

**MAY 06, 2026
CITY COUNCIL MEETING
ADDITIONAL MATERIAL/REVISIONS**

REQUESTED ADDITIONS TO THE PACKET:

<u>ACTION</u>	<u>ITEM</u>	<u>REQUESTED BY</u>	<u>PAGE</u>
Add to item H. 9.	New Business – Consent Agenda <ul style="list-style-type: none">• Purchase Orders Over \$35,000 Which Need Council Approval	Administration	1
Add to item E. 2.	Public Hearings <ul style="list-style-type: none">• Ordinance No. 3514-2026 Substitute	Administration	4
Add to item E. 5.	Public Hearings <ul style="list-style-type: none">• Ordinance No. 3517-2026 Amendment	Administration	7
Add to item E. 8.	Public Comment	City Clerk	8
Add to item G. 1.	Unfinished Business <ul style="list-style-type: none">• Planning and Zoning Draft Minutes	Administration	9

PURCHASE ORDERS OVER \$35,000.00 WHICH NEED COUNCIL APPROVAL

COUNCIL MEETING OF: MAY 6, 2026

VENDOR	DESCRIPTION	DEPT.	ACCOUNT	AMOUNT
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INCREASE OF EXISTING PURCHASE ORDER

VENDOR	DESCRIPTION	P.O. # - DEPT.	REASON	AMOUNT	TOTAL PO AMT
HDL ENGINEERING CONSULTANTS	WATER TREATMENT PLANT PUMPHOUSE PROJECT	129735 - W/S CAPITAL PROJECT	CONSTRUCTION ADMINISTRATION SERVICES	96,295.00	341,442.00



KENAI

City of Kenai | 210 Fidalgo Ave, Kenai, AK 99611-7794 | 907.283.7535 | www.kenai.city

MEMORANDUM

TO: Mayor Knackstedt and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Lee Frey, Public Works Director

DATE: May 4, 2026

SUBJECT: **Water Treatment Plant Pumphouse Project – PO Increase**

The Public Works Department recommends an increase of \$96,295 to the Water Treatment Plant Pumphouse Project contract with HDL Engineering Consultants, Inc (HDL). to perform construction administration services for the project. The existing contract is for \$245,147 to complete design and bidding services. The project is being forward funded through previous appropriations from the Water and Sewer Capital Project Fund and through a refundable loan through the Alaska Department of Environmental Conservation SRF program.

The construction contract for the project has been completed and we are starting to receive submittals for review. The City will manage the project, but this contract will allow us to use HDL to assist in submittal review, RFIs and construction observation as needed.

The Public Works Department recommends approving this increase to complete this work.

Thank you for your consideration and I am available for any questions.



**CITY OF KENAI
ORDINANCE NO. 3514-2026 (SUBSTITUTE)**

AN ORDINANCE INCREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE GENERAL FUND AND AIRPORT FUND AND AWARDING A CONTRACT FOR PURCHASE OF FIREFIGHTING FOAM.

WHEREAS, the Airport and the Fire Department previously budgeted a total of \$86,564 for clean out of fire apparatus, disposal of existing foam and purchase of replacement foam; and,

WHEREAS, additional funding is need to complete this project with costs for decontamination of apparatus costing \$18,883.80, disposal of existing foam totaling \$,27,584.10 and the purchase of new foam totaling \$51,173.71 for a total project cost of \$97,641.61; and,

WHEREAS, an additional \$5,637.47 is needed for the Airport Airfield Department and an additional \$5,440.14 for the Fire Department; and,

WHEREAS, an Invitation to Bid was released on March 24, 2026 with bids due on April 9, 2026 for the 2026 Fire Fighting Foam purchase; and,

WHEREAS, two bids were received

<u>Contractor</u>	<u>Cost</u>
Municipal Emergency Services	\$51,173.71
L.N. Curtis and Sons	\$55,379.40; and,

WHEREAS, Municipal Emergency Services was the lowest bidder with a cost of \$51,173.71 for the foam purchase; and,

WHEREAS, the bids were determined to be responsive and responsible; and,

WHEREAS, it is in the best interest of the City to appropriate an additional \$11,077.61 to complete this project and to award the contract for the purchase of firefighting foam to Municipal Emergency Services; and,

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, AS FOLLOWS:

Section 1. That estimated revenues and appropriations in the General Fund – Fire Department are hereby increased as follows:

General Fund:

Increase Estimated Revenues:	
Appropriation of Fund Balance	<u>\$5,440.14</u>
Increase Appropriations:	
Fire – Professional Services	<u>\$5,440.14</u>

Section 2. That estimated revenues and appropriations in the Airport Fund – Airfield are hereby increased as follows:

Airport Fund:

Increase Estimated Revenues:	
Appropriation of Fund Balance	<u>\$5,637.47</u>

Increase Appropriations:	
Airfield – Professional Services	<u>\$5,637.47</u>

Section 3. That the City Manager is authorized to execute a contract with Municipal Emergency Services in the amount of \$51,173.71 for the purchase of Fire Fighting Foam.

Section 4. Severability: That if any part or provision of this ordinance or application thereof to any person or circumstances is adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision, or application directly involved in all controversy in which this judgment shall have been rendered, and shall not affect or impair the validity of the remainder of this title or application thereof to other persons or circumstances. The City Council hereby declares that it would have enacted the remainder of this ordinance even without such part, provision, or application.

Section 5. Effective Date: That pursuant to KMC 1.15.070(f), this ordinance shall take effect immediately upon enactment.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, THIS 6TH DAY OF MAY, 2026.

Henry H. Knackstedt, Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Approved by Finance: DS

Introduced:	April 22, 2026
Enacted:	May 6, 2026
Effective:	May 6, 2026



KENAI

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MEMORANDUM

TO: Mayor Knackstedt and Council Members
THROUGH: Terry Eubank, City Manager
FROM: Lee Frey, Public Works Director
DATE: May 5, 2026
SUBJECT: **Ordinance 3514-2026 Requested Substitution**

This memo requests substitution of Ordinance 3514-2026 that increases estimated revenues and appropriations in the General Fund and Airport Fund and awards a contract for purchase of fire fighting foam. The price indicated on the Ordinance of \$52,294.80 was the total price indicated on the bid. Inconsistencies in unit prices and an included quote were present and it was agreed upon that the final price will be \$51,173.71. The requested increase in revenues and appropriations may also be decreased accordingly by a total of \$1,121.09. A substitute Ordinance is included to make these amendments.

The following substitution Ordinance is respectfully requested.

Motion

Replace Ordinance 3514-2026 with Substitute Ordinance 2514-2026

Thank you for your consideration.



KENAI

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MEMORANDUM

TO: Mayor Knackstedt and Council Members
FROM: Terry Eubank, City Manager
DATE: May 6, 2026
SUBJECT: **Ordinance 3517-2026 Requested Amendment**

This memo requests an amendment to Ordinance 3517-2026. Section 2 requests authorization to execute a \$30,000 contract with Alaska Marine Power, LLC, however a contract in the amount of \$30,000 is currently in place and the correct request should have been to authorize a change order of \$30,000 to the existing contract. The requested amendment will correct this error in the legislation.

The following amendment is respectfully requested.

Motion

Amend Section 2 to read:

Section 2. That the City Manager is authorize to execute a change order to the contract with Alaska Marine Power, LLC in the amount of \$30,000 for a total contract amount of \$60,000 for consulting services.

Thank you for your consideration.

From: [REDACTED]
To: [City Council](#)
Subject: Letter for 5/06/26 City Council meeting
Date: Wednesday, May 6, 2026 1:58:26 PM

I am writing you today in response to the agenda item listed to authorize the city manager to enter a lease agreement with Fox Air at the Kenai airport. I am a local Kenai citizen that works shifts in Bethel for the hospital (YKHC). I am on shift right now, and am on swing shift tonight during the meeting tonight, so this is my only option to be heard. We are the primary customer for all the airlines based in Bethel and I have personally flown on all of them many times. I can without reservation say that I am very concerned that Fox is looking to fly in my hometown. They are the absolute worst of the airlines in Bethel and are as crooked as any airline comes. Last summer (2025) the state DOT caught them red-handed lying about passenger numbers and falsifying records on flights by calling charters as regular flights. This wrongfully awarded them federal mail contracts that were later revoked when the other airlines pointed out to the DOT that Fox didn't run any scheduled flights, so how could they have a share of the mail. This is federal level mail fraud. I am personal friends with several of their former managers that still work in Bethel, and will never talk to Fox again. This includes their former director of operations who left because of the unsafe flying they do, along with lying to employees and passengers. I'm sure they are claiming something along the lines of they are doing so well that they need to expand and want to help Kenai with our lack of summer flights for tourists. I am confident in saying that this is for sure a complete fabrication. The truth is more that they are barely limping along in Bethel by begging us at the hospital for flights to make basic payroll, and the only choice they have is to go somewhere else to ruin and fail in. They have a cute logo but a terrible company and owners. If it wasn't for their owner coming into YKHC to cry and threaten that if they don't get passengers they'll go bankrupt, they would have gone away long ago. Everyone here hates them. They are not honest, they are not safe, and they are going to make our bottleneck of flights worse, not better. Please please please don't approve a lease with them. They have already ruined one part of the state, don't let them ruin ours.

Blaine Dempture
Concerned Kenai citizen

KENAI PLANNING & ZONING COMMISSION – REGULAR MEETING
APRIL 29, 2026 – 7:00 P.M.
KENAI CITY COUNCIL CHAMBERS
210 FIDALGO AVE., KENAI, AK 99611
CHAIR KEATON, PRESIDING

MINUTES

A. CALL TO ORDER

A Regular Meeting of the Kenai Planning & Zoning Commission was held on April 29, 2026, in City Hall Council Chambers, Kenai, AK. Vice Chair Earsley called the meeting to order at approximately 7:00 p.m.

1. Pledge of Allegiance

Vice Chair Earsley led those assembled in the Pledge of Allegiance.

2. Roll Call

There were present:

Sonja Earsley	Gwen Woodard
Alex Douthit, Vice Chair	Jeanne Keaton, Chair
Stacie Krause	
Marty Askin	

A quorum was present.

Absent:

Diane Fikes

Also in attendance were:

Kevin Buettner, Planning Director
Phil Daniel, City Council Liaison
Logan Parks, Deputy City Clerk
Terry Eubank, City Manager

3. Agenda and Consent Agenda Approval

Chair Keaton noted the following additions to the Packet:

Add to item F.3. **Public Comment**

- Public Comments

MOTION:

Commissioner Askin **MOVED** to approve the agenda and consent agenda with the requested revisions. Commissioner Woodard **SECONDED** the motion.

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

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

Chair Keaton opened the floor for public comment on consent agenda items.

There being no one else wishing to comment, the public comment period was closed.

UNANIMOUS CONSENT was requested.

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

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 Commissioner 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. APPROVAL OF MINUTES

1. *Regular Meeting of March 25, 2026.

C. SCHEDULED PUBLIC COMMENTS - None.

D. UNSCHEDULED PUBLIC COMMENTS - None.

E. CONSIDERATION OF PLATS - None.

F. PUBLIC HEARINGS

1. **Resolution PZ2026-04** - Rezone of a Parcel with Multiple Zones to Assign One Zoning District

MOTION:

Commissioner Earsley **MOVED** to approve Resolution PZ2026-04. Commissioner Woodard **SECONDED** the motion.

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

Clarification was provided that RV parks require a Conditional Use Permit (CUP) regardless of zoning, and the proposed rezoning would only remove the split zoning created by the replat.

Clarification was provided regarding the zoning map. While the land use plan identifies potential future commercial use along Beaver Loop and Kenai Spur, the current zoning remains mixed, with general commercial along the highway and residential in the rear lots. The land use plan reflects long-term intentions rather than current zoning designations.

Discussion noted the limited nearby residential development and that some adjacent land, particularly near a non-developed road, consist of low-lying areas unlikely to be developed. It was noted that some land in the east may be developable in the future.

Casey Gaze, applicant, addressed the Commission; Commissioners had no questions.

UNANIMOUS CONSENT was requested.

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

MOTION PASSED.

Chair Keaton noted the 15-day appeal period.

2. **Resolution PZ2026-06** - Conditional Use Permit to Allow a Retail Marijuana Establishment.

MOTION:

Commissioner Douthit **MOVED** to approve Resolution PZ2026-06. Commissioner Askin **SECONDED** the motion.

Chair Keaton 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 proposed use and applicable regulations. Staff confirmed there are no caps in Kenai Municipal Code on the number of such facilities, noting that if future sensitive uses, such as a school or church, were to locate within 1,000 feet, the existing use would likely become non-conforming but would generally be allowed to continue as established.

Commissioners asked about the size of the building and future plans; the applicant stated the space would be used for retail operation only and confirmed there are no plans to expand into a grow facility. Additional tenant spaces may be leased to other businesses.

Staff clarified conditions of approval, including the requirement for an annual report to verify active use under the Conditional Use Permit (CUP) and that on-site inspections are standard during remodels and coordinated with the building official. It was also noted that other retail tenants may be permitted outright depending on the use.

Discussion included site considerations such as distance from the racetrack and separation from areas frequented by children, with staff indicating the location meets code requirements. The applicant clarified that a previously considered food truck and on-site consumption concept had been abandoned due to city regulations.

During Commission discussion, members noted concerns expressed by nearby landowners, particularly regarding the potential for a future grow operation. While some concerns were raised about land use restrictions within the 1,000-foot buffer and potential impacts on future development, it was acknowledged that no public testimony was provided at the meeting.

There being no one else wishing to be heard, the public comment period was closed.

UNANIMOUS CONSENT was requested.

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

VOTE:

YEA: Earsley, Woodard, Askin, Keaton, Douthit

NAY: Krause

ABSENT: Fikes

MOTION PASSED.

Chair Keaton noted the 15-day appeal period.

3. Resolution PZ2026-08 - Rezone from Conservation to Suburban Residential Zoning District as Depicted on the Attached Boundary Map

MOTION:

Commissioner Earsley **MOVED** to approve Resolution PZ2026-08. Commissioner Woodard **SECONDED** the motion.

Chair Keaton opened the floor for public comment.

Lisa Coats, an adjacent property owner, stated she is not opposed to development but opposed to suburban residential zoning; she recommended Rural Residential 1 due to wetlands and wildlife habitat; she expressed concerns about higher-density development, inadequate road infrastructure, and smoke impacts from a nearby fire training facility; and urged zoning that reflects the area's rural character.

City Manager Terry Eubank recommended adoption, citing housing availability and affordability challenges and stating the rezoning would reduce development barriers and provide certainty of use; he noted the site is suitable for low- to medium-density housing due to available utilities and proximity to services; he added that suburban residential zoning allows smaller lots and higher density than Rural Residential 1, making development more economical; and requested Commission support.

Clarification was provided regarding residential development and classifications of the land use table.

MOTION:

Vice Chair Douthit **MOVED** to enter into adjudicative session. Commissioner Woodard **SECONDED** the motion.

MOTION:

Vice Chair Douthit **MOVED** enter back into regular session. Chair Keaton **SECONDED** the motion.

Commissioner Earsley read findings into the record. These findings were that Rural Residential allows for four dwelling units by right; that the Commission disagrees with staff findings on traffic impacts; that the Commission finds that any development will impact the economic and non-economic value of neighboring properties; and that the development allowed in Rural Residential will be more congruent with the existing neighborhood.

MOTION:

Vice Chair Douthit **MOVED** to amend Resolution No. PZ2026-08 from a recommendation of Suburban Residential to Rural Residential. Commissioner Earsley **SECONDED** the motion.

VOTE:

YEA: Askin, Douthit, Earsley, Krause, Woodard

NAY: Keaton

ABSENT: Fikes

MOTION PASSED.

MOTION:

Commissioner Earsley **MOVED** to approve Resolution No. PZ2026-08, as amended. Commissioner Krause **SECONDED** the motion.

VOTE:

YEA: Askin, Douthit, Earsley, Woodard

NAY: Keaton, Krause

ABSENT: Fikes

MOTION PASSED.

Chair Keaton noted the 15-day appeal period.

G. UNFINISHED BUSINESS - None.

H. NEW BUSINESS

1. **Action/Approval** - Action Approval - Transfer of Conditional Use Permit PZ2017-40, for the use of Marijuana Product Manufacturing

MOTION:

Commissioner Douthit **MOVED** to transfer the Conditional Use Permit. Commissioner Woodard **SECONDED** the motion.

There was discussion regarding the location of the facility. Clarification was provided that the receiving party does not need to be present for a transfer of a Conditional Use Permit.

UNANIMOUS CONSENT was requested on the motion.

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

MOTION PASSED.

I. REPORTS

1. Planning Director

Planning Director Buettner reported on the following:

- The Parks and Recreation Master Plan was included in the packet for awareness, outlining long-term planning efforts for Parks and Recreation improvements.
- Attendance at the Alaska Infrastructure Symposium focused on exploring funding opportunities and strategies to advance City goals.

2. Commission Chair - No report.

3. Kenai Peninsula Borough Planning - No report.

4. City Council Liaison

Council Member Daniel reported on recent actions of the City Council.

J. ADDITIONAL PUBLIC COMMENTS - None.

K. NEXT MEETING ATTENDANCE NOTIFICATION

1. Next Meeting: May 13, 2026

L. COMMISSION COMMENTS AND QUESTIONS

There was discussion regarding establishing a limit to marijuana facilities in City limits.

M. PENDING ITEMS - None.

N. ADJOURNMENT

O. INFORMATIONAL ITEMS

1. Draft City of Kenai Parks and Recreation Master Plan

There being no further business before the Planning & Zoning Commission, the meeting was adjourned at 9:06 p.m.

I certify the above represents accurate minutes of the Kenai City Council meeting of April 24, 2026.

Logan Parks, Deputy City Clerk