

**KENAI CITY COUNCIL – REGULAR MEETING
JANUARY 20, 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 January 20, 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
Terry Eubank, Finance Director
Scott Curtin, Public Works Director
Jamie Heinz, City Clerk
Meghan Thibodeau, Deputy Clerk

3. Agenda Approval

Mayor Gabriel noted the following revisions to the agenda and packet:

Add to item D.1.

Ordinance No. 3177-2021

- Memo for Substitute Ordinance 3177-2021
- Public Comments
- Letter from Representative Ron Gillham
- Letter from Assembly Member Derkevorkian

Add to item D.5.

Resolution No. 2021-03

- Kenai Peninsula Borough Memos

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 Glendening **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. Dr. Kristin Mitchell - COVID-19 Vaccine Update and Q & A.

Dr. Kristen Mitchell opened with a short video entitled "The COVIDarod," and described her experience when she received the vaccine. She explained how the vaccine's accelerated development was the successful result of the federal initiative known as Operation Warp Speed. Her presentation provided an overview of what vaccines do and varying approaches for designing vaccines. She described the mechanics of how the COVID-19 vaccine uses mRNA to combat the virus, explained what ingredients are in vaccine, and showed the results of studies on its effectiveness. Data on case rates was provided which compared numbers in the US to those of other countries, as well as rates in Alaska and on the Kenai Peninsula. She discussed what we can do to reduce transmission, including vaccination, social distancing, wearing masks and washing hands. Information was provided on how to sign up for vaccination, and data was shown on Alaska's rate of vaccination in our population as compared to other states. Addressed common questions, concerns and misunderstandings about COVID-19 and vaccines. New COVID-19 variants were briefly discussed, along with the current understanding of the vaccine's effectiveness against these variants.

2. Joy Merriner, BDO USA, LLP - Presentation of the FY2020 City of Kenai Comprehensive Annual Financial Report, Federal and State Single Audit Reports, and Audit Wrap Up.

Joy Merriner reported on the FY20 Audit Wrap-up document, the Single Audit Report, and the Comprehensive Annual Financial Report (CAFR) noting her firm, BDO, Inc., issued unmodified, clean opinions, meaning the City followed the adopted standards for governmental agencies. Noted that COVID-19 and CARES Act funds changed the financial statements, but there were no other significant accounting changes. There were not any adjustments or journal entries that needed to be corrected, and noted our financial team does an excellent job managing internal controls to make sure things are done right and documented correctly.

It was noted that CARES Act funds were audited along with the rest of the City's finances, noting that the federal government did not issue the compliance supplement until December 23, 2020 which delayed the final audit reporting until January.

C. UNSCHEDULED PUBLIC COMMENTS

Katie Uei requested information on how much CARES Act funds had been received by the City, and wanted to know if she could ask questions for Dr. Kristen Mitchell and Joy Merriner. It was clarified that Public Comments is for public testimony on topics which are not included in the agenda, and not for audience Q & A with the Council or other members of the public who presented their Public Comment. It was clarified that the City Manager would be providing overview of CARES Acts funds later in the meeting during staff reports. She expressed her frustration about a perceived lack of transparency and with the Council for including Dr. Mitchell's and Joy Mariner's presentations in the meeting without allowing a Q & A with the public. She stated that she felt it was inappropriate for the City to use CARES Act funds to pay for doctors that she did not want to listen to, noting that COVID-19 education is inappropriate and violates freedoms.

Steve Carlson stated that he shared Katie Uei's beliefs, and questioned whether the video in Dr. Kristin Mitchell's presentation had been paid for by the City. He explained he felt her presentation was grossly inadequate, because she did not include information on other solutions to COVID-19 beyond vaccination, social distancing and masks. The stated that he felt it was criminal to not include information about how to boost one's immune system against viruses using UV light and zinc supplements. He stated that he felt as though people should not fear the COVID-19 virus, because it is a campaign started by pharmaceutical companies.

Shekina Edmonds stated that she came to talk about Substitute Ordinance 3177-2021. It was clarified that Public Comments is for public testimony on topics which are not included in the agenda, and she would have an opportunity to talk about this during Public Hearings.

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

Clarification was provided that speakers who present during Public Comments are not paid to do so, and that Dr. Mitchell and Joy Merriner volunteered to speak by contacting the Clerk's office and any member of the public may do the same.

D. PUBLIC HEARINGS

1. **Ordinance No. 3177-2021** - Authorizing a Shop Local Economic Stimulus Program to Benefit Kenai Small Businesses and Award of a Professional Services Agreement to the Kenai Chamber of Commerce and Visitor Center for Administration of the Program.
 - **Substitute Ordinance No. 3177-2021** - Authorizing a Shop Local Economic Stimulus Program to Benefit Kenai Small Businesses And Residents And Award of a Professional Services Agreement to the Kenai Chamber of Commerce and Visitor Center for Administration of the Program.

MOTION:

Vice Mayor Molloy **MOVED** to enact Ordinance No. 3177-2021 and Council Member Pettet **SECONDED** the motion.

Mayor Gabriel opened the floor for public comment.

Duane Bannock thanked the Council for providing CARES Act funding to local businesses. He stated that he supports Substitute Ordinance No. 3177-2021, and explained the three main points for his argument: 1. It would create a positive for City of Kenai; 2. Unlike Soldotna, nearly all taxable sales would qualify for this program, and would not be a value test on what is discretionary vs. non-discretionary; 3. This program benefits our friends and neighbors, as well as people outside the City.

Shekina Edmonds, owner of several vacations rentals in Soldotna, stated that she was excited for Substitute Ordinance No. 3177-2021 because it would jump-start local businesses. Said that she enjoys helping to direct travelers to local small businesses, but this last year was at a loss because many indoor businesses were closed or had hours reduced. She stated that the City should do everything they can to support these small businesses, as they are what provide diversity for visitors and the local community.

Vanessa Uei, owner of AK Wellness and Tanning, stated her support for Substitute Ordinance No. 3177-2021. She stated a lot of businesses have suffered from COVID-19, and believes the Substitute will bring businesses more customers, bring more people to Kenai, help locals who are struggling, bring in more tax money, and be good for the economy. She noted that her businesses had received CARES Act grants, and shared the difficulties they experienced while it was closed due to COVID-19 restrictions.

Katherine Uei stated her support for Substitute Ordinance No. 3177-2021. She explained that many people have fallen on hard times in the past year, and cannot afford \$400 to spend on the program, and the proposed tiers would help so lower-income families can participate. She noted that small businesses have also suffered greatly, having to close or lose business due to COVID-19 restrictions. She stated that the City should help support the businesses with the money proposed in the Substitute, and doing so would truly make Kenai great again. It was clarified that the proposal in the original Ordinance was for \$200, not \$400.

Alicia Marlowe, owner of Accents at Northwood Plaza, expressed that she loves being part of the Kenai small business community, noting that it is small Mom and Pop business that lend personality and warmth to the community and bring in out-of-town visitors. She stated that an incentive like this makes her feel like she made the right decision in building a business in Kenai.

Jeanie Carter, owner of Ye Olde Curiosity Shoppe, stated that she came to support Substitute Ordinance No. 3177-2021 after hearing Council Member Winger speak about it on the radio. She described what her business is, and expressed gratitude for this proposed program and for the CARES Act funding she received from the City.

Jim Duffield, owner of JNJ Tax Relief, thanked Council Member Winger for her proposed Substitute, and said he would like to see even more money go towards the program. He requested further explanation on the status of the general fund that was explained by Joy Merriner's presentation. It was clarified that Public Comments is not for audience Q & A with the Council or other members of the public who presented their Public Comment. He noted that many of his business clients have been shut down during the previous year. He suggested making the program \$4 million, raising the \$400 limit proposed in the Substitute to \$1000, and excluding the big box stores in town.

Ryan Tunseth stated that he would like to see more money put into the program than what was originally proposed, but less than the \$1 million proposed in the Substitute. Would like to see the money going where it is needed most in the community, and expressed concern that businesses who are not suffering as badly could be the greatest beneficiaries. Noted that there are many projects in the community that would benefit from this funding as well, such as new siding for the Ice Rink, lights on the ski trails, a park in Millennium Square, resources for business opportunities on the bluff, storefront and sign repairs, drive-through installation, and other incentives to expand businesses.

Steve Carlson stated that small business have had enough of being told which business are categorized as essential and allowed to remain open while others must close, noting that corporate big box stores are the only businesses that are allowed to be open and they should not be included in the program. He suggested that the City should put up ads in Anchorage encouraging people to travel to Kenai to participate in the program, and suggested repeating the program in multiple phases. He also expressed interest in seeing the funds go towards other business incentives such as storefront improvement. It was clarified that in the original proposal, eligible businesses could not be a national chain or a C corporation traded on the U.S. stock exchange.

Holly Ward stated her support for Substitute Ordinance No. 3177-2021. She explained that many businesses are struggling, including one business she knows that can't pay to get their heat turned on, and this would be very beneficial for them. Stated that small business is the backbone of the community, and supporting these businesses means supporting families, children, friends and family who will give back to the community what they receive. Clarification was provided that help for this struggling business with no heat could be offered, and they were encouraged to contact the Council for assistance.

Michelle Hartline, a resident of Nikiski, stated her support for Substitute Ordinance No. 3177-2021. Referring to the business discussed by Holly Ward, she suggested that the funds be used towards helping businesses pay their utility bills. She thanked the Council for putting the money back into the community.

Matt Morse, Kenai Peninsula School Board Member, stated his support for Substitute Ordinance No. 3177-2021. He explained that small businesses need help right now, and mentioned that many businesses had closed recently in Anchorage and he would hate to see that happen here. He noted that Borough sales tax numbers were down, indicating how business is down.

Annalea Lott thanked the Council for providing CARES Act funding to local businesses. She stated her support for Substitute Ordinance No. 3177-2021, noting that she was envious of Soldotna for their Shop Local program, and excited to see one be implemented in Kenai.

Christine Hutchison thanked the Council for not implementing the same COVID-19 restrictions to businesses in Kenai as had been implemented in Anchorage. Expressed her belief that this is a great opportunity for the City to support small businesses without picking winners and losers among them, and leaving it to individuals in the community to do so. She stated that she looks forward to the program coming to fruition.

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

City Manager Ostrander provided an overview of how the City has administered CARES Act funding to date, including how much funding was received, how it was expended, and how some funds were reallocated depending on need. He explained the stated purpose of the funds as given by the State of Alaska, and how the City of Kenai had identified small business as a high priority from the beginning. Clarification was provided that, although Kenai Peninsula Borough sales tax numbers are down, the City has seen an increase in sales tax. He described other small business initiative programs that the City is currently developing, including a storefront improvement program, property tax incentives for new or existing businesses, and the "The Second One is On Us" which specifically targets tourism-related businesses.

Clarification on the status of the City's general fund was provided to address questions raised during Public Comment, explaining that the general fund balance at the end of the year was not left over CARES Act funding.

Further information was provided regarding how much CARES Act funds businesses received as compared to non-profit organizations, and how businesses needed to reside within city limits to receive CARES funding from the City, and non-profits who were located outside of city limits were still eligible. It was noted that non-profits are still businesses which will spend their CARES Act funding locally and put money back into the community.

MOTION TO AMEND BY SUBSTITUTE:

Council Member Winger **MOVED** to amend Ordinance No. 3177-2021 by substitute and Council Member Glendening **SECONDED** the motion.

Clarification was provided on how the Substitute was developed with the intention that no businesses be excluded, and that it would send a clear message that we are marketing the City of Kenai for new businesses and families.

Discussion on Substitute Ordinance 3177-2021 included:

- Puts all of our eggs in one basket, and it would be preferable to amend the program and add additional funds in future Council meetings as opposed to starting off with a higher amount;
- Devalues the incentive to spend by changing the ratio of contribution from 2:1 to 1:1, minimizing the leverage of the program;
- May not support the truly vulnerable businesses, as much of the money from this program could go towards grocery stores which are not hurting as badly as other small businesses;
- Many people want groceries included in the program, as food security is an issue in Kenai;

- Excluding groceries would exclude IGA and Three Bears, which are small businesses that have been impacted by the pandemic;
- Excluding groceries means the City is picking winners and losers among businesses;
- Paying taxes as a business to the City of Kenai should be the only factor in determining whether you can be included in the program;
- Proposed storefront improvement program would not help businesses that rent their location, and should not be prioritized ahead of the Shop Local program;
- When the City first received CARES funding, the data on small businesses/nonprofits was analyzed to determine allocation. However, the allocation for small businesses/nonprofits needed to be altered after this to be equitable to the Kenai Peninsula Borough in order for Kenai's businesses to receive additional CARES funding from the Borough. This resulted in some funds that were previously allocated to small businesses/nonprofits be moved to the general fund, which is not a "slush fund," and is fully transparent to the public;
- There may be other ways these funds can be used that will benefit small businesses, but not if all the funds are used right now on this one program;
- Substitute is very inclusive, and gives people a finite time to utilize it. What behooves us now is to get money into the hands of the people, and afterwards have a discussion about the success of the program and how it could affect the next budget cycle;
- Further explanation of the CARES funds that were moved to the general fund clarified that it also included unexpended funds originally allocated for commercial fishermen and mental health counselling;
- It is difficult to assess this early in the budget season how the program or Substitute might affect the budget preparation;
- It should be questioned whether Capital Improvement Projects like bike paths and ski trails should be prioritized instead of giving money directly to small businesses;
- A Shop Local incentive will stimulate the local economy to a greater degree that providing rental relief to residents, especially if the program included groceries.

VOTE ON THE SUBSTITUTE:

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

MOTION FAILED.

MOTION TO AMEND:

Council Member Knackstedt **MOVED** that the Council direct administration to work with the Kenai Chamber of Commerce to add a tier of eligibility to the Shop Here All Year program to allow participants to spend \$100 on allowable discretionary purchases and be eligible to receive a \$50 voucher. Vice Mayor Molloy **SECONDED** the motion.

UNANIMOUS CONSENT was requested and **OBJECTED** to.

It was noted that this would recognize families with less money to spend on discretionary goods, and allow them to participate in the program if they did not have \$200 to spend.

VOTE ON THE AMENDMENT:

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

NAY: Winger

MOTION PASSED.

MOTION TO AMEND:

Council Member Knackstedt **MOVED** to add \$100,000 to the program by amending Ordinance 3177-2021 as follows: under Section 1 change \$100,000 to \$200,000; under Section 3 increase the appropriation of fund balance from \$115,000 to \$215,000, increases the grants to others from \$100,000 to \$200,000 and increases the total appropriation from \$115,000 to \$215,000. Vice Mayor Molloy **SECONDED** the motion.

Clarification was provided that increasing the amount would not increase the administrative fee, as long as the period remained one month.

It was noted that it is prudent to raise the amount of the program after listening to the wishes of the public and small business owners, and that there is the possibility of the program being funded further after analyzing the data on the success of this program.

MOTION TO AMEND THE AMENDMENT:

Council Member Askin **MOVED** to raise the total allocation to \$350,000, with \$335,000 going towards the program and \$15,000 for administration fees. Council Member Glendening **SECONDED** the motion.

It was noted that the City of Soldotna had contributed approximately \$280,000 to their shop local program that they initiated in 2020.

Clarification was provided that if the Chamber of Commerce requires an increase in administrative fees for the program over \$15,000, the City will bring it back to Council to request additional funding.

VOTE ON THE AMENDMENT TO THE AMENDMENT:

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

MOTION PASSED.

VOTE ON THE AMENDED AMENDMENT:

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

MOTION PASSED.

MOTION TO AMEND:

Council Member Winger **MOVED** to amend Attachment A as follows: adding groceries and taxable goods & services to discretionary purchases; removing groceries from non-discretionary purchases. Vice Mayor Molloy **SECONDED** the motion.

The issue was raised that including grocery purchases would allow large grocery stores such as Safeway and Three Bears whose corporate base is located outside of Kenai. It is clarified that, while national chains or C Corporations traded in the U.S. stock exchange were prohibited from participating as voucher-accepting businesses, their receipts could be included in the program. The inclusion of "all taxable goods & services" in discretionary purchases would also necessitate further changes in the list of discretionary items, such as vehicles and fuel. It is noted that the Kenai locations of Three Bears and IGA/Country Foods are locally owned and operated franchises, and excluding them from the program could jeopardize the City's relationships with these businesses. Discussion also included how it would be preferable to include Maggie's General Store, a small locally owned business.

The motion to amend was withdrawn.

MOTION TO AMEND:

Council Member Winger **MOVED** to amend Attachment A as follows: adding groceries and goods & services taxable by Kenai City sales tax to discretionary purchases; removing groceries from non-discretionary purchases; and the second bullet point under Participant Rules would read "submitted receipts must be from a business located within the Kenai city limits that are not a national chain or a C Corporation traded on the U.S. stock exchange. Individually-owned and operated local franchises are eligible." Council Member Glendening **SECONDED** the motion.

The issue was raised that the inclusion of goods & services taxable by Kenai City sales tax to discretionary purchases created a conflict with the list of non-discretionary items, some of which are taxable goods and services.

The motion to amend was withdrawn.

MOTION TO AMEND:

Council Member Winger **MOVED** to amend Attachment A as follows: adding groceries to discretionary purchases; removing groceries from non-discretionary purchases; the second bullet point under Participant Rules would read "submitted receipts must be from a business located within the Kenai city limits that are not a national chain or a C Corporation traded on the U.S. stock exchange. Individually-owned and operated local franchises are eligible." Council Member Glendening **SECONDED** the motion.

It was discussed how it is likely that most people would use this program for groceries, when the intent of the program was to steer customers towards other struggling small businesses. It was also noted that the contract can be amended at a later date to include groceries, once Council has evaluated the success of the program. It was also pointed out that the City has a relationship with Country Foods IGA, whose business has been impacted.

VOTE ON THE AMENDMENT:

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

MOTION PASSED.

MOTION:

Council Member Knackstedt **MOVED** to request Administration to provide a report during the Council Meeting on February 17, 2021 of the progress of, and forecast for, this program's success. Vice Mayor Molloy **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

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

MOTION TO AMEND:

Council Member Knackstedt **MOVED** to change the wording of the first bullet point on Attachment A to read: "Individuals must submit up to 10 receipts." Vice Mayor Molloy **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

Clarification was provided by Administration that this would not create any legal changes.

MOTION TO AMEND THE AMENDMENT:

Council Member Pettey **MOVED** to change "Individual" to "Household" in the first bullet point on Attachment A. Council Member Knackstedt **SECONDED** the motion.

Discussion involved clarification on how "Household" would be defined between unrelated individuals residing in the same location, and it was noted that Soldotna had changed their proposal from Household participation to Individual participation to prevent this confusion.

The motion to amend the amendment was withdrawn.

Clarification that there is no significant legal differentiation between the words "Participant" and "Individuals."

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

Clarification was provided that, as reports on the program were provided at upcoming Council meetings, the program can be extended if the Council decides. Concerns were expressed that if marketing materials are printed, an extension of the program would render these materials inaccurate and create more marketing expenses, and would require an amendment to the contract with the Kenai Chamber of Commerce.

The inclusion of two large grocery stores in the program as amended was discussed. It was noted that the taxable sales of these businesses dwarf those of other struggling small businesses in the city, and concerns were raised that adding these large stores meant that a significant portion of this program's funds would go to these two businesses, thereby dilute the amount of funds going towards the small businesses the program intended to target.

MOTION TO RECONSIDER THE AMENDMENT:

Vice Mayor Molloy **MOVED** to reconsider the amendment to amend Attachment A as follows: adding groceries to discretionary purchases; removing groceries from non-discretionary purchases; the second bullet point under Participant Rules would read "submitted receipts must be from a business located within the Kenai city limits that are not a national chain or a C

Corporation traded on the U.S. stock exchange. Individually-owned and operated local franchises are eligible." Council Member Knackstedt **SECONDED** the motion.

VOTE ON RECONSIDERATION:

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

MOTION PASSED.

MOTION TO AMEND THE AMENDMENT:

Council Member Askin **MOVED** to add under Participating Business Rules "Voucher merchants must be located within the Kenai city limits, grocery stores with annual gross sales in excess of \$500,000 is excluded." Council Member Pettey **SECONDED** the motion.

It was noted that the intention of this amendment to the amendment would allow Maggie's General Store, a small local business, to participate in the voucher program, while excluding larger grocery stores.

UNANIMOUS CONSENT was requested and **OBJECTED** to.

VOTE ON THE AMENDMENT TO THE AMENDMENT:

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

MOTION FAILED.

VOTE ON THE AMENDMENT:

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

MOTION FAILED.

MOTION TO AMEND:

Council Member Glendening **MOVED** to extend the concluding date of the program from March 1, 2021 to April 1, 2021, and to extend the voucher redemption deadline from March 30, 2021 to April 30, 2021. Council Member Winger **SECONDED** the motion.

It was noted that extending the program means extending the contract with the Chamber of Commerce, increasing the amount of administrative fees. It was also noted that extension would allow the program to capitalize on federal tax returns and potential future stimulus checks.

Clarification was provided that if the program was extended at a later Council meeting, it would require an additional legislation be brought before Council to appropriate more funds.

VOTE ON THE AMENDMENT:

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

MOTION PASSED UNANIMOUSLY.

VOTE ON THE MAIN MOTION AS AMENDED:

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

MOTION PASSED.

- 2. Ordinance No. 3178-2021** - Accepting and Appropriating a COVID Cares Act for Older Adults and Their Caregivers 2021 Grant Passed Through the State of Alaska for Kenai Senior Center Expenditures in Support of its Response to the COVID-19 Public Health Emergency.

MOTION:

Council Member Knackstedt **MOVED** to enact Ordinance No. 3178-2021 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.

VOTE:

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

MOTION PASSED UNANIMOUSLY.

- 3. Resolution No. 2021-01** - Approving Amendments to the Kenai Community Library Policies to Adopt Rules Regarding the Lending of Various Electronic Devices and to Make Housekeeping Changes.

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2021-01. 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.

UNANIMOUS CONSENT was requested.

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

- 4. Resolution No. 2021-02** - Further Extending the Disaster Emergency Declaration for the City of Kenai Made on March 18, 2020 in Response to the COVID-19 Health Emergency.

MOTION:

Vice Mayor Molloy **MOVED** to adopt Resolution No. 2021-02 and Council Member Askin **SECONDED** the motion.

Mayor Gabriel opened for public hearing.

Annalea Lott requested clarification on whether this meant everyone needs to stay home and not go out in public. It was clarified that this would extend the Emergency Declaration that was already in place.

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

It was noted that extending the Emergency Declaration extends the City's ability to provide temporary leave to employees to address COVID-19 related illness, emergency closures of facilities and transmission reduction, as well as extending the City's moratorium on penalties and interest on water and sewer accounts and disconnect for non-payment, and allows the City to accept additional funds that may come in the future from the federal government.

UNANIMOUS CONSENT was requested.

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

5. **Resolution No. 2021-03** - Supporting an Amendment Under Consideration by the Kenai Peninsula Borough Anadromous Waters Habitat Protection Work Group to Allow Limited Commercial Activities Within the Habitat Protection District in the City of Kenai.

MOTION:

Vice Mayor Molloy **MOVED** to adopt Resolution No. 2021-03. 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 AMEND:

Vice Mayor Molloy **MOVED** to amend Resolution 2021-03 by changing the date in Section 1 from January 14, 2014 to January 21, 2021. Council Member Knackstedt **SECONDED** the motion and requested **UNANIMOUS CONSENT.**

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

Clarification was provided that this is an attempt to allow reasonable development in the industrialized area within the City of Kenai, from approximately Mile 1 of the Kenai River to Mile 3, which is primarily where most of the area's processing plants and other water-related industrial activities take place. Prior to the Borough Assembly potentially passing this amendment, the ability for those business owners to build infrastructure in that habitat district was not allowed by code, and if it passes it would ensure that there is a process to allow this in the future. The intent is that there will be no net loss of habitat in this district, and that if there is infrastructure built there will

also be mitigation efforts to offset those impacts. Clarification was provided that the boundary excludes the area where the Bluff Erosion Project is planned, and also that this rewrite of code is specific to privately-owned property.

UNANIMOUS CONSENT was requested.

VOTE ON THE MOTION AS AMENDED: There being no objection; **SO ORDERED.**

6. **Resolution No. 2021-04** - Accepting a Quitclaim Deed from the Kenai Peninsula Borough for the Land Described as T.6N., R.11W. Sec. 31, Lots 40, 41, and 42 Containing 3.75 Acres, More Commonly Known as the 4th Avenue Park, for the Public Purposes of Maintaining a Public Park.

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2021-04. 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 it would be good to see equipment at the park replaced, as some of the previous equipment had been removed for being too old. The City Attorney was thanked for working hard to resolve the issue.

UNANIMOUS CONSENT was requested.

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

E. MINUTES

1. *Regular Meeting of January 6, 2021.

Approved by the consent agenda.

F. UNFINISHED BUSINESS

G. NEW BUSINESS

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

Approved by the consent agenda.

2. ***Action/Approval** - Purchase Orders Over \$15,000.

Approved by the consent agenda.

3. ***Action/Approval** - Non-Objection to the Liquor License Renewals for The Bow Bar and The Cannery Lodge.

Approved by the consent agenda.

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

Introduced by the consent agenda and Public Hearing set for February 3, 2021.

5. ***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.

Introduced by the consent agenda and Public Hearing set for February 3, 2021.

6. ***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.

Introduced by the consent agenda and Public Hearing set for February 3, 2021.

7. **Action/Approval** - Confirmation of Mayoral Nomination for Appointment to Harbor Commission.

MOTION:

Vice Mayor Molloy **MOVED** to confirm Mayoral Nomination for Appointment of David Peck to the Harbor Commission. Council Member Winger **SECONDED** the motion.

It was noted that David Peck was one of many capable candidates that had applied for a City Council seat in the previous year, and it was good to see him and other candidates apply for commission seats.

UNANIMOUS CONSENT was requested.

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

8. **Action/Approval** - Supporting a Transportation Program for Individuals Receiving COVID-19 Vaccinations at Locations in Kenai.

Clarification was provided that Safeway was now a location where vaccines would be provided in Kenai, and the Kenai Senior Center had held a clinic on Tuesday Jan 19, 2021. The Kenai Fire Department is scheduled to hold a clinic on Feb 9th, 2021, and there may be a clinic held by the Nikiski Fire Department, Kenai Fire Department and Kenai Senior Center in collaboration.

MOTION:

Council Member Winger **MOVED** to support the proposed transportation program for individuals receiving COVID-19 vaccinations at locations in Kenai. Vice Mayor Molloy **SECONDED** the motion.

MOTION TO AMEND:

Council Member Knackstedt **MOVED** to change the ending date of the program to July 1, 2021 or until the budget runs out, and requested **UNANIMOUS CONSENT**. Council Member Pettey **SECONDED** the motion.

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

UNANIMOUS CONSENT was requested on the main motion.

VOTE ON THE MOTION AS AMENDED: There being no objection; **SO ORDERED**.

9. **Action/Approval** - Supporting an Amendment to the Grant Agreement with the Kenai Peninsula Food Bank of Alaska.

MOTION:

Vice Mayor Molloy **MOVED** to approve an amendment to the original grant agreement with the Kenai Peninsula Food Bank of Alaska to provide an additional \$50,000 of federal CARES Act funding. Council Member Knackstedt **SECONDED** the motion.

Clarification was provided that this money was remaining in part because of funds that weren't utilized in the mental health program, and that it would go towards helping the Food Bank continue its food box program.

UNANIMOUS CONSENT was requested.

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

10. **Discussion** - Development of City of Kenai Business Stimulus / Incentive Programs.

It was noted that these programs were discussed in detail earlier during the meeting, and Council did not request further explanation of them. Clarification that some of these programs could be included in the upcoming budget discussions for Fiscal Year 2022, but if these programs were to be implemented earlier then the discussions would take place outside of normal budget process. Once these proposals are further developed and ready to be presented for approval, they will be brought back to Council.

11. **Discussion** - Kenai Fine Arts Center Remodel Update.

Public Works Director Curtin referred to Ordinance No. 3146-2020 which granted \$120,000 to the Kenai Fine Arts Center for improvements, and explained that those funds would be used for the proposed work included in the packet. Estimates are also included which exceed the grant, but no additional funding is being requested at this time as there may be future negotiations or modifications. It was noted that this discussion was to bring Council up to date with the proposed improvements and get concurrence.

Clarification was provided that the Kenai Fine Arts Center is now closed to the public, which is a staff decision and is not due to specific COVID-19 restrictions. There are no immediate plans to reopen, which makes this an appropriate time to begin these improvements.

Concerns were expressed that the asbestos abatement planned for Phase 1 might escalate into a more expensive issue, and it was clarified that the scope of abatement is being limited to prevent this.

It was noted that this one of the few historic buildings that the City owns, and provides value to the community.

12. Discussion - COVID-19 Response.

City Manager Ostrander reported that no employees are currently in COVID-19 protocols. All City facilities, with the exception of the Senior Center, are open to the public with protocols in place. Central Peninsula Hospital currently has 2 patients in their care with COVID-19. Noted that a vaccination update was provided earlier in the meeting.

H. COMMISSION / COMMITTEE REPORTS

1. Council on Aging – January 14, 2021 meeting cancelled; next meeting February 11, 2021.
2. Airport Commission – Council Member Knackstedt reported on the meeting of January 14, 2021. Discussion included the re-appointment of Chair Vice-Chair, Kenai Airport tower hours as proposed by the Tower, the goals and objectives for Fiscal Year 2021-2022, the conference room at the Airport terminal, landscaping options at the terminal, placement of the Kenai LaBelle mural, and directional signs for visitors to the float plane basin. Next meeting February 11, 2021.
3. Harbor Commission – No report; next meeting January 25, 2021.
4. Parks and Recreation Commission – January 7th meeting was cancelled due to lack of agenda items. Council Member Winger reported there is a warning out that ski trails are groomed, but iced over and should be used with caution. Special meeting with Beautification Committee February 4, 2021.
5. Planning and Zoning Commission – Council Member Glendening reported on January 13th meeting, welcoming new Planning Director Ryan Foster and new Commissioner Alex Douthit. Meeting included one plat for consideration, which involved moving a lot line. Next meeting January 27, 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:

- Swearing in of 3 new police officers;
- Participated in teleconference with Governor Dunleavy and other Kenai Peninsula mayors: main topics included COVID-19 and vaccine rollout, and his

new budget and capital projects. Will be participating in a follow-up teleconference with the Governor to discuss Cook Inlet Fisheries;

- Attended Chamber of Commerce meet-and-greet;
- As noted in the Finance Department Mid-Month Report, there will be an evaluation committee for the City's audit which requires three Council Members.

J. ADMINISTRATION REPORTS

1. City Manager - City Manager P. Ostrander reported on the following:
 - He is participating in the AML Legislative Committee. Noted discussions will include House Bill 55, Senate Bill 44, and Senate Bill 13;
 - Shared a story of Officers Levi Russell and Chad Larsen, who stopped and helped a motorist change a flat tire. Thanked the officers for going above and beyond the call of duty;
 - Update on the Bluff Erosion Project: expects RFP to be done this week, and could be released as early as next week;
 - Clarified that Administration has had difficulty filling the grant writer position, and at this time it seems unlikely to be filled in the near future.
2. City Attorney -- City Attorney S. Bloom reported that a letter was sent to Council regarding the Governor's budget proposal, and his is still awaiting responses from some Council Members.
3. City Clerk -- No report.

K. ADDITIONAL PUBLIC COMMENT

1. Citizens Comments (*Public comment limited to five (5) minutes per speaker*) - None.

Annalea Lott thanked the Council for staying up late to get this handled.

2. Council Comments

Council Member Glendening stated that he attended the police officer swearing in ceremony as well as the Chamber of Commerce meet-and-greet. He also noted that he had witnessed excellent service from our police officers who had helped people experiencing car troubles.

Council Member Pettey thanked everyone for their diligence and hard work on the Shop Local program. She thanked the outgoing Presidential Administration for their great service to the nation, and wished success for the incoming Administration.

Council Member Askin thanked staff and Council for their hard work, and noted she believes that created a great Shop Local program and looks forward to starting more programs in the near future.

Council Member Winger thanked everyone who testified for the Shop Local program, and congratulated Dave Peck on his appointment to the Harbor Commission. She also attended the police officer swearing in ceremony as well as the Chamber of Commerce luncheon. She stated that she wants small business to know she's committed to them, and is ultimately disappointed with the outcome of the Shop Local program ordinance.

Council Member Knackstedt thanked the Finance Director and his team for their excellent work.

L. EXECUTIVE SESSION – None.

M. PENDING ITEMS – None.

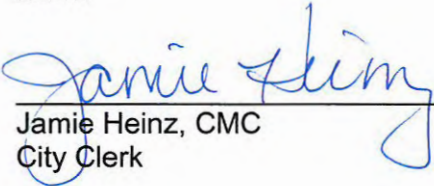
N. ADJOURNMENT

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 12:44 a.m. on January 21, 2021.

I certify the above represents accurate minutes of the Kenai City Council meeting of January 20, 2021.



Jamie Heinz, CMC
City Clerk

