

**KENAI CITY COUNCIL – REGULAR MEETING
JUNE 3, 2020 – 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 3, 2020, 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	Robert Molloy
Henry Knackstedt	Tim Navarre
Jim Glendening	Robert Peterkin
Glenese Pettey	

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 agenda and packet:

- | | |
|------------------|---|
| Add to item D.1. | Ordinance No. 3127-2020 <ul style="list-style-type: none">• Memo Requesting Postponement |
| Add to item D.2. | Ordinance No. 3128-2020 <ul style="list-style-type: none">• Memo Requesting Postponement |
| Add to item D.9. | Resolution No. 2020-39 <ul style="list-style-type: none">• Supplemental Information – FAQ's and Applications |
| Add to item J.1. | City Manager's Report <ul style="list-style-type: none">• Letter from Alaska Department of Transportation |

MOTION:

Vice Mayor Molloy **MOVED** to approve the agenda with the requested additions to the agenda and 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**. Vice Mayor Molloy **SECONDED** the motion.

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

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 councilmember 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 – None.

C. UNSCHEDULED PUBLIC COMMENTS – None.

D. PUBLIC HEARINGS

1. **Ordinance No. 3127-2020** - Repealing and Replacing Kenai Municipal Code Title 6 - Elections to Provide Clarity, Process Improvements, and Increase Voter Accessibility through Vote By Mail Elections. (Council Member Peterkin)

MOTION:

Council Member Peterkin **MOVED** to enact Ordinance No. 3127-2020 and Council Member Knackstedt **SECONDED** the motion.

Mayor Gabriel opened for public hearing.

Kenai Peninsula Borough Assembly Member Cox noted the borough's version of the ordinance passed today and was up for reconsideration at the next Borough Assembly meeting.

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

MOTION TO POSTPONE:

Council Member Peterkin **MOVED** to postpone Ordinance No. 3127-2020 to the July 1, 2020 Council meeting and Vice Mayor Molloy **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

The Council discussed and set a work session meeting date of Thursday, June 18 at 5 p.m.

MOTION TO AMEND:

Vice Mayor Molloy **MOVED** to hold a public hearing of Ordinance No. 3127-2020 at the July 1, 2020 meeting and Council Member Knackstedt **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

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

VOTE ON THE MOTION TO POSTPONE AS AMENDED: There being no objections, **SO ORDERED.**

2. **Ordinance No. 3128-2020** - Amending Kenai Municipal Code Section 1.85.040 – Records Public, To Provide For a Record Retention Length. (City Clerk)

MOTION:

Vice Mayor Molloy **MOVED** to enact Ordinance No. 3128-2020 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.

MOTION TO POSTPONE:

Council Member Knackstedt **MOVED** to postpone Ordinance No. 3128-2020 to the July 1, 2020 Council meeting and Council Member Navarre **SECONDED** the motion and requested **UNANIMOUS CONSENT.**

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

3. **Ordinance No. 3129-2020** – Accepting and Appropriating Private Donations to the Kenai Animal Shelter for the Care of Animals. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to enact Ordinance No. 3129-2020 and Council Member Navarre **SECONDED** the motion.

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

Gratitude was expressed for the donations.

VOTE:

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

MOTION PASSED UNANIMOUSLY.

4. **Resolution No. 2020-34** - Authorizing the City Manager to Extend the Restaurant Concession Agreement in the Kenai Municipal Airport for One Year. (Administration)

MOTION:

Vice Mayor Molloy **MOVED** to adopt Resolution No. 2020-34 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 contract extension was for one year.

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

5. **Resolution No. 2020-35** - Approving the Fourth Amendment to the Airline Operating Agreement and Terminal Area Lease and Authorizing the City Enter Into Such Agreement with Grant Aviation, Inc. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2020-35 and requested **UNANIMOUS CONSENT**; Vice Mayor Molloy **SECONDED** the motion.

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

It was clarified this was the fourth amendment for the airline agreement for five-years with Grant Aviation; rates would be effective July 1, 2020. It was added that in the first year, there were no changes in rates, starting in the second year there would be an increase in rental rate, and reducing joint space subsidy by two-percent per year.

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

6. **Resolution No. 2020-36** - Authorizing a Budget Transfer in the Airport Fund, Airfield Department for Costs in Excess of Budgeted Amounts. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2020-36 and Council Member Navarre **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 it was anticipated that the amendment was sufficient to cover costs through the end of the fiscal year.

UNANIMOUS CONSENT was requested.

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

7. **Resolution No. 2020-37** - Supporting the Kenai Peninsula Borough Assembly Establishing the Resilience and Security Advisory Commission For The Kenai Peninsula Borough. (Vice Mayor Molloy)

MOTION:

Vice Mayor Molloy **MOVED** to adopt Resolution No. 2020-37 and Council Member Knackstedt **SECONDED** the motion.

Mayor Gabriel opened for public hearing.

Assembly Member Cox noted he was a sponsor of Borough Ordinance 2020-25 and requested support for the establishment of the Resilience and Security Advisory Commission for the Kenai Peninsula Borough.

Ben Boettger expressed support for a Commission like this; noting sustainability, tapping local specialists, energy efficiencies, sustainable waste management, local crude development, landfill gas project, land management, and grants available to explore which could help with community projects. He added that the University of Alaska Anchorage was creating a bridge between the Borough, the community groups and private interest, but having an advisory commission would increase likelihood of ideas being carried out with minimal expense.

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

Council Member Peterkin disclosed he was a volunteer board member of Maddie's Farm; Mayor Gabriel determined there was no conflict.

It was suggested that the City of Kenai have a seat on the Commission and concern was noted regarding no end date or way of monitoring the results of the commission.

MOTION TO AMEND:

Council Member Knackstedt **MOVED** to amend Resolution No. 2020-37 by adding a 7th whereas clause to read, "Whereas, the City of Kenai recommends the commission sunsets three (3) years after its creation." Council Member Navarre **SECONDED** the motion.

MOTION TO AMEND THE AMENDMENT:

Vice Mayor Molloy **MOVED** to amend the amendment by requesting the Kenai Peninsula Borough amend Section 7 of borough ordinance 2020-25 accordingly. Council Member Navarre **SECONDED** the motion and requested **UNANIMOUS CONSENT.**

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

UNANIMOUS CONSENT of main amendment was requested.

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

MOTION TO AMEND:

Council Member Knackstedt **MOVED** to amend Resolution No. 2020-37 4th whereas clause by adding "Borough" in front of mayor and Vice Mayor Molloy **SECONDED** the motion and requested **UNANIMOUS CONSENT**.

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

Council Member Knackstedt **MOVED** to amend Resolution No. 2020-37 by adding a 7th whereas clause to read, "Whereas, it is in the best interest of the City of Kenai to have an appointed member on the Commission." Vice Mayor Molloy **SECONDED** the motion and requested **UNANIMOUS CONSENT**.

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

VOTE ON MAIN MOTION AS AMENDED:

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

MOTION PASSED.

8. **Resolution No. 2020-38** - Authorizing the City Manager to Enter into an Agreement with the City of Soldotna to Provide Animal Shelter Services for the City of Soldotna at the Kenai Animal Shelter. (Administration)

MOTION:

Vice Mayor Molloy **MOVED** to adopt Resolution No. 2020-38 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.

The City Manager provided an overview of the positive collaboration between the cities of Kenai and Soldotna.

UNANIMOUS CONSENT was requested.

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

9. **Resolution No. 2020-39** - Approving a Grant Disbursement Program for Small Businesses and Non-Profit Organizations Utilizing Funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2020-39 and Vice Mayor Molloy **SECONDED** the motion.

Mayor Gabriel opened for public hearing.

Robert Ruffner with the Alaska Salmon Alliance noted support for City Administration in moving these funds forward to make available locally, noting additional expenses occurred that are directly related to mitigating COVID-19 and would appreciate consideration of this sector, including fish processors.

The City Clerk read into record the comments from Pacific Star Seafoods Plant Manager, Nate Berga, requesting that Council consider a grant amount of \$25,000 for companies with a large employee base, such as Pacific Star Seafoods.

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

The City Manager announced the team that collaborated and put the program together noting the response from agencies around the state was positive. The City of Kenai grant program was being evaluated for use by the Alaska Municipal League and Valdez Task Force. The intent was to make it simple for the applicant, administrative review, and quick turnaround.

The Project Lead provided additional information about the program, the reasoning behind the process, and eligibility review expectations.

The Finance Director provided clarification on City of Kenai financial obligations, how grant amounts were determined, and gross sales tax data of the local businesses as reported by the Kenai Peninsula Borough.

The City Manager provided clarification regarding concerns expressed with the commercial fishing industry.

MOTION TO AMEND:

Council Member Navarre **MOVED** to amend Resolution No. 2020-39 to include language that any leftover funds of \$3 million automatically be proportioned to small businesses and Council Member Peterkin **SECONDED** the motion.

VOTE:

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

MOTION PASSED UNANIMOUSLY.

MOTION TO AMEND:

Council Member Peterkin **MOVED** to amend Resolution No. 2020-39 to change small business grant payout amounts by fifty percent.

MOTION FAILED for lack of a second.

VOTE ON MAIN MOTION AS AMENDED:

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

NAY: Peterkin

MOTION PASSED.

10. **Resolution No. 2020-40** - Further Extending the Disaster Emergency Declaration for the City of Kenai Made on March 18, 2020 in Response to the COVID-19 Pandemic. (Administration)

MOTION:

Vice Mayor Molloy **MOVED** to adopt Resolution No. 2020-40 and Council Member Navarre **SECONDED** the motion.

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

The City Manager clarified that the City of Kenai emergency declaration was expiring and the situation has not changed at all so it would continue to allow the same executive order authority to the City Manager and allow the Incident Management Team to be in place. The City Attorney assured Council it was still in the best interest of the City to have this Emergency Declaration in place and the City was in line with the Borough.

MOTION TO AMEND:

Council Member Peterkin **MOVED** to amend Resolution No. 2020-40 by removing the word "pandemic" and replacing with "health emergency" and Council Member Glendening **SECONDED** the motion.

UNANIMOUS CONSENT was requested.

Clarification was provided that the dipnet fishery was a state managed fishery authorized under state law and the City of Kenai did not have the authority to shut it down due COVID-19 but could enact and enforce mandates to protect public health.

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

E. MINUTES

1. *Work Session Summary of May 18, 2020. (City Clerk)

Approved by the consent agenda.

2. *Regular Meeting of May 20, 2020. (City Clerk)

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** – Special Use Permit to Crowley Fuels, LLC for Aircraft Loading and Parking on the Apron. (Administration)

Approved by the consent agenda.

3. ***Action/Approval** – Special Use Permit to Empire Airlines, Inc. for Aircraft Parking on the Apron. (Administration)

Approved by the consent agenda.

4. ***Action/Approval** – Special Use Permit to Everts Air Fuel, Inc. for Aircraft Loading and Parking on the Apron. (Administration)

Approved by the consent agenda.

5. ***Action/Approval** – Special Use Permit to United Parcel Service Company for Aircraft Loading and Parking on the Apron. (Administration)

Approved by the consent agenda.

6. ***Ordinance No. 3131-2020** - Amending the Official Kenai Zoning Map by Rezoning a Portion of S1/2 SE1/4 SW1/4 Lying North of K-Beach Road Excluding VIP Country Estates Subdivision Part 5 from Rural Residential (RR) to Limited Commercial (LC). (Administration)

Introduced by the consent agenda and public hearing set for June 17, 2020.

7. ***Ordinance No. 3132-2020** - Increasing Estimated Revenues And Appropriations by \$454.84 in the General Fund – Police Department for Drug Investigation Overtime Expenditures. (Administration)

Introduced by the consent agenda and public hearing set for June 17, 2020.

8. ***Ordinance No. 3133-2020** - Authorizing a Budget Transfer in the Airport Terminal Improvement Capital Project Fund and Appropriating FY2020 Budgeted Funds in the Airport Master Plan Capital Project, Airport Snow Removal Equipment and Airport Operations Facility Improvement Capital Project Funds for Heating, Ventilation and Air Conditioning (HVAC) Improvement to the Airport Operations Facility and Replacement of the Airport's Wide Area Mower. (Administration)

Introduced by the consent agenda and public hearing set for June 17, 2020.

9. ***Ordinance No. 3134-2020** - Appropriating Funds in the Water & Sewer Improvement and Wastewater Treatment Facility Improvement Capital Project Funds for FY2021 Capital Improvement Plan Projects. (Administration)

Introduced by the consent agenda and public hearing set for June 17, 2020.

10. ***Ordinance No. 3135-2020** - Appropriating FY2020 Budgeted Funds in the Kenai Multipurpose Facility Improvements Capital Project Fund for Installation of an Exhaust Fan and Corrosion Remediation. (Administration)

Introduced by the consent agenda and public hearing set for June 17, 2020.

11. **Resolution No. 2020-26** - Amending its Comprehensive Schedule of Rates, Charges, and Fees to Incorporate Changes Included in the FY2021 Budget to Include Adjusting the Kenai Municipal Airport Apron Rental Rates, Airport Reserve Land Annual Lease Rates, and Adjusting the Monthly Rental Rates at Vintage Pointe. (Administration) *[Clerk's Note: This resolution was adopted at the 05/20/2020 meeting. It has been discovered that five of the new rates calculated for Vintage Pointe rents were incorrect. A motion to amend something previously adopted is in order and, as such appearance on this agenda serves as notice.]*

MOTION TO AMEND:

Council Member Navarre **MOVED** to amend Resolution No. 2020-26 as previously adopted, Section 2, Vintage Pointe Rents for units with rental agreements grandfathered per the City's policy before June 30, 2020 by the following: the rental rate for apartment 1-B 637 sq ft Ocean Side to \$959.35; the rental rate for apartment 1-C 682 sq ft Ocean Side to \$959.35; the rental rate for apartment 2-B 876 sq ft Street Side to \$1,022.39; the rental rate for apartment 2-B 876 sq ft Ocean Side to \$1,080.17; and the rental rate for apartment 2-C 789 sq ft Ocean Side to \$1,064.40. Council Member Peterkin **SECONDED** the motion.

UNANIMOUS CONSENT was requested.

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

H. COMMISSION/COMMITTEE REPORTS

1. Council on Aging – No report; next meeting June 11.
2. Airport Commission – No report; next meeting June 11.
3. Harbor Commission – No report; next meeting June 8.
4. Parks and Recreation Commission – The meeting this month was canceled; next meeting August 6.
5. Planning and Zoning Commission – It was reported the Commission met on May 27 and approved two plats and discussed review of criteria for variances; next meeting June 10.
6. Beautification Committee – It was reported that the volunteers planted at the end of May and were thanked with a certificate for their participation; the next meeting is in September.
7. Mini-Grant Steering Committee – No report.

I. REPORT OF THE MAYOR

Mayor Gabriel reported he attended the Avenue of Flags Ceremony for Memorial Day at the Kenai Cemetery, although disappointingly due to COVID-19, the annual ceremony at the Leif Hansen Memorial Park was canceled this year.

J. ADMINISTRATION REPORTS

1. City Manager – City Manager P. Ostrander reported on the following:
 - Provided an overview of current opening statuses of City facilities and employment statuses and leave due to COVID-19;
 - Ongoing discussions with Chamber of Commerce regarding Independence Day Parade;
 - Discussions with Salamatof Native Corporation regarding young adults working around town;
 - Offering free advertising on the Dipnet App for businesses due to COVID-19;
 - Provided an Airport Terminal Rehabilitation Project update;
 - Provided an update on EagleCam viewership;
 - Provided an update on the Bluff Erosion Project, Project Engineering and Design Agreement and the possibility of a 221 Agreement;
 - Noted a Letter submitted by the Alaska Department of Transportation regarding the bike path project on Bridge Access Road.

There was discussion on the anticipated amount of the match for the bike path project, the length of the project, the funding source for the match, the Capital Improvement Project List, and the implications of waiting for legislative assistance and the 2021 construction season.

MOTION:

Council Member Navarre **MOVED** to give direction to the City Manager to notify DOT that we are prepared to move ahead with the local match and Council Member Peterkin **SECONDED** the motion.

There was additional discussion regarding current projects being completed using appropriated funds and possibility of utilizing restricted Daubenspeck Funds, the use of Fund Balance and its effect on the Fund Balance Policy, continuing to work toward the City managing the project, and the possibility of losing the project

MOTION TO AMEND:

Council Member Knackstedt **MOVED** to amend by adding the caveat that Daubenspeck Funds are available to be used for the match and Council Member Peterkin **SECONDED** the motion.

Clarification was provided that an appropriate avenue would be to appropriate the funds by an ordinance before notifying DOT that the City was prepared to move ahead with the local match.

Both motions were withdrawn with the concurrence of those that seconded the motions.

2. City Attorney – No report.

Clarification was provided on the City's liabilities related to the Dipnet Fishery during COVID-19.

3. City Clerk – No report.

K. ADDITIONAL PUBLIC COMMENT

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

None.

2. Council Comments

Council Member Peterkin noted it was good to meet in person and appreciated the discussions.

Council Member Navarre noted the lack of chairs in the room and the difficulty in getting through the public health emergency; thought the work completed to provide funding to the community was a start for the economy; hoped things started turning around.

Council Member Pettey thanked those that donated to the Animal Shelter.

Council Member Glendening thanked staff for recommending an ordinance for the bike path funding match and for the programs to utilize the CARES Act funding.

Vice Mayor Molloy thanked Assembly Member Cox for providing input on the KPB Resiliency Ordinance; appreciated discussion on the resolution supporting the resiliency ordinance; did good work on other matters, specifically the programs to utilize the CARES Act funding and extending the emergency declaration. Thanked staff for their work managing the public health emergency.

Council Member Knackstedt noted the Beaver Loop Road Project was completed and the job was done well.

L. EXECUTIVE SESSION

1. Discussion of the Facility Management Agreement for the Kenai Visitor and Cultural Center, pursuant to AS 44.32.310(c)(1)(3) a matter of which the immediate knowledge may have an adverse effect upon the finances of the City, and a matter by which law, municipal charter, or ordinance are required to be confidential.

MOTION:

Vice Mayor Molloy **MOVED** to enter into executive session to discuss the facility management agreement for the Kenai Visitor and Cultural Center pursuant to AS 44.32.310(c)(1)(3) is a matter of which the immediate knowledge may have an adverse effect upon the finances of the City, and a matter by which law, municipal charter, or ordinance are required to be confidential and request the attendance of the City Manager and City Attorney as may be needed. Council Member Glendening **SECONDED** the motion.

VOTE:

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

NAY:

MOTION PASSED UNANIMOUSLY.

Council reconvened in open session and it was noted for the record that Council met in executive session and reviewed and discussed the facility management agreement for the Kenai Visitor and Cultural Center and provided direction to the City Manager.

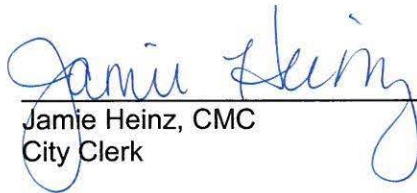
M. PENDING ITEMS

1. **Ordinance No. 3117-2020** - Appropriating Funds in the Airport Fund, Accepting a Grant From the Federal Aviation Administration and Appropriating Funds in the Airport Equipment Capital Project Fund for the Purchase of Snow Removal Equipment (SRE) – Loader with Attachments. (Administration) [**Clerk's Note:** *At the May 20 Meeting, this item was Postponed to the June 17 Council Meeting. A Motion to Enact is On the Floor.*]
2. **Resolution No. 2020-30** - Recommending the Kenai Peninsula Borough Assembly Enact Ordinance 2020-24 which would Provide for Vote by Mail Elections, More Time Between a Regular Election and Run-Off Election and Removal of Proposition Statements. (Council Member Peterkin) [**Clerk's Note:** *At the May 20 Meeting, this item was Postponed to the June 17 Council Meeting. A Motion to Adopt is On the Floor.*]

N. ADJOURNMENT

There being no further business before the Council, the meeting was adjourned at 11:55 p.m.

I certify the above represents accurate minutes of the Kenai City Council meeting of June 3, 2020.



Jamie Heinz, CMC
City Clerk

