



## Kenai City Council - Regular Meeting

January 19, 2022 – 6:00 PM

Kenai City Council Chambers

210 Fidalgo Avenue, Kenai, Alaska

**\*\*Telephonic/Virtual Information on Page 3\*\***

[www.kenai.city](http://www.kenai.city)

### Agenda

#### A. CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call
3. Agenda Approval
4. **Oath of Office for Student Representative, Silas Thibodeau**
5. Consent Agenda (*Public comment limited to three (3) minutes per speaker; thirty (30) minutes aggregated*)

\*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

*(Public comment limited to ten (10) minutes per speaker)*

#### C. UNSCHEDULED PUBLIC COMMENTS

*(Public comment limited to three (3) minutes per speaker; thirty (30) minutes aggregated)*

#### D. PUBLIC HEARINGS

1. **Ordinance No. 3266-2022** - Accepting and Appropriating Funds in the Airport Fund, and Accepting Two Grants From the Federal Aviation Administration Under the American Rescue Plan Act of 2021 (H.R. 1319, Public Law 117-2). (Administration)
  - **Substitute Ordinance No. 3266-2022**
2. **Resolution No. 2022-04** - Awarding a Three Year Contract for the Purchase of Microsoft Software. (Administration)
3. **Resolution No. 2022-05** - Adopting Goals to Guide the Preparation of the Fiscal Year 2023 Annual Budget. (Administration)
4. **Resolution No. 2022-06** - Executing a Professional Services Agreement and Issuance of a Purchase Order for Design Services for the Recreation Center Improvements Project. (Administration)

- 5. Resolution No. 2022-07** - Accepting Funding from the U.S. Department of Health and Human Services, Provider Relief Fund through the Public Health and Social Services Emergency Fund, Provided by The Coronavirus Aid, Relief, and Economic Security (CARES) Act. (Administration)

**E. MINUTES**

- 1.** \*Regular Meeting of January 5, 2022. (City Clerk)  
**2.** \*Work Session of January 10, 2022. (City Clerk)

**F. UNFINISHED BUSINESS**

**G. NEW BUSINESS**

- 1.** \*Action/Approval - Bills to be Ratified. (Administration)  
**2.** \*Action/Approval - Purchase Orders Over \$15,000. (Administration)  
**3.** \*Ordinance No. 3267-2022 - Authorizing COVID Leave for City Employees that Test Positive for COVID-19, and Authorizing the Use of Funds from a Grant from the State of Alaska-Department of Health and Social Services – Division of Public Health – COVID Emergency Operations Center to Fund the Leave. (Administration)  
**4.** \*Ordinance No. 3268-2022 - Increasing Estimated Revenues and Appropriations in the Water and Sewer Special Revenue Fund and Authorizing a Purchase Order Increase to Alaska Waste For Sludge Disposal Services At The Waste Water Plant (Administration)  
**5.** \*Ordinance No. 3269-2022 - Amending Kenai Municipal Code Section 7.30:020, Land Sale Permanent Funds, to Identify the Circumstances and Limitation on the Use of Derivative Investments and to Add Two New Classes of Assets to the List of Authorized Investments and to Codify the Applicable Benchmark by Which these Asset Classes Will be Measured and Evaluated (Administration)  
**6.** Action/Approval - Providing Direction to the City Attorney to file an Amicus Brief in *United Cook Inlet Drift Association, et al. v. NMFS et al.* (Administration)  
**7.** Action/Approval - Providing Input to the Alaska Department of Environmental Conservation (ADEC) on Proposed Changes to Regulations on Oil Discharge Prevention and Contingency Plans (Mayor Gabriel)

**H. COMMISSION / COMMITTEE REPORTS**

1. Council on Aging  
 2. Airport Commission  
 3. Harbor Commission  
 4. Parks and Recreation Commission  
 5. Planning and Zoning Commission

6. Beautification Committee
7. Mini-Grant Steering Committee

**I. REPORT OF THE MAYOR**

**J. ADMINISTRATION REPORTS**

1. City Manager
2. City Attorney
3. City Clerk

**K. ADDITIONAL PUBLIC COMMENT**

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

**L. EXECUTIVE SESSION**

**M. PENDING ITEMS**

**N. ADJOURNMENT**

**O. INFORMATION ITEMS**

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

*The agenda and supporting documents are posted on the City's website at [www.kenai.city](http://www.kenai.city). Copies of resolutions and ordinances are available at the City Clerk's Office or outside the Council Chamber prior to the meeting. For additional information, please contact the City Clerk's Office at 907-283-8231.*

**Join Zoom Meeting**

<https://us02web.zoom.us/j/82160351709>

**Meeting ID:** 821 6035 1709 **Passcode:** 848744

OR

**Dial In:** (253) 215-8782 or (301) 715-8592

**Meeting ID:** 821 6035 1709 **Passcode:** 848744



Sponsored by: Administration

**CITY OF KENAI**

**ORDINANCE NO. 3266-2022**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, ACCEPTING AND APPROPRIATING FUNDS IN THE AIRPORT FUND, AND ACCEPTING TWO GRANTS FROM THE FEDERAL AVIATION ADMINISTRATION UNDER THE AMERICAN RESCUE PLAN ACT OF 2021 (H.R. 1319, PUBLIC LAW 117-2).

WHEREAS, on March 11, 2021, the American Rescue Plan Act of 2021 was signed into law by the President which includes \$8 billion in funds to be awarded as economic assistance to eligible U.S. airports to prevent, prepare for, and respond to the coronavirus disease 2019 (COVID-19) pandemic; and,

WHEREAS, to distribute these funds, the FAA has established the Airport Rescue Grants; and

WHEREAS, on December 14, 2021, the Kenai Municipal Airport received the Airport Rescue Grant Offer, Grant No. 3-02-0142-070-2022, in the amount of \$1,719,887 for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments; and,

WHEREAS, on \_\_\_\_\_, the Kenai Municipal Airport received the Airport Rescue Grant Offer, Grant No. 3-02-0142-\_\_\_\_\_-2022, in the amount of \$\_\_\_\_\_ to provide relief from rent and minimum annual guarantees to eligible in-terminal airport concessions; and,

WHEREAS, keeping the Airport in reliable, safe operation is in the best interest of the City; and,

WHEREAS, the executed grant, Grant No. 3-02-0142-070-2022, followed by the city attorney's certification must be completed no later than January 30, 2022; and,

WHEREAS, the executed grant, Grant No. 3-02-0142-\_\_\_\_\_-2022, followed by the city attorney's certification must be completed no later than \_\_\_\_\_.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, as follows:

**Section 1.** That the City Manager is authorized to accept Grant No. 3-02-0142-070-2022 in the amount of \$1,719,887 for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments, and Grant No. 3-02-0142-\_\_\_\_\_-2022 in the amount of \$\_\_\_\_\_ for eligible in-terminal airport concessions relief.

**Section 2.** That the estimated revenues and appropriations be increased as follows:

Airport Fund:

Increase Estimated Revenues - Federal Grants	\$_____
Increase Appropriations – Administration:	
Contingency	\$1,719,887
Grants to other Agencies	<u>XX,XXX</u>
	<u>\$X,XXX,XXX</u>

**Section 3.** That the City Manager is authorized to accept grant funding totaling \$\_\_\_\_\_ from the Federal Aviation Administration and to execute grant agreements and to expend grant funds to fulfill the purpose and intent of this ordinance.

**Section 4.** Severability: That if any part or provision of this ordinance or application thereof to any person or circumstances is adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision, or application directly involved in all controversy in which this judgment shall have been rendered, and shall not affect or impair the validity of the remainder of this title or application thereof to other persons or circumstances. The City Council hereby declares that it would have enacted the remainder of this ordinance even without such part, provision, or application.

**Section 5.** Effective Date: That pursuant to KMC 1.15.070(f), this ordinance shall take effect immediately upon enactment.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 19<sup>th</sup> day of January, 2022.

\_\_\_\_\_  
BRIAN GABRIEL SR., MAYOR

ATTEST:

\_\_\_\_\_  
Michelle M. Saner, MMC, City Clerk

Finance: 

Introduced: January 5, 2022  
Enacted: January 19, 2022  
Effective: January 19, 2022



## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Eland Conway II, Airport Manager

**DATE:** December 22, 2021

**SUBJECT:** **Ordinance No. 3266-2022 – Kenai Airport ARP Act Grant, Accepting and Appropriating Airport Funds**

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Air travel remains well below pre-pandemic levels (ENA enplanements ↓30% compared to 2019)— airport concessionaires, and the aviation industry as a whole continue to suffer from the many economic consequences of the COVID-19 pandemic. These funds are critical to sustaining the operation of the airport, regulatory compliance, and acceptable service levels.

Airport concessionaires are struggling or unable to meet the terms of their lease(s).

On December 14, 2021, the Kenai Municipal Airport (ENA) received Airport Rescue Grant Offer, Grant No. 3-02-0142-070-2022, from the Federal Aviation Administration for funds under the American Rescue Plan Act:

\$1,719,887 – Funds may be used for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments.

ENA is anticipating a second Airport Rescue Grant Offer, Grant No. 3-02-0142-\_\_\_-2022, from the Federal Aviation Administration—before the January 12, 2022 deadline allowing a substitute to this ordinance to be advertised—in the amount of \$81,591. These funds provide relief from rent and minimum annual guarantees to eligible in-terminal airport concessions.

Ordinance 3266-2022 provides legislative action designating authority for acceptance and appropriation of grant funds.

Thank you for your consideration.



Sponsored by: Administration

**CITY OF KENAI**

**SUBSTITUTE ORDINANCE NO. 3266-2022**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, ACCEPTING AND APPROPRIATING FUNDS IN THE AIRPORT FUND, AND ACCEPTING TWO GRANTS FROM THE FEDERAL AVIATION ADMINISTRATION UNDER THE AMERICAN RESCUE PLAN ACT OF 2021 (H.R. 1319, PUBLIC LAW 117-2).

WHEREAS, on March 11, 2021, the American Rescue Plan Act of 2021 was signed into law by the President which includes \$8 billion in funds to be awarded as economic assistance to eligible U.S. airports to prevent, prepare for, and respond to the coronavirus disease 2019 (COVID-19) pandemic; and,

WHEREAS, to distribute these funds, the FAA has established the Airport Rescue Grants; and

WHEREAS, on December 14, 2021, the Kenai Municipal Airport received the Airport Rescue Grant Offer, Grant No. 3-02-0142-070-2022, in the amount of \$1,719,887 for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments; and,

WHEREAS, on December 31, 2021, the Kenai Municipal Airport received the Airport Rescue Grant Offer, Grant No. 3-02-0142-71-2022, in the amount of \$81,591 to provide relief from rent and minimum annual guarantees to eligible in-terminal airport concessions; and,

WHEREAS, keeping the Airport in reliable, safe operation is in the best interest of the City; and,

WHEREAS, the executed grant, Grant No. 3-02-0142-070-2022, followed by the city attorney's certification must be completed no later than January 30, 2022; and,

WHEREAS, the executed grant, Grant No. 3-02-0142-71-2022, followed by the city attorney's certification must be completed no later than February 25, 2022.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, as follows:

**Section 1.** That the City Manager is authorized to accept Grant No. 3-02-0142-070-2022 in the amount of \$1,719,887 for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments, and Grant No. 3-02-0142-71-2022 in the amount of \$81,591 for eligible in-terminal airport concessions relief.

**Section 2.** That the estimated revenues and appropriations be increased as follows:

Airport Fund:

Increase Estimated Revenues - Federal Grants	<u>\$1,801,478</u>
Increase Appropriations – Administration: Contingency	\$1,719,887
Grants to other Agencies	<u>81,591</u>
	<u>\$1,801,478</u>

**Section 3.** That the City Manager is authorized to accept grant funding totaling \$1,801,478 from the Federal Aviation Administration and to execute grant agreements and to expend grant funds to fulfill the purpose and intent of this ordinance.

**Section 4.** Severability: That if any part or provision of this ordinance or application thereof to any person or circumstances is adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision, or application directly involved in all controversy in which this judgment shall have been rendered, and shall not affect or impair the validity of the remainder of this title or application thereof to other persons or circumstances. The City Council hereby declares that it would have enacted the remainder of this ordinance even without such part, provision, or application.

**Section 5.** Effective Date: That pursuant to KMC 1.15.070(f), this ordinance shall take effect immediately upon enactment.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 19<sup>th</sup> day of January, 2022.

\_\_\_\_\_  
BRIAN GABRIEL SR., MAYOR

ATTEST:

\_\_\_\_\_  
Michelle M. Saner, MMC, City Clerk

Finance: 

Introduced: January 5, 2022  
Enacted: January 19, 2022  
Effective: January 19, 2022





## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Eland Conway II, Airport Manager

**DATE:** January 13, 2022

**SUBJECT:** **SUBSTITUTE Ordinance No. 3266-2022 – Kenai Airport ARP Act Grant, Accepting and Appropriating Airport Funds**

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This Substitute Ordinance fills in the blanks of the in-terminal airport concessions relief grant of the initial Ordinance presented to City Council on January 5, 2022.

On December 31, 2021, the Kenai Municipal Airport received the Airport Rescue Grant Offer, Grant No. 3-02-0142-71-2022, in the amount of \$81,591 to provide relief from rent and minimum annual guarantees to eligible in-terminal airport concessions.

Ordinance 3266-2022 provides legislative action designating authority for acceptance and appropriation of grant funds.

Thank you for your consideration.



Sponsored by: Administration

**CITY OF KENAI**

**RESOLUTION NO. 2021-04**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, AWARDING A THREE YEAR CONTRACT FOR THE PURCHASE OF MICROSOFT SOFTWARE.

WHEREAS, the City has reached the end of a three year contract for a Microsoft Enterprise Agreement; and,

WHEREAS, the City solicited bids for this Enterprise Agreement on December 14, 2021; and,

WHEREAS, the City advertised this bid in both the Peninsula Clarion and Anchorage Daily News on December 14, 2021; and,

WHEREAS, the City received one responsive bid from Insight Public Sector, Inc. in the amount of \$102,727.80; and,

WHEREAS, the recommendation from City Administration is to award a three year contract to Insight Public Sector, Inc. for a total cost of \$102,727.80, payable in three equal installments of \$34,242.60; and,

WHEREAS, the contract provides Microsoft Software Licenses which are required for the City to conduct business; and,

WHEREAS, sufficient funds have been appropriated for this purchase.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA:

**Section 1.** The Council authorizes the City Manager to execute a three year contract for the purchase of Microsoft Software with Insight Public Sector, Inc. for an annual cost of \$34,242.60.

**Section 2.** That this resolution takes effect immediately upon passage.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 19<sup>th</sup> day of January, 2022.

\_\_\_\_\_  
BRIAN GABRIEL, SR., MAYOR

ATTEST:

\_\_\_\_\_  
Michelle M. Saner, MMC, City Clerk

Approved by Finance: *J. Lusk*



# KENAI

City of Kenai | 210 Fidalgo Ave, Kenai, AK 99611-7794 | 907.283.7535 | www.kenai.city

## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**THROUGH:** Terry Eubank, Finance Director  
**FROM:** Dan Castimore, IT Manager  
**DATE:** January 6, 2022  
**SUBJECT:** **Resolution No. 2021-04**

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The purpose of this memo is to recommend awarding a three year contract to Insight Public Sector, Inc. for the purchase of Microsoft Software Licenses.

On December 14, 2021 a bid was released and was advertised in both the Peninsula Clarion and Anchorage Daily News on the same day. This bid closed on January 3<sup>rd</sup>, 2022 and one response was received from Insight Public Sector, Inc. This bid was for \$102,727.80 paid in three annual installments of \$34,242.60.

The administration recommends awarding a three year contract to Insight Public Sector, Inc. for the purchase of a Microsoft Enterprise Agreement.

Council's approval is respectfully requested.



Sponsored by: Administration

**CITY OF KENAI**

**RESOLUTION NO. 2022-05**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, ADOPTING GOALS TO GUIDE THE PREPARATION OF THE FISCAL YEAR 2023 ANNUAL BUDGET.

WHEREAS, at the Fiscal Year 2023 Budgetary Goals Work Session on January 10, 2022 the Kenai City Council discussed and accepted public comment on goals and objectives to guide the City’s fiscal year 2023 budget development; and,

WHEREAS, the adoption of budget goals helps to ensure the budget is prepared in a manner which meets the needs and desires of the community and is consistent with the desires of the City Council; and,

WHEREAS, the City Council has discussed and collectively adopted this Broad Statement of Purpose and goals for the preparation of the Fiscal Year 2023 City of Kenai Budget; and,

WHEREAS, the City Manager will utilize the adopted Broad Statement of Purpose and goals to guide the creation of the City’s Draft Budget which will be submitted to the City Council for consideration and adoption.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA:

**Section 1.** The Council adopts the following Fiscal Year 2023 Budget Goals and Broad Statement of Purpose:

**Broad Statement of Purpose**

It is a goal of the City to formulate and adopt a budget which is fiscally responsible and meets the needs and priorities of the community it serves. A fiscally responsible budget ensures revenues, taxes, and fees, are sufficient but not excessive to fund current operations and contribute to the long-term maintenance of City infrastructure used to provide services. Meeting the needs and priorities of the community means prioritizing essential services while being mindful that non-essential services such as parks, recreation, arts, library and senior services have significant importance to a vibrant, well-balanced community in which individuals have a desire to live and businesses seek to locate.

**Specific Goals**

1. Submit a budget for consideration which maintains the City’s current mill and sales tax rates which is also compliant with the General Fund, Fund Balance Policy codified in KMC 7.25.
2. Propose salary schedule adjustments commensurate with inflation as measured by the Alaska Consumer Price Index for All Urban Consumers, second half over second half to

the extent possible while meeting the City’s Fund Balance Policy/Goals with no increase in the rates of taxation or reduction in services.

- 3. Improve the sustainability of and maintain the quality of employee medical, dental and life insurance while continuing toward an employee cost share of 15%; a process that began in FY2021 and continued in FY2022 by increasing the employee cost share 1% per year. A 1% increase in the employee cost share for FY2023 would bring the employee’s share to 13%.
- 4. Seek opportunities for efficiency by striving to reduce the cost of goods and services without negatively impacting operations.
- 5. Compile a list of capital projects, projects costing \$35,000 or more, for Council adoption. The investment in maintaining infrastructure over time should at a minimum equal the depreciation, an accounting process by which the cost of an asset is spread over its useful life, recorded annually on City capital assets and infrastructure. The City’s FY2021 depreciation by fund and function were:

General Fund:	
General Government	\$92,271
Public Safety	\$193,424
Public Works	\$876,529
Parks, Recreation & Culture	\$317,968
Social Welfare Services	<u>\$69,739</u>
	\$1,549,931
Airport Fund:	\$2,123,505
Water & Sewer Fund	<u>\$1,079,565</u>
Total All Funds	<u>\$4,753,001</u>

- 6. Adjust rates, charges and fees in all funds commensurate with inflation as measured by the Alaska Consumer Price Index for All Urban Consumers, second half over second half. The monthly rents at Vintage Pointe should not increase more than \$35.00 per month over FY2022 rates for existing tenants as of June 30, 2022.
- 7. For the Airport, Water & Sewer, Personal Use Fishery, and Congregate Housing Funds, the proposed budget should project ending fund balance/retained earnings of at least 50% of the FY2022 budgeted expenditures net of any projected lapse and any use of fund balance should be for one-time or capital purchases and not for reoccurring expenditures/expenses. The ending fund balance for each fund should not be less than:
 

Airport Fund	\$1,485,772
Water & Sewer Fund	\$1,262,634
Personal Use Fishery Fund	\$231,905
Congregate Housing Fund	\$253,366
- 8. Senior Citizen Fund fees and rates should be adjusted to a level sufficient to limit the increase in required transfer from the General Fund to no more than a 10% increase, \$22,052, over FY2022 amounts.


**Section 2.** That this resolution takes effect immediately upon passage.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 19<sup>th</sup> day of January, 2022.

\_\_\_\_\_  
BRIAN GABRIEL, SR., MAYOR

ATTEST:

\_\_\_\_\_  
Michelle M. Saner, MMC, City Clerk

Approved by Finance 



## MEMORANDUM

**TO:** Mayor Gabriel and Council Members

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Terry Eubank, Finance Director

**DATE:** January 13, 2022

**SUBJECT:** **Resolution 2022-05 – Council Budget Goals**

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Resolution 2022-05 will formally establish Council's goals for the City's FY2023 Budget. The adopted goals are intended to guide the City Manager in his preparation of the budget which is scheduled to be provided to Council in April for its consideration and adoption prior to the June 10<sup>th</sup> deadline established in KMC 7.25.010(g).

The establishment of goals by the City Council early in the budget process is considered a best practice, one the administration believes should be incorporated into the City's budget process, as it provides guidance to the City Manager in his compilation of his draft budget and it provides greater transparency to the process. The preparation of the FY2023 City Budget will be exceptionally challenging as the result of economic pressures not seen in the United States for forty years. Inflation, as measured by the Consumer Price Index, second half of 2020 over second half 2021 for Alaska showed a 6.35% increase. Council's establishment of specific, measurable, attainable, relevant and time based (SMART) goals will increase the likelihood of a smooth and successful budget process in FY2023 and future years.

These goals were discussed and public testimony was heard at a work session held on January 10<sup>th</sup>. Your support for adoption is respectfully recommended.



Sponsored by: Administration

**CITY OF KENAI**

**RESOLUTION NO. 2022 - 06**

A RESOLUTION OF THE CITY OF KENAI, ALASKA, EXECUTING A PROFESSIONAL SERVICES AGREEMENT AND ISSUANCE OF A PURCHASE ORDER FOR DESIGN SERVICES FOR THE RECREATION CENTER IMPROVEMENTS PROJECT.

WHEREAS, the City of Kenai released a Request for Proposals on November 18, 2021 with Proposals due on December 10, 2021 to provide bid ready construction documents for a complete roof replacement of the facility as well as various mechanical HVAC repairs; and,

WHEREAS, the City received proposals from Burkart Croft Architects, BDS Architects and K+A Design Studios; and,

WHEREAS, a selection committee reviewed all of the proposals with the scoring results indicated below; and,

<b>Firm</b>	<b>Score</b>
K+A Design Studios	275.9
Burkart Croft Architects	252.1
BDS Architects	233

WHEREAS, Administration recommends retaining K+A Design Studios, to provide the requested Professional Services from approximately January 20, 2022 through approximately November 1, 2022; and,

WHEREAS, funding for this work has already been provided within Capital Projects and is currently within budgeted amounts; and,

WHEREAS, Administration and the Public Works Department are in concurrence that award of this agreement is in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA:

**Section 1.** That the Kenai City Council authorizes the City Manager to execute a Professional Services Agreement with K+A Design Studios, to provide Professional AE Services for the Recreation Center Improvements project, and to issue a Purchase Order to K+A Design Studios in the amount of \$92,085.

**Section 2.** That this Resolution takes effect immediately upon adoption.




Resolution No. 2022-06  
Page 2 of 2

ADOPTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 19<sup>th</sup> day of January, 2022.

\_\_\_\_\_  
BRIAN GABRIEL SR., MAYOR

ATTEST:

\_\_\_\_\_  
Michelle M. Saner, MMC, City Clerk

Approved by Finance: 

\_\_\_\_\_



## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Scott Curtin, Director of Public Works

**DATE:** January 11, 2022

**SUBJECT:** **Resolution 2022-06 – Design Services for the Recreation Center Improvement Project**

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This Resolution is authorizing the Design Services required to provide bid ready construction documents for much needed repairs at the Recreation Center located at 227 Caviar St.

This project will replace the existing built up asphalt roof with an adhered single membrane roof system. As numerous roof top air handling units of various ages reside on the existing roof, this project will evaluate those units, replace units at the end of their useful life, and provide remaining life estimates for remaining equipment to be included in future Capital Improvement Plans.

Additionally the Design Team will be conducting a code assessment of the facility to identify potential issues with the current use of spaces, again for planning purposes.

The primary goals of the project are, in order of priority are:

- Complete Roof Replacement
- Corrections to HVAC systems
- Corrections to Boiler / Hot Water Systems
- Code Assessment / Planning

Photos below identify some of the areas of concern. Approval of this Resolution will allow the Capital Projects team to implement the needed repairs, securing a widely used city asset for years to come.

The Design Fees are within current budgeted amounts, Council's support is respectfully requested.









Sponsored by: Administration

**CITY OF KENAI**

**RESOLUTION NO. 2022-07**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, ACCEPTING FUNDING FROM THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, PROVIDER RELIEF FUND THROUGH THE PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY FUND, PROVIDED BY THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT.

WHEREAS, The Provider Relief Fund was established by the CARES Act to support qualified providers of health care services; and,

WHEREAS, Provider Relief Fund payments are provided to recipients for healthcare-related expenses or lost revenue caused by their response to coronavirus; and,

WHEREAS, in completing the City’s application for these funds it was determined the City experienced a year over year (YoY) decrease in ambulance billing revenue of \$92,857.10 when comparing calendar year’s 2019 and 2020; and,

WHEREAS, based upon this loss of revenue, the City of Kenai has been awarded \$30,691.03 from the Provider Relief Fund; and,

WHEREAS, acceptance of these funds to offset the loss of ambulance services revenue experienced by the City is in its best interest.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA:

**Section 1.** The Council authorizes the City Manager to accept a grant in the amount of \$30,691.03 from the Provider Relief Fund to offset the City’s loss of \$92,857.10 in ambulance billing revenue caused by coronavirus pandemic.

**Section 2.** That this resolution takes effect immediately upon passage.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 19<sup>th</sup> day of January, 2022.

\_\_\_\_\_  
BRIAN GABRIEL, SR., MAYOR

ATTEST:

\_\_\_\_\_  
Michelle M. Saner, MMC, City Clerk



## MEMORANDUM

**TO:** Mayor Gabriel and Council Members

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Tony Prior, Fire Chief

**DATE:** January 12, 2022

**SUBJECT:** **Resolution 2022-07 Provider Relief Funding**

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We applied to the Health Resources & Services Administration, Phase 4 Provider Relief Fund. In the application we found that we had a reduction of \$92,857.10 in ambulance billing from services provided as a Year over Year (YoY), 2019 compared to 2020. Our focus for this application phase of PRF is lost revenue for ambulance billing, and we have been awarded \$30,691.03.

We request your consideration and support of Resolution 2022-07, to accept \$30,691.03 for lost revenue in ambulance services.

**KENAI CITY COUNCIL – REGULAR MEETING  
JANUARY 5, 2022 – 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 5, 2022, 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  
Deborah Sounart  
Jim Glendening

James Baisden  
Tea Winger  
Glenese Pettey

A quorum was present.

Also in attendance were:

Paul Ostrander, City Manager  
Scott Bloom, City Attorney  
Terry Eubank, Finance Director  
Shellie Saner, City Clerk

**3. Agenda Approval**

Mayor Gabriel noted the following additions to the packet:

Add to item D.5.

**Ordinance No. 3265-2021**

- October 18, 2021 Discussion Item - Kenai Dog Park

Add to item J.1.

**Land Management Plan Requested Information**

- Memo

**MOTION:**

Council Member Knackstedt **MOVED** to approve the agenda with the requested revisions, and requested **UNANIMOUS CONSENT**. Council Member Pettey **SECONDED** the motion.

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

#### 4. **Consent Agenda**

**MOTION:**

Council Member Knackstedt **MOVED** to approve the consent agenda and requested **UNANIMOUS CONSENT**. Council Member Baisden **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** – None.

**C. UNSCHEDULED PUBLIC COMMENTS**

Marion Nelson provided Council a schedule of upcoming events at the Kenai Fine Arts Center, noting that their first show of the year will feature art by Zirus VanDevere and the Fine Arts Center is collaborating with Kenai River Brewing Company to create a signature Jail Ale.

**D. PUBLIC HEARINGS**

1. **Ordinance No. 3261-2021** - Accepting and Appropriating a Grant from the Institute of Museum and Library Services through the Department of Education and Early Development, Division of Library, Archives & Museums for the Purchase of a Hold Locker. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to enact Ordinance 3261-2021 and Council Member Pettey **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 on how the library lockers work using notifications, pick-up code and a mobile app. It was noted that this will be very convenient and efficient for library users.

**VOTE:**



YEA: Gabriel, Glendening, Pettey, Baisden, Sounart, Winger, Knackstedt  
 NAY:

**MOTION PASSED UNANIMOUSLY.**

2. **Ordinance No. 3262-2021** - Accepting and Appropriating a Grant from the Institute of Museum and Library Services Passed Through the Department of Education and Early Development, Division of Library, Archives & Museums for the Purchase of Steam Kit Shelving, Library Materials, and Other Items. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to enact Ordinance No. 3262-2021 and Council Member Pettey **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 voice amplifiers and tents will be used for holding outdoor library events in the summer. Library Director Wolfe was thanked for being proactive in seeking grant funds to better the library for the community. The importance of STEAM programs for elementary-age children was noted.

**VOTE:**

YEA: Pettey, Baisden, Sounart, Winger, Knackstedt, Gabriel, Glendening  
 NAY:

**MOTION PASSED UNANIMOUSLY.**

3. **Ordinance No. 3263-2021** - Increasing Estimated Revenues and Appropriations in the General Fund – Police Department and Accepting Grants from the United States Department of Justice and Alaska Municipal League Joint Insurance Association (AMLJIA) for the Purchase of Ballistic Vests. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to enact Ordinance No. 3263-2021 and Council Member Baisden **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.

**MOTION TO AMEND:**

Council Member Knackstedt **MOVED** to amend the third Whereas by replacing the word “three” with “five” and requested **UNANIMOUS CONSENT**. Council Member Pettey **SECONDED** the motion.

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

**VOTE ON MAIN MOTION AS AMENDED:**

YEA: Baisden, Sounart, Winger, Knackstedt, Gabriel, Glendening, Pettey  
 NAY:

**MOTION PASSED UNANIMOUSLY.**

4. **Ordinance No. 3264-2021** - Accepting and Appropriating Asset Forfeiture Funds Provided to the City of Kenai through the State of Alaska Department of Public Safety. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to enact Ordinance No. 3264-2021 and Council Member Baisden **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 memo explained very well how the funds would be used.

**VOTE:**

YEA: Sounart, Winger, Knackstedt, Gabriel, Glendening, Pettey, Baisden  
 NAY:

**MOTION PASSED UNANIMOUSLY.**

5. **Ordinance No. 3265-2021** - Increasing Estimated Revenue and Appropriations in the General Fund and the Parks Improvement Capital Project Fund for Additional Kenai Dog Park Funding. (Vice Mayor Glendening and Council Members Winger and Baisden)

**MOTION:**

Vice Mayor Glendening **MOVED** to enact Ordinance No. 3265-2021 and Council Member Winger **SECONDED** the motion.

Mayor Gabriel opened the floor for public comment.

Connie Hocker, coordinator for the 3 Friends Dog Park in Soldotna, encouraged Council to approve the ordinance. She stated that people from all over come to visit the Soldotna dog park, and that it has been a labor of love with the community in coordination with the City. She noted that the main concerns of a dog park involve security and ADA provisions; suggested they consider a covered area.

Crystal Locke with the Kenai Dog Park committee provided a presentation on the Dog Park Master Plan, explaining the project goals, current status of park, and current financials. She provided a redesigned site plan and explained the proposed design elements, and clarified details on the proposed changes and phases of development.

Al Hall thanked the Dog Park Committee for their work. He noted his involvement with the City, and that having a dog park has been a long-term goal. Suggested that an additional land request should have been requested initially, as that would have been beneficial. He encouraged Council to support the ordinance.

Lena Wismar urged Council to approve this ordinance, noting the challenges for the fundraising committee to secure all of the funds and reminded everyone she was selling raffle tickets.

Angie Cramer asked Council for support for dog park funding, noting that the dog park has long been a goal of the community and there is widespread support among residents.

Connie Hocker clarified that Soldotna's dog park is 1.5 acres and they use every inch of it; smaller spaces can lead to overcrowding, and it would be preferable to make it larger from the beginning rather than change it later.

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

It was discussed how this could be a highly used park within the City, providing off-leash opportunities and proximity to other high-use businesses. It was noted that this is a great opportunity for Kenai's residents and surrounding area, and emblematic of successful public-private cooperation. An overview of the funding for the Soldotna Dog Park was provided.

Council members discussed their personal involvement with the Dog Park efforts, and it was clarified that the passing of this ordinance would not benefit these members financially.

Discussion involved the normal process for funding a project, and it was suggested that the Dog Park project be added to the City's capital project list. Preference was expressed for receiving the scope and design work for the project prior to providing funding, and potential costs were reviewed. The ability of the Council to alter the normal process of project funding was considered.

Clarification was provided that Davis Bacon wages would apply if this was made a City project. It was noted that the scope of this project needs to be further defined before it can be determined whether this funding would be sufficient to cover Phase II. An explanation of how capital projects are normally handled by the City was provided, with a scope first being established, after which the City can provide a cost estimate; then Council determines whether they want to pursue.

The history of the City's involvement in the dog park concept development was reviewed, and it was explained that the Dog Park Committee had originally proposed to Council in 2018 that there would be no expense to the City other than the land donation; however, the committee later determined that additional funding was needed and Council had appropriated funding for the project.

It was expressed that Phase I was largely successful, and we have a general idea of Phase II. It was noted that this money originally came from leftover COVID funds, and that there is widespread support for this project from Council and the community. Council discussed how they as a body have the ability to change the order of operations for appropriating project funding.

**VOTE:**

YEA: Winger, Gabriel, Glendening, Baisden, Sounart

NAY: Knackstedt, Pettey

**MOTION PASSED.**

6. **Resolution No. 2022-01** - Approving the Purchase of Fifteen Mobile Radios and Associated Programming for the Police and Fire Departments Under Sole Source Purchases from Motorola Solutions Using NASPO Valuepoint Contract Pricing for the Total Price of \$83,979.77. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to adopt Resolution No. 2022-01 and Council Member Winger **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.

**UNANIMOUS CONSENT** was requested.

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

7. **Resolution No. 2022-02** - Adopting an Alternative Allocation Method for the FY22 Shared Fisheries Business Tax Program and Certifying that this Allocation Method Fairly Represents the Distribution of Significant Effects of Fisheries Business Activity In FMA 14: Cook Inlet Area. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to adopt Resolution No. 2022-02 and Council Member Pettey **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.

**UNANIMOUS CONSENT** was requested.

Finance Director Eubank provided an overview of the allocation methods for shared fisheries business tax, explaining why Administration recommends the alternative allocation method for the City of Kenai.

**UNANIMOUS CONSENT** was requested.

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

8. **Resolution No. 2022-03** - Amending the Employee Classification Plan to Change the Range of the Human Resources Director. (Administration)

**MOTION:**

Council Member Baisden **MOVED** to adopt Resolution No. 2022-03 and Council Member Winger **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 Human Resources Director position was created three years ago and classified in range 26; after reviewing the job description, Administration determined that range 23 more accurately reflects the duties and responsibilities of the position. The difference between ranges 23 and 26 was explained.

**UNANIMOUS CONSENT** was requested.

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

**E. MINUTES**

1. \*Regular Meeting of December 15, 2021. (City Clerk)

Approved by the consent agenda.

**F. UNFINISHED BUSINESS**

1. **Action/Approval** - Confirmation of Mayoral Nominations for Appointment to the Planning and Zoning Commission. (Mayor Gabriel) [*Clerk's Note: At the December 15, 2021 Meeting, this item was Postponed to this meeting.*]

**MOTION:**

Vice Mayor Glendening **MOVED** to approve the Mayoral nominations for appointment to the Planning and Zoning Commission, and requested to divide the question. Council Member Winger **SECONDED** the motion.

Support was expressed for the re-appointment of Commissioner Woodard, and it was requested of Administration to provide additional training on Robert's Rules and adjudicatory sessions. City Clerk Saner and City Attorney Bloom confirmed that this training would be accomplished by the end of February.

**VOTE ON APPOINTMENT OF GWEN WOODARD:**

YEA: Pettey, Sounart, Knackstedt, Gabriel, Winger, Glendening, Baisden  
 NAY:

**MOTION PASSED.**

Jeff Twait was thanked for his years of service and expertise; it was noted that he does great work and runs a good meeting.

**VOTE ON APPOINTMENT OF JEFF TWAIT:**

YEA: Sounart, Knackstedt, Gabriel, Glendening, Baisden, Pettey  
 NAY: Winger

**MOTION PASSED.****G. NEW BUSINESS**

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

Approved by the consent agenda.

2. **\*Action/Approval** - Non-Objection to Marijuana License Transfer for Herban Extracts, LLC. (City Clerk)

Approved by the consent agenda.

3. **\*Action/Approval** - Non-Objection to Liquor License Renewals for Country Liquor, Wal-Mart Supercenter and American Legion Post 20. (City Clerk)

Approved by the consent agenda.

4. **\*Action/Approval** - Special Use Permit to Schilling Alaska, Inc., d/b/a the Uptown Motel for Snow Storage. (Administration)

Approved by the consent agenda.

5. **\*Ordinance No. 3266-2022** - Accepting and Appropriating Funds in the Airport Fund, and Accepting Two Grants From the Federal Aviation Administration Under the American Rescue Plan Act of 2021 (H.R. 1319, Public Law 117-2). (Administration)

Introduced by the consent agenda and Public Hearing set for January 19, 2022.

6. **Action/Approval** – Kenai Bluff Stabilization Project Thank You Letter (Council Member Pettey)

Clarification was provided that the letter was written to thank Governor Dunleavy for the allocation of \$6 million to Kenai's bluff stabilization project, and would be signed by all Council Members.

**MOTION:**

Council Member Pettey **MOVED** to approve the Kenai Bluff Stabilization Project Thank You Letter. Council Member Knackstedt **SECONDED** the motion.

**UNANIMOUS CONSENT** was requested.

It was requested that the letter be sent to Kenai's local delegation as well as the Governor.

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

## H. COMMISSION / COMMITTEE REPORTS

1. Council on Aging – No report. Next meeting January 13, 2022.
2. Airport Commission – No report. Next meeting January 13, 2022.
3. Harbor Commission – No report. A Special Meeting is scheduled for January 11, 2022.
4. Parks and Recreation Commission – No report. Next meeting on January 6, 2022 will be a joint meeting with the Beautification Committee.
5. Planning and Zoning Commission – Council Member Glendening reviewed the actions of December 22, 2021 meeting. Next meeting January 12, 2022.
6. Beautification Committee – No report. Next meeting on January 6, 2022 will be a joint meeting with the Parks & Recreation Commission.
7. Mini-Grant Steering Committee – No report.

## I. REPORT OF THE MAYOR

Mayor Gabriel reported on the following:

- Hoped everyone enjoyed their holiday break;
- City Council's previous student representative resigned, a new one is being selected for appointment;
- Attended a Peninsula Mayor's meeting organized by Kenai Peninsula Economic Development District (KPEDD);
- KPEDD is hosting their annual Industry Outlook forum on January 6th, and he will give a welcome statement for the City of Kenai.

## J. ADMINISTRATION REPORTS

1. City Manager – City Manager Ostrander reported on the following:
  - Soldotna and Kenai working with the Kenai Peninsula Borough to get updated aerial photography;
  - Met with Senator Murkowski's office regarding future funding opportunities for Kenai's bluff stabilization project under the federal Infrastructure Bill;
  - An auction was held for the bowling alley, and there were no bids;
  - Noted the memo in the laydown with additional information requested by the Planning & Zoning Commission regarding the Land Management Plan;
  - Update on bluff stabilization project: 35% complete design documents were provided to the City.
2. City Attorney – City Attorney Bloom reported on the following:

- After communicating with attorneys involved in the Exclusive Economic Zone (EEZ) lawsuit as well as attorneys for other Kenai Peninsula cities, he recommends that the City of Kenai file their own amicus brief.
- City Clerk – No report.

**K. ADDITIONAL PUBLIC COMMENT**

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

April Orth thanked Council for passing the ordinance funding the dog park, spoke about the benefits the community receives from the Soldotna Dog Park. She noted that she appreciated that COVID funds were used for it, and requested clarification on the status of remaining COVID funds.

Jeff Twait expressed concerns regarding the postponement of his appointment, the process of commissioner appointment, and dynamics within the Council. He noted that he had never solicited for his seat as Chair, and expressed support for other commissioners stepping up to the chairmanship.

2. Council Comments

Council Member Sounart wished everyone a Happy New Year; thanked everyone for the warm welcome she has received during her first months on Council.

Vice Mayor Glendening noted that it was an interesting meeting, and noted the importance of speaking with conviction to best serve the public.

Council Member Winger welcomed City Clerk Saner, thanked HEA linemen for their work during the recent power outages, and discussed the wind storms affecting the State. Expressed concerns about her treatment during her first year on Council.

Council Member Baisden wished everyone a Happy New Year.

Council Member Knackstedt thanked City Clerk Saner, noting that he looks forward to working with her.

**L. EXECUTIVE SESSION – None.**

**M. PENDING ITEMS – None.**

**N. ADJOURNMENT**

**O. INFORMATION ITEMS**

1. Purchase Orders Between \$2,500 and \$15,000
2. Thank You Letter to VFW



There being no further business before the Council, the meeting was adjourned at 9:00 p.m.

I certify the above represents accurate minutes of the Kenai City Council meeting of January 5, 2022.

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Michelle M. Saner, MMC  
City Clerk

DRAFT

**KENAI CITY COUNCIL WORK SESSION  
 FY2023 BUDGET GOALS  
 JANUARY 10, 2022 – 5:00 P.M.  
 KENAI CITY COUNCIL CHAMBERS  
 210 FIDALGO AVE., KENAI, AK 99611  
 MAYOR GABRIEL, PRESIDING**

**NOTES**

Council present: B. Gabriel, H. Knackstedt, J. Baisden, T. Winger, J. Glendening, G. Pettey, D. Sounart

Others present: City Manager P. Ostrander, Finance Director T. Eubank, City Clerk S. Saner, Fire Chief T. Prior, Police Chief D. Ross, City Attorney S. Bloom, Senior Center Director K. Romain

**A. Call to Order**

Mayor Gabriel called the work session to order at 5:00 p.m.

**B. Introduction – Mayor Gabriel**

Mayor Gabriel noted the purpose of the work session was to review, discuss and provide guidance to the administration regarding goals for the development of the FY2023 budget.

**C. Public Comment**

There was no one wishing to be heard.

**D. FY2023 Budget Adoption Goals**

City Manager Ostrander noted that the administration established goals annually for the development of the budget and including the Council to develop the goals would ensure the FY 2023 budget development is in alignment with the goals of the Council; and this process was an additional opportunity for the budget process to be transparent to the public.

Finance Director Eubank stated the goals included a broad statement of purpose which identified the intent of the City to produce a fiscally responsible budget; the importance of considering the needs and priorities of the community; and ensure that fees and tax rates are sufficient to provide services without resulting in excessive reserves.

**Goals #1:** Submit a budget for consideration which maintains the City's current mill and sales tax rates which is also compliant with the General Fund, Fund Balance Policy as codified in KMC 7.25.

Finance Director Eubank outlined the importance of maintaining the current mill and sales tax rate, stating the use of reserve funds for one-time expenditures is good; however, use of the reserve funds for ongoing expenses is not a sustainable process.

There was discussion on revenue streams; the fund balance policy as a best practice to ensure the City maintained sufficient funds; and establishing a fiscally responsible budget without increasing the mill or sales tax rates.

**Goal #2:** Propose salary schedule adjustments commensurate with inflation as measured by the Alaska Consumer Price Index for All Urban Consumers, second half over second half to the extent possible while meeting the City's Fund Balance Policy/Goals with no increase in the rates of taxation or reduction in services.

Finance Director Eubank identified the most significant costs to the City is personnel noting that traditionally the City has matched the Consumer Price Index (CPI); and, stated the administration is looking for direction from the Council regarding the salary schedule.

There was discussion regarding the compounding effect of inflation, costs for benefits, health care, and increased costs for goods resulting in a possible increase in sales tax revenues; there was consensus for the administration drafting a budget as close as possible to include the CPI without a mill or sales tax increase.

**Goal #3:** Improve the sustainability of and maintain the quality of employee medical, dental and life insurance while continuing toward an employee cost share of 15%; a process that began in FY2021 and continued in FY2022 by increasing the employee cost share 1% per year. A 1% increase in the employee cost share for FY2023 would bring the employee's share to 13%.

Finance Director Eubank stated that the City is incurring 88% of employee healthcare costs and those costs are escalating at a far faster pace than inflation; the City is in its third year of increasing the cost to employees at 1% each year to bring it up to 15%; however, there is need to develop a more sustainable option.

There was discussion regarding the cost to the City per employee; pooling with other municipalities; the need to remain in a full insured plan; higher deductibles and health savings accounts; and establishing goals related to a commitment from the City to work with employees to reduce costs for healthcare.

**Goal #4:** Seek opportunities for efficiency by striving to reduce the cost of goods and services without negatively impacting operations.

Finance Director Eubank noted this would be reaffirming the commitment from the City employees that we are always looking for ways to reduce costs through efficiency initiatives.

There was discussion regarding the local vendor preference and how it did not apply to grant funding; and examples of efficiency initiatives recently administered by City staff.

**Goal #5:** Compile a list of capital projects, projects costing \$35,000 or more, for Council adoption. The investment in maintaining infrastructure over time should at a minimum equal the depreciation, an accounting process by which the cost of an asset is spread over its useful life, recorded annually on City capital assets and infrastructure.

Finance Director Eubank stated the investment into infrastructure over time should be a minimum equal to depreciation, an accounting process by which the cost of an asset is spread over the use of its life.

There was discussion regarding how this goal supported the capital plan process; established the amount of funds the Council should be looking to spend in certain areas; and the option of taking bonding issues to the voters.

**Goal #6:** Adjust rates, charges and fees in all funds commensurate with inflation as measured by the Alaska Consumer Price Index for All Urban Consumers, second half over second half. The monthly rents at Vintage Pointe should not increase more than \$35.00 per month over FY2022 rates for existing tenants as of June 30, 2022.

Finance Director Eubank stated this goal addresses other rates, charges and fees that are not contractually driven.

There was discussion regarding the consequences in future years if the cost of living increase was not applied in the current year; support for the \$35.00 per month Vintage Pointe rental increase to ensure the rentals are at market value; and the administration bringing forward an updated fee schedule.

**Goal #7:** For the Airport, Water & Sewer, Personal Use Fishery, and Congregate Housing Funds, the proposed budget should project ending fund balance/retained earnings of at least 50% of the FY2022 budgeted expenditures net of any projected lapse and any use of fund balance should be for one-time or capital purchases and not for reoccurring expenditures/expenses.

Finance Director Eubank noted that there is a formalized fund policy for the general fund; however, there was no formalized fund policy for the airport, water and sewer, personal fishery or congregate housing. This goal would establish similar standards for use of reserves within these funds limiting deficit spending to one time or capital expenditures.

There was consensus that the application of this standards was a responsible way to manage the funds.

**Goal #8:** Senior Citizen Fund fees and rates should be adjusted to a level sufficient to limit the increase in required transfer from the General Fund to no more than a 10% increase, \$22,052, over FY2022 amounts.

Finance Director Eubank clarified that the Senior Citizen Fund is for activities at the Senior Center and is separate from the operations of Vintage Pointe; although significant funds were received from the State and Federal Government for the Senior Center, the general fund is used for any shortfalls. This goal would establish an overall transfer of not more than 10% (\$22,000).

There was discussion related to what action would be needed if the goal was insufficient; increased meal counts; and a possible change in funding from the Kenai Peninsula Borough based on census data regarding the senior population.

### **Public Comment**

Suzie Smalley spoke in favor adjusting residential water and sewer rated based on the square footage of a home; and that she would be in support of bonding efforts to improve the City even if she were to move away.

## E. Council Discussion

Council Member Winger stated her appreciation for the goals brought forward and thanked the administration for their hard work.

Council Member Glendening stated his appreciation for looking at infrastructure depreciation and involving the Council early in the budget process.

Council Member Baisden stated the goals were a good place to start considering the difficulties related to all of the increases coming in the long term; and it would be good if the City were able to handle the increases without needing to increasing revenues.

Council Member Knackstedt stated any budget has unknowns, inflation is an additional unknown; the vehicle replacement program has worked well and the same is true with other equipment and infrastructure.

Council Member Sounart thanked the administration for their work, and thanked Mrs. Smalley for her comments.

Council Member Pettey stated the work session was very informative; we as a community are facing challenges with the consumer price index and rising medical costs; and noted her appreciation for this being brought forward.

Mayor Gabriel stated he liked the idea of the administration taking a lead on this process, some of the goals maybe challenging; however, having goals provides a context and when those goals are not met it provides an opportunity to identify why they were not met.

## F. Public Comment

## G. Adjournment

The work session adjourned approximately at 7:20 p.m.

Notes were prepared by:

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Michelle M. Saner, MMC  
City Clerk

**PAYMENTS OVER \$15,000.00 WHICH NEED COUNCIL RATIFICATION**  
**COUNCIL MEETING OF: JANUARY 19, 2022**

<b>VENDOR</b>	<b>DESCRIPTION</b>	<b>DEPARTMENT</b>	<b>ACCOUNT</b>	<b>AMOUNT</b>
PERS	PERS	VARIOUS	LIABILITY	97,704.47
ENSTAR NATURAL GAS	GAS USAGE	VARIOUS	UTILITIES	32,834.82
HOMER ELECTRIC	ELECTRIC USAGE	VARIOUS	UTILITIES	116,165.34
REBORN AGAIN JANITORIAL	DECEMBER SERVICES	AIRPORT	REPAIR & MAINTENANCE	4,231.25

**INVESTMENTS**

<b>VENDOR</b>	<b>DESCRIPTION</b>	<b>MATURITY DATE</b>	<b>AMOUNT</b>	<b>Effect. Int.</b>
PIPER JAFFRAY	U.S. AGENCY SECURITY	05/01/2023	239,520.96	1.46%

**PURCHASE ORDERS OVER \$15,000.00 WHICH NEED COUNCIL APPROVAL  
COUNCIL MEETING OF: JANUARY 19, 2022**

<b>VENDOR</b>	<b>DESCRIPTION</b>	<b>DEPT.</b>	<b>ACCOUNT</b>	<b>AMOUNT</b>
WATCHGUARD INC.	IN-CAR VIDEO SYSTEM	POLICE	SMALL TOOLS	18,860.00
TOTEM EQUIPMENT	VENTRAC MOWER	RECREATION	MACHINERY & EQUIPMENT	33,660.60
BRADFORD SYSTEMS	EXTERNAL LOCKER	LIBRARY	MACHINERY & EQUIPMENT	19,713.00

**INCREASE OF EXISTING PURCHASE ORDER**

<b>VENDOR</b>	<b>DESCRIPTION</b>	<b>P.O. # - DEPT.</b>	<b>REASON</b>	<b>AMOUNT</b>	<b>TOTAL PO AMT</b>
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## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** David Ross – Police Chief  
**DATE:** January 7, 2022  
**SUBJECT:** Purchase Order Exceeding \$15,000 – WatchGuard Video

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The purpose of this memo is to request support for a purchase order in the amount of \$18,860 for the purchase and installation of police video recording systems into three new police vehicles. This includes the initial software and setup costs, so it would be anticipated that adding additional units will cost less per unit as we convert the police fleet to this system. The majority of the funds (\$18,817.83) for this purchase were appropriated by the Council from asset forfeiture funds received by the City, in Ordinance 3264-2021.

Three different companies' in-car video systems were evaluated prior to selecting WatchGuard Video as the vendor. All those vendors have different cost and contract structures. It was determined that WatchGuard was the lowest cost of the three options and meets the needs to the Department.

Your consideration is appreciated.



## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Tyler Best, Acting Parks and Recreation Director

**DATE:** 1/6/2022

**SUBJECT:** Purchase Order – Totem Equipment

The purpose of this memo is to request Council’s approval to issue a Purchase Order to Totem Equipment for a Ventrac Tractor and Mowing Deck in the amount 33,660.60. The mowing fleet is aging, and the department has started replacing mowers. One of the specific needs found while searching for a new mower is the ability to mow safely on an incline. All commercial mowers have a safe incline mowing rating of 20 degree to 25 degrees or less, except one, a Ventrac Tractor.

A Ventrac is rated for slope mowing at 30 degrees. Sliding on an incline while mowing damages turf, mowers, and is very unsafe for the operator. This tractor provides the City of Kenai with a safe and efficient way to mow all of our turf that is on an incline.

The Acting Parks and Recreation Director filled out a sole source request on 1/3/22 and it was approved by the City Manager on 1/3/2022. The item needed is only available from Totem Equipment.





# KENAI

City of Kenai | 210 Fidalgo Ave, Kenai, AK 99611-7794 | 907.283.7535 | www.kenai.city

## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** Katja Wolfe, Library Director  
**DATE:** January 11, 2022  
**SUBJECT:** **Purchase Order Over \$15,000**

---

The purpose of this correspondence is to request approval of a purchase order of \$19,713 to Bradford Systems/Smiota for the purchase of an external locker. This locker will allow our library users to access their holds 24/7. The equipment will be purchased with grant funds from the Institute of Museum and Library Services (Ordinance 3261-2021).

Three vendors provided quotes:

Bradford Systems-	\$19,713
Luxer One -	\$24,198
PIKInternational-	\$26,800

Your consideration is appreciated.



Sponsored by: Administration

**CITY OF KENAI**

**ORDINANCE NO. 3267-2022**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, AUTHORIZING COVID LEAVE FOR CITY EMPLOYEES THAT TEST POSITIVE FOR COVID - 19, AND AUTHORIZING THE USE OF FUNDS FROM A GRANT FROM THE STATE OF ALASKA-DEPARTMENT OF HEALTH AND SOCIAL SERVICES – DIVISION OF PUBLIC HEALTH – COVID EMERGENCY OPERATIONS CENTER TO FUND THE LEAVE.

WHEREAS, the City of Kenai was awarded a grant for \$326,985.32, enacted through Ordinance 3208-2021, to support COVID-19 related activities related to recovery and prevention strategies; and,

WHEREAS, recent expansion of this grant allows funding to be used for leave time of employees who contract COVID-19 and are required by City policy, and CDC recommendations to be away from work due to illness; and,

WHEREAS, this additional leave, to be used for employees who test positive for COVID-19, may be used by employees in lieu of their personal leave; and,

WHEREAS, as the result of new variants to the virus, the State of Alaska and the United States continues to see high levels of COVID transmission among all populations; and,

WHEREAS, it is in the best interest of the City to keep and promote a healthy working environment for all employees ensuring its capacity to provide essential services to the community; and,

WHEREAS, addition of this leave will encourage employees to test for and stay home if they test positive for COVID-19, thereby protecting other city employees and the community from further spread; and,

WHEREAS, authorizing the expansion on the use of grant funds for COVID-19 employee leave, is in the best interest of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, as follows:

**Section 1.** That notwithstanding the provisions of Kenai Municipal Code 23.40.030 – Annual Leave, the City Manager is authorized to use funding approved through Ordinance 3208-2021, to provide leave for use by employees testing positive for COVID-19, to support the safety of employees and the public, to execute all needed grant agreements, and expend the funds in accordance with grant provisions, and this ordinance.

**Section 2.** Severability: That if any part or provision of this ordinance or application thereof to any person or circumstances is adjudged invalid by any court of competent jurisdiction, such

judgment shall be confined in its operation to the part, provision, or application directly involved in all controversy in which this judgment shall have been rendered, and shall not affect or impair the validity of the remainder of this title or application thereof to other persons or circumstances. The City Council hereby declares that it would have enacted the remainder of this ordinance even without such part, provision, or application.

**Section 3.** Effective Date: That pursuant to KMC 1.15.070(f), this ordinance shall take effect immediately upon enactment.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 2<sup>nd</sup> day of February, 2022.

\_\_\_\_\_  
BRIAN GABRIEL SR., MAYOR

ATTEST:

\_\_\_\_\_  
Michelle M. Saner, MMC, City Clerk

Introduced: January 19, 2022  
Enacted: February 2, 2022  
Effective: February 2, 2022



# KENAI

City of Kenai | 210 Fidalgo Ave, Kenai, AK 99611-7794 | 907.283.7535 | [www.kenai.city](http://www.kenai.city)

## MEMORANDUM

**TO:** Mayor Gabriel and Council Members

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Tony Prior, Fire Chief

**DATE:** January 12, 2022

**SUBJECT:** **Ordinance 3267-2022 COVID Leave 2022**

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We became aware of the ability to expand the Memorandum of Agreement (MOA) between the City of Kenai and the State of Alaska-Department of Health and Social Services Division of Public Health-COVID-19 Emergency Operations Center (DPH-EOC), to cover COVID-19 leave. This ordinance would provide leave for employees that have tested positive for COVID-19.

The City Manager was given authority to approve the original MOA through Ordinance 3208-2021, which established the mobile vaccination program that began in April of 2021. We were approved for reimbursement of up to \$326,985.32, to complete this program. We have approximately \$220,000 remaining in this account and do not anticipate that we will get close to utilizing all of these funds. If 50% of City employees were to test positive for COVID-19 and utilize 40 hours of the leave authorized by this ordinance, the cost to the City would be approximately \$90,000

There has been a recent rise in COVID-19 cases due to newer variants that may affect our employees through illness, or exposures through close-contact. The health of our employees is vital to the daily operations of the City, as well as the health of community members that we serve. One component of that health and wellness is making sure employees have adequate time to isolate, quarantine and recover, should they test positive for COVID-19. Another is making sure our employees are not passing this virus on to co-workers or the public they come in contact with.

In following CDC guidelines, employees will need to quarantine and isolate for at least 5 days if they test positive for COVID-19, potentially resulting in employees taking 40 hours of leave time. These 5 days are focused on the time that the individual is the most infectious, and should stay away from others to minimize the spread of this virus. Another concern is employees may not be getting a test when they are having 1 or 2 symptoms for fear of a positive result, resulting in personal leave time used during the required isolation/quarantine period.

We are trying to be as consistent as possible as we move forward in our response to COVID-19 and we have updated our policies following CDC's updated guidelines. <https://www.cdc.gov/coronavirus/2019-ncov/if-you-are-sick/quarantine-isolation->

[background.html](#) Using funding allowed by this grant, to provide additional leave to employees, will encourage them to test for and stay home if they test positive for COVID-19., thereby protecting other city employees and the community from further spread. We have an amazing group of people working for the City that are truly our greatest asset, and doing everything we can to keep them healthy and productive will maintain the outstanding service we provide to our community. Your consideration is appreciated.





Sponsored by: Administration

**CITY OF KENAI**

**ORDINANCE NO. 3268-2022**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, INCREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE WATER AND SEWER SPECIAL REVENUE FUND AND AUTHORIZING A PURCHASE ORDER INCREASE TO ALASKA WASTE FOR SLUDGE DISPOSAL SERVICES AT THE WASTE WATER PLANT.

WHEREAS, the Waste Water Plant is now six months into a new service agreement with Alaska Waste to provide dumpster services including the hauling of sludge to the landfill; and,

WHEREAS, the Central Peninsula Landfill directly bills the carrier bringing sludge into the landfill, as a result the City is no longer being billed by the Borough directly for the disposal costs; and,

WHEREAS, Purchase Order 122966 to the Borough in the amount of \$28,500 may now be reduced to \$10,000 with the balance reverting back into the department’s operational budget; and,

WHEREAS, the \$18,500 in disposal fees, which were previously paid directly to the Kenai Peninsula Borough, will now be paid to and must be added to Alaska Waste’s Purchase Order 123019; and,

WHEREAS, additional appropriated funds in the amount of \$18,500 are needed to allow staff to further reduce volumes within the digester, which will result in additional waste being hauled to the landfill; and,

WHEREAS, an increase to Alaska Wastes Purchase Order 123019 of \$37,000, from \$30,000 to \$67,000, will be funded by the \$18,500 reduction in the Borough’s Purchase Order as well as the new appropriation of \$18,500 included with this Ordinance; and,

WHEREAS, approval of this Ordinance is in the best interest of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, as follows:

**Section 1.** That the Administration is authorized to increase Purchase Order 123019 to Alaska Waste from \$30,000 to \$67,000 to provide waste hauling services for the Waste Water Treatment Plant.

**Section 2.** That the estimated revenues and appropriations be increased as follows:

Water and Sewer Special Revenue Fund:	
Increase Estimated Revenues –	
Appropriation of Fund Balance	<u>\$18,500</u>

Increase Appropriations –  
Waste Water Treatment Plant - Professional Services                      \$18,500

**Section 3.**    Severability: That if any part or provision of this ordinance or application thereof to any person or circumstances is adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision, or application directly involved in all controversy in which this judgment shall have been rendered, and shall not affect or impair the validity of the remainder of this title or application thereof to other persons or circumstances. The City Council hereby declares that it would have enacted the remainder of this ordinance even without such part, provision, or application.


**Section 4.**    Effective Date: That pursuant to KMC 1.15.070(f), this ordinance shall take effect upon adoption.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 2nd day of February, 2022.

\_\_\_\_\_  
BRIAN GABRIEL SR., MAYOR

ATTEST:

\_\_\_\_\_  
Michelle M. Saner, MMC, City Clerk

Approved by Finance: 

Introduced: January 19, 2022  
Enacted: February 2, 2022  
Effective: February 2, 2022





## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** Scott Curtin, Director of Public Works  
**DATE:** January 11, 2022  
**SUBJECT:** Ordinance 3268-2022

---

This Ordinance is to consolidate all fees associated with the disposal of Waste Water Sludge from the Treatment Plant and to provide additional funding to get through the current fiscal year.

Council may recall City staff previously hauled sludge to the landfill utilizing a city owned dump truck. That truck was removed from service in July due to needed repairs beyond the reasonable value of the truck. As a result a professional services agreement was sought and Alaska Waste was the winning proposer for the work.

The original purchase order issued to them only covered the hauling of the sludge to the landfill, we are now modifying that purchase order to include the disposal fees payable to Central Peninsula Landfill, and the City will no longer be paying the Landfill directly.

As a result the current Purchase Order to the Kenai Peninsula Borough may be reduced from \$28,500 to \$10,000. We are requesting Alaska Waste's Purchase Order is increased from \$30,000 to \$67,000 to cover the inclusion of the disposal fees.

An additional appropriation of \$18,500 is necessary to allow sufficient budget to get through the remainder of the fiscal year. As of January 1, 2022 the department has incurred \$37,434.25 in fees associated with the hauling and disposal of sludge.

The department continues to evaluate the cost and benefits with utilization of this service. Once the new screw press is installed later this summer and has been operational for six months staff should have sufficient data at that time to make a determination on whether continuing with the disposal service or purchasing of a new dump truck is in the best interest of the City.

Photo below shows the dumpsters in place. The smaller container shows the separation of the screenings which are very wet and previously added weight to the sludge. The services being provided are working as anticipated. Council's approval is respectfully requested.





Sponsored by: Administration

**CITY OF KENAI**

**ORDINANCE NO. 3269-2022**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, AMENDING KENAI MUNICIPAL CODE SECTION 7.30:020, LAND SALE PERMANENT FUNDS, TO IDENTIFY THE CIRCUMSTANCES AND LIMITATION ON THE USE OF DERIVATIVE INVESTMENTS AND TO ADD TWO NEW CLASSES OF ASSETS TO THE LIST OF AUTHORIZED INVESTMENTS AND TO CODIFY THE APPLICABLE BENCHMARK BY WHICH THESE ASSET CLASSES WILL BE MEASURED AND EVALUATED.

WHEREAS, derivative investments are investments whose value is dependent upon the value of another asset; and,

WHEREAS, the most common examples of derivative investments are futures, forwards, options, and swaps; and,

WHEREAS, the use of derivatives, as an investment management tool, is common, accepted, and continually evolving along with the world's markets; and,

WHEREAS, to ban the use of derivatives as a tool could adversely impact the portfolio's return but because of inherent risk of derivatives, the adoption of guidelines for their use is both necessary and prudent; and,

WHEREAS, limiting the use of derivatives to situations where the embedded leverage created by the derivative is fully collateralized, and the net exposure does not exceed the assets value, is needed to reduce the risk to the portfolio; and,

WHEREAS, Kenai Municipal Code section 7.30.020 (b) identifies the allowable investments and their associated benchmarks for the City's permanent funds; and,

WHEREAS, consistent with the City's portfolio management process of analysis, adoption and review, the City's investment advisors are recommending adding two new asset classes to the list of authorized investments; and,

WHEREAS, the addition of U.S. Corporate High Yield Bonds, debt issued by companies with debt ratings below investment grade, is recommended because of projected lower risk adjusted returns as compared to international and emerging market equities; and,

WHEREAS, the addition of Alternative Beta, investments and investment strategies designed to produce returns that do not correlate with the return of bonds or equities, is an opportunity to increase the diversification of a portfolio with little or no impact to the portfolio's return; and,

WHEREAS, the projected impact to the portfolio's expected return of adding U.S. Corporate High Yield Bonds and Alternative Beta as authorized investments is zero, but the expected annual risk of the portfolio is reduced from 11.0% to 10.1%; and,

WHEREAS, consistent with the goal of achieving the highest rate of return for the lowest level of risk, reducing the portfolio's overall risk with no impact to its expected return is in the best interest of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, as follows:

**Section 1.** Amendment of Section of the Kenai Municipal Code: That Kenai Municipal Code, Section 7.30.020 Investments, is hereby amended as follows:

**7.30.020 Investments.**

(a) The Land Sale Permanent Funds shall be managed by the Finance Director, with the following conditions:

(1) The City will contract for the management of the investments for each Land Sale Permanent Fund with one (1) or more professional investment managers with experience handling institutional endowment investments subject to Council approval.

(2) The Land Sale Permanent Funds shall be invested in such types of income producing investments as limited by subsection (b) of this section, Authorized Investments for the Land Sale Permanent Funds. The investments for each Land Sale Permanent Fund shall be approved by resolution annually, usually during the City budget process, in the form of an asset allocation plan, with each Land Sale Permanent Fund following the same asset allocation plan. The asset allocation plan shall have specific categories of investments for the funds with percentage targets that allow for reasonable fluctuations above and below the target percentage. The plan will establish benchmarks for evaluating the performance of each investment manager and asset classification. Investments shall be managed such that the target ranges of the asset allocation plan are adhered to.

(3) Investments of the Land Sale Permanent funds will take a conservative posture on derivative securities by recognizing that derivatives may be utilized within investment vehicles as a portfolio management tool to create or enhance exposure to an asset class or implementation strategy while requiring that any embedded leverage created by their use be fully collateralized. Net exposure exceeding the asset value of the investment vehicle is prohibited. Exposure must be net long at all times.

([3]4) All income derived from investment of each Land Sale Permanent Fund, including interest income, realized gains, and undistributed earnings, can be distributed or reinvested into the respective Land Sale Permanent Fund and shall be invested in accordance with subsection (b) of this section, Authorized Investments for the Land Sale Permanent Funds.

([4]5) Appropriations from the Airport Land Sale Permanent Fund may be made as follows:

(i) In any fiscal year, the amount available for appropriation for airport operations and capital needs will be based upon the five (5) year average of the fund's calendar year end market value. An amount not to exceed three and four-fifths percent (3.8%) of the five (5) year average market value may be distributed if the average market value is less than the fund's inflation adjusted principal balance. An amount not to exceed four and one-fifth percent (4.2%) of the five (5) year average market value may be distributed if the average market value is greater than the fund's inflation adjusted principal balance.

(~~5~~) Appropriations from the General Fund Land Sale Permanent Fund shall be limited to the lesser of the cumulative earnings at calendar year end for the fund or four percent (4%) of the fund's fair market value as of December 31st of each year. "Cumulative earnings" is defined as the market value at calendar year end minus the fund's inflation adjusted principal balance.

(b) Authorized Investments for the Land Sale Permanent Funds.

- (1) Investments authorized by KMC 7.22.030.
- (2) Corporate obligations of investment-grade quality as recognized by a nationally recognized rating organization. If, after purchase, these obligations are downgraded below investment grade, the obligations shall be sold in an orderly manner within ninety (90) days of downgrading.
- (3) Domestic equities which, taken as a whole, attempt to mirror the characteristics or replicate the Standard and Poor's 500 Index or another index of similar characteristics and approved by resolution of the Council as a component of the annual Land Sale Permanent Funds Asset Allocation Plan, including both mutual funds and exchange traded funds (ETFs).
- (4) Domestic equities which, taken as a whole, attempt to replicate the Standard and Poor's 400 Mid-Cap Index or another index of similar characteristics and approved by resolution of the Council as a component of the annual Land Sale Permanent Funds Asset Allocation Plan, including both mutual funds and exchange traded funds (ETFs).
- (5) Domestic equities which, taken as a whole, attempt to replicate the Standard and Poor's 600 Small-Cap Index or another index of similar characteristics and approved by resolution of the Council as a component of the annual Land Sale Permanent Funds Asset Allocation Plan, including both mutual funds and exchange traded funds (ETFs).
- (6) International equities which, taken as a whole, attempt to replicate the Financial Times Stock Exchange Developed ex North America Index or another index of similar characteristics and approved by resolution of the Council as a component of the annual Land Sale Permanent Funds Asset Allocation Plan, including both mutual funds and exchange traded funds (ETFs).
- (7) Equities which, taken as a whole, attempt to replicate the universe of domestic real estate investment trusts as represented by the Standard and Poor's REIT composite index or another index of similar characteristics and approved by resolution of the

Council as a component of the annual Land Sale Permanent Funds Asset Allocation Plan, including both mutual funds and exchange traded funds (ETFs).

- (8) Emerging market equities which, taken as a whole, attempt to replicate the Financial Times Stock Exchange Emerging Index or another index of similar characteristics and approved by resolution of the Council as a component of the annual Land Sale Permanent Funds Asset Allocation Plan, including both mutual funds and exchange traded funds (ETFs).
  - (9) Global infrastructure equities which, taken as a whole, attempt to replicate the STOXX Global Broad Infrastructure Index, or a substantially similar index, including both mutual funds and exchange traded funds.
  - (10) Investment Grade Domestic bonds which, taken as a whole, attempt to mirror the characteristics or replicate the Bloomberg Barclays Aggregate bond index or another index of similar characteristics and approved by resolution of the Council as a component of the annual Land Sale Permanent Funds Asset Allocation Plan, including individual securities, mutual funds and exchange traded funds (ETFs).
  - (11) High Yield Domestic bonds which, taken as a whole, attempt to mirror the characteristics or replicate the Bloomberg Barclays U.S. Corporate High Yield Very Liquid bond index or another index of similar characteristics and approved by resolution of the Council as a component of the annual Land Sale Permanent Funds Asset Allocation Plan, utilizing mutual funds and/or exchange traded funds (ETFs).
  - (12) Alternative beta funds which, taken as a whole, attempt to provide systematic exposure to trading strategies included in, or similar to, those within the Wilshire Liquid Alternatives Index, or another index of similar characteristics and approved by resolution of the Council as a component of the annual Land Sale Permanent Funds Asset Allocation Plan, utilizing mutual funds and/or exchange traded funds (ETFs) that adhere to the limitations identified in 7.30.020(a)(3).
- (c) Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or that could impair their ability to make impartial investment decisions. Such employees and officers shall disclose to the City Manager any material financial interests in financial institutions that conduct business with the City and such information shall be kept confidential to the extent otherwise allowed by law. Employees and officers shall subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchases and sales. A “material financial interest” in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect the employee’s or officer’s judgment with respect to transactions to which the entity is a party.
- (d) The Finance Director shall submit to the City Council a quarterly investment report that summarizes recent and anticipated market conditions and that describes the City’s investment portfolio in terms of transactions during the quarter, maturities, risk characteristics, and investment return compared with both benchmark performance returns and with the City’s budgetary expectations.

(e) The Finance Director shall establish custody and safekeeping procedures with regard to all investments authorized by this chapter. All such investment securities, or their related collateral securities, shall be either held by the City or by a custodial agent for the City.

**Section 2.** Severability: That if any part or provision of this ordinance or application thereof to any person or circumstances is adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision, or application directly involved in all controversy in which this judgment shall have been rendered, and shall not affect or impair the validity of the remainder of this title or application thereof to other persons or circumstances. The City Council hereby declares that it would have enacted the remainder of this ordinance even without such part, provision, or application.

**Section 3.** Effective Date: That pursuant to KMC 1.15.070(f), this ordinance shall take effect 30 days after enactment.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 2<sup>nd</sup> day of February, 2022.

\_\_\_\_\_  
BRIAN GABRIEL SR., MAYOR

ATTEST:

\_\_\_\_\_  
Michelle M. Saner, MMC, City Clerk

Introduced: January 19, 2022  
Enacted: February 2, 2022  
Effective: March 4, 2022





## MEMORANDUM

**TO:** Mayor Gabriel and Council Members

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Terry Eubank, Finance Director

**DATE:** January 11, 2022

**SUBJECT:** To Recommend Enactment of Ordinance 3269-2022

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Ordinance 3269-2022, if enacted, will amend Kenai Municipal Code 7.30.020 to add a new paragraph which identifies the circumstances and limitations on the use of derivative investments as a tool in managing the portfolio and will add two new asset classes to the list of authorized investments for the City's Land Sale Permanent Funds. The City's investment advisor, Alaska Permanent Capital Management (APCM), is recommending these additions, not to enhance the portfolio's returns but to reduce its projected volatility (risk). While APCM recommends these changes, the overall impact to the portfolio is relatively small. Based upon APCM's knowledge and expertise, the administration recommends Council consider enacting these changes but should not consider them absolutely necessary.

Derivative investments are investments whose value is based upon the value of another asset. The most common examples of derivatives are futures, forwards, options and swaps. The use of derivatives is a tool which can create or enhance exposure to an asset class or investment implementation strategy. The use of derivatives and derivative strategies is common and growing and in order to maintain the conservative nature of the City's Land Sale Permanent Fund investments, it is recommended to place some limitations upon their use. Often derivatives are utilized to multiply the impact of a move in the market by applying leverage, borrowing, to increase exposure. Applying leverage significantly increase risk. The recommended language will limit the use of derivatives to situations where embedded leverage must be fully collateralized and the net exposure may not exceed the value of the investment vehicle. Exposure must be net long at all times.

In addition to applying side boards to the use of derivative investments, Ordinance 3269-2022 will authorize the use of two new asset classes to the list of authorized investments for the City's Land Sale Permanent Funds, U.S. Corporate High Yield Bonds and Alternative Beta.

The addition of U.S. Corporate High Yield Bonds, debt issued by companies with debt ratings below investment grade, is being recommended because of its projected lower risk adjusted returns as compared to international and emerging market equities. Bonds are higher in the capital hierarchy when compared to common stock and are projected to provide similar returns in



the coming years. The addition of U.S. Corporate High Yield Bonds will lower the overall risk of the portfolio without negatively impacting its projected return.

The necessity to analyze the credit of the issuing company when investing in high yield bonds adds complexity and additional risk. To mitigate this risk the authorization to invest in high yield bonds will be limited to mutual and/or exchange traded funds (ETFs) of High Yield Domestic bonds. This limitation will eliminate the portfolio's exposure to the debt of individual or small groups of companies and the necessity to analyze their creditworthiness.

The addition of Alternative Beta, investments and investment strategies designed to produce returns that do not correlate with the return of bonds or equities, is an opportunity to increase the diversification of a portfolio with little or no impact to the portfolio's return. The usefulness of an asset class that does not closely correlate with bonds or equities is increased in times where the return of bonds and equities are likely to positively correlate, such as times of high inflation. Adding Alternative Beta as an asset class will reduce the portfolio's projected risk without negatively impacting its projected returns.

The projected impact to the portfolio's expected return of adding U.S. Corporate High Yield Bonds and Alternative Beta as authorized investments is zero, but the expected annual risk of the portfolio is reduced from 11.0% to 10.1%. This is consistent with the City's goal of achieving the highest rate of return for the lowest level of risk in our investments.





January 19, 2021

Jason Brune, Commissioner  
Department of Environmental Conservation  
410 Willoughby Avenue, Suite 303  
Juneau, AK 99801-1795

Re: Notice of Proposed Changes to Oil Prevention Requirements in ADEC Regulations

Dear Commissioner Brune,

The City of Kenai appreciates the opportunity to provide comments to the Alaska Department of Environmental Conservation (ADEC) regarding Proposed Changes to Oil Pollution Prevention Requirements in ADEC's Regulations. The City of Kenai, its residents and visitors depend on healthy ecosystems locally and statewide. ADEC, along with the Cook Inlet and Prince William Sound Advisory Councils and industry participants are responsible for a program that helps reduce the risk of potentially catastrophic oil spills and releases that threaten Cook Inlet and other waterbodies. The City of Kenai is supportive of the regional Citizens Advisory Councils and recognizes their imperative role in reducing this risk. While it is understood that many of the proposed regulatory changes are beneficial and have widespread support, the City of Kenai understands that there are some proposed changes that present ongoing concern. The City of Kenai requests ADEC reconsider or clarify the following proposed regulatory changes:

1. Reduction of Number of Oil Spill Drills and Exercises.

The City of Kenai recognizes the importance of oil spill drills and exercises and requests that the regulations maintain existing requirements.

2. Commitment to Examine Best Available Technologies.

Regulatory changes should not result in any diminished emphasis on the examination and use of best available technologies.

3. Notifications to Regional Citizen Advisory Councils.

Regional Citizen Advisory Councils should continue to be named within the regulations as recipients to be notified of plan reviews, updates, and amendments.

4. Changes in Ownership, Operator or Name Change to be Treated as Major Amendments.

Changes in ownership, operator or name changes should be treated as major amendments available for public review and comment ensuring the public has an opportunity to understand changes and implications for planning and safe and effective operations.

5. State and Federal Regulations.

The proposed regulations should be revised to require operators to follow all state and federal regulations that work hand in hand with ADEC's regulations for prevention, response, safety and environmental protection.

6. Prevention and Response Capabilities.

The proposed regulations should not diminish prevention or response capabilities and ensure status quo or better with regard to human and environmental safety.

Thank you for your consideration.

Sincerely,

\_\_\_\_\_  
Brian Gabriel, Mayor

\_\_\_\_\_  
Jim Glendening, Vice Mayor

\_\_\_\_\_  
Henry Knackstedt, Council Member

\_\_\_\_\_  
Glenese Pettey, Council Member

\_\_\_\_\_  
Teea Winger, Council Member

\_\_\_\_\_  
James Baisden, Council Member

\_\_\_\_\_  
Deborah Sounart, Council Member



## Concerns with ADEC Proposed Changes for Oil Spill Prevention and Response Regulations



### Summary:

In late 2019/early 2020, the Alaska Department of Environmental Conservation (ADEC) held a public scoping for the state's statutes and regulations regarding oil discharge prevention and contingency plans. ADEC released their proposed changes to regulations resulting from that scoping process in November and a public comment period is currently open for this regulatory reform package.

Comments can be submitted to ADEC here:

<https://spar.alaskadec.commentinput.com/?id=uh7DP>

### Deadline for public comments is January 31, 2022.

The Regional Citizens Advisory Councils (RCACs) for Cook Inlet and Prince William Sound have been working through the proposed regulatory reform package. Our reviews have noted a number of positive changes proposed including increased clarity within regulations, combination of redundant sections, and use of technology in the interest of modernizing workflow. However, we have also identified concerns with some of the changes for the regions we represent.

Both Councils are in the process of developing public comments for submission to ADEC, which will be publicly available once they are finalized. In the interest of supporting our stakeholders in submitting their own public comments, the following information covers what we believe to be the top issues important to ensuring that nothing is lost or diminished through the current regulatory reform effort.

### Top concerns:

**#1: The proposed regulation changes provide an inadequate minimum number of oil spill drills and exercises** and could reduce the total number that ADEC may conduct for larger crude operators, such as those in Prince William Sound and Cook Inlet. These drills and exercises are a key piece of a robust oil spill prevention and response system, ensuring rapid deployment of resources for effective containment and cleanup should a spill occur and supporting safety for responders by allowing them to practice response activities ahead of an actual emergency.

- **Recommendation:** The minimum number of exercises required for crude oil plans should be set at one (1) significant Incident Management Team and two (2) field deployment exercises per year, as well as other unannounced exercises as ADEC deems necessary. Regulations should also retain the commitment that if a plan holder

fails to demonstrate the ability to implement their plan, ADEC will require additional exercises or take other appropriate action.

## #2: **The existing regulations have commitments to examine best available**

**technologies** (BAT) in use outside of Alaska, engage in studies, evaluate and identify where new technologies could be applicable in Alaska, and hold a conference related to advancing this knowledge, as well as providing findings to plan holders. The proposed changes remove the language requiring the BAT conference and it is uncertain how or if ADEC will meet the vision and intent of ensuring that oil spill response and prevention equipment, and other spill functions that have previously been subject to this BAT analysis, is the most effective and available as new technologies emerge.

- **Recommendation:** The State of Alaska and ADEC should continue to show leadership in staying informed and promoting best available technology. Regulatory changes should not result in any diminished emphasis on best available technology, including retaining the requirement that a BAT conference be held every five years or otherwise stating how they will examine new technologies to meet the mandates of AS 46.04.030(e).

## #3: **The existing regulations require both RCACs (Prince William Sound and Cook Inlet)**

receive printed materials during contingency plan renewals, updates, and amendments. Each RCAC represents multiple boroughs, municipalities, and organizations throughout Cook Inlet, Kodiak, and Prince William Sound. The language identifying each RCAC has been removed as part of the proposed changes. Instead, the department intends to notify “interested stakeholders” that these materials are available for review via an ADEC listserv. While both RCACs support materials being distributed electronically and having these plans electronically searchable, we have concerns and questions around practical aspects of using a listserv. In particular, given staffing reductions over the past several years and position turnover, the department’s ability to implement this in a timely manner that allows interested parties to easily access the specific information they need is uncertain. This change would also likely result in the historical importance and reasoning for specifying the RCACs being lost as staff turnover occurs in the future. The need and importance of the RCACs’ review of contingency plans, which cannot be understated, must be fully understood by future department staff.

Federal law recognizes the RCACs’ special role in reviewing contingency plans within the Oil Pollution Act of 1990. The Alaska Oil Spill Commission similarly recommended that the RCACs be integrated into a state system of citizen oversight including government agency operations.

- **Recommendation:** The regulations should continue to specifically name the RCACs for Cook Inlet and Prince William Sound within the body of the text as recipients required to be notified of plan reviews, updates, and amendments, electronically or otherwise.

**#4: Proposed regulations would change tow package requirements for tankers calling at the Valdez Marine Terminal.** With technological improvements since the early 1990s, it should be readily feasible for all tankers calling at the terminal to be outfitted with an improved Prince William Sound tow package that is both stronger and faster to deploy, with both the forward (bow) and aft (stern) emergency towing arrangements capable of being deployed in 15 minutes or less.

- **Recommendation:** The option to use the Prince William Sound tow package should remain within regulations, updated to reflect that this equipment be required and enhanced. The regulations for this system at 18 AAC 75.990(96) should be revised to meet the strength requirements of the International Maritime Organization standard and be able to be deployed in 15 minutes from the bow.

**#5: A change in ownership, operator, or a name change can be approved by ADEC without opportunity for public review.** Under ADEC regulations, only plan submittals, renewals, or *major* amendments are made available for public review and comment prior to ADEC approval. Changes in ownership should be treated as major amendments (instead of minor amendments with no opportunity for public review prior to approval), ensuring the public has an opportunity to understand the changes, implications for response management and response personnel, and other potential implications related to ensuring prudent planning for safe and effective operations.

- **Recommendation:** A change in plan holder ownership should be treated as a major amendment to the Oil Discharge Prevention and Contingency Plan, affording the opportunity for public review prior to approval.

**#6: Article 4 as revised fails to incorporate language holding operators to all State and Federal regulations.** The importance of ensuring operators follow all State and Federal regulations cannot be overstated. Federal and State regulations work hand in hand to provide a basis for minimal prevention, response, safety, and environmental protection. While it is a common expectation that operators will follow all applicable laws it should also be written into regulation to cement compliance. It is vitally important that State and Federal human and environmental safety regulations work together to provide consistent and improved safety for operators' personnel, state residents, and the environment.

- **Recommendation:** Article 4 of 18 AAC 75 should incorporate language requiring Oil Discharge Prevention and Contingency Plan holders to comply with all applicable State and Federal regulations concerning human and environmental safety.

**#7: Cook Inlet and Prince William Sound RCACs have been staunch proponents of maintaining and improving regulatory oversight for human and environmental safety regarding prevention and response regulations.** From the moment ADEC announced a proposed revision of Article 4 of 18 AAC 75 both RCACs have held that changes should in no way diminish the level of human and environmental safety, and response readiness that had taken years of development to achieve.

- **Recommendation:** Any new language or repealed language within Article 4 of 18 AAC 75 that has the potential to diminish prevention or response capabilities should be revised or reinstated to ensure previous levels of human and environmental safety are met.

Specifics on where to find the sections related to these concerns within the regulatory reform package are available by contacting either Council.

We hope other stakeholders will consider providing public comments on these important issues by the January 31 deadline.

The focus of this update is to assist the public in understanding the implications of proposed regulatory changes and in developing meaningful comments that support maintaining strong oil spill prevention and response requirements in Alaska. Both Councils encourage interested parties statewide to likewise review the proposed regulatory changes for issues relevant to their respective regions.

### **Additional background:**

In October 2019, ADEC solicited public comments on areas where Alaska oil spill regulations and statutes could be streamlined. Specifically, ADEC focused on [18 AAC 75, Article 4](#) and [Alaska Statute 46.04 \(AS 46.04\)](#) which deal with oil discharge prevention and contingency plan requirements. At that time, ADEC Commissioner Jason Brune issued a press release stating that he had heard “contingency plans were unnecessarily burdensome while lacking environmental benefits,” and to achieve Governor Dunleavy’s goal of Alaska being open for business, ADEC was beginning a scoping process seeking input from the public on these regulations and statutes.

ADEC received more than 350 comments from approximately 130 parties, which can be viewed on [ADEC’s public scoping page](#) under [Public Comments](#). As can be seen from reviewing these comments, the majority support maintaining current regulation standards and oppose any changes that would weaken regulations. Commissioner Brune has reported that he and his staff met on a weekly basis for several months in 2020 to review comments received. The proposed regulatory changes are the result of what he and his team put together from that effort.

*Note: ADEC has stated that there are currently no changes to laws anticipated at this time. While regulation changes, like those proposed, can be made by the agency that oversees them (in this case ADEC), state statutes (laws) can only be amended by the State Legislature.*

**Cook Inlet Regional Citizens Advisory Council:** [www.circac.org](http://www.circac.org)

**Prince William Sound Regional Citizens’ Advisory Council:** [www.pwsrca.org](http://www.pwsrca.org)

**Mountain View/Kenai Middle School  
Christmas Drive Committee  
315 Swires Rd.  
Kenai, AK 99611**

January 4, 2022

City of Kenai  
210 Fidalgo Ave.  
Kenai, AK 99611

Dear City of Kenai Employees,

The Christmas Drive Committee would like to extend our heartfelt thank you for participating in our 2021 Christmas Drive.

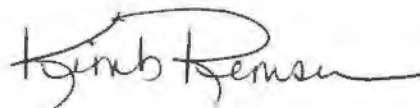
Each year the generosity of our community is so awesome. This year we were able to provide a Christmas dinner, as well as two new toys, hats and mittens, for 32 families, including 84 children. We were also able to provide winter clothes and boots for children that needed them.

This year, as in the past, we coordinated our efforts with other agencies here on the peninsula to prevent duplication and to ensure our funds went as far as possible.

Our goal would have been impossible without your support and the support of others in our community.

Thanks again and best wishes for a safe, healthy, and prosperous 2022!

Sincerely,



**Kimb Remsen  
Barbara Ralston  
Mountain View/Kenai Middle School  
Christmas Drive Committee**





## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council

**THROUGH:** Paul Ostrander, City Manager

**THROUGH:** Dave Ross, Police Chief

**FROM:** Jessica “JJ” Hendrickson, Animal Control Chief

**DATE:** January 4, 2022

**SUBJECT:** December 2021 Monthly Report

This month the Kenai Animal Shelter took in **47** animals. Animal intake and disposition:

DOGS:				
	INTAKE	22	DISPOSITION	19
	Waiver	10	Adopted	6
	Stray	5	Euthanized	4
	Impound	2	Claimed	9
	Protective Custody	3	Field Release	0
	Quarantine	1	Transferred	0
	Microchips	1	Other Dispositions	0
	Other Intakes	0		
CATS:				
	INTAKE	25	DISPOSITION	13
	Waiver	13	Adopted	11
	Stray	12	Euthanized	0
	Impound	0	Claimed	2
	Protective Custody	0	Field Release	0
	Quarantine	0	Transferred	0

Microchips	0	Other Dispositions	0
Other Intakes	0		0
OTHER ANIMALS:			
INTAKE	0	DISPOSITION	0
Pig	0	Pig	0
Rabbit	0	Rabbit	0
Other	0	Guinea Pig	0
DOA:	4	OTHER STATISTICS:	
Dog	4	Licenses (City of Kenai Dog Licenses)	73
Cat	0		

- 4 Animal dropped with After Hours (days we are closed but cleaning and with KPD)
- 14 Animals are *known* borough animals
- 27 Animals are *known* City of Kenai
- 7 Animals are *known* City of Soldotna
- 0 Animals from unknown location
- 33 Field Investigations & patrols
- 10.5 Volunteer Hours Logged
- 0 Citations
- 0 Educational Outreach

Statistical Data:

- 911 2019 YTD Intakes
- 717 2020 YTD Intakes
- 603 2021 YTD Intakes



## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** Eland Conway, Airport Manager  
**DATE:** January 12, 2021  
**SUBJECT:** Kenai Municipal Airport (ENA) Mid-Month Report

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### ENA Property Damage

On the morning of Sunday, November 28, a vehicle crashed into the ENA Security Gate at the end of Granite Point Ct.

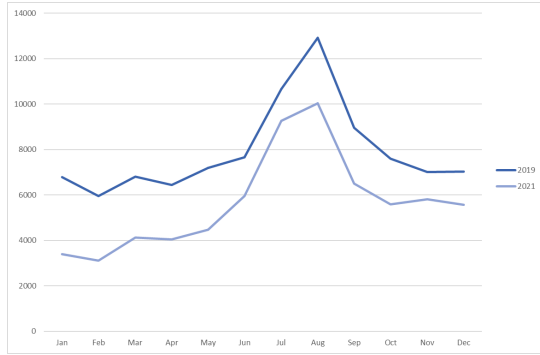
Through thorough investigative work KPD identified the vehicle and driver. The driver was charged with one count of failure to give notice of an accident and arraigned on Tuesday, January 11, 2022. The airport is listed as a victim and submitted a Claim of Restitution totaling \$22,962. Reference SOA vs William Quill, 3KN-21-01669CR.

The gate remains out of service awaiting repair.



### Enplanements

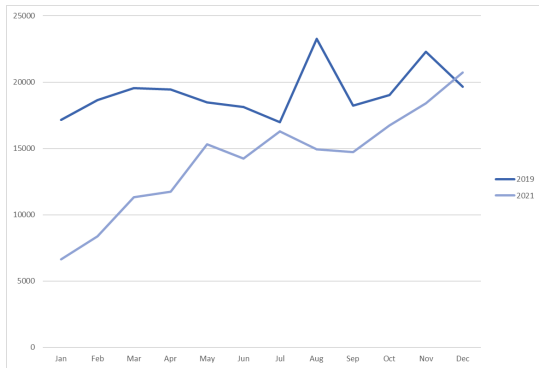
December enplanements were down 21% compared to December of 2019. YTD enplanements are down 30% compared to 2019.



Enplanements		
	2019	2021
Jan	6785	3389
Feb	5957	3112
Mar	6808	4127
Apr	6441	4035
May	7198	4464
Jun	7656	5953
Jul	10658	9259
Aug	12925	10035
Sep	8951	6500
Oct	7594	5596
Nov	6998	5803
Dec	7033	5571
<b>Grand Total</b>	<b>95004</b>	<b>67844</b>

### Parking Revenue

Parking revenue for December was up 5% compared to December of 2019. YTD parking revenue is down 27% compared to 2019.



Parking Revenue		
	2019	2021
Jan	17143	6626
Feb	18660	8373
Mar	19540	11315
Apr	19444	11757
May	18460	15309
Jun	18112	14236
Jul	16993	16295
Aug	23265	14924
Sep	18235	14714
Oct	19040	16723
Nov	22296	18410
Dec	19656	20719
<b>Grand Total</b>	<b>230,844</b>	<b>169,400</b>

### Alaska Regional Fire Training Center

The airport is seeking qualified applicants to submit an Expression of Interest (EOI) outlining their capabilities and expertise in the management, development, and operation of the Alaska Regional Fire Training Center.

Three distinct organizations attended a Pre-submission meeting on Wednesday, January 12, 2022.

The EOI may be used to structure a competitive bid.

More information, <https://bit.ly/ENA-AKFTC>.





# KENAI

City of Kenai | 210 Fidalgo Ave, Kenai, AK 99611-7794 | 907.283.7535 | [www.kenai.city](http://www.kenai.city)

## MEMORANDUM

**TO:** Mayor Gabriel and Council Members  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** Terry Eubank, Finance Director  
**DATE:** January 13, 2022  
**SUBJECT:** **Finance Department Mid-Month Report – January 2022**

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The FY23 Budget is now a major focus of the department with preparation packets to be distributed to department heads on January 20th. The Council is scheduled to receive its first draft of the FY2023 budget in April. The budget calendar is attached for your information. There is much work to be done by all City departments over the next couple of months.

The department has been working with its financial advisor for investment of the City's Land Sale Permanent Funds, Alaska Permanent Capital Management, and based upon their recommendation is recommending a change in asset allocation which will be before Council for consideration on February 2<sup>nd</sup>. If adopted, the change will be implemented over time to avoid losses when liquidating fixed income assets and to smooth the investment into the equity markets.

The Department is working with BDO USA, LLP, the City's independent auditor under a separate contract to implement the new Governmental Accounting Standards Board Pronouncement number 87 dealing with the accounting for leases. Implementation must be complete for the City's fiscal year's ended June 30, 2022.

## FY 2023 BUDGET PREPARATION CALENDAR

Date	Facilitator	Action
December 20	Finance Director	Draft budget goals to City Manager
January 10	City Manager & Finance Director	FY2023 Budget Goals work session.
<b>January 19</b>	<b>City Council</b>	<b>FY2023 Budget Goal adopting resolution.</b>
January 20	City Manager & Finance Director	Budget guidance and submission requirements provided to department heads with preparation packets.
January 26	Finance Director	Revenue & COLA estimates to City Manager
January 27	Department Heads	Overtime, new positions, and reclassification requests to City Manager.
February 2	City Manager	Approved personnel requests forwarded for analysis to Human Resource Director.
February 4	Department Heads	Department budget narratives due to Finance.
February 11	Department Heads	Department operational budget submission due to Finance.
February 11	Department Heads	Department Special Project requests due to Finance.
February 16	Human Resource Director	Personnel requests forwarded for analysis to Finance Director.
February 21 -25	Public Works Director	Fiscal Year 2022 – 2026 Capital Plan Work session.
February 23	Finance Director	Personnel budget submitted to City Manager
February 25	City Manager	City Manager approval of personnel budget requests.
February 25	Finance Director	Consolidated operational budget submitted to City Manager.
February 25	Finance Director	Consolidated Special Project requests submitted to City Manager.
March 8	Public Works Director	Resolution adopting the Fiscal Year 2022 – 2026 Capital Plan to City Clerk for inclusion in 3/16 Council Packet.
March 14-18	City Manager, Finance Director & Department Heads	Departmental budget meetings with City Manager.
<b>March 16</b>	<b>City Council</b>	<b>Public hearing on Resolution to adopt the Fiscal Year 2022 – 2026 Capital Plan.</b>
March 30	Mayor & City Manager	State of the City address
April 11	Finance Director	Draft budget distributed to Council.
April 12 – May 7	City Manager, Finance Director & Department Heads	Budget work session. Meeting date to be determined by Council.
May 12	Finance Director	Budget Ordinance to City Clerk for May 18 Council packet.
May 18	Finance Director	Introduction of Budget Ordinance.
May 25	Finance Director	Publish notice of public hearing to adopt FY23 Budget.

<b>Date</b>	<b>Facilitator</b>	<b>Action</b>
May 26	Finance Director	Mill Rate Resolution to City Clerk for June 1 Council packet.
<b>June 1</b>	<b>City Council</b>	<b>Public hearing and adoption of Budget Ordinance</b>
<b>June 1</b>	<b>City Council</b>	<b>Public hearing and approval of Mill Rate Resolution (Must be provided to KPB by 6/15).</b>
June 27	Finance Director	Publication & distribution of Budget document.



# KENAI

City of Kenai | 210 Fidalgo Ave, Kenai, AK 99611-7794 | 907.283.7535 | www.kenai.city

## MEMORANDUM

**TO:** Mayor Brian Gabriel and City Council

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Tony Prior, Fire Chief

**DATE:** January 5, 2022

**SUBJECT:** Fire Department Mid-Month Report – December

Calls for service in December and for the year were up from last year. Here is the breakdown for December and year end totals for 2021. We had an increase of 143 calls from 2020, but were 129 calls below 2019, which had 1563 calls for service.

Year	2020	2021	% change
December total	103	161	56.3%
EMS	83	121	45.8%
All Other	20	40	100.0%
Year total	1291	1434	11.1%

### Training:

6 personnel attended Wild Well training sponsored by CINSAs at Alaska Regional Fire Training Center in preparation for a well failure event at CINSAs.

One of the new AED's was mounted at the Library and Pete Coots provided training to their staff on the operations of that AED.

All shift personnel worked to complete ISO annual training before years end.

### Projects/Grants:

- We conducted 1 home visit and 3 walk-in vaccinations in December, bringing our total for 2021 to 1078 vaccinations given.
- Portable radios received from SHSP funding have been approved for final payment and we are working with Chief Ross to complete grant reporting requirements.
- SHSP sole source approval has been granted on Phase 2 replacement of mobile radios. We will work with KPD to move forward on ordering.
- Continued work on updates to Emergency Operations Plan.
- Working with all departments involved with Ground Ambulance Data Collection.





## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council





**THROUGH:** Paul Ostrander, City Manager

**FROM:** Katja Wolfe, Library Director

**DATE:** January 10, 2022

**SUBJECT:** Library Mid-Month Report for December 2021

### December 2021 at a Glance

<b>Items Borrowed</b>		<b>Dec-20</b>	<b>Dec-21</b>	<b>2021 YTD</b>
Physical		2,311	4,984	64,365
Digital		1,490	1,412	18,997
<b>Services</b>				
New Memberships		14	30	499
Room Reservations		n/a	59	605
<b>Programs</b>				
Number of Programs		24	25	217
People Reached (e.g., DIY Kits)		n/a	418	2,784
People Reached Virtually		n/a	628	7,921
<b>Technology Sessions</b>				
Computer sessions		n/a	386	4,262
WiFi Sessions		3,073	5,902	55,360
Early Literacy Station Sessions		n/a	108	898

## December 2021 programming highlights

- 25 programs
  - 14 virtual programs
    - 4 Story times (13 participants, 133 total views within 7 days of program)
    - Let's Draw Penguins (69 total views within 7 days of program)
    - 3 Lego® Clubs (140 total views within 7 days of program)
    - 1 Maker Monday (50 total views within 7 days of program)
    - SMART Memory Madness (5 participants on Zoom)
    - DIY Cake in a Mug (67 total views within 7 days of program)
    - Quilt 102 (66 total views within 7 days of program)
    - Homemade Holidays (83 total views within 7 days of program)
  - 4 DIY kits
    - Dessert's On Us (a total of 150 kits handed out)
    - Paper Box (a total of 11 kits handed out)
    - Holiday Ornaments (a total of 12 kits handed out)
    - Mini Hat Ornament (a total of 60 kits handed out)
  - 4 contests
    - 3 Holiday Giveaways (131 participants)
    - Logan's Ugly Sweater (2 entries)
  - 3 in-person programs
    - NASA@ My Library - Stars with Andy (7 participants)
    - Holiday Trivia (6 participants)
    - Scavenger Hunt (41 participants)

## December 2021 library services highlights

- Last month of the quarter is Reference Tally Month. We tallied over 630 reference and technology questions in December
- Volunteers logged 44 hours this past month
- We continue to offer Curbside Pickup services. A total of 21 patrons made use of this service
- Our study and conference rooms were used by 59 individuals/groups for a total of 102 hours
- A new AED was installed at the library. Staff received AED training





# KENAI

City of Kenai | 210 Fidalgo Ave, Kenai, AK 99611-7794 | 907.283.7535 | www.kenai.city

## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Tyler Best, Acting Parks & Recreation Director

**DATE:** January 12<sup>th</sup>, 2022

**SUBJECT:** **Park and Recreation– January 2021**

The Ski trails had a Relay for Life event on them on 12/21/21. Relay for Life held a solstice night ski event which raised money for Relay for Life and the American Cancer Society. The organization reached out and said they appreciated all the hard work our operators do to keep the trails groomed and they look forward to when trails get more lighting!

This year the Department had its' first Skate with Santa on Daubenspeck Pond. We gave out over 40 pairs of skates, over 5lbs of chocolate and had over 100 skaters! Mayor Gabriel stopped by and showed off some of his awesome hockey skills as well!

Kenai City League Basketball has officially started. A big thanks to Ryan Tunseth and the board of the Twin City Athletic Association. They started this organization in November and have made City League Possible for the 2022 season. They have additionally started a middle school basketball league in order to further serve the community.

The Department took over operation for the Kenai Rec in July. Here are the participation numbers for the first 6 months of the year

Activity	Number of participants
Open Gym (Open basketball/pickleball/volleyball)	4,030
Weight/ Cardio Room	2775
Racquetball/Wallyball players	404
Showers	707
Gym rentals 150	(average rental number of participants about 20) =3,000 users
<b>Total participants served</b>	<b>10,916</b>



## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Ryan Foster, Planning Director

**DATE:** January 12, 2022

**SUBJECT:** **Planning and Zoning December 2021 Report**

### Planning and Zoning Commission Agenda Items and Resolutions

- On December 8, 2021 the Planning and Zoning Commission recommended approval of the following conditional use permit transfers:
  - **Resolution PZ2021-41** - Granting a Request for a Transfer of Conditional Use Permit for the Use of a Hotel, Guide, and Boat Parking in the Rural Residential Zone to Wild Kenai Adventures, LLC, 1105 Angler Drive, Lot 6, Anglers Acres, Subdivision Part 3.
  - **Resolution PZ2021-42** - Granting a Request for a Transfer of Conditional Use Permit for the Use of a Hotel (Short-Term Recreational Rentals) in the Rural Residential Zone to Wild Kenai Adventures, LLC, 1230 Angler Drive, Lot 1, Block 2, Anglers Acres Subdivision, Addition No.1, PT 2.
  
- On December 8, 2021 the Planning and Zoning Commission postponed the following resolution to December 22, 2021 for further review and discussion:
  - **Resolution No. PZ2021-39** - Recommending the Council of the City of Kenai Approve and Adopt the City of Kenai Land Management Plan. [Clerk's Note: At the November 10<sup>th</sup> Meeting, this Resolution was Postponed to this Meeting; a Motion to Enact is On the Floor.]
  
- On December 22, 2021 the Planning and Zoning Commission recommended approval of the following conditional use permits:
  - **Resolution PZ2021-43** - Application for a Conditional Use Permit for a Limited Marijuana Cultivation Facility for the property described as Lot 2, Block 9, Valhalla Heights Subdivision Part 1, located at 5345 Kenai Spur Highway, Kenai,

Alaska 99611. The application was submitted by Bryce Hoxeng, 5345 Kenai Spur Highway, Unit B, Kenai, Alaska 99611.

- **Resolution PZ2021-44** - Application for a Conditional Use Permit for a Standard Marijuana Cultivation Facility for the property described as Lot 1, Yragui Subdivision, located at 8847 Kenai Spur Highway, Kenai, Alaska 99611. The application was submitted by Nicholas Mann, 140 Bidarka Street #1342, Kenai, Alaska 99611.
- On December 22, 2021 the Planning and Zoning Commission postponed the following resolution to January 12, 2021 for further review and discussion:
  - **Resolution No. PZ2021-39** - Recommending the Council of the City of Kenai Approve and Adopt the City of Kenai Land Management Plan. [Clerk's Note: At the December 8<sup>th</sup> Meeting, this Resolution was Postponed to this Meeting; a Motion to Enact is On the Floor.]

### Building Permit and Site Plan Reviews

Planning and Zoning staff reviews all Building Permits for compliance with the zoning code. The Department conducted one Building Permit review in December, 2021.

### Code Enforcement

There was one new code enforcement case opened in December, 2021.

### City Council Agenda Items

- On December 1, 2021, Kenai City Council approved the following ordinance and resolution:
  - **Ordinance No. 3254-2021** - Amending Kenai Municipal Code Section 14.05.025 – Telephonic Participation at Planning and Zoning Commission Meetings, to Provide for Remote Electronic Participation in Planning and Zoning Commission Meetings by Commission Members. (Administration)
  - **Resolution No. PZ2021-39** - Approving the Execution of a Lease of Airport Fund Lands Using the Standard Lease Form Between the City of Kenai and Integrated Account Management, Inc. on Lot 3, Block 3, Cook Inlet Industrial Air Park Subdivision. (Administration)

The City did not receive an application for a new lease in December 2022.





## MEMORANDUM

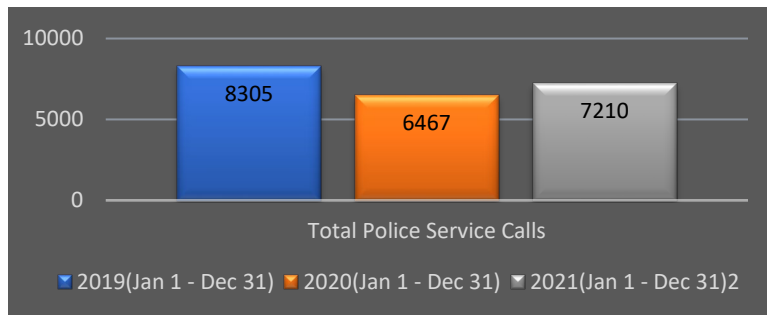
**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** David Ross, Police Chief  
**DATE:** January 6, 2022  
**SUBJECT:** **Police & Communications Department Activity – December 2021**

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Police handled 609 calls for service in November. The Dispatch center handled 309 calls that were received via 911. Officers made 46 arrests. Traffic enforcement resulted in 162 traffic contacts and 55 traffic citations. There were 9 DUI arrests. Officers investigated 27 motor vehicle collisions in December, and twelve collisions involved moose. There were no collisions involving drugs or alcohol.

One new officer filled the final vacancy and began training at the police department. The vacancy in the dispatch center was filled and that individual began training in the dispatch center. Two officers attended a CINGSA table top exercise related to their facility on Bridge Access Road. One investigator completed a two week long homicide investigation course in Florida.

The KPD School Resource Officer held three fifth grade class DARE graduations at Mountain View Elementary, in addition to handling a number of police calls at the various schools.





## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** Scott Curtin, Public Works Director  
**DATE:** January 2022  
**SUBJECT:** **Mid-Month Report; Public Works / Capital Projects**

- Kenai Municipal Airport Sand Storage Facility – Orion Construction is currently under contract in the amount of \$2,289,000. The project has experienced extreme supply chain issues and is anticipated now to be on hold until spring 2022. On October 12, 2021 preliminary shop drawings were received from an alternate pre-manufactured steel building supplier and the design team is reviewing the documents. An upcoming change order addressing a time extension and material cost impacts is anticipated.
- Kenai Municipal Airport Airfield Drainage – Project consists of the replacement of approximately 500 lf of failing storm water pipelines located in the safety area off the northern end of the runway. Update: 10/13/21 Contract Documents were executed with BMGC LLC in the amount of \$360,225. Airport staff has requested this project hold off until spring for operational concerns. Project will be completed prior to July 31<sup>st</sup>, 2022.
- Kenai Municipal Airport Snow Removal Equipment (SRE) – Update: This equipment is on order and dependent upon supply chain logistics will likely arrive in spring 2022. *Update: January 12, 2022 vendor states equipment remains on track for late March delivery date.*



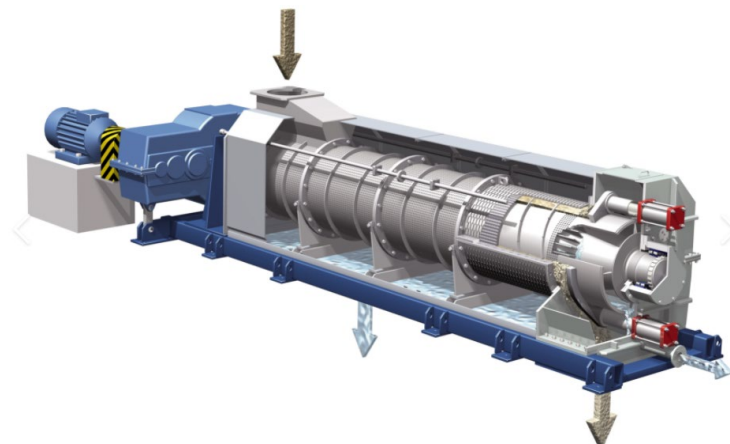
- Kenai Municipal Airport Runway Rehabilitation Project – This project known as Task 4 within HDL Engineering Consultants LLC term service agreement with the City shall provide an initial assessment of the current condition of the airport runway. This will include geotech work,





coring numerous locations of the runway. This work will provide the necessary information to coordinate with the FAA to seek grant funding for an overall runway rehabilitation project which will ultimately include the runway, taxiways, drainage, lighting, markings, etc. Once the conditions report is received, which fiscal year the project will likely need to take place will be determinable. This initial assessment and corresponding design work to an anticipated 35% level of completion has been contracted at a total cost of \$250,000 and is expected to be completed by the end of the calendar year. Update: On August 4<sup>th</sup> HDL Engineering and staff successfully completed geotech borings of the runway after hours. On October 13<sup>th</sup> HDL Engineering, City staff and the FAA discussed the findings of the geotech report. *Update: on December 6, 2021 the City received the draft Engineer's Design Report (EDR) along with the draft Geotechnical Report. Staff is reviewing the documents in house in preparation for formal discussion with the FAA in February. Project remains on schedule and within budget at this time.*

- Waste Water Treatment Plant Master Plan – With the assessments now complete, HDL has provided the City with a proposal, identified as Task 8 under their term agreement, to conduct the rate study. *Update: Rate Study proposals are under review, proposed cost is \$66,900 to be split between water, sewer, & waste water. Coordinating this work with the pending revisions to the Capital Improvement Plan.*
- Water & Sewer Master Plan – With the assessments now complete, HDL has provided the City with a proposal, identified as Task 8 under their term agreement, to conduct the rate study. *Update: Rate Study proposals are under review, proposed cost is \$66,900 to be split between water, sewer, & waste water. Coordinating this work with the pending revisions to the Capital Improvement Plan.*
- Waste Water Treatment Plant Replacement Sludge Press – Resolution 2020-95 approved at the December 16, 2020 Council meeting authorized HDL Engineering to begin the Design Phase of the WWTP Replacement Sludge Press. Contract Documents were executed on January 6, 2021 with a Notice to Proceed issued on January 11, 2021. A Request for Proposals from press manufactures was released on April 27, 2021 with proposals due on May 25<sup>th</sup>, 2021. Resolution 2021-42 to award an equipment purchase agreement to Andritz Corp in the amount of \$285,000 was approved by Council at the June 16, 2021 meeting. *Update: Equipment is on order. HDL is finalizing construction documents. Bid release will be delayed a few months however the press is still anticipated to be operational summer 2022.*

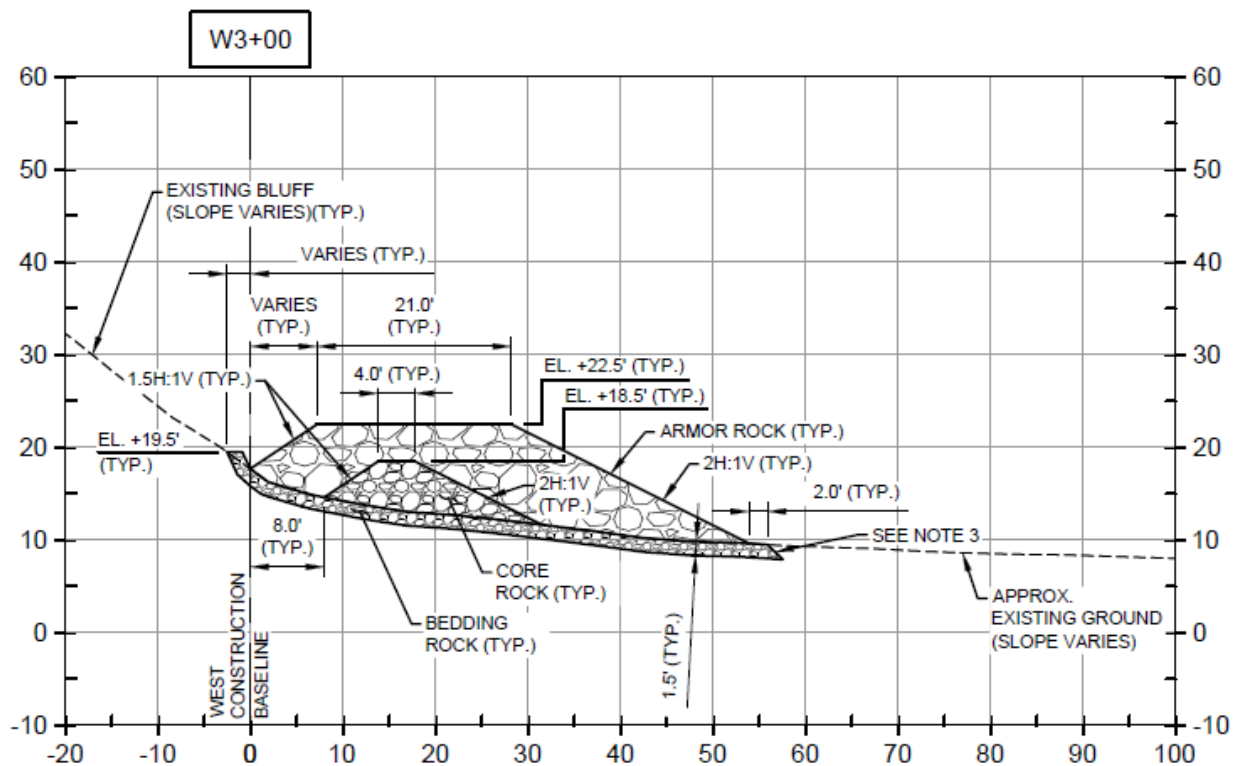




- Kenai Wellhouse Relocation – Contract was executed with Polar North Construction on August 4, 2021 in the amount of \$243,172.25. Site clearing and pad preparation has been completed. Project will be on hold until spring.
- SCADA Integration – Resolution 2021-10 approved at the March 3, 2021 Council meeting has authorized a \$125,000 purchase order to HDL Engineering for assessments and repairs to both the Water & Sewer and Wastewater facilities relating to SCADA. TechPro the new sub-consultant has successfully stepped in, communication and programming modifications were recently completed restoring four lift station locations back to operational. Public Works staff is reviewing proposals to update to a new auto dialer system, as well as preparing SCADA for the integration of lift station renovations.
- Lift Station Renovations – *Resolution 2021-58 awarded HDL Engineering agreement in the amount of \$59,560 to provide bid ready construction documents for three lift stations.* HDL has completed on site evaluations and are nearing completion of three sites to receive upgrades. These locations included the stations at mile posts 13 and 14, which are near the soccer fields and Spur / Redoubt Ave respectively, as well as a station on Lawton Drive. These locations are intended to receive new pumps and pump control panels as part of this project. *Update: After determination of which lift stations would receive renovations to start, a design meeting was held on 12/3/21 to discuss pump and control panel design. Basis of design memo received on January 6, 2022. Design documents are in progress.*
- Mission Avenue Water Main – HDL is developing documents to address a water main that is nearing the bluffs edge along Mission Ave. This project will isolate a portion of the main in this area in anticipation of the piping eventually eroding down the bluff's edge. Installation of several new valves and relocation of two individual services are required with this work. Documents are pending completion, and will be released for Bids immediately after they are received and reviewed. The project will attempt to wait until spring for contractor's to start work if the conditions allow. *Update: Project Documents are at 95% completion. On 12/1/21 Approval to Construct Owner's Statement was sent to DEC, to notify of the pending work.*
- Bryson Ave. Bluff Erosion Repair – Project was released for Construction Bids on July 29, 2021 with bids due on August 19, 2021. Fosters Construction was the winning bidder at a cost of \$309,775. Contract documents were executed with Fosters on September 20, 2021 and work began immediately. As of October 13, 2021 work is largely completed with the exception of topsoil and hydro-seed which will wait until spring. *Update: Change Order 1 was executed on December 27, 2022 in the amount of \$69,397.50 bringing the total contract amount to \$379,172.50. Project will be complete after top soil and seed work are completed in the spring.*
- Multi-purpose Facility – The Building Maintenance Department went through the Ice Rink and pressure washed all of the algae that has been growing on the steel beams. Nelson Engineering was also able to come out and assess the structure and condition of the rusting. Formal report was received on October 6, 2020. *Update: Public Works staff is meeting with Parks and Rec staff on January 17<sup>th</sup> to discuss next steps for facility.*



- USACE Bluff Erosion – See City Manager’s report. Formal Request for Proposals was released on January 28, 2021, Pre-proposal zoom meeting was conducted on February 9, 2021 with approximately twenty people attending. Proposals were received on March 4, 2021 from five firms. Evaluations of the proposals were completed by committee and HDR Engineering, Inc was the highest scoring successful proposer. An intent to award was sent out on March 18, 2021. Council approved Resolution 2021-35 at the June 2, 2021 meeting awarding an agreement to HDR along with issuance of a purchase order in the amount of \$791,832.68. Design services are expected to run approximately twelve months to provide bid ready plans and specifications. July 6, 2021 the formal agreement between the City of Kenai and HDR was executed. On August 11, 2021 the City Manager and Public Works Director met and walked the project site with representatives from the Army Corp of Engineers including the Regional Commander in charge of the project. Project kickoff meeting with Engineers was conducted on August 19<sup>th</sup> at 3:00pm. On August 29<sup>th</sup> the Data Collection Plan was received. Detailed work plan has been received by HDR, Data Collection of existing site condition is now *complete*. On October 4, 2021 a project meeting was held providing updates on data collection progress. The first deliverables are anticipated for December, project design efforts will run through July 2022. *Update: On January 2, 2022 the City received 35% Design Documents from HDR, documents are under review and work is continuing forward. On January 6, 2022 HDR updated their schedule. On January 12, 2022 staff conducted a monthly meeting with the Army Corp of Engineers to discuss project status. Project remains on schedule. Below is one example of proposed wall section.*



- Cemetery Expansion – This project is located at the corner of First Ave and Float Plane Rd and will provide for additional burial space as the existing adjacent cemetery has reached capacity. The Public Works Department using in house personnel has already cleared, leveled and graded the site, and placed and compacted a gravel sub-base for the parking area. Update: the Cemetery site has been fine graded and grass seed and fertilizer placed. Staff has successfully surveyed in 64 adult plot sites and 12 infant plot sites. These sites are available through the Clerk's office. Additional sites will be available in the summer 2022 after installation of HEA power and irrigation well have been installed. HEA is developing design documents for City approval to bring in a 100amp electrical service to the property from off of Second St.
- Recreation Center Improvements – The Public Works Department released an RFP on November 18, 2021 with proposals due on December 10, 2021 to provide professional AE services for the Kenai Rec Center. This project will provide a code assessment of the facility, architectural drawings for a complete roof replacement of the facility, and mechanical / electrical drawings for the replacement of aging HVAC equipment. *Update: Resolution 2022-06 is in the 1/19/22 council packet to award a design agreement to K+A Design Studios in the amount of \$92,085. Design work is anticipated to begin in February 2022.*
- Animal Control Improvements – *The Animal Shelter has be dealing with an epoxy coated floor that has not performed to expectations. Capital Projects staff has met with the coating manufacturer as well as several vendors on 12/10/21. The Scope of Work to make a repair to the floor coating is pending finalization with an anticipated Release for Quotes expected for late January 2022. This project is expected to be under \$35K so a formal bid release is not planned.*
- Kenai Fire Department Flooring Replacement – *This project will be replace aging flooring materials within the station. Based on the age of the facility and previous encounters with asbestos, a Proposal Quote Request was released on 12/1/21 with proposals due on 12/10/21 to sample and test for asbestos containing materials within the proposed work area. Contract was awarded on 12/20/21 with a Notice to Proceed granted on 1/11/21 with report due back to City on 2/14/22. The results of the testing will determine our next course of action. If asbestos is discovered steps to conduct abatement will need to be completed prior to replacement of flooring materials. The testing costs are \$4,112 at this time.*
- Visitor Center Roof Replacement – *Request for Proposal Documents are pending to obtain professional services to provide bid ready construction documents for the planned roof replacement at the Visitors Center. RFP release is anticipated for late January 2022 to provide for shingle replacements during the summer months 2022.*
- DOT Kenai Spur Highway to Sports Lake Rd – In speaking with representatives from DOT on June 10, 2021, it is my understanding this project will likely be released for construction bids in late fall 2021 for an anticipated construction start of Spring/Summer 2022. This project is intended to continue the widening of the roadway similar to the previous project that extended to approximately Swires Rd. *Nothing new to report at this time.*
- DOT Bridge Access Road Bike Path – Council passed Resolution 2021-53 on August 4, 2021 authorizing the City Manager execute a memorandum of agreement with DOT for design, construction, and maintenance of the Kenai Bridge Access Road Pathway project. In speaking with representatives from DOT the state has not provided funding as yet for this



project to move forward. To date the City has appropriated \$294,947 in support of this project which is intended to provide a 1.2 mile path connecting the paths between the Spur Highway and Beaver Loop. Total cost of project per DOT estimates equals \$3,266,301. *Update: Per communications with the DOT, design funding is in place and they are waiting on final signatures for the Reimbursable Services Agreement (RSA) with DNR. Once the RSA is approved they will be able to begin design work. Process is expected to be completed by the end of January. Once the RSA is formally in place a kick-off meeting will be scheduled for all stakeholders including representatives from the City.*





# KENAI

City of Kenai | 210 Fidalgo Ave, Kenai, AK 99611-7794 | 907.283.7535 | www.kenai.city

## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Kathy Romain, Senior Center Director

**DATE:** January 10, 2022

**SUBJECT:** **December 2021 Monthly Report**

Highlights of December included Breakfast with Santa, Senior Center Christmas Party, New Year's Celebration, Talent Show, and Christmas Potluck hosted by volunteers.

Kenai Senior Connection, Inc., Hilcorp of Alaska, Kenai Peninsula Food Bank and the Kenai Senior Center sponsored 150 Christmas bags delivered to seniors in the Kenai community. These were filled shelf stable food items, holiday candy, and fresh fruits. This was the third year this holiday event has taken place and is so very appreciated.

	2021	2020
Home Delivered Meals	3157	3146
Individuals	162	133
Dining Room (Congregate) Meals	661	0
Individuals	98	0
Transportation (1-way rides)	167	0
Individuals	13	0
Grocery Shopping Assistance	3	8
SIGN-INS VIA MySeniorCenter©		
Writers Group	30	0
Caregiver Support Group	3	0
Growing Stronger Exercise	214	0
Tai Chi Class	45	0
TOPS Weight Loss Class	33	0
Bell Choir	16	0
Bluegrass & Music Sessions	37	0
Card Games	83	0
Wii Bowling	54	0
Arts & Crafts	34	0
Total Event Sign-ins	1524	0
Individuals	137	0
Vintage Pointe Manor Vacancies	0	3

**PURCHASE ORDERS BETWEEN \$2,500.00 AND \$15,000.00 FOR COUNCIL REVIEW  
COUNCIL MEETING OF: JANUARY 19, 2022**

<b>VENDOR</b>	<b>DESCRIPTION</b>	<b>DEPT.</b>	<b>ACCOUNT</b>	<b>AMOUNT</b>
RON'S HONDA CENTER	HONDA SNOWBLOWER	RECREATION	SMALL TOOLS	3,329.00
KENAI PENINSULA BOROUGH	ACS CIRCUIT EXTENSION	FIRE	COMMUNICATIONS	4,064.52
ENVIRONMENTAL HEALTH SCIENCES-AK	FIRE DEPT. FLOORING PROJECT	PUBLIC SAFETY CAP PROJ	MACHINERY & EQUIPMENT	4,112.00
COMMERCIAL ELECTRONICS	POLICE INTERVIEW ROOM UPGRADES	POLICE	MACHINERY & EQUIPMENT	10,071.48