

**KENAI CITY COUNCIL – REGULAR MEETING
JUNE 19, 2024 – 6:00 P.M.
KENAI CITY COUNCIL CHAMBERS
210 FIDALGO AVE., KENAI, AK 99611
MAYOR BRIAN GABRIEL, PRESIDING**

MINUTES

A. CALL TO ORDER

A Regular Meeting of the Kenai City Council was held on June 19, 2024, in City Hall Council Chambers, Kenai, AK. Mayor Gabriel called the meeting to order at approximately 6:00 p.m.

1. Pledge of Allegiance

Mayor Gabriel led those assembled in the Pledge of Allegiance.

2. Roll Call

There were present:

Brian Gabriel, Mayor
Phil Daniel
Victoria Askin

Henry Knackstedt, Vice Mayor
Deborah Sounart
James Baisden

A quorum was present.

Absent:

Alex Douthit

Also in attendance were:

Terry Eubank, City Manager
Scott Bloom, City Attorney
David Swarner, Finance Director
Linda Mitchell, Planning Director
Scott Curtin, Public Works Director
Derek Ables, Airport Manager
Dave Ross, Police Chief
Shellie Saner, City Clerk

3. Agenda Approval

Mayor Gabriel noted the following additions to the Packet:

Add to item E.6. **Public Hearing – Resolution No. 2024-26**

- Aerial Map

Add to item E.11. **Public Hearing – Resolution No. 2024-31**

- Aerial Map

Add to item H.7. **Action/Approval - Special Use Permit to Shane Morgan for Sheet Pile Storage**

- Request to remove from consent and Amendment Memo

[Clerk's Note: Agenda Item H. 7. Special Use Permit to Shane Morgan for Sheet Pile Storage was removed from the Consent Agenda to be heard at its regular place on the Agenda.]

MOTION:

Vice Mayor Knackstedt **MOVED** to approve the agenda and consent agenda with the requested revisions. Council Member Baisden **SECONDED** the motion.

The items on the Consent Agenda were read into the record.

Mayor Gabriel opened the floor for public comment on consent agenda items; there being no one wishing to be heard, the public comment period was closed.

UNANIMOUS CONSENT was requested.

VOTE: Motion **APPROVED**, without objection.

All items listed with an asterisk () are considered to be routine and non-controversial by the council and will be approved by one motion. There will be no separate discussion of these items unless a council member so requests, in which case the item will be removed from the consent agenda and considered in its normal sequence on the agenda as part of the General Orders.

B. SCHEDULED ADMINISTRATIVE REPORTS

1. Water and Wastewater Rate Study, William Wilks of Parrish, Blessing & Associates, Inc.

Mr. Wilks provided a presentation on the rate study for the water and wastewater utility of the City noting, the rate study was a comprehensive analysis of the utility's revenue requirements, including operating costs, capital costs and reserves; presented the results of the study, including a scenario analysis showing the impact of different rate increases; recommended a strategy of modest rate increases starting at five-percent in 2024 and increasing by four-percent annually thereafter; and emphasized the importance of regularly reviewing the rate model to ensure rates are adequate to cover expenses and reserves.

2. Kenai Regional Airport - Leakage and Retention Study, Jack Penning of Volaire Aviation Consulting.

Mr. Penning provided a presentation on the air service market in Kenai noting, from 1995 to 2003 the average daily passenger traffic has decreased by 33%; the average fare for passengers flying out of Kenai is \$389 compared to the nation average of \$185; 95% of passengers flying out of Kenai have connecting flights in Anchorage, indicating they are buying two separate tickets; the airline industry is facing significant challenges, including pilot shortage and rising costs; there is potential for growth in the air service market in Kenai, if fares are lowered to make travel more affordable; and the community can support more flights without damaging current services, there is an opportunity to attract more passengers with lower fares.

C. SCHEDULED PUBLIC COMMENTS - None.

D. UNSCHEDULED PUBLIC COMMENTS - None.

E. PUBLIC HEARINGS

1. **Ordinance No. 3421-2024** - Increasing Estimated Revenues and Appropriation in the Kenai City Airport Snow Removal Equipment, Visitor Center, and Public Safety Capital Project Funds to Transfer Residual Balance from Completed Projects Back to their Original Funding Sources. (Administration)

MOTION:

Vice Mayor Knackstedt **MOVED** to enact Ordinance No. 3421-2024. Council Member Askin **SECONDED** the motion.

Mayor Gabriel opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

VOTE:

YEA: Knackstedt, Daniel, Gabriel, Askin, Baisden, Sounart

NAY: None

ABSENT: Douthit

MOTION PASSED.

- 2. Ordinance No. 3422-2024** - Increasing Estimated Revenues and Appropriations in the General Fund and Public Safety Capital Project Fund for Cost in Excess of Projected Budgeted Amounts for Fire Department Flooring Replacement Phase 2. (Administration)

MOTION:

Vice Mayor Knackstedt **MOVED** to enact Ordinance No. 3422-2024. Council Member Daniel **SECONDED** the motion.

Mayor Gabriel opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

VOTE:

YEA: Daniel, Gabriel, Askin, Baisden, Sounart, Knackstedt

NAY: None

ABSENT: Douthit

MOTION PASSED.

- 3. Ordinance No. 3423-2024** - Increasing Estimated Revenues and Appropriations in the General Fund and Personal Use Fishery Fund for Annual Transfer from Personal Use Fishery Fund to the General Fund for Non-Departmental Expenses. (Administration)

MOTION:

Vice Mayor Knackstedt **MOVED** to enact Ordinance No. 3423-2024. Council Member Askin **SECONDED** the motion.

Mayor Gabriel opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

It was reported that \$75,000 was the typical amount transferred annually.

VOTE:

YEA: Gabriel, Askin, Baisden, Sounart, Knackstedt, Daniel

NAY: None

ABSENT: Douthit

MOTION PASSED.

- 4. Ordinance No. 3424-2024** - Increasing FY2025 Estimated Revenues and Appropriations in the General Fund and Authorizing Renewal of the City's Property, Liability, Workers' Compensation, Airport and Other Ancillary Policies with the Alaska Municipal League Joint Insurance Association for July 1, 2024 through June 30, 2025. (Administration) *[KMC 1.15.070(d)]*

MOTION:

Vice Mayor Knackstedt **MOVED** to introduce Ordinance No. 3424-2024. Council Member Sounart **SECONDED** the motion.

VOTE ON MOTION TO INTRODUCE:

YEA: Daniel, Gabriel, Sounart, Baisden, Askin, Knackstedt

NAY: None

ABSENT: Douthit

MOTION TO INTRODUCE PASSED.

MOTION:

Vice Mayor Knackstedt **MOVED** to conduct the second reading on Ordinance No. 3424-2024. Council Member Sounart **SECONDED** the motion.

VOTE ON MOTION FOR SECOND READING:

YEA: Gabriel, Sounart, Baisden, Askin, Knackstedt, Daniel

NAY: None

ABSENT: Douthit

MOTION FOR SECOND READING PASSED.

MOTION:

Vice Mayor Knackstedt **MOVED** to enact Ordinance No. 3424-2024. Council Member Sounart **SECONDED** the motion.

Mayor Gabriel opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

VOTE:

YEA: Baisden, Sounart, Knackstedt, Daniel, Gabriel, Askin

NAY: None

ABSENT: Douthit

MOTION PASSED.

5. Resolution No. 2024-25 - Authorizing the Use of the Fleet Replacement Fund for the Purchase of Equipment to Upfit Three New Police Vehicles. (Administration)

MOTION:

Vice Mayor Knackstedt **MOVED** to adopt Resolution No. 2024-25. Council Member Askin **SECONDED** the motion.

Mayor Gabriel opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

UNANIMOUS CONSENT was requested.

VOTE: Motion **APPROVED**, without objection.

6. Resolution No. 2024-26 - Approving a Twelve-Month Extension of Time for Good Cause for the Completion of Permanent Improvements for a Lease Between the City of Kenai and State of Alaska, Division of Forestry for Airport Reserve Lands Described as Lot 4A, FBO Subdivision No.11, Plat No. 2021-44. (Administration)

MOTION:

Vice Mayor Knackstedt **MOVED** to adopt Resolution No. 2024-26. Council Member Askin **SECONDED** the motion.

Mayor Gabriel opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

UNANIMOUS CONSENT was requested.

VOTE: Motion **APPROVED**, without objection.

7. Resolution No. 2024-27 - Authorizing the City Manager to Enter into an ATM Concession Agreement for the Kenai Municipal Airport. (Administration)

MOTION:

Vice Mayor Knackstedt **MOVED** to adopt Resolution No. 2024-27. Council Member Sounart **SECONDED** the motion.

Mayor Gabriel opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

There was discussion regarding the location the ATM would be placed.

UNANIMOUS CONSENT was requested.

VOTE: Motion **APPROVED**, without objection.

8. **Resolution No. 2024-28** - Amending City Council Policy No. 20.020 Commissions, Committees and Council on Aging Procedures to Amend the Meeting Location for the Airport Commission and Making Other Housekeeping Amendments. (City Clerk)

MOTION:

Vice Mayor Knackstedt **MOVED** to adopt Resolution No. 2024-28. Council Member Daniel **SECONDED** the motion.

Mayor Gabriel opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

It was reported that this would relocate the Airport Commission meetings back to Council Chambers and amend the Policy to reflect the changes made to Kenai Municipal Code related to Standing Advisory Commissions.

UNANIMOUS CONSENT was requested.

VOTE: Motion **APPROVED**, without objection.

9. **Resolution No. 2024-29** - Authorizing a Service Agreement for the Personal Use Fishery Dumpsters and Portable Restrooms. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2024-29. Council Member Askin **SECONDED** the motion.

Mayor Gabriel opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

UNANIMOUS CONSENT was requested.

VOTE: Motion **APPROVED**, without objection.

10. **Resolution No. 2024-30** - Authorizing a Contract Award and Corresponding Purchase Order for the 2024 Recreation Center Epoxy Flooring Project. (Administration)

MOTION:

Vice Mayor Knackstedt **MOVED** to adopt Resolution No. 2024-30. Council Member Sounart **SECONDED** the motion.

Mayor Gabriel opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

It was noted that it was good to see more than one bidder on the project.

UNANIMOUS CONSENT was requested.

VOTE: Motion **APPROVED**, without objection.

11. **Resolution No. 2024-31** - Approving a Twelve-Month Extension of Time for Good Cause for the Completion of Permanent Improvements for a Lease between the City of Kenai and Joel Caldwell for Airport Reserve Lands Described as Lot 3, Block 4, General Aviation Apron Subdivision No. 1, Plat No. 73-68. (Administration)

MOTION:

Vice Mayor Knackstedt **MOVED** to adopt Resolution No. 2024-31. Council Member Askin **SECONDED** the motion.

Mayor Gabriel opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

UNANIMOUS CONSENT was requested.

VOTE: Motion **APPROVED**, without objection.

F. MINUTES

1. *Regular Meeting of June 5, 2024. (City Clerk)

G. UNFINISHED BUSINESS

1. **Resolution No. 2024-17** - Renaming Cook Inlet View Drive to Cook Inlet Drive. (Sounart)
[On 05/15/24 this item was referred to the Planning and Zoning Commission for recommendation to Council and postponed to 06/05/24; on 06/05/24 this item was postponed as amended to the 06/19/24 City Council meeting.]

[Clerk's Note: The motion to adopt Resolution No. 2024-17 was on the floor from the May 15, 2024 City Council meeting.]

Mayor Gabriel opened the floor for public comment. There being no one wishing to be heard, the public comment period was closed.

It was reported that the name is misleading indicating there is a view and attracts tour buses and other users causing congestion and safety concerns for residents; the families living in the area share the same concerns and support changing the name; the sign is a State of Alaska, Department of Transportation Sign (DOT); and the DOT is willing to let the City make the changes to the sign.

UNANIMOUS CONSENT was requested on the motion as amended.

VOTE: Motion **APPROVED**, without objection.

H. NEW BUSINESS

1. ***Action/Approval** - Bills to be Ratified. (Administration)

Approved by the consent agenda.

2. ***Action/Approval** - Special Use Permit to the State of Alaska, Division of Forestry for Use of 30,000 Square Feet of Apron Space at the Kenai Municipal Airport. (Administration)

Approved by the consent agenda.

3. ***Action/Approval** - Special Use Permit to Echo Lake Meats for Use of 20 Square Feet of Terminal Space at the Kenai Municipal Airport. (Administration)

Approved by the consent agenda.

4. ***Action/Approval** - Special Use Permit to Kenai Aviation Operations, LLC for Use of 1200 Square Feet of Apron Space at the Kenai Municipal Airport. (Administration)

Approved by the consent agenda.

5. ***Action/Approval** - Special Use Permit to Weaver Brothers, Inc. for Trucks and Trailers Storage. (Administration)

Approved by the consent agenda.

6. ***Action/Approval** - Special Use Permit to Kenai Chamber of Commerce and Visitor Center - Moose Meat John Cabin. (Administration)

Approved by the consent agenda.

7. **Action/Approval** - Special Use Permit to Shane Morgan for Sheet Pile Storage. (Administration)

MOTION:

Vice Mayor Knackstedt **MOVED** to approve the Special Use Permit to Shane Morgan. Council Member Askin **SECONDED** the motion.

MOTION TO AMEND:

Vice Mayor Knackstedt **MOVED** to amend the effective date of the Special Use Permit to Shane Morgan from July 3, 2024 to June 20, 2024. Council Member Askin **SECONDED** the motion.

UNANIMOUS CONSENT was requested on the motion to amend.

VOTE: Motion **APPROVED**, without objection.

It was reported this would allow storage of steel sheet piling; the steel will be used along the property to minimize erosion; and this will allow storage of the steel at a location near the installation site.

UNANIMOUS CONSENT was requested on the main motion as amended.

VOTE: Motion **APPROVED**, without objection.

I. COMMISSION / COMMITTEE REPORTS

1. Council on Aging Commission

No report, next meeting July 11, 2024.

2. Airport Commission

Vice Mayor Knackstedt reported on the June 13, 2024 meeting, next meeting July 11, 2024.

3. Harbor Commission

No report, next meeting August 12, 2024.

4. Parks and Recreation Commission

Council Member Askin reported on the June 6, 2024 meeting, next meeting August 1, 2024.

5. Planning and Zoning Commission

No report, next meeting June 26, 2024.

6. Beautification Commission

No report, next meeting September 10, 2024.

J. REPORT OF THE MAYOR

Mayor Gabriel reported on the following:

- Thanked Vice Mayor Knackstedt for filling in for him at the last meeting.
- Thanked everyone involved for the work on the budget.
- Cutting the ribbon at the Bluff Stabilization Project Ribbon Cutting Ceremony.

K. ADMINISTRATION REPORTS

1. City Manager - City Manager Eubank reported on the following:

- Attending the Bluff Stabilization Project Ribbon Cutting Ceremony, noting the great turn out.

- There will be a Ribbon Cutting Ceremony at Municipal Park for the new inclusive seesaw on June 27, 2024 at 1:00 p.m.
 - The Kenai Peninsula Borough Ordinance placing a bed tax question on the ballot was tabled at their last meeting and may be brought back up at their July meeting.
 - A Kenai Peninsula Borough Assembly member is working on expanding the boundaries of the Nikiski Senior Service Area, City representation will be present during the process to clarify the services already being provided by the City.
 - The Kite Festival was a success.
 - Public Use Fishery is quickly approaching.
 - Played a Video of the battery back up system created by the mechanics at our shop for installation in the police cars.
2. City Attorney - No report
 3. City Clerk - City Clerk Saner reported on the following:
 - Upcoming 2024 Election Cycle.

L. ADDITIONAL PUBLIC COMMENTS

1. Citizen Comments (*Public comments limited to (5) minutes per speaker*) - None.
2. Council Comments

Council Member Sounart reported attending the Bluff Stabilization Project Ribbon Cutting Ceremony, noting it was a beautiful morning.

Council Member Askin reported attending the Bluff Stabilization Project Ribbon Cutting Ceremony and having the opportunity to talk with the contractor about the rock testing process.

Council Member Daniel reported attending the Bluff Stabilization Project Ribbon Cutting Ceremony and reported he would be absent from the July 3, 2024 meeting.

Council Member Knackstedt noted he enjoyed the Bluff Stabilization Project Ribbon Cutting Ceremony.

M. EXECUTIVE SESSION

1. Discussion of Potential Payroll Settlement. *[AS 44.62.310(c)(1) and AS 44.62.310(c)(3)]*

MOTION:

Vice Mayor Knackstedt **MOVED** to enter into executive to discuss a potential payroll settlement which may be a subject that immediate knowledge of would clearly have an adverse effect upon the finances of the City and is a matter which by law, municipal charter or ordinance is required to be confidential.

Council Member Askin **SECONDED** the motion.

UNANIMOUS CONSENT was requested.

VOTE: There being no objection; **SO ORDERED.**

MOTION:

Vice Mayor Knackstedt **MOVED** to reconvene into regular session. Council Member Askin **SECONDED** the motion.

UNANIMOUS CONSENT was requested.

VOTE: There being no objection; **SO ORDERED.**

[Clerk's Note: The Council entered into executive session at 8:19 p.m. and reconvened into regular session at 8:40 p.m.]

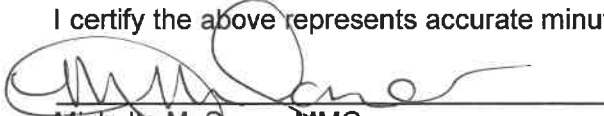
N. PENDING ITEMS - None.

O. ADJOURNMENT

P. INFORMATIONAL ITEMS - None.

There being no further business before the Council, the meeting was adjourned at 8:41 p.m.

I certify the above represents accurate minutes of the Kenai City Council meeting of June 19, 2024.


Michelle M. Sauer, MMC
City Clerk

*** The student representative may cast advisory votes on all matters except those subject to executive session discussion. Advisory votes shall be cast in the rotation of the official council vote and shall not affect the outcome of the official council vote. Advisory votes shall be recorded in the minutes. A student representative may not move or second items during a council meeting.*

