the Employee Health Care Fund, which was an internal service fund, noting it was in its fifth year and was created to offset annual increases. Projected revenue sources, the need for protecting the reserves, utilization, and fund balance were discussed. The transition to increased staff share was discussed.

19. Permanent Funds

a. General, Revenue, and Department Overview

Director Eubank provided an overview of the Airport and General Land Sale Permanent Funds noting how they can be utilized and reviewed projected revenues; also explained the recent sharp increase the projections. The benefits of staying the course were discussed.

20. Debt Service

a. General, Revenue, and Department Overview

Director Eubank provided an overview of the debt service methodology noting it had recently been refinanced. Noted the amortization schedule and that the City may utilize debt in the future with the reduction in Capital funding from the state.

21. Equipment Replacement Fund

a. General, Revenue, and Department Overview

Director Eubank provided an overview of the Equipment Replacement Fund noting it funds equipment replacements for General Fund departments; noted planned acquisitions for FY2022.

22. Fleet Replacement Fund

a. General, Revenue, and Department Overview

Director Eubank provided an overview of the Fleet Replacement Fund, explaining its inception, efficiency adjustments made, and a utilization plan. An overview of the amount the fund charged departments and the schedule of replacement was provided.

23. Five-Year Capital Plan Presentation

City Manager Ostrander provided an overview of the Capital Improvement Plan noting the FY2022 budget funded the FY2022 projects and the projects for FY2023 through FY2026 were plans; noted the plan would be adopted by resolution.

Public Works Director Curtin reviewed the FY2022 projects.

There was discussion regarding how and when to add funds to the Plan related to community projects; projects not incorporated in the list were discussed.

D. Public Comment

There was no one wishing to be heard.

E. Council Comments

Council Member Glendening noted it was a productive day; the City is in a good place and there is a path forward on a lot of the projects.

Council Member Askin expressed appreciation for the day noting she learned a lot.

Council Member Winger expressed gratitude and noted she learned a lot.

Council Member Pettey echoed gratitude and appreciation for the work that went into the draft budget and also expressed gratitude for the fiscal responsibility of the staff.

Vice Mayor Molloy noted it was an excellent draft budget and Capital Improvement Plan adding that there was good discussion and education during the work session and the Council would be well educated when adopting the document; echoed compliments and kudos. Also noted throughout the meeting that each department is well managed. Molloy also expressed gratitude for the City's outcome of the public health emergency appreciating that there wasn't a need to ask the public for an increase in taxes or fees. Expressed support for the proposal in the budget to find \$2 million in capital improvement projects; also expressed support for the staffing changes noted. Expressed he was not supportive of a business registration suggesting another avenue to inform the fire department of businesses in the City.

Council Member Knackstedt agreed with Vice Mayor Molloy noting the budget was an excellent document and expressing gratitude for the work session.

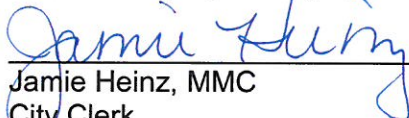
City Manager Ostrander noted this type of meeting, though long, shows the talent and knowledge that the department heads possess; added he and the City are lucky for having the group.

Mayor Gabriel agreed with City Manager Ostrander noting the humility also shown throughout the day; COVID-19 certainly affected many goals yet the departments still had successes and he felt good about where the City was at.

F. Adjournment

The work session adjourned at 5:09 p.m.

Notes were prepared by:



Jamie Heinz, MMC
City Clerk

