

**KENAI CITY COUNCIL – REGULAR MEETING
FEBRUARY 3, 2021 – 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 February 3, 2021, 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	Teea Winger
Jim Glendening	Glenese Pettey
Victoria Askin	

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.2. | Ordinance No. 3180-2021 |
| | • Amendment Memo |

MOTION:

Vice Mayor Molloy **MOVED** to approve the agenda with the requested additions and requested **UNANIMOUS CONSENT**. Council Member Askin **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**; and Council Member Pettey **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 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. **Brandy Niclai and Bill Lierman, Alaska Permanent Capital Management - 2020 Financial Performance, Financial Projections, and Recommended 2021 Asset Allocation for the City's Permanent Fund Investments.**

Brandy Niclai presented a review of the status of the Permanent Fund Investments reporting overall growth. Provided a broad picture of the financial market for 2020, including the economic impact of the COVID-19 pandemic. She provided an outlook for the coming years, explaining that we are in the early stages of a new economic cycle and we can anticipate a year of economic revival, and Alaska Permanent Capital Management has updated their long-term strategic perspective in response. She reviewed the portfolio, including historical market value, asset allocation, and account performance, noting that the portfolio has provided an annual average return of 8.44% since inception.

C. UNSCHEDULED PUBLIC COMMENTS

April Orth requested clarification on the status of funding for Kenai's "Shop Here All Year" program. It was clarified that Public Comments was for public testimony and not for audience Q & A with the Council, and was provided information on how to access the recording of the public hearing for this Ordinance, which took place during the Council Meeting of January 20, 2021.

D. PUBLIC HEARINGS

1. **Ordinance No. 3179-2021 - Amending Positions in the Classified Service in the Public Works and Senior Center Departments as Established by the Annual Budget.**

MOTION:

Vice Mayor Molloy **MOVED** to enact Ordinance No. 3179-2021 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.

City Manager Ostrander provided an overview of the changes this would make to staffing. It was noted that these changes would allow both departments to operate more efficiently, increase productivity, and the impacts to the general fund will be minimal.

VOTE:

YEA: Gabriel, Knackstedt, Molloy, Winger, Glendening, Pettey, Askin
NAY:

MOTION PASSED UNANIMOUSLY.

2. **Ordinance No. 3180-2021** - Amending Kenai Municipal Code 3.05.070-Citation Procedure, and Kenai Municipal Code 13.10.015 – Minor Offense Fine Schedule to Incorporate Various Animal Control Offenses into the Minor Offense Fine Schedule and Make Other Housekeeping Changes.

MOTION:

Council Member Knackstedt **MOVED** to enact Ordinance No. 3180-2021 and Council Member Askin **SECONDED** the motion.

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

City Attorney Bloom provided an overview of the proposed changes.

MOTION TO AMEND:

Council Member Knackstedt **MOVED** to amend Ordinance No. 3180-2021 by editing language to be more gender-neutral as recommended by the City Attorney, and Vice Mayor Molloy **SECONDED** the Motion. **UNANIMOUS CONSENT** was requested.

VOTE ON THE AMENDMENT: There being no objection; **SO ORDERED.**

It was noted that some of the Animal Control violations started off with fees lower than expected.

VOTE ON THE MOTION AS AMENDED:

YEA: Knackstedt, Molloy, Winger, Glendening, Pettey, Askin, Gabriel
NAY:

MOTION PASSED UNANIMOUSLY.

3. **Ordinance No. 3181-2021** - Waiving Kenai Municipal Code 21.10.130 - Lease Execution and Approving a Lease Execution Extension to July 27, 2021 to Kenai Aviation Operations, LLC for Lot 9A, Block 5, General Aviation Apron Subdivision No. 5.

MOTION:

Council Member Askin **MOVED** to enact Ordinance No. 3181-2021 and 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.

Planning Director Foster clarified that there are preliminary site plans for a proposed hangar with office space, next steps would be for an official site plan to be submitted to the City and formalized upon signing of the lease.

VOTE:

YEA: Molloy, Winger, Glendening, Pettey, Askin, Gabriel, Knackstedt,
NAY:

MOTION PASSED UNANIMOUSLY.

4. **Resolution No. 2021-05** - Designating the Investment and Allocation Plan for the City's Permanent Funds and Establishing Appropriate Benchmarks to Measure Performance For Calendar Year 2021.

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2021-05 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 that the memo prepared by the Finance Director was very instructive and should be saved for future reference.

UNANIMOUS CONSENT was requested.

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

5. **Resolution No. 2021-06** - Authorizing the City Manager to Enter Into an Amended Bar/Lounge Concession Agreement at the Kenai Municipal Airport with the Upper Deck Lounge.

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2021-06 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 that other concessionaires at the Airport have had their contracts amended, and passing this would be consistent with the consideration Council has given to other Airport businesses.

UNANIMOUS CONSENT was requested.

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

6. **Resolution No. 2021-07** - Adopting the City of Kenai's Capital Improvement Plan Priority List for State Funding Requests for the Fiscal Year 2022.

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2021-07 and 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 noted that the Harbor Commission had reviewed and approved the Harbor-related Capital Projects. Clarification was provided that Wildwood Drive has been maintained by the City.

Discussion regarding how these priorities were decided, and how the order of priorities affected how each project received funding. Concerns were raised over the Bridge Access Pedestrian Trail being listed above the Waste Water Treatment Facility Sludge Press Replacement, and it was clarified that Council can change the order of priorities but ultimately it will not significantly affect the State's funding decisions.

It was clarified that the State Legislature would consider approving funding for these projects during their next legislative session. In addition to submitting the City's Capital Improvement Projects into the State's CAPSIS system, it was suggested that a letter from Council be written to the State as a way to boost the City's influence over their decisions to fund.

UNANIMOUS CONSENT was requested.

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

E. **MINUTES** - None

G. **NEW BUSINESS**

1. ***Action/Approval** - Bills to be Ratified.

Approved by the consent agenda.

2. ***Ordinance No. 3182-2021** - Increasing Estimated Revenues and Appropriations in the Airport Special Revenue Fund for the 2021 Airport Sand Screening Project.

Introduced by the consent agenda and Public Hearing set for February 17, 2021.

3. ***Ordinance No. 3183-2021** - Increasing Estimated Revenues and Appropriations in the General Fund – Police Department, and Accepting a Grant From the US Department of Transportation Passed through the State of Alaska Department of Transportation and Public Facilities for Traffic Enforcement Overtime Expenditures.

Introduced by the consent agenda and Public Hearing set for February 17, 2021.

4. ***Ordinance No. 3184-2021** - Amending Kenai Municipal Code 23.30.050 – Business Hours and Hours of Work to Allow for Alternate Work Schedules in the Police Department.

Introduced by the consent agenda and Public Hearing set for February 17, 2021.

5. ***Ordinance No. 3185-2021** - Increasing Estimated Revenues and Appropriations in the Airport Special Revenue and Airport Improvements Capital Project Funds and Amending a Professional Services Agreement for the 2021 Airfield Drainage Rehabilitation Project at the Kenai Municipal Airport.

Introduced by the consent agenda and Public Hearing set for February 17, 2021.

6. ***Ordinance No. 3186-2021** - Increasing Estimated Revenues and Appropriations in the General Land Sale Permanent Fund to Transfer Earnings in Excess of Budgeted Amounts to the City's General Fund.

Introduced by the consent agenda and Public Hearing set for February 17, 2021.

7. ***Ordinance No. 3187-2021** - Increasing Estimated Revenues and Appropriations in the Airport Land Sale Permanent Fund to Transfer Earnings in Excess of Budgeted Amounts to the City's Airport Fund.

Introduced by the consent agenda and Public Hearing set for February 17, 2021.

8. ***Ordinance No. 3188-2021** - Increasing Estimated Revenues and Appropriations in the Water and Sewer Special Revenue and Wastewater Treatment Plant Improvements Capital Project Funds for a Replacement Sludge Press.

Introduced by the consent agenda and Public Hearing set for February 17, 2021.

9. ***Ordinance No. 3189-2021** - Increasing Estimated Revenues and Appropriations in the General Fund and the Public Safety Capital Project Fund to Provide Supplemental Funding to the Fire Department's Station Alerting Project and Authorizing a Purchase Order in Excess of \$15,000 to Kachemak Electric for Performance of the Work.

Introduced by the consent agenda and Public Hearing set for February 17, 2021.

10. ***Ordinance No. 3190-2021** - Increasing Estimated Revenues and Appropriations in the General Fund and Authorizing a Grant Disbursement Program for Small Businesses that Did Not Previously Apply for Full Assistance from the City in 2020.

Introduced by the consent agenda and Public Hearing set for February 17, 2021.

11. ***Ordinance No. 3191-2021** - Increasing Estimated Revenues and Appropriations in the General Fund to Provide Assistance to Kenai Residents Impacted by the COVID-19 Public Health Emergency with the Purchase of Groceries and Necessary Household Goods in Kenai and Award a Professional Service Agreement to the Kenai Chamber of Commerce and Visitors Center for Administration of the Program.

Introduced by the consent agenda and Public Hearing set for February 17, 2021.

12. Discussion - COVID-19 Response.

City Manager Ostrander reported that there was one employee under COVID-19 protocol. Noted that all City facilities were open to the public with the exception of the Senior Center, and he was working with the Director on a phased plan for reopening. He added that there were currently zero COVID-19 patients at Central Peninsula Hospital and that a large vaccination clinic would take place at the Beacon facility on Saturday, February 6, 2021.

Clarification was provided on the City's efforts to promote the Vaccine Transportation Program.

It was noted that additional funds that had been reallocated to the Food Bank at the previous Council meeting had gone towards providing 292 food boxes to households in the City of Kenai.

Discussion also included whether the Kenai River Brown Bears hockey team would use our ice rink and the implementation of a U.S. Department of Homeland Security Directive which mandated the use of masks at the airport.

H. COMMISSION / COMMITTEE REPORTS

1. Council on Aging – No report; next meeting February 11, 2021.
2. Airport Commission – No report; next meeting February 11, 2021.
3. Harbor Commission – Vice Mayor Molloy had provided a report of the special meeting of January 25th earlier during the Council meeting. Next meeting February 8, 2021.
4. Parks and Recreation Commission – No report; special joint meeting with Beautification Committee February 4, 2021.
5. Planning and Zoning Commission – Council Member Glendening reported on January 27th meeting. Topics included re-election of Chair and Vice-Chair, a preliminary subdivision plat, and an application for a conditional use permit for 8 single-family additional dwellings. Next meeting February 24, 2021.
6. Beautification Committee – No report; Special Joint meeting with Parks & Recreation February 4, 2021.
7. Mini-Grant Steering Committee – No report.

I. REPORT OF THE MAYOR

Mayor Gabriel reported on the following:

- Participated in teleconference with Governor Dunleavy to discuss Cook Inlet Fisheries;
- Expressed concern over the opinions expressed by a Council member after the January 20th, 2021 meeting, clarifying some inaccuracies that had been shared during a radio broadcast and a Facebook video. He noted that while he Council members are encouraged to advocate their position, disparaging other Council members for disagreeing is in poor taste and he would prefer mutual respect and decorum among the Council.

J. ADMINISTRATION REPORTS

1. City Manager - City Manager P. Ostrander reported on the following:
 - Vaccine Transportation program: Senior Center director had sent flyer to Kenai Safeway pharmacy, and copies would be made by pharmacy to share with seniors;
 - Met with owners of Furie Operating, and they are hiring local;
 - The Shop Here All Year program began this week, Chamber of Commerce will be providing an update with all current numbers at next Council meeting;
 - Bluff Stabilization Project: RFP for design has been released, next step is getting federal government to pay their portion;
 - Clarified the current social distancing protocols and air filtration methods implemented by the Kenai Recreation Center.
2. City Attorney - City Attorney S. Bloom reported on the following
 - Took his family to Kenai Recreation Center and was glad that it is open;
 - Commended Parks and Recreation employee Randy Dodge for a great job on grooming the ski trails in town.
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 Pettey shared that she felt shocked and disappointed with disparaging remarks that had been made of some Council Members. She stated that it is an honor for her to serve on the City Council, and she works to represent and do utmost best for all citizens of our community by working respectfully and professionally with all Council Members, Administration, public and businesses.

Council Member Glendening noted that he firmly believes that this is a teachable moment that the Council, as a body, can rise above, and that it may be distracting the Council's attention from the matter of supporting our businesses and our citizens and by applying public funds to increase the velocity of money through our local economy. He also noted that he would like to see Planning & Zoning Commission meetings transition to fully in-person participation by late spring, as the in-person/Zoom hybrid meeting format has resulted in less interactive communication.

Council Member Askin said she is very honored to have been appointed to the Council, and she truly appreciates the support she's received from Administration. She looks forward to continuing to work amiably and respectfully with the Council.

Council Member Winger stated that she feels honored to be elected and represent We the People, and she will always put the people ahead of the government's agenda. Noted that she appreciates the change of heart to better support small businesses by allowing a grocery program.

Vice Mayor Molloy noted that it was a good meeting and a good discussion, and he appreciated the presentation from Alaska Permanent Capital Management. He also discussed the public statements made after the previous Council meeting and responded to some of the comments he felt were inaccurate. He noted that he sees Kenai as a resilient business community that is crucial to the city's arc of growth. Also noted that he received his first dose of COVID-19 vaccine and it was a very positive experience.

Council Member Knackstedt expressed dismay with the public remarks shared on the radio and Facebook. He felt that there was a good debate and a good compromise at the last Council meeting, which is representative of how Council conducts its business. However, he did not appreciate the calling out of himself or the Council, which he feels is detrimental to the City as a whole. He noted that decorum is important, and he also sees this as a learning moment that the Council can move forward from.

It was also noted that municipal government is likely the least self-serving level of government that exists, and people choose to be part of it because they have a true interest in serving their community.

L. **EXECUTIVE SESSION** – None.

M. **PENDING ITEMS** – None.

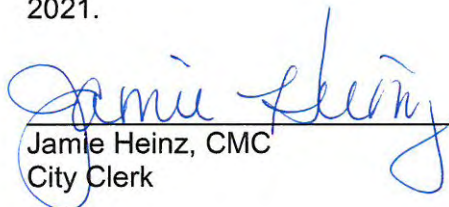
N. **ADJOURNMENT**

O. **INFORMATION ITEMS**

1. Purchase Orders Between \$2,500 and \$15,000.

There being no further business before the Council, the meeting was adjourned at 8:32 p.m.

I certify the above represents accurate minutes of the Kenai City Council meeting of February 3, 2021.


Jamie Heinz, CMC
City Clerk

