

**KENAI CITY COUNCIL – REGULAR MEETING
AUGUST 21, 2019 – 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 August 21, 2019, 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
Henry Knackstedt
Jim Glendening
Glenese Pettey

Robert Molloy
Tim Navarre
Robert Peterkin (absent)

A quorum was present.

Also in attendance were:

Paul Ostrander, City Manager
Scott Bloom, City Attorney
Jamie Heinz, City Clerk

3. Agenda Approval

Mayor Gabriel noted the following revisions to the packet:

Add to item D.1. Ordinance No. 3072-2019

- Amendment Memo
- Amendment Memo
- Forms

MOTION:

Council Member Molloy **MOVED** to approve the agenda with the requested revisions to the packet and requested **UNANIMOUS CONSENT**. Council Member Knackstedt **SECONDED** the motion.

VOTE: There being no objections, **SO ORDERED**.

4. Consent Agenda

MOTION:

Council Member Knackstedt **MOVED** to approve the consent agenda and requested **UNANIMOUS CONSENT**. Council Member Molloy **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: There being no objections, **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 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 PUBLIC COMMENTS

1. **Tim Dillon, Executive Director, Kenai Peninsula Economic Development District**
Overview of New Kenai Peninsula Economic Development District website and resources.

Tim Dillon provided a tour and overview of the Kenai Peninsula Economic Development District's updated website noting they highlight statistical information and link to many other resources including cities on the Kenai Peninsula and other agencies.

C. UNSCHEDULED PUBLIC COMMENTS – None.

D. PUBLIC HEARINGS

1. **Ordinance No. 3072-2019** - Renaming, Repealing and Re-Enacting Kenai Municipal Code Title 22-General Fund Lands, Renaming Title 21-City Airport and Airport Lands, and Repealing Kenai Municipal Code Chapter 21.15-Lease and Sale of Airport Lands Outside of the Airport Reserve to Encourage Responsible Growth and Development to Support a Thriving Business, Residential, Recreational and Cultural Community through Responsible Land Policies and Practices. (Administration)

MOTION:

Council Member Molloy **MOVED** to enact Ordinance No. 3072-2019 and Council Member Glendening **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

It was noted the ordinance was a good work product; suggested a work session to review it all. It was noted development incentives, the discussion of language such as "included but not

limited to,” and “best interest of the City vs. advantageous,” could also be reviewed at the work session.

Clarification was provided Administration put lot of time into the product, and welcomed as many work sessions as necessary to end up with the final product.

MOTION TO POSTPONE:

Council Member Molloy **MOVED** to postpone Ordinance No. 3072-2019 to a meeting no later than the first meeting in October where it will be scheduled for a second public hearing, for there to be a work session scheduled at a date to be determined before the first meeting in October, and direct the City Clerk to communicate with the Council Members for their availability and to set the date of the Work Session and Council Member Knackstedt **SECONDED** the motion.

VOTE ON POSTPONEMENT:

YEA: Knackstedt, Glendening, Pettey, Navarre, Gabriel, Molloy
NAY:

MOTION PASSED UNANIMOUSLY.

2. **Ordinance No. 3073-2019** - Accepting and Appropriating a Grant from the State of Alaska for the Purpose of Purchasing Books. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to enact Ordinance No. 3073-2019 and Council Member Glendening **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

The Library Director was thanked for obtaining the grant.

VOTE:

YEA: Knackstedt, Glendening, Pettey, Navarre, Gabriel, Molloy
NAY:

MOTION PASSED UNANIMOUSLY.

3. **Ordinance No. 3074-2019** - Increasing Estimated Revenues and Appropriations by \$1,504.82 in the FY2019 General Fund - Police Department for State Traffic Grant Overtime Expenditures. (Administration)

MOTION:

Council Member Molloy **MOVED** to enact Ordinance No. 3074-2019 and Council Member Knackstedt **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

VOTE:

YEA: Knackstedt, Glendening, Pettey, Navarre, Gabriel, Molloy
NAY:

MOTION PASSED UNANIMOUSLY.

4. **Ordinance No. 3077-2019** - Increasing Estimated Revenues and Appropriations in the Water & Sewer Special Revenue and Water & Sewer Improvements Capital Project Funds for Engineering and Design Services to Relocate Well House #1 which was Damaged by the November 30, 2018 Magnitude 7.0 Southcentral Alaska Earthquake. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to enact Ordinance No. 3077-2019 and Council Member Glendening **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

Clarification was provided that the insurance company was covering the costs that were coverable under the insurance policy and the City was responsible for the rest; it was added that this funding was for design only. Clarification was also provided that the plan was to move the well house from Well #1 to the site of Well #2 where it would be a building supporting the water plant; it was added that Well #1 would be abandoned in the future.

VOTE:

YEA: Knackstedt, Glendening, Pettey, Navarre, Gabriel, Molloy
NAY:

MOTION PASSED UNANIMOUSLY.

5. **Ordinance No. 3078-2019** - Increasing Estimated Revenues and Appropriations in the Airport Special Revenue and Airport Improvement Capital Project Funds to Provide Supplemental Funding for the 2019 Airfield Marking, Crack Sealing, Seal Coating, and Minor Pavement Repair Project. (Administration)
 - a. Motion for Introduction
 - b. Motion for Second Reading (Requires a Unanimous Vote)
 - c. Motion for Adoption (Requires Five Affirmative Votes)

MOTION FOR INTRODUCTION:

Council Member Molloy **MOVED** to introduce Ordinance No. 3078-2019 and Vice Mayor Navarre **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

VOTE ON INTRODUCTION:

YEA: Knackstedt, Glendening, Pettey, Navarre, Molloy, Gabriel
NAY:

MOTION PASSED UNANIMOUSLY.

MOTION FOR SECOND READING:

Council Member Molloy **MOVED** to hold the second reading on Ordinance No. 3078-2019 due to the emergent circumstances and Vice Mayor Navarre **SECONDED** the motion

VOTE ON SECOND READING:

YEA: Knackstedt, Glendening, Pettey, Navarre, Molloy, Gabriel
NAY:

MOTION PASSED UNANIMOUSLY.

MOTION FOR ENACTMENT:

Vice Mayor Navarre **MOVED** to enact Ordinance No. 3078-2019 and Council Member Molloy **SECONDED** the motion

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

Clarification was provided that the additional damage could have been caused by the earthquake or the additional time between the project design and construction and, given the difficulty in determining the cause, it would be difficult to obtain disaster funds.

It was noted that staff acted appropriately to save remobilization funds.

It was pointed out that because of actions of staff, the portion of the change order due to FAA's Certification Inspection, would be eligible for grant funding.

VOTE ON ENACTMENT:

YEA: Knackstedt, Glendening, Pettey, Navarre, Molloy, Gabriel
NAY:

MOTION PASSED UNANIMOUSLY.

6. **Resolution No. 2019-56** - Stating its Conditional Protest Regarding the Issuance of a New Distillery Liquor License No. 5826, for High Mark Distillery, Inc., DBA High Mark Distillery, Inc., Located at 2270 Royal Street, Warehouse #1, Kenai AK, 99611

and Authorizing the City Clerk to Notify the Alaska Alcohol and Marijuana Control Office if Conditions are Met. (City Clerk)

MOTION:

Council Member Glendening **MOVED** to adopt Resolution No. 2019-56 and requested **UNANIMOUS CONSENT**. Council Member Knackstedt **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

Clarification was provided the conditional protest provided the applicant time to obtain the necessary permits and, once obtained, the City Clerk would lift the protest.

There was concern there would be additional delays caused by a need to be revisited by the Alcohol Control Board. It was suggested there were alternative methods available to the City to require the permits prior to opening.

Clarification was provided that often, authority was delegated to the Director of the Alcohol and Marijuana Control Office, to issue the licenses once all approvals were received and there was not likely to be an additional delay.

It was pointed out there was protection of life safety with an approved Building Permit.

VOTE:

YEA: Knackstedt, Glendening, Pettey, Gabriel, Molloy
NAY: Navarre

MOTION PASSED.

7. **Resolution No. 2019-57** - Application for Lease of City-owned Land within the Airport Reserve from SOAR International Ministries, Inc. for the Undeveloped Portion of Tract A, General Aviation Subdivision No. 2. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2019-57 and requested **UNANIMOUS CONSENT**. Council Member Molloy **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

Clarification was provided that required obligations were not completed subsequent to the first lease application and the timeframe wasn't extended in that process; there were assurances that obligations would be completed with this second process to prevent the property from being held up.

It was suggested the development would be a positive addition to the airport.

VOTE: There being no objections, **SO ORDERED.**

8. **Resolution No. 2019-58** - Amending its Comprehensive Schedule of Rates, Charges, and Fees to Incorporate Changes to Application Fees for Lands Outside the Airport Reserve. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2019-58 and requested **UNANIMOUS CONSENT**. Council Member Molloy **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

MOTION TO POSTPONE:

Council Member Molloy **MOVED** to postpone Resolution No. 2019-58 to appear on the same agenda as Ordinance No. 3072-2019. Council Member Knackstedt **SECONDED** the motion and requested **UNANIMOUS CONSENT**.

VOTE: There being no objections, **SO ORDERED**.

9. **Resolution No. 2019-59** - Approving an Amendment Extending the Agreement for Services to Provide On-Site Facility Management for Vintage Pointe Manor Congregate Housing. (Administration)

MOTION:

Vice Mayor Navarre **MOVED** to adopt Resolution No. 2019-59 and requested **UNANIMOUS CONSENT**. Council Member Glendening **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

VOTE: There being no objections, **SO ORDERED**.

E. MINUTES

1. *Regular Meeting of August 7, 2019

Approved by the consent agenda.

F. UNFINISHED BUSINESS – None.

G. NEW BUSINESS

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

Approved by the consent agenda.

2. ***Action/Approval** – Purchase Orders Over \$15,000. (Administration)

Approved by the consent agenda.

3. ***Action/Approval** - Non-Objection to the Renewal of Limited Marijuana Cultivation Facility Licenses for Peninsula Botanicals, LLC and Herban Extracts, LLC. (City Clerk)

Approved by the consent agenda.

4. ***Action/Approval** - Non-Objection to the renewal of a Retail Marijuana Store Licenses for Kenai River Cannabis Company and Majestic Gardens. (City Clerk)

Approved by the consent agenda.

5. ***Ordinance No. 3079-2019** - Increasing Estimated Revenues and Appropriations in the Airport Special Revenue and Airport Improvements Capital Project Funds and Accepting a Grant from the Federal Aviation Administration for the Purchase of Two Aircraft Rescue and Firefighting (ARFF) Vehicles, Rehabilitation of the Fire Training Props, and Rehabilitation of the Training Facility for the Alaska Regional Fire Training Facility. (Administration)

Introduced by the consent agenda and public hearing set for September 4.

6. ***Ordinance No. 3080-2019** - Increasing Estimated Revenues and Appropriations in the Terminal Improvements Capital Fund, and Authorizing an Increase to the Construction Purchase Order to Blazy Construction, Inc. (Administration)

Introduced by the consent agenda and public hearing set for September 4.

7. ***Ordinance No. 3081-2019** - Increasing Estimated Revenues and Appropriations in the Airport Improvements Capital Project Fund, and Authorizing an Increase to the Construction Purchase Order to Polar North Construction, Inc. (Administration)

Introduced by the consent agenda and public hearing set for September 4.

8. ***Ordinance No. 3082-2019** - Amending Kenai Municipal Code Chapter 5.35, Oil and Gas Wells, to Provide that Applications and Supplemental Applications be Filed with the City Manager. (City Clerk)

Introduced by the consent agenda and public hearing set for September 4.

9. **Ordinance No. 3083-2019** - Amending Kenai Municipal Code 14.20.175 - Adult Businesses, To Increase The Buffer Distances Between Adult Businesses And Sensitive Uses From 500 Feet To 1000 Feet And Define Sensitive Uses. (Council Member Pettey)

MOTION:

Council Member Pettey **MOVED** to introduce, refer to Planning and Zoning for their August 28 meeting for a recommendation, and set a public hearing before City Council for September 4. Council Member Glendening **SECONDED** the motion.

Opposition to introduction was expressed. There were differing opinions with the Planning & Zoning Commission reviewing the legislation prior to Council making potential amendments.

Council Member Knackstedt requested to divide the question, voting on introduction first and referring to the Planning and Zoning Commission for their August 28 meeting for a recommendation and setting a public hearing for September 4 second.

VOTE ON INTRODUCTION:

YEA: Knackstedt, Glendening, Pettey, Gabriel, Molloy
NAY: Navarre

MOTION PASSED.

MOTION TO AMEND:

Council Member Pettey **MOVED** to amend by removing the referral to the Planning and Zoning Commission for their August 28 meeting for a recommendation requirement and Council Member Glendening **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

VOTE ON THE AMENDMENT: There being no objections, **SO ORDERED.**

MOTION TO AMEND:

Vice Mayor Navarre **MOVED** to amend by changing September 4 to September 18.

The motion died for lack of a second.

VOTE ON REFERRAL AND SETTING A PUBLIC HEARING AS AMENDED:

YEA: Knackstedt, Glendening, Pettey, Gabriel, Molloy, Navarre
NAY:

MOTION PASSED UNANIMOUSLY.

10. **Discussion** - Public Notice of City Council Meetings. (City Clerk)

The City Clerk provided an overview of the memo provided in the packet noting other communities only publish public hearings in the newspaper and, if the City were to also only publish public hearings, an annual savings of approximately forty-percent could be seen.

Cost savings and not limiting to only public hearings were topics discussed.

Council Members volunteered to work with the City Clerk to develop an option for noticing requirements.

H. COMMISSION/COMMITTEE REPORTS

1. Council on Aging – No report; next meeting September 12.

2. Airport Commission – It was reported the Commission heard updates on the Terminal Rehabilitation Project and the Crack Sealing Project, and recommended approval of Ordinance No. 3072-2019. It was also reported the airport staff was preparing for a mass casualty drill; next meeting September 12.
3. Harbor Commission – It was reported the Commission discussed the land sale and leasing policies and procedures, amendments of the harbor section of Kenai Municipal Code, dredging at the dock, and Dipnet fishery operations; next meeting September 16.
4. Parks and Recreation Commission – It was noted the Commission, along with the Beautification Committee, were attending an upcoming tour of the parks and gardens; next meeting September 5.
5. Planning and Zoning Commission – It was reported that at their August 14 meeting the Commission approved a preliminary plat, a Conditional Use Permit to operate a marijuana retail store, recommended a change to Kenai Municipal Code regarding hours of operation for marijuana retail stores, recommended adoption of Ordinance No. 3072-2019, and recommended approval of the SOAR lease application; next meeting August 28.
6. Beautification Committee – It was noted the Committee would be attending an upcoming tour of the parks and gardens with the Parks & Recreation Commission; next meeting September 10.
7. Mini-Grant Steering Committee – No report.

I. REPORT OF THE MAYOR

Mayor Gabriel reported on the following:

- Attended the summer Alaska Municipal League meetings;
- Noted the upcoming Industry Appreciation Day.

J. ADMINISTRATION REPORTS

1. City Manager –City Manager P. Ostrander reported on the following:
 - Attended Alaska Municipal League and Alaska Municipal Manager’s Association meetings;
 - Met with Kenai Watershed Forum;
 - Presented the Election Stakeholder Group report to the Borough Assembly and noted a resolution of support was coming forth;
 - Expecting to conduct an online auction in the near future;
 - Provided an update on the Sales Tax Working Group within the Alaska Municipal League;
 - Provided an update on the Airport Terminal Rehabilitation Project;
 - Noted Senator Murkowski was attempting to appropriate funding for the Bluff Erosion Project in an upcoming energy bill.
2. City Attorney – No Report.

3. City Clerk – City Clerk J. Heinz noted candidates that had been certified for election and provided a reminder of upcoming election dates; also noted when the Deputy Clerk was expected to return to work.

K. ADDITIONAL PUBLIC COMMENT

1. Citizens Comments (*Public comment limited to five (5) minutes per speaker*)

None.

2. Council Comments

Council Member Pettey noted she attended the Alaska Municipal League meetings and found them to be enriching; also noted the \$4,000 donation to Kenai Boys & Girls Club of the Kenai Peninsula and thanked Arby's for matching and increasing the donation. She added that she was looking forward to running for Council.

Council Member Glendening noted he attended the Alaska Municipal League meetings and found them useful; noted he was attending Industry Appreciation Day; encouraged folks to exercise their civic duty; noted the AK LNG Advisory Committee was meeting at the end of the month and deciding whether or not to sunset.

Council Member Molloy thanked the Mayor, Councilor Glendening and Councilor Pettey for running for office, suggesting that there being no competition meant the public was not dissatisfied with the work of the body and administration.

Council Member Knackstedt wished the candidates for election, good luck; agreed the public was satisfied with the body and how it was functioning; attended Alaska Municipal League and found it educational; discussed the community PFD proposal; noted he was attending Industry Appreciation Day; noted the Kenai Fire Department was providing excellent updates regarding the Swan Lake Fire.

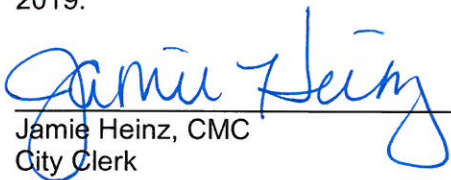
L. EXECUTIVE SESSION – None.

M. PENDING ITEMS – None.

N. ADJOURNMENT

There being no further business before the Council, the meeting was adjourned at 8:57 p.m.

I certify the above represents accurate minutes of the Kenai City Council meeting of August 21, 2019.


Jamie Heinz, CMC
City Clerk

