

**KENAI CITY COUNCIL – REGULAR MEETING  
SEPTEMBER 18, 2019 – 6:00 P.M.  
KENAI CITY COUNCIL CHAMBERS  
210 FIDALGO AVE., KENAI, AK 99611  
VICE MAYOR TIM NAVARRE, PRESIDING**

**MINUTES**

**A. CALL TO ORDER**

A Regular Meeting of the Kenai City Council was held on September 18, 2019, in City Hall Council Chambers, Kenai, AK. Vice Mayor Navarre called the meeting to order at approximately 6:00 p.m.

**1. Pledge of Allegiance**

Vice Mayor Navarre led those assembled in the Pledge of Allegiance.

**2. Roll Call**

There were present:

Brian Gabriel, Mayor (absent)	Robert Molloy
Henry Knackstedt	Tim Navarre
Jim Glendening	Robert Peterkin (absent)
Glenese Pettey	

A quorum was present.

Also in attendance were:

Paul Ostrander, City Manager  
Jamie Heinz, City Clerk

**3. Agenda Approval**

Vice Mayor Navarre noted the following revisions to the packet:

Add to item G.4.	Approving Election Workers <ul style="list-style-type: none"><li>• Substitute Memo</li></ul>
Add to item G.9.	Assignment of Shore Fishery Lease <ul style="list-style-type: none"><li>• Supplemental Memo</li></ul>
Add to item G.10.	Assignment of Tidelands Lease <ul style="list-style-type: none"><li>• Supplemental Memo</li></ul>
Add to item J.1.	City Manager's Report <ul style="list-style-type: none"><li>• Fire Department Mid-month Report</li></ul>

Add item B.1. Assembly Member Brent Hibbert

**MOTION:**

Council Member Molloy **MOVED** to approve the agenda with the requested revisions to the packet and the addition of Brent Hibbert as Scheduled Public Comment 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.

Vice Mayor Navarre opened the floor for public comment.

Ron Isaacs stated objection to the Ordinance No. 3088-2019 noting Seward hours of operation for marijuana stores were mentioned and pointed out that Seward bars were also required to close at 2:00 a.m. He pointed out that Homer wasn't discussed in the staff report but their marijuana stores and bars both closed at 5:00 a.m. Finally, he suggested it was a disadvantage to marijuana stores to close at 2:00 a.m. when bars were open until 5:00 a.m.

Ryan Tunseth spoke against Ordinance No. 3088-2019 suggesting the City look for opportunities to grow its economy suggesting that with both topics of onsite consumption and hours of operation, there may be someone that can assist the economy with those business ventures. He asked that consideration be given to what could be done to support business. Mr. Tunseth also provided an update on recent matters before the Marijuana Control Board, issues the Director wanted addressed by the legislature. He also discussed recent deaths from vaping and pointed out that the vape juice was coming from black market sources and contained Vitamin E Acetate which was outlawed in the State of Alaska.

There being no one else 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**

*[Clerk's Note: This item was added to the agenda during approval of the agenda.]*

1. **Brent Hibbert, Assembly Member** – Kenai Peninsula Borough Assembly Update.

Assembly Member Hibbert provided an update on Borough Assembly action from September 17 noting they also toured the South Peninsula Hospital and observed parking issues.

**C. UNSCHEDULED PUBLIC COMMENTS**

Lisa Coates expressed appreciation for being included in Industry Appreciation Day. She noted her business created marijuana vape cartridges but their product didn't have any of the additives that were being reported in the news. She further noted that, as a manufacturer she gets inquiries 24 hours a day, seven days a week and encouraged Council to not judge folks purchasing marijuana products. She pointed out that some consumers may be working a night shift or in pain and marijuana provided options adding that they needed to make a purchase in the middle of the night, and there was a storeowner that could make a sale, they should be allowed.

**D. PUBLIC HEARINGS**

1. **Ordinance No. 3084-2019** - Increasing Estimated Revenues and Appropriations in the General Fund for Reimbursement Received for Support of the Swan Lake Fire Suppression Efforts. (Administration)

**MOTION:**

Council Member Molloy **MOVED** to enact Ordinance No. 3084-2019 and Council Member Knackstedt **SECONDED** the motion.

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

Kenai Fire Department and the Division of Forestry were thanked for their efforts on the Swan Lake Fire.

Clarification was provided that the additional funds were in the General Fund until appropriation.

**VOTE:**

YEA: Knackstedt, Glendening, Pettey, Navarre, Molloy

NAY:

**MOTION PASSED UNANIMOUSLY.**

2. **Resolution No. 2019-64** - Approving an Agency Fund Agreement with Kenai Senior Connection, Inc. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to adopt Resolution No. 2019-64 and Council Member Glendening **SECONDED** the motion.

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

Clarification was provided that the funds would be segregated and tracked internally and would be subject to Freedom of Information Act requests; information regarding the funds would be provided in the annual Comprehensive Annual Financial Report.

**UNANIMOUS CONSENT** was requested.

There was objection to unanimous consent.

**VOTE:**

YEA: Knackstedt, Glendening, Pettey, Molloy, Navarre

NAY:

**MOTION PASSED UNANIMOUSLY.**

3. **Resolution No. 2019-65** - Adopting Joint Resolution No. 2019-001 of the Assembly of the Kenai Peninsula Borough and Councils of the Cities of Homer, Kachemak, Kenai, Seldovia, Seward, and Soldotna, Recognizing the Recommendations of the Kenai Peninsula Borough's Election Stakeholder's Group and Directing Staff to Explore Implementation of the Recommendations. (Council Member Peterkin)

**MOTION:**

Council Member Molloy **MOVED** to adopt Resolution No. 2019-65 and Council Member Knackstedt **SECONDED** the motion.

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

The Clerk provided an overview of the Election Stakeholder Group formed by the Kenai Peninsula Borough, the guiding principles they developed, the meetings they conducted, and the final recommendations they produced. She noted the resolution supported her in the exploration of implementation of the Election Stakeholder Group's recommendations at the City level and providing information to the Council for future action.

Clarification was provided that the resolution recognized the recommendations of the Election Stakeholder Group and was not supporting them; also clarified that only two recommendations had an impact on the City's elections.

**VOTE:**

YEA: Knackstedt, Pettey, Molloy, Navarre

NAY: Glendening

**MOTION PASSED.**

4. **Resolution No. 2019-66** - Approving a One year Extension for Facility Management Services at the City of Kenai Multi-Purpose Facility. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to adopt Resolution No. 2019-66 and requested **UNANIMOUS CONSENT**. Council Member Molloy **SECONDED** the motion.

Vice Mayor Navarre 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 September 4, 2019

Approved by the consent agenda.

2. \*Work Session of September 3, 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 a Marijuana Product Manufacturing Facility License and a Standard Marijuana Cultivation Facility License for Red Run Cannabis Cultivators, LLC, a Retail Marijuana Store License for Red Run Cannabis Company, LLC, and a Limited Marijuana Cultivation Facility License for Grateful Bud, LLC. (City Clerk)

Approved by the consent agenda.

4. **Action/Approval** - Approving Election Workers for the October 1, 2019 Regular Election. (City Clerk)

**MOTION:**

Council Member Molloy **MOVED** to approve the election workers for the October 1, 2019 Regular Election as provided by the City Clerk in the laydown and Council Member Knackstedt **SECONDED** the motion.

The Clerk read the names of those who had agreed to work as election workers; gratitude was expressed for their willingness to work in support of the election.

**UNANIMOUS CONSENT** was requested.

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

5. **\*Ordinance No. 3085-2019** - Authorizing the Appropriation of \$44,345.00 from the Water and Sewer Fund for the Purchase of Well Radius Property to Protect the City's Public Water System. (Administration)

Introduced by the consent agenda and public hearing set for October 2.

6. **\*Ordinance No. 3086-2019** - Accepting and Appropriating a Grant from the Rasmuson Foundation and Accepting and Appropriating Private Donations in the Senior Center Capital Improvement Fund for the Purchase of New Flooring for the Dining Room and Administration Offices of the Kenai Senior Center. (Administration)

Introduced by the consent agenda and public hearing set for October 2.

7. **\*Ordinance No. 3087-2019** - Authorizing a Budget Transfer in the Senior Center Capital Improvement Fund and Increasing Estimated Revenues and Appropriations in the Public Safety Improvement Capital Project Fund to Provide Supplemental Funding for the Fire Department Kitchen Remodel Project. (Administration)

Introduced by the consent agenda and public hearing set for October 2.

8. **\*Ordinance No. 3088-2019** - Amending Kenai Municipal Code, Section 14.20.330 – Standards for Commercial Marijuana Establishments, to Incorporate Limitations on Hours of Operation for Retail Marijuana Establishments. (Administration)

Introduced by the consent agenda and public hearing set for October 2.

9. **Action/Approval** - Assignment of Shore Fishery Lease from Michael Markham to Nancy Hillman-Scow for Tract Two, Shore Fishery Plat No. 71. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to approve the assignment of shore fishery lease from Michael Markham to Nancy Hillman-Scow for Tract Two, Shore Fishery Plat No. 71 and Council Member Glendening **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

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

10. **Action/Approval** - Assignment of Tidelands Lease from Snug Harbor Seafoods, Inc., to CRS Can Operate, Inc., for Tract B, Kenai Tidelands Survey No. 2, According to Plat No. 89-2. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to approve the assignment of tidelands lease from Snug Harbor Seafoods, Inc., to CRS Can Operate, Inc., for Tract B, Kenai Tidelands Survey No. 2, according to Plat No. 89-2 and Council Member Molloy **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

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

- 11. Action/Approval** - Assignment of Three (3) Kenai Municipal Airport Reserve Leases from SOAR International Ministries, Inc., to Schilling Rentals, LLC, for Lot 3, Block 1 and Lot 2, Block 3, General Aviation Apron Subdivision No. 1 Amended and Lot 1A, Block 2, General Aviation Subdivision No. 3. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to approve the assignment of three (3) Kenai Municipal Airport Reserve Leases from SOAR International Ministries, Inc., to Schilling Rentals, LLC for Lot 3, Block 1 and Lot 2, Block 3, General Aviation Apron Subdivision No. 1 Amended and Lot 1A, Block 2, General Aviation Subdivision No. 3. Council Member Molloy **SECONDED** the motion and requested **UNANIMOUS CONSENT.**

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

**H. COMMISSION/COMMITTEE REPORTS**

1. Council on Aging – It was reported that at their September 12 meeting the Council on Aging discussed implementation of a Code of Conduct and what should be included; will have ongoing discussion at the next meeting on October 10.
2. Airport Commission – It was reported that the Commission didn't have a quorum at their September 12 meeting; next meeting October 10.
3. Harbor Commission – It was reported that the Commission recommended approval of the assignments of the Shore Fishery lease and Tidelands lease; next meeting November 12.
4. Parks and Recreation Commission – It was reported that the Commission discussed upcoming events and the Parks and Recreation department was soliciting for poems for pathways of poetry; next meeting October 3.
5. Planning and Zoning Commission – It was reported that at their September 11 meeting the Commission approved a preliminary plat and the transfer of a Conditional Use Permit; next meeting September 25.
6. Beautification Committee – It was reported the Committee discussed a Poppy Flower Bed at Leif Hansen Memorial Park; next meeting October 8.
7. Mini-Grant Steering Committee – No report.

**I. REPORT OF THE MAYOR**

Vice Mayor Navarre reported on the following:

- He attended the Chamber of Commerce Luncheon;
- Would present information at the Alaska Mental Health Board and Advisory Board on Alcoholism and Drug Abuse meetings on September 24 on behalf of the Mayor.

**J. ADMINISTRATION REPORTS**

1. City Manager –City Manager P. Ostrander reported on the following:
  - Spoke with Unocal Retirees who were engaged with the Senior Center;
  - Work ongoing with the Soldotna City Manager on the Upper Cook Inlet meeting and the creation of a fact sheet and rationale for a rotational schedule;
  - Worked with Dr. Hanson regarding the location of the Bush Doctor's Cabin at the Visitor's Center;
  - Noted good participation with the Silver Salmon Derby despite tough fishing; purse anticipated around \$1,200;
  - Contracted with Divining Point to develop a brand for Kenai; money would remain in the budget for actual marketing;
  - Kenai's request to use a portion of its matching funds for the design phase of the Bluff Erosion Project had been forwarded from the Alaska Division to headquarters;
  - Mr. Boyle from Senator Murkowski's office had added language to a bill to fund the Bluff Erosion Project which was above and beyond just the design phase which was what was asked for; and
  - Noted upcoming leave.
2. City Attorney – No Report.
3. City Clerk – City Clerk J. Heinz reported on the upcoming election and absentee voting, noted the upcoming Alaska Municipal League Conference, and noted she had worked with Council Member Knackstedt and recommended a new iPad application if anyone was interested in a Work Session to learn about it.

**K. ADDITIONAL PUBLIC COMMENT**

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

Bob Peters thanked Mayor Gabriel and Council Members Petty and Glendening for running a clean campaign. He also asked about regulations regarding camping on the beach noting he had observed several campsites on beaches which were not a part of the dipnet fishery. Finally, he asked about crime tape on the beach. It was noted the City Manager would look into the camping situations and the area with the crime tape was an ongoing investigation and could not be discussed.

2. Council Comments

Council Member Pettey expressed appreciation regarding Mr. Peters' comments, adding that she was not using campaign signs this year to honor complaints from the past about the signs. She also encouraged everyone to get out and vote and provided a reminder regarding the Harvest Art Auction.

Council Member Glendening noted election technology was outdated and election policies were a complex issue; promoted participation for all borough voters and broadening the base of political opportunity.

Council Member Molloy congratulated his colleagues on the ballot, wished them well, and noted appreciation for their willingness to continue their service to the City. He noted he believed



Service Area Boards should be elected instead of appointed by administration and adoption of Resolution No. 2019-65 was simply recognizing the recommendations of the Election Stakeholder Group. He also expressed concern with going completely by mail noting he liked going to polls and hated to see that part of voting go away.

Council Member Knackstedt noted it was important to have a voice in the election discussion and felt a "no" vote took away our voice, noted construction in the Beaver Loop Road area, and noted he attended the Chamber of Commerce luncheon and listened to assembly hopefuls. He also pointed out that a constituent asked him if the City of Kenai was also going to ban plastic bags, discussed conversations he'd had with constituents regarding bags, and mentioned reasons to keep them.

Vice Mayor Navarre noted he attended Nels Anderson's memorial service in Soldotna and thanked the community for honoring his service to the community. Noted that people don't typically run for Service Area Boards that then requires their being filled by the Mayor and Assembly; suggested giving a two-year period and, if a service area filled all seats by election, then that area would not move to an appointment based procedure. He also encouraged continued education regarding plastic bags so people looked at the environment and made a choice.

**L. EXECUTIVE SESSION** – None.

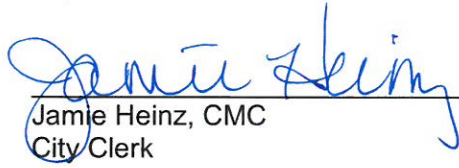
**M. PENDING ITEMS**

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) *[Clerk's Note: At the September 4 Meeting, this item was Postponed to the October 2 Council Meeting. A Motion to Enact as Amended is On the Floor.]*
2. **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) *[Clerk's Note: At the September 4 Meeting, this item was Referred to the Planning & Zoning Commission for a Recommendation and to be Scheduled for a Second Public Hearing at the October 2. A Motion to Enact as Amended is On the Floor.]*
3. **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) *[Clerk's Note: At the September 4 Meeting, this item was Postponed to the October 2 Council Meeting. A Motion to Enact is On the Floor.]*

**N. ADJOURNMENT**

There being no further business before the Council, the meeting was adjourned at 7:37 p.m.

I certify the above represents accurate minutes of the Kenai City Council meeting of September 18, 2019.

  
Jamie Heinz, CMC  
City Clerk

