

**KENAI CITY COUNCIL – REGULAR MEETING  
JUNE 2, 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 June 2, 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 (via Electronic Participation)	

A quorum was present.

Also in attendance were:

Terry Eubank, Acting City Manager  
Scott Bloom, City Attorney  
Jamie Heinz, City Clerk

**3. Agenda Approval**

**MOTION:**

Vice Mayor Molloy **MOVED** to approve the agenda 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 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. Robert Ruffner - Cook Inlet Fisheries Update**

Robert Ruffner, a consultant to the Alaskan Salmon Alliance, discussed the recent actions which affect the fisheries of the Cook Inlet Exclusive Economic Zone. He noted that there is an amendment being proposed, and requested that Council submit public comments regarding it.

**C. UNSCHEDULED PUBLIC COMMENTS**

**D. PUBLIC HEARINGS**

**1. Ordinance No. 3214-2021 - Increasing Estimated Revenues and Appropriations in the Airport Special Revenue and the Airport Snow Removal Equipment Capital Project Funds to Provide Supplemental Funding for the Replacement of the Wide-Area Tractor and Mower. (Administration)**

**MOTION:**

Council Member Knackstedt **MOVED** to enact Ordinance No. 3214-2021 and Vice Mayor 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:**

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

**MOTION PASSED UNANIMOUSLY.**

**2. Ordinance No. 3215-2021 - Increasing Estimated Revenues and Appropriations in the Water and Sewer Special Revenue and Water and Sewer Capital Projects Funds to Provide Supplemental Funding for the Wellhouse #1 Relocation Project and Authorizing the Issuance of a Contract for the Project. (Administration)**

**MOTION:**

Council Member Knackstedt **MOVED** to enact Ordinance No. 3215-2021 and Council Member Glendening **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.

Clarification was provided that Wellhouse 1 was damaged through earthquake activity, which has compromised the foundation of the building, and caused the old production well casing to shift. This legislation will appropriate funding from the City's insurance to relocate the well at a new location, and it was noted that the old building would be repurposed and the existing structures there would be decommissioned.

**VOTE:**

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

**MOTION PASSED UNANIMOUSLY.**

- 3. Ordinance No. 3216-2021** - Increasing Estimated Revenues and Appropriations in the Airport Special Revenue and Terminal Improvement Capital Project Fund to Provide Additional Local Share to the Terminal Rehabilitation Project and to Provide Funding to Install Wireless Internet Service for the Public. (Administration)

**MOTION:**

Vice Mayor Molloy **MOVED** to enact Ordinance No. 3216-2021 and Council Member Knackstedt **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.

Clarification was provided that the wireless service will be available inside the facility, and is not intended to provide access outside the building. The bandwidth will be the same quality as all City facilities, and most of the costs are related to equipment.

**VOTE:**

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

**MOTION PASSED UNANIMOUSLY.**

- 4. Resolution No. 2021-35** - Awarding a Professional Services Agreement and Issuing a Purchase Order for Design Services for the Kenai Bluff Stabilization Project. (Administration)

**MOTION:**

Vice Mayor Molloy **MOVED** to adopt Resolution No. 2021-35 and Council Member Knackstedt **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.

Recent actions related to the progress of the Bluff Stabilization Project were reviewed, and an expected timeline was explained.

**UNANIMOUS CONSENT** was requested.

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

5. **Resolution No. 2021-36** - Authorizing the Purchase of a New Grader for the Streets Department through Utilization of the State of Alaska Procurement Contract and Issuance of a Purchase Order. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to adopt Resolution No. 2021-36 and Council Member Glendening **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.

Clarification was provided that the current plan is to surplus two graders and purchase one grader, due to an increase in lease pricing, a vacancy in the Streets department, and the superior capabilities of the new grader, which should compensate for the reduction in graders and should not significantly impact the removal of snow.

**UNANIMOUS CONSENT** was requested.

Further clarification was provided on the implements that are needed on the grader, and details on its warranty.

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

6. **Resolution No. 2021-37** - Approving an Amendment to a Lease of Airport Reserve Lands Using the Standard Lease Form Between the City of Kenai and Soar International Ministries, Incorporated, for Tract A-2, General Aviation Apron Subdivision No.7. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to adopt Resolution No. 2021-37 and Council Member Pettey **SECONDED** the motion.

Mayor Gabriel opened the floor for public comment.

Wendell Garrison, Assistant Director of SOAR International Ministries, thanked Council for considering the resolution. He explained that the Ministry has considered it deeply, conducted a feasibility study, implemented a long-term plan, and feels that this is the right step to take.

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

It was noted that this is a highly visible and valuable piece of Airport land, and Wendell Garrison's explanation of their plan moving forward is appreciated and this amendment can be made in good faith.

**VOTE:**

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

NAY:

**MOTION PASSED UNANIMOUSLY.**

7. **Resolution No. 2021-38** - Authorizing Contracts for Employee Health Care and Other Benefits Effective July 1, 2021. (Administration)

**MOTION:**

Vice Mayor Molloy **MOVED** to adopt Resolution No. 2021-38 and Council Member Knackstedt **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.

Clarification was provided that Administration considered alternatives to the existing benefit plan, with the number one goal of maintaining a high quality benefit package for employees. The changes in previous years' packages were reviewed, including the proposed changes to this year's benefit plan. Staff recommended selecting Premera on an interim basis, noting that they will be exploring other providers to move to in the future as the rate increases from Premera may not be sustainable in the future.

Discussion included the specifics of the rate increases for families, and an explanation of the City's Health Reimbursement Arrangement (HRA).

**VOTE:**

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

NAY: Winger

**MOTION PASSED.**

8. **Resolution No. 2021-39** - Authorizing Renewal of the City's Insurance Coverage with Alaska Municipal League Joint Insurance Association for July 1, 2021 through June 30, 2022. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to adopt Resolution No. 2021-39 and Vice Mayor 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:**

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

**MOTION PASSED UNANIMOUSLY.**

**E. MINUTES**

1. \*Regular Meeting of May 19, 2021. (City Clerk)

Approved by the consent agenda.

**F. UNFINISHED BUSINESS**

**G. NEW BUSINESS**

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

Approved by the consent agenda.

2. \***Ordinance No. 3217-2021** - Conditionally Donating Certain City Owned Property Described as Two Approximate 1 1/4 Acre Parcels to be Subdivided from a Portion of the 72 Acre More or Less Portion of the SE 1/4 Lying East of Tract A Kenai Meadows (KPB Parcel No. 039 010 65) To Kenai Peninsula Housing Initiative for the Development of Restricted Income and Senior Housing. (Mayor Gabriel, Vice Mayor Molloy, Council Member Winger)

Introduced by the consent agenda and Public Hearing set for June 16, 2021.

3. \***Ordinance No. 3218-2021** - Accepting and Appropriating Drug Seizure Funds into the Police Small Tools Account. (Administration)

Introduced by the consent agenda and Public Hearing set for June 16, 2021.

4. \***Ordinance No. 3219-2021** - Conditionally Donating Certain City Owned Property Described as One Approximate 2 Acre Parcel to be Subdivided from a Portion of the 6.8 Acre More or Less Portion of the East of Tract 4, Baron Park Subdivision (KPB Parcel No. 045 01 035) to Triumvirate Theatre for the Development of a Theatre Facility. (Administration)

Introduced by the consent agenda and Public Hearing set for June 16, 2021.

5. \***Ordinance No. 3220-2021** - Authorizing a Tourism, Travel, and Hospitality Services Economic Stimulus Program to Benefit Certain Kenai Small Businesses and Award

of a Professional Services Agreement to the Kenai Chamber of Commerce and Visitor Center for Administration of the Program. (Administration)

Introduced by the consent agenda and Public Hearing set for June 16, 2021.

6. **\*Action/Approval** - Special Use Permit to Crowley Fuels, LLC, for Aviation Fueling on the Apron Fueling Area. (Eland Conway)

Approved by the consent agenda.

7. **Discussion** - Set Board of Adjustment Hearings for Two Appeals. (City Clerk)

Clarification was provided on that two Board of Adjustment appeal applications have been received, and the meetings need to be set within 45 days or 60 days with good cause. Potential dates and conflicts in availability were discussed.

Council was advised against having both hearings at once, because although the cases are related they need to be heard separately.

It was decided a Board of Adjustment hearing would be held on July 20, 2021 to appeal PZ2021-16 approving a Conditional Use Permit (CUP) for a guide service. A separate Board of Adjustment hearing would be held on July 23, 2021 to appeal PZ2021-17 denying a Conditional Use Permit (CUP) for a lodging business.

A reminder was provided that the matter was adjudicatory in nature and the members should refrain from communicating with the applicant and the public in that regard.

Clarification was provided that the good cause for extending the meeting deadline is due to attendance/availability conflicts.

#### H. **COMMISSION / COMMITTEE REPORTS**

1. Council on Aging – No report. Next meeting June 10, 2021.
2. Airport Commission – No report. Next meeting June 10, 2021.
3. Harbor Commission – No report. Next meeting June 7, 2021.
4. Parks and Recreation Commission – Council Member Winger recognized the Parks & Recreation crew for their work on Memorial Day events and the Kenai Kite Festival. Next meeting June 3, 2021.
5. Planning and Zoning Commission – Council Member Glendening reported on the meeting of May 26, 2021. Next meeting June 9, 2021.
6. Beautification Committee – Council Member Askin noted that June 10, 2021 is Planting Day. Next meeting September 7, 2021.
7. Mini-Grant Steering Committee – No report.

#### I. **REPORT OF THE MAYOR**

Mayor Gabriel reported on the following:

- Congratulated the Kenai Peninsula Brown Bears on their playoff win;
- Attended the Kenai Kite Festival with his grandchildren, which they enjoyed despite the poor weather;
- Thanked Acting City Manager Eubank for including the mill rate history in the Council packet;
- Attended the American Legion Memorial Day events at the cemetery and Leif Hansen Memorial Park, where he provided opening comments. Noted that the events went very well.

**J. ADMINISTRATION REPORTS**

1. City Manager – Acting City Manager Eubank reported on the following:
  - City Manager Ostrander will return on Friday, June 4<sup>th</sup>,
  - The City of Kenai Employee Party will take place at the Kenai North Beach on June 4<sup>th</sup> at 6:00-9:00pm.
2. City Attorney – No report.
3. City Clerk – No report.

**K. ADDITIONAL PUBLIC COMMENT**

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

Council Member Glendening noted that he attended the American Legion Memorial Day ceremony, noting the good timing of an eagle flying overhead. He received a certificate of recognition from Senior Connections for his contribution to the 11<sup>th</sup> annual March for Meals fundraiser. He discussed the American Rescue Plan comments included in the packet, noting that it could help with the needs of our citizens and infrastructure.

Council Member Pettey noted that the Kite Festival continued into Sunday, where huge kites in Millennium Square could be seen from Bridge Access Road. Expressed sincere and heartfelt appreciation for the sacrifice of service members to our country.

Council Member Winger congratulated the Kenai River Brown Bears and other local athletes, noted the Soldotna Whaler wrestling team's "Rent-A-Wrestler" program and that the Kenai Oiler's are searching for player housing. Mentioned that she is still interested in seeing a slash pile area designated in Kenai. She attended Memorial Day events, noted that the Kenai Chamber of Commerce is in need of volunteers for 4<sup>th</sup> of July events, and that Lemonade Day is coming up. She took a moment to reflect on the tragic findings of mass graves of children in Canada.

Vice Mayor Molloy noted that he appreciated the Mayor's comments at the Memorial Day service. He also represented the City at a private event at Freedom physical therapy, noting that it was an excellent event.



Council Member Knackstedt noted that he saw kites from the Kenai Kite Festival flying at Millennium Square, and that he is looking forward to the Kenai Employee Party on Friday. Mentioned that the clock is off at Leif Hansen Memorial Park.

Council Member Askin said she hoped everyone had safe a Memorial Day holiday, which she spent with family. Thanked Administration for their diligence towards finding affordable healthcare for City employees, and thanked the City Clerk for allowing her to participate via Zoom.

**L. EXECUTIVE SESSION**

1. Negotiate a Settlement Agreement with Ron and Shirley Smith Regarding Utility Fees for 11440 Kenai Spur Highway Pursuant to AS 44.62.310(c)(1) a Matter of Which the Immediate Knowledge may have an Adverse Effect Upon the Finances of the City.

**MOTION:**

Vice Mayor Molloy **MOVED** to enter into executive session to negotiate a settlement agreement with Ron and Shirley Smith regarding utility fees for 11440 Kenai Spur Highway pursuant to AS 44.62.310(c)(1) a Matter of Which the Immediate Knowledge may have an Adverse Effect Upon the Finances of the City; and requested the attendance of City Attorney Bloom and Acting City Manager Eubank. Council Member Knackstedt **SECONDED** the motion.

**VOTE:**

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

**MOTION PASSED UNANIMOUSLY.**

Council reconvened in open session and it was noted for the record that Council met in executive session to discuss utility fees and gave directions regarding the fees for 11440 Kenai Spur Highway.

**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 8:48 p.m.

I certify the above represents accurate minutes of the Kenai City Council meeting of June 2, 2021.

  
\_\_\_\_\_  
Jamie Heinz, MMC  
City Clerk

