

**KENAI CITY COUNCIL – REGULAR MEETING
MAY 19, 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 May 19, 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
Henry Knackstedt
Jim Glendening
Victoria Askin

Robert Molloy
Tea Winger
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

MOTION:

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

Add to item D.2.

Ordinance No. 3211-2021

- Amendment Memo
- Dog Park Request
- Daubenspeck Information Memo

Add to item J.1.

City Manager's Report

- Airport Mid-month Report

MOTION:

Vice Mayor Molloy **MOVED** to amend the agenda by removing item G.2 and with the requested additions. Council Member Askin **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

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

4. Consent Agenda

MOTION:

Council Member Knackstedt **MOVED** to approve the consent agenda and 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.

UNANIMOUS CONSENT was requested.

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.

With no objections, Mayor Gabriel delivered a proclamation in honor of the American Legion Auxiliary, Kenai Unit 20, recognizing the month of May 2021 as Poppy Month.

B. SCHEDULED PUBLIC COMMENTS

C. UNSCHEDULED PUBLIC COMMENTS

Brittany Brown spoke on behalf for Al Hall to address the Council regarding the Daubenspeck Dog Park, reporting that the project is on phase 3 of 3. The request was made for \$25,000 to be appropriated from the Daubenspeck Fund for the fund for the dog park, and it is clarified that fundraising is taking place but it may need the additional funds to reach their goal.

Brittany Brown, Executive Director of the Chamber of Commerce, provided a final overview of the impact of the shop local and grocery programs. She explained that all of the allocated funds had been used, and after completing processing the final applications for the shop local program they were \$11,250 over allocated total. She reported approximately 3,380 people participated in the shop local program, \$326,500 had been paid out to 60 local small businesses, and total spending in the City of Kenai outside of the program was approximately \$500,000. She noted that the Chamber had seen great support from within the community as well as outside.

D. PUBLIC HEARINGS

1. **Ordinance No. 3210-2021** - Amending Kenai Municipal Code Sections 23.25.020 - Pay Plan and Adoption, 23.55.020 – Compensation Structure by Grade for Employees in the Classified Service, 23.55.050 – Hourly Rates, Removing the Appended Salary Schedule from the City's Code of Ordinances to Allow for Adoption of the Salary Schedule through the Ordinance Adopting a Budget for the Following Fiscal Year or by Resolution. (Administration)
[Clerk's Note: At the May 5th Meeting, this Ordinance was Postponed to this Meeting; a Motion to Enact is On the Floor.]
 - **Substitute Ordinance No. 3210-2021** – Amending Kenai Municipal Code Sections 23.20.010 – Initial Classification, 23.20.020 – Revisions to Classification Plan, 23.25.020 – Pay Plan and Adoption, 23.55.020 – Compensation Structure by Grade for Employees in the Classified Service, 23.50.010 – Employee Classification, 23.55.050 – Hourly Rates, to Remove the Appended Salary Schedule and Classification Plan from the City's Code of Ordinances to Allow for Adoption of the Salary Schedule and Classification Plan Before July 1 Each Year Through the Ordinance Adopting a Budget for the Following Fiscal Year or by Resolution. (Administration)

MOTION TO AMEND:

Vice Mayor Molloy **MOVED** to amend Ordinance 3210-2021 by Substitute Ordinance 3210-2021 and Council Member Knackstedt **SECONDED** the motion.

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

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

VOTE:

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

NAY:

MOTION PASSED UNANIMOUSLY.

2. **Ordinance No. 3211-2021** - Adopting the Annual Budget for the Fiscal Year Commencing July 1, 2021 and Ending June 30, 2022 and Committing \$4,898,000 of General Fund, Fund Balance for Future Capital Improvements. (Administration)
 - **Substitute Ordinance No. 3211-2021** – Adopting the Annual Budget, Salary Schedule and Employee Classification Plan for the Fiscal Year Commencing July 1, 2021 and Ending June 30, 2022 and Committing \$4,898,000 of General Fund, Fund Balance for Future Capital Improvements. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to enact Ordinance No. 3211-2021 and Vice Mayor Molloy **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

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

MOTION TO AMEND:

Council Member Knackstedt **MOVED** to amend Ordinance 3211-2021 by enacting Substitute Ordinance 3211-2021 and Vice Mayor Molloy **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

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

MOTION TO AMEND:

Council Member Knackstedt **MOVED** to amend Ordinance 3211-2021 by amending Section 5 and deleting the number "1" as the Range for the Recreation Center Worker and replacing it with "3." Vice Mayor Molloy **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

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

MOTION TO AMEND:

Council Member Glendening **MOVED** to amend Ordinance 3211-2021 by stipulating up to \$25,000 be allocated to the Kenai Dog Park from the Daubenspeck Fund. Council Member Winger **SECONDED** the motion.

The many benefits of the dog park to the community were described, and it was recognized that there is a need for it in Kenai. It was explained that the Daubenspeck Fund was intended to be used for athletic activities, and that the dog park should qualify as such. The suggestion was made that the money be provided through a revolving fund so that the money may be available as needed throughout development. The general fund was suggested as a more appropriate source for the donation funds, due to the specific requirement of athletic activities for Daubenspeck funding.

Clarification was provided that through this amendment, if the group had insufficient funding for something they needed at a specific time, they could request those funds from the City. Discussion included whether those funds could be replenished as part of a revolving fund, whether the funds revert back when the project is complete, whether the dog park activities qualify as athletic activities, and at what point the revolving fund would close.

MOTION TO AMEND THE AMENDMENT:

Council Member Knackstedt **MOVED** to amend the amendment to make funds to be available for the fiscal year 2022. Vice Mayor Molloy **SECONDED** the motion.

Clarification was provided that this amendment would make the funds available within a reasonable timeframe for construction.

VOTE ON AMENDMENT TO THE AMENDMENT:

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

MOTION PASSED UNANIMOUSLY.

Council was advised that additional costs and complication could result if the project exceeded \$25,000 which would constitute it as a public construction project under the Little Davis Bacon Act.

Concerns were expressed about the additional complications that could arise from establishing a revolving fund for this project, and it was recommended that the funds be provided through a grant for up to \$25,000 on a reimbursable basis. Concerns were also raised about the timing of the donation.

VOTE ON AMENDMENT:

YEA:

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

MOTION FAILED.

MOTION TO AMEND:

Council Member Askin **MOVED** to amend the proposed FY22 budget to increase the General Fund Legislative Grants to Other Agencies by \$25,000 utilizing Restricted Fund Balance and restricting the grant period to FY22, and further amend Substitute Ordinance 3211-2021 by amending Section 2 General Fund total from \$19,083,063 to \$19,108,063, and amending the total for all funds from \$36,415,773 to \$36,440,773. Council Member Winger **SECONDED** the motion.

VOTE ON AMENDMENT:

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

NAY: Molloy

MOTION PASSED.

Clarification was provided that a decision has been reached regarding healthcare insurance renewal, and it is within the amount included in the budget. Administration is considering a potential change of healthcare insurance provider in the future.

VOTE ON MAIN MOTION AS AMENDED:

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

NAY:

MOTION PASSED.

- 3. Ordinance No. 3212-2021** - Increasing Estimated Revenues and Appropriations in the Airport Fund, Airfield and Administration Departments for Expenditures in Excess of Budgeted Amounts Related to Additional Temporary Hours and Overtime Hours Needed for Winter Snow Removal Activity and Leave Cash-In Amounts in Excess of Budgeted Amounts Caused by Employee Retirement. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to enact Ordinance No. 3212-2021 and Council Member Askin **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: Pettey, Winger, Gabriel, Askin, Glendening, Knackstedt, Molloy
NAY:

MOTION PASSED UNANIMOUSLY.

4. **Ordinance No. 3213-2021** - Increasing Revenues and Appropriations in the General, Airport, Water and Sewer and Senior Citizen Funds for City Employee COVID-19 Resilience Pay and Authorizing Payments to Employees on a Retroactive Monthly Basis. (Council Member Glendening, Council Member Winger)

MOTION:

Council Member Winger **MOVED** to enact Ordinance No. 3213-2021 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 the intention of this ordinance is to recognize City of Kenai employees for remaining employed with the City and taking on extra responsibilities over the past year; would provide employees with a payment of \$175 per month over a 13-month period.

It was noted that the City Manager ensured that over the past year, no regular employee was laid off or lost payment and employees were safe and protected. City taxpayers were in the same boat as employees over the last year and using taxpayer funds to provide bonuses to City employees is poor public policy.

Appreciation was expressed for the City employees and taxpayers. It was noted that during COVID-19, some City departments and facilities were closed to the public, all employees were eligible for COVID-19 leave, and many employees were also provided opportunities to work from home. Administration worked very hard to make sure employees were kept safe and their jobs secure, and many taxpayers did not have these benefits.

Clarification was provided that these payments would not be a raise, but would be retroactive compensation and recognition, and employees should not have an expectation for next year.

Mayor Gabriel passed the gavel to Vice Mayor Molloy, and noted that at the previous Council meeting he had voted to introduce this Ordinance because this is an important discussion and it should be made known why Council Members support or are against it. He reiterated the work that City Administration had done to mitigate COVID-19 and keep employees safe, and noted that citizens may not be so fortunate but had still worked hard to provide taxpayer money. Vice Mayor Molloy returned the gavel.

Clarification was provided that the source of the payments would not be from taxpayer funds, but from the general fund which had allocated COVID-19 funds originally provided by the federal government. It was also noted that many employees did not have the option to work from home.

VOTE:

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

MOTION FAILED.

5. **Resolution No. 2021-30** - Fixing the Rate of Levy of Property Tax for the Fiscal Year Commencing July 1, 2021 and Ending June 30, 2022. (Administration)

MOTION:

Vice Mayor Molloy **MOVED** to adopt Resolution No. 2021-30 and Council Member Askin **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.

It was noted that the mill rate has not changed in several years, and the City has enjoyed a relatively low mill rate. It was requested of administration to provide information about mill rate changes for the next Council meeting.

UNANIMOUS CONSENT was requested.

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

6. **Resolution No. 2021-31** - Amending its Comprehensive Schedule of Rates, Charges, and Fees to Incorporate Changes Included in the FY2022 Budget to Include Adjusting Terminal Fees Consistent with the City's Five-Year Airline Operating Agreement, Airport Reserve Land Annual Lease Rates, and Adjusting the Monthly Rental Rates at Vintage Pointe, Eliminating the Fire Departments Fee for Medical Treatment Without Transportation of the Patient, Creating a Fee for Internal Apartment Moves at Vintage Point Manor, No Fees Associated with the City's Operation of the Kenai Recreation Center, Adding a Conference Room Rental Fee for the Airport and Amending the City's Library Fees. (Administration)

MOTION:

Vice Mayor Molloy **MOVED** to adopt Resolution No. 2021-31 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.

Administration was thanked for the informative memos and the memo from Fire Chief Prior regarding Non-Transport fees for ambulance calls was highlighted, noting the valuable service

they provide. Clarification was provided that the Kenai Recreation Center fees will remain the same as they were under Boys & Girls Club management.

UNANIMOUS CONSENT was requested.

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

7. **Resolution No. 2021-32** - Authorizing the Purchase of Airport Snow Removal Equipment and Accessories Utilizing the State of Alaska Cooperative Fleet Purchasing Agreement. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2021-32 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.

VOTE:

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

MOTION PASSED UNANIMOUSLY.

8. **Resolution No. 2021-33** - Authorizing a Budget Transfer in the General Fund, Non-Departmental Department to Provide Supplemental Funding for the Shop Local Economic Stimulus Program, Authorizing an Amendment of the Program to Extend the Date Vouchers Must Be Spent, and Authorizing the City Manager to Execute an Amendment to the Professional Services Agreement with the Kenai Chamber of Commerce and Visitor Center for Administration of the Program. (Administration)

MOTION:

Council Member Askin **MOVED** to adopt Resolution No. 2021-33 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.

Administration was thanked for being proactive, and it was noted that the program was very well managed and Council had been provided regular updates on its progress.

UNANIMOUS CONSENT was requested.

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

9. **Resolution No. 2021-34** - Further Extending the Disaster Emergency Declaration for the City of Kenai Made on March 18, 2020 in Response to the COVID-19 Health Emergency. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2021-34 and Vice Mayor Molloy **SECONDED** the motion.

Mayor Gabriel opened for public hearing.

April Orth stated her opposition to the resolution, explaining that the public looks to the Council for guidance and the extension of the emergency declaration will cause fear. She expressed skepticism towards the virus's mortality rate, federal funding and the potential need to pay it back, and the efficacy of masks. She noted that there are treatments available for COVID-19, and shared her family's personal experience with the virus.

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

Doubts were expressed about whether having an emergency order in place would be necessary to receive future federal COVID-19 funding. Reasons to oppose the extension were discussed, including that it is time to get out of recovery phase and into resilience phase, and that a significant amount of the public have been vaccinated.

Clarification was provided that at this time, it is unknown whether the City would be eligible to receive further federal COVID-19 funding without an emergency order in place. Discussion included the possibility of enacting a new emergency order if it was required to receive funding, the effect of the emergency order on commission/committee participation, timeline for moratorium on penalties for water and sewer accounts, and the option of repealing the extension declaration prior to expiration if it is found it is not necessary for funding. It was requested that Administration provide data on where COVID-19 federal funding has been spent.

VOTE:

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

MOTION PASSED.

E. MINUTES

1. *Regular Meeting of May 5, 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. ***Action/Approval** - Purchase Orders Over \$15,000. (Administration)

[Clerk's Note: This item was removed from the agenda during approval of the agenda.]

3. ***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)

Introduced by the consent agenda and Public Hearing set for June 2, 2021.

4. *** 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)

Introduced by the consent agenda and Public Hearing set for June 2, 2021.

5. ***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)

Introduced by the consent agenda and Public Hearing set for June 2, 2021.

6. **Discussion** - COVID-19 Response.

City Manager Ostrander reported that there is currently no City employees in COVID-19 protocol, and that Central Peninsula General Hospital currently has 1 patient hospitalized with COVID-19. Kenai Peninsula Borough's COVID-19 risk level has dropped from high to intermediate, and the Library and Senior Center have removed their mask requirements and continued to move towards normal operations. Council agreed that this will be the final COVID-19 Response discussion during Council meetings.

H. COMMISSION / COMMITTEE REPORTS

1. Council on Aging – Council Member Pettey reported on the meeting of May 13, 2021. Next meeting June 10, 2021.
2. Airport Commission – Council Member Knackstedt reported on the meeting of May 13, 2021. Next meeting June 10, 2021.
3. Harbor Commission – No report. Next meeting June 7, 2021.
4. Parks and Recreation Commission – Council Member Winger reported on the meeting of May 6, 2021. Next meeting June 3, 2021.

5. Planning and Zoning Commission – Council Member Glendening reported on the meeting of May 12, 2021. Next meeting May 26, 2021.
6. Beautification Committee – Council Member Askin reported on the meeting of May 11, 2021. Next meeting September 7, 2021.
7. Mini-Grant Steering Committee – No report.

I. REPORT OF THE MAYOR

Mayor Gabriel reported on the following:

- Noted the removal of trees around City Hall and remarked on how widespread the spruce bark beetle kill has been. Explained how he managed slash in past years;
- He threw the first pitch for Little League season last Saturday;
- Noted the upcoming American Legion Memorial Day Event.

J. ADMINISTRATION REPORTS

1. City Manager - City Manager P. Ostrander reported on the following:
 - Noted the removal of trees around City facilities;
 - City will be receiving a capital refund credit from HEA for \$32,000;
 - Highlighted employee James Adcox for being an amazingly creative artist who created a story walk for the Library;
 - Met with Robert Ruffner and Nate Berga, who will be providing an update on the Cook Inlet fisheries during the upcoming Council Meeting on June 2, 2021;
 - Met with other Kenai Peninsula City Managers in Homer;
 - Introduce Eland Conway, the Kenai Airport's new Airport Manager;
 - Signed grant agreement of Phase 2 of the Airport sand storage facility;
 - There was a single engine plane accident at the Airport, which was met with an excellent response from City staff which met all FAA requirements;
 - Bluff Project update: finalized negotiations with HDR;
 - Invited Council Members to Kenai's Employee Appreciation Party on June 4, 2021;
 - Will not be able to attend the Council Meeting on June 2, 2021. Acting Manager Terry Eubank will attend in his place;
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*)

City Manager Ostrander provided information from the latest taxable sales report.

2. Council Comments

Council Member Glendening stated he is glad for Council's support on the dog park, and looks forward to a creative collaborative effort between the community and City. Noted upcoming event opportunities, and reflected on past health emergencies. Encouraged everyone to be vigilant, healthy and responsible as individuals.

Council Member Pettey gave a heartfelt thanks to veterans who have served our country and sacrificed so we can have our freedoms. She thanked Administration for creating the budget and looking for efficiencies. Noted that she hopes more trees can be planted to replace the ones that were removed around City facilities. Reiterated her support for the dog park, and encouraged our new grant writer to find funding opportunities for it. Encourage everyone to live fearlessly and be safe.

Council Member Winger welcomed new Airport Manager Conway, and congratulated the graduating class of 2021. Reported on recent events she participated in including a trash cleanup, Kenai Home Builders Association Spring Show, and the Mountain View Bike Rodeo. Noted that she hopes the carnival returns to Kenai, and encouraged pursuing a spruce bark kill dumping site.

Council Member Askin reported on Police Memorial Day on May 15, 2021, and encouraged everyone to participate in Memorial Day celebrations. Noted other upcoming events including the Chamber of Commerce fundraiser and Kenai Employee Party. Thanked Administration for their hard work.

Vice Mayor Molloy welcomed new Airport Manager Conway, and thanked the families of veterans who sacrificed for our freedoms. Stated his remorse for the loss of trees to spruce bark beetles. Noted that a lot of good work had been done on the FY22 Budget, and was pleased to hear the good news on our sales tax.

Council Member Knackstedt welcomed new Airport Manager Conway, and noted he looks forward to working with him on the Airport Commission. Reported he attended the Kenai Home Builders Association Spring Show, and thanked the Cannery Lodge for their donation to the Kite Festival. Expressed appreciation for the Chamber of Commerce for worked cooperatively with the City.

Mayor Gabriel wished the Kenai River Brown Bears good luck on their playoffs.

L. **EXECUTIVE SESSION** – None.

M. **PENDING ITEMS** – None.

N. **ADJOURNMENT**

O. **INFORMATION ITEMS**

1. Purchase Orders Between \$2,500 and \$15,000
2. Boy Scouts of America Letter
3. CIRCAC Directors Report

There being no further business before the Council, the meeting was adjourned at 9:08 p.m.

I certify the above represents accurate minutes of the Kenai City Council meeting of May 19, 2021.

Jamie Heinz

Jamie Heinz, MMC
City Clerk

